



INTEGRATED ANNUAL REPORT

2024 / 2025





TABLE OF CONTENT

INTRODUCTION

ABOUT OUR THEME	5
FOREWORD BY THE HONOURABLE MINISTER	6
STATEMENT BY THE BOARD CHAIRPERSON	8
EXECUTIVE DIRECTOR'S FOREWORD	10

ABOUT NCAA

ABOUT THE NAMIBIA CIVIL AVIATION AUTHORITY	12
WHO WE ARE	14
STRATEGIC THEMES	15
FACTS ABOUT THE NAMIBIA'S CIVIL AVIATION SYSTEM	16
STAKEHOLDER MANAGEMENT	18

CORPORATE GOVERNANCE

CORPORATE STRUCTURE	20
GOVERNANCE FRAMEWORK	21
RISK MANAGEMENT	24
OUR LEADERSHIP	26
EXECUTIVE MANAGEMENT	27
LEGAL AND COMPLIANCE DEPARTMENT	28
COMPLIANCE AND REGULATORY RISK OVERVIEW	32

OUR STRATEGY AND PERFORMANCE

HUMAN CAPITAL AND STRATEGY DEPARTMENT OVERVIEW	39
STAKEHOLDER MANAGEMENT OVERVIEW	44
SAFETY AND SECURITY DEPARTMENT OVERVIEW	48
AIR NAVIGATION SERVICES SAFETY OVERSIGHT DIVISION OVERVIEW	52
AIRWORTHINESS DIVISION OVERVIEW	58
PERSONNEL LICENSING DIVISION OVERVIEW	62
FLIGHT OPERATIONS DIVISION OVERVIEW	66
SAFETY AND SECURITY PROMOTION AND QUALITY DIVISION OVERVIEW	70
AVIATION SECURITY AND FACILITATION DIVISION OVERVIEW	74
AIR NAVIGATION SERVICES (ANS) DEPARTMENT OVERVIEW	80
AIR TRAFFIC SERVICES DIVISION OVERVIEW	84
COMMUNICATION, NAVIGATION AND SURVEILLANCE DIVISION OVERVIEW	88
AERONAUTICAL INFORMATION MANAGEMENT DIVISION OVERVIEW	90
SAFETY AND QUALITY ASSURANCE OVERVIEW	92
INFORMATION AND COMMUNICATION TECHNOLOGY DIVISION OVERVIEW	94
FINANCE AND ADMINISTRATION DEPARTMENT OVERVIEW	96

ANNUAL FINANCIAL STATEMENT

NCAA ANNUAL FINANCIAL STATEMENTS	100
AIR NAVIGATION SERVICES "ANS" FINANCIAL STATEMENTS	134

LIST OF ACRONYMS AND DEFINITIONS

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



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





ABOUT OUR THEME: RELIABLE OVERSIGHT. SAFER NAMIBIA

The Namibia Civil Aviation Authority (NCAA) takes great pride in being entrusted with one of the nation's most critical responsibilities, keeping our skies safe. This year's theme, "Reliable Oversight. Safer Namibia," captures the essence of what we do every day. It speaks to the trust placed in us and the commitment we have made to deliver on our mandate with integrity, consistency, and care.

Aviation plays a vital role in connecting communities, driving tourism, facilitating trade, and opening doors to opportunities. Behind every takeoff and landing is the work of a dedicated team, ensuring that safety is never compromised. That's what oversight means to us: being present, being alert, and being dependable.

Namibia has made remarkable progress in aviation safety over the years. From the early days of relying on regional support to today, having complete control over our airspace, the journey has been nothing short of transformative. The NCAA was established to take the lead in this space, ensuring that Namibia not only follows global standards but also meets and exceeds them.

We are proud to share that during the reporting period, NCAA received national recognition for excellence in public service, a meaningful endorsement of our continued efforts to lead with purpose. This award belongs to every staff member who works behind the scenes to uphold the highest safety standards and maintain public confidence in our systems.

But beyond awards and achievements, what matters most is the trust of the Namibian people. We serve with this in mind every day. The safety of the skies isn't just a technical function it's a national responsibility, and it's one we carry with pride.

As we look ahead, we remain committed to strengthening our systems, growing our expertise, and working closely with our partners to ensure that Namibia remains a respected and reliable player in global aviation. Here's to many more years of trusted oversight, and to a safer Namibia for all.

REPORTING FRAMEWORK AND APPROACH

This Integrated Annual Report of the Namibia Civil Aviation Authority (NCAA) has been prepared to provide a transparent, comprehensive, and balanced overview of our activities, performance, and governance for the financial year ended 31 March 2025.

REPORTING PRINCIPLES

The report has been developed in line with the International Integrated Reporting (<IR>) Framework issued by the International Integrated Reporting Council (IIRC). It also adheres to the principles of good corporate governance as outlined in the Public Enterprises Governance Act (Act 2 of 2019, as amended) and complies with the International Financial Reporting Standards (IFRS). These frameworks guide our commitment to accountability, transparency, and value creation for our stakeholders.

SCOPE AND REPORTING BOUNDARY

This annual report covers material information relating to NCAA's strategic direction, operational performance, financial results, governance practices, and key risks for the period 1 April 2024 to 31 March 2025. It reflects the performance of the entire organisation, including all functional areas and divisions, and presents both financial and non-financial information to provide an integrated view of how value is created and sustained over time.

We also outline our operating environment, highlight key stakeholder concerns, and assess how our actions align with our strategic objectives and mandate of ensuring safe and secure civil aviation in Namibia.

REPORTING CYCLE

NCAA produces its integrated annual report on an annual basis in accordance with its statutory obligations and internal reporting calendar. This report represents the third publication of its kind since the adoption of the integrated reporting model.

INTENDED AUDIENCE

This report is prepared primarily for the Ministry of Works and Transport, in line with the provisions of the Civil Aviation Act (Act 6 of 2016). However, it is equally intended for a broader range of stakeholders, including government partners, the aviation industry, international regulatory bodies, airspace users, employees, and the general public. Each group plays a critical role in supporting NCAA's mandate and in shaping the trajectory of civil aviation in Namibia.

FOREWORD BY THE HONOURABLE MINISTER



HON. VEIKKO NEKUNDI
Minister of Works and Transport

“I look forward to building on these achievements in the years ahead, as we work collectively towards realising our vision for a resilient and dynamic transport and logistics hub for Namibia”

The past year marked a significant chapter in Namibia’s aviation sector, characterised by confident strides toward sustainable growth, strategic transformation, and long-term resilience. These collective efforts have reinforced the sector’s vital role as a catalyst for economic diversification, regional integration, and national development.

The Namibia Civil Aviation Authority’s (NCAA) initiatives remain closely aligned with the Sixth National Development Plan (NDP 6) Economic Growth, Transformation and Resilience pillar, particularly the transport and logistics enabling area. Recognising aviation as a key enabler of Namibia’s vision to become a regional logistics hub, we continue to strengthen institutional frameworks, advance regulatory reforms, and promote sustainable air transport development. These measures are instrumental in improving connectivity, facilitating trade, and supporting inclusive economic growth.

Namibia’s active participation in continental integration initiatives demonstrates our commitment to regional economic growth. As a signatory to the Single African Air Transport Market (SAATM), we are contributing to expanded intra-African air connectivity and seamless mobility across borders. Our engagement in the African Continental Free Trade Agreement (AfCFTA) and the African Civil Aviation Commission (AFCAC) further underscores our role in shaping a unified, competitive, and prosperous African aviation landscape – unlocking new trade opportunities and strengthening intra-African economic cooperation.

A key milestone during the reporting period has been the strategic revival of our national airline. This initiative represents more than the restoration of a critical transportation asset; it embodies our aspirations for economic recovery, national pride, and regional competitiveness. A dedicated technical committee, established under the Ministry of Works and Transport, is guiding this process through well-defined terms of reference and active engagement with consultants to establish a modern, resilient airline capable of fostering economic growth.

Throughout the year, the NCAA has shown an unwavering commitment to safeguarding the safety, security, and efficiency of Namibia’s civil aviation sector. Through rigorous inspections, surveillance activities, risk-based oversight, and safety promotion, the Authority has ensured the continued integrity of our skies. Namibia’s reputation as a respected aviation State stands as a testament to the NCAA’s proactive and forward-looking leadership. Aligned with our national goals of inclusive growth and youth empowerment, I strongly encourage all public enterprises to embrace initiatives that upskill our youth through targeted internship programmes. The NCAA’s continued efforts to develop local human capital are commendable, helping to cultivate a highly skilled workforce capable of contributing meaningfully to Namibia’s integration into the global economy. Equally, I urge all public enterprises to support local entrepreneurs and prioritise procurement from Namibian SMEs. Such efforts not only stimulate local economies but also contribute to sustainable development across all regions.

As we reflect on the progress made, I extend my sincere appreciation to the NCAA Board of Directors “the Board”, management, and staff for their dedication, professionalism, and service to our nation. Together, we will continue to enhance Namibia’s standing as a safe, innovative, and forward-looking aviation State – driving economic growth, regional integration, and sustainable development.

I look forward to building on these achievements in the years ahead, as we work collectively towards realising our vision for a resilient and dynamic transport and logistics hub for Namibia.



Hon. Veikko Nekundi
Minister of Works and Transport

STATEMENT BY THE BOARD CHAIRPERSON



MR BETHUEL T. MUJETENGA
Chairperson of the Board



“Looking ahead, the NCAA is positioning itself at the forefront of Namibia’s growing aviation sector.”

Reflecting on the year under review, I am pleased to present the notable progress achieved by the Namibia Civil Aviation Authority (NCAA) on both national and international fronts. Substantial advancements, strategic foresight, and an unwavering commitment to our global obligations in aviation safety, security, and regulatory excellence have marked the 2024/25 financial year. These achievements underscore our dedication to fostering a resilient and progressive civil aviation sector, aligned with international best practices and standards.

Our Five-Year Integrated Strategic Business Plan (ISBP) for 2023/24–2027/28 provides a strong foundation for transformation. It serves as a roadmap that balances innovation, regulatory diligence, and sustainable growth, while prioritising safety and security oversight, optimisation of air navigation services, financial stability, customer-centricity, and culture change management as essential pillars of our operations.

The aviation industry is inherently global, and Namibia, through the NCAA, has demonstrated readiness to lead. Guided by international frameworks such as the International Civil Aviation Organisation (ICAO) Global Aviation Safety Plan and actively participating in African initiatives like the Single African Air Transport Market (SAATM), we have strengthened Namibia’s visibility and reputation in civil aviation governance.

We also achieved significant progress in regulatory development. A draft amendment to the Civil Aviation Act (Act 6 of 2016) is underway to reinforce the Authority’s legislative framework in line with evolving international standards and local operational requirements. Once enacted, this update will further enhance our capacity to regulate and oversee civil aviation activities with precision and efficiency.

During the reporting period, we received an unqualified audit opinion, affirming our sound financial management and robust governance structures. This outcome reflects the diligence of our finance teams and the stewardship of the NCAA’s leadership, and it reinforces our commitment to integrity, transparency, and accountability.

Central to these achievements is our dedicated workforce. This year, we prioritised investment in our people, recognising them as the cornerstone of our success. Through targeted human capital initiatives, we filled critical vacancies across technical and regulatory divisions, strengthening our ability to deliver safe skies, resilient systems, and forward-looking oversight. This is not only about capacity-building; it is about ensuring that we have the skills and expertise to maintain the highest standards of safety, operational excellence, and sustainable growth.

Partnerships remain critical to our success. Our collaboration with international bodies such as the International Civil Aviation Organisation (ICAO), the African Civil Aviation Commission (AFCAC), and the Southern African Development Community (SADC) Safety Oversight Organisation (SASO) continues to shape our policies, enhance our benchmarking against global standards, and drive improvements in our regulatory capabilities.

Looking ahead, the NCAA is positioning itself at the forefront of Namibia’s growing aviation sector. Capital projects are underway to upgrade and expand our air navigation surveillance systems, modernise infrastructure, and strengthen oversight mechanisms. These investments will create a lasting legacy of safety, innovation, and readiness to meet global aviation demands.

The aviation landscape is evolving rapidly, driven by technological advancements, shifting geopolitical dynamics, and deeper regional integration. In response, the NCAA has maintained an agile and forward-looking regulatory approach, supporting Namibia’s economic expansion through improved connectivity and service excellence.

I extend my sincere appreciation to the former Deputy Prime Minister and Minister of Works as well as our current Honourable Minister of Works and Transport for their visionary leadership and strategic guidance. I also commend the Executive Director, management, and all staff of the NCAA for their dedication, which gives meaning to our strategic goals. Together, we will continue to elevate Namibia’s aviation sector, safeguard its skies, promote economic mobility, and set a standard that is recognised both in Africa and internationally.



Mr Bethuel T. Mujetenga
Chairperson of the Board

EXECUTIVE DIRECTOR'S FOREWORD



MS. TOSKA SEM
Executive Director
Namibia Civil Aviation Authority

“This year, the NCAA was honoured to receive the Best Civil Aviation Authority Award during African Aviation Week 2025, a prestigious recognition of our achievements in safety, regulation, and stakeholder engagement.”

N\$ | **Achieving a comprehensive profit of N\$52 million more than double the N\$25 million recorded previously**

It is with great pride in our organisation and deep respect for the responsibilities entrusted to the Namibia Civil Aviation Authority (NCAA) that I reflect on the 2024/25 financial year – a period defined by steadfast operational excellence, strengthened regulatory oversight, and significant progress in advancing Namibia’s aviation sector.

Throughout the year, the NCAA has remained true to its core mission of ensuring safe, secure, and efficient air transport operations across Namibia. Our achievements are the result of disciplined oversight, strategic focus, and an unwavering commitment to service excellence.

Our safety and security divisions have maintained rigorous surveillance and compliance standards, ensuring that Namibia continues to meet and exceed international aviation benchmarks. We have implemented targeted action plans to address findings from the ICAO Universal Safety Oversight Audit Programme (USOAP), demonstrating our commitment to continuous safety improvements and regulatory excellence.

The Air Navigation Services division delivered uninterrupted, world-class airspace management for both domestic and international traffic. Key capacity-building initiatives are underway, including phased upgrades to our surveillance systems – such as radar and Air Traffic Management (ATM) – and major capital projects to acquire state-of-the-art technologies that will enhance our operational capabilities. Notably, the division successfully achieved recertification under ISO 9001:2015 standards, underscoring our dedication to quality assurance and operational excellence.

Our financial performance reflects disciplined management and prudent investment. For the year ending March 2025, we reduced our operational loss to N\$1 million, down from N\$8 million in 2023/24, while achieving a comprehensive profit of N\$52 million; more than double the N\$25 million recorded previously. Our balance sheet remains robust, with total assets increasing by 66% to N\$1 billion, driven by strategic asset transfers and investments. We also recorded a record interest income of N\$52 million, more than twice the prior year, reflecting effective cash flow and investment strategies.

On the regional and international stage, Namibia continued to demonstrate leadership. Our election as Vice President South of the AFCAC Bureau affirms the confidence placed in us to champion Africa’s collective aviation interests. Strategic partnerships have been strengthened through Memoranda of Understanding with Tanzania and Angola, aimed at advancing capacity building and skills development across the continent.

Recognising that our people are our greatest asset, the NCAA intensified its human capital initiatives. We launched an internship programme in partnership with the University of Namibia (UNAM) and expanded targeted capacity-building courses to nurture industry talent. We also advanced efforts to review and align job grading, remuneration, and employee development – ensuring that we attract, develop, and retain the skilled professionals essential to sustaining organisational excellence.

This year, the NCAA was honoured to receive the Best Civil Aviation Authority Award during African Aviation Week 2025, a prestigious recognition of our achievements in safety, regulation, and stakeholder engagement.

These successes are the product of the collective dedication of our staff, the strategic guidance of our Board, and the unwavering support of our stakeholders. Looking ahead, we remain committed to continuous improvement, service excellence, and upholding the highest standards of safety and regulatory integrity. With a strong foundation in place, the NCAA is well-positioned to navigate the evolving aviation landscape and contribute meaningfully to Namibia’s national development.

On behalf of the entire organisation, I extend my sincere gratitude to our Board, management, staff, and partners for their commitment and resilience. Together, we will continue to advance Namibia’s aviation sector, ensuring safe skies and sustainable growth.



Ms. Toska Sem
Executive Director
Namibia Civil Aviation Authority

ABOUT NCAA



ABOUT THE NAMIBIA CIVIL AVIATION AUTHORITY

OUR MANDATE AND OPERATING CONTEXT

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

The Namibia Civil Aviation Authority (NCAA) operates within the global framework established by the Convention on International Civil Aviation, to which Namibia is a contracting State. Under Article 90 of the Convention, various international technical standards and recommended practices known as Standards and Recommended Practices (SARPs), are developed and issued by the ICAO Council. These SARPs become effective within three months, or a specified period determined by the Council. Contracting States, such as Namibia, are required to incorporate these standards into their national regulatory frameworks or to file formal differences where applicable.

This system ensures a harmonised and uniform approach to aviation safety and security worldwide. With 193 countries having ratified or acceded to the Convention, it remains one of the most universally supported international treaties. The SARPs are the product of rigorous research and practical observation of global best practices in aviation operations, safety, and oversight. As a regulatory body, NCAA aligns its civil aviation regulations with these international standards. ICAO, in turn, monitors compliance through routine safety and security audits. Where deficiencies are identified, findings are issued with defined timelines for corrective action. In serious cases, ICAO may declare a Significant Safety Concern, which requires immediate rectification to avoid the risk of global notification to other member States.

In addition to the core Convention, the NCAA also adheres to several other international legal instruments that govern various aspects of aviation safety and security. These include the Tokyo Convention (1963) addressing offences and acts committed on board aircraft, particularly unruly behaviour, and the Hague Convention (1970), focused on the unlawful seizure (hijacking) of aircraft.

Modern threats to aviation have led to updates and the adoption of newer treaties, such as the Beijing Convention (2010), which addresses acts of sabotage and the use of aircraft as weapons, including the placement of destructive devices or the intentional dissemination of false information that endangers flight safety.

To effectively execute its mandate, the NCAA emphasises the importance of ensuring that its inspectors and regulatory staff are well-versed in both the technical standards and the legal instruments that shape global aviation safety. This awareness is essential not only for compliance but also for staying ahead of emerging threats to aviation security. In this way, the NCAA continues to uphold its commitment to safe, secure, and efficient skies for Namibia and the international community.

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

WHO WE ARE

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

WHAT WE DO

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

The NCAA endeavours to ensure a safe, orderly, consistent, and efficient civil aviation system. We recognise the importance of our stakeholders and the role we play in developing an efficient civil aviation system in Namibia.

OUR VISION

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

OUR MISSION

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

OUR VALUES

WE LIVE BY THE FOLLOWING VALUES:

ACCOUNTABILITY

We are committed to actively listening to our stakeholders and clearly communicating our position to ensure our services align with their needs and reasonable expectations. We will respond promptly and thoughtfully to all stakeholder engagements and strive to exceed expectations in every interaction. Stakeholder satisfaction will be measured regularly to guide continuous improvement.

FAIRNESS

We are committed to transparency regarding the costs we impose on the industry and will ensure that our safety and security regulations remain clear, simple, and user-friendly. We will define measurable service delivery standards and hold ourselves accountable to them..

INTEGRITY

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

EXCELLENCE

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



STRATEGIC THEMES

SAFETY AND SECURITY OVERSIGHT

Safety Effective Implementation Rate
Security Effective Implementation Rate
Facilitation

OPTIMISE AIR NAVIGATION SERVICES

Certification of Air Navigation Services
Infrastructure Development and Upgrade
Coordination of Aviation Meteorology Services

FINANCIAL STABILITY

Secure and Sustain Funding
Revenue Growth
Cost-effectiveness
Transfer of Assets from the Government of the Republic of Namibia (GRN) to NCAA

CUSTOMER CENTRICITY

Service Excellence
Stakeholder Engagement
Development and Promotion of Sustainable Aviation

CULTURE CHANGE

Succession Planning
Performance Management
Change Management



FACTS ABOUT NAMIBIA'S CIVIL AVIATION SYSTEM

OPERATIONAL OVERSIGHT STATISTICS FOR THE 2024/25 FINANCIAL YEAR

AIR NAVIGATION SERVICES SAFETY OVERSIGHT



0

There were no certificates issued during the reporting period. All five certificates issued last financial year are still current.



135

There was a total of 135 CAUA approvals issued during the reporting period.

AERODROMES AND GROUND AIDS



- 154** Registered Aerodromes
- 172** Active Airfields
- 2** Licensed Aerodromes
- 1** Interim Certified Aerodromes
- 3** Interim Licensed Aerodromes



- 441,208** International Passenger
- 514,832** Regional Passenger
- 146,189** Domestic Passenger

AVIATION SECURITY



- 4** Audits
- 52** Inspections
- 14** Risk Assessment
- 30** Covert tests
- 61** Certificates Issued

PERSONNEL LICENSING



- 63** Issued Validations
 - 93** Active AMEs
 - 1600** Active Pilots
 - 22** Pilot Designated Examiners
 - 50** Active Air Traffic Civilian Controllers
 - 3** Active Air Traffic NDF Controllers
 - 10** ATC Designated Examiners
 - 8** Designated Medical Examiners
- Active ATOs** → **5** Local Pilot → **3** Local RPAS → **2** Local AME
 → **1** Foreign ATC → **1** Foreign Pilot → **1** Foreign AME
- 22** Foreign Temporary Aviation Training
 - 700** Medical examinations conducted

FLIGHT OPERATIONS



3 Re-certification: Operators
Foreign operator permits issued: → **2** Scheduled Operators → **165** Non-Scheduled Operators
RPAS approvals issued: → **31** Commercial Operations → **483** Private operations

1 Ground handling dangerous goods approval
17 Foreign dangerous goods training certificates validated
10 Fit and proper person test (FPPT) completed
6 Specific approvals: reduced vertical separation minima (RVSM) operations



17 Air operator certificates renewed
5 Foreign operator permits renewed: scheduled operators

AIRWORTHINESS



22 Newly registered aircraft in 2023
18 Newly registered aircraft in 2024 to date
5 Aircraft de-registered in 2023
1 Aircraft de-registered in 2024
38 Special flights permits issued in 2024 to date
79 Experimental certificates issued in 2023
95 Experimental certificates issued in 2024 to date
9 Local approved aircraft maintenance organisations
53 Special flights permits issued in 2023
 Foreign approved AMOs → **8** Local → **20** foreign

SAFETY AND SECURITY PROMOTION AND QUALITY



Total reports processed: → **561** Including nine accidents → **509** Incidents → **43** hazards
1 Fatal accident recorded
12 Scheduled Safety Bulletins published
4 State Safety Programme (SSP) SteerCom meetings held with a selection of nine mandatory and five voluntary organisations
4 Safety and quality training courses presented **1** Safety and security conference facilitated

STAKEHOLDER MANAGEMENT

STAKEHOLDER MATRIX

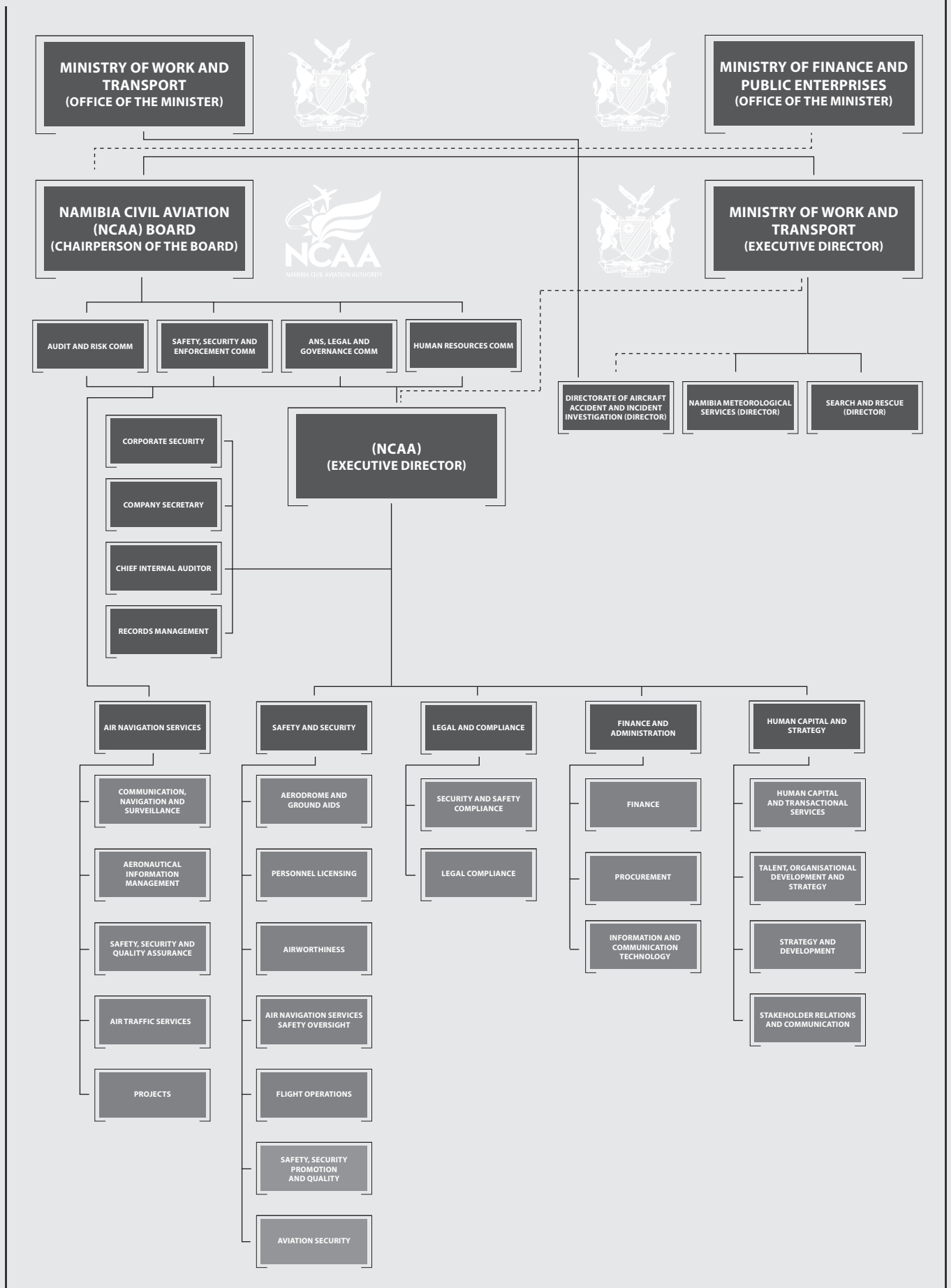
The NCAA recognises that its operations impact a wide range of stakeholders, both domestically and internationally. As such, the Authority has implemented a structured stakeholder engagement approach that ensures transparent communication, proactive collaboration, and accountability in line with its mandate. The matrix below outlines the key stakeholder categories, their levels of influence and interest, and the engagement strategies adopted by the NCAA during the year under review.

STAKEHOLDER GROUP	IMPACT ON STAKEHOLDER (FROM NCAA ISBP) – LOW/MEDIUM/HIGH	STAKEHOLDER INFLUENCE ON THE ISBP – LOW/MEDIUM/HIGH	WHAT IS IMPORTANT TO THE STAKEHOLDER	HOW THE STAKEHOLDER CAN CONTRIBUTE TO THE ISBP	STRATEGY FOR ENGAGING THE STAKEHOLDER
Ministry of Works and Transport	High	High	<ul style="list-style-type: none"> Return on equity Long-term sustainability Compliance Corporate governance Align to national development objectives 	<ul style="list-style-type: none"> Capital injection Strategy direction 	<ul style="list-style-type: none"> Quarterly Reviews Regular information and feedback meetings by the Executive Director and Chairman of the Board with the Shareholder
Associations International Civil Aviation Organisation (ICAO) <ul style="list-style-type: none"> African Civil Aviation Commission (AFCAC) Airports Council International (ACI) Association of Airlines (IATA) 	High	High	<ul style="list-style-type: none"> Compliance with national, international regulations and standards 	<ul style="list-style-type: none"> Promotion of economic development State and industry compliance Enhancing Effective Implementation (EI) Rate 	<ul style="list-style-type: none"> State letters Seminars/ workshop Technical assistance Training Engagement forums
Namibia Airports Company (NAC)	High	High	<ul style="list-style-type: none"> Infrastructure development Air service development 	<ul style="list-style-type: none"> Joint strategic planning on national development plans 	<ul style="list-style-type: none"> Strategic Planning Reports Training programs
<ul style="list-style-type: none"> Aviation Service providers Aerodrome Operators Private and Commercial Pilots Airlines Drone operators ARO (Aviation Recreation Organisation) operators (MicAN, LiSAmA PaNam, SSN, Flugschüle SkyClub, etc.) 	High	High			<ul style="list-style-type: none"> Consultations on regulatory amendments Investigations

“The NCAA recognises that its operations impact a wide range of stakeholders, both domestically and internationally”

STAKEHOLDER GROUP	IMPACT ON STAKEHOLDER (FROM NCAA ISBP) – LOW/MEDIUM/HIGH	STAKEHOLDER INFLUENCE ON THE ISBP – LOW/MEDIUM/HIGH	WHAT IS IMPORTANT TO THE STAKEHOLDER	HOW THE STAKEHOLDER CAN CONTRIBUTE TO THE ISBP	STRATEGY FOR ENGAGING THE STAKEHOLDER
Employees	High	High	<ul style="list-style-type: none"> • Job security, career progression and job satisfaction • Competitive remuneration and benefits • Fair and transparent remuneration • Leadership of the organisation • Inclusiveness in the decision-making process • Communication between management and staff 	<ul style="list-style-type: none"> • Improved productivity • Loyalty to employer • Open communication with management, cost-saving measures • Address customer complaints in a prompt manner 	<ul style="list-style-type: none"> • EXCO Meetings • Employee General meeting • Internal newsletters • Monthly Departmental Meetings • Employee road shows
Unions	High	Low	<ul style="list-style-type: none"> • Sound labour relations • Mutual trust, transparency and clear communication • Skills development • Employment creation/ job security 	A collective bargaining agreement ensures consistency in employment benefits	<ul style="list-style-type: none"> • Quarterly Meetings • Union collaboration • Face-to-face meetings. • Suggestion boxes, emails, letters
Community, NGOs, environmentalists	Low	Low	<ul style="list-style-type: none"> • Environmental sustainability • Community Development • Employment creation • Community development • Corporate social responsibility 	<ul style="list-style-type: none"> • Corporate Governance • Compliance 	<ul style="list-style-type: none"> • Media • Bi-annual Briefings
Strategic Partners: Namibia Chamber of Commerce and Industry, Namibia Tourism Board	Low	High	<ul style="list-style-type: none"> • Advocacy Role • Creation of an enabling environment 	<ul style="list-style-type: none"> • Promotion of economic development • Industry compliance 	<ul style="list-style-type: none"> • Participate in industry forums and keep abreast of any industry developments
Media and special interest groups	High	Low	<ul style="list-style-type: none"> • Corporate Governance • Credible, current, accurate information. 	<ul style="list-style-type: none"> • Advertisement • Brand Awareness • Publicity 	<ul style="list-style-type: none"> • Media engagement • Yearly networking

CORPORATE STRUCTURE



CORPORATE GOVERNANCE

GOVERNANCE FRAMEWORK

The NCAA Board recognises that adherence to legislation is vital to effective governance. The NCAA's governance framework is thus established by and aligned to mandatory provisions of the Civil Aviation Act (Act 6 of 2016), and the Public Enterprises Governance Act (Act 1 of 2019). The NCAA is also guided by good governance practices and principles derived from the Corporate Governance Code of Namibia (NamCode).

Additionally, the corporate governance framework of the NCAA is structured to, amongst others, ensure transparency, accountability and compliance with national and international aviation standards. The Board remains committed to ensuring adherence to and integration of good corporate governance principles into all aspects of the NCAA.

APPOINTMENT OF THE BOARD OF DIRECTORS

The Board of Directors were appointed on 4 November 2020, and their term of service remains effective.

NAME	BOARD	AUDIT & RISK	SAFETY, SECURITY & ENFORCEMENT	HUMAN RESOURCES	AIR NAVIGATION SERVICES, LEGAL & GOVERNANCE
Mr Bethuel Mujetenga	Chairperson		Member		Member
Ms Kadiva Hamutumwa	Deputy Chairperson	Member		Chairperson	Member
Mr Melkisedek Uupindi	Member	Member	Member	Member	
Ms Josephine Shigwedha	Member	Member	Member		Chairperson
Mr Fernando Somaeb	Member	Chairperson		Member	
Ms Martha Hitenanye	Member		Chairperson	Member	Member

DECLARATION OF INTERESTS

In line with Section 19 of the Civil Aviation Act, board members declare their interests at each board and committee meeting. Disclosure of interests is a standing item on the agenda for each board and committee meeting. Where a conflict of interest is declared, a board member is excused from deliberation and decision-making on that agenda item.

During the reporting period, the Board and its subcommittees executed their oversight mandate effectively by convening regular meetings and ensuring that the Authority aligns with its regulatory, strategic, and operational objectives.

FUNCTIONS OF THE BOARD

- In line with the NamCode, the Board is responsible for:
- Providing strategic direction and leadership to the Authority
 - Approving and reviewing policies, strategies, and budgets
 - Ensuring ethical leadership and compliance with regulatory frameworks
 - Overseeing risk management and internal controls
 - Evaluating the performance of executive leadership and the organisation

- Communicating with the Hon. Minister of Works and Transport and other government stakeholders to ensure their views are reflected in the planning of the country's civil aviation sector
- Setting policies and goals in the field of civil aviation and monitoring organisational performance towards achieving the objectives of the NCAA

BOARD COMPOSITION AND COMMITTEES

The Board comprises six non-executive members and one officio director, each bringing valuable expertise to different functional areas. The Chairperson leads the Board, while each member contributes to one or more committees. These committees include:

- Audit and Risk Committee
- Safety, Security and Enforcement (SSE) Committee
- Human Resources (HR) Committee
- Air Navigation Services, Legal and Governance (ALG) Committee

Each committee is guided by relevant terms of reference and reports regularly to the Board to support sound governance and decision-making.

BOARD AND COMMITTEE ATTENDANCE

BOARD COMMITTEES

To support the effective execution of its responsibilities, the Board has established four committees within the governance framework of the NCAA: the Human Resources Committee (HR Committee), the Audit and Risk Committee, the Air Navigation Services, Legal and Governance Committee (ALG Committee), and the Safety, Security and Enforcement Committee (SSE Committee).

Each committee comprises of four members and is chaired by a subject-matter expert. Members are selected based on their relevant skills, expertise, and experience, ensuring informed oversight and guidance in each focus area.

During the 2024/25 financial year, the Board held a total of five meetings. This included one extraordinary meeting, convened with the approval of the shareholder, to address specific outcomes of the USOAP Continuous Monitoring Approach (CMA) Audit. In addition, the Board committees met regularly in accordance with their respective mandates, focusing on key operational, compliance, and regulatory matters.

The table below outlines the composition of the Board and records the attendance of directors at both board and committee meetings.

BOARD MEETING ATTENDANCE FOR THE PERIOD 1 APRIL 2024 TO 31 MARCH 2025					
Non-executive management	Number of sittings in 2024/25				
	Board Meeting	Audit and Risk Committee	HR Committee	ALG Committee	SSE Committee
Mr Bethuel T Mujetenga (Chairperson)	5			6	4
Ms Kadiva Hamutumwa (Deputy Chairperson)	5	4	4	4	
Mr Melkizedek Uupindi (Director)	5	5	3	1	5
Ms Josephine Shigwedha (Director)	5	4	1	6	5
Mr Fernando Somaeb (Director)	5	5	4		
Ms Martha Hitenanye (Director)	5		4	5	6

The following summary presents the attendance and participation of Board members across key committee structures:

- Mr Bethuel Mujetenga (Chairperson): attended and chaired all five Board meetings; served on the ALG and SSE Committees
- Ms Kadiva Hamutumwa (Deputy Chairperson): attended all five Board meetings; chaired the HR Committee; served on the Audit and Risk and ALG Committees
- Mr Melkizedek Uupindi: attended all five Board meetings; served on the Audit and Risk, HR, ALG, and SSE Committees
- Ms Josephine Shigwedha: attended all five Board meetings; chaired the ALG Committee, served on the Audit and Risk, HR, and SSE Committees
- Mr Fernando Somaeb: attended all five Board meetings; chaired the Audit and Risk Committee; served on the HR Committee
- Ms Martha Hitenanye: attended all five Board meetings; chaired the SSE Committee; served on the ALG and HR Committees

BOARD REMUNERATION SUMMARY

The NCAA remains committed to upholding good governance and accountability through fair and transparent compensation of its Board of Directors.

The table below outlines the sitting and retainer fees paid to each board member during the reporting period. The total remuneration for the 2024/25 financial year amounted to **N\$1,569,585**, with **N\$585,581** allocated to sitting fees and **N\$984,005** allocated to retainer fees. These amounts demonstrate the NCAA's commitment to fairly compensating its board members for their leadership, time, and oversight contributions.

BOARD FEES IN 2024/25								
Board of Directors	Board Meeting	Audit and Risk Committee	HR Committee	ALG Committee	SSE Committee	Total Sitting Fees	Total Retainer Fees	Total Fees
Mr Bethuel T Mujetenga	60,564			22,675	15,117	98,356	148,773	247,129
Ms Kadiva Hamutumwa	38,201	15,117	22,590	20,764		96,672	182,092	278,764
Mr Melkizedek Uupindi	38,201	18,896	15,117	3,779	18,896	94,888	164,428	259,316
Ms Josephine Shigwedha	38,201	15,117	3,779	32,017	18,896	108,010	174,242	282,252
Mr Fernando Somaeb	38,201	28,238	15,117			81,555	140,227	221,782
Ms Martha Hitenanye	38,201		16,985	22,676	28,238	106,099	174,242	280,342
						585,581	984,005	1,569,585

APPROVED POLICIES AND GOVERNANCE INSTRUMENTS

The following policies were approved by the Board during the period under review:

1. Quality Management System Policy
2. Communication and Information Policy
3. Revised Acting Allowance Policy
4. Air Navigation Services Training Policy
5. Technical Library Policy
6. Job Evaluation and Grading Policy
7. Culture and Change Management Policy
8. Debtors' Policy
9. Management Fees Policy

RISK MANAGEMENT

RISK ID.	RISK TITLE	CONTRIBUTING FACTORS	LISTED CONTROLS	RR	ACTION PLANS
Top Strategic risks					
9	Inability to exercise effective oversight and surveillance	Delayed promulgation of relevant regulations (including international standards)	<ol style="list-style-type: none"> Existing directives to bridge the prior legislation with the one still to be implemented. Provisions in the Act guiding emergency situations. Implemented process for the application of exemptions. Filing of differences. 		<ol style="list-style-type: none"> Propose agreements to key stakeholders to expedite the process of lawmaking.
Top Strategic risks					
1	Aged Air Navigation Services Infrastructure	<ol style="list-style-type: none"> The lifespan has been reached/ exceeded, and the infrastructure was not replaced. The required upgrades were not done due to lack of funds. The SLAs have lapsed and have not been renewed. Limited availability of specialized equipment for replacement. 	<ol style="list-style-type: none"> Approved project plan to procure new equipment. Alternate means of compliance are in place (e.g. downgrading the airspace). Routine maintenance of systems. 	VH(25)	<ol style="list-style-type: none"> Replace the current Aeronautical Information Management (AIM) system, Radar, ATM and all Air Navigation Services infrastructure (execute approved procurement plan). Filing of a difference to ICAO to provide procedural control. Consider the renewal of SLAs.
2	Inadequate Qualified Personnel	<ol style="list-style-type: none"> Lack of expertise skills in certain operational areas in the local market. Limitations to the recruitment process Non-acceptance of NCAA offers in the local market for selected specialised skills 	<ol style="list-style-type: none"> There are Memoranda of Understanding (MOU)s in place providing access to experts and On the Job Training (OJT) as needed. The trainee and bursary framework has been developed and implemented. A 5-year HC plan has been developed and implemented. Cross training to existing staff to be able to perform other tasks. 	VH(19)	<ol style="list-style-type: none"> Enter into Memorandum of Understanding with the service providers and safety oversight organizations for practice training. Full implementation of the Technical Competence Framework. Full implementation of the revised Organizational Structure through the Human Capital Plan. Full implementation of the Retention Policy.
3	Cybersecurity attacks & unformalized disaster recovery & business continuity plan.	<ol style="list-style-type: none"> Non-compliance with regulations and standards best practice. Disaster recovery & business continuity plan not drafted. Fire Suppression system not in place. No redundant Internet Service Provider (ISP) to the NCAA. Inadequate IT policies Key functions have not been formally allocated. Outdated hardware and software Capacity of staff within ICT. 	<ol style="list-style-type: none"> Implemented the password SOP. Created secure drives for various departments for information sharing. Back up applications in place. Disaster recovery center established. Agreed approaches to operational succession. ICT policy in place. Training and certifications within the ICT department. Insurance of key hardware. 	VH(20i)	<ol style="list-style-type: none"> Update and implement ICT policies and Standards. Benchmarking against relevant industry standards. Implement offsite backup protocols. Familiarize and train users of IT systems in potential risks and instill a security culture. Training of IT Staff to equip them with new skills, as well as general staff on cybersecurity. Enter into and manage SLAs with external service providers. Implementing the fire suppression system.

RISK ID.	RISK TITLE	CONTRIBUTING FACTORS	LISTED CONTROLS	RR	ACTION PLANS
Top Strategic risks					
5	Delay in the promulgation of the Flight Operation regulations and impact on implementation.	<ol style="list-style-type: none"> 1. Shortage of skilled staff 2. Lack of structured approach to regulation making (CARCom required by the regulations) 	<ol style="list-style-type: none"> 1. CARTAP established to address the development of the missing regulations 	VH(25)	<ol style="list-style-type: none"> 1. Improved oversight on implementation of regulations by Head of Safety. 2. Finalization of regulations within set timelines. 3. Revive CARCom to perform its duties. 4. Recruit and train required and qualified Inspectors.
7	Insufficient budgetary allocation for capital project by MWT/ GRN	<ol style="list-style-type: none"> 1. Budget cuts and provision of insufficient funding by GRN. 	<ol style="list-style-type: none"> 1. Project implementation forms are submitted to MWT on an annual basis 2. The issue has been escalated to the Board for further escalation to MWT. 	VH(20I)	After the Board intervention, a significant amount of funds has been received to fund the ANS projects, and more funds are planned to be received.
8	Noncompliance with Regulations	Service Provider/operator not complying with regulations	<ol style="list-style-type: none"> 1. We have a developed an enforcement code 2. A meeting was held in 2021 between the Board and MWT to address the of regulatory non-compliance. MET non-compliance highlighted 3. Various meetings were held between MWT and NCAA management regarding regulatory non-compliance. MET non-compliance highlighted 4. Aeronautical publication issued cautioning flying public about regulator shortcoming in terms of MET services 	VH(16)	Regular meetings are held with the industry to stay abreast of the new regulations for their compliance.
10	Loss of revenue	<ol style="list-style-type: none"> 1. Inability to raise and collect charges due to prolonged promulgation of relevant regulations. 2. Inability to raise fees based on the needs as fees are guided by the industry/ Ministry based on market activity. 	<ol style="list-style-type: none"> 1. Cost cutting measures (e.g., in-house training). 2. Revision of current fees to determine suitable amendments to stay within inflation. 3. Government subsidies. 4. Cost recovery from operators. 	VH(16)	<ol style="list-style-type: none"> 1. Propose agreements to key stakeholders to expedite the process of lawmaking.
11	Financial in sustainability	<ol style="list-style-type: none"> 1. The revenue from the fees collected is insufficient to cover the operating costs. 2. Unguaranteed government support. 	<ol style="list-style-type: none"> 1. Cost cutting measures (e.g. combining 1. Cost cutting measures (e.g. combining surveillance activities). 2. Risk based surveillance activities. 3. Government subsidies. 4. Cost recovery from operators. 	VH(20I)	<ol style="list-style-type: none"> 1. Effecting the revised fees after promulgation. 2. Exploring other ways of expanding the revenue streams. 3. Exploring additional opportunities for fellowships for training.
12	Inadequate record management	<ol style="list-style-type: none"> 1. There was no provision in the structure for the person responsible. 	<ol style="list-style-type: none"> 1. Classifications and Protection of Information policy in place. 2. File plan in place. 3. Provision of approved position on Org structure. 4. Duties to manage records assigned to Senior Administrator. 	H(12I)	<ol style="list-style-type: none"> 1. Implementation of Internal audit findings from National Archives of Namibia. 2. Recruitment of a substantive Record Manager. 3. Develop and implement the Record Management Policy.

OUR LEADERSHIP BOARD OF DIRECTORS



Bethuel T Mujetenga
Chairperson



Kadiva Hamutumwa
Deputy Chairperson



Fernando Somaeb
Director



Martha Hitenanye
Director



Melkisedek Uupindi
Director



Josephine Shigwedha
Director



Toska Sem
Executive Director

NAMIBIA CIVIL SERVICE AUTHORITY

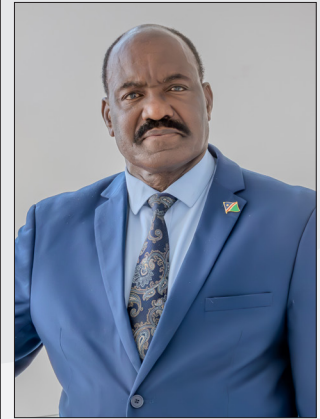
EXECUTIVE MANAGEMENT COMMITTEE



Toska Sem
Executive Director



Hilma Leonard
Head: Air Navigation
Services



Ericsson M. Nengola
GM Safety & Security



Christoph Seimelo
Chief Legal Counsel



Maria Haipinge
Acting CFO



Tuyeimo Martin
Manager Human Capital



Natasha Mungunda
Company Secretary

LEGAL AND COMPLIANCE DEPARTMENT



“The NCAA continued to strengthen its commitment to regulatory compliance, oversight, and international cooperation during the 2024/25 financial year.”

LEGAL AND COMPLIANCE DEPARTMENT OVERVIEW

NCAA LEGISLATIVE UNIVERSE

The NCAA developed and implemented the legislative universe to assess compliance with laws applicable to the NCAA and take corrective actions, if needed. NCAA maintained a strong compliance rating of 92%, affirming its position as a law-abiding entity within the civil aviation community

INTERNATIONAL AIR LAW – RATIFICATION/ACCESSION

On 17 July 2024, Namibia deposited the instrument of ratification with ICAO for four key international air law instruments, namely, the Protocols amending Articles 50(a) and 56 of the Convention on International Civil Aviation (Montréal, 6 October 2016), the Protocol to Amend the Convention on Offences and Certain Other Acts Committed on Board Aircraft (Montréal, 4 April 2014), the Convention on the Suppression of Unlawful Acts Relating to International Civil Aviation (Beijing, 10 September 2010), and the Protocol Supplementary to the Convention for the Suppression of Unlawful Seizure of Aircraft (Beijing, 10 September 2010). This demonstrates the country’s commitment to international aviation standards and contributes to a harmonised, safe, and secure global air transport system, with these instruments already domesticated into Namibian law.

INTERNATIONAL MEETINGS

In line with its mandate to uphold and advance the legal framework governing civil aviation, Namibia actively participated in several key international meetings during the reporting period. These engagements provide a platform for member states to contribute to global aviation governance, influence policy formulation, and ensure alignment with international legal standards.

Notably, Namibia took part in the Civil Aviation Legal Advisors Forum held in the Republic of Korea, as well as the 39th Triennial Meeting of the ICAO Legal Committee. The latter plays a critical role in advising the ICAO Council on legal matters affecting the global aviation industry. Discussions at these forums addressed significant issues such as the ICAO Rules for the Settlement of Differences and the implications of proposed amendments to Article 8 of the UN Model Double Taxation Convention, both of which have far-reaching consequences for dispute resolution and taxation within the international aviation sector.

REPUBLIC OF KOREA - CIVIL AVIATION LEGAL ADVISORS FORUM

ICAO LEGAL COMMITTEE MEETING

The Legal Committee, established to advise the ICAO Council on legal matters, convenes every three years unless an extraordinary meeting is necessary to address a specific issue. The Committee held its 39th Triennial Meeting from 25 to 28 June 2024 to discuss, among other matters:

ICAO RULES FOR THE SETTLEMENT OF DIFFERENCES

The Committee amended the Rules to conform to Article 84 of the Convention on International Civil Aviation (hereinafter referred to as the Convention). As advised by the International Court of Justice in its advisory legal opinion, the ICAO Council is not a court of law but a body tasked with resolving disputes. The Committee rejected proposed amendments that would allow the ICAO Council to indicate provisional measures while a dispute remained ongoing between the parties. Although there is sound logic in the proposal, most States felt that the Council was not granted such a mandate under the Chicago Convention on International Civil Aviation, 1944 (“Chicago Convention”).

Another major proposal was to include a provision in the Rules allowing the Council to resolve disputes among States emanating from other International Air Law Conventions/Treaties, especially if these instruments designated the Council as the body responsible for dispute settlement. This proposal was also rejected by the Committee, indicating that Article 84 of the Convention did not grant the Council general powers to resolve disputes. Instead, States must look to other platforms and means of resolving disputes.

PROPOSED AMENDMENTS TO ARTICLE 8 OF THE UN MODEL DOUBLE TAXATION CONVENTION

The UN Tax Committee in October 2024 proposed the following amendment to Article 8:

“However, income from the operation of ships or aircraft in international traffic arising in a Contracting State may also be taxed in the Contracting State in which it arises and according to the laws of that State.”

The proposed amendment may have implications for international air connectivity and could introduce complexities related to the taxation of international air transport income. IATA and its member airlines continue to support the current approach outlined under Article 8, which provides for the taxation of such income within the home jurisdiction of the airline enterprise. This framework has been widely accepted, promotes consistency in the application of national tax laws, and is aligned with ICAO’s Policies on Taxation (Doc 8632)

After deliberation, the Committee agreed that the Council should write a letter addressed to the UN so that the matter could be discussed at the applicable UN Tax Committee meeting.

ICAO LEGAL SEMINAR APRIL 2024 – REPUBLIC OF KOREA

DATA PROTECTION AND INTERNATIONAL CARRIAGE BY AIR

This topic raised challenges faced by airlines in complying with different conflicting legislations regarding Advance Passenger Information and Personal Name Record versus Personal Information Protection laws. Advance Passenger Information and Personal Name Record is information required by States for purposes of security.

In some States, releasing personal information of passengers to a State where there is no Protection of Personal Information law is an offence.

Airlines face a difficult position in complying with States' requirements for information, while also facing criminal charges for releasing such information to States lacking a law on the Protection of Personal Information. Discussions are underway to find a solution.

SAFELY INTEGRATING ADVANCED AIR MOBILITY IN THE NATIONAL AIRSPACE

Legal experts are evaluating how to effectively incorporate drones and other new entrants into the aviation sector. The issue being examined is whether drones and newcomers should be governed by the same regulations as traditional aviation or if new rules should be devised to address these entrants.

ENFORCEMENT CASES

During the period under review, aviation participants were either fined or suspended from exercising the privileges of their aviation documents for various violations of the Namibia Civil Aviation Regulations (NAMCARs). These included a case involving an aircraft maintenance organisation for falsifying and using aviation documents, an aerodrome operator's failure to comply with NAMCARs, the suspension of a student pilot for violating examination rules, and the issuance of warning letters for other regulatory violations.

Additionally, an investigation was initiated into a possible breach of aviation medical protocols by a designated aviation medical examiner.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/2026)

42ND ICAO GENERAL ASSEMBLY

The ICAO General Assembly is scheduled to convene from 27 September 2025 to 3 October 2025 to review progress made regarding strategic aviation projects over the past three years and to adopt applicable strategies for the next three years.

The discussions are expected to address a range of strategic and regulatory topics, including ICAO's Strategic Plan for 2026–2050, recent efforts toward environmental sustainability, compliance actions against States that do not conform, and developments in international air transport. Other key areas include aviation safety and security, ICAO's upcoming three-year budget, the advancement of women in aviation, and the development of future aviation professionals. Additionally, future work in the legal field will also be explored.

AMENDMENTS TO THE CIVIL AVIATION ACT OF 2016

The Civil Aviation Act of 2016 is undergoing amendments primarily to address findings from the ICAO USOAP conducted in March 2024 by closing the identified safety gaps. The amendments also aim to streamline the regulatory framework by removing redundant provisions and reducing unnecessary bureaucracy, thereby enhancing operational efficiency. Furthermore, the revisions will include new provisions that align with Namibia's international obligations in the civil aviation sector, ensuring continued compliance with global standards and best practices.

AMENDMENT OF PART 185 OF NAMCARs

Part 185 would be amended in the next financial year to better guide inspectors in taking enforcement actions. The purpose thereof is to simplify their enforcement by listing possible offences and possible sanctions, thereby reducing the discretion of powers currently exercised by inspectors.

AMENDMENT OF PART 108 OF NAMCARs

Part 108 would be revisited to mandate the Namibian Police Force to carry out screening of aviation cargo, mail and passengers at ports on entry and exit from Namibia.





COMPLIANCE AND REGULATORY RISK

COMPLIANCE AND REGULATORY RISK OVERVIEW

Compliance and Regulatory Risk (CRR) oversees the State compliance framework with ICAO Standards and SARPs, across eight critical elements through the ICAO web-based system (OLF). Further, CRR coordinates the USOAP and Universal Security Audit Programme (USAP) CMA audit Corrective Action Plans (CAPs) review between the eight Safety and Security audit areas and the ICAO Safety and Air Navigation Oversight Audit Section (OAS).

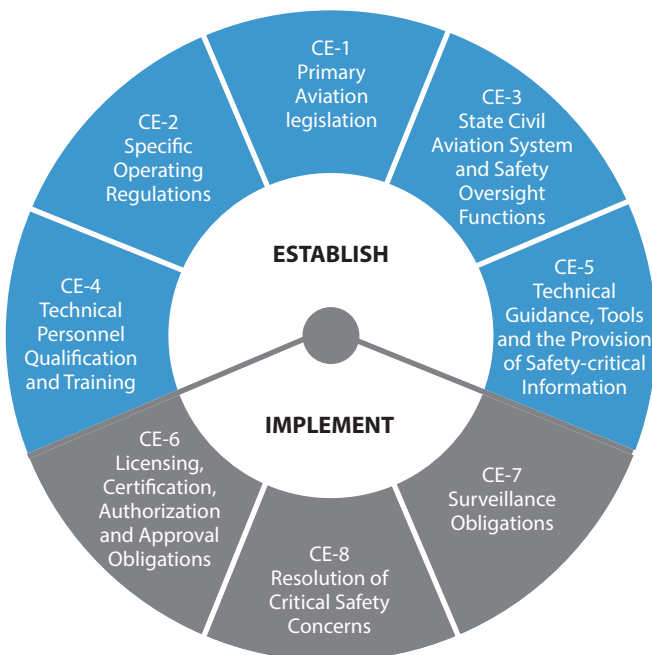
Additionally, CRR serves as the National Continuous Monitoring Coordinator (NCCM) by coordinating all state letters with ICAO, AFCAC, and the SADC Aviation Safety Organisation (SASO). CRR is a regulatory internal auditor overseeing the safety and security units on regulatory compliance. Moreover, the Division facilitates the management of the Civil Aviation Registry, as well as the management, access, and dissemination of technical information, thereby supporting transparency and regulatory efficiency in Namibia's aviation sector.

In September 2024, the NCAA submitted its first set of CAPs to ICAO. By January 2025, 17 CAPs were completed, raising Namibia's Effective Implementation (EI) rate from 72.62% to 75.23%, a notable improvement in the Authority's oversight capabilities.

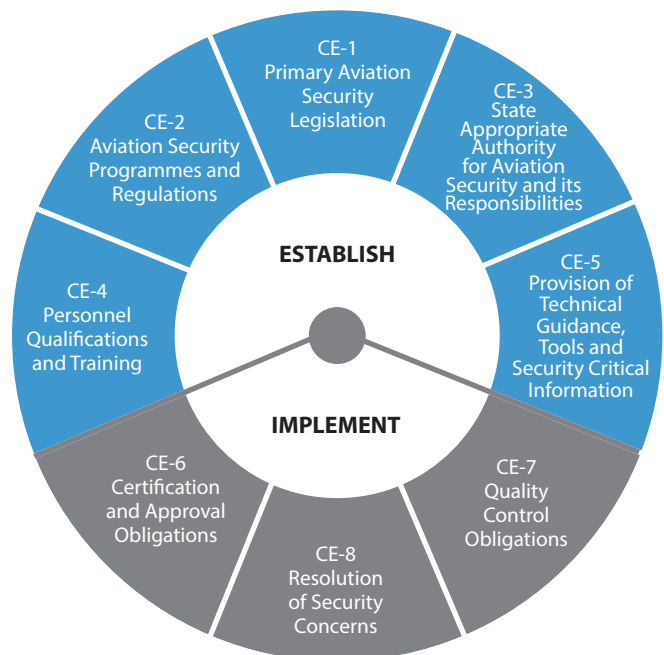
The Division also digitised access to the NCAA registry, developed a policy library, and offered staff training on the ICAO portal. These initiatives support transparency, efficiency, and institutional knowledge management.

ICAO'S CRITICAL ELEMENTS

CRITICAL ELEMENTS FOR AN EFFECTIVE STATE SAFETY OVERSIGHT SYSTEM



CRITICAL ELEMENTS FOR AN EFFECTIVE STATE SECURITY OVERSIGHT SYSTEM



STRATEGIC OBJECTIVES ALIGNED TO NCAA

The strategic objectives aligned to the NCAA focus on ensuring compliance with ICAO standards through effective resource management, oversight, and coordination. This includes acquiring, returning, and managing resources necessary to monitor compliance, overseeing the implementation of ICAO SARPs through appropriate policies, regulations, and procedures, as well as engaging with international, national, and regional stakeholders to support the implementation of the eight critical elements for aviation safety and security oversight.

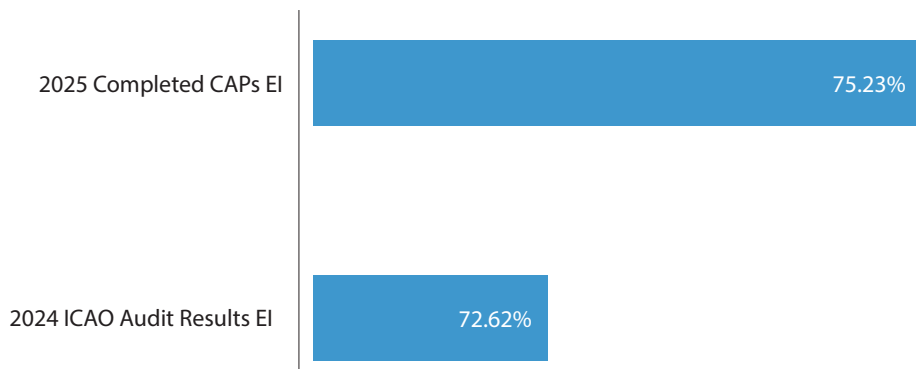
KEY ACHIEVEMENTS (2024/25)

During the reporting period, the first set of CAPs was submitted to ICAO for initial assessment in September 2024, with the assessment report received in January 2025. A total of 17 CAPs were completed, resulting in an increase in the EI score from 72.62% to 75.23%, based on the 2024 ICAO audit results. Additional achievements included the completion of the File Plan workshop across all departments, the development and implementation of a Library Policy, training on the use of the ICAO Portal, the development of a comprehensive list of NCAA Subject Headings, and the digitisation of access to the NCAA registry.

CRITICAL ELEMENT (CE) PERCENTAGE OF CURRENT EFFECTIVE IMPLEMENTATION – SAFETY

The Effective Implementation (EI) of ICAO’s Critical Elements (CEs) serves as a key measure of Namibia’s level of compliance with international safety oversight standards. These elements represent the foundational components necessary for a robust civil aviation safety system. The following section provides an overview of Namibia’s current EI status for selected critical elements as assessed under the Universal Safety Oversight Audit Programme – Continuous Monitoring Approach (USOAP-CMA). Progress has been recorded in several areas, particularly in the qualification of technical personnel and organisational improvements, while efforts to amend primary and secondary legislation remain ongoing.

EFFECTIVE IMPLEMENTATION (EI)



PRIMARY AND SECONDARY LEGISLATION (LEG) (CE 1 AND 2)

The critical elements achieved an EI of 86.21% and 72.22% for 2024. The status of the EI for 2025 remains unchanged due to the ongoing amendment process of the Civil Aviation Act and Regulations.

ORGANISATION (ORG) AND QUALIFICATION OF TECHNICAL PERSONNEL (CE3 AND 4)

The critical elements achieved an EI of 80.70% and 65.12% for 2024. The status for these elements for 2025 is 82.46% and 72.09%, respectively. The training of inspectors to achieve the required level of competency, along with the strengthening of surveillance obligations, has led to an improvement in the EI rate.

TECHNICAL GUIDANCE AND TOOLS (CE 5)

This critical element for 2024 achieved an EI of 92.73%. For 2025, the status remains unchanged due to no CAPs for established procedures being implemented in a standardised manner.

APPROVALS, CERTIFICATIONS, LICENSING (CE 6)

This critical element for 2024 achieved an EI of 72.63%. For 2025, the EI increased to 74.30% due to the attendance of critical trainings, enabling inspectors to certify organisations.

SURVEILLANCE OBLIGATIONS (CE 7)

This critical element for 2024 achieved an EI of 51.49%. For 2025, the EI increased to 61.39%, due to the improved conduct of surveillance activities.

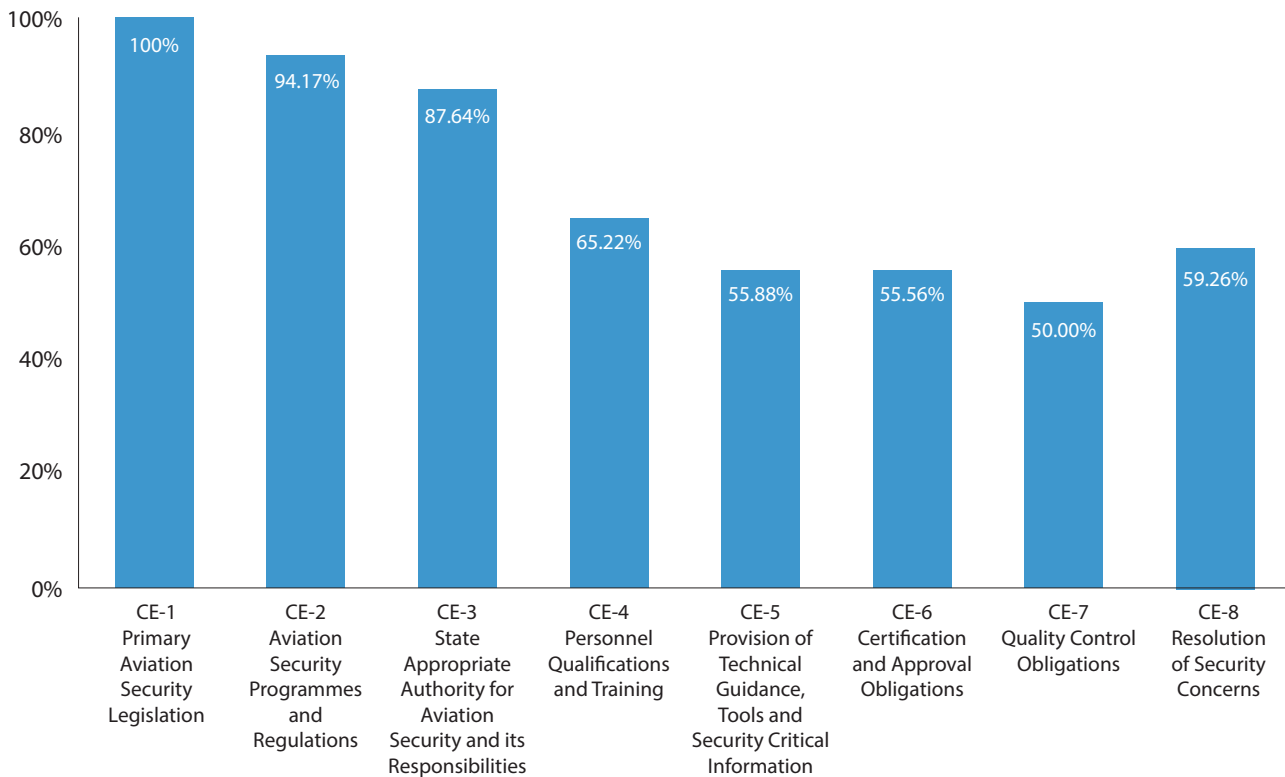
SAFETY RESOLUTION (CE 8)

This critical element achieved an EI rate of 58.54%, attributed to the availability of adequately trained inspectors with enhanced surveillance capabilities and the intensification of safety resolutions.

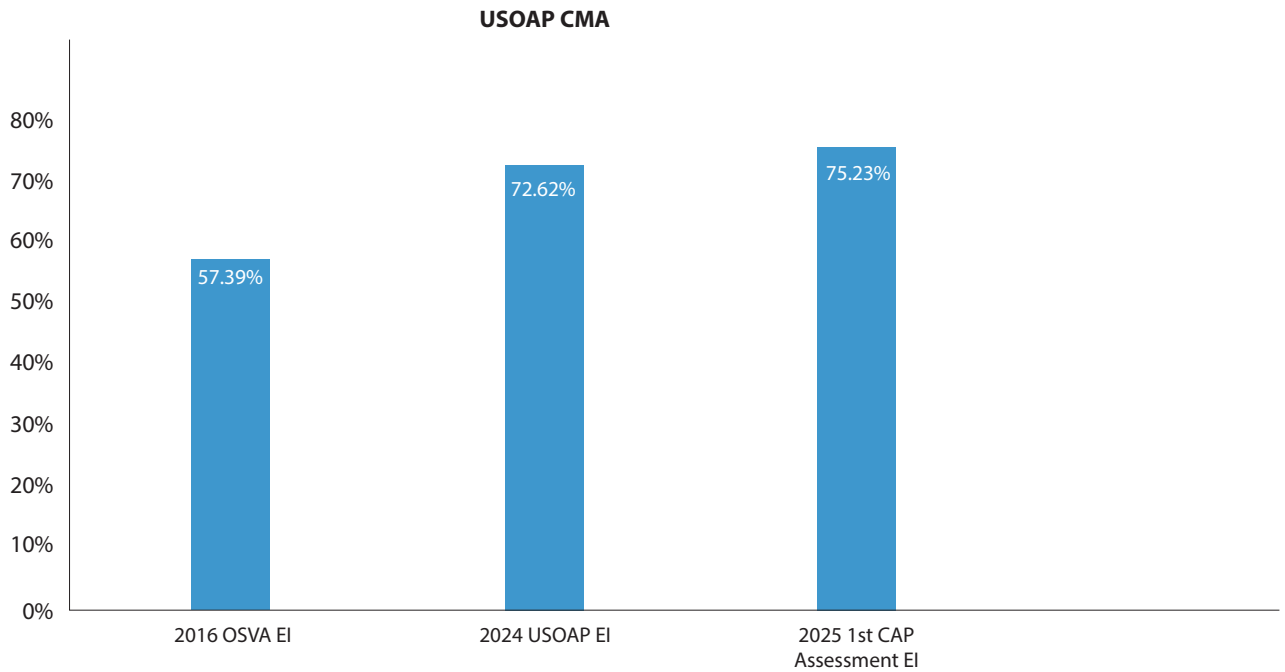
CRITICAL ELEMENT (CE) % AGE OF CURRENT EI – SECURITY

The USAP-CMA audit revealed that Namibia’s Oversight Indicator is 70.97%. The chart depicting the EI of the eight CEs of the aviation security oversight system in Namibia after this USAP-CMA audit is provided below. A detailed analysis of both the EI and the lack of EI of the eight CEs of the aviation security oversight system in Namibia is provided below.

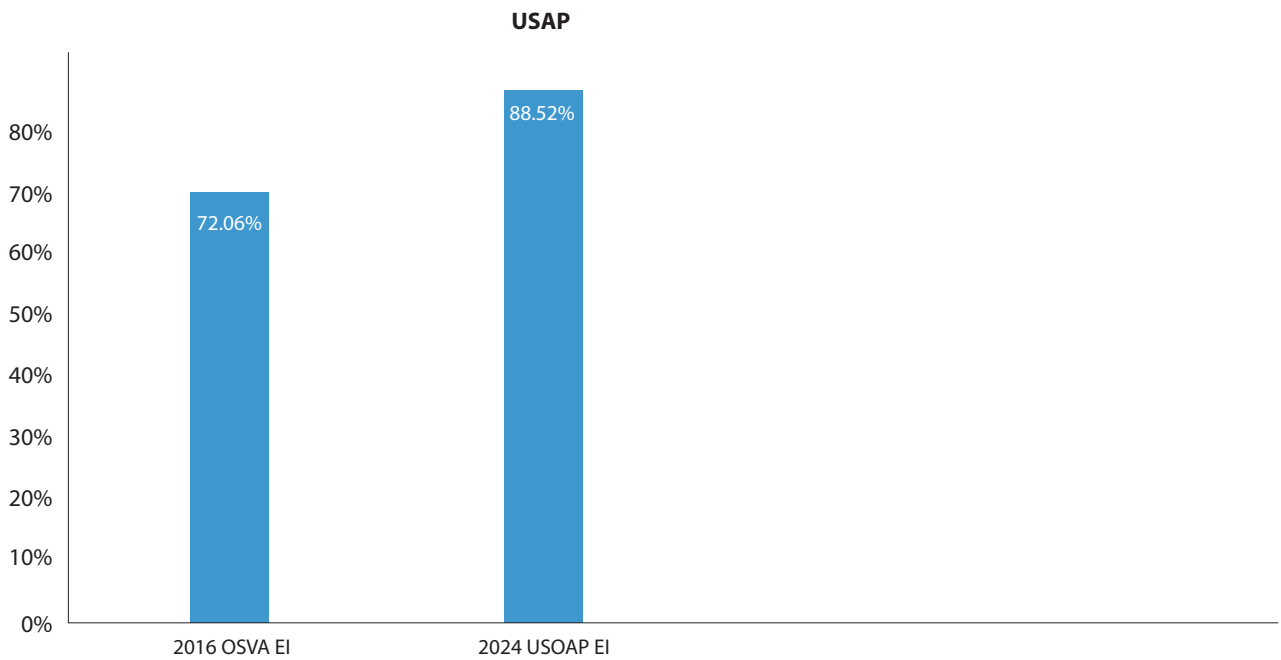
AVERAGE EI OF CEs AFTER USAP-CMA AUDIT: 70.97%



REPORTING ON OVERALL, EI, PREVIOUS AND CURRENT



The above graph depicts the increase in the Safety EI from 57.39% in 2016 to 72.62% in 2024 and 75.23% after the 1st CAP assessment.



The above graph shows the Security EI score of 72.06% during the 2018 audit, which has increased to 88.52% in 2023.

SECURITY EFFECTIVE IMPLEMENTATION IMPROVEMENT

Following the ICAO audit conducted in November 2018, Namibia achieved a Security EI score of 72.06%. This performance was significantly enhanced through a Regional ICAO Technical Assistance Mission facilitated by the ICAO's Eastern and Southern Regional Office (ESAF) in 2023, which resulted in an improved EI of 88.52%. This marks a notable advancement in the country's aviation security oversight capabilities.

CHALLENGES AND MITIGATION STRATEGIES

During the reporting period, several challenges impacted the full execution of safety oversight functions. The EI remained below target, primarily due to outstanding audit findings. To address this, the implementation of CAPs is ongoing. Staffing shortages also posed a constraint, but this is being mitigated through a structured Human Resources Recruitment Plan. Additionally, limited capacity to oversee all audit areas is being addressed by implementing targeted training plans to enhance technical competencies and ensure effective oversight.

INTERDEPARTMENTAL AND STAKEHOLDER COLLABORATION

Interdepartmental and stakeholder collaboration during the period focused on the implementation of CAPs stemming from both the 2024 USOAP-CMA audit and the 2018 USAP-CMA audit. Efforts were also made to enhance capacity through the multi-skilling of a compliance officer across the CRR, airworthiness, and Aerodrome and Ground Aids functions. Furthermore, internal audits were conducted across various safety and security audit areas to ensure continued compliance and operational effectiveness.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/2026)

Planned activities for the 2025/26 financial year will focus on strengthening Namibia's aviation oversight and audit readiness. Key priorities include completing and implementing the remaining CAPs to qualify for the ICAO Coordinated Validation Mission (ICVM) and continuously monitoring the Self-Assessment to improve Namibia's EI score further. Preparations will also begin for the newly introduced ninth ICAO audit area, the State Safety Programme. Additionally, efforts will be made to address outstanding CAPs in anticipation of the upcoming USOAP-CMA audit. Other planned initiatives include establishing and maintaining the Civil Aviation Register, ensuring all departments have equitable access to information, and conducting a comprehensive user needs assessment.

HUMAN CAPITAL AND STRATEGY DEPARTMENT



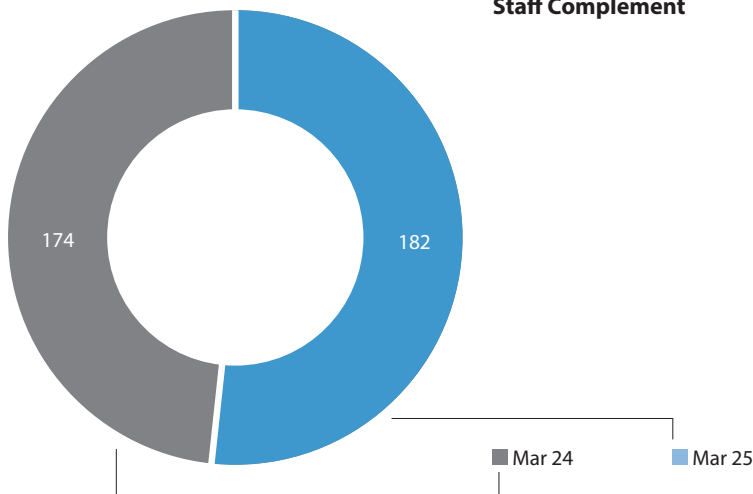
HUMAN CAPITAL AND STRATEGY DEPARTMENT OVERVIEW



“Empowering People. Advancing Excellence”

At the NCAA, we recognise that the strength of our organisation lies in the capabilities and commitment of our people. The Human Capital and Strategy Department is dedicated to building a workforce that is responsive, well-prepared and fully attuned to the evolving needs of the aviation industry. Our priority is to create an environment where every employee is supported, empowered, and equipped with the tools to make meaningful contributions to the safety and advancement of civil aviation in Namibia.

Staff Complement

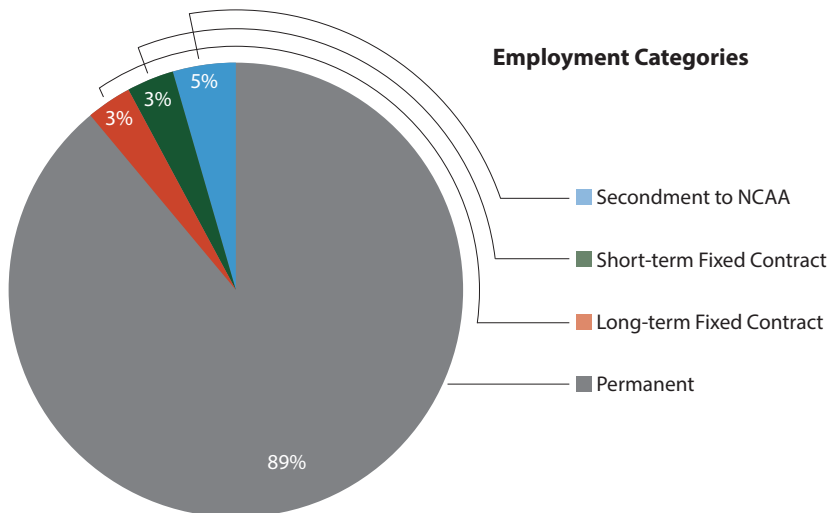


GUIDING OUR WORK

Our responsibilities are centred around creating an environment where talent thrives and strategy comes to life. During the reporting period, the department focused on aligning its initiatives with the strategic objectives of the NCAA.

Efforts were made to attract and develop key aviation expertise critical to the industry. The department also supported organisational innovation and change management processes, while investing in leadership development and enhancing performance management systems. Compliance with national labour laws and aviation regulations remained a key priority. In addition, wellness programmes and employee engagement initiatives were implemented to foster a resilient and motivated workforce.

Employment Categories



STRATEGIC FOCUS

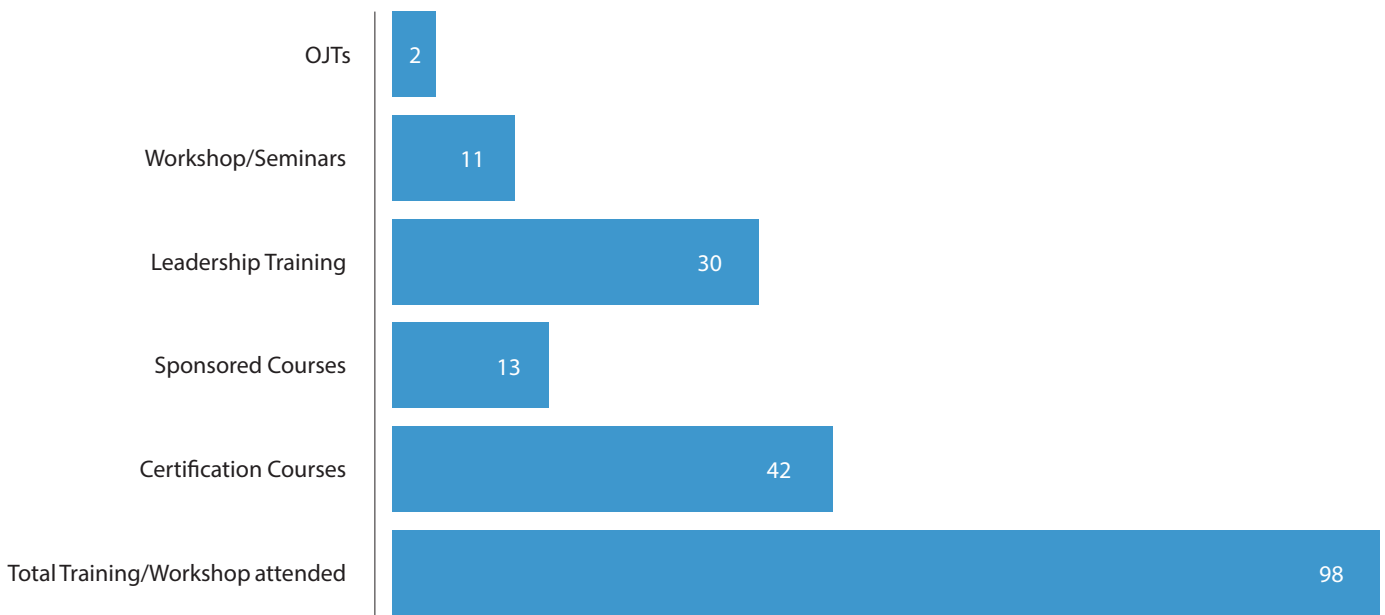
Our objective is to build and maintain a high-performing, agile, and compliant workforce that supports safety, security, and operational excellence and reflects the strategic direction of the NCAA.

HIGHLIGHTS OF 2024/25

This year, our efforts centred around nurturing a more inclusive, future-ready workforce. We introduced and expanded several programmes that have already begun to shape a positive workplace culture and create space for growth.

LEADERSHIP DEVELOPMENT AND CAPACITY BUILDING

STAFF DEVELOPMENT



During the 2024/25 financial year, we launched a Leadership Development Programme that supported 30 staff members in preparing for supervisory and specialised roles. This initiative not only builds internal leadership pipelines but also fosters a sense of career progression across the organisation.

The NCAA invested **N\$7,148,497.18** in capacity development over the reporting period.

Category	Actual, 2024/25 (N\$) 000	Budget, 2024/25 (N\$) 000	% rate
Training	7,148	11,017	65%

A saving of 25% has been realised through fully sponsored courses.

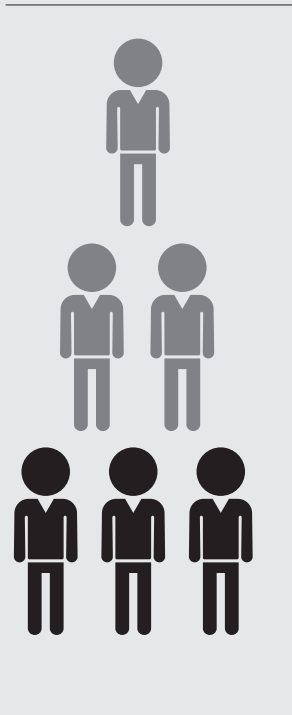
Training interventions have been launched aimed at addressing ICAO USOAP-CMA audit findings, as well as maintaining a sufficiently qualified and skilled workforce.

Our internship and graduate trainee programmes have provided practical experience to eight students, with six graduates onboarded for long-term learning and knowledge transfer. These efforts ensure that the NCAA continues to expand its talent pool from within, while also boosting our national contribution to aviation skills development.

EMPLOYEE ENGAGEMENT AND VALUE PROPOSITION

The NCAA offers a comprehensive Employee Value Proposition to attract and retain skilled professionals. Most of the value propositions are hereby listed. These include:

Our Human Resources



Positive Experience and Socialisation Initiatives

- Staff birthdays celebrated
- Employee recognition celebration
- International aviation days recognised
- Year-end/ teambuilding events events
- Social club events



Monetary Incentives

- Long service incentives
- Homeloan scheme
- Staff savings
- Motor vehicle scheme
- Rating and validation incentives



Lifestyle Management

- Financial wellness
- Quarterly newsletters
- Annual wellness day



Staff Development

- Leadership developmet Programmes
- Study assistance programmes
- Career progression for Air Traffic Control Inspectors
- Sucession planning

PERFORMANCE AND WORKFORCE SIZE

As of March 2025, the NCAA employed a total of 174 staff. Our efforts in promoting gender equity remain a key area of focus as we grow the team in a balanced and inclusive manner.

In the reporting year, performance management remained central to driving NCAA effectiveness and accountability. Under the leadership of the Executive Director, the NCAA implemented a structured performance management framework aligned with its strategic scorecard. This facilitated transparent tracking of results and informed decision-making across operational areas.

The NCAA achieved commendable progress across key strategic pillars, with varying levels of performance.

Key highlights:

NCAA Performance Summary (Scorecard Overview)			
Strategic Goal	Achievement	Performance Highlights	Year-on-Year Comparison
Customer Centricity	50%	Initiatives launched to improve customer experience, i.e. employee and customer satisfaction surveys, aimed at developing a strategy for improved service delivery over the next year.	Renewed focus
Safety Oversight	75%	Strong audit and compliance practices, enhanced reporting, and regulatory enforcement supported improved safety outcomes during the reporting period.	Improved over the previous year
Security Oversight	78%	Strengthened through partnerships and preventive security measures. Demonstrates consistent progress in oversight effectiveness.	Continued upward trend
NCAA Governance	80%	Significant gains in governance due to stronger controls, board compliance, and policy reforms.	Marked improvement over the prior year
Cost Savings	4%	Achieved cost reduction through operational efficiency, despite economic pressures.	Improved over the previous year after excluding employment cost.

TALENT ACQUISITION AND RETENTION

Recruitment efforts were focused on high-demand aviation skills. Thirteen new appointments were made during the year, eleven on short-term contracts, two permanent employees, and two graduate interns who were appointed in permanent positions. To support USOAP-CMA readiness, we engaged seven external experts and seconded eight professionals to strengthen core operational areas.

EMPLOYEE WELLNESS

The Employee Assistance Programme was expanded to offer more targeted support in emotional and psychological well-being. This included counselling, stress management sessions and access to professional health services. Approximately 4% of staff accessed the programme, an encouraging sign of awareness and trust in the support structures we have in place.

NAVIGATING CHALLENGES TOGETHER

The complexity of the aviation industry presents a distinct set of human resource challenges, which the NCAA has approached with care and strategic foresight. One of the most pressing issues has been the attraction of scarce aviation skills. To address this, we broadened our sourcing methods and reinforced our partnerships with technical institutions to create a stronger talent pipeline. In response to concerns around employee burnout and well-being, we scaled up our wellness interventions and Employee Assistance Programme to offer more meaningful and accessible support to our workforce. Additionally, to overcome the limitation of local training options, we established strategic relationships with international aviation training providers, helping to bridge critical

skills gaps and ensure our teams are equipped to meet industry demands.

COLLABORATION ACROSS THE ORGANISATION

Throughout the year, we worked closely with all internal departments to ensure that people-related policies and programmes were fully integrated into the broader organisational goals. We also engaged external partners to support learning initiatives, enrich our employee value proposition, and maintain compliance with evolving labour standards.

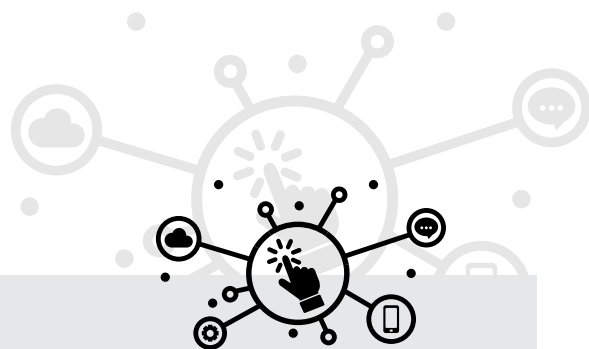
PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

Looking ahead, we are dedicated to deepening our focus on talent development, inclusion, and governance. To achieve this, we will fill the three vacant executive roles, improve our recruitment strategies by utilising digital platforms, and establish strategic partnerships aimed at attracting specialised aviation expertise. Meanwhile, we will broaden our Employee Wellness Programme to ensure it reaches a broader segment of our workforce, offering tailored interventions that address their unique needs. In parallel, we will place greater emphasis on strengthening compliance with labour laws and uphold the highest standards of governance. In our pursuit of greater inclusivity, we also plan to introduce dedicated programmes designed to actively support persons with disabilities within the aviation sector, creating a more equitable and diverse environment for all.





STAKEHOLDER MANAGEMENT



STAKEHOLDER MANAGEMENT

“Listening. Connecting. Building Trust.”



A VISION BUILT ON COLLABORATION

This past year, we focused on deepening public understanding of the NCAA's regulatory role while creating platforms for feedback, education, and partnership. We prioritised collaborative planning, improved communication responsiveness, and worked closely with other departments to ensure that stakeholder feedback contributes directly to how we plan, regulate, and grow. Through consistent messaging, accessible channels, and timely engagements, the division remained committed to building a service-oriented stakeholder culture that reflects the values of transparency, professionalism, and care.

HIGHLIGHTS OF 2024/25

In today's aviation landscape, relationships are as important as regulations. The Stakeholder Relations Division at the NCAA serves as the bridge that connects the institution to the broader world. Our work is centred on people, whether they are regulators, operators, passengers, students, or partners. We ensure that the NCAA's role in maintaining aviation safety is understood, supported, and strengthened through open dialogue, meaningful collaboration, and targeted outreach.

Our Corporate Social Investment programme also gained momentum. A formal policy was finalised, and a dedicated committee was established to oversee all requests and sponsorships. Among several supported initiatives were the UNAM Engineering Conference and the Omaheke Expo, with contributions of N\$50,000 and N\$15,000, respectively. These investments reflect our belief that aviation progress must uplift communities, too. Other key engagements included:

Our efforts transcend both national and regional boundaries, reflecting our commitment to strengthening civil aviation through inclusive and strategic collaboration. We actively engage with government institutions, industry stakeholders, academic partners, and the public, fostering a culture of shared responsibility and transparency. In doing so, we have cultivated meaningful partnerships with regional and international civil aviation organisations to advance regulatory standards and best practices.

AVIATION WEEK AFRICA (AWA):

NCAA was honoured with the Best Civil Aviation Authority Award during the prestigious African Aviation Week (AWA) – a milestone achievement that reflects our collective commitment to aviation excellence. This accolade received widespread, cost-free media coverage in Nation Broadcasting Corporation (NBC), FlyNamibia in-flight magazine, Confidenté, and The Namibian, thanks to strategic media partnerships and consistent public engagement. We extend our sincere appreciation to all NCAA staff and the Board of Directors for their exemplary leadership, dedication, and professionalism, which made this recognition possible. This award underscores the NCAA's growing regional influence in aviation safety, regulatory excellence, and stakeholder collaboration.

At the heart of these efforts is our dedication to building trust, promoting knowledge exchange, and creating an inclusive environment where every voice is valued. As a testament to our leadership and regional influence, our Executive Director was nominated during the November 2024 African Civil Aviation Commission (AFCAC) Plenary to serve as Vice President for the Southern Region. She currently represents Namibia on the AFCAC Bureau (the second-highest decision-making body within AFCAC, where she contributes to shaping the future of aviation governance across the continent.



AVIADEV, WINDHOEK 2024:



At AviaDev 2024, the NCAA engaged with Caroline Karanja from IATA to enhance operational efficiencies and explore synergies in overflight and landing fee collection systems. Furthermore, during the event, discussions focused on infrastructure improvements, regulatory harmonisation, and fostering air service agreements to bolster regional connectivity and economic benefits.

EASTERN AND SOUTHERN REGIONAL OFFICE (ICAO) AERONAUTICAL METEOROLOGY SEMINAR:



NCAA hosted the Eastern and Southern Regional Office (ESAF) (ICAO) Aeronautical Meteorology Seminar in Windhoek, bringing together CAAs, weather services, and Air Navigation Service Providers (ANSPs) to address critical meteorological challenges in aviation. The seminar highlighted the importance of enhancing aviation safety through improved meteorological services and ongoing collaboration among regional stakeholders.

EU-CORSIA CAPACITY BUILDING PROJECT ON CORSIA:



NCAA participated in the EU-CORSIA project that took place from 22 to 26 July 2024, in Windhoek. This workshop aimed to

empower national CORSIA implementers with technical expertise facilitated by Ms Monica Bonfanti, a CORSIA Expert under the EU-CORSIA Africa and Caribbean Project. The project goal is to enhance NCAA's regulatory capabilities in managing international carbon emissions in aviation, aligning with global environmental standards and sustainability goals.

EVENTS MANAGEMENT:

ETOTHA CARNIVAL PARTICIPATION:



NCAA actively participated in the Etottha Carnival from 26 June to 1 July 2024, engaging stakeholders and promoting aviation safety alongside cultural awareness. The exhibition stall featuring drone technology attracted approximately 50 visitors daily, showcasing NCAA's regulatory role and technological integration within Namibia's cultural context. This event serves as a model for future community engagements, demonstrating NCAA's commitment to advancing aviation safety, cultural understanding, and technological integration.

STATE OWNED ENTERPRISE GAMES (SOE GAMES):



STAKEHOLDER MANAGEMENT:

SADC AVIATION SAFETY ORGANISATION MARKETING GROUP



NCAA actively participated in the SADC Aviation Safety Organisation Marketing Group meeting in Eswatini, focusing on enhancing aviation safety awareness across the SADC region through improved marketing strategies and collaborative efforts with regional stakeholders. The meeting aimed to strengthen communication channels, share best practices, and promote cohesive safety initiatives within the aviation community.

VISIT OF AFCAC DELEGATION



NCAA hosted an AFCAC delegation in Namibia from 27 to 31 July 2024, for a study on aviation charges, taxes, and fees. This visit facilitated the knowledge exchange, enhanced regulatory practices, and promoted transparency in financial oversight within the aviation sector.

SAFETY BULLETINS

Three safety bulletins were published and distributed to over 80 aviation safety managers, extending their reach to customers and industry stakeholders.

FACING CHALLENGES WITH PRACTICAL SOLUTIONS

Every institution has areas that require improvement, and we approached ours with a sense of urgency and resolve. Slow response times and communication delays were addressed by developing a Stakeholder Engagement Action Plan. This included a review of standard procedures and the rollout of customer service training for relevant staff.

To address outdated digital platforms, a website redevelopment project was launched with the ICT Division. The new site will offer an improved user experience and greater accessibility.

We also took steps to streamline messaging and events. A centralised stakeholder calendar was developed, aligning with the NCAA's Integrated Strategic Business Plan and ensuring that communications and engagements are timely and coherent.

WORKING TOGETHER ACROSS AND BEYOND

The success of our engagements was made possible by strong collaboration across divisions. We worked with the Safety Promotion and Quality team on surveys, workshops, and public safety campaigns. We supported Airworthiness, Civil Regulations and Reform, and Air Navigation Services Safety Oversight in explaining regulatory changes such as the new Part 62 Licensing Framework.

We co-hosted a range of regional aviation events, including the ICAO ESAF MET Seminar and EU-CORSIA capacity-building workshops. Our team also worked closely with the Communications unit on media engagements, most notably the NAMPAs-produced aviation industry booklet.

Support to Human Resources continued through internship logistics, outreach to schools, and STEM career talks. We partnered with the NAC and the Ministry of Defence on national tribute events and participated in the SOE Games.

Our media partnerships continued to grow. We regularly engaged with NBC, One Africa, FlyNamibia, Confidenté, and The Namibian, ensuring that aviation news and regulatory changes reached both public and industry audiences.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

Our focus in the next financial year is to formalise and deepen the stakeholder engagement model that we have been building. This includes finalising and implementing the NCAA Stakeholder Management Policy and Framework and launching quarterly stakeholder forums tailored to operators, regulators, and members of the public.

We will also roll out the full Stakeholder Engagement Action Plan, introducing a feedback tracking dashboard, revising communication timelines, and expanding customer service training. A second Stakeholder Satisfaction Survey will be launched, providing year-on-year comparison and insight into areas of growth.

A comprehensive overhaul of the website will continue, incorporating tools that facilitate interactive regulatory engagement and self-service functions. Our CSI programme will be expanded to include rural aviation support and STEM education in underrepresented communities.

We are excited to launch the Aviation Talks Namibia media and webinar series, which will share expert perspectives and updates from across the sector. In addition, we will publish the first standalone NCAA Stakeholder Engagement Annual Report, further promoting transparency and public trust.

More regional and academic partnerships are planned through additional MoUs. To support long-term communications, we will also begin developing a centralised visual and media archive.

And finally, we look forward to hosting the second Namibia Aviation Safety and Security Conference with even broader participation.

SAFETY AND SECURITY DEPARTMENT



SAFETY AND SECURITY DEPARTMENT



“Grounded in Safety. Guided by Precision ”

AERODROMES AND GROUND AIDS DIVISION OVERVIEW

“The Aerodromes and Ground Aids (AGA) Division’s work often begins long before an aircraft lands and continues long after it takes off. Behind every inspection, every license, and every advisory lies a deep commitment to safety, collaboration, and the future of Namibia’s aviation system”.

The AGA Division is responsible for overseeing Namibia’s aerodromes and heliports to ensure that they provide a safe and compliant operational environment. Guided by the Namibia Civil Aviation Act and the Civil Aviation Regulations, our work ensures that the design, maintenance, and functioning of aerodromes meet national and international standards. Through collaboration, strategic oversight, and continuous development, the division supports safe air travel and resilient airport infrastructure across Namibia.

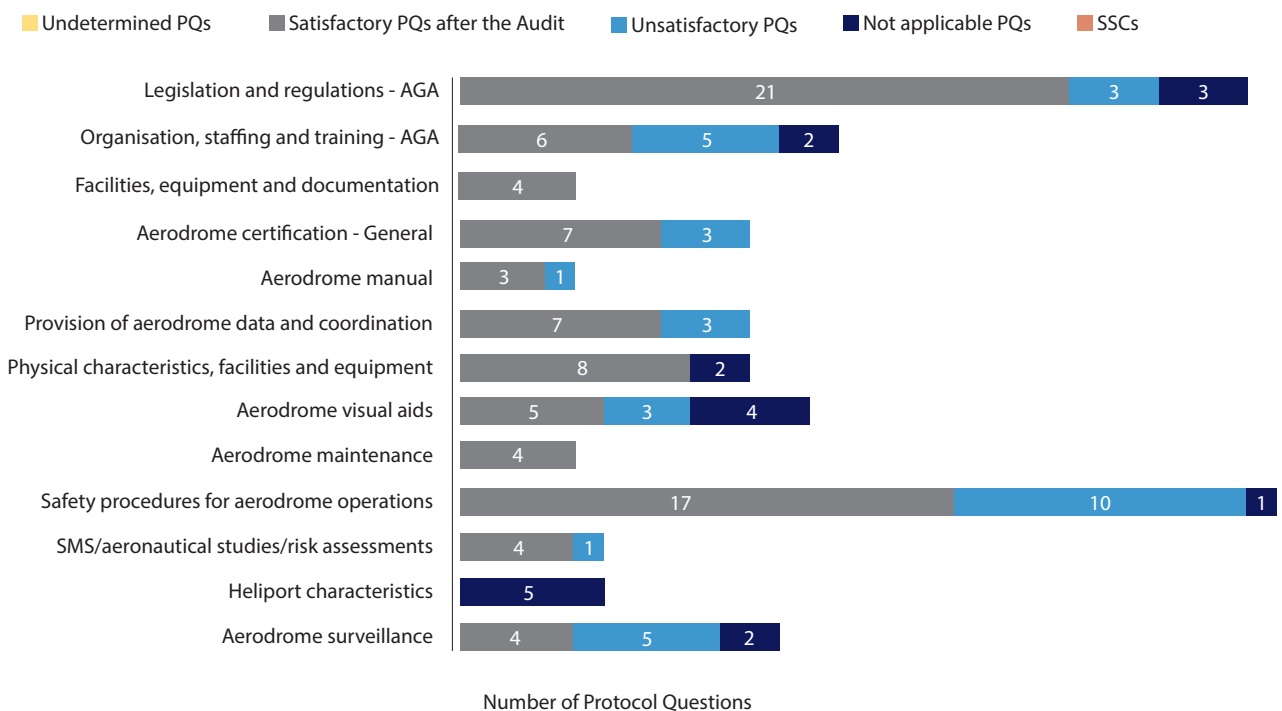
ICAO USOAP-CMA

In 2024, Namibia underwent a focused audit under the ICAO USOAP. AGA achieved an overall EI score of 72.58%, marking a significant improvement from the previous score of 61.26% recorded in 2014. This result highlights the substantial progress made over the past decade in strengthening the regulatory framework, infrastructure, and operational oversight within the AGA domain.

Moreover, AGA’s 2024 score stands well above the current regional average of 55.56%, demonstrating the country’s continued commitment to aviation safety and compliance with ICAO SARPs. While key areas such as infrastructure, documentation, and maintenance have shown strong performance, the audit also identified areas requiring further enhancement, particularly in staffing, training, and surveillance capacity. These findings offer a strategic opportunity to refine regulatory effectiveness and reinforce Namibia’s position as a regional leader in aerodrome safety oversight.

The chart below illustrates a summary of the audit results.

AERODROMES AND GROUND AIDS (AGA) Protocol Questions by sub-area groupings



A MISSION ANCHORED IN SERVICE AND RESPONSIVENESS

The AGA Unit continued to centre its activities around customer responsiveness, service delivery, and stakeholder trust. We successfully responded to all queries related to aerodromes and maintained our 14-day response turnaround time, reflecting a commitment to reliability and public service.

Stakeholder engagement remained an essential pillar. Our team contributed to national aviation infrastructure discussions by actively participating in the relocation planning of Opuwo aerodrome and the rehabilitation of Impalila aerodrome. We held monthly and plenary meetings with teams from Eros and Ondangwa Airports to support certificate renewals and jointly address pending operational matters. These engagements ensured open lines of communication with operators and aligned planning for new and upgraded aerodromes at Opuwo, Impalila, Tsumeb, and Heja Lodge.

Together with the Aviation Security (AVSEC) and Facilitation Division, we facilitated security infrastructure upgrades at Walvis Bay and worked to enhance perimeter security at Rundu and Katima Mulilo. In support of Namibia's sustainability goals, the unit played a critical role in national consultations on the draft 2018 Transport Policy, engaging on environmental and climate change topics to align aviation with broader sustainable development targets.

The AGA Unit also hosted the State Action Plan workshop under the EU-CORSIA Africa and Caribbean project. This key event brought together stakeholders from NAC, FlyNamibia, NUST, IUM, and others to align Namibia's carbon mitigation efforts in aviation with international best practices.

OVERSIGHT AND OPERATIONAL EXCELLENCE

We continued to provide oversight per our surveillance programme. AGA inspectors carried out audits, issued interim licences, and led the certification of both Eros Airport and Andimba Toivo ya Toivo Airport. We also advanced the certification process for Oranjemund International Airport, where the Aerodrome Manual has been approved.

Notably, we introduced a new advisory pamphlet on Aircraft and Pavement Classification Ratings, which was made publicly available through the NCAA website. In response to the high traffic demands during the inauguration of Her Excellency, President Netumbo Nandi-Ndaitwah, we worked closely with NAC to facilitate safe airport operations.

Our team processed several environmental impact submissions for renewable energy installations and other developments near airports across Namibia, demonstrating our attention to both safety and environmental co-management. Approvals were granted for helideck operations supporting offshore oil and gas exploration, and emergency landing sites were approved for Debmarine Namibia's operations.

A flight safety assessment was also conducted at the proposed Opuwo aerodrome site to determine its viability for safe aircraft operations.

ACHIEVEMENTS IN 2024/25

NCAA successfully licensed Eros and Andimba Toivo ya Toivo Airports after completing the full five-phase licensing process. In October 2024, new provisions for Category D aerodromes came into effect, enabling the formal registration of these aerodromes and marking an important regulatory milestone.

AGA inspectors contributed beyond national borders. Our team participated in technical assistance missions to Botswana and Zambia, and two inspectors were appointed as National Safety Inspectors under the Southern African Safety Oversight Organisation. This raised our regional influence and deepened our role in cross-border aviation safety.

Our senior staff benefited from various training opportunities, including participation in the NCAA's New Managers Development Programme. Inspectors received further training in human factors, safeguarding, geospatial data systems, IATA Quality Management Systems (QMS), Safety Management Systems (SMS), and Aviation Safety Block Upgrades. Other sessions included fatigue management and aviation fuel safety under ICAO's ACT-SAF platform.

NAVIGATING CHALLENGES WITH STRATEGY

While the training programme implementation lagged due to funding limitations, we partnered with external training institutions to deliver core training sessions locally. A quarterly review system was introduced to improve tracking and execution. A recurring challenge was the slow pace of certification and licensing processes by some operators. Regular engagement meetings were introduced, and we increased the availability of guidance materials to help address their specific challenges. Enforcement practices were also improved after three AGA inspectors completed specialised training on resolving safety concerns. The Legal Division is being consulted for further strengthening of enforcement procedures.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

In the coming financial year, the focus will remain on strengthening service delivery and operational efficiency. Key priorities include improving Namibia's implementation score on ICAO's framework, aligning regulatory frameworks through amendments to NAMCARs Part 139, and enhancing digital efficiency by expanding the use of the Electronic Licensing Issuance System (EMPIC) platform. The Authority also aims to finalise online registration for Category D aerodromes, complete the certification of four regional airports, update guidance materials in line with global standards, and fully implement the AGA training programme to ensure inspector competence.



AIR NAVIGATION SERVICES SAFETY OVERSIGHT DIVISION



AIR NAVIGATION SERVICES SAFETY OVERSIGHT DIVISION

OVERVIEW

At the heart of Namibia's aviation safety lies the Air Navigation Services Safety Oversight (ANSSO) Division, an essential arm of the Safety and Security Department within the NCAA. This division is entrusted with a deeply human responsibility: ensuring that every aircraft flying over Namibian skies does so safely, efficiently, and in compliance with both national and international aviation standards.

Rooted in care for the travelling public and the professionals who serve them, ANSSO ensures compliance with NAMCARs and aligns its efforts with the global SARPs of the ICAO. This includes oversight of critical safety areas such as air traffic services, flight information, aviation meteorology, communication, navigation, and search and rescue operations. The ANSSO Division is uniquely positioned to regulate these functions with impartiality, even as they are delivered in-house by the NCAA.

A VISION FOR SAFER SKIES

This past financial year, ANSSO's strategic focus was clear: strengthen compliance with ICAO SARPs, enhance the responsiveness of safety oversight, and encourage collaboration in the shared mission of securing Namibia's airspace. Our team, with compassion at its core, worked to foster a culture of continuous improvement by engaging stakeholders, building capacity, and implementing performance-based oversight practices.

PROGRESS THAT PROTECTS

This year, our commitment translated into significant progress. We amended and promulgated all ANS-related regulations and technical standards to reflect evolving ICAO requirements, ensuring our national framework remained robust and relevant. At the same time, our inspectors received targeted training and mentorship, equipping them with the tools needed to serve the nation with excellence and integrity.

KEY ACHIEVEMENTS (2024/25) (IN LINE WITH THE INTEGRATED STRATEGIC BUSINESS PLAN

Throughout the year, the division worked hard to ensure that the systems supporting safe flights were operating according to the prescribed standards, both national and international. In line with our objectives to increase our EI rate of safety oversight by conducting regular planned and unplanned inspections and checks to ensure rules were being followed, identify safety risks early, and work with the ANS teams providing services to address any issues quickly and professionally, as reflected in the following key achievements of the year.

ACHIEVEMENTS ALIGNED WITH THE EIGHT CRITICAL ELEMENTS OF SAFETY OVERSIGHT

During the reporting period, the division continued to strengthen the national aviation safety oversight system in accordance with the Eight Critical Elements (CEs) defined by ICAO. These elements are grouped into establishment and implementation components, reflecting both the foundational and operational maturity of the oversight framework.

ESTABLISHMENT COMPONENT (CE 1 – 5)

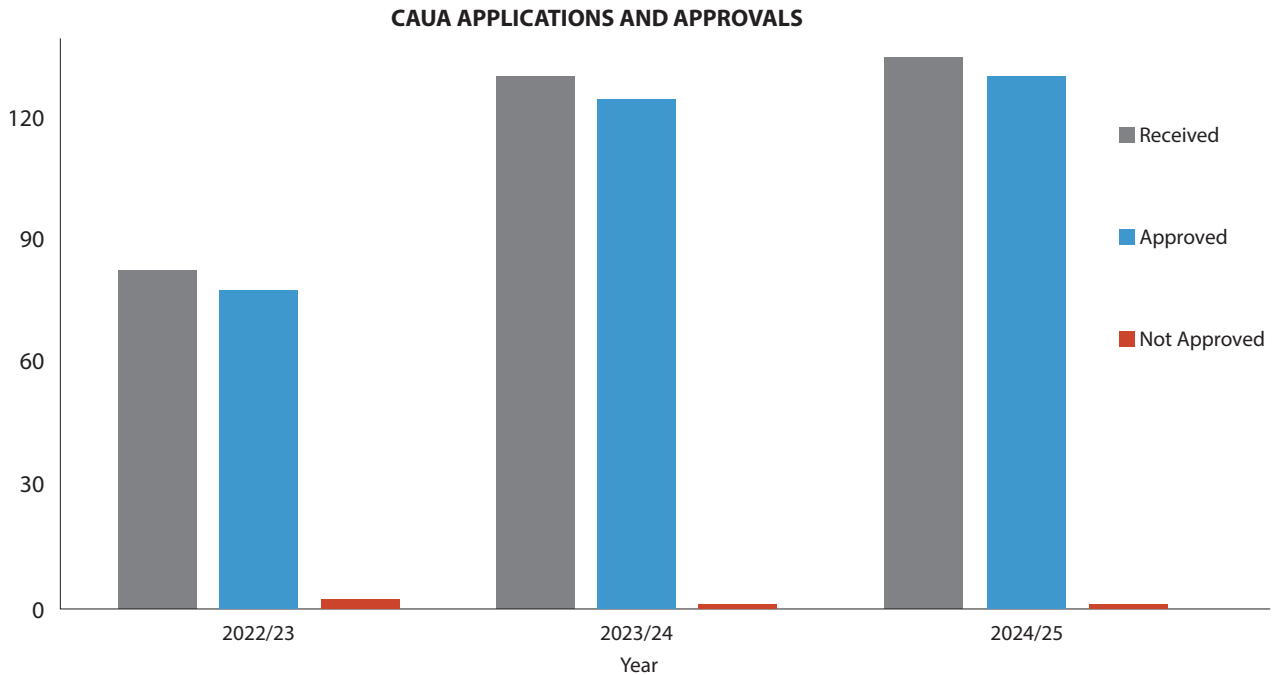
The division undertook targeted initiatives aimed at both regulatory refinement and technical capacity enhancement. The following achievements highlight progress made in aligning national civil aviation regulatory frameworks with ICAO standards and in developing the technical competency of inspectors across all domains:

- a) Amendment of all ANS-related regulations and technical standards to align with the ICAO SARPs has been promulgated.
- b) Capacity development of the Inspectors within the department was realised through specialised training, workshops, and seminars held in the region and nationally, including initial and basic training and on-the-job training.

IMPLEMENTATION COMPONENT (CE 6 – 8)

In the reporting year, the Division recorded substantial achievements in exercising its core regulatory functions. Several airspace users received approvals following rigorous evaluation against national and ICAO standards, reinforcing the integrity of the aviation system. Surveillance activities were scaled up, with targeted inspections, audits, and monitoring visits conducted across various domains, including air traffic services, meteorology for aviation, aeronautical information services and CNS. Importantly, several previously identified safety concerns were resolved through collaborative engagements, corrective action follow-ups, and, where necessary, enforcement measures. This reflects the division's continued commitment to proactive safety oversight and continuous improvement as outlined below.

a) Approval of Civil Activity User Airspace (CAUA)



Civil Activity User Airspace for the past three years.

In the past three financial years, the NCAA recorded a steady increase in the CAUA applications, reflecting growing interest in temporary airspace use by aviation stakeholders. This positive trajectory, as illustrated in the graph below, demonstrates the Authority’s commitment to efficient service delivery and supports safe and orderly access to Namibian airspace for civil aviation activities.

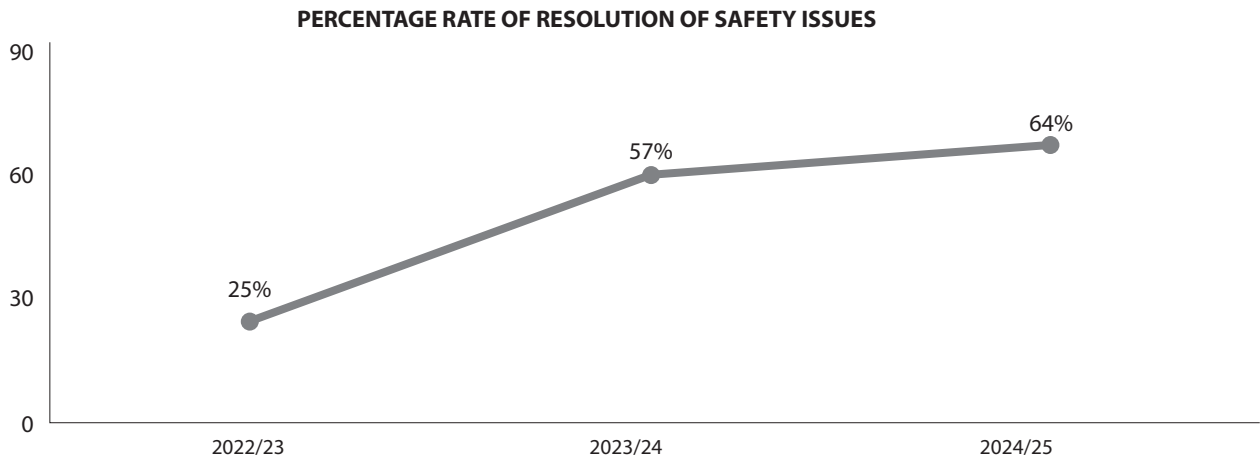
b) Surveillance activities



ANSSO surveillance activities for the past three years

Over the past three years, the division has steadily enhanced its surveillance oversight activities. Notably, there has been a significant rise in ad hoc audits, surging from just one in 2022/23 to 29 in 2024/25. This sharp increase reflects the Authority’s heightened presence and responsiveness in the aviation industry, reinforcing its commitment to proactive regulatory oversight and the promotion of safety compliance across all operational areas.

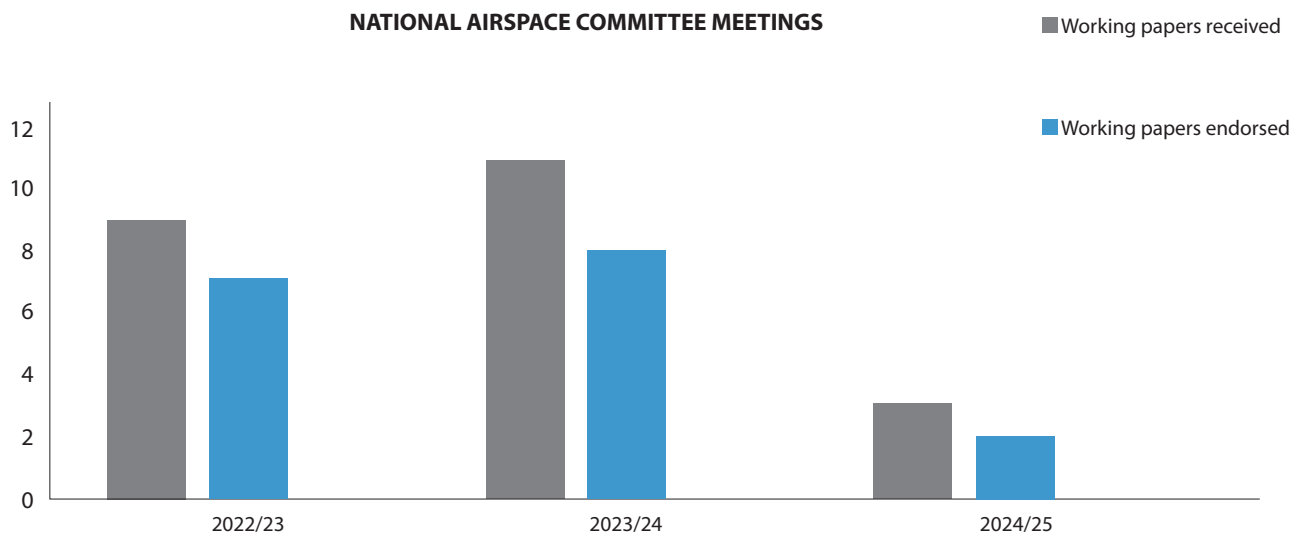
c) Resolution of Safety Issues



Comparison of the Resolution of Safety Issues for the past three years

The resolution of safety issues identified during surveillance audits has shown a positive trajectory over the past three years. In 2022/23, only 25% of findings were resolved, but this figure more than doubled to 57% in 2023/24. As of the 2024/25 reporting period, the resolution rate has further increased to 64%. This steady improvement reflects enhanced follow-up mechanisms, increased ANSP cooperation, and the Authority's commitment to closing safety oversight loops in a timely and effective manner. The upward trend demonstrates continued progress in fostering a more compliant and safety-conscious aviation environment.

d) National Airspace Committee

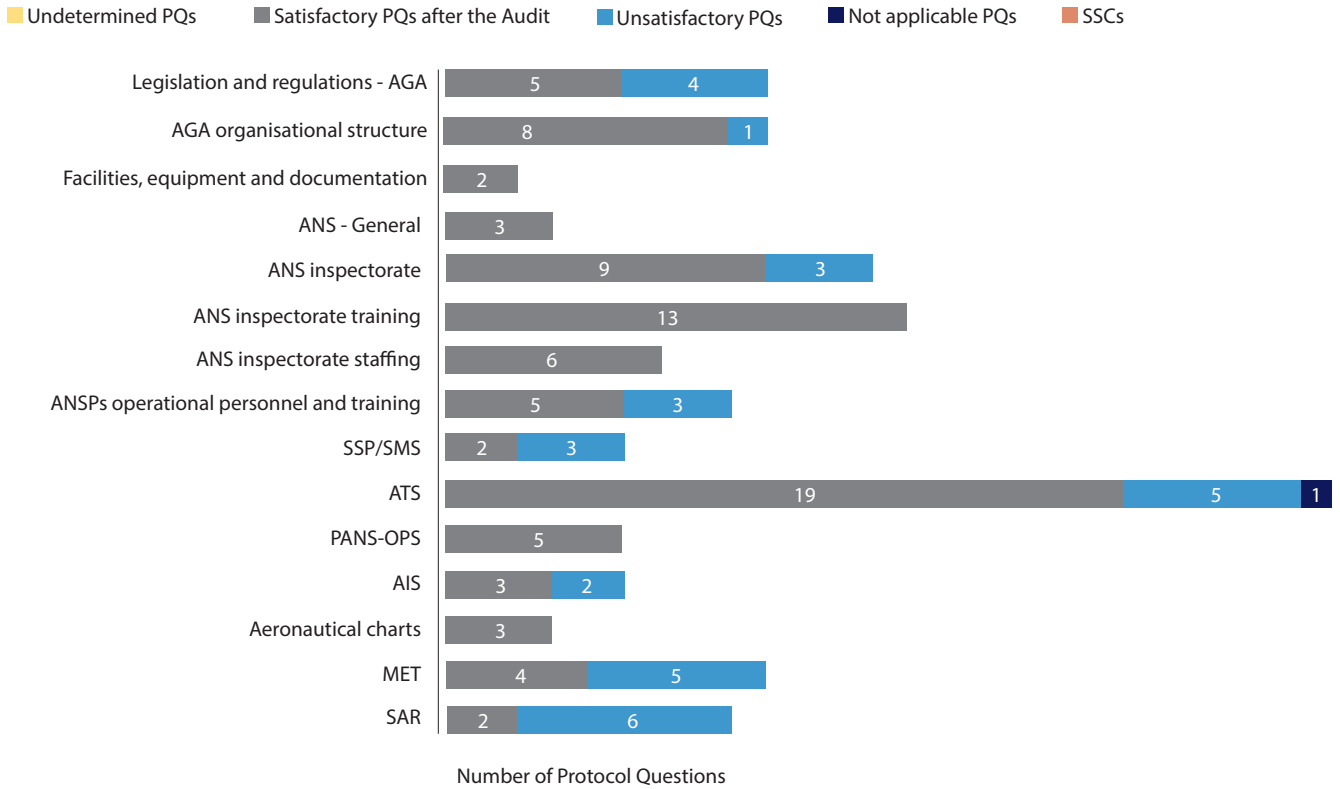


National Airspace Committee meetings for three years

Over the past three years, the NCAA has maintained active stakeholder engagement with regard to flexible use of airspace through the National Airspace Committee meetings. These meetings provided a platform for civil and military airspace stakeholders to engage on matters relating to airspace design, classification, and utilisation, ensuring a collaborative approach to airspace management. The most recent period saw a reduction in the number of proposals submitted due to national elections held last year.

ICAO UNIVERSAL SAFETY OVERSIGHT AUDIT PROGRAMME – CMA AUDIT RESULTS 2024

**AIR NAVIGATION SERVICES (ANS)
Protocol Questions by sub-area groupings**



INTERDEPARTMENTAL AND STAKEHOLDER COLLABORATION
During the 2024/25 financial year, the Authority strengthened both internal and external collaboration to promote integrated oversight and enhance aviation safety performance.

Internal Collaboration:

Significant progress was achieved through initiatives such as the ASBU workshop, which brought together the AGA and ANSSO teams to align on ICAO’s performance-based approach. Additionally, the collaboration between ANSSO and the ICT Division laid the foundation for the implementation of the EMPIC system.

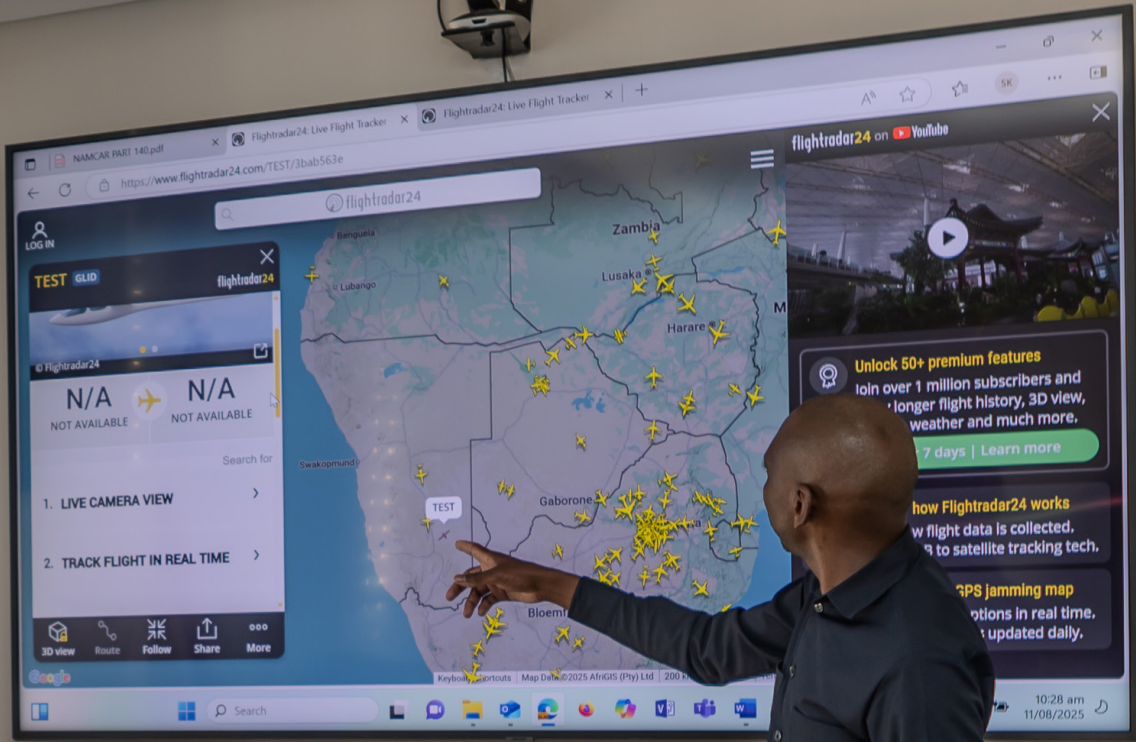
External Engagement:

To improve regulatory transparency, the Authority conducted public consultations on proposed amendments to NAMCAR Parts 71, 171, 172, 175, and 179. Operational oversight was further strengthened through monthly bilateral meetings with the ANSP and the National Meteorological Service (NMS). Notably, a joint engagement with Paragon and NMS helped shape the national deployment plan for Automated Weather Observing Systems (AWOS) at key airports.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/2026)

The 2025/2026 financial year presents an opportunity to build on this momentum. Our plans include completing the recertification of ANSP’s, finalising the certification of the National Meteorological Service, and expanding the team of qualified Procedures for Air Navigation Services Aircraft Operators Inspectors. We will also initiate further amendments to ANS-related regulations, ensuring Namibia remains at the forefront of aviation safety innovation. Most importantly, we will deepen our stakeholder outreach because safety, at its core, is a shared responsibility.

At ANSSO, we view every regulation, every audit, and every stakeholder engagement as part of a larger promise: to ensure that every person who looks to the skies above Namibia can do so with confidence, knowing that compassion and care guide our oversight every step of the way.



AIRWORTHINESS DIVISION



AIRWORTHINESS DIVISION OVERVIEW

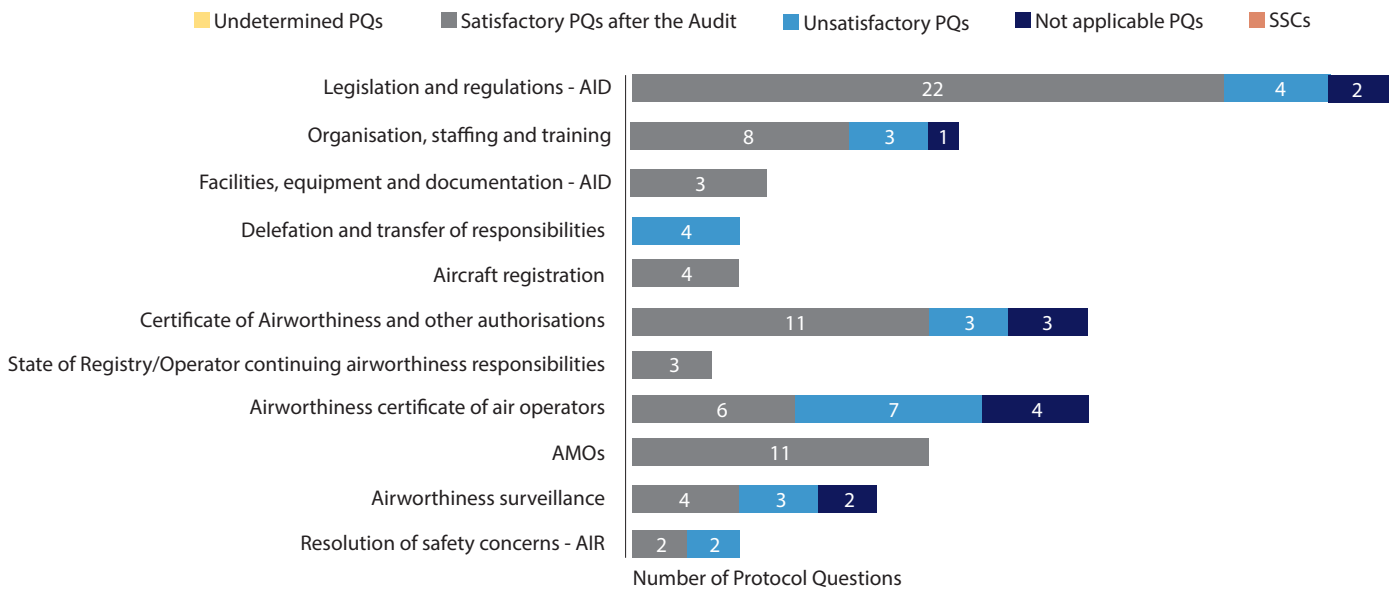
At the heart of aviation safety lies the unwavering dedication of the Airworthiness Division, whose core mission is to ensure that every aircraft operating within Namibian skies adheres to the highest safety and regulatory standards. Through a detailed conformity inspection process, the division is responsible for issuing aircraft registration and airworthiness certificates. This includes the oversight of newly imported aircraft into Namibia, whether brand-new or previously owned, as well as the approval of modifications requested by aircraft owners and operators.

The division works closely with Aircraft Maintenance Organisations (AMOs), providing certification and continuous oversight to ensure their adherence to both international and national safety standards. Collaboratively with the Flight Operations and Personnel Licensing Departments, the team also plays a critical role in certifying and monitoring local Air Operators and Part 141 Aviation Training Organisations that train future Aircraft Maintenance Engineers.

ICAO USOAP-CMA FULL AUDIT 2024

The Airworthiness Division improved its EI of ICAO Standards and SARPs, increasing the score from 72.22% to 77.08%. The graph below illustrates performance across the various audit sub-areas within the Aircraft Airworthiness State Oversight Function.

AIRWORTHINESS OF AIRCRAFT (AIR) - AIRWORTHINESS INSPECTION Protocol Questions by sub-area groupings



STRATEGIC INTENT

The Airworthiness Division aligns its operations with the NCAA's broader oversight obligations, drawing on international best practices and Namibia's regulatory mandate. Its strategic focus includes integrating SARPs from ICAO Annexes 2, 6, 7, 8, and 16 into the national regulatory framework. The division also works to uphold high levels of EI within Namibia's Aircraft Airworthiness function, which forms a critical component of the State Oversight System. In support of capacity building and operational excellence, the division continues to implement the five-year Human Capital Development Plan along with the annual training calendar to ensure it remains well-resourced with qualified and competent airworthiness inspectors.

KEY ACHIEVEMENTS IN 2024/25

The year under review marked several proud milestones. The division registered 13 Type-Certified Aircraft and 5 Non-Type-Certified Aircraft. Notably, a BO-105 CBS-5 rotorcraft, manufactured by Airbus Helicopters Deutschland GmbH, was registered for the first time following a successful Type Acceptance.

The Namibian drone register expanded to 133 Remotely Piloted Aircraft Systems (RPAS), reflecting growing innovation and demand in this sector.

In terms of airworthiness certification, a total of 18 initial Certificates of Airworthiness and Authorities to Fly were issued. All renewal requests were also successfully granted after thorough inspection and validation processes.

Regarding approved AMO oversight, all eight local AMOs had their certifications renewed, and the recertification process for Namibia Base Aviation was initiated. Additionally, seventeen international AMOs received successful renewals.

Airworthiness inspectors further advanced their expertise through high-level type rating training on major aircraft, including the EMBRAER ERJ E135/145 and the AW139 rotorcraft.

Guidance Material Updates: Technical documentation and advisory pamphlets were updated to address ICAO USOAP-CMA audit findings, strengthening our safety oversight system.

CHALLENGES AND MITIGATION STRATEGIES

Despite the progress achieved during the reporting period, the Airworthiness Division faced several operational and regulatory challenges that impacted the pace and effectiveness of its oversight functions.

These key challenges within the Airworthiness Division, with significant progress made toward sustainable resolution, are as follows:

The first challenge arose following the withdrawal of NCAA Part 147 Design Organisation approval previously granted to a South African-based entity. This development restricted aircraft owners and operators in Namibia from implementing aircraft modifications using Supplementary Type Certificates (STC). In response, the NCAA amended its Memorandum of Understanding (MoU) with the South African Civil Aviation Authority (SACAA). The revised MoU enables the review and approval of aircraft design data for V5-registered aircraft by SACAA, which local Aircraft Maintenance Organisations can then install. The implementation timeline includes the submission of the amended MoU to SASO, SACAA, and NCAA legal departments by 15 July 2025, consultations with SACAA-approved Design Organisations from 20 to 31 July 2025, and the final SACAA review and approval scheduled for 18 August 2025.

The second challenge concerned the low implementation rate, below 40 % of the Airworthiness Training Programme and individual training plans, which delayed on-the-job training for newly recruited Airworthiness Inspectors. To address this, the division proposed a streamlined training approval process. The revised process calls for the Executive Director to approve divisional training programmes in a single sitting, based on presentations by Senior Managers. Once approved, implementation will be monitored by the Human Resources Department and the GM: Safety and Security, without requiring repeated Training Committee reviews. This revised proposal is set for submission by 15 August 2025.

These strategic interventions reflect the NCAA's commitment to improving operational efficiency and enhancing its regulatory oversight capabilities.

COLLABORATIVE EFFORTS

The Airworthiness Division has continued to foster strong partnerships across departments and stakeholders, recognising that collaboration is essential to maintaining a safe and responsive civil aviation system. During the reporting period, the division worked closely with the Personnel Licensing Department to issue an aviation directive permitting the use of Non-Type Certified Aircraft for remunerated training purposes, broadening access to practical learning opportunities within regulated environments. Further collaboration with Personnel Licensing led to the extension of an Airworthiness Inspector's contract, enabling cross-functional support between the two departments whenever needed. This flexible staffing approach helped enhance both technical capacity and continuity in critical oversight functions.

Additionally, the division partnered with CRR to extend the contract of the Compliance Officer responsible for the Aircraft Airworthiness State Oversight Function. This officer was also involved in hands-on training and operational activities, enriching the inspector development pipeline.

Efforts to strengthen the regulatory framework also involved amendments to the experimental certificate for two RV9 aircraft, once again in close coordination with the Personnel Licensing Department. In another demonstration of internal collaboration, the division worked with the Safety, Promotion, and Quality (SPQ) Unit to transfer a contracted inspector with a quality assurance background to a vacant Quality Specialist position, ensuring that institutional knowledge was retained and redirected where it was most needed.

These collaborative initiatives not only improved operational efficiencies but also reinforced the NCAA's commitment to teamwork, agility, and collective responsibility in promoting aviation safety across Namibia.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

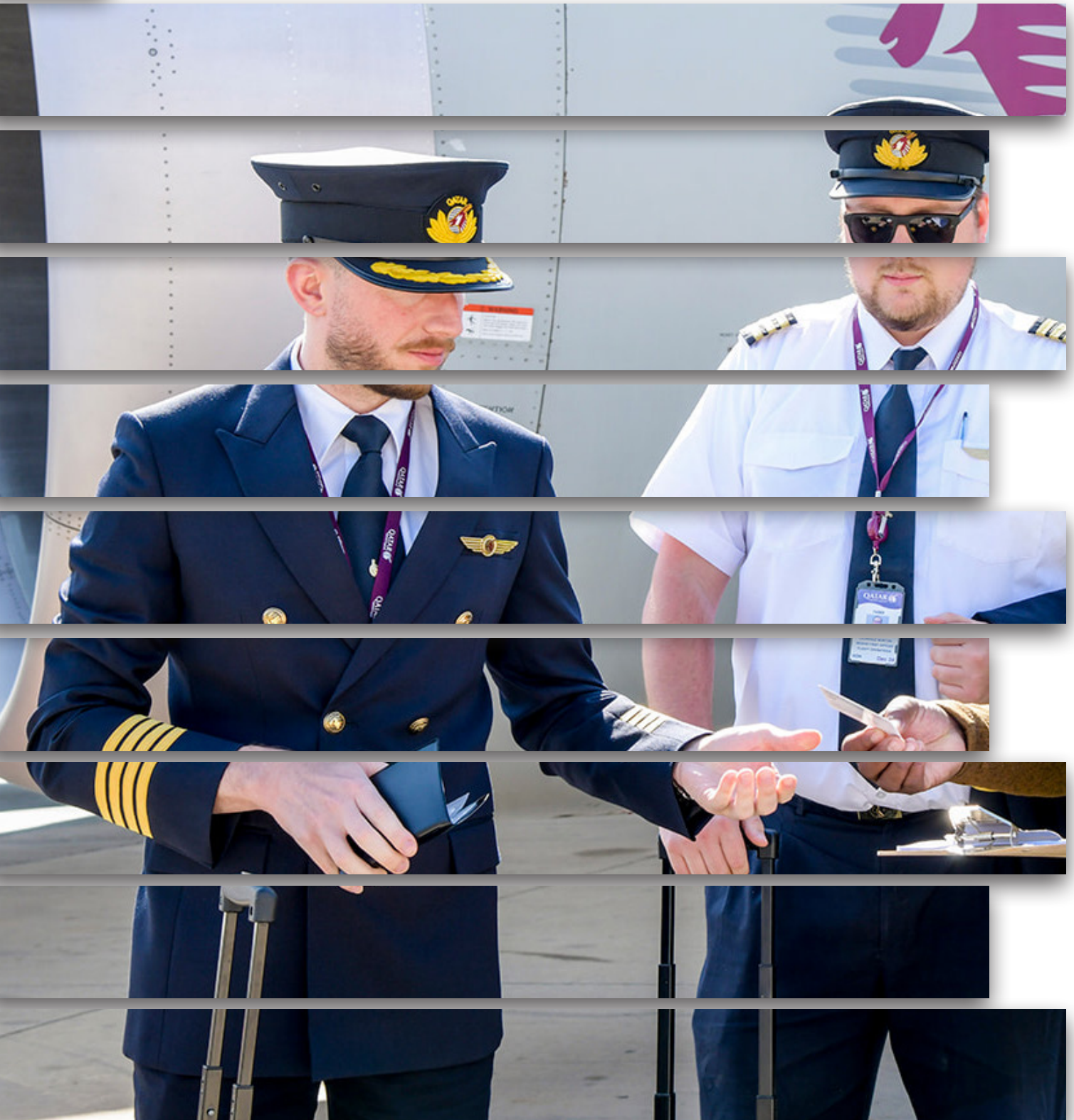
In the coming financial year, the Airworthiness Division will continue its steadfast commitment to enhancing aviation safety oversight. One of the key priorities is the amendment of the Technical Guidance Material to serve as supporting evidence for the CAPs developed in response to findings from the 2024 ICAO USOAP audit. This includes a restructuring of Volumes 3, Parts I and II, to allow for the timely amendment and publication of individual chapters, aligned with ICAO's Continuous Monitoring Approach.

The division will also focus on the amendment and formal promulgation of NAMCAR/NAMCATS Part 145. This process will involve the publication of relevant notices, nomination of regulatory panels, and gazetting of the updated regulations to ensure full compliance and clarity within the aviation maintenance sector. Further attention will be given to completing ongoing certification projects for maintenance organisations. Notable among these is the finalisation of Phase II certification for Namibia Helicopter Services based in Otjiwarongo, and Phase I for the Namibia Police's aviation unit based at Eros Airport in Windhoek. These efforts will reinforce the country's capacity to provide quality maintenance services.

A significant technical milestone will be the completion of the Type Acceptance Certification Process for the EC 226 LP rotorcraft. This will include issuing the necessary Type Acceptance Certificate and notifying the European Union Aviation Safety Agency (EASA) of its successful registration in Namibia. As part of this process, an Airworthiness Inspector will undergo specialised maintenance training with Airbus Helicopters to ensure continued expertise within the division.

Lastly, the division will contribute to international regulatory harmonisation efforts by supporting ICAO Working Paper A42. This initiative, led by AFCAC, aims to promote mutual recognition of Approved Maintenance Organisation certificates issued by ICAO Member States, thereby fostering regional and global trust in Namibian oversight capabilities. These focused activities are part of the division's broader commitment to upholding the NCAA's mandate and ensuring that Namibia remains a trusted name in aviation safety oversight.

PERSONNEL LICENSING DIVISION



PERSONNEL LICENSING DIVISION OVERVIEW

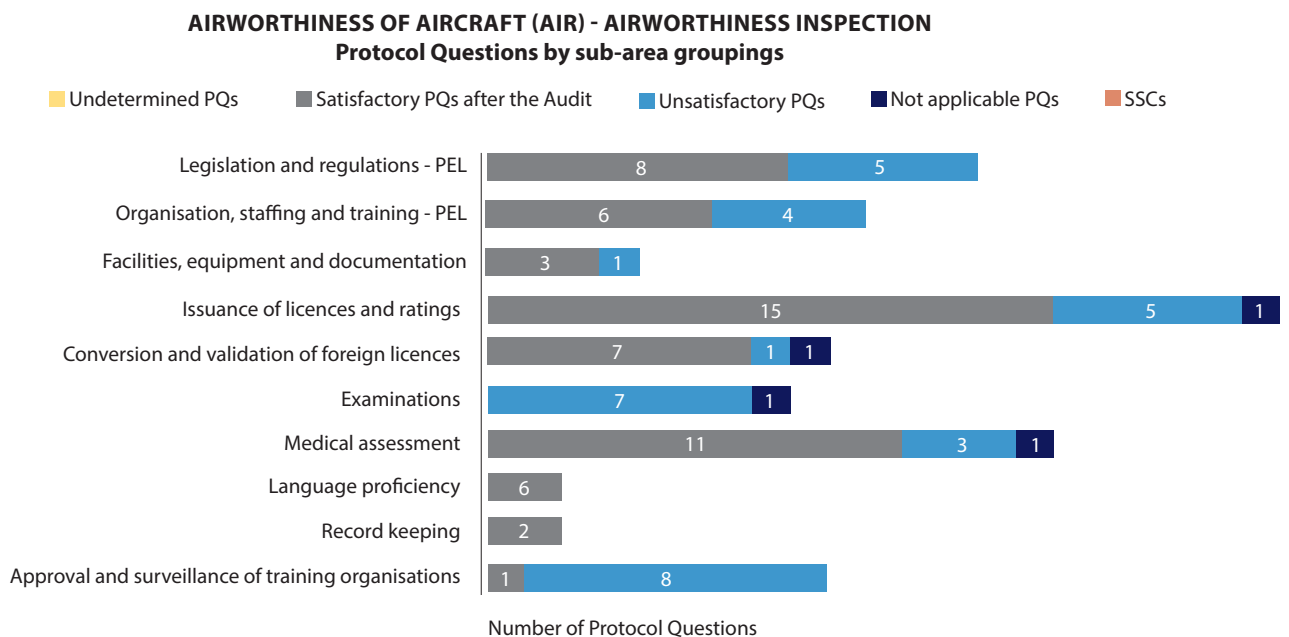
The Personnel Licensing (PEL) Division is a vital cornerstone of Namibia's civil aviation framework. It is entrusted with ensuring that individuals operating within the aviation system are competent, well-trained, and meet the highest safety standards. The division oversees functions that span licensing, examinations, regulatory compliance, surveillance, and the certification of aviation training organisations and examiners.

A critical part of the division's work lies in administering theoretical knowledge examinations and issuing various licenses for flight crew, aircraft maintenance personnel, and cabin crew. It also ensures continued competency by monitoring and maintaining existing licenses through ongoing surveillance and periodic assessments. Oversight responsibilities extend to training institutions and individual examiners, involving the review and approval of procedures, personnel, facilities, and equipment used in aviation training and examination.

On the regulatory front, the division is responsible for drafting and amending laws related to personnel licensing and ensuring alignment with international standards such as ICAO SARPs. This involves enforcing those regulations and implementing procedures that support continuous compliance with global best practices. Surveillance activities ensure that licensed personnel continue to meet established safety and competency benchmarks throughout their careers.

ICAO USOAP-CMA AUDIT RESULTS 2024

The graph below shows the performance across the various audit sub-areas within the PEL Department. PEL increased its EI from 55.56% to 61.54%.



STRATEGIC OBJECTIVES ALIGNED TO NCAA

The division aims to ensure that all training conducted at NCAA-approved Aviation Training Organisations, both locally and internationally, remains fully compliant with ICAO Standards and Recommended Practices. This commitment helps safeguard the international recognition and compatibility of all licences issued under the NCAA's authority, promoting global mobility for Namibian aviation professionals.

KEY ACHIEVEMENTS FOR 2024/25

The division focused on strengthening its internal capabilities and enhancing oversight functions during the year under review. Several key appointments were made, including a Pilot Inspector, two staff members reassigned from the Ministry of Works and Transport, and a Senior Inspector for Air Traffic Control. Notably, the review of the ERJ 135/145 Aircraft Maintenance Engineer syllabi was initiated with guidance provided by an expert from SASO.

The division also benefited from capacity-building efforts. Personnel received on-the-job training on the certification of RPAS Aviation Training Organisations, and several staff members attended regional and international training programmes, including the CAA Aviation Training Organisation (ATO) approval course, the FSTD approval course, and the GSI PEL Inspector course. Additional training in areas such as safety issue resolution, quality and SMS systems, and human factors further strengthened internal capabilities. An important milestone was the issuance of an Aeronautical Information Circular for the biennial Flight Examiners Designation Assessment Course.

Furthermore, the division successfully oversaw the recertification of ATNS in South Africa during February 2025.

CHALLENGES AND MITIGATION STRATEGIES

Despite these achievements, the division encountered several operational challenges. One major obstacle was the limited availability of resources and training required to fully implement the EMPIC platform, specifically for the Flight Crew Licensing and Operations Approval System modules. Additionally, the routine workload within the office environment hindered the effective on-the-job training of the Medical Assessor. A shortage of inspectors further impacted the division's ability to meet oversight and surveillance timelines. These challenges have been acknowledged in the revised Human Capital Plan, which outlines clear strategies for staffing and skills development.

INTERDEPARTMENTAL AND STAKEHOLDER COLLABORATION

The Personnel Licensing (PEL) Division worked in close coordination with other NCAA departments and external partners throughout the reporting period. For example, it collaborated with SASO experts to advance certification processes for emerging aviation training models and actively contributed to regulatory updates in partnership with the Legal Division. Engagements with foreign training institutions and oversight of designated examiners also strengthened the NCAA's compliance posture and operational reach.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

In the next financial year, the division will prioritise the digitalisation of its licensing system, aiming to streamline processes and improve accessibility. Training and surveillance activities will proceed in line with the approved training and surveillance plans, ensuring that oversight remains proactive and aligned with global standards. Updates to CAPs will be implemented, and efforts will continue toward finalising the inclusion of Aircraft Maintenance Engineer Designated Examiner requirements in NAMCATS 66.



FLIGHT OPERATIONS DIVISION



FLIGHT OPERATIONS DIVISION OVERVIEW

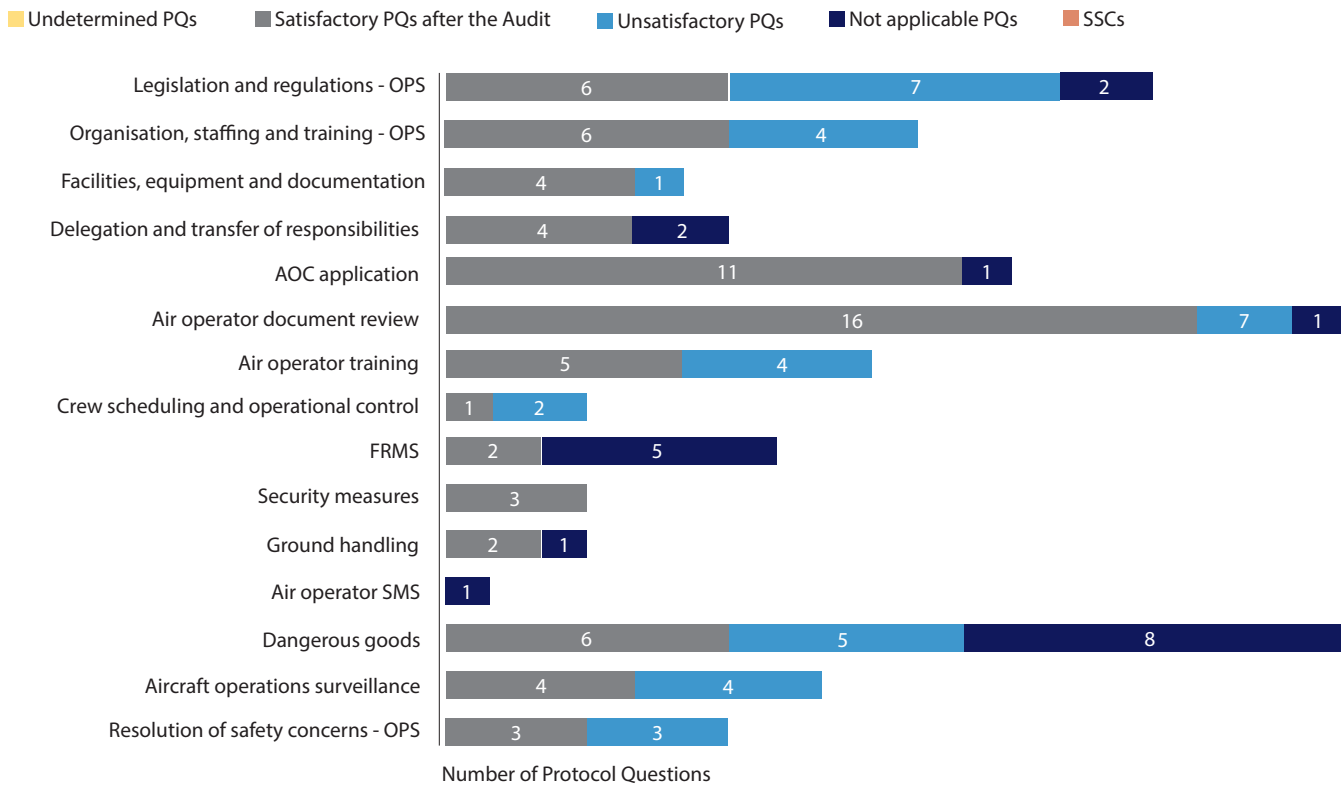
The Flight Operations Division (OPS) is a vital component within the Safety and Security Department of the NCAA. Entrusted with regulatory oversight of commercial and non-commercial flight operations, the division operates in full alignment with the standards of the ICAO Annexure 6 and the NAMCARs. Despite facing notable staff shortages during the year under review, the division remained resolute in delivering on its mandate.

Its responsibilities encompass the certification of commercial air operators, the continuous surveillance of Air Operator Certificate (AOC) holders to ensure compliance, and the investigation of operational incidents to guide remedial action. The division also processes Foreign Operator Permits (FOPs ATCs), certifies Remotely Piloted Aircraft Systems (RPAS), and approves operations involving Dangerous Goods. It plays an integral role in regulatory guidance, issuing special operations approvals, and certifying aviation recreational bodies such as Hot Air Balloon and Aviation Recreational Organisations (AROs). This extensive scope reflects OPS's dedication to maintaining safe and efficient skies in Namibia.

ICAO USOAP-CMA AUDIT RESULTS 2024

The graph below shows the performance across the various audit sub-areas within the Flight Operations Division. OPS increased its EI from 56.44% to 68.22%.

AIRCRAFT OPERATIONS (OPS)
Protocol Questions by sub-area groupings



During the 2024/25 audit cycle, the Flight Operations Division focused extensively on core safety oversight areas as aligned with ICAO USOAP protocol questions for the Aircraft Operations (OPS) domain.

Key areas of focus included:

- **Record-keeping and documentation:** The effective oversight of aviation operations relies significantly on accurate, accessible, and systematically maintained regulatory registers. During the 2024/25 audit cycle, the Flight Operations Division emphasised compliance with record-keeping requirements for multiple operator categories and authorisations
- **Qualified inspectors:** The Flight Operations Division continued to prioritise inspector qualification, continuous professional development, and efforts to close staffing and competency gaps, particularly in high-risk and expanding operational domains. Addressing the gaps in fully qualified inspector coverage and filling key positions is essential for strengthening Namibia's safety oversight capability. These efforts are critical not only for national compliance but also for readiness ahead of future ICAO USOAP audits.
- **Issuance and oversight of AOCs, surveillance and inspection (23 audits combined):** This represents the division's strong emphasis on ensuring ongoing compliance through surveillance audits and proper certification of air operators.
- **Review and approvals of manuals and operational approvals (54 evaluations combined):** A significant portion of the audits focused on the review of operations manuals, standard operating procedures (SOPs), and compliance documentation. This supports harmonisation with Annexure 6 standards and enhances the traceability of operator accountability.
- **Postholder and personnel competency:** A total of 10 Fit and Proper Person Tests (FPPTs) in line with NAMCARs Part 140 and ICAO Doc 8335 guidelines were conducted. These assessments form a critical component of the NCAA's mandate to ensure that individuals appointed to key operational roles within certified air operators meet the required competency, integrity, and compliance standards.

LEGISLATION AND REGULATIONS

A comprehensive review of the NAMCARs and NAMCATS addressed 75% of the OPS-specific regulations, which has enhanced ICAO compliance, improving Namibia's USOAP audit scores.

STRATEGIC OBJECTIVES ALIGNED TO NCAA

The OPS Division anchored its work in the NCAA's broader strategic priorities. To enhance customer centricity, the team focused on implementing a service charter, promptly resolving client complaints, and encouraging feedback from operators to inform ongoing service improvements. In strengthening stakeholder relations, OPS participated in safety awareness initiatives and workshops on new regulations, while aligning surveillance activities with the PEL Division and actively engaging in Designated Examiner workshops.

On the path to financial sustainability, OPS enforced cost recovery policies outlined in Part 187 and ensured compliance with application fee guidelines while working within its allocated budget. The division also advanced Namibia's aviation safety oversight by certifying operators, conducting surveillance programmes, administering Fit and Proper Person Tests, and supporting the State Safety Programme. It contributed to the National Aviation Safety Plan and maintained technical documentation, including the Global Reporting Format and various safety enhancement initiatives. Internally, operational excellence was fostered through a dedicated business plan, budget oversight, public communication of exemptions, and the management of registers for AOCs, FOP, RPAS, and AROs. Finally, OPS promoted learning and growth by addressing critical vacancies, signing performance agreements, and implementing individual training plans in collaboration with Human Resources and the General Manager for Safety and Security.

KEY ACHIEVEMENTS FOR 2024/25

The division achieved several regulatory milestones this year. Key amendments were promulgated to NAMCATS Parts 48, 91, 121, 127, and 135, with corresponding compliance checklists completed. Staff underwent training in critical subjects such as Human Factors, SMS, QMS, RPAS, ICAO ACT, and CORSIA, with more than 25 participants benefiting from these sessions.

Operational documentation and compliance tools were improved, with the development and approval of over 30 regulatory forms and checklists. Recertification activities successfully covered operators such as Hot Air Balloon Namibia, Wilderness Air Namibia, and Namibia Helicopter Services. The team reviewed and approved more than 40 operational manuals, including Flight Operations Manuals (FOMs), Standard Operating Procedures (SOPs), Safety Management Manuals, Minimum Equipment Lists (MELs), and Emergency Response Plans.

Amendments were made to multiple AOCs, and new operational specifications were issued to operators like Bay Air, Fly Namibia, and Westair Aviation. More than ten Fit and Proper Person Tests were conducted for key postholders. Surveillance obligations were met through SAFA inspections, ramp and en route audits, and the renewal of four AROs. A total of 132 Foreign Operator Permits were renewed, covering major airlines such as Ethiopian Airlines, TAAG Angola, South African Airways, Airlink, and Fly Angola. Safety concerns were addressed, including the closure of CAP's for Scenic Air and investigations into operations by Eagle Eye Aviation, NAS, and a landing incident involving Fly Namibia.

CHALLENGES AND MITIGATION

Like many of the NCAA's other divisions, OPS faced human resource challenges. The attraction and retention of qualified inspectors remained a concern, which the NCAA Retention Policy now aims to address. High turnover rates prompted advertising and interviewing for critical posts. The rollout of the EMPIC system was delayed due to limited training, necessitating the appointment of a dedicated project manager. Workload pressures and a shortage of inspectors impacted the division's ability to deliver timely oversight, prompting the strategic reallocation of responsibilities and the acceleration of onboarding processes. Operator delays in

responding to regulatory requirements were met with improved follow-up protocols. Cross-departmental coordination was also strengthened through deliberate communication strategies with AIR, PEL, and AVSEC units.

INTERDEPARTMENTAL AND STAKEHOLDER COLLABORATION

The division actively participated in the Civil Aviation Regulatory Technical Advisory Panel (CARTAP), contributing to the refinement of NAMCARs and NAMCATS. OPS collaborated with a broad range of local and international stakeholders, including UCAA, West Air Aviation, Air Botswana, and Paragon Aviation, on certifications and validations. Engagements also included RPAS forums, regulatory workshops, and contributions to the National Aviation Safety and Security Committee (NASSC) conference. Several one-on-one consultations were held with operators to support the implementation of regulations and guide AOC renewal processes.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

In the coming year, the OPS Division will focus on finalising Phase 1 of the CARTAP review process for NAMCARs and NAMCATS. Amendments to Parts 48, 91, 121, 127, and 135 will be drafted to address ICAO audit findings. The Division will also finalise all outstanding aviation directives and introduce a new Cargo Safety Directive. Efforts will be made to fill vacant critical positions and roll out both individual and on-the-job training plans.

Outstanding correction action plans will be closed, and updates to Technical Guidance Material, specifically Volumes 2 and 4, will be completed. OPS will certify operators, such as Bush Bird and Eagle Eye Aviation, and issue a revised Manual of Procedures for MICAN, the Soaring Society of Namibia, and Light Sport and Amateur-built Aircraft Association of Namibia. The finalisation of the NamPost Training Programme and publication of a Freight Forwarders Advisory Pamphlet will also be prioritised, alongside the revision of regulatory forms and the delivery of targeted OPS regulatory workshops.

SAFETY AND SECURITY PROMOTION AND QUALITY DIVISION



SAFETY AND SECURITY PROMOTION AND QUALITY DIVISION OVERVIEW



“Caring for Tomorrow’s Skies, Today”

“At the Safety and Security Promotion and Quality (SSPQ) Division, our purpose is rooted in people. Every report we review, every risk we address, and every engagement we host is driven by the belief that safety is not just a task; it is a promise. And it is one we are proud to keep”

In aviation, safety is more than a regulatory requirement – It is a commitment to every individual who places their trust in flight. The SSPQ Division upholds this responsibility with diligence, integrity, and care. Operating largely behind the scenes, we strive to ensure that Namibia’s skies remain safe, secure, and responsive to the evolving needs of our aviation community. As a key enabler within the NCAA, SSPQ supports all technical departments by strengthening compliance, reinforcing oversight standards, and embedding quality across systems. Our work is anchored in the global frameworks of ICAO Annexure 19 and Namibia’s Civil Aviation Regulations (Part 140), with a strong emphasis on building resilience through proactive risk management.

ADVANCING A SAFER, STRONGER AVIATION SYSTEM

Our mandate goes beyond policy. It includes the full implementation of the State Safety Programme, continuous development of the Quality Management System, and active engagement with industry partners through awareness campaigns and targeted promotion. We focus on embedding SMS and aviation security principles, with special attention to sectors like General Aviation, where reporting has often been limited.

This year, we placed a strong emphasis on encouraging openness, learning, and a safety-first culture across all sectors.

REFLECTING ON THE YEAR: PROGRESS WITH PURPOSE

We initiated a formal review of the Civil Aviation Act to integrate safety management provisions as outlined by ICAO. This process, once completed, will help ensure our legislative tools stay aligned with international standards. At the same time, we finalised NAMCATS Part 140 and developed clear guidance on operating height restrictions and training standards for SMS.

To measure our efforts, we conducted a stakeholder perception survey. The results showed 94 % awareness of the State Safety Programme and a satisfaction score of 3.29 out of 5, a positive reflection of our outreach and collaborative approach.

Internally, we conducted four training sessions on SMS and QMS for our teams. We also hosted the Namibia Aviation Safety and Security Conference, attended by close to 100 participants. NCAA staff took part in key international safety forums, helping us to build stronger networks and bring global knowledge home. In addition, we strengthened our workforce by bringing on board qualified Safety and Quality Specialists.

In support of practical tools, we published three volumes of Technical Guidance Material, addressing topics such as safety promotion, human performance, and quality systems. Improved data collection processes and the introduction of quarterly safety reports backed these systems.

From a regulatory perspective, we processed six exemption cases and approved three SMS manuals, while also contributing to five panels for Fit and Proper Person assessments. A new implementation checklist for SMS was developed, making it easier for operators to align with standards.

When it came to audits, we carried out two safety assessments with ANSSO, refreshed 13 oversight tools, and improved how corrective actions are tracked and verified. A total of 561 safety reports were processed during the year, ranging from incidents and hazards to accidents. We supported three accident investigations and published a total of 12 safety bulletins and three aeronautical information circulars. To protect integrity, we introduced new rules for assigning investigators and safeguarding confidentiality.

RESPONDING TO CHALLENGES WITH CARE

One area that continues to warrant attention is the underreporting of safety concerns in certain sectors, particularly General Aviation and Maintenance. Recognising the seriousness of this issue, we responded by developing sector-specific awareness materials and conducting targeted workshops aimed at fostering a stronger culture of safety, transparency, and proactive reporting.

COLLABORATION THAT DRIVES CHANGE

Collaboration remained one of our greatest strengths throughout the year. We worked closely with key divisions, being Flight Operations, Airworthiness, Personnel Licensing, and ANSSO, to investigate incidents and promote system-wide learning and continuous improvement.

We hosted the Industry Inter-Operator Safety Group, which focused on addressing shared operational risks, including runway incursions and gaps in SMS. Through cross-divisional efforts, we also enhanced the credibility and traceability of our Safety and Security Recognition Certificates by redesigning them to include QR codes and additional security features.

To strengthen national coordination, four SSP Steering Committee meetings were convened during the year. These brought together representatives from the NAC, Meteorological Services, and ANSP, Aircraft Accident and Incident Investigation Directorate, Westair Aviation, the Namibian Air Force, and Government Air Transport Services. These engagements ensured alignment across the national aviation system and reinforced a collective commitment to safety and security beyond institutional boundaries.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

In the year ahead, we will complete the full rollout of the QMS across the NCAA, a critical milestone toward achieving ISO 9001:2015 readiness. As part of this process, internal audits will be conducted to identify areas for improvement and ensure alignment and consistency across all departments.

We also plan to expand the use of the EMPIC system by training additional users and further embedding it into day-to-day operations. A key highlight for the year will be hosting a regional Aviation Safety and Security Conference in Windhoek, in collaboration with ICAO and AFCAC. This flagship event will further solidify Namibia's standing as a regional leader in aviation safety and security.

New awareness campaigns will be launched to reach drone operators, general aviation users, and ground service providers. In parallel, our technical guidance will be updated to incorporate safety performance indicators, fatigue risk management, and tailored support for smaller operators.

Finally, we are enhancing our training and awareness programmes to address emerging risks, including cyber threats, the impact of climate change on aviation, and the mental health and well-being of aviation personnel.



AERODROMES AND GROUND
AIDS INSPECTORS



NAMIBIA CIVIL AVIATION AUTHORITY

AVIATION SECURITY AND FACILITATION DIVISION



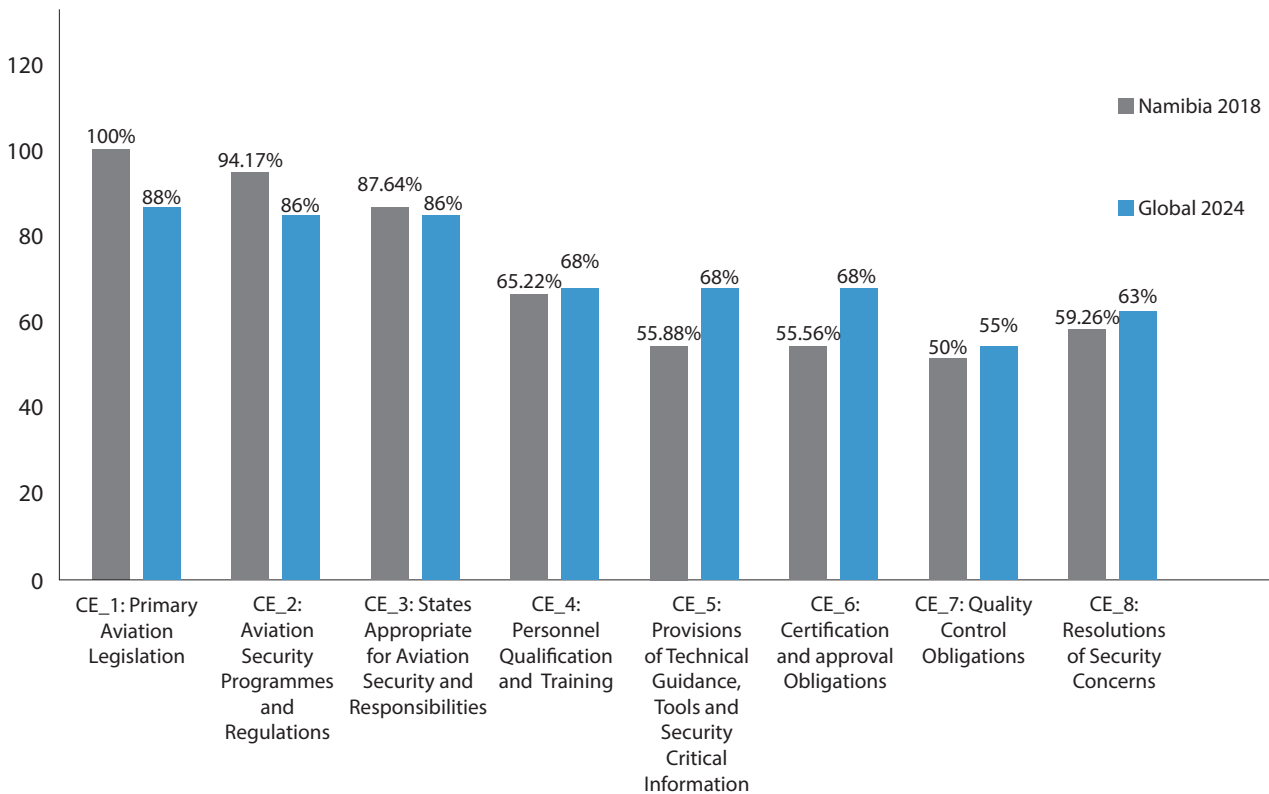
AVIATION SECURITY AND FACILITATION DIVISION OVERVIEW



“Protecting Our Skies with Vigilance and Care ”

The Aviation Security (AVSEC) and Facilitation Division plays a vital role in safeguarding the integrity of Namibia’s airspace. With a firm commitment to safety and resilience, the division is responsible for establishing and maintaining a proactive oversight system that ensures compliance with national and international aviation security standards. Operating in accordance with Part 12 of the Civil Aviation Act, our efforts are designed to protect the aviation industry from evolving threats, support effective risk mitigation, and enable secure and seamless travel for all.

GLOBAL SUSTAINABLE INDICATORS IN 2024: 72.39%



KEY ACHIEVEMENTS (2024/25)

KEEPING PACE WITH GLOBAL STANDARDS

The division aligned its regulatory framework with international aviation security and facilitation standards during the 2024/25 financial year. The NCAA successfully adopted Amendment 30 to ICAO Annexure 9 and completed a comprehensive review of several key documents. These included the National Civil Aviation Security Programme, the National Civil Aviation Security Training Policy, and the National Civil Aviation Security Quality Control Programme.

These reviews were critical in adapting to new and emerging threats, such as the misuse of unmanned aerial vehicles, cyber-attacks, and potential threats involving chemical or biological substances. By staying vigilant and responsive, Namibia's aviation security framework remains both agile and relevant in a rapidly changing world.

OPERATIONAL EXCELLENCE AND IMPROVED OVERSIGHT

Throughout the reporting period, the division continued to implement a planned schedule of oversight activities aimed at assessing the effectiveness of existing security controls. These assessments ensured that airport operators maintained competent and adequately staffed security teams, including canine units, screeners, and certified instructors.

Certification efforts reflected steady progress, with a two % increase in outputs compared to the previous reporting year. These outcomes illustrate a system that is maturing, responsive, and committed to maintaining the highest levels of operational security.

INVESTING IN PEOPLE AND BUILDING A CULTURE OF SECURITY

In a sector where change is constant, we understand the importance of preparing our personnel to meet new challenges with competence and confidence. Significant focus was therefore placed on strengthening internal capabilities through targeted training and development during the year under review.

Aviation security inspectors attended multiple training sessions, equipping them with updated knowledge in areas such as crisis management, risk assessment, auditing, and the promotion of a robust security culture. One national inspector completed their on-the-job training and was tasked with conducting independent oversight activities, marking a significant achievement in capacity building.

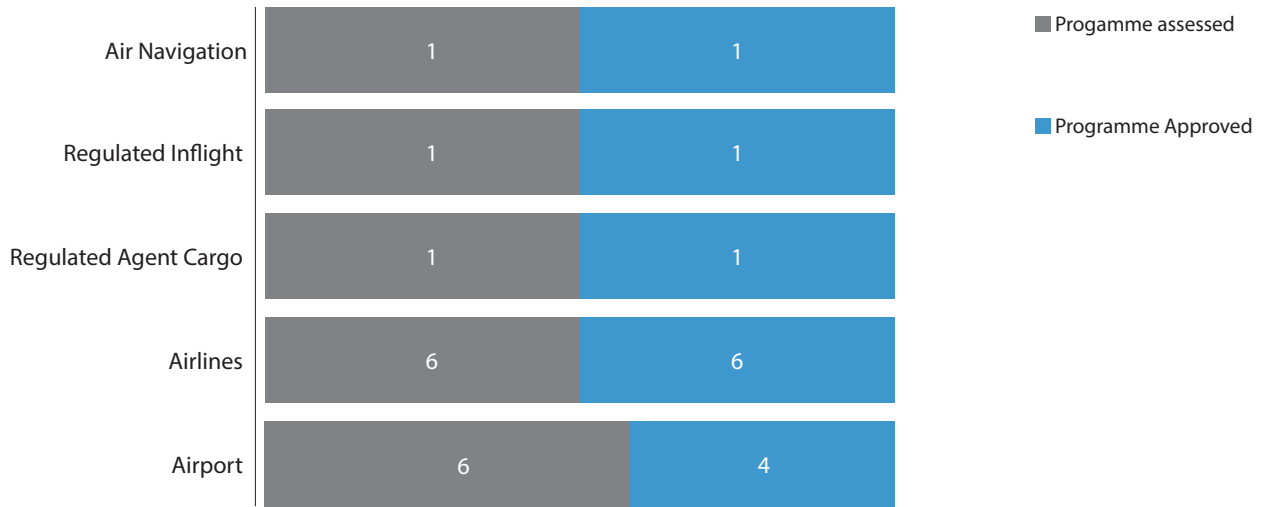
AVIATION SECURITY PROGRAMMES

During the reporting period, the National Civil Aviation Security Programme underwent its scheduled annual review to maintain alignment with ICAO SARPs. Alongside this, a comprehensive review was conducted of the National Civil Aviation Security Training Policy and the National Civil Aviation Quality Control Programme (NCQCP). These evaluations aimed to strengthen the national aviation security framework by updating training methodologies, refining oversight mechanisms, and integrating lessons learned from audits, inspections, and international best practices.

CERTIFICATION AND APPROVAL OBLIGATIONS

During the reporting period, several certification and approval activities were completed in alignment with the Security Regulations outlined under Parts 108, 109, 110, and 113 of the NAMCARs (2001, as amended). The division remained proactive in meeting these regulatory obligations. A total of 47 individuals were certified as AVSEC screeners. Additionally, one National Inspector attained certification as a National Instructor, while two other inspectors completed their re-certification processes. One Regulated Agent responsible for cargo was granted an operational extension during this period. Furthermore, one entity received certification to operate as a private security service provider.

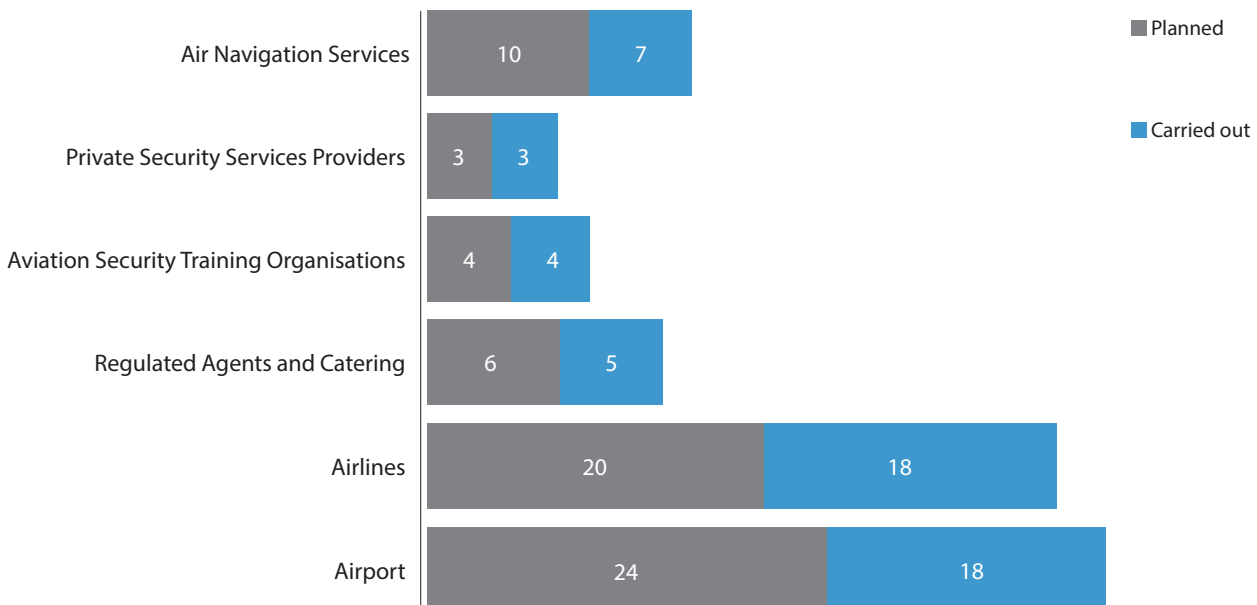
CERTIFICATION AND APPROVAL OBLIGATIONS



QUALITY CONTROL OBLIGATIONS

Aviation security oversight activities during the reporting period were conducted using a risk-based approach to determine the frequency and scope of quality control measures. The annual quality control schedule, approved for the 2024/25 financial year, outlined a series of planned activities, all of which were successfully implemented.

QUALITY CONTROL OBLIGATIONS



ENFORCEMENT AND COMPLIANCE

Entity/operator	Sanctions N\$	Warning	Revocation/suspension
Airports	N\$20,001.00	2	0
Airlines	0.00	0	0
Regulated agents	0.00	0	0
ASTO	0.00	0	0

Compliance remained a key focus area. Where non-conformances were detected, appropriate enforcement actions were taken. Two warnings were issued to airport operators, resulting in a total sanction value of N\$20,00.00.

CHALLENGES AND HOW WE RESPONDED

Some operational gaps were identified during the period under review. The lack of an established fee structure for aviation security services posed a challenge in sustaining certain regulatory activities. To address this, a draft fee framework was developed and proposed for inclusion under Part 187 of the NAMCARs.

Another issue involved the delayed submission of CAPs by audited entities, which slowed down the resolution of security concerns. A balanced approach was adopted that combines enforcement with guidance. Fines were issued where necessary to encourage timely compliance and responsible behaviour.

Working Together: Collaboration at the National and Regional Level

Namibia proudly assumed the Chairmanship of the SADC Informal Working Group on Advance Passenger Information and Passenger Name Record. This leadership role demonstrated the country's growing influence in regional aviation security.

Closer to home, the NCAA partnered with the Ministry of Home Affairs, Immigration, Safety and Security to jointly implement ICAO Annexure 9 provisions. Further collaboration with the European Civil Aviation Conference and the CASE II project brought a range of sponsored training activities to Namibia. These engagements supported national efforts to upskill personnel and enhance coordination between government and industry.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

TECHNOLOGY AND INNOVATION

We will develop and implement a secure digital depository to support fast and protected communication between the NCAA and its stakeholders. This tool will be critical for sharing sensitive aviation security information in a timely and reliable manner.

IMPROVED COMPLIANCE TRACKING

A focus will be placed on strengthening Namibia's compliance indicators, guided by the targets outlined in the Windhoek Declaration and the Abuja Objectives. The goal is to achieve a satisfactory, EI rate of 85 % by the end of 2025.

ELEVATING ICAO COMPLIANCE

We aim to continue improving Namibia's adherence to ICAO standards through focused oversight activities under the USAPs Continuous Monitoring Approach.



AIR NAVIGATION SERVICES (ANS) DEPARTMENT



AIR NAVIGATION SERVICES (ANS) DEPARTMENT

The Air Navigation Services Department remains a vital arm of the NCAA, ensuring the safe, efficient, and coordinated management of Namibian airspace. As the sole provider of Aeronautical Information Management (AIM), Communication, Navigation and Surveillance (CNS), Air Traffic Management (ATM), and Search and Rescue (SAR), ANS continues to make a significant and sustainable contribution to the aviation industry, national socio-economic development, and broader continental aviation goals.

Operating within the Windhoek Flight Information Region (FIR), the department recorded a total of 22,747 international air traffic movements during the 2024/25 financial year – a 38% increase from 16,497 movements in 2023/24. This growth reflects Namibia’s continued recovery from the COVID-19 pandemic and the aviation sector’s resilience and adaptability.

Air traffic movements comprised:

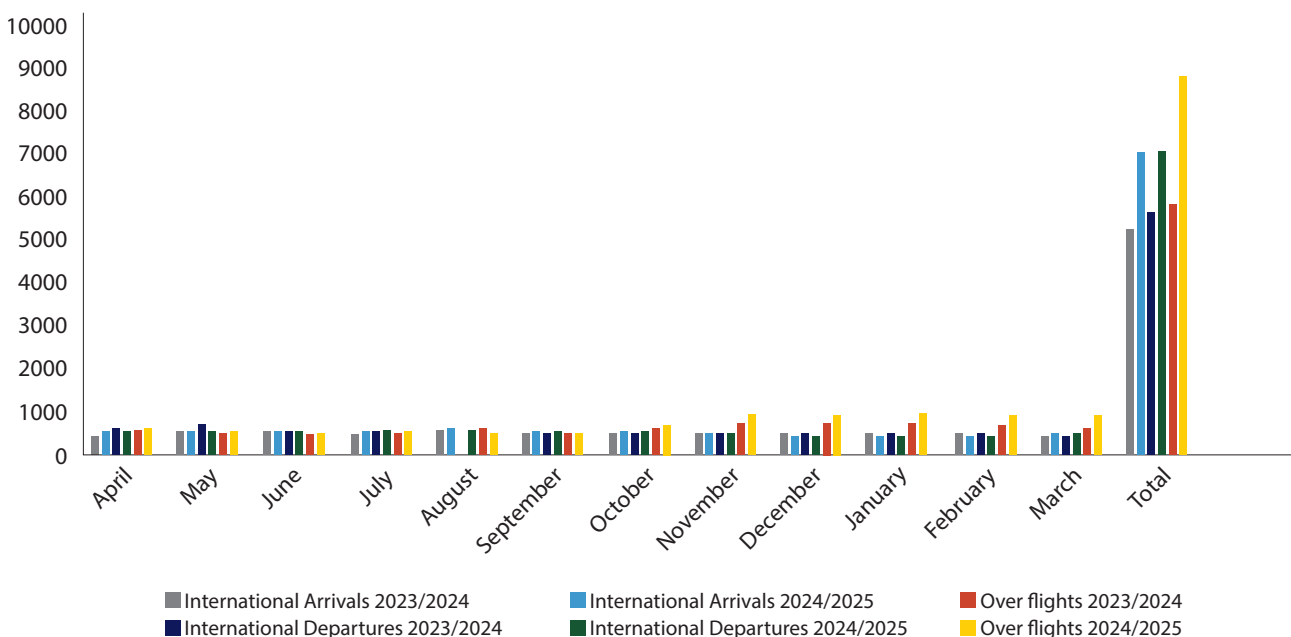
- 7,032 international arrivals (+35% year-on-year)
- 6,998 international departures (+25%)
- 8,717 overflights, a 53% increase from the previous year

These figures highlight a sustained increase in regional and international activity traversing Namibia’s skies. Overflights experienced a notable seasonal spike, with more than 900 recorded each month between November 2024 and March 2025, peaking at 953 in March 2025, suggesting heightened demand during the southern hemisphere summer due to tourism and transit traffic.

Monthly averages for arrivals and departures remained stable, ranging between 500 and 630 movements, with May 2024 recording the highest international arrivals (634) and July 2024 the highest international departures (633).

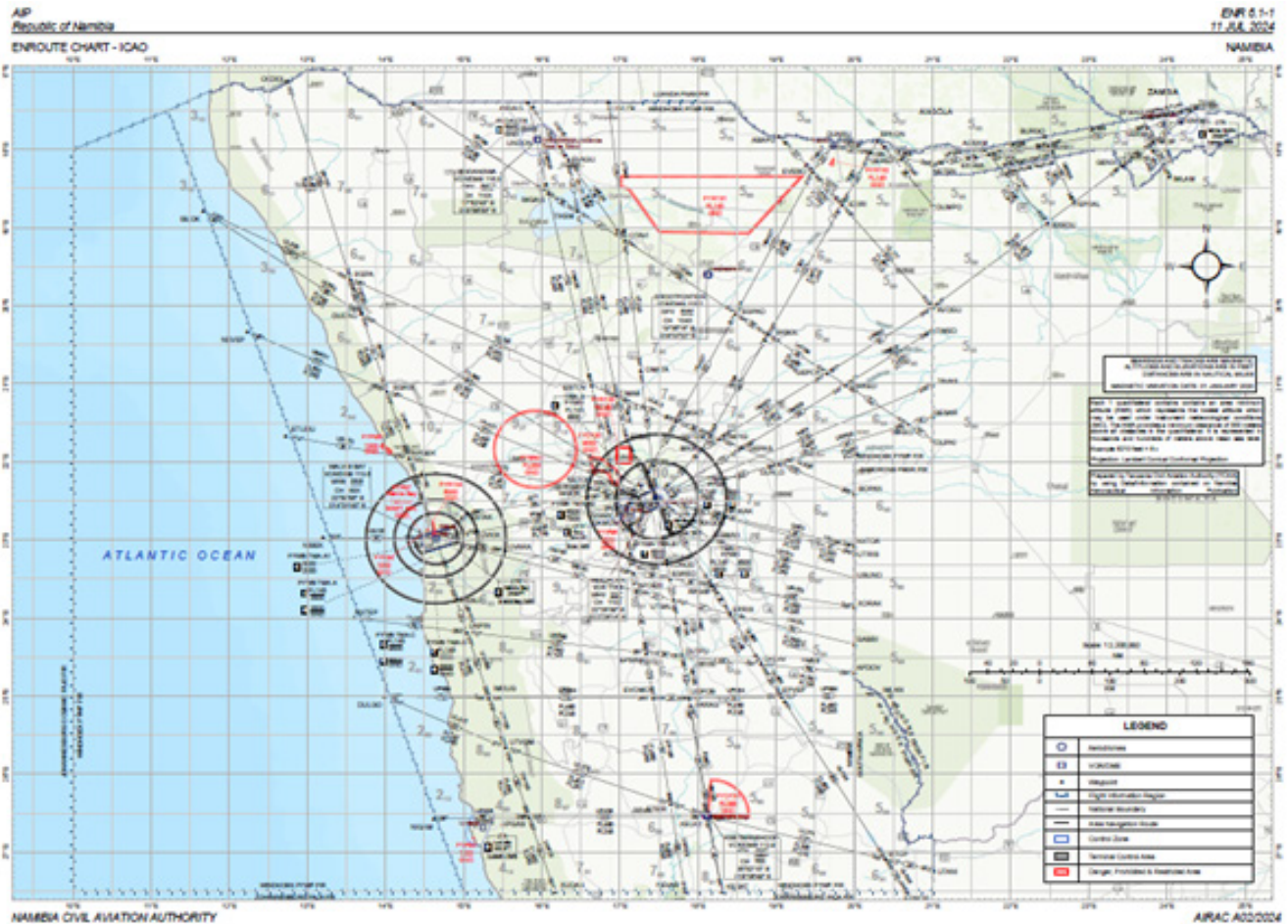
Following the global disruptions caused by COVID-19, ANS has continued to learn from and adapt to the pandemic’s longer-term impacts. The department has consistently demonstrated its ability to prioritise, strategise, and collaborate, building organisational resilience and proactively preparing to mitigate the effects of future large-scale disruptions.

**INTERNATIONAL ARRIVALS, DEPARTURES AND OVERFLIGHTS
2023/24 TO 2024/25**



International Arrivals, Departures and Overflights – 2023/24 to 2024/25

The data demonstrates Namibia's steady handling of international traffic, underlining the country's continued relevance as both a destination and a transit corridor in regional air navigation.



CHALLENGES AND MITIGATION

One of the ongoing challenges faced by the department is understaffing. To address the staff shortage, the human capital plan will be executed in the upcoming financial year to ensure sufficient capacity to support the demanding operation is recruited.

COLLABORATION AND PARTNERSHIPS

Collaboration remained a central pillar of Safety Quality and Assurance (SQA) operations. The department worked closely with other units within ANS during the development of key SMS and QMS documents. Further cooperation with ANSSO and SSPQ Divisions enabled joint training sessions, workshops, and the effective sharing of safety-related data and insights. These partnerships foster a coordinated approach to strengthening safety oversight across the NCAA.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/2026)

The department, which includes Aeronautical Information Management, CNS, Air Traffic Management, SAR, and SQA, will work to ensure re-certification of all ANS units countrywide in the coming financial year. Our Surveillance and Navigation Systems will be replaced to ensure continuous, reliable service delivery and operational efficiency through digitalisation and automation of our systems.

Air Navigation Service infrastructure assets, such as the air traffic control buildings at Hosea Kutako and Walvis Bay International Airports, and the ANS Facility at Eros Airport, will receive significant modifications and upgrades aimed at ensuring safe and compliant service delivery.

The department is further looking forward to the implementation of an Integrated Safety and Quality Management System across all ANS functions.



AIR TRAFFIC SERVICES DIVISION



AIR TRAFFIC SERVICES DIVISION OVERVIEW

The Air Traffic Services (ATS) Division plays a crucial role in ensuring a safe and orderly flow of air traffic over Namibian and delegated airspace. Throughout the year, ATS ensured uninterrupted air traffic control services within all Control Areas, as well as at six major aerodromes, including Hosea Kutako, Walvis Bay, and Eros. The division finalised the Air Traffic Flow Management Manual, aligning with ICAO standards, and completed a review of waypoint codes across the FIR.

ATS demonstrated exceptional agility during national events such as the Founding Fathers’ memorial and the Presidential inauguration by maintaining safe, uninterrupted air traffic services. Notably, audit findings decreased significantly, affirming improvements in operational safety. Stakeholder collaboration remained a priority, with regular engagements held with the military, police, regulators, and airlines to strengthen coordination and build trust.

Total International Arrivals, Departures and Overflight movements, which generated the majority of the Air Navigation Services Provider revenue for the financial year 2017/18 to the financial year 2024/25, are as illustrated in the table below:

Financial Year	Total International Arrivals, Departures and Overflight Movements
2017/18	26,476
2018/19	26,041
2019/20	23,826
2020/21	5,794
2021/22	12,669
2022/23	19,485
2023/24	22,142
2024/25	22,747

Total International Departures, Arrivals and Overflights – 2017/18 to 2024/25

During the 2024/25 financial year, total international arrivals, departures, and overflights amounted to 22,747 movements. This figure represents 85.9% of the total international movements recorded during the three financial years preceding the COVID-19 pandemic, which peaked at 26,476 movements in 2017/18.

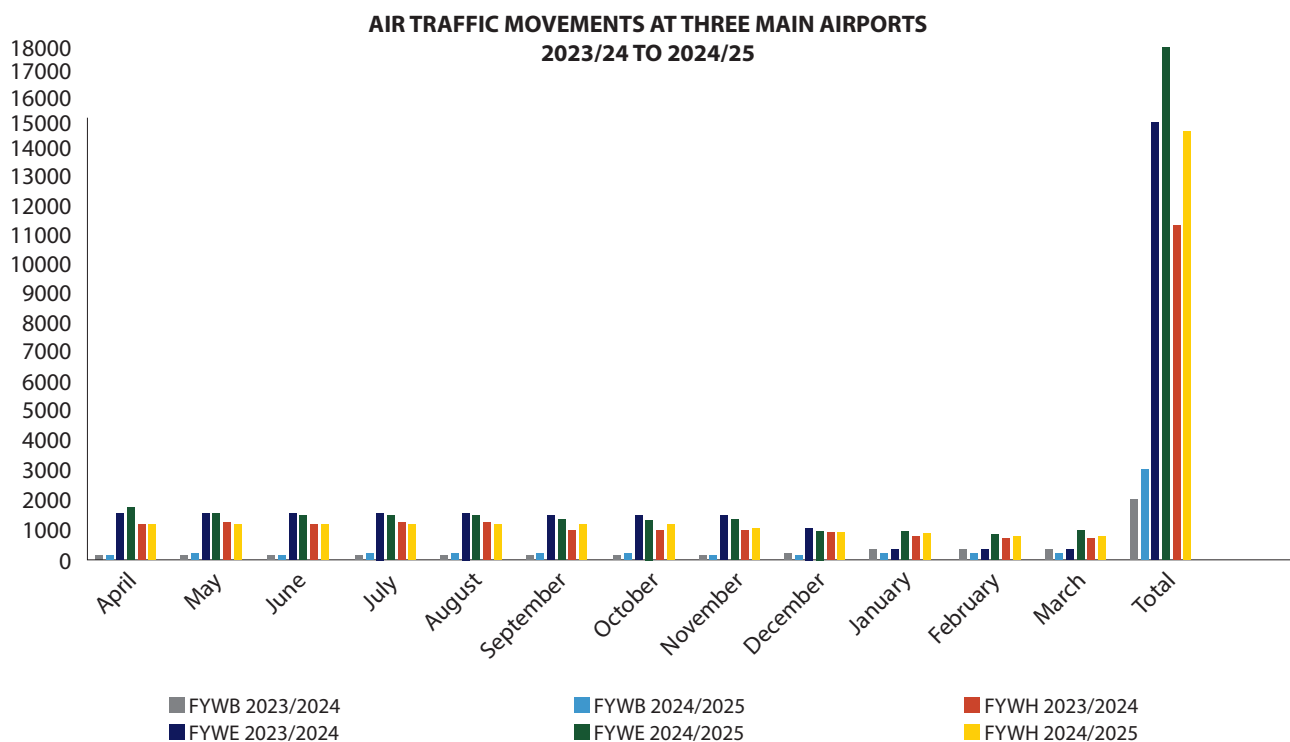
The three-year post-COVID average (2022/23 to 2024/25) for international traffic stands at 21,450 movements per year, which is 84.3% of the average for the three pre-COVID financial years (2017/18 to 2019/20), which was 25,448 movements. These figures indicate a steady recovery in international air traffic volumes.

In the 2023/24 financial year, total international arrivals, departures, and overflights reached 22,142 movements, marking a significant increase from the volumes recorded during the pandemic years. However, this still accounted for only 76.6% of the pre-COVID annual average.

For 2024/25, the total increased to 22,747 movements, a 2.7% year-on-year growth from 2023/24. Despite this improvement, it represents 89.3% of the pre-COVID annual average, underscoring that full recovery is ongoing but not yet complete.

Domestic traffic remains highly seasonal and is largely driven by the tourism sector, with the bulk of movements generated by commercial general aviation and charter operators. Peak domestic traffic volumes were recorded in April and May, coinciding with the high tourist season, while December and February saw the lowest activity.

Scheduled airline services continue to connect Namibia’s regional centres, while international arrivals, departures, and overflights remained relatively stable throughout the year, providing a consistent baseline for national airspace utilisation. Air traffic movements at the three main airports at which the ANS provides air traffic control services are shown in the table below.



Air Traffic Movements at Three Main Airports – 2023/24 to 2024/25

AIR TRAFFIC MOVEMENT OVERVIEW – FY 2024/25

During the 2024/25 financial year, air traffic movements across Namibia’s three primary airports, Walvis Bay, Eros, and Hosea Kutako International Airport, reflected dynamic trends aligned with seasonal travel patterns, economic activity, and aviation sector recovery post-pandemic.

HOSEA KUTAKO INTERNATIONAL AIRPORT (HKIA)

Hosea Kutako, Namibia’s primary international gateway, recorded the highest overall traffic across all categories with a total of 18,481 movements. Monthly figures ranged from a low of 1,118 in February 2025 to a peak of 1,823 in April 2024. The airport saw sustained movement through the winter tourism period (May–August 2024), averaging over 1,700 movements per month during that window. The slight decline in December through February aligns with global seasonal travel trends and possibly reduced tourist influx. Nonetheless, Hosea Kutako continues to play a central role in connecting Namibia to regional and international destinations.

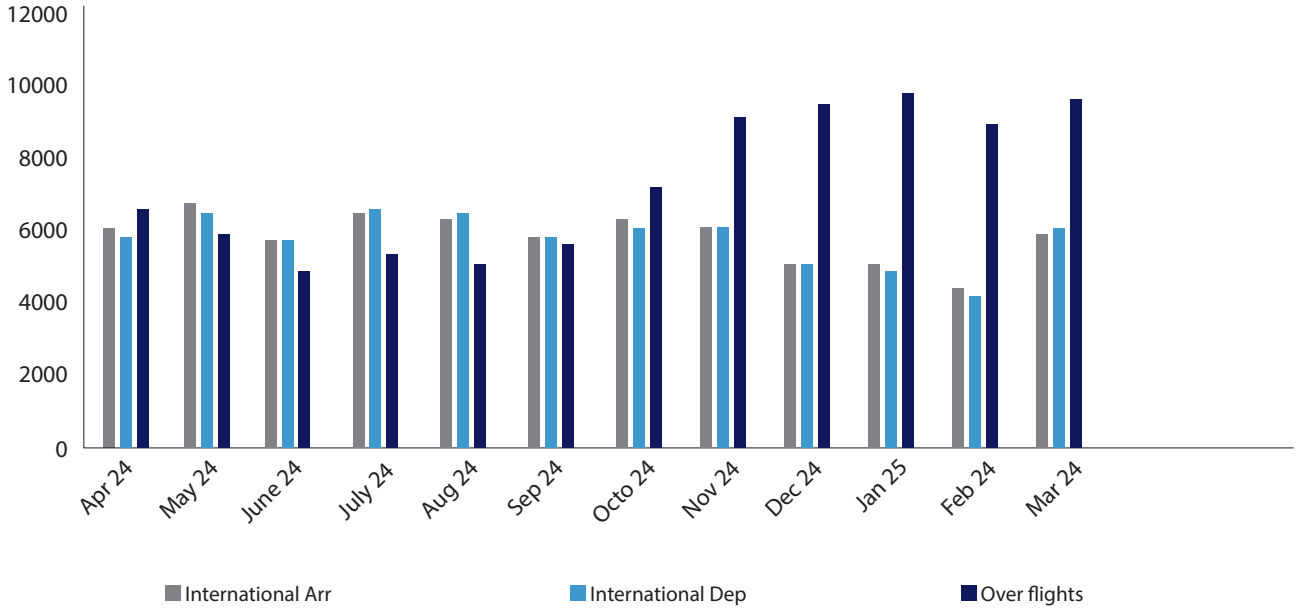
EROS AIRPORT

Eros Airport, mainly serving domestic and charter flights, recorded a significant annual total of 14,848 movements. The peak month was May 2024 with 1,351 movements, reflecting increased local travel and corporate charter activity. Despite a decline to 986 movements in February 2025, likely due to post-holiday slowdowns, Eros maintained consistently high monthly averages, highlighting its importance for domestic connectivity and non-scheduled operations such as tourism charters, medical evacuations, and business flights.

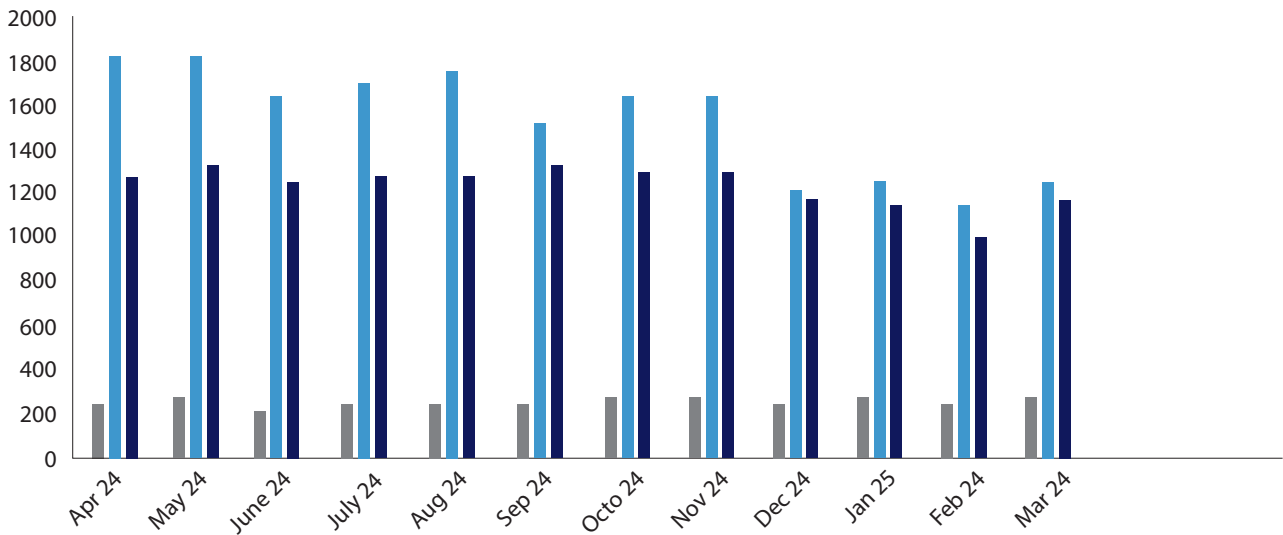
WALVIS BAY AIRPORT

Walvis Bay Airport, a key hub for the Erongo region and entry point to Namibia’s coastal attractions, recorded a total of 2,974 movements for the year. Traffic peaked in May 2024 (282) and March 2025 (269), due to seasonal tourism and coastal events. With consistent activity across all months, Walvis Bay remains an essential centre for both commercial and cargo operations in western Namibia.

**INTERNATIONAL MOVEMENTS
2024/25**



**INTERNATIONAL MOVEMENTS
2024/25**



COMMUNICATION, NAVIGATION AND SURVEILLANCE DIVISION



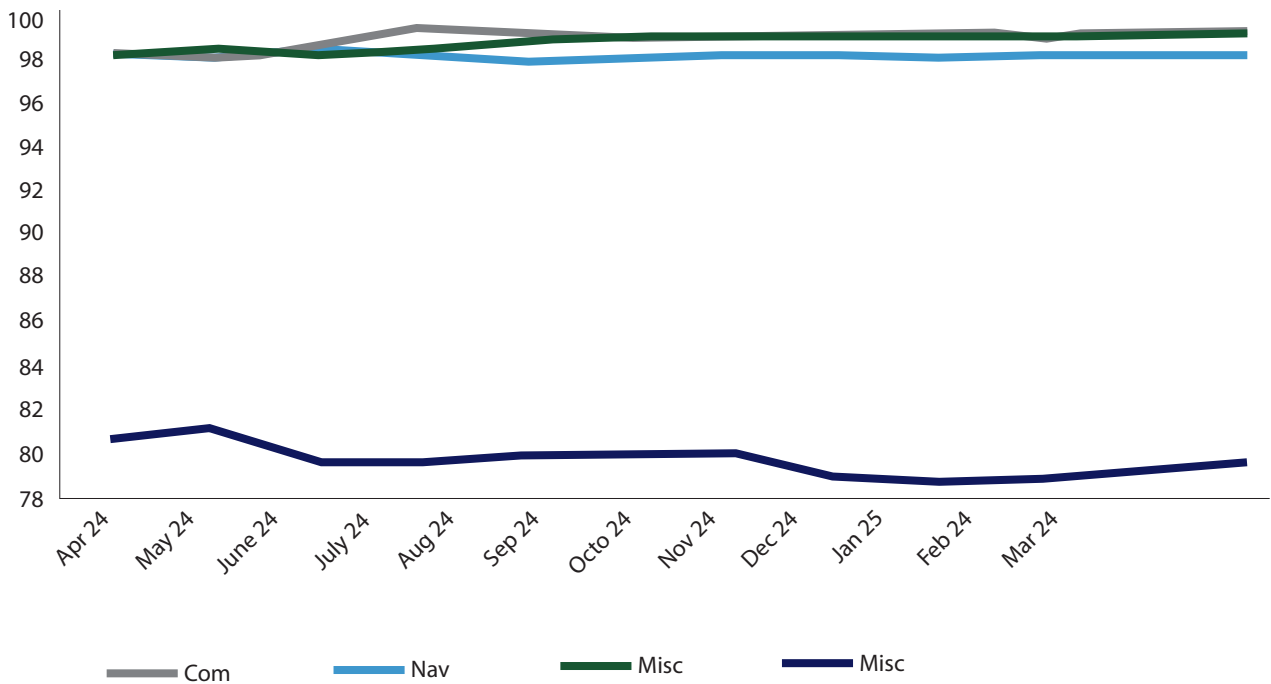
COMMUNICATION, NAVIGATION AND SURVEILLANCE DIVISION OVERVIEW

The Communication, Navigation and Surveillance (CNS) Division is responsible for maintaining Namibia’s critical communication, navigation, and surveillance infrastructure to ensure the safety and efficiency of air navigation. During the reporting period, all navigational aids were successfully calibrated, and system availability remained high, with communication systems at 99.5%, navigation systems at 98.7%, and miscellaneous systems at 99.4%. The division retained its certification as a CNS service provider and initiated several infrastructure upgrades.

Despite these achievements, the division continued to manage the impacts of an ageing surveillance system and declining staffing levels. These issues are being addressed through planned replacements of core infrastructure, routine system maintenance, and a strategy to attract and retain skilled personnel.

CNS staff worked closely with Namibia Meteorological Services, Telecom Namibia, and other stakeholders to ensure optimal network performance. The Division will continue with system upgrades, recertification, and the commissioning of new equipment in the 2025/26 financial year to further enhance service delivery.

CNS SYSTEM AVAILABILITY



AERONAUTICAL INFORMATION MANAGEMENT DIVISION



AERONAUTICAL INFORMATION MANAGEMENT

DIVISION OVERVIEW

The Aeronautical Information Management (AIM) Division provides accurate and timely aeronautical information to ensure the safety and regularity of air navigation. This year, AIM introduced a digital feedback system that improved customer response rates, particularly among international clients, and contributed to increased customer satisfaction.

The division retained its ISO 9001:2015 Quality Management System certification following a successful surveillance audit. Training was a priority, with over 65 % implementation of the annual plan and the inclusion of leadership development. AIM strengthened its regulatory compliance and quality assurance efforts through formalised agreements with key stakeholders, including the Namibia Meteorological Services and ATNS. Additionally, a joint AIP/AIC review committee was established to improve the quality of publications and maintain compliance with ICAO standards.

AIM encountered operational challenges such as expiring flight procedures, staff shortages, and ageing systems. These were addressed through exemption processes, secondment of skilled personnel, and plans to procure new systems in the next financial year. The division also collaborated with stakeholders through regular meetings and internal quality audits to improve service delivery and uphold regulatory standards.

Plans for 2025/26 include reviewing expired Instrument Flight Procedures following WGS-84 data collection, expanding the bursary programme to address staffing shortages, and acquiring new software tools for procedure design and charting. The division will also undergo ISO and regulatory recertification to ensure continuous alignment with national and international standards.

SAFETY AND QUALITY ASSURANCE



SAFETY AND QUALITY ASSURANCE OVERVIEW

The Safety and Quality Assurance (SQA) Division operates under the Air Navigation Services (ANS) structure. It is responsible for the planning, implementation, and ongoing maintenance of the Safety Management System (SMS) and Quality Management System (QMS). The division plays a pivotal role in guiding the management of safety-related incidents and hazards, monitoring corrective actions, and ensuring full regulatory compliance.

Through its efforts, SQA continuously promotes a safety-first culture within the ANS environment and enhances the quality of services provided by Namibia's ANSP. This work is grounded in standards of excellence, a commitment to continuous improvement, and meaningful engagement with stakeholders across the aviation sector.

STRATEGIC ALIGNMENT WITH NCAA

SQA supports NCAA's strategic goals by conducting internal audits, including AIM's ISO 9001:2015 QMS audit, facilitating training for ANS staff on SMS, QMS, and incident investigation, and supervising the planning and execution of SMS-related initiatives. The division also oversees change management processes, ensuring their EI, and contributes to incident investigations by producing safety recommendations and monitoring their execution.

KEY ACHIEVEMENTS 2024/25

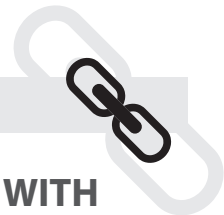
During the reporting period, the division recorded tangible progress in building internal capacity and strengthening safety oversight. ANS personnel received targeted training in SMS, QMS, and internal investigation techniques, while a specialised programme was delivered to the core SMS/QMS implementation team. The Division conducted AIM internal audits as part of the ISO 9001:2015 QMS framework and provided practical training for internal auditors, contributing to preparations for the upcoming ISO recertification audit. Additionally, the division participated in internal incident investigations, producing safety recommendations and following through to ensure corrective actions were implemented, reinforcing the culture of safety and accountability within the organisation.

The image is a vertical collage of eight horizontal panels. The top panel shows a server rack with a perforated metal door. The second panel shows a woman with braided hair, seen from the side, looking at a server. The third panel shows her in profile, wearing a high-visibility vest, working on a server. The fourth panel shows her hands connecting green cables to a network switch. The fifth panel shows her plugging a yellow cable into a switch labeled 'WETSNET1A'. The sixth panel shows her working on a server. The seventh panel shows her handling a bundle of green cables. The eighth panel shows her working on a server with a 'VRM' label.

INFORMATION AND COMMUNICATION TECHNOLOGY DIVISION

INFORMATION AND COMMUNICATION TECHNOLOGY DIVISION OVERVIEW

“Empowering Connectivity. Protecting Innovation. ”



The Information and Communication Technology (ICT) Division is integral to the digital backbone of the NCAA. More than a mere service department, ICT serves as a strategic partner responsible for developing and maintaining secure, modern, and reliable systems that support both air navigation and regulatory functions.

Aligned with our mandate, we are committed to providing technological leadership and driving innovation across all facets of the Authority's operations. Our objective is to ensure that the NCAA operates on a robust digital foundation while meeting global aviation standards set by the ICAO. In fulfilling this commitment, we actively support the Authority's obligations under key initiatives such as the ICAO Aviation Cybersecurity Strategy, the Aviation Security Manual, and the Cybersecurity Action Plan..

A VISION FOR RESILIENT DIGITAL INFRASTRUCTURE

Five key priorities guide our work. First, we are committed to maintaining an accessible, secure, and state-of-the-art Information and Communication Technology (ICT) infrastructure. Second, we continue to invest in building a skilled, agile, and responsive ICT workforce. Third, we proactively address emerging cyber threats while fostering a digitally capable and resilient environment. Fourth, we focus on managing NCAA's data securely, efficiently, and in compliance with best practices. Finally, we promote a holistic, organisation-wide approach to ICT planning and system deployment, ensuring integration, scalability, and long-term value.

KEY ACHIEVEMENTS IN 2024/25

This year, the ICT Division placed strong emphasis on strengthening organisational capacity. We acquired new hardware and software to enhance staff productivity and efficiency, and deployed Network Attached Storage (NAS) devices to ensure reliable data backups and seamless file sharing across the Authority.

Our efforts resulted in 99.98% uptime across all critical business systems, underscoring our commitment to operational reliability and uninterrupted communication. Both internal systems and stakeholder-facing platforms were significantly improved, enhancing accessibility, responsiveness, and user experience.

These achievements reflect the dedication of a team committed to building an ICT environment that is resilient, user-focused, and trusted across the organisation.

ADDRESSING CHALLENGES WITH COMMITMENT

Technology evolves at a rapid pace, demanding constant vigilance and adaptability. One of our key challenges this year was managing the impact of fast-moving technological advancements, which rendered parts of our infrastructure obsolete. In response, we remained actively informed about global ICT trends and secured budget allocations for scalable, future-proof solutions that offer flexibility and longevity.

COLLABORATION FOR IMPACT

One of our key collaborative achievements this year was the successful deployment of the EMPIC system, made possible through a close partnership with the South African Civil Aviation Authority. This initiative required seamless coordination across development, testing, and operational teams. The success of this project not only enhanced our regulatory capabilities but also demonstrated how effective cross-border cooperation can facilitate smoother technology adoption and system integration, serving as a model for future regional collaboration.

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

In the upcoming financial year, the division will continue advancing the NCAA's digital transformation with a strong focus on modernisation, security, and operational efficiency. Key priorities include the rollout of Phase 2 of the EMPIC Safety Oversight System, implementation of an integrated HR, accounting, and payroll platform, and the launch of a staff portal to enhance internal communication and collaboration.

Additional initiatives will include a comprehensive revamp of the NCAA website, the deployment of a live flight tracking system, and the automation of billing processes through a new movement log system. Infrastructure upgrades are also planned, including the replacement of outdated Wi-Fi access points, refurbishment of the disaster recovery data centre, and strengthening of cybersecurity measures through secure hardware upgrades and antivirus re-deployment.

From a governance perspective, the division will renew essential software licences, update and enforce ICT policies, and ensure alignment with ICAO cybersecurity frameworks and initiatives. Capacity building remains a core focus, with planned investments in targeted training, cross-skilling, and internship programmes to cultivate a resilient, future-ready ICT workforce.

Collectively, these initiatives are designed to reinforce the Authority's digital capabilities, enhance service delivery, and position the NCAA as a leader in aviation sector innovation.



FINANCE AND ADMINISTRATION DEPARTMENT

FINANCE AND ADMINISTRATION DEPARTMENT OVERVIEW

The Finance and Administration Department plays a critical support role within the NCAA, ensuring both financial sustainability and operational efficiency. Its core responsibilities include budget management, financial planning, resource allocation, procurement, and fleet management.

The department safeguards the Authority’s assets through effective risk management and supports daily operations by delivering essential administrative services. It also contributes to informed strategic decision-making by providing timely and accurate financial insights.

In addition, the department ensures compliance with applicable regulatory standards and promotes transparency and accountability through effective stakeholder communication and reporting.

STRATEGIC OBJECTIVES ALIGNED TO NCAA

The department’s key strategic objective is to ensure the financial sustainability of the Authority and contribute to overall operational automation.

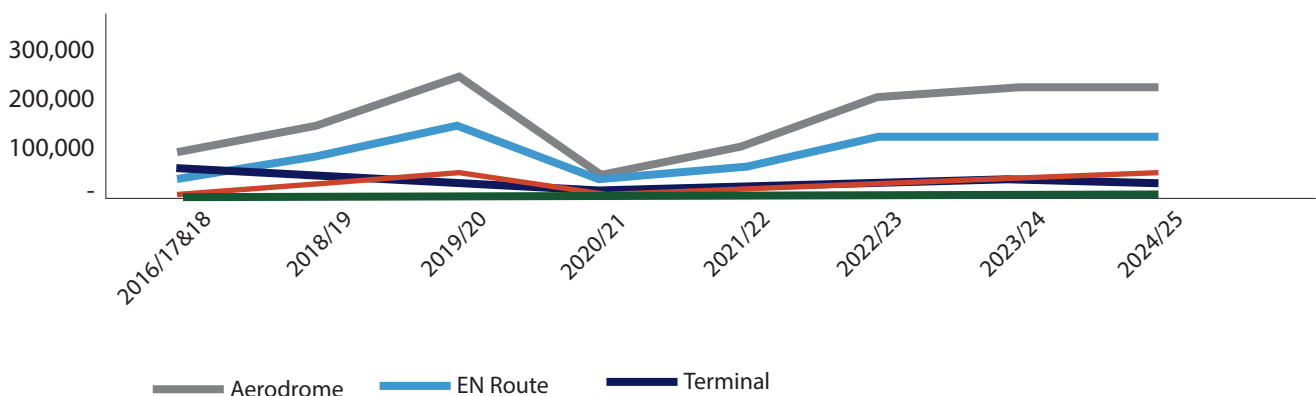
KEY ACHIEVEMENTS (2024/25)

The Authority has maintained its upward trajectory of recovery and growth following the historic impact of the COVID-19 pandemic. During the 2024/25 financial year, the NCAA recorded a comprehensive profit of N\$52.2 million, more than double the N\$25 million achieved in 2023/24. Cash generated from operations increased significantly to N\$323 million (2023/24: N\$147 million), driven by continued shareholder support, effective cost control measures, and improved revenue from increased aviation activity.

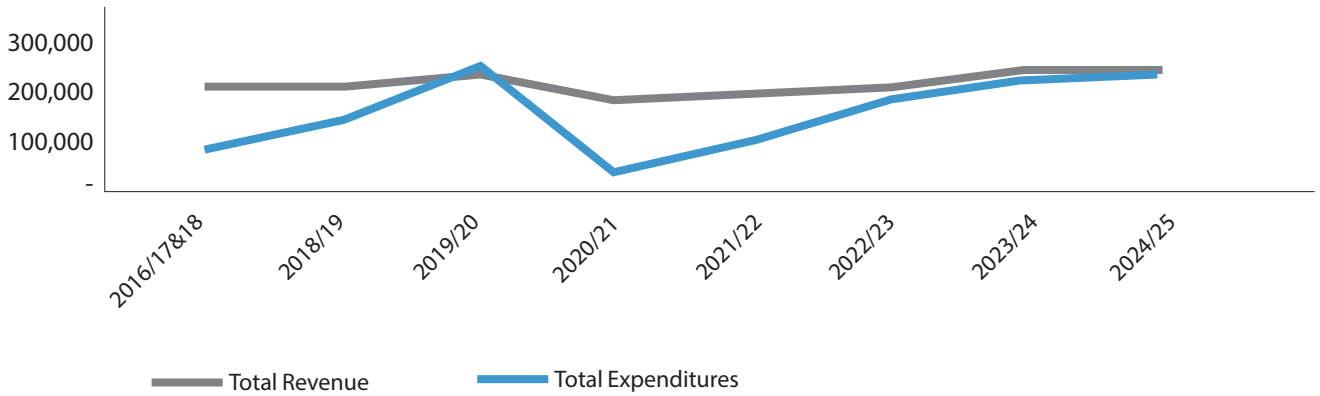
Revenue for the year totalled N\$233 million, reflecting a 2% increase from the previous year (2023/24: N\$228 million). This growth is attributed to the ongoing recovery in aviation traffic. Meanwhile, operating expenditure declined slightly to N\$233.9 million (2023/24: N\$235.9 million), largely due to improved revenue collection, which resulted in a reduced provision for doubtful debts.

The NCAA’s balance sheet reflects a strong liquidity position, with total assets increasing by 63% to N\$1.3 billion (2023/24: N\$844 million). This growth is primarily attributed to the transfer of the Authority’s Head Office building valued at N\$143 million, as well as short-term investments and excess funds amounting to N\$628 million, which are earmarked for upcoming GRN projects.

NCAA RECORDED REVENUE GRAPH



NCAA REVENUE VS EXPENDITURE GRAPH



CHALLENGES AND MITIGATION STRATEGIES

Challenges	Root cause	Mitigation
Inadequate revenue	Slow promulgation of the revised fees and charges (part 187 regulation)	Implementation of cost-cutting measures, such as cross and online training, desktop inspection, delayed recruitment and contract renegotiating.
Inadequate automation of finance processes	Unintegrated administration systems	Manually operation-based where possible. Developed an internal interface system to enhance operational efficiency and accuracy

INTERDEPARTMENTAL AND STAKEHOLDER COLLABORATION

The department continues to engage its stakeholders, especially customers, on an ongoing basis to strengthen relationships and resolve any disputed issues in collaboration with our billing partners, Air Traffic Navigation Services (ATNS).

PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR (2025/26)

In the upcoming financial year, the Finance and Administration Department will focus on building a stronger and more resilient financial foundation for the Authority. A key priority is the finalisation of the revised regulatory fees under Part 187, a critical step toward aligning the NCAA's revenue framework with the evolving demands of the aviation sector and ensuring long-term financial sustainability.

In parallel, the Authority will actively explore new revenue streams to reduce reliance on traditional sources and diversify its financial base. This will be complemented by the continued implementation of cost-containment measures, with a focus on prudent resource management and prioritisation of essential expenditure.

As part of its broader digital transformation strategy, the NCAA also plans to acquire and implement a modern finance and administration system. This will replace outdated processes, enhance automation, improve efficiency, and address operational gaps, positioning the Authority for future scalability and responsiveness.

Finally, the NCAA will conclude the transfer of all Air Navigation Services-related immovable and movable assets from the shareholder. This important step will consolidate institutional ownership, strengthen the Authority's operational autonomy, and ensure that its asset base is fully aligned with its mandate.



NCAA 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 2025

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

INDEX	PAGE
Directors' responsibility for financial reporting and approval of the annual financial statements	104
Independent auditor's report	105 - 107
Report of the directors	108 - 110
Statement of financial position	111
Statement of profit or loss and other comprehensive income	112
Statement of changes in equity	113
Statement of cash flows	114
Notes to the annual financial statements	115 - 134
<i>Additional information not part of the annual financial statements:</i>	
Divisional income statement	135

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

The directors of the Authority are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The annual financial statements have been prepared in accordance with IFRS (Accounting Standards as issued by the International Accounting Standards Board) 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 2026 and, in light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for the foreseeable future.

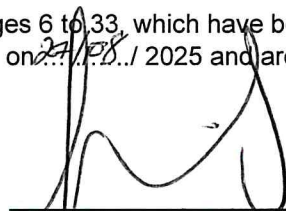
The external auditors are responsible for independently auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 3 to 5.

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 33, which have been prepared on the going concern basis, were approved by the board of directors on ^{27/03/2025} 27/03/2025 and are signed on their behalf by:



CHAIRPERSON



DIRECTOR



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

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Namibia Civil Aviation Authority

Opinion

We have audited the annual financial statements of Namibia Civil Aviation Authority set out on pages 9 to 32, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of material accounting policy information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia Civil Aviation Authority as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS ® Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Civil Aviation Act of 2016.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.



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

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

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 IFRS[®] Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Civil Aviation Act of 2016 of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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.



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

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

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
19 September 2025**

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.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**REPORT OF THE DIRECTORS**

for the year ended 31 March 2025

The directors have pleasure in presenting their report on the annual financial statements of Namibia Civil Aviation Authority for the year ended 31 March 2025.

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 (ANS). These operate severally from each other to ensure functional separation.

GOVERNMENT EQUITY CONTRIBUTIONS

Government equity contributions during the financial year in the form of cash equity contributions received related to budgetary supports amounted to N\$64 803 000 (2024: N\$ 100 036 000) and non-cash equity contribution related to a Headquarter building transferred amounted for N\$ 143 295 000 (2024: N\$ 0) . The Authority is established in terms of Section 8 of the Civil Aviation Act of 2016 and has as its line Ministry, the Ministry of Works & Transport.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2025, Property, Plant, and Equipment amounted to N\$ 288 595 000 (2024: N\$ 184 197 000) of which N\$ 146 792 000(2024: N\$ 5 839 000) was added in the current year through additions.

The Headquarter building, valued at N\$128,843,093, and the accompanying land, valued at N\$14,452,200, have been statutorily transferred in accordance with Government Gazette No. 8428, dated 30 August 2024. The valuation was carried out on 10 April 2025 using the capitalization method and was conducted in line with professional valuation standards and guidelines. The assessment was undertaken by Property Valuations Namibia, represented by Mr. G.I.T. Amunyela (Valuer, Bachelor of Property Studies – NUST) and Mr. P.J. Scholtz (Principal Valuer, National Diploma – Technikon SA). Other immovable assets currently in use such as ANS building , Control towers, Navigation and Communication mast, VHF Equipment building and others are yet to be transferred from the Ministry of Works and Transport to the Authority under Section 23 of the Civil Aviation Act, 2016. The Authority, although using these assets has no sovereign control over the assets and is not free to dispose of such assets without the consent of the Ministry of Works and Transport.

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

SIGNIFICANT LEASE ARRANGEMENTS**Sites and Tower rentals**

The NCAA since its establishment has been renting towers & sites for it is communication, navigation, and surveillance (CNS) purposes and has entered into a contractual agreement with its suppliers. An amount of N\$3 971 292 (2024: N\$3 808 000) has been incurred on sites & tower rentals during the period. The impact of IFRS 16 on sites and tower rentals was assessed and incorporated in the annual financial statements. The right-of-use assets as well as the lease liability were recognised and disclosed on Notes 11 and 18 to the annual financial statements respectively.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**REPORT OF THE DIRECTORS**

for the year ended 31 March 2025

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

Over the financial year, the Authority incurred service charges amounting to N\$1,510,000 (2024: N\$2,456,000) for the use of landlines and data lines supporting its communication, navigation, and surveillance functions. The Authority conducted an IFRS 16 assessment and concluded that some of these arrangements qualify as leases. As a result, the relevant right-of-use assets and lease liabilities were recognised in the annual financial statements. Further details are disclosed in Notes 11 and 18 of the annual financial statements, respectively.

TAXATION

The Namibia Civil Aviation Authority (NCAA) is a regulatory established in terms of the Civil Aviation Act of 2016. The NCAA is mandated to regulate and oversee aviation safety and security as well as to provide safe and reliable air navigation services to the State and inhabitants of Namibia in general. Furthermore, the NCAA derives its income from appropriation by Parliament, charging air operators safety, security, and air navigation fees/charges, and by grants or donations made for a specific purpose. These funds are utilised to defray the expenses of the Authority incurred in the exercise and performance of its powers and functions in terms of the Act or any other law. In the same vein, the NCAA is not permitted to distribute these funds to any person except in the furtherance of its objectives. Therefore, income received by the NCAA is exempted from Income tax in terms of section 16(1)(e)(i) of the Income Tax Act.

DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2024: N\$ 0).

DIRECTORS

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

Name	Date of appointment	Date of resignation
Mr. Bethuel Mujetenga (Chairperson)	04 November 2020	
Ms. Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Mr. Melkisedek Uupindi (Director)	04 November 2020	
Ms. Josephine Shigwedha (Director)	04 November 2020	
Mr. Fernando Somaeb (Director)	04 November 2020	
Ms. Martha Hitenanye (Director)	04 November 2020	
Ms. Toska Sem (Executive Director)	01 July 2022	

OPERATIONAL RESULTS AND CAPITAL FUNDING CONSIDERATION

The Authority's reported profit is primarily attributable to investment income derived from surplus funds earmarked for capital projects that are yet to commence. If absent, the operational results would reflect a break-even or loss position. This reliance highlights a structural underfunding challenge that poses a significant risk to the Authority's ability to fully execute its strategic objectives. To safeguard long-term financial sustainability and strengthen the delivery of its mandate, increased Government support remains imperative particularly in securing dedicated funding for strategic initiatives that are essential to the growth and resilience, of the NCAA.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**REPORT OF THE DIRECTORS**

for the year ended 31 March 2025

COMPANY SECRETARY

Name	Date of appointment	Date of resignation
Mr. Christoph Seimelo (Additional responsibility)	01 December 2023	07 April 2025
Ms. Natasha Mungunda	07 April 2025	

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

Business address:

Postal address:

NCAA Building
Rudolph Hertzog Street
WINDHOEK

Private Bag 12003
WINDHOEK
NAMIBIA

GOING CONCERN

The Authority incurred a net profit of N\$52 212 000 (2024: N\$25 116 000) for the year ended 31 March 2025 and cash generated from operations amounting to N\$323 614 000 (2024: (N\$147 818 000)).

As a regulator of the industry and a service provider of air navigation services in Namibia, the NCAA's major revenue streams from the airlines are passenger safety charges, en route charges, terminal charges, and aerodrome charges. The Authority is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures.

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

SUBSEQUENT EVENTS

The Authority considers known events and expected eventualities identified as of 31 March 2025 as adjusting events. However, any new information/ change in circumstance will be considered as non-adjusting events which will be disclosed if material.

New information and changes in circumstances that arise in the post-balance sheet period, that relate to assets and liabilities in existence on 31 March 2025, should be considered adjusting events. There were no significant events or circumstances between the date of the annual financial statements and the date of this report that would require disclosure or amendment in the annual financial statements.

CONTINGENT LIABILITY

There is a possible financial obligation arising from the Value Added Tax (VAT) Act regarding VAT on imported services, as well as withholding tax on services under Section 35A of the Income Tax Act. Since the establishment of the Namibia Civil Aviation Authority (NCAA), no VAT on imported services or withholding tax on applicable services has been remitted to the Namibia Revenue Agency (NAMRA).

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**STATEMENT OF FINANCIAL POSITION**

as at 31 March 2025

	<u>Notes</u>	<u>2025</u> <u>N\$ 000</u>	<u>Restated</u> <u>2024</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		288,595	184,197
Property, plant and equipment	11	288,595	184,197
Current assets		1,094,408	660,737
Trade and other receivables	13	34,739	32,317
Short-term Investments	14	628,490	317,712
Cash and cash equivalents	17.2	431,180	310,708
Total assets		1,383,003	844,934
Capital and reserves			
Government contributions	15	1,212,067	1,008,029
Retained loss		(271,405)	(323,617)
Non-current liabilities			
Lease liability	18	3,226	9,132
Current liabilities			
Trade and other payables	16	434,002	146,262
Lease liability	18	5,113	5,128
Total equity and liabilities		1,383,003	844,934

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**for the year ended 31 March 2025

	Notes	2025 N\$ 000	2024 N\$ 000
Revenue	5	233,096	228,092
Operating costs	7	(233,997)	(235,954)
Operating (loss)		(902)	(7,862)
Finance income	8	53,804	31,400
Other Income	12	426	2,161
Finance costs	9	(1,115)	(583)
Profit before taxation		52,212	25,116
Taxation	10	-	-
Profit for the year before other comprehensive income		52,212	25,116
Other comprehensive income		-	-
Total comprehensive profit for the financial year		52,212	25,116

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2025

		<u>Government contribution</u>	<u>Retained loss</u>	<u>Total</u>
	<u>Notes</u>	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>
Balance as at 31 March 2023		914,096	(350,790)	563,306
Government contributions	15	100,036	-	100,036
Total comprehensive profit for the financial year		-	25,116	25,116
Expenses paid by NCAA on behalf of Government		(6,103)	-	(6,103)
Balance as at 31 March 2024		1,008,029	(325,674)	682,355
Adjustments- overcharged depreciation		-	2,057	2,057
Restated balance as at 31 March 2024		1,008,029	(323,617)	684,412
Government contributions	15	208,098	-	208,098
Total comprehensive profit for the financial year		-	52,212	52,212
Expenses paid by NCAA on behalf of Government		(4,060)	-	(4,060)
Balance as at 31 March 2025		1,212,067	(271,405)	940,662

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2025

	Notes	2025 N\$ 000	2024 N\$ 000
Cash flow from operating activities		340,001	161,754
Cash receipt from customers		230,674	228,092
Cash paid to suppliers and employees		92,940	(80,274)
Cash generated from operations	17.1	323,614	147,818
Interest received from operational activities	8	16,387	13,936
Cash flow from investing activities		(275,458)	(98,721)
Acquisition of property, plant and equipment	11	(3,497)	(5,839)
Investment in short-term investments	14	(628,490)	(317,712)
Withdrawal of short-term investment	14	317,712	205,471
Proceeds from disposal of property, plant and equipment		1,400	1,895
Interest received from investment	8	37,417	17,464
Cash flow from Financing activities		55,929	89,181
Government operational expenses paid by the NCAA on its behalf	15	(4,060)	(6,103)
Government operational contributions	15	64,803	100,036
Lease payments	18	(4,814)	(4,752)
Net cash flow		120,472	152,214
Cash and cash equivalents at beginning of year		310,708	158,494
Cash and cash equivalents at end of year		431,180	310,708

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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 IFRS (Accounting Standards as issued by the International Accounting Standards Board). The annual financial statements have been prepared under the historical cost convention on a going concern basis as modified by financial assets and liabilities (including any derivative instruments) being stated at fair value. Year on year movements are taken through the Statement of Comprehensive Income. The functional and presentation currency is Namibian Dollars (N\$). All values are rounded to the nearest thousand ('000).

Assets are only recognized if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the Authority and the cost can be measured reliably.

Liabilities are only recognized if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the Authority and the cost can be measured with reliability. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

There have been no changes in accounting policies.

2 Adoption of new and revised standards

It is important to note that the financial information has been prepared in accordance with IFRS (Accounting Standards as issued by the International Accounting Standards Board) that are effective at 31 March 2024. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 22.

As part of its annual improvements project, the International Accounting Standards Board made amendments to a number of accounting standards. The aim is to clarify and improve the accounting standards and include terminology or editorial changes with minimal effect on recognition and measurement.

The annual financial statements have been prepared in accordance with IFRS (Accounting Standards as issued by the International Accounting Standards Board) on a basis consistent with the prior year.

3 Material accounting policy information

3.1 Revenue recognition

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

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

A receivable asset is recognised when the service is provided, as this is a point in time that the consideration is unconditional because only the passage of time is required before payment is due. The accounting policies for the Authority's revenue from contracts with customers are further explained in note 5.

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

3.2 Employee benefit costs

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

3 Material accounting policy information (continued)

3.3 Provisions

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

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

3.4 Leasing

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

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

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

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

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

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

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

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

Material accounting policy information (continued)

3.5 Taxation

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

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

3.6 Property, plant and equipment

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

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

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

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

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

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

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

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

3 Material accounting policy information (continued)

3.7 Intangible assets

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

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

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

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

Assets in the course of construction are not amortized.

3.8 Impairment of non-financial assets

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

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

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

3 Material accounting policy information (continued)

3.9 Government contributions and grants

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

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

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

Other government grants are recognized as income. Government grants that are receivable as shareholder's budgetary support given without conditions, or repayment obligations but are for the purpose of giving immediate financial support to the Authority with no future related costs are recognized in equity in the period in which the grant becomes receivable.

3.10 Foreign currency

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

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

3.11 Financial instruments

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

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

Financial assets which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

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

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

3 Material accounting policy information (continued)

3.11 Financial instruments (continued)

Trade and other receivables

<u>Classification</u>	Trade and other receivables, excluding, when applicable and prepayments are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on trade and other receivables.
<u>Recognition and measurement</u>	Trade and other receivables are recognised when the Authority becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.
<u>Impairment</u>	The Authority recognizes the expected credit losses (ECL) on trade receivables in accordance with IFRS 9. The ECL for trade receivables was calculated using the Provision matrix approach. The loss rates are calibrated based on historical credit loss experience, considering both the time value of money and further adjustment for forward-looking information. Historical loss rates are calculated as a product of the monthly roll rates across buckets using real outstanding debtors considering the time value of money components. Historical loss rates are then adjusted for forward-looking information to derive the expected loss as of the measurement date.

Trade and other payables

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2025

3 Material accounting policy information (continued)

3.11 Financial instruments (continued)

Cash and cash equivalents

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

Financial assets

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

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

Financial liabilities

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

<u>Reclassification</u>	Financial liabilities are not reclassified.
-------------------------	---

3.12 Income from investments

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions concerning the future are made by the Authority and the resulting accounting estimates will, by definition, seldom equal the related actual results. Accounting policies that have been identified as involving particularly complex or subjective judgments or assessments are as follows:

4.1 Impairment of non-financial assets

Property, plant and equipment, investment property and intangible assets are considered for impairment if there is a reason to believe that an impairment test may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, i.e. market values, is compared to the current net asset value. If lower, the assets are impaired to the present value.

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

The Authority determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual values, based on their expected sales values at end of useful life.

4.3 Loans and receivables

The Authority assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Authority makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts that are expected to have defaults. The impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. See note 13 for more details on Trade Receivable impairments.

4.4 IFRS 16 assessment of leases assets

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

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

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

2025 **2024**
N\$ 000 **N\$ 000**

5 Revenue

The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:

Regulatory Services (transferred continually)

Passenger Safety Charge	42,915	42,613
-------------------------	--------	--------

Regulatory Services (transferred at a point in time)

Safety Regulation Fees	5,265	5,120
------------------------	-------	-------

Air Navigation Services (transferred at a point in time)

En-route Navigation Charges	184,915	180,359
Terminal Charges	133,500	127,210
Aerodrome Charges	26,932	30,488
Sundry Charges	24,480	22,661
	4	-

Total Revenue	233,096	228,092
---------------	----------------	----------------

The disaggregations are explained as:

- Passenger Safety Charges are based on passenger seats and are charged to airlines on all departures from Namibian aerodromes to fund the overhead operations of the regulatory division of the Authority. These are recognised monthly as the safety oversight regulatory service is provided continually.

- Safety regulation fees are charged by the regulatory division for specific safety oversight services and are recognised when the service is provided.

- En-route Navigation Charges are area control, flight information and related services provided to aircraft flying in the airspace of Namibia. These are recognised when the service is provided.

- Terminal Charges are procedural and/ or radar approach control and related services provided for aircraft flying in the Windhoek and Walvis Bay terminal maneuvering areas. These are recognised when the service is provided.

- Aerodrome Charges are air traffic, aerodrome control and related services provided at aerodromes. These are recognised when the service is provided.

The fees and charges of the Authority are published by Government Gazette periodically and form the basis of amounts invoiced to customers, based on the services provided.

The Authority disaggregates revenue from contracts with customers by contract type and considers this to accurately reflect the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and does not disaggregate information into geographical segments.

The Authority discloses contracts with customers separately as Trade Receivables, included in note 13, which includes additional information on the uncertainty of revenue and cash flows arising from these contracts. These are seen as unconditional and there are no related contract liabilities.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

6 Number of employees

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

	<u>2025</u>	<u>2024</u>
Fixed term contracts	7	8
Temporary employees	6	7
Permanent employees	161	186
Total employees	<u>174</u>	<u>201</u>

7 Operating costs

Operating costs comprises of:

Audit fees		(557)	(518)
Bad debts	Note 13	8,028	(7,903)
Board expenses		(1,621)	(1,329)
Commission paid		(3,494)	(3,238)
Consulting fees		(1,219)	(3,298)
Depreciation and amortization		(40,464)	(42,926)
Directors fees		(1,569)	(1,625)
Employment costs		(141,532)	(116,362)
Insurance		(6,931)	(7,320)
(Loss)/ profit on Asset Disposal		1,046	944
Legal fees		(535)	(900)
Membership fees		(1,207)	(1,224)
Operating lease charges:			
- Properties		(60)	(60)
- Telecommunication service costs		(5,000)	(10,144)
Other operating expenses		(38,883)	(40,051)
		<u>(233,997)</u>	<u>(235,954)</u>

8 Finance income

Financial instruments measured at amortised cost:

	<u>2025</u>	<u>2024</u>
	N\$ 000	N\$ 000
- Trade debtors	-	-
- Call account	16,387	13,936
- Investment	37,417	17,464
	<u>53,804</u>	<u>31,400</u>

9 Finance cost

Financial instruments measured at amortised cost:

- Leases(adjustment due to remeasurement)	<u>(1,115)</u>	<u>(583)</u>
--	-----------------------	---------------------

10 Taxation

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

11 Property, plant and equipment

	Right of Use Asset	Land	Vehicles	Building	Network & Computer Equipment	Furniture, fixtures and fittings	Total
	N\$ 000		N\$ 000		N\$ 000	N\$ 000	N\$ 000
Cost							
Balance as at 31 March 2023	45,939	-	9,134	-	263,669	6,773	325,515
Additions during the year	-	-	4,360	-	1,405	74	5,839
Disposal during the year	-	-	(2,887)	-	(7)	(47)	(2,941)
Other adjustments – Lease measurement	1,429	-	-	-	-	-	1,429
Balance as at 31 March 2024	47,368	-	10,607	-	265,067	6,800	329,842
Additions during the year	-	14,452	1,582	128,843	1,836	79	146,792
Disposal during the year	-	-	(2,240)	-	-	(112)	(2,352)
Other adjustments – Lease modification	(29,844)	-	-	-	-	-	(29,844)
Other adjustments – Lease measurement	(1,576)	-	-	-	-	-	(1,576)
Balance as at 31 March 2025	15,948	14,452	9,949	128,843	266,903	6,768	442,863
Accumulated depreciation							
Balance as at 31 March 2023	(27,756)	-	(4,367)	-	(72,094)	(2,551)	(106,768)
Disposal during the year	-	-	1,968	-	4	19	1,991
Depreciation charge for the year	(5,370)	-	(4,300)	-	(32,423)	(832)	(42,925)
Balance as at 31 March 2024	(33,126)	-	(6,699)	-	(104,513)	(3,364)	(147,702)
Adjustments- overcharged depreciation	-	-	2,057	-	-	-	2,057
Restated balance as at 31 March 2024	(33,126)	-	(4,642)	-	(104,513)	(3,364)	(145,645)
Adjustments- Lease modification	29,844	-	-	-	-	-	29,844
Disposal during the year	-	-	1,935	-	-	62	1,997
Depreciation charge for the year	(4,131)	-	(1,699)	(1,923)	(31,887)	(824)	(40,464)
Balance as at 31 March 2025	(7,413)	-	(4,406)	(1,923)	(136,400)	(4,126)	(154,267)
Book value							
Balance as at 31 March 2024	14,242	-	5,965	-	160,554	3,436	184,197
Balance as at 31 March 2025	8,535	14,452	5,543	126,920	130,503	2,642	288,595

The Headquarter building, valued at N\$128,843,093, and the accompanying land, valued at N\$14,452,200, have been statutorily transferred in accordance with Government Gazette No. 8428, dated 30 August 2024. The valuation was carried out on 10 April 2025 using the capitalization method and was conducted in line with professional valuation standards and guidelines. The assessment was undertaken by Property Valuations Namibia, represented by Mr. G.I.T. Amunyela (Valuer, Bachelor of Property Studies – NUST) and Mr. P.J. Scholtz (Principal Valuer, National Diploma – Technikon SA). Other immovable assets currently in use such as ANS building, Control towers, Navigation and Communication mast, VHF Equipment building and others are yet to be transferred from the Ministry of Works and Transport to the Authority under Section 23 of the Civil Aviation Act, 2016. The Authority, although using these assets has no sovereign control over the assets and is not free to dispose of such assets without the consent of the Ministry of Works and Transport.

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

	2025 N\$ 000	2024 N\$ 000
12 Other Income		
NTA VET levy refund	(432)	(959)
Loss/(profit) on foreign exchange	6	-
Gain on USD International Civil Aviation Organisation (ICAO) contract conclusion	-	(1,202)
	(426)	(2,161)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

13 Trade and other receivables

<u>Financial Instruments</u>		
Trade receivables	44,947	135,906
Provision for doubtful debts	(11,631)	(105,273)
	<u>33,316</u>	<u>30,633</u>
<u>Non-Financial Instruments</u>		
Prepayments - other	1,423	1,685
Balance at end of year	<u>34,739</u>	<u>32,317</u>

Movement in provision for doubtful debts

	Collectively assessed	Individually assessed	Total
	N\$ 000	N\$ 000	N\$ 000
Balance as at 31 March 2023	(14,309)	(83,061)	(97,370)
Transfer from credit impaired	14,309	-	14,309
Transfer to credit impaired	(22,212)	-	(22,212)
Balance as at 31 March 2024	<u>(22,212)</u>	<u>(83,061)</u>	<u>(105,273)</u>
Transfer from credit impaired	22,212	-	22,212
Transfer to credit impaired	(11,563)	-	(11,563)
Written off	-	83,061	83,061
Balance as at 31 March 2025	<u>(11,563)</u>	<u>-</u>	<u>(11,563)</u>

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

On that basis, the loss allowance as at 31 March 2025 was determined as follows for trade receivables:

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

13 Trade and other receivables (continued)

Trade debtors - days past due

	<30 N\$ 000	31 - 60 N\$ 000	61 - 90 N\$ 000	>90 N\$ 000	Total N\$ 000
31 March 2024					
Trade debtors	21,138	9,055	875	104,838	135,906
Expected credit loss	0%	0%	0%	99%	77%
Estimated impairment carrying value	(763)	(575)	(508)	(103,427)	(105,273)
31 March 2025					
Trade debtors	22,513	8,650	913	12,439	44,515
Expected credit loss	0%	0%	0%	93%	26%
Estimated impairment carrying value	-	-	-	(11,563)	(11,563)

	<u>2025</u>		<u>2024</u>	
	Credit not impaired	Credit impaired	Credit not impaired	Credit impaired
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance				
One customer's account with a gross carrying amount of N\$83,061,000 (2024: N\$83,061,000) has been written off.	-	-	-	(83,061)
Other air service operators have been provided due to increased credit risk.	-	(11,563)	-	(14,309)

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

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

14 Short term investments

Current assets

	<u>2025</u> N\$ 000	<u>2024</u> N\$ 000
Money market investment- Capricorn Asset Management & Old Mutual	628,490	317,712
Treasury Bills- Bank of Namibia	311,932	104,107
Fixed deposit investment- Nampost	208,883	213,605
	107,675	-

A sum of N\$ 300 000 000 (2024: N\$100 000 000) is placed with Capricorn Asset Management & Old Mutual in the Money Market, while N\$ 203 575 834 (2024: N\$202 065 446) is invested with the Bank of Namibia in Treasury Bills and another N\$100 000 000 (2024: 0) is invested with Nampost in a fixed term deposit. These investments have fixed terms of 12 months and accrue interest at annual rates of 8.75% (2024: 8.55%) , 8.09% (2024: 8.90%) and 8.80% (2024: 0) respectively, compounded monthly. No losses or expected credit losses have been recognized, and the carrying amounts of the investment approximate their fair value.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

15 Government contributions	2025	2024
	N\$ 000	N\$ 000
Capital contributions:		
Balance as at 31 March 2024	1,008,029	914,096
Contributions in the form of:		
- Assets transfer to the NCAA	143,295	-
- Expenses paid by NCAA on behalf of Government	(4,060)	(6,103)
- Cash received for budgetary support	64,803	100,036
Balance as at 31 March 2025	1,212,067	1,008,029

NCAA has received a total of N\$ 354 803 000 (2024: N\$ 221 087 000) from the Government in the current financial, N\$64 803 000 (2024: N\$ 100 036 000) was for NCAA operational support, and N\$ 290 000 000 (2024: N\$ 121 051 000) for development support to facilitate Government projects. Expenses paid by NCAA on behalf of the Government amounting to N\$4 060 000 (2024: N\$6 103 000) were paid to SASO and AFCAC for membership fees.

16 Trade and other payables

Financial Instruments

Trade payables	4,422	6,247
Government development project payables	417,174	127,897
	421,596	134,144

Non-Financial Instruments

Other provisions	(478)	82
Telecom lease accrual	3,734	3,734
Payroll accruals	9,150	8,302
	434,002	146,262

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

As of 31 March 2025, the Spanish project account had a balance of N\$ 3,734,150, which has been accrued. The Authority has directed Telecom Namibia to discontinue the associated services and write off the entire balance, as the services are no longer in use. The last utilization of the Spanish project account services occurred in February 2019, following the installation of the Jotron system, which employs Voice Over Internet Protocol (VOIP) and Multiprotocol Label Switching (MPLS) by Telecom Namibia. Since then, the account has been under dispute, and no payments have been made to Telecom Namibia since February 2019.

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

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

17 Notes to the Statement of cashflows

17.1 Cash generated by operations

Profit before taxation	52,212	25,116
Adjusted for:		
Depreciation and amortization	40,464	42,925
Loss on Asset Disposal	(1,046)	(944)
Other Income	(426)	(2,161)
Non-cash movements	(221)	1,044
Finance income	(53,804)	(31,400)
Finance cost	1,115	583
	38,295	35,163
Working capital changes	285,319	112,655
(Increase) in trade and other receivables	(2,421)	3,195
Increase in trade and other payables	287,740	109,460
Cash generated from operations	323,614	147,818

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

17.2 Cash and cash equivalents

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

Funds on call account	426,520	304,029
Bank balances and cash	4,660	6,679
Total cash and cash equivalents	431,180	310,708

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The carrying amount of these assets is approximately equal to their fair value. The directors of the Authority consider that the carrying amount of cash and cash equivalents approximate fair values.

	<u>2025</u> N\$ 000	<u>2024</u> N\$ 000
Lease Liability	8,339	14,260
Short term portion	5,113	5,128
Long term portion	3,226	9,132

	<u>Sites and Tower rentals</u>	<u>Telecommunication liners rentals and charges</u>	<u>Total</u>
Balance as at 31 March 2023	10,911	7,205	18,116
Finance cost	1,074	696	1,770
Lease payments	(3,243)	(1,509)	(4,752)
Lease accrued payments	(565)	(947)	(1,512)
Lease measurement	565	74	639
Balance as at 31 March 2024	8,742	5,519	14,261
Finance cost	810	325	1,135
Lease payments	(3,682)	(1,132)	(4,814)
Lease accrued payments	(290)	(377)	(667)
Lease measurement / modification	570	(2,146)	(1,576)
Balance as at 31 March 2025	6,150	2,189	8,339

Maturity analysis of lease liabilities

	Due within 1 year N\$ 000	Due between 1 and 5 years N\$ 000	Beyond 5 years N\$ 000	Total N\$ 000
2024				
Minimum lease payments	6,472	10,713	-	17,185
Less future finance charges	(1,343)	(1,581)	-	(2,924)
Balance as at 31 March 2024	5,129	9,132	-	14,261
2025				
Minimum lease payments	5,617	3,353	-	8,970
Less future finance charges	(504)	(127)	-	(631)
Balance as at 31 March 2025	5,113	3,226	-	8,339

19 Financial instruments and risk management

19.1 Categories of financial instruments

	<u>2025</u> N\$ 000	<u>2024</u> N\$ 000
<u>Financial assets at amortized cost</u>		
Current assets	1,092,986	659,053
Trade and other receivables	33,316	30,633
Short-term investments	628,490	317,712
Cash and cash equivalents	431,180	310,708
<u>Financial liabilities at amortized cost</u>		
Current liabilities	421,596	134,144
Trade and other payables	4,422	6,247
Government development project payables	417,174	127,897

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

19.1 Categories of financial instruments

Capital risk management

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

19.2 Credit risk management

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

The Authority only deposits cash surpluses with major banks of high-quality credit standing.

Trade account receivables comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed. This is done when prompt payment is not received on a recurring basis. In such instances customers are contacted and the situation is investigated. Remedial action in the form of financial assessments and negotiations are taken, based on individual circumstances.

The granting of credit is made on application and is approved by the directors. At period-end the Authority did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

The credit quality of cash and cash equivalents and short-term investments that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Financial assets exposed to credit risk at year end were as follows:

	2025	2024
	N\$ 000	N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	33,316	30,633
Short-term investments	628,490	317,712
Cash and cash equivalents	431,180	310,708
Total	1,092,986	659,053

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 rates are negotiated with banks and other financial institutions to earn favorable interest returns. The Authority faces various risks due to fluctuations in market interest rates affecting its investments. Cash resources are managed to ensure that surplus funds are invested to achieve maximum returns while minimizing risks. The Authority places its funds in interest-earning money markets and treasury bills, which are adjusted on a short-term basis according to changes in prevailing market interest rates.

Additionally, these investments are due on demand. The short-term investments, amounting to N\$628 490 000 (2024: N\$317 712 000), 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 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

	<u>2025</u> N\$ 000	<u>2024</u> N\$ 000
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:		
Currency		
Trade creditors		
United States Dollar (USD)	(420)	(414)
Canadian Dollar (CAD)	(560)	(567)
	<u>(681)</u>	<u>(681)</u>
Payroll (USD)	(681)	(681)

Foreign currency sensitivity analysis

The Authority is exposed to the currency fluctuations of USD.

The following table details the Authority's sensitivity to a 10% increase and decrease in currency units against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

Impact - 10% fluctuation

United States Dollar (USD)	42	41
Canadian Dollar (CAD)	56	57
Payroll (USD)	68	68

19.6 Maturity profile

Maturity profiles of financial instruments

All financial assets and liabilities are of a short-term nature and are receivable and payable on 30-day payment terms.

	1 – 3 months	3 months – 1 year	1 – 5 years	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2024				
Financial assets				
Trade and other receivables - net	28,855	367	1,411	30,633
Short-term investments	317,712	-	-	317,712
Cash and cash equivalents	310,708	-	-	310,708
	<u>657,275</u>	<u>367</u>	<u>1,411</u>	<u>659,053</u>
Financial liabilities				
Government development project payables	127,897	-	-	127,897
Trade and other payables	6,247	-	-	6,247
	<u>134,144</u>	<u>-</u>	<u>-</u>	<u>134,144</u>

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

19.6 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
2025				
Financial assets				
Trade and other receivables - net	31,163	913	1,240	33,316
Short-term investments	628,490	-	-	628,490
Cash and cash equivalents	431,180	-	-	431,180
	1,090,833	913	1,240	1,092,986
Financial liabilities				
Government development project payables	417,174	-	-	417,174
Trade and other payables	4,422	-	-	4,422
	421,596	-	-	421,596

19.7 Fair value

The directors are of the opinion that the book value of financial instruments approximates fair value, as the items are of a short-term nature.

20 Related parties

Balances and transactions between the Authority and its related party, the Government of the Republic of Namibia, through the Ministry of Works & Transport are disclosed below. A related party is a person or an entity that is related to the reporting entity: A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.

	2025 N\$ 000	2024 N\$ 000
Government of Namibia - as Shareholder		
Expenses paid by NCAA on behalf of Government	(4,060)	(6,103)
Government expenditure-Projects	(723)	(8,716)
Government equity contributions at year end	1,212,067	1,008,029
Contribution in the form of: Cash-retained earnings	64,803	100,036
Contribution in the form of: Projects development	290,000	121,051
Government development projects payables	417,174	127,897

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

Air Namibia (Pty) Ltd		
- Trade receivables	-	83,061
- Provision for doubtful debts	-	(83,061)
Namibia Airports Company		
- Trade receivables	1	11
- Expenses	(11)	(7)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

20 Related parties (continued)	2025	2024
	N\$ 000	N\$ 000
<u>Board member emoluments</u>		
Directors fees	<u>(1,569)</u>	<u>(1,625)</u>
<u>Key management personnel emoluments</u>		
Salaries	(7,845)	(6,433)
Benefits / allowances	(593)	(452)
	<u>(8,438)</u>	<u>(6,885)</u>

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

Certain new standards, amendments and interpretations to existing standards have been published that are not mandatory and material for the Authority's accounting periods beginning on or after 1 April 2024 or later periods as follows:

New / Revised IFRS (Accounting Standards as issued by the International Accounting Standards Board)		
Revised		
IFRS 18 Presentation and Disclosure in Financial Statements	Replaces IAS 1 Presentation of Financial Statements.	1 January 2027
IFRS 9 Financial Instruments	Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
IAS 7 Statement of Cash Flows	Annual Improvements to IFRS Accounting Standards—Volume 11 – Cost method	1 January 2026
IAS 21 The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability	1 January 2025
IFRS 7 Financial Instruments: Disclosures	Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

22 Going concern

The Authority incurred a net profit of N\$52 212 000 (2024: N\$25 116 000) for the year ended 31 March 2025 and cash generated from operations amounting to N\$323 614 000 (2024: (N\$147 818 000)).

As a regulator of the industry and a service provider of air navigation services in Namibia, the NCAA's major revenue streams from the airlines are passenger safety charges, en route charges, terminal charges, and aerodrome charges. The Authority is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures.

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

23 Subsequent events

The Authority considers known events and expected eventualities identified as of 31 March 2025 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if material.

Therefore, new information and changes in circumstances that arise in the post-balance sheet period, that relate to assets and liabilities in existence on 31 March 2025, should be considered adjusting events.

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

24 Contingent liability

There is a possible financial obligation arising from the Value Added Tax (VAT) Act regarding VAT on imported services, as well as withholding tax on services under Section 35A of the Income Tax Act. Since the establishment of the Namibia Civil Aviation Authority (NCAA), no VAT on imported services or withholding tax on applicable services has been remitted to the Namibia Revenue Agency (NAMRA).

To address this matter, the NCAA has sought a professional tax opinion from PricewaterhouseCoopers (PwC), and a formal ruling from NAMRA is currently pending. At this stage, the financial impact of this obligation cannot be reliably estimated.

25 Restatement of comparatives

The accumulated depreciation for motor vehicles under Property, Plant, and Equipment has been restated in the comparative figures of these financial statements to correct an overstatement of depreciation charged during the 2024 financial year, amounting to N\$2,057,000. These adjustments do not affect the previously reported profit; however, they do impact the reported net assets and equity.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**DIVISIONAL INCOME STATEMENT****ADDITIONAL INFORMATION PRESENTED NOT FORMING PART OF THE AUDITED ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

	REGULATORY		AIR NAVIGATION SERVICES	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>	<u>N\$ 000</u>
Revenue	48,180	47,733	184,915	180,359
Audit fees	(278)	(259)	(278)	(259)
Bad debts	6,704	(6,981)	1,325	(922)
Board expenses	(814)	(748)	(807)	(580)
Commission paid	(720)	(560)	(2,774)	(2,678)
Consulting fees:	(1,219)	(3,298)	-	-
Depreciation and amortization	(4,320)	(5,213)	(36,144)	(37,713)
Directors fees	(785)	(813)	(785)	(813)
Employment costs	(69,514)	(58,579)	(72,018)	(57,784)
Inter-divisional management and other fees	11,170	17,374	(11,170)	(17,374)
Insurance	(795)	(823)	(6,137)	(6,497)
Legal fees	(535)	(900)	-	-
Membership fees	(1,207)	(1,224)	-	-
Operating lease charges:				
- Properties	-	-	(60)	(60)
- Telecommunication service costs	(622)	(891)	(4,379)	(9,253)
Motor vehicle expenses	(1,161)	(1,203)	(310)	(377)
Repairs & Maintenance	(825)	(605)	(2,009)	(2,555)
Travel & Accommodation	(10,011)	(5,453)	(5,839)	(2,237)
Security	(319)	(319)	-	-
Printing & Stationery	(774)	(724)	(242)	(166)
Levies	(1,146)	(975)	-	-
General Expenses	(491)	(633)	(39)	(5)
Electricity & Water	(844)	(913)	(850)	(855)
Computer Expenses - Licences	(3,207)	(5,232)	(1,946)	(3,145)
Computer Expenses - Support	(469)	(1,814)	(888)	(2,263)
Courier & Postage	(14)	(6)	(173)	(156)
Cleaning	(702)	(650)	(1,033)	(958)
Calibration charges	-	-	(1,971)	(6,195)
Certification charges	-	-	-	(9)
Donations	(195)	(35)	-	-
Subscriptions	(6)	(45)	-	-
Stakeholder engagements	(1,784)	(860)	-	(31)
Bank Charges	(112)	(107)	(73)	(63)
Licences & permits	-	-	(24)	(16)
Advertising & Promotions	(315)	(499)	(20)	(2)
Advisory and training related costs	(851)	(621)	(58)	(97)
Telephone costs	(95)	(112)	(87)	(114)
(Loss)/profit on Asset Disposal	1,044	936	2	7
Total operating costs	(85,214)	(82,785)	(148,782)	(153,170)
Operating (loss)/ profit	(37,034)	(35,052)	36,132	27,188
Finance income	4,067	2,052	49,736	29,349
Other (expense)/ income	426	2,089	-	72
Finance cost	20	41	(1,135)	(624)
Net result	(32,520)	(30,870)	84,733	55,985



AIR NAVIGATION SERVICES "ANS"

AIR NAVIGATION SERVICES “ANS”
(A division of the Namibia Civil Aviation Authority)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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 2025

INDEX	PAGE
Directors' responsibility for financial reporting and approval of the annual financial statements	138
Independent auditor's report	139 - 141
Report of the directors	142 - 144
Statement of financial position	145
Statement of profit or loss and other comprehensive income	146
Statement of changes in equity	147
Statement of cash flows	148
Notes to the annual financial statements	149 - 166

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 2025

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

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

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

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


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.

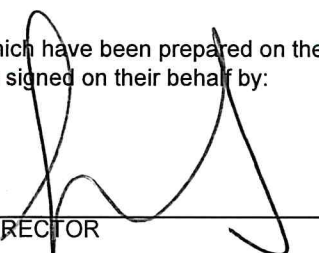
The directors have reviewed the Air Navigation Services cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the Air Navigation Services has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Air Navigation Services will not remain a going concern for the foreseeable future.

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

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 30, which have been prepared on the going concern basis, were approved by the board of directors on ~~27.10.2025~~ 27.10.2024 and are signed on their behalf by:



CHAIRPERSON

DIRECTOR



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

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Air Navigation Services

Opinion

We have audited the annual financial statements of Air Navigation Services set out on pages 9 to 30, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of material accounting policy information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Air Navigation Services as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Civil Aviation Act of 2016.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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



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

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

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 IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Civil Aviation Act of 2016 of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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.



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

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

- 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
19 September 2025

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)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**REPORT OF THE DIRECTORS**

for the year ended 31 March 2025

The directors have pleasure in presenting their report on the activities of Air Navigation Services for the year ended 31 March 2024.

NATURE OF BUSINESS

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

The two operating and reporting requirements of the Authority are Regulatory and Air Navigation Services "ANS". These operate severally from each other to ensure functional separation. Air Navigation Services is established as a functionally separate division of the Authority in terms of Section 49 of the Civil Aviation Act of 2016 and has as its line-Ministry, the Ministry of Works & Transport.

In terms of Section 49 (5) (e) of the Civil Aviation Act of 2016, ANS is required to prepare a separate set of audited annual financial statements.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2025, Property, Plant, and Equipment amounted to N\$ 136 359 000 (2024: N\$ 173 799 000) of which N\$328 000 (2024: N\$ 955 000) was added in the current year through additions.

Immovable assets currently in use such as the Air Navigation Services building, Control towers, Navigation, and communication mast, VHF Equipment building, and others are yet to be transferred from the Ministry of Works and Transport to the Authority under Section 23 of the Civil Aviation Act, 2016. Although ANS is using these assets has no sovereign control over the assets and is not free to dispose of such assets without the consent of the Ministry of Works and Transport.

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

SIGNIFICANT LEASE ARRANGEMENTS**Sites and Tower rentals**

The Air Navigation Services division since its establishment has been renting towers & sites for it is communication, navigation, and surveillance (CNS) purposes and has entered into contractual agreements with it is suppliers. An amount of N\$3 971 000 (2024: N\$3 808 000) has been incurred on sites & tower rentals during the period. The impact of IFRS 16 on sites and tower rentals was assessed and incorporated in the annual financial statements. The right-of-use assets as well as the lease liability were recognised and disclosed on Notes 11 and 18 to the annual financial statements respectively.

Telecommunication lines rentals and charges

Over the financial year, the Air Navigation Services division incurred N\$1 510 000 (2024: N\$2 456 000) service charges in the use of landlines and data lines for its communication, navigation, and surveillance purposes. The Authority's including the Air Navigation Services division IFRS 16 assessment concluded that some of these arrangements are leases and incorporated in the annual financial statements. The right-of-use assets and the lease liability were recognised as disclosed on Notes 11 and 18 to the annual financial statements respectively.

AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**REPORT OF THE DIRECTORS**

for the year ended 31 March 2025

TAXATION

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

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

DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2024: N\$ 0).

DIRECTORS

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

Name	Date of appointment	Date of resignation
Mr. Bethuel Mujetenga (Chairperson)	04 November 2020	
Ms. Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Mr. Melkisedek Uupindi (Director)	04 November 2020	
Ms. Josephine Shigwedha (Director)	04 November 2020	
Mr. Fernando Somaeb (Director)	04 November 2020	
Ms. Martha Hitenanye (Director)	04 November 2020	
Ms. Toska Sem (Executive Director)	01 July 2022	

COMPANY SECRETARY

Name	Date of appointment	Date of resignation
Mr. Christoph Seimelo (Additional responsibility)	01 December 2023	07 April 2025
Ms. Natasha Mungunda	07 April 2025	

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

Business address:
NCAA Building
Rudolph Hertzog Street
WINDHOEK
NAMIBIA

Postal address:
Private Bag 12003
WINDHOEK
NAMIBIA

AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**REPORT OF THE DIRECTORS**

for the year ended 31 March 2025

GOING CONCERN

The Air Navigation Services incurred a net profit of N\$84 733 000 (2024: N\$55 985 000) for the year ended 31 March 2025 and cash generated from operations amounting to N\$311 048 000 (2024: N\$186 688 000). During the current year, revenue has picked up above pre-Covid 19 levels and most airlines have resumed flights to Namibia.

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

Air Navigation Services is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures.

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

SUBSEQUENT EVENTS

Air Navigation Services considers known events and expected eventualities identified as of 31 March 2025 as adjusting events. However, any new information/ change in circumstance will be considered as non-adjusting events which will be disclosed if material.

New information and changes in circumstances that arise in the post-balance sheet period, relating to assets and liabilities on 31 March 2025, should be considered adjusting events.

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

CONTINGENT LIABILITY

There is a possible financial obligation arising from the Value Added Tax (VAT) Act regarding VAT on imported services, as well as withholding tax on services under Section 35A of the Income Tax Act. Since the establishment of the Namibia Civil Aviation Authority (NCAA), no VAT on imported services or withholding tax on applicable services has been remitted to the Namibia Revenue Agency (NAMRA).

To address this matter, the NCAA has sought a professional tax opinion from PricewaterhouseCoopers (PwC), and a formal ruling from NAMRA is currently pending. At this stage, the financial impact of this obligation cannot be reliably estimated.

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 2025**STATEMENT OF FINANCIAL POSITION**

as at 31 March 2025

	<u>Notes</u>	<u>2025</u> <u>N\$ 000</u>	<u>2024</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		136,359	173,799
Property, plant and equipment	11	136,359	173,799
Current assets		925,675	568,178
Trade and other receivables	12	28,611	26,808
Short-term Investments	13	628,490	317,712
Cash and cash equivalents	17.2	268,574	223,658
Total assets		1,062,034	741,977
Capital and reserves			
Government contributions	15	463,093	463,093
Retained income		154,287	69,554
Non-current liabilities			
Lease liability	18	3,226	9,132
Current liabilities			
Trade and other payables	16	415,098	136,836
Loan account	14	21,217	58,233
Lease liability	18	5,113	5,129
Total equity and liabilities		1,062,034	741,977

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 2025**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 31 March 2025

	<u>Notes</u>	<u>2025</u> <u>N\$ 000</u>	<u>2024</u> <u>N\$ 000</u>
Revenue	5	184,915	180,359
Operating costs	7	<u>(148,784)</u>	<u>(153,170)</u>
Operating profit		36,131	27,188
Finance income	8	49,737	29,349
Other Income		-	72
Finance costs	9	<u>(1,135)</u>	<u>(624)</u>
Profit before taxation		84,733	55,985
Taxation	10	-	-
Profit for the year before other comprehensive income		84,733	55,985
Other comprehensive income		-	-
Total comprehensive profit for the financial year		84,733	55,985

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 2025**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2025

	<u>Government contribution</u> N\$ 000	<u>Retained income</u> N\$ 000	<u>Total</u> N\$ 000
<u>Notes</u>			
Balance as at 31 March 2023	463,093	13,569	476,662
Total comprehensive profit for the financial year	-	55,985	55,985
Balance as at 31 March 2024	463,093	69,554	532,647
Total comprehensive profit for the financial year	-	84,733	84,733
Balance as at 31 March 2025	463,093	154,287	617,380

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 2025**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2025

	Notes	2025 N\$ 000	2024 N\$ 000
Cash flow from operating activities		323,368	198,572
Cash receipt from customers		183,112	179,454
Cash paid to suppliers and employees		127,936	7,234
Cash generated from operations	17.1	311,048	186,688
Interest received from operational activities	8	12,320	11,884
Cash flow from Investing activities		(273,638)	(95,690)
Proceeds from disposal of property, plant and equipment	11	51	40
Investment in short-term investments	13	(628,490)	(317,712)
Withdrawal of short-term investment	13	317,712	205,472
Acquisition of property, plant and equipment	11	(328)	(955)
Interest received from Investment	8	37,417	17,465
Cash flow from Financing activities		(4,814)	(4,752)
Lease payments	18	(4,814)	(4,752)
Net cash flow		44,916	98,130
Cash and cash equivalents at beginning of year		223,658	125,528
Cash and cash equivalents at end of year		268,574	223,658

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

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 IFRS (Accounting Standards as issued by the International Accounting Standards Board). The annual financial statements have been prepared under the historical cost convention on a going concern basis as modified by financial assets and liabilities (including any derivative instruments) being stated at fair value. Year on year movements are taken through the Statement of Comprehensive Income. The functional and presentation currency is Namibian Dollars (N\$). All values are rounded to the nearest thousand ('000).

Assets are only recognized if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the Air Navigation Services and the cost can be measured reliably.

Liabilities are only recognized if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the Air Navigation Services and the cost can be measured with reliability. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

There have been no changes in accounting policies.

2 Adoption of new and revised standards

It is important to note that the financial information has been prepared in accordance with IFRS (Accounting Standards as issued by the International Accounting Standards Board) that are effective as at 31 March 2024. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 22.

As part of its annual improvements project, the International Accounting Standards Board made amendments to a number of accounting standards. The aim is to clarify and improve the accounting standards and include terminology or editorial changes with minimal effect on recognition and measurement.

The annual financial statements have been prepared in accordance with IFRS (Accounting Standards as issued by the International Accounting Standards Board) on a basis consistent with the prior year.

3 Material accounting policy information**3.1 Revenue recognition**

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

Air Navigation Services has rights and obligations between itself and its customers. The services provided by Air Navigation Services, occur at a particular point in time and are fulfilled at that point.

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

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

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

AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

3 Material accounting policy information (continued)**3.2 Employee benefit costs**

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

3.3 Provisions

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

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

3.4 Leasing

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

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

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

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

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

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Moreover, they are subsequently adjusted for any remeasurement of the lease liability as specified in paragraph 30 of IFRS 16.

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

3 Material accounting policy information (continued)**3.4 Leasing**

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

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

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

3.5 Taxation

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

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

3.6 Property, plant and equipment

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

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

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

3 Material accounting policy information (continued)**3.6 Property, Plant and Equipment**

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

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

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

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

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

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

3.7 Impairment of non-financial assets

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

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

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

3.8 Government contributions and grants

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

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

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

Other government grants are recognized as income. Government grants that are receivable as shareholder's budgetary support given without conditions, or repayment obligations but are for the purpose of giving immediate financial support to the Authority and Air Navigation Services with no future related costs are recognized in equity in the period in which the grant becomes receivable.

3.9 Foreign currency

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

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

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

3 Material accounting policy information (continued)**3.10 Financial instruments**

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

Broadly, the classification possibilities, which are adopted by Air Navigation Services, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

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

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

Trade and other receivables

<u>Classification</u>	Trade and other receivables, excluding, when applicable and prepayments are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and Air Navigation Services business model is to collect the contractual cash flows on trade and other receivables.
<u>Recognition and measurement</u>	Trade and other receivables are recognised when Air Navigation Services becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.
<u>Impairment</u>	Air Navigation Services recognises the expected credit losses (ECL) on trade receivables in accordance with IFRS 9. The ECL for trade receivables was calculated using the Provision matrix approach. The loss rates are calibrated based on historical credit loss experience, considering both the time value of money and further adjustment for forward-looking information. Historical loss rates are calculated as a product of the monthly roll rates across buckets using real outstanding debtors considering the time value of money components. Historical loss rates are then adjusted for forward-looking information to derive the expected loss as of the measurement date.

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

3 Material accounting policy information (continued)**3.10 Financial instruments (continued)**Trade and other payables

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

Cash and cash equivalents

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

Financial assets

<u>Derecognition</u>	Air Navigation Services derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If Air Navigation Services neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the ANS division recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Air Navigation Services retains substantially all the risks and rewards of ownership of a transferred financial asset, the ANS division continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
<u>Reclassification</u>	Air Navigation Services only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated. The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

<u>Derecognition</u>	Air Navigation Services derecognises financial liabilities when, and only when, Air Navigation Services obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.
<u>Reclassification</u>	Financial liabilities are not reclassified.

3.11 Income from investments

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

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions concerning the future are made by Air Navigation Services and the resulting accounting estimates will, by definition, seldom equal the related actual results. Accounting policies that have been identified as involving particularly complex or subjective judgments or assessments are as follows:

4.1 Impairment of non-financial assets

Property, plant and equipment, investment property and intangible assets are considered for impairment if there is a reason to believe that an impairment test may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, i.e. market values, is compared to the current net asset value. If lower, the assets are impaired to the present value.

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

Air Navigation Services determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual values, based on their expected sales values at end of useful life.

4.3 Loans and receivables

Air Navigation Services assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, Air Navigation Services makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts that are expected to have defaults. The impairment loss is recognized in profit or loss when there is objective evidence that it is impaired. See note 12 for more details on Trade Receivable impairments.

4.4 IFRS 16 assessment of leases assets

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

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

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

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

	<u>2025</u> N\$ 000	<u>2024</u> N\$ 000
5 Revenue		
The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:		
Air Navigation Services (transferred at a point in time)	184,915	180,360
En-route Navigation Charges	133,500	127,210
Terminal Charges	26,932	30,488
Aerodrome Charges	24,480	22,661
Sundry Charges	4	-
Total Revenue	184,915	180,360

The disaggregations are explained as:

- En-route Navigation Charges are area control, flight information and related services provided to aircraft flying in the airspace of Namibia. These are recognised when the service is provided.

- Terminal Charges are procedural and/ or radar approach control and related services provided for aircraft flying in the Windhoek and Walvis Bay terminal maneuvering areas. These are recognised when the service is provided.

- Aerodrome Charges are air traffic, aerodrome control and related services provided at aerodromes. These are recognised when the service is provided.

The fees and charges of Air Navigation Services are published by Government Gazette periodically and form the basis of amounts invoiced to customers, based on the services provided.

Air Navigation Services disaggregates revenue from contracts with customers by contract type and considers this to accurately reflect the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors and does not disaggregate information into geographical segments.

Air Navigation Services discloses contracts with customers separately as Trade Receivables, included in note 12, which includes additional information on the uncertainty of revenue and cash flows arising from these contracts. These are seen as unconditional and there are no related contract liabilities.

6 Number of employees

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

	<u>2025</u>	<u>2024</u>
Fixed term contracts	2	2
Temporary employees	-	2
Permanent employees	84	92
Total	86	96

7 Operating costs

Operating costs comprises of:

	<u>2025</u> N\$ 000	<u>2024</u> N\$ 000
Audit fees	(278)	(259)
Bad debts	1,325	(922)
Board expenses	(807)	(580)
Commission paid	(2,774)	(2,678)
Depreciation and amortization	(36,144)	(37,713)
(Loss)/profit on Asset Disposal	2	7
Directors fees	(785)	(813)
Employment costs	(72,018)	(57,784)
Inter- departmental management and other fees	(11,170)	(17,374)
Insurance	(6,137)	(6,497)
Operating lease charges:		
- Properties	(60)	(60)
- Telecommunication service costs	(4,379)	(9,253)
Other operating expenses	(15,559)	(19,247)
	(148,784)	(153,170)

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

8 Finance income

Financial instruments measured at amortised cost:

- Call account	12,320	11,884
- Investment	37,417	17,465
	49,737	29,349

9 Finance cost

Financial instruments measured at amortised cost:

- Leases (adjustment due to remeasurement)	(1,135)	(624)
--	----------------	--------------

10 Taxation

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

11 Property, plant and equipment

	Right of Use Asset N\$ 000	Network & Computer Equipment N\$ 000	Furniture, fixtures and fittings N\$ 000	Total N\$ 000
Cost				
Balance as at 31 March 2023	45,939	259,906	2,177	308,022
Additions during the year	-	932	23	955
Disposal during the year	-	(7)	(47)	(54)
Other adjustments – Lease measurement	1,429	-	-	1,429
Balance as at 31 March 2024	47,368	260,831	2,153	310,352
Additions during the year	-	310	17	328
Other adjustments – Lease modification	(29,844)	-	-	(29,844)
Disposal during the year	-	-	(112)	(112)
Other adjustments – Lease measurement	(1,576)	-	-	(1,576)
Balance as at 31 March 2025	15,948	261,141	2,058	279,148
Accumulated depreciation				
Balance as at 31 March 2023	(27,756)	(70,150)	(955)	(98,861)
Disposal during the year	-	4	19	21
Depreciation charge for the year	(5,370)	(31,905)	(438)	(37,713)
Balance as at 31 March 2024	(33,126)	(102,051)	(1,374)	(136,553)
Adjustments- Lease modification	29,844	-	-	29,844
Disposal during the year	-	-	62	62
Depreciation charge for the year	(4,131)	(31,590)	(422)	(36,144)
Balance as at 31 March 2025	(7,413)	(133,641)	(1,735)	(142,791)
Book value				
Balance as at 31 March 2024	14,242	158,780	779	173,799
Balance as at 31 March 2025	8,535	127,500	324	136,359

Immovable assets currently in use such as Air Navigation Services building, Control towers, Navigation and communication mast, VHF Equipment building and others are yet to be transferred from the Ministry of Works and Transport to the Authority under Section 23 of the Civil Aviation Act, 2016. The Authority, although using these assets has no sovereign control over the assets and is not free to dispose of such assets without the consent of the Ministry of Works and Transport.

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

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

12 Trade and other receivables	2025	2024
	N\$ 000	N\$ 000
<u>Financial Instruments</u>		
Trade receivables	36,681	98,782
Provision for doubtful debts	(8,642)	(72,411)
	<u>28,038</u>	<u>26,372</u>
<u>Non-Financial Instruments</u>		
Prepayments	573	437
Balance at end of year	<u>28,611</u>	<u>26,809</u>

Movement in provision for doubtful debts

	Collectively assessed	Individually assessed	Total
	N\$ 000	N\$ 000	N\$ 000
Balance as at 31 March 2023	-	(71,488)	(71,488)
Transfer to credit impaired	-	(923)	(923)
Balance as at 31 March 2024	-	(72,411)	(72,411)
Transfer to credit impaired	(8,641)	-	(8,641)
Written off	-	72,411	72,411
Balance as at 31 March 2025	<u>(8,641)</u>	<u>-</u>	<u>(8,641)</u>

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

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

Trade debtors - days past due

	<30	31 - 60	61 - 90	>90	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000
31 March 2024					
Trade debtors	17,580	7,864	355	72,983	98,782
Expected credit loss	0%	0%	0%	98%	72%
Estimated impairment carrying value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,488)</u>	<u>(71,488)</u>
31 March 2025					
Trade debtors	18,861	7,510	752	8,641	35,764
Expected credit loss	0%	0%	0%	100%	24%
Estimated impairment carrying value	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,641)</u>	<u>(8,641)</u>

AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

12 Trade and other receivables (continued)	2025		2024	
The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance	Credit not impaired	Credit impaired	Credit not impaired	Credit impaired
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
One customer's account with a gross carrying amount of N\$60,505,000 (2024: N\$60,505,000) has been written off following liquidation.	-	-	-	(60,505)
Other air service operators have been provided due to the increased credit risk.	-	(8,641)	-	(11,906)

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

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

13 Short term investments	2025	2024
	N\$ 000	N\$ 000
Current assets	628,490	317,712
Money market investment- Capricorn Asset Management & Old Mutual	311,932	104,107
Treasury Bills- Bank of Namibia	208,883	213,605
Fixed deposit investment- Nampost	107,675	-

A sum of N\$ 300 000 000 (2024: N\$100 000 000) is placed with Capricorn Asset Management & Old Mutual in the Money Market, while N\$ 203 575 834 (2024: N\$202 065 446) is invested with the Bank of Namibia in Treasury Bills and another N\$100 000 000 (2024: 0) is invested with Nampost in a fixed term deposit. These investments have fixed terms of 12 months and accrue interest at annual rates of 8.75% (2024: 8.55%) , 8.09% (2024: 8.90%) and 8.80% (2024: 0) respectively, compounded monthly. No losses or expected credit losses have been recognized, and the carrying amounts of the investment approximate their fair value.

14 Operational loan account	2025	2024
	N\$ 000	N\$ 000
Inter-divisional operational account (payable)	<u>(21,217)</u>	<u>(58,233)</u>

The operational loan account is used for management fees and to fund expense payments as and when necessary. The loan account has no terms of repayment as does not bear interest. The directors of Air Navigation Services consider that the carrying amount of the loan approximate fair values.

15 Government contributions	2025	2024
	N\$ 000	N\$ 000
Capital contributions:		
Balance as at 31 March 2024	463,093	463,093
Balance as at 31 March 2025	<u>463,093</u>	<u>463,093</u>

AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

16 Trade and other payables	2025	2024
	N\$ 000	N\$ 000
<u>Financial Instruments</u>		
Trade payables	3,405	6,117
Government development project payables	403,340	122,840
<u>Non-Financial Instruments</u>		
Other provisions	(86)	144
Telecom lease accrual	3,734	3,734
Payroll accruals	4,705	4,000
	415,098	136,835

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

As of 31 March 2025, the Spanish project account had a balance of N\$ 3,734,150, which has been accrued. The Authority has directed Telecom Namibia to discontinue the associated services and write off the entire balance, as the services are no longer in use.

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

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

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

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

Profit before taxation	84,733	55,985
Adjusted for:		
Depreciation and amortization	36,144	37,713
Loss on Asset Disposal	(2)	(7)
Non-cash movements	(673)	(1,084)
Other income	-	(72)
Finance income	(49,737)	(29,349)
Finance cost	1,135	624
	71,602	63,810
Working capital changes	239,446	122,878
(Increase) in trade and other receivables	(1,802)	(905)
Movement in inter-divisional operational account	(37,015)	2,964
Increase in trade and other payables	278,263	120,820
Cash generated by operations	311,048	186,688

17.2 Cash and cash equivalents

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

Funds on call account	265,967	218,245
Bank balances and cash	2,607	5,412
Total cash and cash equivalents	268,574	223,658

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The carrying amount of these assets is approximately equal to their fair value. The directors of Air Navigation Services consider that the carrying amount of cash and cash equivalents approximate fair values.

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

18 Leases	2025 N\$ 000	2024 N\$ 000		
Lease Liability	8,339	14,261		
Short term portion	5,113	5,129		
Long term portion	3,226	9,132		
	Sites and Tower rentals	Telecommunication liners rentals and charges	Total	
Balance as at 31 March 2023	10,911	7,205	18,116	
Correction of opening balance	1,074	696	1,770	
Finance cost	(3,243)	(1,509)	(4,752)	
Lease payments	(565)	(947)	(1,512)	
Lease measurement	565	74	639	
Balance as at 31 March 2024	8,742	5,519	14,261	
Finance cost	810	325	1,135	
Lease payments	(3,682)	(1,132)	(4,814)	
Lease accrued payments	(290)	(377)	(667)	
Lease measurement	570	(2,146)	(1,576)	
Balance as at 31 March 2025	6,150	2,189	8,339	
Maturity analysis of lease liabilities	Due within 1 year N\$ 000	Due between 1 and 5 years N\$ 000	Beyond 5 years N\$ 000	Total N\$ 000
2024				
Minimum lease payments	6,472	10,713	-	17,185
Less future finance charges	(1,343)	(1,581)	-	(2,924)
Balance as at 31 March 2024	5,129	9,132	-	14,261
2025				
Minimum lease payments	5,617	3,353	-	8,970
Less future finance charges	(504)	(127)	-	(631)
Balance as at 31 March 2025	5,113	3,226	-	8,339

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

19 Financial instruments and risk management	2025	2024
	N\$ 000	N\$ 000
19.1 Categories of financial instruments		
<u>Financial assets at amortized cost</u>		
Current assets	925,103	567,741
Trade and other receivables	28,038	26,371
Short-term investments	628,490	317,712
Cash and cash equivalents	268,574	223,658
<u>Financial liabilities at amortized cost</u>		
Current liabilities	427,962	187,190
Loan payable	21,217	58,233
Government development project payables	403,340	122,840
Trade and other payables	3,405	6,117

Capital risk management

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

19.2 Credit risk management

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

Air Navigation Services only deposits cash surpluses with major banks of high quality credit standing.

Trade account receivables comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed. This is done when prompt payment is not received on a recurring basis. In such instances customers are contacted and the situation is investigated. Remedial action in the form of financial assessments and negotiations are taken, based on individual circumstances.

The granting of credit is made on application and is approved by the directors. At period-end Air Navigation Services did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

The credit quality of cash and cash equivalents and short-term investments that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Financial assets exposed to credit risk at year end were as follows:

	2025	2024
	N\$ 000	N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	28,038	26,371
Short-term investments	628,490	317,712
Cash and cash equivalents	268,574	223,658
Total	925,103	567,741

19.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

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

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

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

19.4 Interest rate management

The highest possible rates are negotiated with banks and other financial institutions to earn favorable interest returns. The Air Navigation Services faces various risks due to fluctuations in market interest rates affecting its investments. Cash resources are managed to ensure that surplus funds are invested to achieve maximum returns while minimizing risks. The Air Navigation Services places its funds in interest-earning money markets and treasury bills, which are adjusted on a short-term basis according to changes in prevailing market interest rates.

Additionally, these investments are due on demand. The short-term investments, amounting to N\$628 490 000 (2024: N\$317 712 000), are exposed to cash flow interest rate risk. However, considering the short-term maturity of these deposits, these risks are minimized.

The Air Navigation Services is not exposed to fair value interest rate risk.

19.5 Foreign currency risk management	2025	2024
	N\$ 000	N\$ 000

The Air Navigation Services undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Air Navigation Services foreign currency denominated monetary liabilities at the reporting date are as follows:

Currency

Trade creditors

United States Dollar (USD)

(420)

(414)

Canadian Dollar (CAD)

(560)

(567)

Payroll (USD)

(681)

(681)

Foreign currency sensitivity analysis

The Air Navigation Services is exposed to the currency fluctuations of USD.

The following table details the Air Navigation Services's sensitivity to a 10% increase and decrease in currency units against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

Impact - 10% fluctuation

United States Dollar (USD)

42

41

Canadian Dollar (CAD)

56

57

Payroll (USD)

68

19.6 Maturity profile**Maturity profiles of financial instruments**

All financial assets and liabilities are of a short-term nature and are receivable and payable on 30-day payment terms.

	1 – 3 months	3 months – 1 year	1 – 5 years	Total
2024	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	17,580	8,219	-	26,371
Short-term investments	317,712	-	-	317,712
Cash and cash equivalents	223,658	-	-	223,658
	558,950	8,219	-	567,741
Financial liabilities				
Loan payable	-	58,233	-	58,233
Government development project payables	122,840	-	-	122,840
Trade and other payables	6,117	-	-	6,117
	128,957	58,233	-	187,190

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

19.6 Maturity profiles of financial instruments (continued)

2025	1 – 3 months	3 months – 1	1 – 5 years	Total
	N\$ 000	year N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	18,861	9,177	-	28,038
Short-term investments	628,490	-	-	628,490
Cash and cash equivalents	268,574	-	-	268,574
	915,925	9,177	-	925,102
Financial liabilities				
Loan payable	-	21,217	-	21,217
Government development project payables	403,340	-	-	403,340
Trade and other payables	3,405	-	-	3,405
	406,745	21,217	-	427,962

19.7 Fair value

The directors are of the opinion that the book value of financial instruments approximates fair value, as the items are of a short-term nature.

20 Related parties

Balances and transactions between Air Navigation Services and its related party, the Government of the Republic of Namibia, through the Ministry of Works & Transport are disclosed below. A related party is a person or an entity that is related to the reporting entity: A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.

	<u>2025</u>	<u>2024</u>
	N\$ 000	N\$ 000
<u>Government of Namibia - as Shareholder</u>		
Government project payments	-	(1,636)
Contribution in the form of: Projects development	280,000	120,051
Government equity contributions at year end	463,093	463,093
Government development projects payables	403,340	122,840
<u>Entities transacting with Air Navigation Services who are under the influence of the Ministry of Works and Transport:</u>		
Air Namibia (Pty) Ltd		
- Trade receivables	-	60,505
- Provision for doubtful debts	-	(60,505)
Namibia Airports Company		
- Trade receivables	-	6
- Expenses	(11)	(7)
<u>Board member emoluments</u>		
Directors fees	(785)	(813)
<u>Key management personnel emoluments</u>		
Salaries	(1,163)	(1,116)
Benefits / allowances	-	(106)
	(1,163)	(1,222)

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

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

Certain new standards, amendments and interpretations to existing standards have been published that are not mandatory and material for the Air Navigation Services accounting periods beginning on or after 1 April 2024 or later periods as follows:

New / Revised IFRS (Accounting Standards as issued by the International Accounting Standards Board)		Effective date
Revised		
IFRS 18 Presentation and Disclosure in Financial Statements	Replaces IAS 1 Presentation of Financial Statements.	1 January 2027
IFRS 9 Financial Instruments	Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
IAS 7 Statement of Cash Flows	Annual Improvements to IFRS Accounting Standards—Volume 11 – Cost method	1 January 2026
IAS 21 The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability	1 January 2025
IFRS 7 Financial Instruments: Disclosures	Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026

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

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 2025**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2025

22 Going concern

The Air Navigation Services incurred a net profit of N\$84 733 000(2024: N\$55 985 000) for the year ended 31 March 2025 and cash generated from operations amounting to N\$311 048 000 (2024: N\$186 688 000). During the current year, revenue has picked up above pre-Covid 19 levels and most airlines have resumed flights to Namibia.

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

Air Navigation Services is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures.

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

23 Subsequent events

Air Navigation Services considers known events and expected eventualities identified as of 31 March 2025 as adjusting events. However, any new information/change in circumstance will be considered as non-adjusting events which will be disclosed if material.

Therefore, new information and changes in circumstances that arise in the post-balance sheet period, that relate to assets and liabilities in existence on 31 March 2025, should be considered adjusting events.

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

24 Contingent liability

There is a possible financial obligation arising from the Value Added Tax (VAT) Act regarding VAT on imported services, as well as withholding tax on services under Section 35A of the Income Tax Act. Since the establishment of the Namibia Civil Aviation Authority (NCAA), no VAT on imported services or withholding tax on applicable services has been remitted to the Namibia Revenue Agency (NAMRA).

To address this matter, the NCAA has sought a professional tax opinion from PricewaterhouseCoopers (PwC), and a formal ruling from NAMRA is currently pending. At this stage, the financial impact of this obligation cannot be reliably estimated.



NCAA encourages Namibians to use drones responsibly



AVOID FLYING DRONES:



In high security areas including near airfields and airports, national parks and game reserves without a RPAS Letter of Approval (RLA)



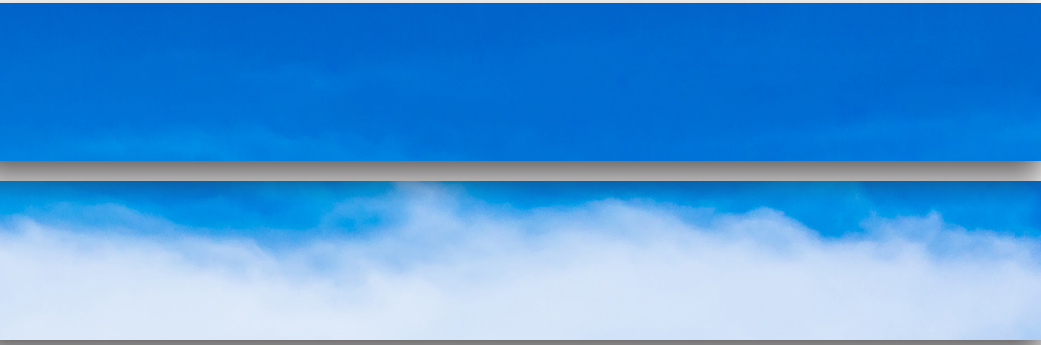
Sensitive government facilities such as military, police, and prison areas.



Without a Certificate of Competency



Prohibited from flying over private property without owner permission, crowds, and populated areas like towns and cities.



Namibia Civil Aviation Authority

Private Bag 12003

NCAA Headquarters

4 Rudolf Hertzog Street Ausspannplatz, Windhoek

Tel. +264 83 235 2000

Website: www.ncaa.com.na