



Integrated Annual Report 2022/2023

Collectively Unlocking Aviation Economy for Sustainable Growth

To fulfil our mandate, we need to grasp and respond to the interests of our stakeholders through effective dialogue and engagement. This holds particular importance in the challenging aviation industry, which involves multiple sectors and stakeholders with strong interests. At NCAA, we wholeheartedly embrace a collaborative partnership approach with our stakeholders, recognising the potential to promote and foster the growth of the aviation industry through coordinated efforts. Our primary focus lies in ensuring the safety and security of our airspace, whilst simultaneously nurturing the country's economic growth.

Undoubtedly, the Covid-19 pandemic posed significant challenges. Nevertheless, it also presented an opportunity for aviation stakeholders to unite, pooling their resources and leveraging their relationships to expedite the realisation of our National Development Plans (NDPs). These objectives align with the Sustainable Development Goals (SDGs), specifically Goal 17, which underscores the importance of global partnerships in supporting and achieving the ambitious targets outlined in the 2030 Agenda for Sustainable Development. Despite the obstacles, our optimism and unwavering commitment to fostering economic growth through air transportation remains resolute as we strive for a future marked by clear skies.

The promulgation of Part 139 of the Namibia Civil Aviation Regulations was concluded in a spirit of collaboration and the NCAA is wholeheartedly dedicated to strengthening its stakeholder relationships. Through meaningful stakeholder consultation, our Regulatory Authority aims to improve the existing aviation regulations, making them user-friendly and conducive to economic development. By working together as aviators, we can soar to even greater heights of achievement.



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INTRODUCTION





INTRODUCTION

ABOUT THIS REPORT

REPORTING PRINCIPLES

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

SCOPE, BOUNDARY, AND REPORTING CYCLE

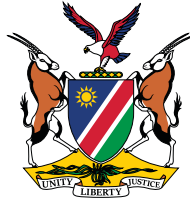
The NCAA's 2022/2023 Integrated Annual Report provides material information covering the financial year ending 31 March 2023, with respect to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance. We endeavour to illustrate a comprehensive view of the business by analysing our performance against the Authority's strategic objectives, highlighting the successes and challenges experienced throughout the year.

TARGET AUDIENCE

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

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

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



FOREWORD BY THE HONOURABLE MINISTER

— Hon John Motorwa, MP

This report embodies our pledge to transparency, accountability, and a shared vision for the betterment of aviation in Namibia.

Aviation is not merely a means of transportation; it's a catalyst for progress, connectivity and economic transformation. It is with great honour that I introduce the Namibia Civil Aviation Authority's 2022/2023 Integrated Annual Report. This report underscores our unyielding commitment to steering Namibia's aviation sector to unprecedented levels of excellence, safety and security. It is a testament to our dedication to achieving the ambitious objectives outlined in Namibia's National Development Plan 6 (NDP 6), our active engagement in the Single African Air Transport Market (SAATM), and our steadfast adherence to the principles set forth by the International Civil Aviation Organization (ICAO).

Our participation in SAATM exemplifies our continent's determination to forge stronger bonds. This initiative, driven by the African Union, envisions a seamless African airspace, promoting intra-African travel, enhancing trade and fostering unity that transcends borders. Namibia's active engagement in SAATM underscores our commitment to realising a fully interconnected continent, where our skies are pathways to prosperity.

In late 2022, Namibia had the opportunity to attend the 41st ICAO Assembly where 33 resolutions were passed. These resolutions will come into effect through amendments to the Annexes of the Convention on International Civil Aviation. Environmental protection is taking centre stage in aviation as nations believe that aviation should emit zero carbon dioxide come 2050. Our commitment to sustainable development is unwavering. As Green Hydrogen and Windfarm projects progress through development and approval processes, we align with Sustainable Development Goal 17 - fostering partnerships to achieve our objectives. These projects reflect our dedication to environmentally responsible development goals, propelling Namibia towards a future where economic prosperity is in harmony with ecological preservation.

As we strive to harmonise our processes, procedures and regulations with international standards, Namibia has made considerable progress in ratifying and/or acceding to International Air Law Conventions, Treaties and Protocols as follows:

- Beijing Convention of 2010 and Beijing Protocol of 2010
- Montreal Protocol of 2014
- Protocol Amending Article 50(1) of the Convention on International Civil Aviation
- Protocol Amending Article 56 of the Convention on International Civil Aviation

The approval of the State Safety Programme (SSP) and the publication of the SSP Manual are pivotal milestones in our journey toward aviation excellence. These accomplishments signify our relentless pursuit of aviation safety and security, fostering an environment where every passenger, pilot and aircraft can operate with the utmost confidence. Our commitment to stringent safety standards echoes our responsibility to the millions of lives that traverse our skies.

The alignment of the Namibia Civil Aviation Security Programme (NCASP) with the tenets of ICAO Annex 17, stands as a towering monument to our commitment to global security benchmarks. This accomplishment not only reinforces our dedication to safeguarding our aviation assets, infrastructure and passengers, but also elevates us to the echelons of

being a prudent and security-conscious aviation authority. This dual achievement resonates with our steadfast pursuit of excellence.

We proudly announce a momentous partnership between Namibia and Finland - a governmental agreement establishing an aviation training "Centre of Excellence." This collaboration stands as a testament to our determination to nurture world-class aviation expertise in Namibia. Through this initiative, we aim to cultivate a new generation of aviation professionals, equipped with the knowledge and skills to lead our nation's aviation industry into the future.

During the year under review, the Namibia Airports Company organised an Aviation Connectivity Forum where aviation stakeholders were invited to take stock of aviation in Namibia post COVID-19. The idea was to produce a white paper to inform the direction of aviation in our country. I am looking forward to the white paper, because it will enhance the national policy on transport, particularly in the aviation sector.

As we reflect on the past year, this Integrated Annual Report underscores our collective achievements, the hurdles we have overcome, and the growth we have experienced across various facets of our aviation sector. This report embodies our pledge to transparency, accountability and a shared vision for the betterment of aviation in Namibia. As we forge ahead, our focus on cutting-edge technologies, digital transformation, and capacity building takes centre stage. These aspirations guide our path to a more connected, efficient, and resilient aviation sector that serves as a catalyst for Namibia's growth and prosperity.

In conclusion, I extend my deepest gratitude to the NCAA Board, management and staff, our esteemed partners and stakeholders, as well as all those who contribute to the advancement of our aviation sector. Your dedication fuels our progress and propels us toward a horizon where the sky is no longer the limit.

Hon. John Motorwa, MP
Minister of Works and Transport



MESSAGE BY THE CHAIRPERSON

— Mr Bethuel T Mujetenga

Our unyielding focus on these crucial elements ensures that every journey undertaken within our airspace is a safe one.



N\$ 1.9m
Accounting Profit in 2023

N\$ 83.6m
Accounting Loss in 2022

Dear Valued Stakeholders, I am honoured to present the Board Chair Statement for the Annual Report of the Namibia Civil Aviation Authority (NCAA) for the year 2022-2023. This year’s report encapsulates the unwavering commitment of the NCAA to fostering excellence, safety and innovation within Namibia’s civil aviation landscape.

I am pleased to share that the NCAA achieved a clean audit - a testament of our commitment to transparency, accountability and effective financial management. While we undoubtedly faced challenges during the year, we remain resolute in pursuit of our mandate. We have not only weathered these challenges, but also thrived, demonstrating our capacity to adapt, innovate and continue serving the aviation industry with unwavering dedication. Similarly, the NCAA has incurred an accounting profit of N\$1.9m for the year ended 31 March 2023, (compared to an accounting loss of N\$83.6m incurred in the previous year), mainly due to upward revenue performance, better cash management, and stringent cost-cutting measures put in place.

We are proud to announce that since the inception of the Namibia Civil Aviation Authority, it has always released its annual reports and budgets within the timeframe set by the Civil Aviation Act, (Act 6 of 2016) and Public Enterprises Governance Act, (Act 1 of 2019). We will soon launch the integrated strategic business plan of the Authority to better guide the affairs of the Authority.

In pursuit of greater efficiency and effectiveness, we established four sub-committees that streamlined our task management and facilitated in-depth analysis. The Security, Safety, Legal and Enforcement Committees have been disbanded to establish the Aviation Safety, Security and Enforcement Committee, Air Navigation Services, Legal and Governance Committees. This has been necessitated by the functional separation between the Air Navigation Services Unit, while the regulatory function of the Authority necessitated the dissolution of the old Committee, and the establishment of two Committees where Air Navigation Services is not partaking in regulatory discussions when its compliance is assessed.

We take great pride in the approval of twenty six policies during the period under review, each designed to uphold governance and the highest standards of safety, security, financial, human capital and operational efficiency. Of particular significance is the essential Safety Policy that underpins our State Safety Programmed (SSP). This achievement reflects our dedication to ensuring the utmost safety of all stakeholders within Namibia’s civil aviation ecosystem.

At the heart of our mission lies a steadfast commitment to implementing the International Civil Aviation Organisation (ICAO) Standards and Recommended Practices (SARPs). These global benchmarks set the stage for a safe and secure aviation environment. Within this report, you will discover the intricate mechanisms that have enabled us to not only adopt, but effectively integrate these standards into the very core of our aviation practices. We address the eight critical elements of a safety oversight system in intricate detail as they apply to each division resorting under our regulatory body. You will see the success and progress we have made in working towards effective implementation and a brighter future for our industry.

Strategies and policies are the compass that guides our journey. Our commitment to realising our vision for a robust, interconnected, and efficient aviation sector is evident in the strategic initiatives we have embarked upon. As you explore this report, you will gain insight into our strategic roadmaps that have paved the way for achieving noticeable milestones in creating an aviation ecosystem that nurtures growth, innovation and the principles of sustainable development.

The foundation of a thriving aviation sector is built upon uncompromised safety and security. Our unyielding focus on these critical elements ensures that every journey undertaken within our airspace is a safe one. Delve into the report to witness the meticulous management practices, advanced technologies, and unwavering dedication that has collectively elevated Namibia’s reputation as a beacon of safety and security within the aviation realm.

Efficient air navigation services are the veins that sustain the lifeblood of aviation. Our pursuit of excellence in air navigation services has led us to embrace innovation, collaboration, and continuous improvement. As you traverse through the report, you will discover how we have embraced new technologies and innovative methodologies to optimize air traffic management, bolster efficiency, and ensure seamless navigation across our skies.

As we look to the future, our focus remains steadfast on shaping a dynamic and resilient aviation sector for Namibia. We are dedicated to nurturing partnerships, embracing technological advancements, and further enhancing our regulatory framework to meet the evolving needs of the industry. With lessons learned from the challenges we’ve faced, we are poised to take bold steps toward sustainable growth, enhanced safety, and continued excellence in all facets of civil aviation.

As we reflect upon this Annual Report, let us collectively appreciate the dedication and passion that have translated aspirations into remarkable achievements. This report stands as a testament to the tireless endeavours of our esteemed team, the trust of our valued partners, and the enduring support of our stakeholders. I extend my sincere gratitude to the Honourable Minister of Works and Transport for the political will to support NCAA, his strategic guidance and for providing the financial resources required to enable us to exercise surveillance functions on behalf of the Government, as required under the Civil Aviation Act, (Act 6 of 2016).

In closing, on behalf of the NCAA Board I would like to acknowledge the unwavering commitment to the NCAA’s vision, support, and co-operation that the Board received from management, and all our dedicated support staff. Together, we shall continue to shape the future of Namibia’s aviation industry.

Mr Bethuel T Mujetenga
NCAA Board Chairperson



EXECUTIVE DIRECTOR'S REPORT

Toska Sem

Our alliances with industry stakeholders bear fruits of significance, none more pronounced than the publication of Part 139.

Esteemed Stakeholders,

With profound honour, I am delighted to present my inaugural annual report as the Executive Director of the Namibia Civil Aviation Authority (NCAA). This remarkable journey of the past year has been made possible through the collective efforts of our esteemed shareholders, board, dedicated staff, valued stakeholders, and the entire aviation community. Together, we have formed a dynamic synergy that has driven us to reach new heights. As we navigate through the details of this report, I invite you to recognise the collective spirit of stakeholder engagement that has propelled us forward. The results we see before us are the manifestation of a shared vision, a commitment to excellence, and the synergy that arises when passionate individuals and groups come together for a common cause.

Our approach to aviation regulations has transcended expectations, yielding transformative outcomes that have reverberated across the industry. The formulation of SADC Aviation Safety Organisation (SASO) model regulations, stands as a monumental achievement, etching a new benchmark for safety and operational excellence within the contours of Namibia's aviation landscape. Notably, our dynamic participation in strategy conferences that played a pivotal role in shaping these regulations underscores our fervent dedication to regional collaboration. In particular, the unwavering support and guidance from the Eastern and Southern Regional Office (ESAF) of the International Civil Aviation Organisation (ICAO), African Civil Aviation Commission (AFCAC) and the Southern Aviation Development Corporation Safety Civil Aviation Organisation (SASO). Similarly, renewed technical cooperation with the South African Civil Aviation Authority has tremendously assisted us to increase the effective implementation rate on safety and security. These collective efforts cement our role as a pioneering entity, charting the course for global aviation regulations.

The foundation of our endeavours remains anchored in safety - a principle that permeates every facet of our actions. The successful convening of an all-encompassing safety workshop epitomises this commitment, uniting industry experts in a crucible of knowledge exchange. This assembly catalysed profound dialogues and facilitated the seamless implementation of best practices, fortifying safety across the intricate tapestry of aviation operations. This unwavering dedication to nurturing a culture of safety is not only fundamental to our ethos, but also indispensable for upholding a secure and dependable aviation environment.

In the realm of connectivity, our dedication materialises through substantive contributions to panels and working groups within the Aviation Connectivity Forum. Within these dynamic conversations, we have wielded our influence in shaping strategies that orchestrate seamless communication and connectivity across the vast expanse of the aviation industry. This collaborative engagement underscores our unwavering determination to elevate the edifice of aviation infrastructure and services, propelling the sector toward unprecedented horizons.

Our role as hosts of the National Airspace Committee, Aviation Security Committee and State Safety Programme (SSP) Steering Committee agendas has provided an invaluable crucible for deliberations that carry the potential to shape the destiny of the entire aviation ecosystem. These sessions, characterised by critical dialogues and monumental decisions, are the very essence of collaboration among stakeholders.

This concerted effort is underpinned by our steadfast commitment to transparency, accountability, and shared responsibility - a triad that remains unwavering in ensuring aviation safety and operational efficiency.

Our alliances with industry stakeholders bear fruits of significance, none more pronounced than the publication of Part 139. This accomplishment stands as a resounding testament to our collective prowess, underscoring our capacity to uplift operational standards and weave an intricate fabric of safety protocols. The achievement stems from the fertile soil of open communication - an environment that nurtures innovation and perpetually drives the evolution of aviation practice.

A notable accomplishment from the past year has been the drafting of our Integrated Strategic Business Plan (ISBP) which is due for approval. This plan signifies a significant shift in our approach, integrating safety practices into our operations and embedding safety within our organisational culture. It furthermore ensures that safety considerations influence all our decisions, from daily tasks to long-term strategies. The forthcoming approval and launch of the ISBP will be the culmination of collaborative efforts across our organisation. It highlights our shared commitment to seamlessly integrating safety and growth. The ISBP will guide us in navigating the rapidly evolving aviation industry, fostering operational efficiency, innovation, and a culture of continuous improvement. The ISBP's presence will symbolise our dedication to operational excellence, safety, and the success of all stakeholders connected to our services. It will serve as our guiding force in both the challenges and opportunities that lie ahead.

Our infrastructure odyssey finds resonance in the radar upgrade project and the establishment of a standby Air Traffic Services (ATS) facility at Windhoek International Airport (HKIA). These initiatives transcend the ordinary, ensuring not just service continuity, but also embodying our resolve to provide cutting-edge air traffic management services even when faced with the unexpected.

The tapestry of our narrative is woven with threads of resilience. As part of our roadmap, plans are underway to align the aviation subsector policy in the national transport policy with the African Civil Aviation Policy. Furthermore, ensure stakeholder engagement with all industry role players in the amendment of the Civil Aviation Act, (Act 6 of 2016) to incorporate amendments to ICAO Annexes. These accomplishments, embodying our unwavering resilience and adaptability, stand as testament to our ability to be responsive to international standards.

In summation, I extend my deepest gratitude to the Honourable Minister and the executive team, the Board, our dedicated team, esteemed industry partners, and stakeholders who have made their indispensable contributions the cornerstones of our successes over the past year. As we stand poised at the threshold of the future, our unwavering commitment to elevating Namibia's aviation sector through safety, innovation, and collaboration remains the beacon that guides our journey.

Ms. Toska Sem
Executive Director



ABOUT THE NCAA



ABOUT THE NCAA

OUR MANDATE AND OPERATING CONTEXT

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

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

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

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

Other aviation safety and security conventions must be observed by States, for example, the Tokyo Convention of 1963 dealing with unruly passengers, the Hague Convention of 1973 dealing with the hijacking of aircraft, the Montreal Convention of 1999 dealing with payments to victims of aircraft accidents or their families, the Rome Convention of 1952 dealing with damages caused by foreign aircraft to third parties on the surface, and the General Risk Convention of 2009 dealing with compensation for damages caused by aircraft to third parties. At times, Conventions are updated to address current situations. For instance, the Beijing Convention of 2010 deals with individuals who harm or threaten the safety of aircraft in service. This includes damaging or rendering an aircraft incapable of flight, placing harmful devices or substances on an aircraft, damaging air navigation facilities or interfering with their operation, spreading false information that endangers in-flight aircraft safety, or using an aircraft to cause harm to people, property or the environment.

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

FACTS ABOUT NAMIBIA'S CIVIL AVIATION SYSTEM



58
Air Traffic
Controllers

56 (Civilian) + 2 (Military)
20 (Air Traffic Service
Assistants)



Aviation Security Quality
Control Activities

8 Covert tests
12 Inspections
54 Risk assessments



148

Aircraft Maintenance
Engineers



Aerodromes

174 Registered Aerodromes
355 Active Airfields
3 Interim Certified Aerodromes
6 Interim Licensed Aerodromes



Passenger volumes

357,831 International Passengers

221,579 Regional Passengers

141,033 Domestic Passengers



Active Pilots

177 Airline Transport Pilot Licence = **164** Aeroplane Pilots + **13** Helicopter Pilots

350 Commercial Pilot Licence = **320** Aeroplane Pilots + **30** Helicopter Pilots

343 Private Pilot Licence = **333** Aeroplane Pilots + **10** Helicopter Pilots

Aircraft Operation

17 Air Operator's Certificates issued

7 Foreign Operator Permits: Scheduled Operators

5 Aviation Recreational Organisation (ARO) issued

39 Specific approvals

142 Foreign Operator Permits: Ad-hoc Operators

322 Remotely Piloted Aircraft Systems (RPAS) VLOS

Registered Aircraft



263

Microlights



71

Rotorcraft



279

Small Aeroplanes
<5700 Kg



63

Large Aeroplanes
>5700 kg



Aircraft Maintenance Organisation (AMOs)

29 = **9** Local AMOs + **16** Regional AMOs + **4** International AMOs

All based at Eros and Swakopmund Airports

15 RSA and 1 Botswana

Switzerland, France and Texas USA



WHO WE ARE

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

The NCAA ensures a safe, orderly, regular, and efficient civil aviation system. We recognise the importance of our stakeholders and our role 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 and to be a responsible employer committed to high performance and organisational excellence.

OUR VALUES

We live by our values:

INTEGRITY

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

FAIRNESS

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

ACCOUNTABILITY

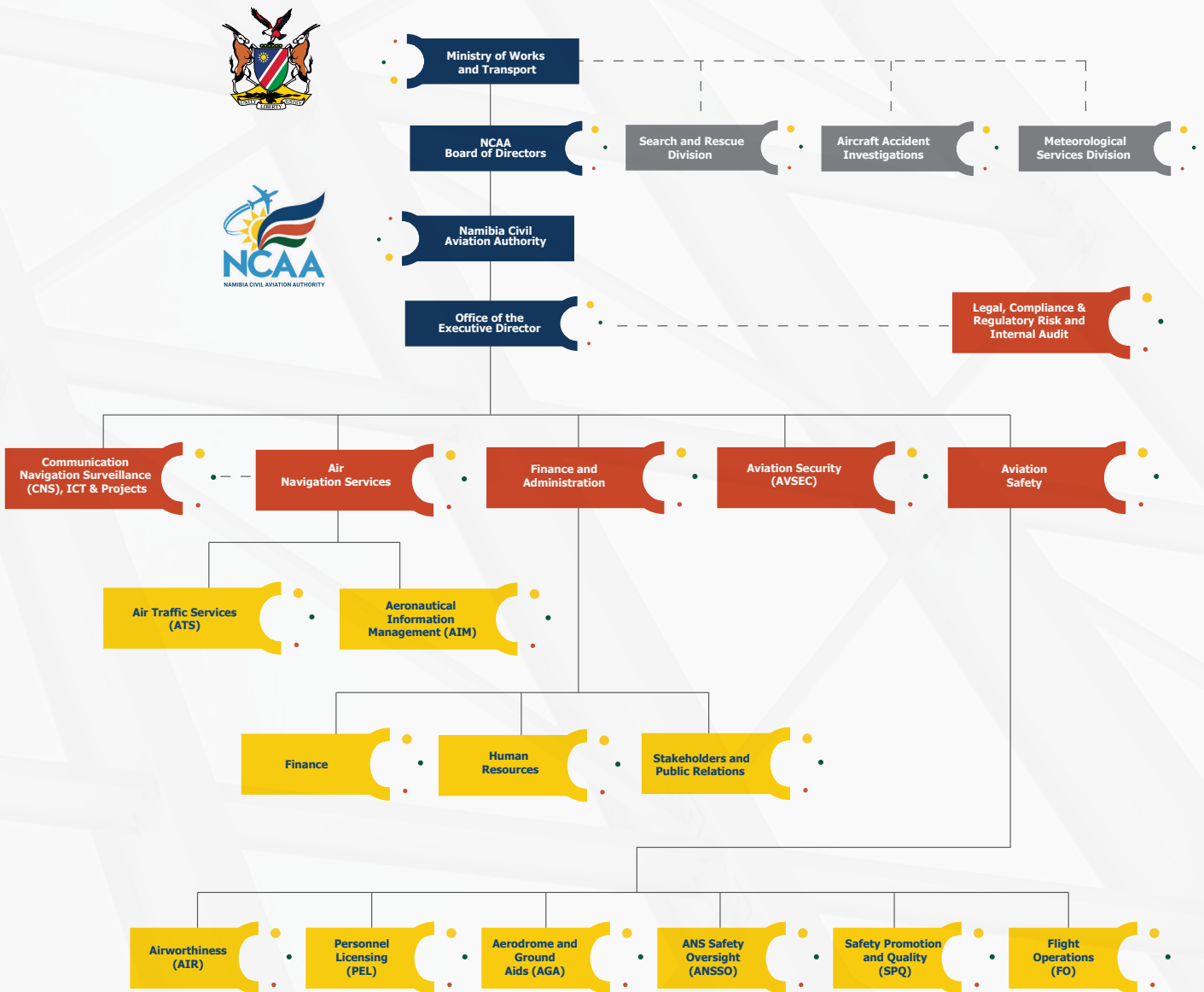
We will listen to our stakeholders and explain our position to ensure our services match stakeholder needs and reasonable expectations. We will respond to all stakeholder requests and strive to exceed their expectations in every interaction. We will measure the level of stakeholder satisfaction regularly.

EXCELLENCE

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

OUR CORPORATE STRUCTURE

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



OUR VALUE CREATION PROCESS

PROVIDING SAFE SKIES FOR ALL

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



KEY FACTORS THAT IMPACT OUR ABILITY TO DELIVER SHARED VALUE

WITHIN OUR CONTROL

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

BEYOND OUR CONTROL

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

KEY STRATEGIES

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

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

KEY RELATIONSHIPS

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

KEY RISKS

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

NCAA'S TWO MAJOR REGULATORY FUNCTIONS:

REGULATOR OF NAMIBIA'S CIVIL AVIATION SYSTEM

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

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

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

PROVIDER OF AIR NAVIGATION SERVICES

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

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

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



Stakeholder Engagement

Understanding and being responsive to the interests of our stakeholders through effective dialogue and engagement is critical to delivering on our core purpose. This becomes especially important in the challenging aviation industry, where multiple sectors and stakeholders hold strong interests.



Our engagement efforts are primarily focused on stakeholders who have the most significant impact on our business and its ability to create value. To provide an overview of these stakeholders, their contributions to our value creation, and engagement strategies, please refer to the table on the following page.

We recognise that each stakeholder group encompasses significant diversity, with individual stakeholders often having distinct interests. The priority interests listed in the table below serve as a general representation of each stakeholder group’s priorities. These priorities have been assessed by our management team based on ongoing engagements with stakeholders.

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

Air Navigation Services Safety Oversight: National Airspace Committee Meetings (NAirC)

18 February 2022

- Received three papers received: Proposed change of Secondary Surveillance Radar (SSR) Code for Gliders operating in Windhoek FIR
- Change of airspace form class A to class E in the Windhoek FIR
- Change of vertical limits of various airspaces in the Windhoek FIR

11 May 2022

- Received two papers: Sky-high Beyond Visual Line of Sight (BVLOS) operations
- Dove Air Beyond Visual Line of Sight (BVLOS) operations

14 September 2022

- Received one working paper for the construction of meteorological masts in the Tsau//Khaeb National Park in the Karas region, which was approved accordingly.

9 November 2022

- Received three working papers: Swoop Aero Beyond Visual Line of Sight (BVLOS) operations in the Zambezi Region
- The BVLOS Operations working paper could not be considered at this stage due to lack of supporting documentation
- National Airspace Planning Manual review

Operational Engagements

- Internal ANS Investigations workshop (6 April 2022): ANSPs were made aware of the importance of submitting investigation reports to the Regulator
- Corrective Action Plan (CAP) workshop with ANSP (11 March 2022): ANSPs were educated on developing an acceptable CAP
- CAP workshop with NMS (29 August 2022 and 16 November 2022): NMS was provided with awareness on developing an acceptable CAP
- Provision of A-MET services in Namibia workshop (9 February 2022): NMS was made aware of the certification regulatory requirements as per NAMCAR 170 and 174

iSASO ANS technical workshops:

- Virtual Induction (9 December 2021)
- Introduction to the way forward (31 March 2022)
- In-person meeting on skills to draft regulations (9 May 2022)
- Commencement of drafting process (27 June 2022)
- Finalisation of drafting regulations (26 September 2022)
- Roll-out of the model regulations (12 June 2023)

The first Special Sitting of the SADC Civil Aviation Committee was hosted by the Interim SADC Aviation Safety Organisation (iSASO) from 26 to 27 January 2023 in Mbabane, Eswatini. Delegates from Angola, Botswana, DRC, Eswatini, Malawi, Mozambique, Namibia, South Africa, United Republic of Tanzania, and Zambia attended the meeting. The discussions covered various topics including the presentation of the draft audited financial statements (as at 30 March 2022), draft iSASO Strategic Plan, draft iSASO Financial Plan, and proposed draft SASO Manual Amendment.



NIP Drones – Flight Operations

- Swoop Aero applied for an exemption to begin operations whilst the certification process is ongoing. The review of their application is work in progress. Transport Commission
- The NCAA is still awaiting a formal response from TCN. For Visual Line Of Sight (VLOS) commercial operations, the application is under review. As for Beyond Visual Line of Sight (BVLOS), the five-phase certification process is still on going.

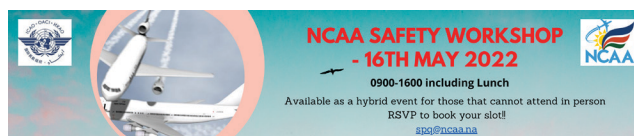
Personnel Licensing: Stakeholder involvement during 2022 – Pilots, Medical Examiner and AME

- 3 Monthly CPD meeting for doctors:
 - Aviation Medical Examiners attend meetings to stay informed about the latest developments in aviation medicine and provide feedback to the NCAA
 - Industry appreciates the meetings, information, and attendance certificates, and doctors request their continuation on a three-monthly basis
- NCAA Safety Workshop:
 - The medical assessor presented a session on fatigue, flight, and duty periods
 - The session received positive feedback, and the industry requested more information and similar workshops
- Instructor's Seminar (Part 67 only):
 - Medical System Regulations, Standards and Requirements were explained
 - The industry expressed satisfaction with the addressing of their questions
- NCAA Medical Specialist:
 - Ongoing recruitment of medical specialists to serve on the Consultant Pane. Regular meetings held with specialists.
 - Specialists require remuneration for their services. NCAA will establish a clear policy regarding panel members' remuneration
- Medical Assessor Recruitment:
 - Two AMEs participated in the recruitment process, conducting interviews for Medical Assessor Candidates
 - Promotion of private doctors' involvement in the role of medical assessors, including EMPIC and physical examinations
- AME Aircraft Structure Aviation Directive:
 - Workshop held to gather industry input on the Aircraft Structure Aviation Directive

Industry satisfied with the resolution of their concerns and questions regarding Aircraft Structure rating, leading to the issuance of the AD
- Pilot Instructors workshop:
 - Annual Flight Instructor seminar
 - Increase the frequency of such engagements
- Designated Flight Examiners:
 - Flight Examiners Designation Assessment course
 - More qualified pilots from industry need to undergo this course
- Combined DFE and Instructors course:
 - First engagement involving instructors and Designated Flight Examiners
- Coaching instructors on testing systems and helping them understand the application of standards

SPQ

- Safety workshops
 - i. NCAA conducts open forums on aviation safety held between NCAA, industry, and other State departments involved in aviation, addressing key safety topics.
 - ii. On 16 May 2022 an open forum was held in Windhoek with approximately 25 participants in attendance (limited due to Covid-19 restrictions) and 45 online participants. Topics included covered controlled flight into terrain, runway incursions, wildlife strikes, radiotelephony, B737-Max approval, Dirty Dozen, State Safety Programme and Safety Management Systems.



SSP SteerCom

- High level safety meeting held between key aviation stakeholders as per NAMCAR Part 11, inclusive of DAAII, NAC, NDF, GATS, NMS, Westair, Desert Air, Wilderness Air, AOPA, ANSP, MWT, and NCAA.
 - i. 19 May 2022
 - ii. 11 August 2022
 - iii. 3 November 2022
 - iv. 14 February 2023
- Safety Bulletin
 - Published monthly throughout the year under review
- Social media and email banners
 - Published regularly throughout the year under review
- Stakeholder engagement meeting, Swakopmund
 - Held on 19 August 2022 and 28 September 2022 to address low flying and other issues pertinent to aviation safety at the coast
- Regional workshops attended
 - Senior Manager SPQ attended the African Programme on Aviation Data (APAD) regional workshop and the ICAO Safety Information Management System (SIMS) regional workshop
- Courses provided for stakeholders
 - SPQ presented seven IATA safety and quality courses to stakeholders internally and externally



- SPQ created three aviation safety competitions
 - Two aviation safety article competitions, one for external participants and one for internal participants, each requiring an approximately 1000-word article with one image
 - Additionally, a social media competition for aviation safety-related images open to primary and secondary school students
 - Prizes included vouchers valued at N\$1,000.00, N\$500.00, and N\$250.00 for first, second, and third places

These competitions aim to promote a strong emphasis on aviation safety among stakeholders and staff.

In addition, the NCAA in partnership with AFCAC and CAAS, hosted a Dangerous Goods Course for 20 delegates from African Union CAAs and 10 delegates from NCAA.

Press statements

The NCAA issued several press statements during the year under review, including:

- *Part 139 Promulgation*: Highlights implementation of regulations for airport operations
- *Airports Council International Training Courses, April 2023*: Announces upcoming training courses for aviation professionals
- *CAAS Training Course, June 2023*: Informs about a specific training course on auditing techniques organised by Civil Aviation Authority of Singapore
- *Part 187 Consultation*: Invites feedback on proposed changes to licensing and certification fees
- *Safety Workshop, 27/4/23*: Announces a workshop on aviation safety to be held on 27 April 2023
- *Safety Competitions*: Announces two aviation safety competitions, one for articles and one for social media

These press statements aimed to provide accurate information and keep stakeholders informed about NCAA's activities.

Independence Day Celebrations

The staff celebrated Namibia's independence in style with various units showcasing their impeccable fashionable clothing in colours representing the Namibian flag.



Feasibility study on the AiRRHow project

The AiRRHow Alliance has initiated a collaborative effort between Finland and Namibia, with the objective of establishing a centre of excellence in civil aviation for Africa and beyond. This centre is planned to be located at the Keetmanshoop Airport in Namibia. Key stakeholders from both Finland and Namibia have come together to develop a roadmap for a feasibility study, aiming to effectively plan, pilot, and realise the centre of excellence.

To commence the planning process, a Memorandum of Understanding (MoU) was signed with the government of Namibia on 6 March 2020. As part of the collaboration, the University of Science and Technology (NUST) has been assigned as the chairperson of the steering committee, with support from key stakeholders in the aviation and education sectors, of which the NCAA is a member.

The objective of the feasibility study is to assess the current institutional, infrastructural, technical, social, economic, and human capacity-related status of education, training, and service provision of civil aviation in Namibia in particular, and Africa as a whole. In support of this initiative, the NCAA nominated two officials, Mr. Isak Hamunyela from airworthiness and Ms. Jessica Commando from personnel licensing, to serve as trainers of trainers (TOT) on the National Aviation Services and Technology Institute (NASTI). Their role will involve sharing their expertise and knowledge to contribute to the development of aviation training and services.

Ministry of Home Affairs, Immigration, Safety and Security

The NCAA has signed a Memorandum of Understanding (MOU) with the Ministry of Home Affairs, Immigration, Safety and Security to ensure the safe operations of helicopters and drones. Through this MOU, the Namibian Police will benefit from improved safety measures at the airports they operate in.

Namibia Statistics Agency

The Namibia Statistic Agency is currently developing a spatial geographic database to capture all government assets for informational purposes. Training has been provided to officials from air navigation services and aerodrome and ground aids on how to capture and update data in the geographic database. Additionally, an MOU has been signed to formalise the collaboration between the two institutions.

Namibia Aviation Connectivity Forum

The Namibia Aviation and Connectivity Forum, aimed at reimagining and charting the course of the Namibian aviation industry, took place from 16 to 18 November 2022. Representatives from the NCAA actively participated in the steering committee and various subcommittees, fostering relationships with industry stakeholders. The Executive Director of the NCAA played a dual role as a moderator and panellist during the forum, contributing to the discussions and outcomes.

An amount of N\$100,000 has been contributed through a procurement process to support the Aviation Connectivity Forum's venue hosting. The forum aims to achieve significant outcomes, including the development of white papers and policy and structural reforms that will shape the future of the Namibian aviation industry.

Africa Youth in Tourism innovation Summit and Challenges

The Ministry of Environment, Forestry, and Tourism in Namibia hosted the 4th Youth in Tourism Innovation Summit in 2022. The summit aimed to promote youth entrepreneurship, student involvement in innovation, small enterprise development, personal transformation, and self-actualisation. It provided a platform to connect with African and global tourism leaders, entrepreneurial innovators, and partner organisations from across Africa and the rest of the world. During the event, the Executive Director participated as a panellist on the topic of skills development in the aviation sector.

Annual General Assembly of the Airline Association (AASA) of Southern Africa:

The 52nd Annual General Assembly of the Airline Association (AASA) of Southern Africa took place from 13 to 16 October 2022 at the Arabella Golf and Spa Hotel in Hermanus, Cape Town, South Africa. Under the theme "My African Dream." AASA, as the prominent representative airline organisation in the region, collaborates with industry leaders, government officials, and stakeholders to address various aspects, including policy, regulations, planning, operations, safety, security, and finances. During the event, the executive director participated as a panellist, discussing partnership, collaboration, and commitment in the aviation industry. Additionally, staff members attended security awareness sessions, resulting in a positive impact on their behavioural culture.

SADC Aviation Safety Organisation (SASO)

The SADC Aviation Safety Organisation (SASO) was established under the principle of subsidiary to promote the safe and efficient utilisation and development of civil aviation within the SADC Region. A dedicated Secretariat is established to facilitate the organisation's daily operations. As a legal entity, SASO is hosted by the Kingdom of Eswatini and operates in compliance with its laws and regulations.

In late January 2023, member states, including Namibia, convened a workshop in Eswatini to develop the Strategic Plan for the SADC Aviation Safety Organisation (SASO) for the period 2023-2028. The plan aims to align with the goals and objectives of the Global Aviation Community, fostering a safe and conducive environment for the movement of goods, services, capital and human capacity within the SADC region.

African Women in Aviation Steering Group

Namibia is an active member of the steering group, established to promote gender diversity, inclusion, and the advancement of women in aviation, particularly in Africa. The meeting aimed to foster collaboration among the group members and initiate discussions on empowering women in the male-dominated aviation industry in Africa.





CORPORATE GOVERNANCE



OUR CORPORATE GOVERNANCE

OUR CORPORATE GOVERNANCE PHILOSOPHY

The Board and Management of the Authority acknowledge the significance of sound corporate governance, both for the efficient operation of the Authority and as a mandatory requirement. As the Board of Directors of a Public Enterprise, our responsibilities encompass strategic leadership within the framework of empowering laws, processes, policies, and procedures.

The Authority is unwavering in its commitment to continuously enhance corporate governance standards and practices. We strive to foster an environment that is fair, responsible, transparent, and accountable. Upholding these principles is paramount to maintaining a healthy balance within the organisation.

The Authority adheres to the following codes of good practice:

- The Corporate Governance Code for Namibia (NamCode)
- King IV

These codes provide a framework for promoting and maintaining effective corporate governance practices within the Authority. By aligning with these codes, the Authority ensures transparency, accountability, and ethical conduct in its operations. The implementation of these codes reflects the Authority's commitment to upholding the highest standards of corporate governance and instilling confidence among stakeholders.

During the period under review, the following policies were released and/or amended

Finance Policies - These finance policies guide the Authority's financial management practices.

- Subsistence and Travel Allowance Policy
- Debtors Policy
- Finance Standard Operating Procedures Manual
- Credit Card Policy
- Investment Policy
- Mobile Communication Devices Policy
- Revision and approval of the Subsistence and Travel Allowance Policy

Human Resource Policies - These policies collectively support the Authority's human resource management practices and contribute to a positive and productive work environment.

- Regulatory Technical Personnel Training Policy
- Transfer and Relocation Policy
- Leave and Absence Management Policy
- Revised Acting Allowance Policy
- Temporary Staffing Policy
- Recruitment and Selection Policy
- Occupational Health and Safety Policy
- Ethics Policy
- Employee Wellness Policy
- Conflict of Interest Policy
- Staff Retention Policy
- Staff Assistance Policy

Safety Quality and Promotions - The Civil Aviation Safety Policy is a key component of the Authority's commitment to ensuring the highest standards of safety within the aviation industry.

- Civil Aviation Safety Policy

Aviation Security - By continuously amending and improving the National Civil Aviation Security Programme, the Authority aims to stay ahead of emerging security threats, maintain the integrity of the aviation system, and safeguard the interests of passengers, crew members, and the public.

- Amendments to the National Civil Aviation Security Programme
- National Civil Aviation Security Training Policy

Committees of the Board and members serving

The Authority has established various committees to ensure effective oversight and decision-making in key areas as described below.



Aviation Safety, Security and Enforcement Committee

Chairperson: Ms Martha Hitenanye
Members: Mr Bethuel T. Mujetenga
 Mr Melkisedek Uupindi
 Ms Josephine Amukwa

Aviation safety and security are managed by professionals who prioritise compliance and address non-compliance through education and enforcement actions as a last resort. We strive to achieve safety and security targets set by the International Civil Aviation Organisation (ICAO) and continuously improve our practices to ensure a safe aviation environment in Namibia.



Audit and Risk Committee

Chairperson: Mr Fernando Somaeb
Members: Ms Kadiva Hamutumwa
 Mr Melkisedek Uupindi

The Audit and Risk Committee plays a critical role in evaluating corporate risk, ensuring financial sustainability, and monitoring compliance matters, thereby presenting their recommendations for approval by the Board. Over time, the Committee has demonstrated remarkable effectiveness in mitigating risks and upholding the Authority’s financial stability.



Human Resources Committee

Chairperson: Ms Kadiva Humutumwa
Members: Ms Josephine Amukwa
 Ms Martha Hitenanye

The Committee recognises the significance of staff development and retention within the Authority and places a strong emphasis on these aspects. They have already given their endorsement to a comprehensive policy dedicated to staff training and retention, which is now in the active implementation phase. Additionally, the Authority has plans to introduce a performance-based system in the near future, with the goal of enhancing overall performance levels.



Air Navigation Services, Legal and Governance Committee

Chairperson: Ms Josephine Amukwa
Members: Mr Bethuel T. Mujetenga
 Mr Melkisedek Uupindi

The Board has recognised the importance of maintaining functional separation between the air navigation services (ANS) and the regulatory functions of the Authority. To address this, a dedicated committee has been established to handle ANS-related issues separately from regulatory compliance matters overseen by the Authority.

As a service provider, ANS is responsible for independently planning and executing its activities. The Committee closely monitors the quality of services ANS provides, while the Safety, Security, and Enforcement Committee focuses on ensuring regulatory compliance within ANS operations.

Thus far, a successful balance has been maintained between the functions of the various committees, ANS, and the Authority, allowing for effective oversight and management of service delivery and regulatory compliance.

Compliance

Compliance holds the utmost importance and is an integral aspect of governance. The Authority has demonstrated unwavering commitment and fortitude in implementing the following main legislations to ensure compliance:

- Public Enterprises Governance Act of 2019
- The Civil Aviation Act of 2016
- Public Procurement Act of 2015

While this list is not exhaustive, it highlights the foundational laws that form the backbone of the Authority's operations.

Notably, during the review period, the Authority received an unqualified audit opinion from its external financial auditors. This achievement speaks volumes about the Authority's strong compliance culture and diligent adherence to regulatory requirements.

Remuneration of Board of Directors

The remuneration of the Board of Directors is determined in accordance with a Directive issued by the Minister of Public Enterprises, as specified in Government Gazette No 6572, Notice No. 69, dated 16 April 2018. The specific amounts for sitting allowances and retention fees are based on the tier classification assigned to a Public Enterprise. In the case of the NCAA, it falls under the tier two category of Public Enterprises.

Non-Executive Management	Number of sittings in 2022/2023				
	Board/Special Meeting	Audit and Risk Committee	Human Resources Committee	Air Navigation Services, Legal and Governance Committee	Aviation Safety, Security and Enforcement Committee
Mr Bethuel T Mujetenga (Chairperson)	5			3	3
Ms Kadiva Hamutumwa (Deputy Chairperson)	4	2	3		
Mr Melkisedek Uupindi (Director)	5	3		3	3
Ms Josephine Shigwedha (Director)	4		3	3	3
Mr Fernando Somaeb (Director)	4	3			
Ms Martha Hitenyane (Director)	5		3	2	2

Disclosure of Interest

The Authority places great importance on ensuring that the Board exercises its decision-making authority independently, transparently, and free from conflicts of interest. To maintain this principle, disclosing interests is a regular agenda item at every Board and Committee meeting. If a conflict of interest arises, the concerned director must recuse themselves from the deliberations and decisions after providing all relevant information within their knowledge.

Additionally, Board members are obligated to disclose their interests to the Minister at the start of each year, fostering organisational transparency and accountability. By adhering to these practices, the Authority ensures the integrity and impartiality of the Board's decision-making processes.

OUR LEADERSHIP BOARD OF DIRECTORS



Bethuel T Mujetenga
Chairperson



Kadiva Hamutumwa
Deputy Chairperson



Melkisedek Uupindi
Director



Martha Hitenanye
Director



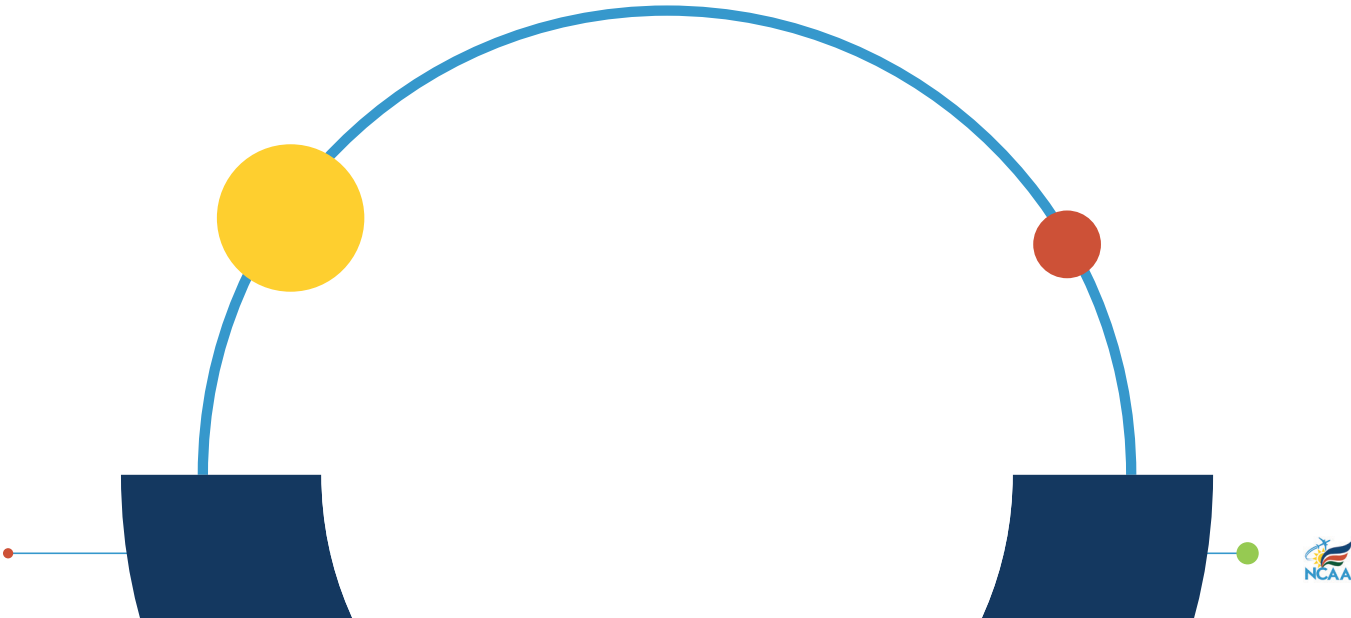
Fernando Somaeb
Director



Josephine Amukwa
Director



Toska Sem
Ex-Officio
Director



EXECUTIVE MANAGEMENT COMMITTEE



Toska Sem
Executive Director



Hilma Leonard
Head:
Air Navigation Services



Ericsson M Nengola
General Manager:
Safety



Christoph Seimelo
Chief Legal Counsel



Julian Gouws
Senior Manager:
Aviation Security



Nerago Ndoroma
Acting Corporate
Secretary



Beverley S Skrywer
Manager: Human Resources



Maria T Haiping
Manager: Finance

SENIOR MANAGEMENT



Julian Gouws
Senior Manager:
Aviation Security



Victoria T Mombola
Senior Manager:
Flight Operations



Sarafina Maxwanu
Senior Manager:
Air Navigation Services
Safety Oversight



George Matroos
Senior Manager:
Safety Promotion
And Quality



Dennis Geingob
Acting Senior Manager:
Aerodromes and
Ground Aids



Nerago Ndoroma
Senior Manager:
Projects



Peterson Tjitemisa
Senior Manager:
Compliance and
Regulatory Risk



Robert Mathe
Senior Manager:
Airworthiness



Andrew R Theron
Senior Manager:
Personnel Licensing



Erastus Hangula
Senior Manager:
Information
Communications
Technology



Jeremia Kamati
Senior Manager: Air
Traffic Services - ANS



Abraham N Kahenge
Senior Manager
Aeronautical
Information
Management - ANS



Abiatar Ntinda
Senior Manager:
Communications,
Navigations and
Surveillance - ANS



Philippine Lundama
Senior Manager:
Safety And Quality -
ANS



LEGAL

Christoph Seimelo
(Chief Legal Counsel)

Through continuous improvement and collaboration, we strive to establish a robust regulatory framework that caters to the evolving needs of the industry and actively supports its growth.

The NCAA strives to provide comprehensive legal support while complying with applicable laws. Through continuous improvement and collaboration, we strive to establish a robust regulatory framework that caters to the evolving needs of the industry and actively supports its growth.



Key Achievements

Key achievements for the year under review include:

- The preparation of Namibian working papers for the 41st ICAO Assembly, held in Montreal, Canada from 27 September 2022 to 7 October 2022, was spearheaded by the NCAA Legal unit. The Namibian delegation to the Assembly was headed by the Deputy Minister of Works and Transport, Hon.Veikko Nekundi. Namibia actively participated in the Civil Aviation Legal Advisors Forum (CALEF) through AFCAC and lent support to the working papers, which resulted in the adoption of the following three resolutions:
 - a. Consolidated statement of continuing ICAO policies in the legal field, accompanied by seven appendixes. Of particular significance for this report are Appendix D: The Teaching of Air Law, Appendix F: A Practical Way Forward on Legal and Institutional Aspects of Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems, and Appendix G: Enhancing the Capacity and Effectiveness of States to Implement Air Law Treaties and Update National Laws and Regulations.
 - b. Commemoration of the 75th Anniversary of the ICAO Legal Committee.
 - c. Consolidated statement of continuing ICAO policies and practices related to a global air traffic management (ATM) system and communications, navigation, and surveillance/air traffic management (CNS/ATM) systems.
- In total, the Assembly passed 33 resolutions covering various aspects such as aviation security, safety, environment, gender, air transport health, disasters, and compliance with the Convention on International Civil Aviation.
- On 29 October 2022, the National Assembly of Namibia, in accordance with Article 63(e) of the Namibian Constitution, provided its consent for Namibia to ratify/accede to the following international air law instruments:
 - a. Beijing Convention of 2010
 - b. Beijing Protocol of 2010
 - c. Montreal Protocol of 2014
 - d. Protocols amending Articles 50(a) and 56 of the Convention on International Civil Aviation



Annual Performance

The Legal Unit has consistently delivered legal services to the safety units by issuing aviation directives to address safety concerns that may arise but need to be adequately covered by existing regulations. As a responsible institution, the NCAA grants exemptions to aviation participants who fulfil the requirements outlined in section 46 of the Civil Aviation Act, (Act 6 of 2016). The Legal Unit is responsible for ensuring that these exemptions are granted within the boundaries of the legal framework.

We have provided valuable assistance to the aerodromes and ground aids unit in promulgating the amended version of Part 139 of the Namibia Civil Aviation Regulations, which became effective on 01 April 2023. Additionally, our legal services have been actively involved in reviewing and preparing service level agreements for the Authority, ensuring the protection of its interest.

Furthermore, with the support of our external legal practitioners, we have addressed four civil cases involving the NCAA. We are pleased to report that two of these cases have been successfully concluded, demonstrating our commitment to effectively resolving legal matters on behalf of the Authority.



Key Challenges

As is widely known, litigation often takes considerable time before reaching its conclusion. Two of the remaining cases are currently in progress within the court system. One of these cases pertains to an aircraft accident in Olympia, Windhoek, in 1998, which is still ongoing in the High Court. The second case involved revoking a license due to non-compliance with aviation regulations, and this issue matter has been resolved through court proceedings.

We understand that legal processes can be complex and time-consuming, and we remain committed to effectively managing and resolving these cases within the confines of the legal system.



Crafting the Way Forward

- The initiative to promulgate flight operations regulations is underway, and we are enthusiastic about finalising approximately six sets of regulations by November 2023. As we have risen above the challenges brought about by Covid-19, we sincerely acknowledge the significance of stakeholder collaboration as a regulatory body. The support and cooperation of all stakeholders are vital to our success. Hence, we prioritise fostering a harmonious working relationship with them.
- To ensure the utmost efficiency in business operations while upholding the highest aviation safety and security standards, we are committed to conducting regular reviews of our regulations. Further to this, we aim to strike a balance that enables seamless and secure operations, with a strong emphasis on the well-being of the aviation industry.





Compliance and Regulatory Risk

PETERSON TJITEMISA
(Senior Manager)

These achievements highlight our commitment to compliance, security, and efficient operations in the aviation industry.

The Compliance and Regulatory Risk (CRR) Unit carries out its responsibilities by closely monitoring and evaluating Namibia’s adherence to the Chicago Convention. Through comprehensive audits, it assesses all relevant units’ compliance, focusing on safety and security measures. By actively addressing deviations from ICAO SARPs (standards and recommended practices) and identifying potential risks, the CRR Unit maintains a high level of regulatory compliance and ensures the Authority’s commitment to aviation safety and security.

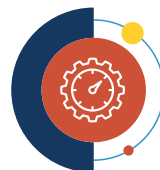


Key Achievements

Key achievements for the year under review include:

- Internal Protocol Questions (PQ) Audit
- Aviation Security (AVSEC) Compliance Checklist
- Implementation of the Library Management System
- Completion of the State Aviation Security Activity Questionnaire (SASAC)
- Improved Effective Implementation (EI) of the State
- Hosting of the Transportation of Dangerous Goods by Air Course

These achievements highlight our commitment to compliance, security, and efficient operations in the aviation industry.



Annual Performance

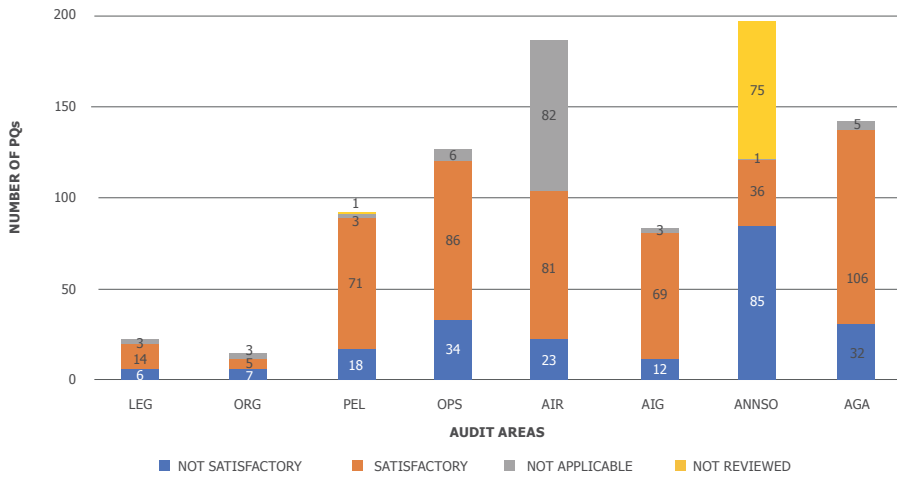
Namibia’s self-assessment indicates an Effective Implementation (EI) score of 67%, while the ICAO audit reveals a slightly lower score of 57.04% as indicated in the table below. However, we are proud to have accomplished several important tasks recently, among which include:

- Ensuring uninterrupted access to technical information
- Coordinated the preparation of the 2021/2022 Integrated Annual Report, and
- Benchmarked library services with the South African Civil Aviation Authority.

These achievements demonstrate our dedication to maintaining information accessibility, efficient reporting, and continuous improvement through collaboration with our regional counterparts.

The table on the next page shows Namibia’s Self- Assessment at 67% EI per unit.

NUMBER OF PROTOCOL QUESTIONS BY AUDIT AREAS



Key Challenges

- Lack of training
- Shortage of technical staff

Addressing these challenges is crucial for enhancing capabilities and improving efficiency. Efforts should be focused on implementing training programmes and attracting qualified personnel to fill technical positions.



Crafting the Way Forward

- Increasing the effective implementation (EI) of the state
- Preparation for the ICAO Regional Office Safety Team (ROST) Mission for all audit areas
- Technical Support Mission to AVSEC
- Follow up on the implementation of the last mission/Universal Security Audit Programme (USAP) CMA CAP
- Updating of the ICAO Universal Safety Oversight Audit Programme (USOAP) Online Framework (OLF)
- Review of the technical guidance materials (TGMs) to fit any changing needs
- Portals and Library system’s trainings to ensure ease of use





Our Strategy and Performance for 2022/2023





OUR STRATEGY AND PERFORMANCE FOR 2022/2023

OUR STRATEGIC PILLARS

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



PEOPLE AND CULTURE



FINANCIAL SUSTAINABILITY



OPERATIONAL SERVICES, SYSTEMS, AND PRODUCTIVITY



RISK, SAFETY MANAGEMENT, AND STATE SAFETY



MEETING INTERNATIONAL SAFETY AND SECURITY OVERSIGHT STANDARDS



PEOPLE AND CULTURE

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



FINANCIAL SUSTAINABILITY

The Authority’s ability to execute its mandate hinges on financial sustainability. The establishment of the NCAA as a separate juristic person and entity-not-for-gain on 1 November 2016 led to ongoing support by the Government of Namibia through subsidisation of the aviation industry in air navigation and safety oversight activities. This resulted in the need to amend outdated charges to the aviation industry for the first time since 2017 in order to cover operational and expected capital costs. The new charges and fees are cost-based, non-discriminatory, and based on ‘user pay’ principles. The cost of developing and supporting the regulatory framework should be borne by the industry using ‘user pays’ and the ‘capacity to pay’ as the driving principles (as well as normal international practice).



OPERATIONAL SERVICES, SYSTEMS, AND PRODUCTIVITY

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

Currently, Aeronautical Information Services (AIS) is using multiple parties with multiple data entry points and paper-based processes. These largely manual processes are subject to vulnerability to loss of data integrity, broken audit trails and disabled traceability, and delays in processing, and therefore automation is the main priority. Investment in a modern communications, navigations, and surveillance (CNS) infrastructure has been a priority for the NCAA, but insufficient resources and manpower for both capital and operations have led to reduced system reliability, which will be addressed.



RISK, SAFETY MANAGEMENT, AND STATE SAFETY

Before the NCAA's establishment, limited risk management was exercised. In the air traffic services operational environment, safety management usually encompasses controlled change management with safety assessments routinely undertaken and documented. This has been identified as a weakness within the air traffic services and communications, navigations, and surveillance environments and will receive urgent attention.

ICAO requires the Member States to implement a State Safety Programme that requires key aviation industry participants to become partners in sharing safety-critical information. The NCAA will take a lead role in establishing the new programme and maintaining an integrated high-integrity database containing the required information. This programme will be integral to the aviation safety and security promotion roles prescribed in Sections 9 and 10 of the Civil Aviation Act of 2016, (Act No. 6 of 2016).



MEETING INTERNATIONAL SAFETY AND SECURITY OVERSIGHT STANDARDS

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

Namibia achieved an overall effective implementation (EI) score of 59.4% at the 2014 ICAO Coordinated Validation Mission Audit. With the release of 2020 edition protocol questions (PQs), however, this percentage dropped to 57.34% due to the merging and deletion of some of the satisfactory PQs. The number of PQs has been reduced with the 2020 edition to 790 from the previous edition's total of 943.

This average, however, disguises the poor level of achievement in Critical Element CE4 – Technically qualified staff, CE7 - Surveillance Obligations, and CE8 - Resolution of Safety Concerns, in particular. It should also be noted that the 2014 Audit did not assess the air navigation services. A more recent assessment of the current profile indicates that CE3 (which relates to organisational aspects and includes sufficient numbers of staff) and CE2 (which refers to regulations) are also behind schedule due to the enactment of the new primary legislation resulting in a need to review regulations.

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



Ericsson M Nengola
General Manager:
Safety

SAFETY

The NCAA Safety division is responsible for effective safety oversight of Namibia’s civil aviation system as mandated by the Chicago Convention. The division implements risk-based oversight, focusing on risk management and compliance to prevent and reduce aircraft accidents. Despite the challenges posed by COVID-19, the division adapted its oversight approach to support the industry while ensuring aviation safety.

The division engages with the industry through workshops and surveys to identify hazards and risks. It oversees various participants in the civil aviation system, including air operators, air navigation service providers, aircraft maintenance organisations, aviation training organisations, aerodromes, and aviation professionals.

Key functions of the safety oversight division include certification, licensing, surveillance, resolution of safety issues, aircraft register maintenance, and issuing certificates of airworthiness. The division also implements a quality management system to enhance services to operators and license holders.

During the year under review, the safety division exceeded its surveillance targets and made progress in the regulatory review and implementation of the State Safety Programme. Through these efforts, the NCAA ensures safe aviation services, including safe aerodromes, practical training, quality maintenance, and efficient air navigation services for general and commercial aviation operations. Furthermore, the division is in the process of implementing a quality management system to improve services to operators and license holders.





Godfried G Matroos
(Senior Manager)

The department experienced substantial growth, expanding by 50% with the addition of a data analyst and the approval of positions for a second safety specialist and a quality specialist.

Safety Promotion and Quality

The Safety Promotion and Quality unit achieved stability in implementing the State Safety Programme. All planned meetings of the State Safety Programme Steering Committee were conducted, and most of the Safety Working Group meetings were held.

Notably, the State Safety Programme Manual and Technical Guidance Material Volume Nine (Part One) received approval from the Minister of Works and Transport. Additionally, the National Aviation Safety Plan was presented for approval at the Board level.

The unit experienced substantial growth, expanding by 50% with the addition of a data analyst and the approval of positions for a second safety specialist and a quality specialist. We successfully published all planned safety bulletins, known as "Safety Matters". Furthermore, we conducted two safety workshops and organised seven internationally recognised safety and quality training courses, effectively reaching over 200 personnel with important safety messages.



Key Achievements

Key achievements for the year under review include:

- The publication of the State Safety Programme Manual
- Approval of the NCAA Safety Policy, Stakeholder Engagement Strategy and Corporate Social Investment Policy
- Timely publication of the safety bulletin, "Safety Matters" for 12 consecutive months
- Hosting seven successful safety and quality training events
- Facilitated ten training sessions by three staff of SPQ
- Successful completion of all planned State Safety Programme Steering Committee meetings
- Successful completion of almost all planned Safety Working Group meetings
- Attending two international conferences: ICAO Safety Information Management System (SIMS) and Aviation Panel on Data (APAD) For AFCAC States
- Publication of six advisory pamphlets focusing on safety and quality
- Maintenance and reporting on the Safety Data Collection and Processing System
- Serving as a focal point for the African Programme on Aviation Data (APAD) and the Southern African Safety Organisation (SASO)
- Regular and effective publishing of safety email banners and social media graphics
- Successful hosting of two safety workshops



Annual Performance



- Addition of a data analyst, increasing the staff complement of the unit to three, representing 50% of the required six positions.



- Participation in a total of ten courses by unit staff
- Attendance at two international workshops
- Presenting seven courses to approximately 140 internal and external entities

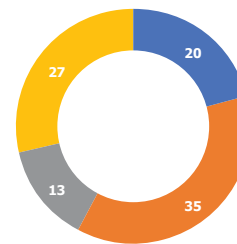


- Approval of Technical Guidance Material, Volume 9, Part 1 – State Safety Programme Manual
- Final stages of approval for Technical Guidance Material, Volume 9, Part 2 – National Aviation Safety Plan
- Advanced drafts of amendments to Technical Guidance Material, Volumes 1 and 2
- Drafts of Technical Guidance Material Volume 9 Parts 3 (Training), 4 (Risk Management), and 5 (Disaster Management Plan), as well as Volume 10 (Quality Management System)
- Approval and updates of several quality forms for use by the Safety Division



- Stabilisation of the safety data collection and processing system for effective reporting and trend analysis
- Effectively reporting feedback on resolved matters resolved through the Safety Bulletin
- Development of the National Aviation Safety Plan
- Improving the State Safety Programme Implementation Plan from 40% to 60%

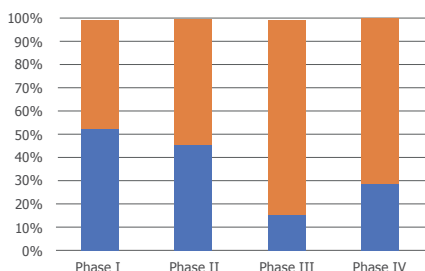
Phase Progress - Number of remaining items



Phase I Phase II Phase III Phase IV

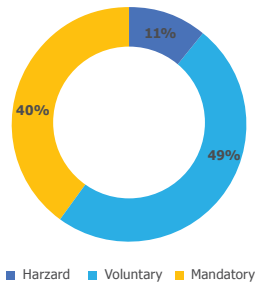
- The unit is responsible for maintaining a comprehensive database of safety occurrences - to diligently log, monitor, oversee actions, and implement safety promotion and training initiatives based on these occurrences. During the reporting period, the unit recorded a total of 379 occurrences, comprising 329 incidents, 42 hazards, and nine accidents. Among these occurrences, only 3% were classified as high risk, 31% as medium risk, and 66% as low risk.
- The classification of occurrences revealed that 40% were classified as mandatory reports, 49% as voluntary reports, and 11% as hazards. This outcome successfully aligns with our objective of encouraging more voluntary and hazard reporting compared to mandatory reporting. It is worth highlighting the substantial increase in reporting, signifying an important transition and a substantial shift towards fostering a reporting culture.

Phase Progress - % completion of remaining items

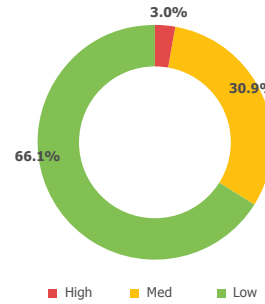


Below is a depiction of the classification of occurrences, monthly occurrences, and risk types, as of 31 March 2023:

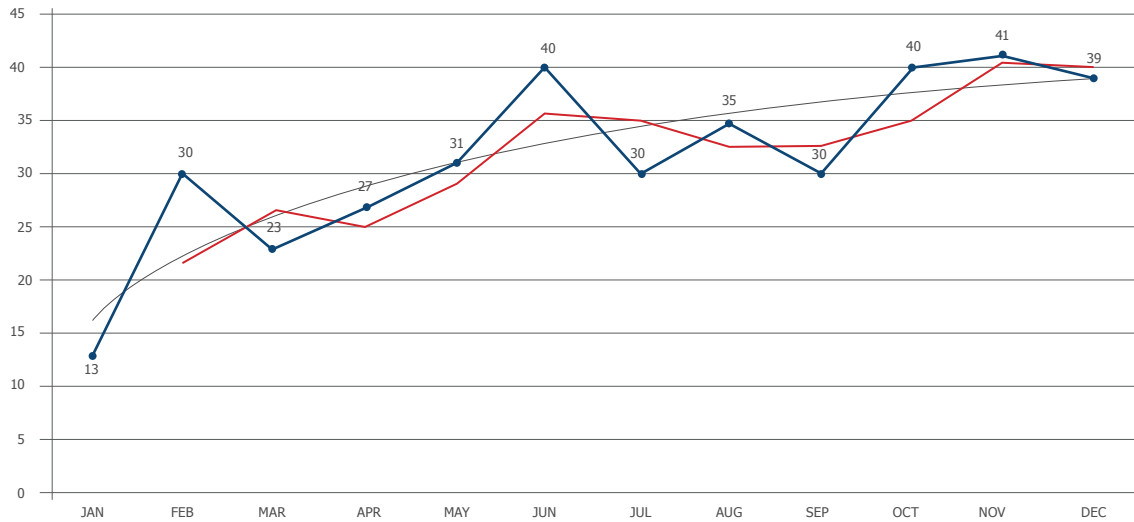
Classification of Occurrences (YTD)



Risk Types



Occurences from January to December 2022



Key Challenges

The staffing situation remains challenging as the absence of a quality specialist hinders the progress of the quality management system, and the lack of a second safety specialist affects the optimal functioning of the State Safety Programme and approval status of Safety Management Systems.

Additionally, lack of funding cutbacks present an added challenge as the training budget has been significantly reduced. Consequently, the unit is faced with limitations in the number of courses they can offer.

Stakeholder Engagement

Stakeholder engagement was carried out through a variety of channels, including safety workshops, email lists, direct mail, bulletins, competitions, press releases, and various publications.



Crafting the Way Forward

- Implementing smoother enforcement procedures will effectively address a significant trend in the enforcement of non-compliance as part of the SSP Implementation plan
- Encouraging increased interaction and engagement from stakeholders and internal parties regarding the State Safety Programme
- Aiming for a 20% increment in State Safety Programme implementation on iSTARS and within the implementation tool
- Ensuring acceptance of all safety management systems from service providers across the board
- In ensuring effectiveness, focusing on the implementation of the quality management system and working towards ISO 9001 certification



Sarafina N H Maxwanu
(Senior Manager)

Air Navigation Services Safety Oversight

The unit successfully resolved a significant 17% increase in safety concerns, demonstrating our commitment to ensuring a safe environment.

The Air Navigation Services Safety Oversight (ANSSO) Unit is proud to be a member of the AFPP Steering Committee, which has provided valuable training opportunities. One of our inspectors completed the costly flight procedures design course, enhancing our expertise.

As a SADC regional safety oversight organisation member, we have received crucial technical support that has greatly contributed to our safety oversight function. We have also prioritised capacity building by seconding two inspectors, one to SASO and another to ICAO Montreal. Furthermore, we have seen an improvement in resolving safety concerns, thanks to the excellent cooperation between our air navigation service provider (ANSP) and the support from SASO during the ongoing certification process.



Key Achievements

Key achievements for the year under review include:

- The unit successfully resolved a significant **17% increase** in safety concerns, demonstrating our commitment to ensuring a safe environment
- One inspector was seconded as NSI played a crucial role in developing ANS SASO generic regulations while another inspector seconded to ICAO HQ in Montreal served as a technical expert, specialising in airspace management and optimisation
- Namibia’s membership in the AFPP steering Committee allowed us to attend for the first time and benefit from basic flight procedures design training for one of our PANS-OPS inspectors
- Received valuable technical assistance in aeronautical information management and communication, navigation, and surveillance from the SADC Regional Safety Oversight Organisation (RSOO)
- The National Airspace Committee meetings were successfully facilitated, with all four scheduled meetings taking place as planned
- Engaging with UNAM students, we provided insight into ANS safety oversight functions, promoting knowledge and awareness among students of the Aeronautical Science department



Annual Performance

Our performance for the year aligns with the applicable critical elements (CEs) as follows.



- ANSSO is actively engaged in the ongoing Implementation of regulations that were promulgated in 2020. This includes the certification of ANSP and approvals for airspace.



- ANSSO has expanded the team by welcoming three inspectors specialising in aeronautical meteorology, aeronautical information management, and flight procedure design. Their expertise enhances our capabilities in these critical areas.

CE 4

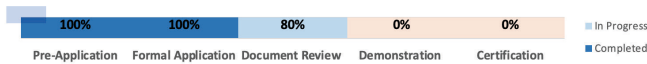
- The CNS trainee inspectors have successfully completed both on-job training and theoretical training for air traffic safety electronics personnel (ATSEP). Additionally, two ATM inspectors have been signed off and delegated, indicating their readiness to handle responsibilities independently.
- Furthermore, all inspectors and the unit head actively participated in various regional and continental virtual workshops, meetings, and webinars. These events covered topics such as aeronautical meteorology, aeronautical information services, air traffic service, and civil-military cooperation. This engagement ensures that our team remains updated on the latest developments and best practices.
- To enhance their skills and knowledge, our inspectors have undergone capacity building through various courses. These training programmes encompassed basic, initial, advanced and on-the-job training, further strengthening our expertise in critical areas.

CE 6

Certification of ANSP

- The successful implementation of air navigation regulations requires ANSPs to undergo a five-phase certification process. The graph below illustrates the progress made by the three primary ANSPs in completing these phases.

NCAA-ANSP



NMS



FYOG

Civil Activity Use Airspace Approvals

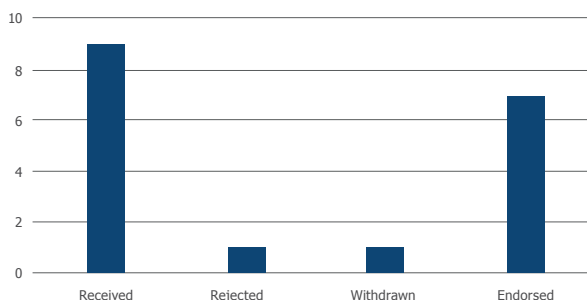
The graph below provides a summary of Special Use Airspace applications processed.



National Airspace Committee

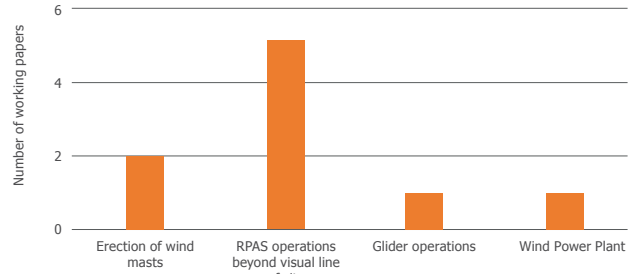
The Secretariat facilitated four scheduled meetings of the National Airspace Committee (NAirC), under the leadership of the Air Vice Marshall - Namibian Airforce Commander. The graph below provides a summary of the number of proposals submitted for discussion during these meetings.

National Airspace Committee (NAirC) working papers for 2022/2023



The graph below summarises the types of proposals received during the period under review.

Types of working papers disused at NAirC for 2023

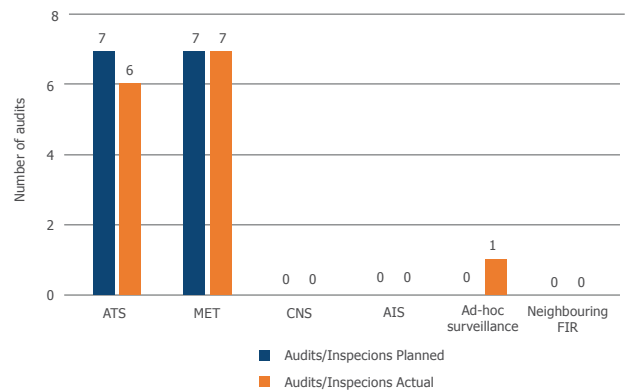


CE 7

ANSSO Surveillance Activities Summary

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

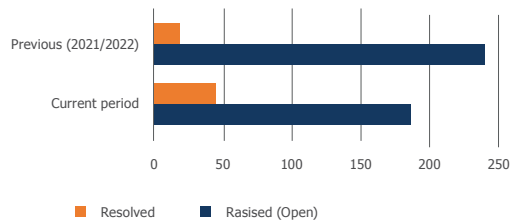
ANSSO periodic Inspections/audits per Area 2022/2023



Note 1: A total of 13 audits were conducted during the period under review, representing 93% of the planned 14 audits for the 2022/2023 on ANS providers.



ANSSO periodic resolution of safety concerns for 2022/2023



Notes: 2. There was a significant increase of 22.8% in the resolution of safety deficiencies in the ANS area compared to the previous year's rate of 6%.



Key Challenges

- Attracting and retaining inspectors with the necessary skills
- The high cost of aviation training for inspectors and safety oversight activities



Crafting the Way Forward

Certification

- The Namibia Meteorological Service is expected to commence with the certification process in the next reporting period
- The Flight Procedures Design Organisation is expected to apply for the re-certification

Capacity Building

- Two AIS and MET Trainee Inspectors are expected to complete their training and become fully qualified and delegated inspectors
- PANS-OPS inspectors are scheduled to complete initial and basic PANS-OPS design training
- The recruitment and training of an ATM inspector
- Participation of inspectors in webinars and workshops at both regional and global levels
- CNS inspectors to be trained on the maintenance of navigational AIDS

Implementation of effective and intensified surveillances

- Increase ad hoc and planned surveillance activities to ensure comprehensive oversight
- Improve the resolution of safety concerns, exceeding a 50% increase
- Strengthen enforcement measures to ensure compliance with ANS regulations

Implementation of ICAO SARPS

- Enhance the effective implementation of the ANS audit processes, aiming for a 20 improvement%
- Reinstate the suspended RNP (required navigation performance) instrument approaches at various airports to enhance navigation capabilities

Administration

- Full implementation of the EMPIC System



Andrew R Theron
(Senior Manager)

Successful conclusion of an MoU between the NCAA and the Namibia students financial assistance fund (NASFAF) to facilitate the funding and training of prospective pilots. This collaboration aims to support aspiring pilots in obtaining the necessary qualifications.

Personnel Licensing

As the custodian of ICAO Annex 1, the Personnel Licensing Unit has met the regulatory requirements for licensing approximately 1,800 pilots, 85 Air Traffic Controllers, 150 Aircraft Maintenance Engineers, and 20 Cabin Crew. However, it is important to highlight that the unit faces critical staff shortages. Despite this challenge, the dedicated staff members have gone above and beyond their responsibilities, demonstrating commendable commitment and dedication.

In addition to fulfilling licensing requirements, the unit has successfully conducted oversight on ten Aviation Training Organisations (ATOs), both locally and internationally. Furthermore, Designated Examiner Oversight has been consistently carried out for ATS and Pilot operations.

The NCAA examination centres in Windhoek and Swakopmund have been effectively managed, resulting in increased revenue, as reflected in the 2022/2023 financial reports. This success further highlights the department's accomplishments and efficient operations.



Key Achievements

Key achievements for the year under review include:

- Successful conclusion of an MoU between the NCAA and the Namibia students financial assistance fund (NASFAF) to facilitate the funding and training of prospective pilots. This collaboration aims to support aspiring pilots in obtaining the necessary qualifications.
- Introduction of a memorandum of understanding between NCAA and CRAN: Another notable accomplishment is the establishment of an MoU between NCAA and the Communications Regulatory Authority of Namibia (CRAN). This MoU pertains to the custodianship of radio telephony by the NCAA under the personnel licensing department. The collaboration ensures effective management and regulation of radio telephony services in the aviation sector.
- The Unit has made significant progress in implementing the electronic licensing issuance system, known as EMPIC. This electronic system streamlines the licensing issuance process, making it more efficient and accessible. With an implementation rate of 85%, the unit has successfully transitioned to a digital licensing system, enhancing overall effectiveness and productivity.

These achievements reflect the unit's commitment to innovation, collaboration, and improving licensing processes for the benefit of aviation personnel and the industry.



Annual Performance

Our performance for the year aligns with the applicable critical elements (CEs) as follows.



- Promulgation of NAMCARS, Parts 60,61,62,63,64,65,66,67 and 141



- Updating of the Technical Standards, Technical Guidance Material and PEL forms to align with the promulgated regulations



- NAMCATS are under review and will be subject to industry consultation soon



- Three remote pilot license (RPAS) training schools successfully completed the five-phase certification process. This certification was a requirement following the implementation of licensing for RPAS pilots starting from 01 November 2023



- One medical assessor has been appointed
- One pilot inspector has been appointed



- Conducted renewal and ad-hoc audits on six flight training schools in Namibia
- Conducted a renewal audit on an air traffic training school in South Africa
- Conducted renewal audits on one flight training school and two simulator renewals in South Africa



- The medical assessor completed the aviation medicine specialisation course
- A senior inspector attended the ICAO GSI – PEL inspector course
- The staff member responsible for cabin crew licensing underwent training specifically designed for cabin crew members
- The staff member responsible for cabin crew licensing also attended the ICAO GSI-PEL Inspector course



Key Challenges

- Shortage of experienced and fully trained PEL inspectors
- Budgetary constraints for initial and refresher training of staff members.
- Full implementation of the EMPIC electronic licensing system



Crafting the Way Forward

- Establishing a database to identify qualified unemployed aviation license holders for potential absorption into the NCAA system
- Completion of on-the-job training tasks for the newly appointed flight inspector and the medical assessor



Victoria T Mombola
(Senior Manager)

We are proud to report that we have attended to, and recommended for approval, every full application received that met all requirements.

Flight Operations

Despite the shortage of technically qualified inspectors flight for operations (OPS) within the NCAA's Safety Unit has successfully fulfilled its mandate and achieved commendable performance. We are proud to report that we have attended to, and recommended for approval, every full application received that met all requirements. This past year's focus has been on operator education, conducting comprehensive workshops on implementing the safety management system (SMS) and quality management systems (QAS). Through one-on-one sessions, we have actively engaged with our operators to address findings, including root cause analysis, and developing short- and long-term corrective action plans. Noteworthy improvements from the previous year include an increase in scheduled foreign operator permit (FOP) by four airlines, a rise in ad-hoc FOP by 35 operators, an increase in private RPAS approvals by 188, and a validation of 61 additional foreign, dangerous goods (DG) certificates. We have also made significant strides in enhancing the implementation of our surveillance plan.



Key Achievements

Key achievements for the year under review include:

- Completed the certification of one operator for helicopter offshore, external, and emergency medical services operations, bringing the total number of certified offshore operations in Namibia to two
- Completion of the re-certification of one hot air balloon operator
- Granted several exemptions after effective mitigations were implemented
- Achieved a record high of validating 66 foreign dangerous goods (DG) certificates validated
- Completed a total number of 18 fit and proper person tests (FPPT)



Annual Performance



- Four Senior flight operations inspectors appointed



- Completion of training for three OPS government safety inspectors -
- Completion of all core courses for four inspectors
- Completion of DG training



- Different OPS forms, guidance material and checklists developed and amended



- Foreign operator permits issued for scheduled operators: 3
- Commercial hot air balloon re-certification: 1
- Remotely piloted aircraft systems (RPAS) approvals issued for commercial operations: 34
- Remotely piloted aircraft systems (RPAS) approvals issued for private operations: 292
- Ground handling dangerous goods approval: 1
- Foreign dangerous goods certificates validated: 67
- Fit and proper person test (FPPT) completed: 39

Specific Approvals:

- Reduced vertical separation minima (RVSM) operations: 6
- Helicopter offshore operations: 1
- Helicopter external load operations: 2
- Helicopter crop spraying operations: 1
- Helicopter game culling operations: 2
- Helicopter emergency medical services operations: 1



- Renewed air operator certificates: 17 (100%)
- Foreign operator permits renewed (scheduled operators): 7 (100%)
- Hot air balloons renewed: 2 (100%)
- Aviation recreational organisation (ARO) renewals: 5 (100%)
- Ground handling dangerous goods renewal: 1 (100%)
- **Surveillance activities implementation status:**
Main base audits and inspections: 100%
Operator ramp inspections: 100%
Dangerous goods: 100 %
SAFA inspections: 70 %
Enroute/cabin safety inspections
Station inspections



Key Challenges

- Outdated ops-specific civil aviation regulations need to meet ICAO Annexes requirements
- Shortage of qualified inspectors and inadequate staffing levels
- Retaining qualified inspectors due to remuneration packages being below the market rate and excessive workloads
- Inability to complete the recertification process for eight operators due to a shortage of qualified inspectors
- Strained relationship with some operators due to a lack of cooperation
- Insufficiently qualified inspectors to completely fulfil our mandate, e.g., attending to the sections protocol questions (PQ)
- Lack of specific approval qualified inspectors e.g., offshore, performance-based navigations (PBN), electronic flight bag (EFB) and agricultural operations
- Budgetary constraints hindering the full implementation of surveillance and training plans



Crafting the Way Forward

- Draft and promulgate operations-specific regulations by December 2023
- Fully amend the TGM to align with new regulations
- Fill all approved vacant positions
- Amend and approve the new OPS structure to increase the number of inspectors and positions not accounted for under the current approved structure
- Complete the re-certification process for all applicable operators
- Complete the specific operational certifications for PBN, EFB, RVSM and helicopter offshore, external and emergency medical services operations
- Provide on-the-job training for five inspectors
- Investigate and close 95% of occurrences
- Implement the surveillance plan comprehensively
- Enhance service delivery and strengthen relationships with industry stakeholders
- Increase industry workshops and engagements
- Continue air operator training and engagements
- Raise public awareness of the requirements for RPAS operational approvals



Robert M Mathe
(Senior Manager)

The Airworthiness unit achieved all its key performance targets in executing the aircraft airworthiness functions within the Namibian State Safety oversight mandate.

Airworthiness

The Airworthiness Unit achieved all its key performance targets in executing the aircraft airworthiness functions within the Namibian State Safety oversight mandate. This included processing and issuing all applications for aviation documents such as the issuing certificates of registration (C of R) for all aircraft types, including drones, and renewing the certificate of airworthiness for type certified aircraft through thorough inspections.

Furthermore, the unit effectively carried out safety oversight responsibilities for nine local and 21 foreign PART 145 aircraft maintenance organisations approval holders. This involved conducting renewal audits to ensure ongoing compliance with certificate-issuing requirements. The unit also provided support to the Flight Operations unit in overseeing 13 fixed wings and rotorcraft Air Operators, two hot air balloons operators, and five aviation recreational organisations (AROs). This support included adding new aircraft types to the existing air operator certificates (AOCs), reviewing operational manuals, conducting AOC renewal audits, and addressing emerging safety concerns.



Key Achievements

Key achievements for the year under review include:

- **Changes to the National Aircraft Register:**
 - Thirteen (13) Aircraft were issued with a new Certificate of Registration in the new format
 - Registration of Private and Commercial Remote Piloted Aircraft System (RPAS): A total of 27 Drones were registered during the reporting period
 - Change of Aircraft Ownership: Thirty three (3) new Certificates of Registrations were issued under new owners' names
 - Aircraft Deregistration and Export Certificate of Airworthiness Issuance: Nine (9) aircraft were issued with Export Certificates of Airworthiness and Certificates of Deregistration after being permanently removed from the National Aircraft Register
- **Certificate of Airworthiness:**
 - *Conformity inspections for C of A initial issuance and renewal:* A total of 300 Conformity Inspections were conducted during the year. All requested inspections were attended to, and the aircraft were found to be compliant with applicable airworthiness and serviceability requirements
 - *Authority to fly for microlights and non-type certified aircraft:* A total of 95 special flight permits and experimental certificates (Authority to Fly) were issued after verifying the compliance of the renewal packages from their respective aviation recreational organisations with the applicable airworthiness and serviceability requirements
 - *Special flight permits (ferry permits and flight test permits):* A total of 48 ferry and test flight permits were issued to type certified aircraft. These permits allowed for flights back to the maintenance base and verification of aircraft performance after conducting maintenance and service on systems critical for safe operation.

- Aircraft Maintenance Organisation Renewal:*

 - Initial AMO Certification:*

Two Aircraft Maintenance Organisations (AMOs) have expressed interest in establishing operations in Swakopmund and Otjiwarongo. Both AMOs are currently in the formal application phase (second phase) of the five-phase certification process.
- AMO Surveillance and Approval Renewal:*

All 30 local, regional, and international AMOs that submitted applications for initial or renewal of the AMO approval during the year under review were successfully processed and issued after ensuring compliance with the relevant certification requirements.
- Minor and Major Modifications and Repairs on Type Certified Aircraft:*

The executive director approved a total of 26 minor and major modifications and repairs on type certified aircraft.
- Reciprocating Aircraft Engine TBO Extensions:*

A total of 48 aircraft powered by reciprocating engines were granted flight hour TBO extensions in accordance with aeronautical information circular - AIC 61.14.
- CMA Online Framework*

The airworthiness baseline EI of 72.22 % was determined by a follow up activity of the ICAO Consolidated Validation Mission (ICVM) of 2016. The review of the PQ conducted by the ICAO in December 2020 reduced the number of Protocol Questions related to Airworthiness oversight function from 210 to 186.

AUDIT AREAS	NUMBER OF PROTOCOL QUESTIONS	NOT SATISFACTORY- ICAO Status of Implementation	NOT SATISFACTORY PQ Self-assessment Status of implementation	SATISFACTORY	NOT APPLICABLE	NOT REVIEWED PQs	INCREASED SATISFACTION FOR THE QUARTER VERSUS PREVIOUS QUARTER
AIR	186	23	4	81	82	-	61



Annual Performance



The NAMCAR Parts 95; 145; 147 and 148 are currently at an advanced stage of development and will be presented to the Civil Aviation Regulations Technical Advisory Panel (CARTAP) for final NCAA internal review.



Two qualified Airworthiness Inspectors resigned, during the period under review, leaving the Airworthiness staff complement understaffed. A request has been submitted to the Human Resources Unit to fill the vacant positions of Senior Airworthiness Inspector and Airworthiness Inspector within the current financial year.



Despite a significant reduction in the training budget, the approved staff training plan for the reported period was largely implemented. In addition, airworthiness inspectors successfully completed several virtual training courses offered by ICAO and other accredited institutions.



The technical guidance material, including forms and checklists for the unit were reviewed and updated. The development of new technical standards (NAMCATs) for the newly promulgated NAMCAR Parts is still in progress.





A total of 537 applications for issuance of aviation documents related to aircraft airworthiness were carefully reviewed and issued as highlighted in the key achievements mentioned above.



Out of the 22 incidence and accident reports received, investigations and follow-ups were carried out for 15 cases. The unit restricts its investigations on accidents and major incidents that have the potential to impact the aviation documents issued.



Nine Namibian AMOs underwent comprehensive audits, and their aviation documents were renewed after addressing identified deficiencies. All 21 foreign based AMOs applied for NCAA approval, utilising a self-assessment process conducted by the quality assurance manager on behalf of the NCAA. Physical inspections were conducted when Covid-19 restrictions were eased.

Additionally, an AMO based in Spain obtained NCAA approval for the purpose of preparing two Airbus A319-112 aircraft for redelivery to the lessor while they were still registered on the Namibian Aircraft Register. Both aircraft were previously operated by Air Namibia.



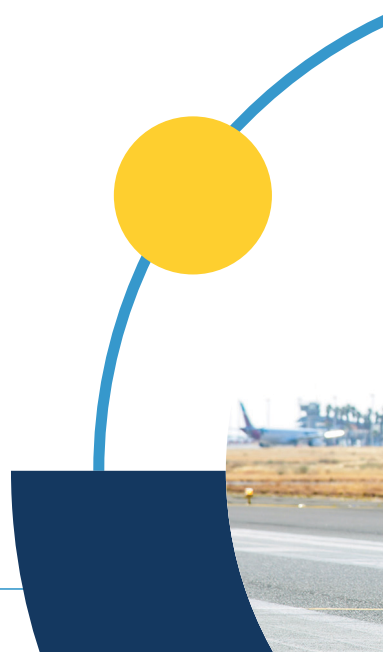
Key Challenges

- *Airworthiness staff complement:*
The Airworthiness unit’s organisational structure at its inception in 2016 consisted of 16 staff members. Currently, the Unit has 13 staff members with three vacant positions for two Senior Airworthiness Inspectors and one Airworthiness Inspector that need to be filled.



Crafting the Way Forward

- *Recruitment of Interns to address Staff Shortage:*
To address the staff shortage, the unit is currently in the processes of recruiting two aeronautical graduates who will provide support to the Airworthiness Inspectors until such time the vacant positions can be filled.
- *CORSIA and Update State Action Plan on the reduction of CO2 Emissions for Civil Aviation Industry:*
The unit is committed to actively participating in workshops and seminars focused on capacity building in the areas of monitoring, reporting, and verification of CO2 emissions for qualifying air operators. Additionally, efforts will be made to prepare the civil aviation industry for the future use of sustainable aviation fuels (SAF).





Aerodrome and Ground Aids

Dennis Geingob
(Acting Senior Manager)

The Aerodromes and Ground Aids Unit successfully facilitated the promulgation of amendments to NAMCARs 139 (2018) in consultation with key stakeholders, following four deliberations.

The Aerodromes and Ground Aids Unit successfully facilitated the promulgation of amendments to NAMCARs 139 (2018) in consultation with key stakeholders, following four deliberations.

Additionally, two members of unit were appointed as a members of African Civil Aviation (AFCAC) expert working group for aerodrome certification and experts working group for safety management systems, representing African states.

Moreover, a collaborative effort with the Airports Council International led to the successful hosting of training on Runway Safety management and the Global Reporting Format. This training was attended by participants from various stakeholders in the aviation industry.

Lastly, interim certificates and licences were granted to aerodromes that fulfilled the minimum requirements outlined in NAMCARs 139.



Key Achievements

Key achievements for the year under review include:

- Successfully conducted stakeholder consultations on proposed amendments to NAMACARs Part 139, resulting in the promulgation of amendments on 1 April 2023
- Effectively domesticated the International Civil Aviation Organisation (ICAO) documents into advisory pamphlets, facilitating easier implementation by the industry
- Two members of the unit were appointed as members of African Civil Aviation (AFCAC) experts working group for aerodrome certification and the experts working group for safety management systems, representing African states
- Successfully implemented planned surveillance activities for the reporting period
- Hosted a successful training session on Runway Safety Management and the Global Report format in collaboration with the Airports Council International. The training was attended by participants from various stakeholders in the aviation industry
- Secured student assistance funding to enhance unit competencies through skills development programmes
- We have Implemented a risk-based strategy to optimise the utilisation of financial resource, ensuring effective financial management and resource allocation





Annual Performance

CE 2

- The expertise and skills of our technical human resources continue to be highly regarded in the regional environment. Two members of the unit have been appointed as members of the African Civil Aviation (AFCAC) expert working group for aerodrome certification and the expert working group for safety management systems working group representing African states
- Our customer care focus enables us to fulfil our consultation obligations and meet operational needs and expectations, ensuring efficient and excellent service delivery
- The unit provides extended assistance to the industry by offering specialised equipment, such as runway friction testing, to enhance safety at aerodromes
- We actively engage in collaboration and cooperation with other civil aviation authorities, regulatory bodies, and government agencies of other states. This includes mentorship programmes, information sharing, knowledge exchange, and resource utilisation for mutual benefit
- We establish partnership engagements with various government institutions to facilitate information sharing and streamline functions
- We have Implemented a risk-based strategy to optimise the utilisation of financial resource, ensuring effective financial management and resource allocation

CE 3

- We continuously ensure alignment with the ICAO Standards and Recommended Practices (SARPs) by maintaining close communication with the Compliance Risk and Regulatory Unit. We proactively address AGA-related state letters from ICAO regarding safety-related amendments, ensuring compliance with international standards
- We have successfully completed stakeholder consultations on the drafting and promulgation of implementable regulations for NAMCARs Part 139 and NAM-CATS-AH- Subpart 5, specifically focusing on the registration of Category D Aerodromes
- One of our team members actively serves as a National Safety Inspector on the interim Southern African Development Community (SADC) aviation safety organisation. In this role, we contribute to the development of generic regional safety standards for States and advocate for changes that promote aviation growth and enhance safety

CE 4

- Pursue postgraduate studies to develop and maintain the requisite knowledge, skills and attributes required to uphold excellence in service delivery
- Inspectorate personnel have been awarded full funding for a three-year Masters' programme in Aviation Safety Management, Risk and Regulation at Cranfield University, United Kingdom
- Partial funding has been awarded to inspectorate personnel for a one-year Masters' programme in Safety Management System at Ecole Nationale de l'Aviation Civile, France

CE 5

- Ongoing review and updating of internal technical guidance material toolkits, including the inspectors' handbook and checklists. This is done to align with the regulatory amendments and provide effective guidance to the inspectorate staff in their oversight duties
- Conducted two industry workshops pertaining to:
 - Hosted successful training on runway safety management and the global report format in collaboration with Airports Council International, attended by various stakeholders from the aviation industry
 - Developed and published advisory pamphlets for aerodrome operators, covering topics such as operational safety during works on aerodrome, apron safety management service, and the wildlife hazard assessment and training requirement for wildlife hazard management
- Reviewed and shared applicable checklists required with aerodrome operators for certification and licensing process preparation
- Implemented a risk-based surveillance system, including virtual audits, to enhance oversight
- Increased engagement with aerodrome operators through workshops addressing imminent safety-matters

CE 6

- Issued interim aerodrome certificates and licences as per MANCARS 139.03 and NAMCARS 139.04 during the ongoing initial certification process of Hosea Kutak International Airport, Walvis Bay International Airport and Oranjemund International Airport and initial licensing process of Katima Mulilo Airport, Rundu Airport, Andimba Toivo ya Toivo Airport, Eros Airport, Keetmanshoop Airport and Lüderitz Airport.
- Demonstrated continuous improvement of the regulatory function through the assessment of the surveillance programme, focusing on strengths, weaknesses and opportunities for improvement



- Received and processed Environmental Impact Assessments for renewable energy projects, overhead power lines, construction of telecommunication mast, and various other development projects in the aerodrome vicinity of Hosea Kutako International, Walvis Bay International, Eros, Keetmashoop, and Lüderitz Aerodromes
- Granted approval for unlicensed helicopter landing sites and emergency landing sites, including Deepsea Bollsta, Deepsea Mira, Share Water helideck, and Tungsten Helideck operations



- Demonstrated continuous safety assurance and effective management of the civil aviation system, ensuring minimal safety risk
- Mandatory and Voluntary Occurrence Reporting of incidents and accidents at aerodromes were mainly reported for bird and wildlife strikes, as well as runway incursions and foreign object debris
- Conducted a successful assessment of night flights and granted approval in collaboration with the Swakopmund Municipality’s Personnel Licensing Unit
- Conducted a comprehensive safety assessment of aerodrome facilities at Impalila aerodrome. Providing valuable insights for the development of a rehabilitation strategic plan and the terms of reference
- Addressed and investigated the most significant safety incidents and accidents reported during the reporting period



- The NCAA received evidence of operators resolving safety concerns related to incidents of fuel spillage/contamination
- Rehabilitation work was carried out on the apron, runway and taxiway at Katima Mulilo Airport and Ondangwa Airport following hazard reports
- The unit is actively collaborating with aerodrome operators to resolve safety concerns
- Public consultations are scheduled to raise awareness among aerodrome operators about the new requirements of NAMCARS 139 and NAMCATS A-H (Category D aerodromes)



Key Challenges

- Delays in the promulgation of NAMCARs 139, Subpart 5 for the registration of Category D aerodromes
- Budgetary constraints
- Ineffective implementation of the unit training programme
- Prolonged implementation of the five-phase certification and licensing process by aerodrome operators
- Unresolved safety concerns at certain aerodromes



Crafting the Way Forward

- Finalise the implementation of Subpart 5 of the NAMCARs Part 139 - CAT D
- Review and implement the training programme with emphasis on Heliports
- Develop and implement CAT D aerodrome registration process
- Continuously develop technical guidance material to align with industry best practices
- Improve the effective level of implementation score on the ICAO online framework for AGA
- Successfully complete the five-phase certification of three international aerodromes and licensing of six domestic aerodromes
- Implement the registration process for CAT D aerodromes as per NAMCARs 139
- Implement robust surveillance programme to maintain and enhance safety resilience in the safety oversight system
- Implement the Enforcement Code and intensify stakeholder engagement for effective resolution of safety concerns
- Increase awareness on safety compliance and promote safety culture
- Initiate and implement the registration process CAT D aerodromes in accordance with NAMCARs 139



Julion P Gouws
(Senior Manager)

The primary objective is to prioritise the safety of passengers, crew, ground personnel, and the general public in all matters related to safeguarding against acts of unlawful interference with civil aviation.

Aviation Security

The primary objective is to prioritise the safety of passengers, crew, ground personnel, and the general public in all matters related to safeguarding against acts of unlawful interference with civil aviation. To accomplish this objective, Namibia has established an organisation dedicated to developing and implementing regulations, practices, and procedures that safeguard civil aviation against acts of unlawful interference. These efforts consider the essential aspects of flight safety, regularity, and efficiency.

Namibia shall ensure that such an organisation and such regulations, practices and procedures -

- a. protect the safety of passengers, crew, ground personnel and the general public in all matters related to safeguarding against acts of unlawful interference with civil aviation; and
- b. Demonstrate the ability to promptly respond to any increased security threats, ensuring agility in addressing evolving risks.

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

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

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

- Developing regulatory requirements and technical aviation security standards
- Developing effective enforcement strategies to ensure strict compliance with aviation security standards
- Conducting comprehensive surveillance on the civil aviation security sector, which includes the assessment of security-related decisions made by industry management at all levels to gauge their impact on aviation security
- Implementing, monitoring, and enforcing the National Civil Aviation Security Programme (NCASP) to enhance security measures across the industry
- Developing national standards concerning the specifications of security equipment, systems, and airport design
- Coordinating security measures and procedures with appropriate organisations, agencies, and relevant units to ensure seamless collaboration in safeguarding civil aviation
- Certification of instructors, screeners, regulation agents and aviation security training organisations



Key Achievements

Key achievements for the year under review include:

- ICAO has proposed Amendment 18 to Annex 17, and the NCASP has been amended and approved by the Minister
- Two regulation agent applications have been received, assessed, and approved
- One applicant has been rejected due to the absence of a facility to operate. The second applicant is currently in an advanced phase of the process
- Additionally, three regulated agent security programmes have undergone review

Facilitation:

- Cabinet approval was granted for Namibia to join the ICAO Public Key Directory(PKD), hence Namibia is now the 92nd member state to have joined the ICAO PKD
- Furthermore, Cabinet has granted approval for the state to benefit from the United Nation’s office of Counter Terrorism (UNOCT)’s API/PNR programme, which will see the increase of Namibia’s EI once implemented
- The NCAA together with the MHAISS have been working together closely to ensure that all security related aspects of FAL that have an impact on the MHAISS operations are addressed and significant progress has been made to ensure compliance with Annex 9 SARPs



Annual Performance



Certification obligations

- In September 2022, eight national instructors were re-certified
- In December 2022, the Menzies Aviation Security Awareness Training Programme received approval
- In February 2023, Menzies Aviation’s application for instructor validation was returned for necessary corrections
- In May 2023, Airlink’s application for security awareness validation was returned for minor corrections on one of the pages
- The National Civil Aviation Security Training Policy has been reviewed and is now at an advanced stage of finalisation

Quality Control Activities

- Two comprehensive audits have been conducted at Eros Airport and Hosea Kutako International Airport, respectively, to ensure adherence to aviation security standards and protocols
- Improved guidance materials have been developed and provided to entities involved in the acceptance, forwarding, storage and carriage of cargo and mail. These materials aim to improve the understanding and implementation of security measures in these processes
- The dissemination of guidance materials has been carried out to support entities seeking to obtain certification regulated agents. These materials offer valuable information and instructions to assist organisations in meeting the necessary security requirements for certification



- Two regulated agent applications have been received, thoroughly assessed, and ultimately approved
- One applicant has been rejected due to the lack of a suitable operational facility
- The second applicant is currently in an advanced phase of the evaluation process
- Additionally, three regulated agent security programmes have undergone comprehensive review



- Two comprehensive audits have been conducted at the Eros Airport and Hosea Kutako International Airport respectively, ensuring a thorough evaluation of their security measures
- To enhance security procedures in the areas of cargo and mail security, an improved inspection checklist has been developed, aiming to streamline the process and improve overall effectiveness
- Additionally, the review checklists for regulated agent security programmes have been enhanced, enabling a more efficient and effective review process for these programmes



Key Challenges

- Not all aviation security measures implemented are risk-based, and entities are educated in a risk-based approach methodology. However, guidance regarding this matter is still outstanding from the responsible entity for risks and threat assessment.



Crafting the Way Forward

- The establishment of the API system for Namibia is scheduled to be completed within 2023
- To have all screeners certified during the year 2023
- Plans are underway to establish a second aviation security training organisation in Namibia
- Full-scale contingency exercises will be conducted at all airports in Namibia to enhance preparedness and response capabilities.





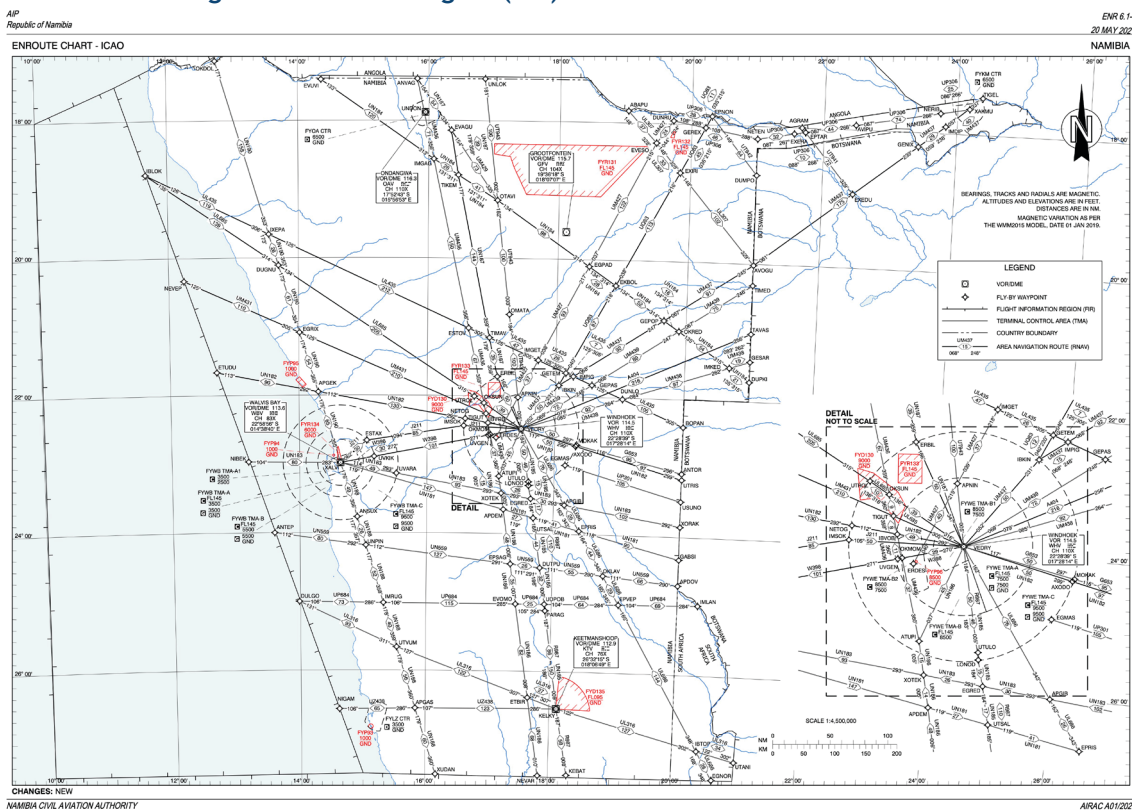
Hilma Leonard
Head:
Air Navigation Services

AIR NAVIGATION SERVICES

The NCAA Air Navigation Services (ANS) is a Unit established under Part 6 of the Civil Aviation Act, (Act 6 of 2016). It is responsible for providing air navigation services within the Namibian sovereign, delegated airspace. According to Part 6 of the Act, the Head of Air Navigation Services is appointed by, and reports to the Board regarding the provision of air navigation services and communicates with the Executive Director on matters related to regulatory compliance.

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

The Flight Information Region (FIR)



Service Provision

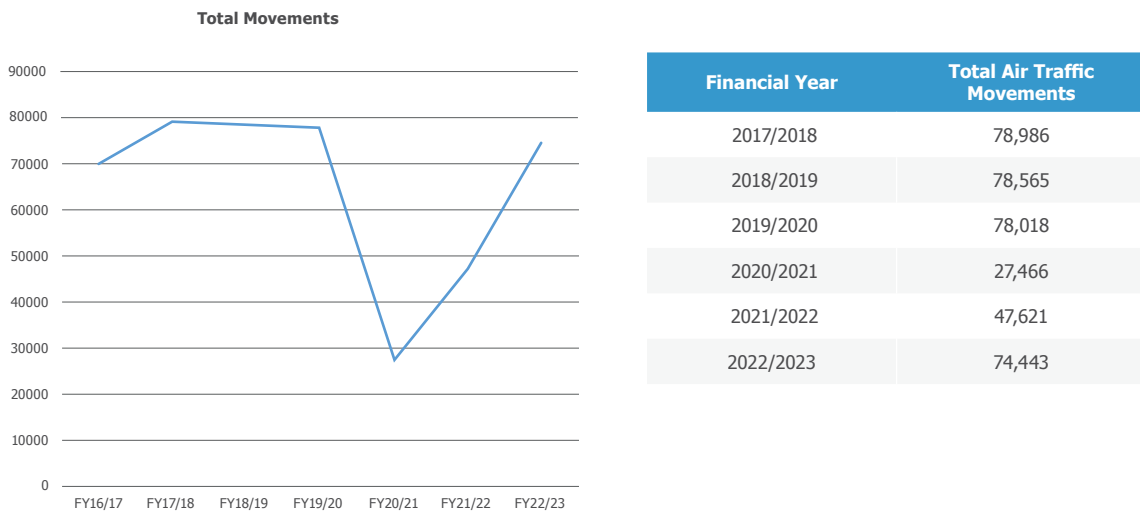
The ANS Unit comprises of three Sub-Units mandated to manage the Namibian airspace and the provision of safe and efficient air navigation services to the users of the Namibian airspace. These units are:

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

It is important to note that the office of Safety and Quality Assurance (SQA) oversees the certification process of the Air Navigation Service Provider (ANSP). They ensure that the services provided by the ANS Unit meet quality and safety standards. The SQA office also coordinates training related to Quality Management Systems (QMS) and Safety Management Systems (SMS).

Air traffic movements

The air traffic movements operating in the airspace under the jurisdiction of the ANS are shown in the figure below. Please note that these figures represent the total air traffic movements for each respective year (from 2018/2019 – 2022/2023) are as follows:



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

For the 2021/2022 financial year we had 47,621 total movements which is already an increase of 173% on the previous year’s total movements, but it still represents only 60.7% of the annual total average for the three financial years 2017 to 2020. During the financial year 2022/2023 we had 74,443 movements, which is still below the average of financial year 2017 to 2020, however it significantly indicates that the industry in terms of air traffic movements is gradually improving.

Total international arrivals, departures and overflight movements, which generate the majority of the Air Navigation Services provider revenue, for the year 2018/2019 to the year 2022/2023 are as follows:

Financial Year	Total International arrivals, departures and overflight movements
2017/2018	26,476
2018/2019	26,041
2019/2020	23,826
2020/2021	5,794
2021/2022	12,669
2022/2023	19,485

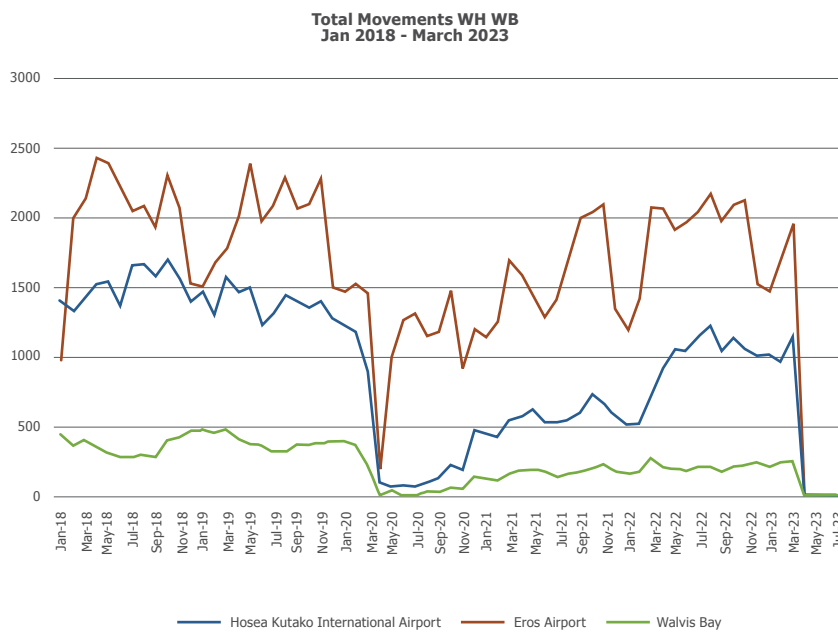
The analysis of total international arrivals, departures, and overflight movements for the specified financial years is as follows:

- For the 2020/2021 financial year, there were 5,794 total international arrivals, departures, and overflight movements, which accounted for approximately 23% of the three-year average from 2017 to 2020
- In the 2021/2022 financial year, there were 12,669 total international arrivals, departures, and overflight movements, representing a 219% increase compared to the previous year. However, it still accounted for only 49.8% of the annual average for the three-year period from 2017 to 2020
- In the 2020/2023 financial year, there were 19,485 total international arrivals, departures, and overflight movements, indicating a 154% increase compared to the previous year. This accounted for 77% of the annual average for the three-year period from 2017 to 2020

The domestic air traffic in Namibia is influenced by seasonal patterns, with the highest number of flights occurring between August and November when commercial general aviation operators cater for increased tourism activities in the country. Conversely, the traffic volume is lowest during December and January. The Covid-19 pandemic had a noticeable impact on air traffic in Southern Africa, particularly from November 2021 to March 2023.

Scheduled airline flights mainly serve as connections between regional centres, ensuring regular transportation for passengers. On the other hand, international arrivals, departures, and overflights tend to remain relatively consistent throughout the year.

The below graph provides an overview of air traffic movements at the three busiest airports where the ANS provides air traffic control services, while the third graph displays the air traffic data for smaller airports.





Abiatar T Ntinda
(Senior Manager)

The CNS Sub-Unit maintained high statistical availability rates, with an average of 98.25% for communication, 98.5% for radio navigation, 99.3% for miscellaneous systems, and 88% for surveillance statistical equipment availability (which faced challenges due to aging).

Communication Navigation and Surveillance

In the previous financial year, the Communication, Navigation, and Surveillance (CNS) unit managed to sustain the performance and reliability of essential equipment utilised for air traffic services and aeronautical information services. Despite the challenges posed by aging equipment and external factors, the unit achieved an average statistical availability rate of 90.5.

Efforts were made to ensure uninterrupted services by conducting timely repairs, maintenance, and calibration of all radio navigation aids within the Windhoek FIR. This proactive approach ensured the calibration certificates were renewed before their expiration. The services were consistently provided at key locations such as the area control centre, Hosea Kutako International Airport, Walvis Bay International Airport, and other remote airports in the region.



Key Achievements

Key achievements for the year under review include:

- Conducting timely flight calibration of all radio navigation aids
- Setting up air traffic services facilities as a standby for area control centre at Hosea Kutako International Airport
- Successfully completing on-the-job training for air traffic safety electronic personnel (ATSEP) Bursary Group 2 and absorbing them within the organisation
- Finalising the optical transport network ring fibre network installation at Hosea Kutako International Airport
- Signing a service level agreement (SLA) between the NCAA and Telecom Namibia
- Completing the drafting of various CNS operational manuals, station standing instructions, routine maintenance plans, and associated forms



Annual Performance

As an engineering technical unit of Air Navigation Services, the CNS Sub-Unit has achieved significant milestones and ensured continuous service provision within the Windhoek FIR. The unit maintained high statistical availability rates, with an average of 98.25% for communication, 98.5% for radio navigation, 99.3% for miscellaneous systems, and 88% for surveillance statistical equipment availability (which faced challenges due to aging).

The unit prioritised the calibration of all the radio navigation facilities before the expiration of their annual certificates and conducted thorough ground checks.

Additionally, as per the certification process, the CNS Sub-Unit drafted mandatory operational manuals (CNS MANOPS), routine maintenance plan, station standing instructions (SSIs) and the associated forms, which have been submitted for approval by the Safety Division.

In order to establish Hosea Kutako International Airport as the standby area control centre (ACC), the CNS Sub-Unit reconfigured the voice communication switch and data and voice recording systems. This allowed for additional frequencies, controller working positions (CWP), and channel recording.

The CNS Group 2 bursary recipients successfully completed their on-the-job training and were absorbed by the organisation, adding six air traffic safety electronic personnel (ATSEP) to enhance shift management at the Eros Airport and the Hosea Kutako International Airport.

The CNS Sub-Unit ensured the signing of the long-awaited SLA between the NCAA and Telecom Namibia. This agreement guarantees Telecom Namibia’s provision of services to ANS and strengthens the collaboration between the two entities.



Key Challenges

- Limited availability of vehicles for routine maintenance tasks
- Absence of essential policies such as a, Work at Height Policy, and an Allowance Policy
- Financial constraints impacting the department’s operations



Crafting the Way Forward

- Completion of the CNS Sub-Unit certification by the end of 2023
- Upgrading of surveillance systems within the Windhoek FIR to enhance efficiency and effectiveness
- Regular routine maintenance of remote stations for various systems (communication, navigation, and surveillance) within the unit
- Publication of Lüderitz VOR/DME (LZV) for improved navigation services
- Decommissioning of outdated page systems (VCS & VHF to transition to more advanced technologies)
- Commissioning of new CNS equipment to enhance air navigation services





Jeremia I Kamati
(Senior Manager)

ATS has effectively maintained safe and uninterrupted area control and flight information services throughout the entire FIR and delegated airspaces, with the exception of the incident on 19 November 2022.

Air Traffic Services

The Air Traffic Services (ATS) Sub-Unit is responsible for directing, coordinating, and managing air traffic control operations within the Namibian airspace (Windhoek FIR), to ensure safe air traffic operations. During the past year, ATS has successfully provided uninterrupted aerodrome control services at six manned aerodromes, namely Hosea Kutako International, Walvis Bay International, Eros, Katima Mulilo, Andimba Toivo ya Toivo (Ondangwa) and Lüderitz. Additionally, ATS has provided uninterrupted approach procedural and surveillance control services within the Windhoek Terminal Control Area (TMA), and Approach Procedural Control within the Walvis Bay TMA.

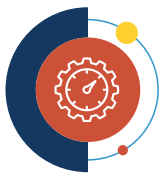
With the exception of the incident on 19 November 2022, which resulted in a complete failure of communication and surveillance systems within the Windhoek FIR, ATS has effectively maintained safe and uninterrupted area control and flight information services throughout the entire FIR and delegated airspaces.



Key Achievements

- Reduction of ATS attributed Safety Occurrences**
 Following the implementation of the Safety and Just Culture within the ATS operations, reporting of all types of safety occurrences, has improved tremendously which is a step in the right direction towards improving safety within the air navigation services provisioning. As a result, a massive reduction in safety occurrences (incidents) which are attributed to actions or inaction of the ATS, has been observed during the reporting period, due to corrective actions taken such as remedial training to operational personnel, reviewed operational procedures and regular engagements with the operators.
- Reduction in regulatory findings**
 Annual regulatory inspections that have been conducted at all ATS units countrywide have recorded a substantial decrease in Level 1 and 2 audit findings which is an indication of improved and safe ATS operations at all units.
- Stakeholder engagement**
 Regular and Ad-hoc engagements have taken place between ATS and stakeholders, which were aimed at improving interactions between all parties involved. ATS has also consistently attended the inter operator safety group meetings which are held at Eros Airport, between all aviation stakeholders. Through these engagements, numerous safety concerns were analysed and successfully addressed.

- ATS Training**
The ATS Unit conducted various training interventions to enhance operational capabilities. This included training and validating additional approach procedural and surveillance controllers, area procedural and surveillance controllers, and flight information services providers. Moreover, a large number of ATS personnel attended and successfully completed safety courses/training, covering topics such as safety management systems, quality management systems, internal auditors, safety occurrences investigators, safety performance indicators, search and rescue administration, and more.
- Establishment of a Standby Area Control Centre**
To ensure continuous Air Traffic Services, the Sub-Unit established Hosea Kutako International Airport's ATC tower as the standby Area Control Centre (ACC). This standby facility is equipped to provide services such as Approach Control (for Windhoek TMA), Area Control, and Flight Information Service (FIS) in case the primary ACC at Eros Airport encounters any disruptions. This standby arrangement was successfully implemented during the total communication and surveillance failure incident that occurred on 19 November 2022.



Annual Performance

- Provision of air traffic services:** Despite challenges related to staffing and financial constraints, the ATS Sub-Unit has successfully ensured the provision of air traffic services within the entire Windhoek FIR, adhering to the published operational hours for the respective air traffic services units.
- Production and review of Operational Documents:** As part of the ongoing certification process for the ANS, the ATS Sub-Unit has prioritised the development and review of all operational manuals as required by regulations. During the period under review, ATS successfully produced and/or reviewed all the necessary documents essential for its operations.
- Development and Implementation of Corrective Action Plans (CAPs):** During the annual regulatory inspections conducted by the Regulator, the ATS Sub-Unit received various findings. In response, the unit developed and implemented CAPs, to address these findings. In cases where immediate implementation was not feasible, long-term corrective actions were developed for implementation in the determined future. This ensures that necessary improvements and adjustments are made to enhance operational compliance and safety.



Key Challenges

- Staffing:** The ATS Sub-Unit continues to face staffing challenges, particularly at Katima Mulilo Airport, resulting in occasional unmanned operations due to the unplanned absence of the sole unit-based controller. Efforts are underway to address this problem by recruiting an additional air traffic controller at the unit.
- Aging surveillance system:** The current surveillance system used by ATS was procured and operationalised in 2010, and it has a maximum lifespan of 15 years. As the system ages, its deterioration becomes a significant challenge that could impact aviation safety, security, and efficiency. The surveillance system has played a crucial role in improving safety and efficiency within air traffic services. To ensure continued effectiveness, consideration will be given to a midlife upgrade or total replacement of the surveillance system. This will address the safety concerns and maintain the high standards of air traffic services provision.
- Suspension of required navigation performance (RNP) procedures:** Due to the inability to review certain RNP approach procedures in compliance with regulations, affected approaches have been suspended for safety reasons. The unavailability of the RNP approaches has negative implications for safety, as it restricts instrument flight rules (IFR) from landing in instrument meteorological conditions (IMC), which are common during the rainy season.
- Frequent failure of aviation meteorological (A-MET) equipment:** Various ATS units have encountered recurrent failures of A-MET equipment, which can impact the safe and efficient provision of air traffic services.



Crafting the Way Forward

- *Certification of ATS:* The ATS Sub-Unit is actively working towards the certification of all ATS units across the country by the end of 2023. This certification process ensures that the units meet the required standards and regulations for safe and efficient air traffic services.
- *Establishment of a search and rescue (SAR) coordination centre:* In line with ICAO standards and recommended practices, as well as national legislation, plans are underway to establish a rescue coordination centre (RCC) within the next three years. This centre will enhance search and rescue operations and contribute to saving lives in emergency situations. Initial work has already begun, and further efforts will be made to establish the RCC.
- *Upgrading of ats surveillance system:* Recognising the aging surveillance system used by ATS, measures are being taken to upgrade or acquire a new system before 2025. Plans are being developed to execute the necessary upgrades to ensure the continued operation and reliability of the entire surveillance system.
- *Implementation of free route airspace and direct routing operations:* In line with ICAO recommendations, the State of Namibia has established an implementing team to introduce free route airspace (FRA) and direct routing operations (DRO) within its airspace. These initiatives aim to optimise air traffic services and aircraft operations, providing more flexibility and efficiency. Provisional plans have set the target for implementation in December 2023.





Abraham N Kahenge
(Senior Manager)

AIM obtained ISO 9001:2015 certification in 2019 from Wynleigh International Certification Services (Pty) Ltd. Annual surveillance audits were conducted in 2020 and 2021, and a recertification audit in May 2022 confirmed the retention of certification with minor observations that have been addressed.

Aeronautical Information Management

The Aeronautical Information Management (AIM) Sub-Unit has achieved significant milestones in the development of essential documents required for the certification of the unit and the periodic review of the quality management system (QMS). All staff members attended at least one training course as part of continuous improvement and to remain abreast with the latest skills requirement in the AIM domain. The unit had three audits during the period under review and successfully retained its ISO certification.

However, the unit has faced challenges with staff turnover due to retirement and staff pursuing opportunities elsewhere. This has had a negative impact on the AIM operations, especially regarding the envisaged implementation of continuous shift operations. Aging equipment, including computers and software such as the Central Aeronautical Database (CAD) has also posed challenges. The CAD is crucial for managing and distributing both static and dynamic data.

Due to budgetary constraints, the implementation of some ICAO required ASBU (Aviation System Block Upgrade) modules could not be carried out. Nevertheless, the unit is striving to achieve more with the available resources and overcome these challenges. Continuous improvement and efficient resource utilisation remain key priorities for the AIM Unit.



Key Achievements

Key achievements for the year under review include:

- **Retaining ISO 9001:2015 QMS Certification:** AIM obtained ISO 9001:2015 certification in 2019 from Wynleigh International Certification Services (Pty) Ltd. Annual surveillance audits were conducted in 2020 and 2021, and a recertification audit in May 2022 confirmed the retention of certification with minor observations that have been addressed.
- **Document review and development:** AIM conducted a thorough review of existing documents and developed new ones to comply with NAMCAR Part 175 requirements for AIM certification. Non-compliant documents were revised, and compliance matrices were completed and submitted to the regulator.
- **Training of Staff:** Five aeronautical information officers completed the ICAO AIO 021 course at the ATNS' Aviation training academy in South Africa and received on-the-job training upon their return. They have now qualified to work without supervision in the AIM operation section. Additionally, the remaining AIM staff members received training in AIP authoring, quality management system, safety management system, incident investigation, NOTAM management, and security and safety performance indicator training.

- *QMS continuous improvement:* The Sub-Unit underwent three audits during the period under review, including a major external audit for ISO 9001: 2015 recertification, which was successfully passed without any significant findings. Additionally, two internal audits were conducted to identify and address any system deficiencies, ensuring continuous improvement.
- *Adherence to AIRAC publication schedule:* The Sub-Unit ensures strict adherence to the aeronautical information regulatory and control (AIRAC) publication schedule. This system involves predefined publication and effective dates for implementing significant changes in operating practices. Maintaining AIRAC adherence is one of the basic pillars in the transition from AIS to AIM.



Annual Performance



The AIM Sub-Unit has made considerable progress in meeting certification requirements. While the process is still ongoing, the following phases have been completed:

- Performance 1: Pre-Application – 100% completed
- Performance 2: Formal Application phase – 100% completed
- Performance 3: Document Review phase – 97% completed



- Performance 1: Surveillance audits – To be complied with after certification



- Performance 1: Resolution of safety concerns – Most safety issues are being addressed through Compliance Matrices document review phase, and verification audits



Key Challenges

- *Staffing and Implementation of the Planned Continuous Shift Operation:* NCAA has applied to be declared as a continuous shift operation, in compliance with the Labour Act provisions. To meet the hours, rests and leave requirement for such an operation, the AIM Unit needs to employ at least three additional staff members.
- *Budgetary constraints:* The AIM Sub-Unit is facing challenges in replacing the obsolete AFTN with the ICAO recommended AMHS, which offers improved message handling capabilities. The current A-CAD software used for the managing dynamic and static data and distributing of aeronautical information products will be phased out in 2025 without available support, necessitating the acquisition of a new solution. Budgetary constraints are also affecting training and participation in regional meetings.



Crafting the Way Forward

- *Completion of AIM Certification:* AIM places a high priority on the certification of the unit and will allocate substantial resources to achieve this objective.
- *Maintenance of Quality Management System (QMS) and implementing Safety Management System (SMS):* In addition to maintaining ISO certification, the unit is committed to enhancing other aspects of quality and safety. This includes fostering a just culture and safety culture, establishing and implementing formal arrangements with aeronautical data providers and neighbouring AIM offices.



Philippine Lundama
(Senior Manager)

The Safety and Quality Office is currently developing and implementing the ANS Safety Management System, as well as the Quality Management system, with success being achieved, in the Aeronautical Information Management (AIM) Sub-Unit.

Safety and Quality Assurance

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

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



Key Achievements

Key achievements for the year under review include:

The Safety and Quality Office is currently developing and implementing the ANS Safety Management System, as well as the Quality Management system, with success achieved in the Aeronautical Information Management (AIM) department acquiring ISO 9000:2015 certification following the certification audits which were carried out. The AIM internal audit took place from 23 – 25 February and again during October 2022. The AIM ISO certificate continues to be successfully retained.

The Senior Manager Safety and Quality Assurance carried out a considerable number of tasks as part of the office mandate:

- Training of ATS Incident Investigators
- Training of ANS internal auditors
- Development of the ANS Safety and Quality Training Programme and Annual Training Plan
- Spearheading the development and review of ANS Units' documents required for the ANS certification such as, SMS and QMS Manuals with their related documents, CNS, AIM and ATS Training Programmes among others.
- Carrying out AIM ISO 9001:2015 Internal Audit successfully 23 – 25 February 2022



Annual Performance

- During the reporting period, the office performance has been at a slow but steady pace, with assistance of the SMS and QMS Implementation Team by the SM: SQA. The Team comprises of representatives (including operational staff) of all ANS Units who were nominated by their respective unit heads and approved by the HANS in December 2021. The Team is chaired by the SM: SQA and meets every Thursday.
- The Implementation Team has worked tirelessly in the past year, to, among others, develop the SQA Workplan Schedule Dec 2022 – Dec 2023 for Phase 1/2 SMS and QMS Implementation. In addition, the Team developed and reviewed the SQA Training Programme, the SMS as well as the ANS Quality Manual.
- The SM: SQA in conjunction with the ANS unit heads also had 6 internal auditors nominated. All six internal auditors underwent a virtual classroom IATA Aviation with the last 3 having completed the course on 7-10 November 2022. The auditors on the job training (OJT) is ongoing.
- The SQA office also successfully conducted the AIM ISO 9001:2015 Internal Audit (in February, October 2022) as well as provided oversight for the preparation for AIM re-certification audit which took place in May 2022. This latter process involved the review and closing of all AIM Corrective Action Requests for the non-conformances identified during the internal audit as well as a detailed review of all AIM QMS Procedures and Processes in preparation for the re-certification audit.



Key Challenges

- A number of ANS related incidents were reported during the reporting period. These incidents included runway incursions, coordination failures, unauthorized entry into Namibian airspace, flight crew's non-compliance with ATC clearances, and aircraft technical failures. ANS conducted internal investigations and discovered that some of the root causes were human error, system error, and technical failures. Corrective actions taken included, but not limited to remedial training to ANS personnel involved, safety meetings/sessions with operators affected, review of existing operational procedures, and development of new operational procedures have been taken to ensure re-occurrence of such incidents is prevented.
- While it is not acceptable for Air Traffic Controllers or other staff members to make mistakes, the NCAA ANS recognises the fact that errors will occur and apply a policy of a Just Culture environment, in that errors will be identified and corrected without prejudicing the person concerned. However, the transgression of policies and procedures is not acceptable within this environment and disciplinary action may be taken.
- In view of the above, ANS continued to slightly lag behind with meeting the set time parameters within which to complete investigations and provide feedback to reporters due to shortage of investigators, however, this is expected to improve significantly with the training of additional investigators that took place in October 2022.
- In addition to daily administrative work, the SQA office has been overwhelmed with the task of developing and/or reviewing outstanding safety and quality documents/procedures forming part of the SMS Manual such as Investigation Manual and Procedure Manual for Safety Occurrence Reporting and Investigation; and those forming part of the Quality Manual such as ANS Internal Audit Procedure, Communication Procedure, Management Review Procedure, etc, including their related Forms and Templates. The documents are required for the ANS certification process that has been in full swing from the last week of July 2022 and is expected to be completed by November 2023. The main challenge has been the absence of admin support personnel for SQA as well as Safety and Quality Officers as well as the negative effect of SMS/QMS Team members that are constantly re-assigned operational duties while scheduled for the Team assignments, due to staff shortages.



Crafting the Way Forward

- The SQA office will continue interacting with all ANS units, to develop the required Quality Procedures for the ANS, supporting another step in obtaining full ISO 9001:2015 certification for the NCAA ANS. Activities envisaged in this regard are: training of ANS personnel on SMS and QMS, training of additional internal auditors including Lead Auditor as well as training of ANS safety occurrences investigators (both theoretically at an ATO and On Job Training).
- Commencement of the SMS and QMS Implementation phase by January 2024.
- Workshopping with all ANS personnel of ANS Manuals such as, SMS Manual, FRM Manual, Manual of Procedures, QMS Manual, ERP, ATS Manual, CNS Manual of Operation and SSIs, AIM Manual of Operation, etc. to ensure that all personnel are trained and aware of contents thereof and their respective responsibilities.

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

SUPPORT FUNCTIONS





Beverley S Skrywer
(Manager)

During the year under review, the department obtained approval for five policies, recruited 18 new employees and experienced 12 resignations, resulting in a turnover rate of 3.74%.

Human Resources

As of 31 March 2023, the NCAA had a staff complement of 187 employees. The Human Resources department is committed to providing effective and efficient services, continuously reviewing and developing new policies, and ensuring compliance with Namibian Labour Laws and regulations. During the year under review, the department obtained approval for six policies, recruited 18 new employees and experienced 12 resignations, resulting in a turnover rate of 3.74%.

During the period under review, 93 employees received technical training, 111 employees attended soft skills and job-related courses, and 14 employees were funded for professional development. The total training investment was N\$6,263,232.18, (vs the approved budget of N\$9,600,498.00).

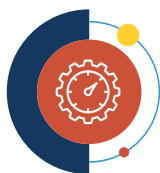
Furthermore, one employee was seconded to ICAO Headquarters in Montreal, Canada, and one employee received a scholarship for an Advanced Master Safety Management in Aviation course in France.



Key Achievements

Key achievements for the year under review include:

- The Human Resources Unit successfully implemented the following five approved policies during the period under review:
 - Regulatory Technical Personnel Training Policy
 - Transfer and Relocation Policy
 - Leave and Absence Management Policy
 - Revised Acting Allowance Policy
 - Temporary Staffing Policy
 - Recruitment and Selection Policy
 - Occupational Health and Safety Policy
 - Ethics Policy
 - Employee Wellness Policy
 - Conflict of Interest Policy
 - Staff Retention Policy
 - Staff Assistance Policy
- Appointment of a substantive Executive Director, fulfilling the Affirmative Action plan target, with a focus on empowering previously disadvantaged females
- Attainment of an Affirmative Action Compliance certificate
- Recruitment of 18 employees
- Implementation of employee wellness initiatives, including the observance of International Women's Day, and establishment of an employee value proposition committee to enhance employee satisfaction and engagement



Annual Performance Recruitment

The substantive Executive Director was appointed on 01 July 2022 among other appointments.

A total of 18 employees were recruited, with three on fixed term contracts and 15 permanent employees. The recruitment of certain positions was temporarily suspended, with emphasis placed on key technical positions, as the organisation underwent an integrated strategic business plan structure review, as well as benchmarking of remuneration and benefits.

Capacity Building: Training and reskilling of employees

One of the senior inspectors in AGA was awarded a one-year scholarship (1 September 2021 to 30 October 2022) scholarship by Ecole Nationale De L’Aviation Civile (ENAC) in France. The scholarship allowed the senior inspector to attend the Advanced Master Safety Management in Aviation Programme on full-time basis, while being fully compensated. Following the completion of the programme, the senior inspector returned to Namibia.

Furthermore, a senior inspector specialising in ATM/SAR was seconded to ICAO Headquarters in Montreal, Canada for three years, from 1 September 2022 to 31 January 2025. During the secondment, she will serve as a technical expert in airspace management and optimisation contributing her expertise to ICAO’s activities.

During the year under review, the NCAA made the following investments in training:

Technical Training:

A total of 93 employees received technical training, amounting to N\$3,245,396.17. The training was conducted in accordance with the training policy and the technical training policy.

Professional Development:

A total of 14 employees received funding for professional development, totalling N\$557,996.90. The funding was provided in alignment with the Study Assistance and Professional Development Policy.

Number of staff	Type of course	Cost (N\$)
14	<ul style="list-style-type: none"> Bachelor of Administration Bachelor of Financial Management Civil Aviation Law Diploma in Management Diploma in Safety Management x2 Electrician Higher Certificate in Business and Marketing Master of Business Administration Management x2 Master of Management Master of Human Resources Management Postgraduate in Finance Management 	557,996.90

Other: Internal induction, soft skills and administrative training

A total of 111 employees from various departments and grades attended the following courses to the value of N\$322,706.10 in accordance with the Training Policy.

Number of staff	Type of course	Cost (N\$)
111	<ul style="list-style-type: none"> Asset Management Masterclass Annual Procurement Conference 3rd Annual Data Laws and Cyber Security Conference Basic Registry, Effective Management Development Programme Effective Supervisory Development Programme Emotional Intelligence: EQ for Innovative Leadership and Corporate Teamwork Labour Law Seminar -Basic Conditions of Employment Labour Law Seminar-Disciplinary Procedures NCAA Induction Training Meeting Management Records and Archives Management 	322,706.10

Employees who resigned during the reporting period

Exit type	No of staff
Contracts ended	5
Early retirement	1
Normal retirement at the age of 60	2
Resignation	4
Total	12

Turnover rate (Resignation and Retirements) = 7/187 = 3.74%

Employee wellness

Employee wellness initiative: Post trauma stress

In response to the Covid-19 pandemic, the Human Resources department arranged for a session with a psychological counsellor from Blissful Psychology to engage the employees on post-trauma stress and mental health. The session emphasised the importance of mental health and post-traumatic stress disorder (PTSD), which is a mental health condition triggered by a traumatic event, whether experienced or witnessed. Employees were provided guidance on monitoring symptoms and managing them effectively to aid in the restoration of normal functioning.

International Women’s Day celebration

The NCAA celebrated the International Women’s Day on 8 March 2023 under the theme of "Aviation Women Standing Together in Unity". The event brought together a significant number of women from the NCAA, who gathered at the organisation’s premises to share their experiences. The celebration concluded with a breakfast, entertainment and networking opportunities.

Distinguished speakers at the event included the newly appointed Medical Assessor, Senior Manager: Flight Operations, Briefing Specialist, Senior Manager Quality and Safety, and the Executive Director. These speakers provided valuable insights and perspectives during the celebration.



Key Challenges

- Aviation training is expensive, and employees are required to maintain up to date skills
- Staff retention poses a challenge
- Losing qualified staff through resignation results in a loss of training investment returns
- The HR department is understaffed
- The absence of an HR department system makes all processes manual, hindering effective reporting



Crafting the Way Forward

- Moving forward, the HR department is committed to ensuring compliance with the Labour Act, Affirmative Action Act, Social Security Act, Pension Funds Act, and other relevant laws, regulations, and policies. Additionally, the focus will be on continuous training, reskilling, and employee retention efforts
- Another important aspect involves conducting a thorough review of the HR Structure and appointing a specialist to enhance the HR function



Our Team

OFFICE OF THE ED



Toska Sem



Ericsson M Nengola



Christoph Seimelo



Nerago Ndoroma



Hambeleleni Shafa



Legal

Christoph Seimelo



Air Navigation Services Safety Oversight

From left to right Victor Sitapata, Silas Kainge, Herman Paulinus, Kapolo Isabella, Paulus Mapumba, Markus Hoaseb, Abiatar Hauwanga and seated Victor Kaurimuje. Absent (Sarafina Maxwanu, Susan, Katimba, Micha Stiemert).



Airworthiness

John Laudika, Emilian Kayone, Lina Namundjebo, Brenda Innoncetius, Herman Jonas, Paulina Tjongarero, Timothy Rundji, and Seated Robert Mathe. Absent, Isack Hamunyela, Ndilimeke Nangolo, Mateus Shaningwa, Ananias Shiwenda



Aerodrome and Ground Aids

From the left to the right, Marx Shikongo, Silo Shino, Ruben Mokhatu, Raunah Mungonena and seated Dennis Gaingob. Absent, Johannes Haimbili, Theoline Kauraisa



Compliance Regulatory Risk

From left to right Patrick Simasiku, Elizabeth Matheus, Yaurovandu Ndjavera and seated Peterson Tjitemisa. Absent Iumue Nguvauva and Tulimevava Shinyala



Personnel Licensing

From left to right, Christophine Merero, Uendjiziri Commando, Johanna Hashipala, Anna Eunice De Groot, Theresia Mokwaipe, Megan Nansunga Mutwa, Tangeni Angula and seated Andrew Rodney Theron. Absent (Bastiaan Hendrik Koster and Plentine Kavandara).



Flight Operations

From left to right Paul Hamutengela, Abast Iiyambo, Helena Mutikisha, Abraham Prince Iyambo, Evans Davies Sitali, Matty Iipingge, Jarmaine Mbako, Fares Sakaria Shikongo and seated Tailombuele Victoria Moombola. Absent (Onesmus Kaukungwa, Nico Schotz, Teeleleni Kakehongo)



Aviation Security

From left to the right, Reginald Mouton, Toivo Shongolo, Elfriede Kandume, Filemon Ngwedha, Khali Festus Mpuka and seated Julian Gouws. Absent, David Nanyemba



Safety Promotion and Quality

From left to right, Simon Valombola, Danielle Bruckert and seated George Matroos



Finance and Administration

From left to right Festus Shilunga, Mweutota Natangwe Shonghela, Pendukeni Nauyoma, Athella Strauss, Foibe Johannes, Beulah Hishono, Ester Amupolo, Uno Mezingo and seated Maria Konstantin. Absent (Aron Narib, Cosmos Witbooi, Lukas Haindongo)



Human Resources

From left to right, David Uushona, Tuyeimo Paavo. Absent, Beverly Skrywer



Information Communication Technology

From right to left, Simon Valombola, Erastus Hangula, and absent, Melvin April and Sofia Namupala,



Projects Office

Nerago Ndoroma

OFFICE OF THE HEAD OF ANS



Hilma Leonard



Philippine Lundama

Absent, Frans Shipepe, Nicodemus Narib, Alex Tjahikika, Mr Joao Luzendu



Aeronautical Information Services

From left to right, Selma Kaundu, Eelu Fransiskus, Obey James, and seated from right to left, Thabea Shilongo, Abraham Kahenge, Gertrud Ndapewa James. Absent, Tatekulu Armas, Sherly Mukwa, Fortune Sasele, Phillemon Fillemon, Kennedy Kozonguizi, Lazarus Nuule, Veronica Kandjabanga



Communication Navigation and Surveillance

From left to right, Abiatar Ntinda, Peter Heita. Absent, James Kapolo, Toromba Benedictus, Benedictus Ashipala, Methew Amunkete, Julia Ndjene, Daniel Josef Claasen, Hendrick Theophilus, Tuuliki Mekke Shikuma, Teopolina Nantinda, Mr. Josef Iitenge Ipinge, Johannes Nampala Amakali, Maria Nelago Kanyama, Hawakeshe Tulvudeni Kamwangha, Dorian Anyala, Mr Lazarus Ndapewa Uusiku, David Muyeve Domingos,



Air Traffic Services

From left to right, Nobert Abraham, Swanelo Godfried, Karina Shilongo, Abuid Buchane, Tuhafeni Amon, Erik Bruys. Seated Tuahangauka Mbijezuva Hengari, Jeremia Kamati, Christin Eiman. Absent, Moses Mekondjo Kashamako Christopher Riley Buys, Abiatal Shiimi Tangeni Kwedhi, Adolf Nashiningwe Martin, Ndapewa Claudia Namgongo, Ishukeni John Wiseman Junior Kapapero, Moses Hidengwa Angula Amadhila, Natasha Mbangula, Annatjie Aibes, Ruusa Lamek, Mr Godfried Kamunguma, Asihe James-Dean Boois, Romeo Romandus Assegai,

Tamlyn Janice Robson, Stephia Amunyela, Seun Simana Simana, Ms Pameka Eitaalo Iiyambo, Hunga Kambenii Tjondu, Naily Fudeni, Gregory Innocent Haraseb, Alana Tjaveondja, Elina Shangelao Shiweda, Hertha Namutenya Sossana Ndeuhala Elias, Shoopala Martin, Eslon Kamunguma, Nangolo Herman Erago, Percival Dorian Ernesto Bock, Martin Johannes Shomeya, Hershley Johnathan Van Wyk, Nghidipohamba Josephat Mokaxwa, Elvin Tjivava, Jakob Peanoss Pienaar, Pamela Nampiyi Goncalves, Boysan Simwanza Simwanza, Daniel Benjamin Kotze, Jacolene Steenkamp, Chuma Silumbu, Leonhardt Kamari, Kuume Ulenga, Pierre Sacha, Ethan Enzo Van Wyk, Treasure Munali, Martha Kaputeni Mukosho, Taimi Namupolo Imene, Hamutenya Hidipo Katewa, Hendrik Barens



Information Communication and Technology

Erastus Hangula
(Senior Manager)

The ICT team has adopted a 'Work from Anywhere' (WFA) approach, enabling employees to work productively and autonomously from anywhere through the successful implementation of NCAA secure tunnel (NCAA VPN) infrastructure, while remaining aligned and connected with company culture and goals.

The Information Communication and Technology (ICT) unit within the NCAA plays a crucial role in developing and implementing information and communication technologies. Its objective is to transform the NCAA's workforce and improve service delivery through modern, resilient, and efficient ICT services by leveraging technology and appropriate best in class solutions from aviation industry.

"IT is not just another department in an organisation. It's pervasive, like electricity." - The Phoenix Project.

The ICT unit encompasses all information and technology used by the enterprise and supports stakeholders both internally and externally. It is vital for the NCAA to keep up with technological advancements, improve agility, efficiency, and security, and adapt to industry changes for its survival.



Key Achievements

The NCAA's information and technology capabilities have not been fully utilised, and certain areas, such as software and hardware, is not fully optimal to industry standards. However, efforts have been made to address these issues:

- The ICT unit conducted a full infrastructure audit to standardize the ICT infrastructure and identify critical areas for improvement
- Virtualisation and data protection software have been implemented to optimize hardware usage and provide NCAA with efficient solutions
- A Disaster Recovery (DR) site has been established to cater for onsite backups and replicate the production environment on scheduled intervals
- Approximately 40 new PC/laptop infrastructure has been rolled out for users
- The procurement process for the Centralized Printing Project has been completed to optimise printing resources
- The ICT team has adopted a "Work from Anywhere" (WFA) approach, enabling employees to work productively and autonomously from anywhere through the successful implementation of NCAA secure tunnel (NCAA VPN) infrastructure, while remaining aligned and connected with company culture and goals
- Taking full control and management of all firewall services from the external service providers
- A Senior Manager ICT has been appointed to oversee these initiatives

These measures aim to enhance ICT infrastructure, improve security, and optimise operational efficiency within the NCAA.



Annual Performance

- A Senior Manager ICT was appointed as of 1 September 2022
- In addition to daily administrative work, the ICT team has been actively addressing organisational capacity and resilience issues
- The ICT department successfully managed NCAA ICT performance, ensured efficient IT operations, and effectively controlled IT costs



Key Challenges

The ICT unit has conducted an infrastructural audit to identify key priorities and various stakeholder needs. The audit has revealed several gaps that need to be addressed:

- **Governance and Organisation:** There is a significant challenge in IT governance and IT service management. A framework for IT governance and IT service management needs to be implemented to support digital transformation
- **Technology:** Gaps have been identified in workspace enhancement, IT infrastructure optimisation, and security measures
- **Service providers relationship management:** Improvements are needed in managing relationships with service providers
- **Cloud backup:** Although cloud solutions such as Microsoft Cloud and Convene software for board of directors for its operation have been adopted, a backup method for the cloud needs to be implemented
- **Protective Security:** The ICT department faces challenges in ensuring protective security due to a lack of manpower to effectively ensure protective security
- **Supply chain security management:** Challenges exist in managing supply chain security
- **Lack of UCT Policies:** There are no established ICT policies to ensure the proper use of entity's ICT resources by employees
- **Misalignment of functions:** Internal challenges arise from the misalignment of functions among technical components
- **Insufficient financial provision to support ICT initiatives**

Addressing these gaps will be crucial for the ICT Department to enhance its capabilities and effectively support the NCAA's operations.



Crafting the Way Forward

As part of the NCAA ISBP, and in alignment with the strategic planning framework for the Republic of Namibia, the ICT department has identified key performance indicators to strengthen ICT infrastructure and build organisational capacity. These indicators include -

- Conducting a core infrastructure system audit
- Deploying core infrastructures systems deployment for the regulator ANSP (air navigation service provider) and support functions
- Establishing an NCAA cyber-security standing committee and maintaining liaison with the national cybersecurity committee (liaison briefing reports submitted)
- Developing IT policies and standards, including an aviation cyber security action plan and the NCAA ICT strategy

These initiatives aim to enhance the ICT infrastructure, improve cybersecurity measures, and establish effective policies and standards to support NCAA's operations and strategic objectives.

Other focus area for the year 2024 include the following:

- Product portfolio management and analysis of competitive products and services
- Managing business risk
- Compliance with external laws and regulations, such as ICAO, Annex 17
- Building a resilient automatic workload failover to the disaster recovery (DR) site for business service continuity and availability in the event of a disaster
- Enhancing ICT department staff skills, motivation, and productivity
- Managing digital transformation and innovation programmes
- Conducting a feasibility study on developing in-house capacity in data centre management, network, and cyber security and establishing a dedicated ICT research and development unit
- Conducting a feasibility study on establishing an NCAA security operations centre (SOC) with capabilities for vulnerability audit, penetration testing, advisory, and cybersecurity awareness training
- Full implementation of the COBIT framework for the governance and management of enterprise information and technology
- Full implementation of the ITIL framework for IT service management

These focus areas reflect the ICT department's goals to enhance services, mitigate risks, ensure compliance, improve resilience, develop staff skills, drive innovation, and adopt industry best practices in governance and service provision management.



Projects Office

Nerago T Ndoroma
(Senior Manager)

The Projects Office plays a crucial role in overseeing these initiatives and ensuring their successful execution across different application areas within the NCAA.

The Project Office at NCAA serves as the central coordination and support point for a wide range of projects. During the year under review, the projects undertaken included the following:

- Upgrade of air navigation services infrastructure
- Launch of phase 2 of the NCAA head office construction
- Coordination of the ISBP
- Integrated annual report coordination
- Re-launch of the EMPIC Project
- Management of various ad-hoc assignments

The Projects Office plays a crucial role in overseeing these initiatives and ensuring their successful execution across different application areas within the NCAA.

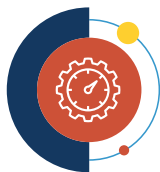


Key Achievements

Key achievements for the year under review include:

- Relaunch of EMPIC system rollout to safety units
- Initiation of the upgrade of the air navigation towers at the Walvis Bay Airport and the Hosea Kutako International Airport
- Launch of the ISBP Project
- Successful submission of the integrated annual report to Cabinet through the Ministry of Works and Transport

These initiatives highlight the proactive and strategic role of the projects office in driving important projects and contributing to the overall objectives of the NCAA.



Annual Performance

- *Operationalisation of EMPIC:* Significant progress was made in the implementation and utilisation of the EMPIC system. The Air Navigation Services Safety Oversight Unit and Personnel Licencing Unit successfully automated their processes through EMPIC, leading to improved efficiency, and advanced operations
- *Closure of Phase 1 and transition to Phase 2 of the NCAA head office:* Phase 1 of the NCAA head office construction project was successfully completed, and the organisation transitioned to Phase 2
- *Initiation phase of the air navigation services radar upgrade:* The NCAA initiated the upgrade of the air navigation services radar, adopting a staged implementation approach. This upgrade aims to enhance radar capabilities and improve air traffic control services

These accomplishments highlight the NCAA's commitment to operational efficiency, strategic planning, infrastructure development, and technological advancements in support of its aviation services.



Key Challenges

- Budgetary constraints for Infrastructure upgrades
- Lack of manpower for data upload into the EMPIC system due to competing operational priorities

These challenges highlight the need for adequate financial resources and staffing to address infrastructure upgrades and ensure the effective utilisation of systems like EMPIC.



Crafting the Way Forward

- Improve automation of the oversight function through EMPIC in the Safety and Security departments
- Planning and execution phase of the radar and WAM (Wide Area Multilaterate) upgrade
- Implementation of the imperatives outlined in the ISBP





Maria T Haipinge
(Manager)

Finance and Administration

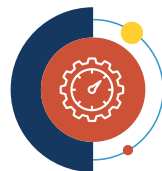
In the year ending 31 March 2023, the NCAA achieved a noteworthy accounting profit of N\$1.9 million, marking a significant improvement compared to the previous year’s accounting loss of N\$83.6 million



Key Achievements

Key achievements for the year under review include:

- The successful completion of the external audit for the 2022/2023 financial year promptly, with the Auditors issuing an unqualified opinion
- Approval of the following new policies by the Board: Debtors Policy, Finance Standard Operating Procedures Manual, Credit Card Policy, Investment Policy, and Mobile Communication Devices Policy, Asset Disposal Framework, Part 187, Fees and Charges, Fleet Management Policy, Bank and Petty Cash Policy
- Revision and approval of the Subsistence and Travel Allowance Policy by the Board and the shareholder
- Approval of the 2023/2024 Annual Budget by the Board and the shareholders
- Exemption of NCAA income received from income tax, in accordance with section 16(1)(e)(i) of the Income Tax Act



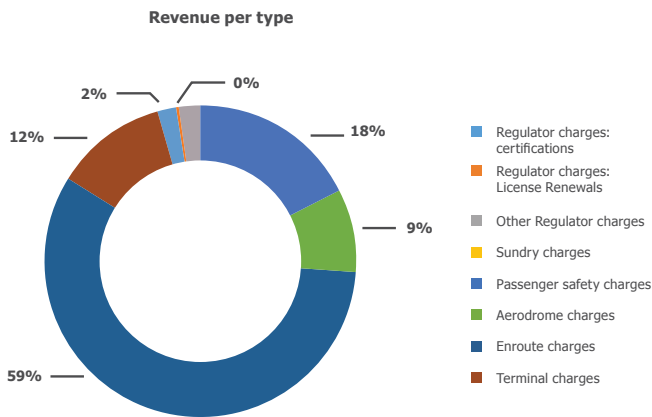
Annual Performance

In the year ending 31 March 2023, the NCAA achieved a noteworthy accounting profit of N\$1.9 million, marking a significant improvement compared to the previous year’s accounting loss of N\$83.6 million. This positive outcome was primarily driven by a strong upward revenue performance. Notably, the industry’s revenue (excluding Air Namibia, which underwent liquidation) surpassed pre-Covid levels, reaching N\$189.4 million, a notable increase from the N\$102.1 million reported in the prior year. For the 2019/2020 and 2018/2019 financial years, before the Covid-19 pandemic, revenue amounted to N\$249.9 million and N\$144.4 million, respectively, including Air Namibia.

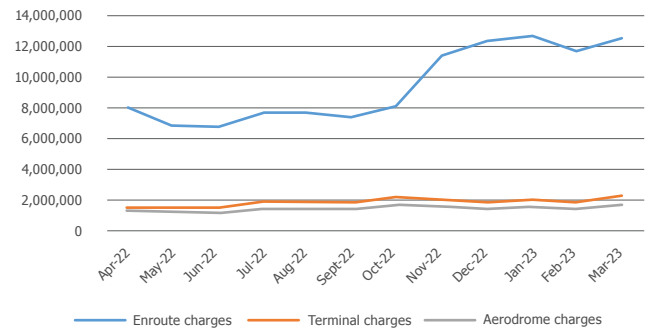
The revenue generated during the year, combined with N\$57 million received from the government as operational financial support, covered the total operating expenses amounting to N\$206.5 million. Additionally, N\$21 million was secured for project development. While total expenses saw an increase of 7.6%, mainly attributed to the high inflation rate and fluctuation of the exchange rate, resulting in escalating costs for repairs, maintenance, travel, and accommodation, a reduction in total expenses is anticipated in the upcoming 2023/2024 financial year.

A positive trend is observed in the decrease of provisions for doubtful debt, as major airlines are consistently paying on time.

The Statement of Financial Position reveals a decrease in non-current assets from N\$254.1 million to N\$218.7 million, primarily due to depreciation charges incurred during the current financial year. Notably, the NCAA maintains a strong liquidity position, as evidenced by the substantial increase in cash and cash equivalents and short-term investments from N\$268.4 million in the prior year to N\$364 million in the 2022/2023 financial year.



Air Navigation Services monthly revenue charges



Key Challenges

- Delays are hindering the fleet management operation in delivering newly procured vehicles
- The registration transferred vehicles into NCAA is delayed due to their unroadworthy condition and the time required to acquire new vehicles, hindering the department's operations
- The transfer of the building headquarters and the ANS building to NCAA's name involves engaging in a complex process
- The current systems, organisational structure and job descriptions within the department are unsuitable, resulting in hindrances to effective performance, inefficiencies, and difficulties in implementing financial control



Crafting the Way Forward

- Compile and draft policies that are currently not in place to provide guidance and regulation for the department and implement the approved financial policies effectively
- Revise the current Regulator fees (part 187 regulation) and explore additional revenue streams for implementation
- Continue implementing cost-cutting measures and ensure that only necessary expenses are incurred
- Dispose of and auction obsolete vehicles and furniture to streamline resources
- Ensure the successful delivery of all procured vehicles
- Acquire a new finance and administration system to eliminate the inefficiencies and incorporate automation into our digital transformation strategy
- Reorganise the department in alignment with the pending new structure approval
- Establish and fill the Head of Procurement position with a suitable candidate
- Implement an initiative to establish service level agreements (SLAs) with all airlines operating scheduled flights to improve debt and working capital management



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 2023

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NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

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

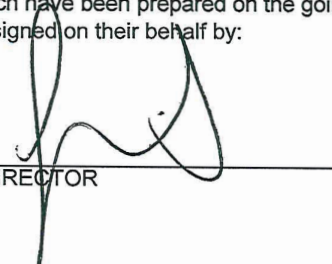
The directors have reviewed the Authority's cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for the foreseeable future.

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

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 33, which have been prepared on the going concern basis, were approved by the board of directors on ~~28.08.~~ 2023 and are signed on their behalf by:


CHAIRMAN


DIRECTOR



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

61 Simeon Shixungileni Street
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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 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia Civil Aviation Authority as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Civil Aviation Act of 2016.

Basis for opinion

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

Other information

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

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

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



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Responsibilities of the directors for the Annual Financial Statements

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

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

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

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

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

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



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

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

BDO

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

**Per: A Musarurwa
Partner**

**Windhoek
28 August 2023**

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE DIRECTORS

For the year ended 31 March 2023

The directors have pleasure in presenting their report on the annual financial statements of Namibia Civil Aviation Authority for the year ended 31 March 2023.

NATURE OF BUSINESS

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

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

GOVERNMENT EQUITY CONTRIBUTIONS

Government equity contributions during the financial year in the form of cash equity contributions received related to budgetary supports amounted to N\$57 334 000 (2022: N\$ 68 686 000). The Authority is established in terms of Section 8 of the Civil Aviation Act of 2016 and has as its line Ministry, the Ministry of Works & Transport.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2023, Property, plant, and Equipment amounted to N\$ 218 747 000 (2022: N\$ 253 900 000) of which N\$ 4 396 000 (2022: N\$ 750 000) was added in the current year through additions.

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

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

SIGNIFICANT LEASE ARRANGEMENTS

Sites and Tower rentals

The NCAA since its establishment has been renting towers & sites for its communication, navigation, and surveillance (CNS) purposes and has entered into a contractual agreement with its suppliers. An amount of N\$3 492 000 (2022: N\$3 821 000) has been spent on sites & tower rentals during the period. The impact of IFRS 16 on sites and tower rentals was assessed and incorporated in the annual financial statements. The right-of-use assets as well as the lease liability were recognised and disclosed on Notes 11 and 18 to the annual financial statements.

SIGNIFICANT LEASE ARRANGEMENTS (CONTINUED)

Telecommunication lines rentals and charges

Over the financial year, the NCAA paid N\$2 710 000 (2022: N\$2 988 000) service charges incurred in the use of landlines and data lines for its communication, navigation, and surveillance purposes. The Authority's including the ANS division IFRS 16 assessment concluded that some of these arrangements are leases and incorporated in the annual financial statements. The right-of-use assets as well as the lease liability were recognised as disclosed on Notes 11 and 18 to the annual financial statements.

TAXATION

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

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

DIVIDEND

In accordance with Section 24 of the Civil Aviation Act of 2016, no dividend has been declared and paid during the year (2022: N\$nil).

DIRECTORS

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

Name	Date of appointment	Date of resignation
Mr. Bethuel T Mujetenga (Chairperson)	04 November 2020	
Ms. Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Mr. Melkizedek Uupindi (Director)	04 November 2020	
Ms. Josephine Shigwedha (Director)	04 November 2020	
Mr. Fernando Somaeb (Director)	04 November 2020	
Ms. Martha Hitenyane (Director)	04 November 2020	
Mr. Ericksson M. Nengola (Acting Interim Executive Director)	01 September 2021	30 June 2022
Ms. Toska Sem (Executive Director)	01 July 2022	

COMPANY SECRETARY

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

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

Business address:
 NCAA Building
 Rudolph Hertzog Street
 WINDHOEK
 NAMIBIA

Postal address:
 Private Bag 12003
 WINDHOEK
 NAMIBIA

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE DIRECTORS

For the year ended 31 March 2023

GOING CONCERN

The Authority incurred a net profit/ (loss) of N\$1 946 000 (2022: (N\$83 661 000) for the year ended 31 March 2023 and cash generated from operating activities amounting to N\$32 534 000 (2022: (N\$68 040 000)). During the current financial year, Revenue has picked up above pre-Covid 19 levels and some airlines have resumed flights to Namibia.

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

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

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

SUBSEQUENT EVENTS

The Authority considers known events and expected eventualities identified as of 31 March 2023 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 2023, 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.

NAMIBIA CIVIL AVIATION AUTHORITY

(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 2023

STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	<u>Notes</u>	<u>2023</u> <u>N\$ 000</u>	<u>Restated</u> <u>2022</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		218,747	254,062
Property, plant and equipment	11	218,747	253,900
Intangible assets	12	-	162
Current assets		399,477	292,910
Trade and other receivables	13	35,512	24,530
Short-term Investments	14	205,471	193,711
Cash and cash equivalents	17.2	158,494	74,669
Total assets		618,224	546,972
Capital and reserves		563,306	504,113
Government contributions	15	914,096	856,849
Accumulated loss		(350,790)	(352,736)
Non-current liabilities		14,156	23,577
Lease liability	18	14,156	23,577
Current liabilities		40,762	19,282
Trade and other payables	16	36,802	15,293
Lease liability	18	3,960	3,989
Total equity and liabilities		618,224	546,972

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 March 2023

	<u>Notes</u>	<u>2023</u> <u>N\$ 000</u>	<u>2022</u> <u>N\$ 000</u>
Revenue	5	189,418	102,100
Operating costs	7	(206,533)	(191,873)
Operating (loss)		(17,115)	(89,773)
Finance income	8	15,794	9,432
Other Income		19	313
Finance costs	9	3,247	(3,633)
Profit/ (loss) before taxation		1,946	(83,661)
Taxation	10	-	-
Profit/ (loss) for the year before other comprehensive income		1,946	(83,661)
Other comprehensive income		-	-
Total comprehensive profit/ (loss) for the financial year		1,946	(83,661)

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	<u>Notes</u>	<u>Government contribution N\$ 000</u>	<u>Accumulated loss N\$ 000</u>	<u>Total N\$ 000</u>
Balance as at 31 March 2021		805,016	(247,925)	557,091
Adjustment- Depreciation GRN transfer	11	-	2,100	2,100
Adjustment fair value- GRN transfer	11	-	(23,250)	(23,250)
Restated- Balance as at 31 March 2021		805,016	(269,075)	535,941
Government contributions		51,833	-	51,833
Total comprehensive loss for the financial year		-	(83,661)	(83,661)
Balance as at 31 March 2022		856,849	(352,736)	504,113
Correction of prior year error		721	-	721
Government contributions	15	57,334	-	57,334
Total comprehensive profit / (loss) for the financial year		-	1,946	1,946
Expenses paid by NCAA on behalf of Government		(808)	-	(808)
Balance as at 31 March 2023		914,096	(350,790)	563,306

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

	Notes	2023 N\$ 000	Restated 2022 N\$ 000
Cash flow from operating activities		36,947	(68,040)
Interest received from operational activities	8	4,413	-
Cash receipt from customers		178,435	102,100
Cash paid to suppliers and employees		(145,901)	(170,140)
Cash generated /(utilized) by operations	17.1	32,534	(68,040)
Cash flow from investing activities		(4,254)	(185,029)
Acquisition of property, plant and equipment	11	(4,396)	(750)
Investment in fixed-term deposit	14	(11,760)	(193,711)
Proceeds on disposal of property, plant and equipment		521	-
Interest received from investment	8	11,381	9,432
Cash flow from Financing activities		51,132	61,876
Government operational contributions	15	57,334	68,686
Lease payments	18	(6,202)	(6,810)
Net cash flow		83,825	(191,193)
Cash and cash equivalents at beginning of year		74,669	265,862
Cash and cash equivalents at end of year		158,494	74,669

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

The principal accounting policies applied in the preparation of these annual financial statements are set out in notes 1 - 4 below.

1 Basis of preparation

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

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

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

There have been no changes in accounting policies.

2 Adoption of new and revised standards

It is important to note that the financial information has been prepared in accordance with IFRS that are effective at 31 March 2023. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 22.

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

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

3 Significant accounting policies

3.1 Revenue recognition

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

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.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

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

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

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

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

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

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

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

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

3 Significant accounting policies (continued)

3.5 Taxation

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

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

3.6 Property, plant and equipment

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

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

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

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

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

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

3 Significant accounting policies (continued)

3.7 Intangible assets

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

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

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

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

Assets in the course of construction are not amortized.

3.8 Impairment of non-financial assets

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

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

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

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3 Significant accounting policies (continued)

3.9 Government contributions and grants

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

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

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

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

3.10 Foreign currency

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

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

3.11 Financial instruments

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

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

Financial assets which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

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

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

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3 Significant accounting policies (continued)

3.11 Financial instruments (continued)

Trade and other receivables

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

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3 Significant accounting policies (continued)

3.11 Financial instruments (continued)

Cash and cash equivalents

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

Financial assets

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

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

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

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4 Critical accounting estimates and judgements

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

4.1 Impairment of non-financial assets

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

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

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

4.3 Loans and receivables

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

4.4 IFRS 16 assessment of leases assets

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

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

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

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	<u>2023</u> N\$ 000	<u>2022</u> N\$ 000
5 Revenue		
The following table provides an analysis of the disaggregated disclosure of major service lines and timing of recognition:		
Regulatory Services (transferred continually)		
Passenger Safety Charge	33,429	20,311
Regulatory Services (transferred at a point in time)		
Safety Regulation Fees	4,227	3,000
Air Navigation Services (transferred at a point in time)	151,762	78,789
En-route Navigation Charges	112,977	57,212
Terminal Charges	22,070	11,802
Aerodrome Charges	16,713	9,402
Sundry Charges	2	373
Total Revenue	<u>189,418</u>	<u>102,100</u>

The disaggregations are explained as:

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

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

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

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

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

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

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

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

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6 Number of employees

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

	<u>2023</u>	<u>2022</u>
Fixed term contracts	9	13
Permanent employees	178	172
Total	<u>187</u>	<u>185</u>
Bursars	-	1
Total employees	<u>187</u>	<u>186</u>

7 Operating costs

Operating costs comprises of:

Audit fees	(542)	(821)
Bad debts	2,255	(4,921)
Board expenses	(817)	(147)
Commission paid	(2,826)	(1,760)
Consulting fees		
- ICAO project	-	(1,104)
- Other	(804)	(1,707)
Depreciation and amortization	(38,972)	(41,045)
Directors fees	(1,028)	(1,053)
Employment costs	(122,817)	(108,844)
Insurance	(6,075)	(4,241)
Legal fees	(829)	(855)
Membership fees	(936)	(784)
Operating lease charges:		
- Properties	(56)	(53)
- Telecommunication service costs	(4,435)	(5,154)
Motor vehicle expenses	(2,414)	(1,441)
Repairs & Maintenance	(3,339)	(926)
Travel & Accommodation	(6,906)	(3,014)
Security	(537)	(469)
Printing & Stationery	(513)	(654)
Levies	(929)	(847)
General Expenses	(640)	(442)
Electricity & Water	(1,724)	(1,300)
Computer Expenses - Licences	(4,179)	(3,722)
Computer Expenses - Support	(1,205)	(2,017)
Courier & Postage	(470)	(308)
Cleaning	(1,560)	(1,506)
Calibration charges	(2,859)	(1,952)
Certification charges	(113)	(86)
Subscriptions	-	(13)
Bank Charges	(141)	(140)
Licences & permits	(16)	(12)
Advertising & Promotions	(365)	(316)
Advisory and training related costs	(525)	(170)
Telephone costs	(66)	(50)
Loss on Asset Disposal	(150)	-
	<u>(206,533)</u>	<u>(191,873)</u>

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8 Finance income	2023	2022
	N\$ 000	N\$ 000
Financial instruments measured at amortised cost:		
- Trade debtors	-	-
- Call account	4,413	1,523
- Investment	11,381	7,909
	<u>15,794</u>	<u>9,432</u>

9 Finance cost		
Financial instruments measured at amortised cost:		
- Leases(adjustment due to remeasurement)	<u>3,247</u>	<u>(3,633)</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.

11 Property, plant and equipment

	Right of Use Asset	Vehicles	Network & Computer Equipment	Furniture, fixtures and fittinas	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Cost					
Balance as at 31 March 2022	45,939	7,907	261,850	6,752	322,448
Additions during the year	-	2,408	1,967	21	4,396
Disposal during the year	-	(1,181)	(148)	-	(1,329)
Balance as at 31 March 2023	<u>45,939</u>	<u>9,134</u>	<u>263,669</u>	<u>6,773</u>	<u>325,515</u>
Accumulated depreciation					
Balance as at 31 March 2022	(24,884)	(2,516)	(39,427)	(1,721)	(68,548)
Disposal during the year	-	104	486	-	590
Depreciation charge for the year	(2,872)	(1,955)	(33,153)	(830)	(38,810)
Balance as at 31 March 2023	<u>(27,756)</u>	<u>(4,367)</u>	<u>(72,094)</u>	<u>(2,551)</u>	<u>(106,768)</u>
Book value					
Balance as at 31 March 2022	<u>21,055</u>	<u>5,391</u>	<u>222,423</u>	<u>5,031</u>	<u>253,900</u>
Balance as at 31 March 2023	<u>18,183</u>	<u>4,767</u>	<u>191,575</u>	<u>4,222</u>	<u>218,747</u>

We noted that the Right of use asset was not disclosed gross when IFRS 16 was first applied in the 2019/2020 financial year. Therefore, cost and accumulated depreciation of the Right of use asset have been revised with N\$ 11 102 000 to correct the balance at the effective date. This adjustment has no material impact on the figures but rather a disclosure matter.

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

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

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12 Intangible assets	<u>2023</u> N\$ 000	<u>2022</u> N\$ 000
Computer Software - Available-For-Use		
Opening balance	1,326	1,326
Additions	-	-
	<u>1,326</u>	<u>1,326</u>
Amortization		
Opening amortization	(1,164)	(770)
Amortization	(162)	(394)
	<u>(1,326)</u>	<u>(1,164)</u>
Closing balance	<u>-</u>	<u>162</u>
13 Trade and other receivables		
<u>Financial Instruments</u>		
Trade receivables	127,426	120,500
Provision for doubtful debts	(97,370)	(101,962)
	<u>30,057</u>	<u>18,538</u>
<u>Non-Financial Instruments</u>		
Prepayments - ICAO project	3,714	1,885
Prepayments - other	1,742	4,106
	<u>5,456</u>	<u>6,001</u>
Balance at end of year	<u>35,513</u>	<u>24,539</u>

Movement in provision for doubtful debts

	Collectively assessed N\$ 000	Individually assessed N\$ 000	Total N\$ 000
Balance as at 31 March 2021	(5,726)	(91,315)	(97,041)
Transfer from credit impaired	5,726	-	5,726
Transfer to credit impaired	(7,859)	(2,788)	(10,647)
Balance as at 31 March 2022	<u>(7,859)</u>	<u>(94,103)</u>	<u>(101,962)</u>
Transfer from credit impaired	7,859	11,042	18,901
Transfer to credit impaired	(14,309)	-	(14,309)
Balance as at 31 March 2023	<u>(14,309)</u>	<u>(83,061)</u>	<u>(97,370)</u>

The Authority applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Authority has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 24 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to the Authority. The historical loss rates have accordingly been adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2023 was determined as follows for trade receivables:

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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 2022					
Trade debtors	21,193	3,160	1,992	94,155	120,500
Expected credit loss	33%	95%	83%	96%	92%
Estimated impairment carrying value	(6,994)	(3,002)	(1,653)	(90,389)	(103,630)
31 March 2023					
Trade debtors	19,539	7,939	1,817	98,131	127,426
Expected credit loss	0%	0%	0%	99%	76%
Estimated impairment carrying value	-	-	-	(97,370)	(97,370)

2023

2022

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\$83,061,000 (2022: N\$83 061 000) has been liquidated and the process is currently underway.

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

	-	(14,309)	1,659	(11,041)
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The directors of the Authority consider that the carrying amount of trade receivables approximate fair values.

14 Short term investments

Current assets

	2023 N\$ 000	2022 N\$ 000
Funds on fixed deposit	205,471	193,711

The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms, and earn interest at 7.35% (2022: 3.75%) p.a, compounded monthly. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value.

Prior year short-term investments amounting to N\$ 66 125 000 has been reclassified to cash and cash equivalents to better reflect only cash on bank, together with short-term, highly liquid investments (maturity of three months or less) that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value as per the requirements of IAS 7 Statement of cashflows.

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15 Government contributions	<u>2023</u>	<u>2022</u>
	N\$ 000	N\$ 000
Start-up Government contributions:		
Balance as at 31 March 2022	856,849	805,016
Correction of prior year error	721	-
Contributions in the form of:		
- Expenses paid by NCAA on behalf of Government	(808)	(16,853)
- Cash received for budgetary support	57,334	68,686
Balance as at 31 March 2023	<u>914,096</u>	<u>856,849</u>

NCAA has received a total of N\$ 78 334 037 from the Government in the current financial, N\$57 334 037 (2022: N\$ 55 504 000) was for NCAA operational support, and N\$ 21 000 000 (2022: 13 182 000) for development support to facilitate Government projects. Expenses paid by NCAA on behalf of the Government amounting to N\$ 807 682 were paid to ISASO and AFCAC for membership fees.

16 Trade and other payables		
<u>Financial Instruments</u>		
Trade payables	22,400	7,839
<u>Non-Financial Instruments</u>		
Other provisions	915	230
Payroll accruals	13,487	7,224
	<u>36,802</u>	<u>15,293</u>

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

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

17 Notes to the Statement of cashflows

17.1 Cash (utilized)/ generated by operations		
Profit / (loss) before taxation	1,946	(83,661)
Adjusted for:		
Depreciation and amortization	38,972	41,045
Loss on Asset Disposal	150	-
Movement on provision for doubtful debts	-	4,921
Other non-cash movements	-	(15,182)
Finance income	(15,794)	(9,432)
Finance cost	(3,266)	3,633
	22,008	(58,677)
Working capital changes	10,527	(9,364)
Decrease/(increase) in trade and other receivables	(10,983)	(10,176)
(Decrease)/increase in trade and other payables	21,509	812
Cash (utilized)/ generated by operations	<u>32,534</u>	<u>(68,040)</u>

17.2 Cash and cash equivalents

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

Funds on call account	149,300	66,125
Bank balances and cash	9,195	8,544
Total cash and cash equivalents	<u>158,494</u>	<u>74,669</u>

Prior year cash and cash equivalents amounting to N\$ 193 711 000 has been reclassified to short-term investments to better reflect only cash on bank, together with short-term, highly liquid investments (maturity of three months or less) that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value as per the requirements of IAS 7 Statement of cashflows.

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>		
	N\$ 000	N\$ 000		
18 Leases				
Lease Liability	18,116	27,566		
Short term portion	3,960	3,989		
Long term portion	14,156	23,577		
	<u>Sites and</u>	<u>Telecommunica</u>		
	<u>Tower rentals</u>	<u>tion liners</u>		
		<u>rentals and</u>		
		<u>charges</u>		
		<u>Total</u>		
Balance as at 31 March 2021	14,700	15,600		
Finance cost	2,010	1,623		
Lease payments	(3,821)	(2,988)		
Lease measurement	150	109		
Adjustment	183	-		
Balance as at 31 March 2022	13,222	14,344		
Correction of opening balance	188	(3,698)		
Finance cost	1,243	995		
Lease payments	(3,492)	(2,710)		
Lease measurement	(250)	(1,726)		
Balance as at 31 March 2023	10,911	7,205		
Maturity analysis of lease liabilities				
	Due within 1	Due between 1	Beyond 5 years	Total
	year	and 5 years		
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2022				
Minimum lease payments	6,758	25,229	-	31,987
Less future finance charges	(2,769)	(1,652)	-	(4,421)
Balance as at 31 March 2022	3,989	23,577	-	27,566
2023				
Minimum lease payments	6,213	16,868	-	23,081
Less future finance charges	(2,769)	(2,712)	-	(4,965)
Balance as at 31 March 2023	3,960	14,156	-	18,116
19 Financial instruments and risk management				
	<u>2023</u>	<u>2022</u>		
	N\$ 000	N\$ 000		
19.1 Categories of financial instruments				
<u>Financial assets at amortized cost</u>				
Current assets	394,022	286,919		
Trade and other receivables	30,057	18,539		
Short-term investments	205,471	193,711		
Cash and cash equivalents	158,494	74,669		
<u>Financial liabilities at amortized cost</u>				
Current liabilities	22,400	7,839		
Trade and other payables	22,400	7,839		
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.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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:

	<u>2023</u>	<u>2022</u>
	N\$ 000	N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	30,057	18,539
Short-term investments	205,471	193,711
Cash and cash equivalents	158,494	74,669
Total	<u>394,022</u>	<u>286,919</u>

19.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that the Authority will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

The Authority's risk to liquidity is a result of the funds available to cover future commitments. The Authority manages liquidity risk through an ongoing review of future commitments.

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

19.4 Interest rate management

The highest possible rate is negotiated with the banks to earn good interest returns.

The Authority is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimizing risks. The Authority places its funds in fluctuating interest earning call deposits and fixed term deposits which are adjusted on a short-term basis based on changes in the prevailing market-related interest rates.

Further, these call deposits are due on demand. The short-term deposits amounting to N\$205 471 000 (2022: N\$193 711 000) 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.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

19.5 Foreign currency risk management	2023	2022
	N\$ 000	N\$ 000
The Authority undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise.		
The carrying amounts of the Authority's foreign currency denominated monetary liabilities at the reporting date are as follows:		
Currency		
Trade creditors		
United States Dollar (USD)	(381)	(310)
Canadian Dollar (CAD)	(540)	(455)
Payroll (USD)	(349)	-
Foreign currency sensitivity analysis		
The Authority is exposed to the currency fluctuations of USD.		
The following table details the Authority's sensitivity to a 10% increase and decrease in currency units against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.		
Impact - 10% fluctuation		
United States Dollar (USD)	38	31
Canadian Dollar (CAD)	54	45
Payroll (USD)	35	-

19.6 Maturity profile

Maturity profiles of financial instruments

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

	1 – 3 months	3 months – 1 year	1 – 5 years	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2022				
Financial assets				
Trade and other receivables - net	2,967	2,614	12,958	18,539
Short-term investments	193,711	-	-	193,711
Cash and cash equivalents	74,669	-	-	74,669
	271,347	2,614	12,958	286,919
Financial liabilities				
Trade and other payables	7,839	-	-	7,839
	7,839	-	-	7,839

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

19.6 Maturity profiles of financial instruments (continued)

	1 – 3 months	3 months – 1 year	1 – 5 years	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
2023				
Financial assets				
Trade and other receivables - net	19,800	1,810	8,903	30,513
Short-term investments	205,471	-	-	205,471
Cash and cash equivalents	158,494	-	-	158,494
	383,765	1,810	8,903	394,478
Financial liabilities				
Trade and other payables	22,400	-	-	22,400
	22,400	-	-	22,400

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.

	<u>2023</u> N\$ 000	<u>2022</u> N\$ 000
Government of Namibia - as Shareholder		
Expenses paid by NCAA on behalf of Government	(808)	(16,853)
Government expenditure-Projects	(7,148)	(707)
Government equity contributions at year end	914,096	856,849
Contribution in the form of: Cash-retained earnings	57,334	55,504
Contribution in the form of: Projects development	21,000	13,182
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	83,061
- Provision for doubtful debts	(83,061)	(83,061)
Namibia Airports Company		
- Trade receivables	15	10
- Expenses	(7)	(13)

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

20 Related parties (continued)	<u>2023</u> N\$ 000	<u>2022</u> N\$ 000
<u>Board member emoluments</u>		
Directors fees	(1,028)	(1,053)
<u>Key management personnel emoluments</u>		
Salaries	(6,047)	(4,905)
Benefits / allowances	(747)	(630)
	<u>(6,794)</u>	<u>(5,537)</u>

21 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Authority's accounting periods beginning on or after 1 April 2022 or later periods but which the Authority has not early adopted, as follows:

New / Revised International Financial Reporting Standards		Effective date
IAS 37	Amendments regarding onerous contracts	Annual periods on or after 1 January 2023
IFRS 17	Insurance contracts	Annual periods beginning on or after 1 January 2023
IAS 8	Amendments on disclosure of accounting policies	Annual periods on or after 1 January 2023
IAS 1	Amendments on classification of liabilities	Annual periods on or after 1 January 2023

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

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

22 Going concern

The Authority incurred a net profit/ (loss) of N\$1 946 000 (2022: (N\$83 661 000)) for the year ended 31 March 2023 and cash generated from operating activities amounting to N\$32 534 000 (2022: (N\$68 040 000)). During the current financial year, Revenue has picked up above pre-Covid 19 levels and some airlines have resumed flights to Namibia.

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

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

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

23 Subsequent events

The Authority considers known events and expected eventualities identified as of 31 March 2023 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 2023, 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.

NAMIBIA CIVIL AVIATION AUTHORITY

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 DIVISIONAL INCOME STATEMENT

ADDITIONAL INFORMATION PRESENTED NOT FORMING PART OF THE AUDITED ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	REGULATORY		AIR NAVIGATION	
	2023	2022	2023	2022
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Revenue	37,655	23,311	151,763	78,789
Audit fees	(271)	(411)	(271)	(411)
Bad debts	4,980	(3,976)	(2,725)	(944)
Board expenses	(409)	(74)	(409)	(73)
Commission paid	(655)	(386)	(2,171)	(1,374)
Consulting fees:				
- ICAO project	-	(1,104)	-	-
- Other	(804)	(1,707)	-	-
Depreciation and amortization	(3,128)	(3,806)	(35,844)	(37,239)
Directors fees	(514)	(526)	(514)	(526)
Employment costs	(60,281)	(55,971)	(62,536)	(52,873)
Inter-divisional management and other fees	15,946	13,057	(15,946)	(13,057)
Insurance	(731)	(502)	(5,344)	(3,739)
Legal fees	(829)	(855)	-	-
Membership fees	(936)	(784)	-	-
Operating lease charges:				
- Properties	-	-	(56)	(53)
- Telecommunication service costs	(1,068)	(1,153)	(3,367)	(4,001)
Motor vehicle expenses	(1,749)	(1,057)	(665)	(384)
Repairs & Maintenance	(236)	(248)	(3,103)	(678)
Travel & Accommodation	(4,835)	(1,777)	(2,072)	(1,237)
Security	(537)	(469)	-	-
Printing & Stationery	(307)	(372)	(205)	(282)
Levies	(929)	(847)	-	-
General Expenses	(475)	(408)	(165)	(34)
Electricity & Water	(919)	(618)	(806)	(682)
Computer Expenses - Licences	(2,247)	(2,656)	(1,932)	(1,066)
Computer Expenses - Support	(1,169)	(2,017)	(36)	-
Courier & Postage	(18)	(24)	(451)	(284)
Cleaning	(596)	(654)	(964)	(852)
Calibration charges	-	-	(2,859)	(1,952)
Certification charges	-	-	(113)	(86)
Subscriptions	-	(13)	-	-
Bank Charges	(79)	(77)	(62)	(63)
Licences & permits	-	-	(16)	(12)
Advertising & Promotions	(350)	(316)	(16)	-
Advisory and training related costs	(440)	(148)	(85)	(22)
Telephone costs	(34)	(12)	(32)	(38)
Loss on Asset Disposal	(139)	-	(12)	-
Total operating costs	(63,755)	(69,912)	(142,778)	(121,962)
Operating (loss)/ profit	(26,100)	(46,601)	8,985	(43,173)
Finance income	713	1,727	15,081	7,705
Other (expense)/ income	19	311	-	2
Finance cost	-	-	3,247	(3,633)
Net result	(25,368)	(44,562)	27,313	(39,099)

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

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

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

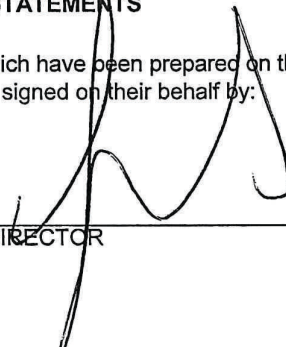
The directors have reviewed the ANS cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, they are satisfied that the ANS has access to adequate resources to continue in operational existence for the foreseeable future. The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the ANS will not remain a going concern for the foreseeable future.

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

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 30, which have been prepared on the going concern basis, were approved by the board of directors on ~~28./08./~~ 2023 and are signed on their behalf by:


CHAIRMAN


DIRECTOR



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Namibia Civil Aviation Authority

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 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Air Navigation Services as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Civil Aviation Act of 2016.

Basis for opinion

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

Other information

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

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

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



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Responsibilities of the directors for the Annual Financial Statements

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

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

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

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

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

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



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

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

BDO

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

**Per: A Musarurwa
Partner**

**Windhoek
28 August 2023**

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 2023

REPORT OF THE DIRECTORS

for the year ended 31 March 2023

The directors have pleasure in presenting their report on the activities of ANS for the year ended 31 March 2023.

NATURE OF BUSINESS

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

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

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

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2023, Property, plant, and Equipment amounted to N\$ 209 161 000 (2022: N\$ 244 881 000) of which N\$ 137 000 (2022: N\$ nil) was added in the current year through additions.

Immovable assets currently in use such as the 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. Although ANS is using these assets has no control over the assets and is not free to dispose of such assets without the consent of the Ministry of Works and Transport.

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

SIGNIFICANT LEASE ARRANGEMENTS

Sites and Tower rentals

The ANS 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 its suppliers. An amount of N\$3 492 000 (2022: N\$3 821 000) has been spent on sites & tower rentals during the period. The impact of IFRS 16 on sites and tower rentals was assessed and incorporated in the annual financial statements. The right-of-use assets as well as the lease liability were recognised and disclosed on Notes 11 and 18 to the annual financial statements.

SIGNIFICANT LEASE ARRANGEMENTS (CONTINUED)

Telecommunication lines rentals and charges

Over the financial year, the ANS division paid N\$2 710 000 (2022: N\$2 988 000) service charges incurred in the use of landlines and data lines for its communication, navigation, and surveillance purposes. The Authority's including the ANS division IFRS 16 assessment concluded that some of these arrangements are leases and incorporated in the annual financial statements. The right-of-use assets and the lease liability were recognised as disclosed on Notes 11 and 18 to the annual financial statements.

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 (2022: N\$nil).

DIRECTORS

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

Name	Date of appointment	Date of resignation
Mr. Bethuel T Mujetenga (Chairperson)	04 November 2020	
Ms. Kadiva Hamutumwa (Deputy Chairperson)	04 November 2020	
Mr. Melkizedek Uupindi (Director)	04 November 2020	
Ms. Josephine Shigwedha (Director)	04 November 2020	
Mr. Fernando Somaeb (Director)	04 November 2020	
Ms. Martha Hitenyane (Director)	04 November 2020	
Mr. Ericksson M. Nengola (Acting Interim Executive Director)	01 September 2021	30 June 2022
Ms. Toska Sem (Executive Director)	01 July 2022	

COMPANY SECRETARY

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

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

Business address:
 NCAA Building
 Rudolph Hertzog Street
 WINDHOEK
 NAMIBIA

Postal address:
 Private Bag 12003
 WINDHOEK
 NAMIBIA

GOING CONCERN

The Air Navigation Services incurred a net profit/ (loss) of N\$27 313 000 (2022: (N\$39 088 000) for the year ended 31 March 2023 and cash generated from operating activities amounting to N\$61 007 000 (2022: N\$19 033 000). During the current year, Revenue has picked up above pre-Covid 19 levels and some 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.

ANS is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the liquidation of one major customer (Air Namibia) which resulted in loss of revenue. This has resulted in receivables amounting to N\$ 60 505 000 being claimed through the liquidation legal process.

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

SUBSEQUENT EVENTS

Air Navigation Services considers known events and expected eventualities identified as of 31 March 2023 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 2023, 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.

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 2023

STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	<u>Notes</u>	<u>2023</u> <u>N\$ 000</u>	<u>Restated</u> <u>2022</u> <u>N\$ 000</u>
ASSETS			
Non-current assets		209,161	244,881
Property, plant and equipment	11	209,161	244,881
Current assets		356,903	278,769
Trade and other receivables	12	25,903	17,518
Short-term Investments	13	205,472	193,711
Cash and cash equivalents	17.2	125,528	67,540
Total assets		566,065	523,650
Capital and reserves			
Government contributions	15	476,663	449,350
Retained income/ (loss)		463,093	463,093
		13,570	(13,743)
Non-current liabilities			
Lease liability	18	14,156	23,577
Current liabilities			
Trade and other payables	16	75,247	50,723
Loan account	14	16,016	8,435
Lease liability	18	55,270	38,299
		3,960	3,989
Total equity and liabilities		566,065	523,650

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 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2023

	<u>Notes</u>	<u>2023</u> <u>N\$ 000</u>	<u>2022</u> <u>N\$ 000</u>
Revenue	5	151,762	78,789
Operating costs	7	(142,778)	(121,962)
Operating profit/ (loss)		8,984	(43,173)
Finance income	8	15,081	7,717
Other Income		-	1
Finance costs	9	3,247	(3,633)
Profit/ (loss) before taxation		27,313	(39,088)
Taxation	10	-	-
Profit/ (loss) for the year before other comprehensive income		27,313	(39,088)
Other comprehensive income		-	-
Total comprehensive profit/ (loss) for the financial year		27,313	(39,088)

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	<u>Notes</u>	<u>Government contribution</u> N\$ 000	<u>Accumulated loss</u> N\$ 000	<u>Total</u> N\$ 000
Balance as at 31 March 2021		463,093	50,898	513,991
Adjustment- Depreciation GRN transfer	11	-	2,362	2,362
Adjustment fair value- GRN transfer	11	-	(27,915)	(27,915)
Restated- Balance as at 31 March 2021		463,093	25,345	488,438
Total comprehensive profit for the financial year		-	(39,088)	(39,088)
Balance as at 31 March 2022		463,093	(13,743)	449,350
Total comprehensive profit for the financial year		-	27,313	27,313
Balance as at 31 March 2023		463,093	13,570	476,663

AIR NAVIGATION SERVICES

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

	Notes	2023 N\$ 000	Restated 2022 N\$ 000
Cash flow from operating activities		64,707	19,033
Interest received from operational activities	8	3,700	-
Cash receipt from customers		143,376	78,789
Cash paid to suppliers and employees		(82,369)	(59,756)
Cash generated by operations	17.1	61,007	19,033
Cash flow from Investing activities		(517)	(185,399)
Disposal of property, plant and equipment	11	-	595
Investment in fixed-term deposit	13	(11,761)	(193,711)
Acquisition of property, plant and equipment	11	(137)	-
Interest received from Investment	8	11,381	7,717
Cash flow from Financing activities		(6,202)	(6,810)
Lease payments	18	(6,202)	(6,810)
Net cash flow		57,988	(173,176)
Cash and cash equivalents at beginning of year		67,540	240,716
Cash and cash equivalents at end of year		125,528	67,540

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 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

The principal accounting policies applied in the preparation of these annual financial statements are set out in notes 1 - 4 below.

1 Basis of preparation

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

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

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

There have been no changes in accounting policies.

2 Adoption of new and revised standards

It is important to note that the financial information has been prepared in accordance with IFRS that are effective as at 31 March 2023. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Note 22.

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

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

3 Significant accounting policies

3.1 Revenue recognition

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

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

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

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

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

AIR NAVIGATION SERVICES

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

3 Significant accounting policies (continued)

3.2 Employee benefit costs

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

3.3 Provisions

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

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

3.4 Leasing

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

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

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

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

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

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.

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 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

3 Significant accounting policies (continued)

3.4 Leasing

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

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

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

3.5 Taxation

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

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

3.6 Property, plant and equipment

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

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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

3 Significant accounting policies (continued)

3.6 Property, plant and equipment

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

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

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

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

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

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

3.7 Impairment of non-financial assets

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

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

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

3.8 Government contributions and grants

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

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

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

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

3.9 Foreign currency

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

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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

3 Significant accounting policies (continued)

3.10 Financial instruments

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

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

Financial assets which are debt instruments:

- Amortised cost;

Financial liabilities:

- Amortised cost;

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

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

Trade and other receivables

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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

3 Significant accounting policies (continued)

3.10 Financial instruments (continued)

Trade and other payables

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

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

Financial assets

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

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

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

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 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	<u>2023</u> N\$ 000	<u>2022</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)	151,762	78,789
En-route Navigation Charges	112,977	57,212
Terminal Charges	22,070	11,802
Aerodrome Charges	16,713	9,402
Sundry Charges	2	373.00
Total Revenue	<u>151,762</u>	<u>78,789</u>

The disaggregations are explained as:

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

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

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

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

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

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

6 Number of employees

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

	<u>2023</u>	<u>2022</u>
Fixed term contracts	2	1
Permanent employees	92	93
Total	<u>94</u>	<u>94</u>

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7 Operating costs	<u>2023</u>	<u>2022</u>
	N\$ 000	N\$ 000
Operating costs comprises of:		
Audit fees	(271)	(411)
Bad debts	(2,725)	(944)
Board expenses	(409)	(73)
Commission paid	(2,171)	(1,374)
Depreciation and amortization	(35,844)	(37,239)
Directors fees	(514)	(526)
Employment costs	(62,536)	(52,873)
Inter- departmental management and other fees	(15,946)	(13,057)
Insurance	(5,344)	(3,739)
Operating lease charges:		
- Properties	(56)	(53)
- Telecommunication service costs	(3,367)	(4,001)
Motor vehicle expenses	(665)	(384)
Repairs & Maintenance	(3,103)	(678)
Travel & Accommodation	(2,072)	(1,237)
Printing & Stationery	(205)	(282)
General Expenses	(165)	(34)
Electricity & Water	(806)	(682)
Computer Expenses - Licences	(1,932)	(1,066)
Computer Expenses - Support	(36)	-
Courier & Postage	(451)	(284)
Cleaning	(964)	(852)
Calibration charges	(2,859)	(1,952)
Certification charges	(113)	(86)
Bank Charges	(62)	(63)
Licences & permits	(16)	(12)
Advertising & Promotions	(16)	-
Advisory and training related costs	(85)	(22)
Telephone costs	(32)	(38)
Loss on Asset Disposal	(12)	-
	<u>(142,778)</u>	<u>(121,962)</u>
8 Finance income		
Financial instruments measured at amortised cost:		
- Trade debtors	-	-
- Call account	3,700	-
- Investment	11,381	7,717
	<u>15,081</u>	<u>7,717</u>
9 Finance cost		
Financial instruments measured at amortised cost:		
- Leases (adjustment due to remeasurement)	<u>3,247</u>	<u>(3,633)</u>
10 Taxation		

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

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11 Property, plant and equipment

	Right of Use Asset N\$ 000	Network & Computer Equipment N\$ 000	Furniture, fixtures and fittings N\$ 000	Total N\$ 000
Cost				
Balance as at 31 March 2022	45,939	259,832	2,156	307,927
Additions during the year	-	116	21	137
Disposal during the year	-	(42)	-	(42)
Balance as at 31 March 2023	45,939	259,906	2,177	308,022
Accumulated depreciation				
Balance as at 31 March 2022	(24,884)	(37,647)	(516)	(63,047)
Disposal during the year	-	30	-	30
Depreciation charge for the year	(2,872)	(32,533)	(439)	(35,844)
Balance as at 31 March 2023	(27,756)	(70,150)	(955)	(98,861)
Book value				
Balance as at 31 March 2022	21,055	222,185	1,640	244,880
Balance as at 31 March 2023	18,183	189,756	1,222	209,161

We noted that the Right of use asset was not disclosed gross when IFRS 16 was first applied in the 2019/2020 financial year. Therefore, cost and accumulated depreciation of the Right of use asset have been revised with N\$ 11 102 000 to correct the balance at the effective date. This adjustment has no material impact on the figures but rather a disclosure matter.

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

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

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12 Trade and other receivables	2023 N\$ 000	2022 N\$ 000	
<u>Financial Instruments</u>			
Trade receivables	96,965	96,257	
Provision for doubtful debts	(71,488)	(79,790)	
	25,477	16,467	
<u>Non-Financial Instruments</u>			
Prepayments	426	1,051	
Balance at end of year	25,903	17,518	
<u>Movement in provision for doubtful debts</u>			
	Collectively assessed	Individually assessed	Total
	N\$ 000	N\$ 000	N\$ 000
Balance as at 31 March 2021	(4,801)	(65,355)	(70,156)
Transfer from credit impaired	4,801	-	4,801
Transfer to credit impaired	(5,716)	(8,719)	(14,435)
Balance as at 31 March 2022	(5,716)	(74,074)	(79,790)
Transfer from credit impaired	5,716	-	5,716
Transfer to credit impaired	-	2,586	2,586
Balance as at 31 March 2023	-	(71,488)	(71,488)

Air Navigation Services applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Air Navigation Services has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 24 months, as well as the adverse economic impact of the global pandemic on customers, being a significant increase in credit risk to Air Navigation Services. The historical loss rates have accordingly been adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2023 was determined as follows for trade receivables:

Trade debtors - days past due

	<30 N\$ 000	31 - 60 N\$ 000	61 - 90 N\$ 000	>90 N\$ 000	Total N\$ 000
31 March 2022					
Trade debtors	18,133	2,549	939	74,635	96,257
Expected credit loss	26%	95%	91%	96%	83%
Estimated impairment carrying value	(4,789)	(2,423)	(851)	(71,727)	(79,790)
31 March 2023					
Trade debtors	16,490	6,866	1,582	72,027	96,965
Expected credit loss	0%	0%	0%	99%	74%
Estimated impairment carrying value	-	-	-	(71,488)	(71,488)

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12 Trade and other receivables (continued)	<u>2023</u>		<u>2022</u>	
The following table explains how significant changes in gross carrying amount of the trade receivables contributed to changes in the loss allowance	Credit not impaired	Credit impaired	Credit not impaired	Credit impaired
	N\$ 000	N\$ 000	N\$ 000	N\$ 000
One customer's account with a gross carrying amount of N\$60 505 000 (2022: N\$69 186 000) has been liquidated and the process is currently underway.	-	(60,505)	-	(69,186)
Other air service operators have been provided due to the increased credit risk.	21,081	(10,983)	1,659	(4,888)
The directors of Air Navigation Services consider that the carrying amount of trade receivables approximate fair values.				
			<u>2023</u>	<u>2022</u>
			N\$ 000	N\$ 000
13 Short term investments				
Current assets			205,472	193,711
Funds on fixed deposit			205,472	193,711
The funds are on deposit with Standard Bank Namibia (credit rating BBB-), with no fixed terms, and earn interest at 7.35% (2022: 3.75%) p.a, compounded monthly. No loss or expected credit losses have been recognised and the carrying amounts of deposits approximate their fair value.				
Prior year short-term investments amounting to N\$ 64 215 000 has been reclassified to cash and cash equivalents to better reflect only cash on bank, together with short-term, highly liquid investments (maturity of three months or less) that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value as per the requirements of IAS 7 Statement of cashflows.				
14 Operational loan account				
Inter-divisional operational account (payable)			(55,270)	(38,299)
The operational loan account is used for management fees and to fund expense payments as and when necessary. The loan account has no terms of repayment as does not bear interest. The directors of Air Navigation Services consider that the carrying amount of the loan approximate fair values.				
15 Government contributions				
Start-up Government contributions:				
Balance as at 31 March 2022			463,093	463,093
Balance as at 31 March 2023			463,093	463,093

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16 Trade and other payables	2023	2022
	N\$ 000	N\$ 000
<u>Financial Instruments</u>		
Trade payables	9,384	5,332
<u>Non-Financial Instruments</u>		
Other provisions	2,589	143
Payroll accruals	4,043	2,960
	16,016	8,434

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

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

17 Notes to the Statement of cashflows

17.1 Cash generated by operations

(Loss)/profit before taxation	27,313	(39,088)
Adjusted for:		
Depreciation and amortization	35,844	37,239
Movement on provision for doubtful debts	-	9,634
Loss on asset disposal	12	-
Other non-cash movements	-	(10,853)
Finance income	(15,081)	(7,717)
Finance cost	(3,247)	3,633
	44,841	(7,152)
Working capital changes	16,166	26,185
Decrease/(increase) in trade and other receivables	(8,386)	(9,759)
Movement in inter-divisional operational account	16,971	37,896
(Decrease)/increase in trade and other payables	7,582	(1,952)
Cash generated by operations	61,007	19,033

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	118,987	64,215
Bank balances and cash	6,541	3,325
Total cash and cash equivalents	125,528	67,540

Prior year cash and cash equivalents amounting to N\$ 193 711 000 has been reclassified to short-term investments to better reflect only cash on bank, together with short-term, highly liquid investments (maturity of three months or less) that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value as per the requirements of IAS 7 Statement of cashflows.

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

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18 Leases	2023 N\$ 000		2022 N\$ 000	
Lease Liability	18,116		27,566	
Short term portion	3,960		3,989	
Long term portion	14,156		23,577	
	Sites and Tower rentals	Telecommunica tion liners rentals and charges	Total	
Balance as at 31 March 2021	14,700	15,600	30,300	
Finance cost	2,010	1,623	3,633	
Lease payments	(3,821)	(2,988)	(6,809)	
Lease measurement	150	109	259	
Adjustment	183	-	183	
Balance as at 31 March 2022	13,222	14,344	27,566	
Correction of opening balance	188	(3,698)	(3,510)	
Finance cost	1,243	995	2,238	
Lease payments	(3,492)	(2,710)	(6,202)	
Lease measurement	(250)	(1,726)	(1,976)	
Balance as at 31 March 2023	10,911	7,205	18,116	
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
2022				
Minimum lease payments	6,758	25,229	-	31,987
Less future finance charges	(2,769)	(1,652)	-	(4,421)
Balance as at 31 March 2022	3,989	23,577	-	27,566
2023				
Minimum lease payments	6,213	16,868	-	23,081
Less future finance charges	(2,253)	(2,712)	-	(4,965)
Balance as at 31 March 2023	3,960	14,156	-	18,116

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19 Financial instruments and risk management	<u>2023</u> N\$ 000	<u>2022</u> N\$ 000
19.1 Categories of financial instruments		
<u>Financial assets at amortized cost</u>		
Current assets	356,477	277,718
Trade and other receivables	25,477	16,467
Short-term investments	205,472	193,711
Cash and cash equivalents	125,528	67,540
<u>Financial liabilities at amortized cost</u>		
Current liabilities	64,655	43,631
Loan payable	55,270	38,299
Trade and other payables	9,384	5,332

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:

	<u>2023</u> N\$ 000	<u>2022</u> N\$ 000
Financial instruments - at amortized cost		
Trade and other receivables	25,477	16,467
Short-term investments	205,472	193,711
Cash and cash equivalents	125,528	67,540
Total	356,477	277,718

19.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management is satisfied that will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

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

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

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19.4 Interest rate management

The highest possible rate is negotiated with the banks to earn good interest returns. Air Navigation Services is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimizing risks. Air Navigation Services places its funds in fluctuating interest-earning call deposits and fixed-term deposits which are adjusted on a short-term basis based on changes in the prevailing market-related interest rates.

Further, these call deposits are due on demand. The short-term deposits amounting to N\$205 472 000 (2022: N\$193 711 000) are exposed to cash flow interest rate risk, however considering the short-term maturity of these deposits, these risks are minimized. Air Navigation Services is not exposed to fair value interest rate risk.

19.5 Maturity profile

Maturity profiles of financial instruments

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

	1 – 3 months	3 months – 1 year	1 – 5 years	Total
2022	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	3,102	2,003	11,362	16,467
Short-term investments	193,711	-	-	193,711
Cash and cash equivalents	67,540	-	-	67,540
	264,353	2,003	11,362	277,718
Financial liabilities				
Loan payable	-	38,299	-	38,299
Trade and other payables	5,332	-	-	5,332
	5,332	38,299	-	43,631
	1 – 3 months	3 months – 1 year	1 – 5 years	Total
2023	N\$ 000	N\$ 000	N\$ 000	N\$ 000
Financial assets				
Trade and other receivables - net	22,649	2,828	-	25,477
Short-term investments	205,472	-	-	205,472
Cash and cash equivalents	125,528	-	-	125,528
	353,649	2,828	-	356,477
Financial liabilities				
Loan payable	-	55,270	-	55,270
Trade and other payables	9,384	-	-	9,384
	9,384	55,270	-	64,654

19.6 Fair value

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

20 Related parties

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

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20 Related parties (continued)

	<u>2023</u>	<u>2022</u>
	<u>N\$ 000</u>	<u>N\$ 000</u>
<u>Government of Namibia - as Shareholder</u>		
Government project payments	(2,075)	(660)
Contribution in the form of: Projects development	6,000	-
Government equity contributions at year end	463,093	463,093
<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	69,186
- Provision for doubtful debts	(60,505)	(69,186)
Namibia Airports Company		
- Trade receivables	15	-
- Expenses	(7)	(16)
<u>Board member emoluments</u>		
Directors fees	<u>(514)</u>	<u>(1,025)</u>
<u>Key management personnel emoluments</u>		
Salaries	(1,009)	(2,578)
Benefits / allowances	(153)	(1,465)
	<u>(1,162)</u>	<u>(4,043)</u>

21 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for Air Navigation Services accounting periods beginning on or after 1 April 2022 or later periods but which Air Navigation Services has not early adopted, as follows:

	New / Revised International Financial Reporting Standards	Effective date
IAS 37	Amendments regarding onerous contracts	Annual periods on or after 1 January 2023
IFRS 17	Insurance contracts	Annual periods beginning on or after 1 January 2023
IAS 8	Amendments on disclosure of accounting policies	Annual periods on or after 1 January 2023
IAS 1	Amendments on classification of liabilities	Annual periods on or after 1 January 2023

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

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22 Going concern

The Air Navigation Services incurred a net profit/ (loss) of N\$27 313 000 (2022: (N\$39 088 000) for the year ended 31 March 2023 and cash generated from operating activities amounting to N\$61 007 000 (2022: N\$19 033 000). During the current year, Revenue has picked up above pre-Covid 19 levels and some 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.

ANS is able to continue as a going concern as it is supported by Government through budgetary allocation, and it has sufficient reserves to cover the excess deficit for the next two years. The management will constantly monitor and seek the best possible information to enable the entity to assess these risks and implement appropriate mitigation measures to respond to the challenge posed by the liquidation of one major customer (Air Namibia) which resulted in loss of revenue. This has resulted in receivables amounting to N\$ 60 505 000 being claimed through the liquidation legal process.

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

23 Subsequent events

Air Navigation Services considers known events and expected eventualities identified as of 31 March 2023 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 2023, 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.



List of Acronyms and Definitions

<IR>	International Integrated Reporting
AASA	Airline Association of Southern Africa
AFCAC	African Civil Aviation Commission
AIM	Aeronautical Information Management
AIRAC	Aeronautical Information Regulatory Control
AIS	Aeronautical Information Services
A-MET	Aviation Meteorological
AMOs	Aircraft Maintenance Organisations
ANS	Air Navigation Services
ANSP	Air Navigation Service Provider
ANSSO	Air Navigation Services Safety Oversight
AOC	Air Operator Certificate
APAD	African Programme on Aviation Data
APC	Approach Procedural Control
APIS	Advance Passenger Information System
ARO	Aviation Recreational Organisation
ASBU	Aviation System Block Upgrade
ATCC	Air Traffic Control Centre
ATM	Air Traffic Management
ATOs	Aviation Training Organisations
ATS	Air Traffic Services
ATSEP	Air Traffic Safety Electronic Personnel
AVSEC	Aviation Security
BVLOS	Beyond Visual Line of Sight
CAAS	Civil Aviation Authority of Singapore
CAD	Central Aeronautical Database
CALEF	Civil Aviation Legal Advisors Forum
CAP	Corrective Action Plan
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
CRR	Compliance and Regulatory Risk
DFE	Designated Flight Examiner
DG	Dangerous Goods (certificate)
DR	Disaster Recovery
DRO	Direct Routing Operations
EI	Effective Implementation
EFB	Electronic Flight Bag
EMPIC	Electronic licensing issuance system
ENAC	Ecole Nationale De L'Aviation Civile
ESAF	Eastern and Southern Regional Office (ICAO)
FIC	Flight Information Centre
FIR	Flight Information Region
FIS	Flight Information Service
FOP	Foreign Operator Permit
FPPT	Fit and Proper Person Test
FRA	Free Route Airspace
HKIA	Hosea Kutako International Airport
ICAO	International Civil Aviation Organization
ICVM	ICAO Consolidated Validation Mission
IFR	Instrument Flight Rules
IFRS	International Financial Reporting Standards

IIRC	International Integrated Reporting Council
IMC	Instrument Meteorological Conditions
iSASO	Interim SADC Aviation Safety Organization
ISBP	Integrated Strategic Business Plan
iSTARS	Safety Trend Analysis and Reporting System
MANOPS	Mandatory Operational Manuals
NAirC	National Airspace Committee
NAMCARs	Namibia Civil Aviation Regulations
NAMCATS	Namibia Civil Aviation Technical Standards
NASTI	National Aviation Services and Technology Institute
NCAA	Namibia Civil Aviation Authority
NCASP	Namibia Civil Aviation Security Program
NSFAF	Namibia Students Financial Assistance Fund
OLF	Online Framework
PBN	Performance-based Navigations
PKD	Public Key Directory
PQ	Protocol Questions
PTSD	Post-traumatic Stress Disorder
QMS	Quality Management Systems
RCC	Rescue Coordination Centre
RNP	Required Navigation Performance
ROST	Regional Office Safety Team
RPAS	Remote Piloted Aircraft System
RSOO	Regional Safety Oversight Organisation (SADC)
RSVM	Reduced Vertical Separation Minima
SAATM	Single African Air Transport Market
SADC	Southern African Development Community
SAF	Sustainable Aviation Fuels
SAR	Search and Rescue
SARPs	Standards and Recommended Practices
SASAC	State Aviation Security Activity Questionnaire
SASO	SADC Aviation Safety Organisation
SIMS	Safety Information Management System
SLA	Service Level Agreement
SMS	Safety Management Systems
SOC	Security Operations Centre
SQA	Safety and Quality Assurance
SSI	Station Standing Instructions
SSP	State Safety Programme
SSR	Secondary Surveillance Radar
TGM	Technical Guidance Material
The Act	The Civil Aviation Act, (Act 6 of 2016)
TMA	Terminal Control Area
TOT	Training of Trainers
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Approach Programme
WAM	Wide Area Multilaterate
WFA	"Work from anywhere" (ICT)
VFR	Visual Flight Rules
VLOS	Visual Line of Sight





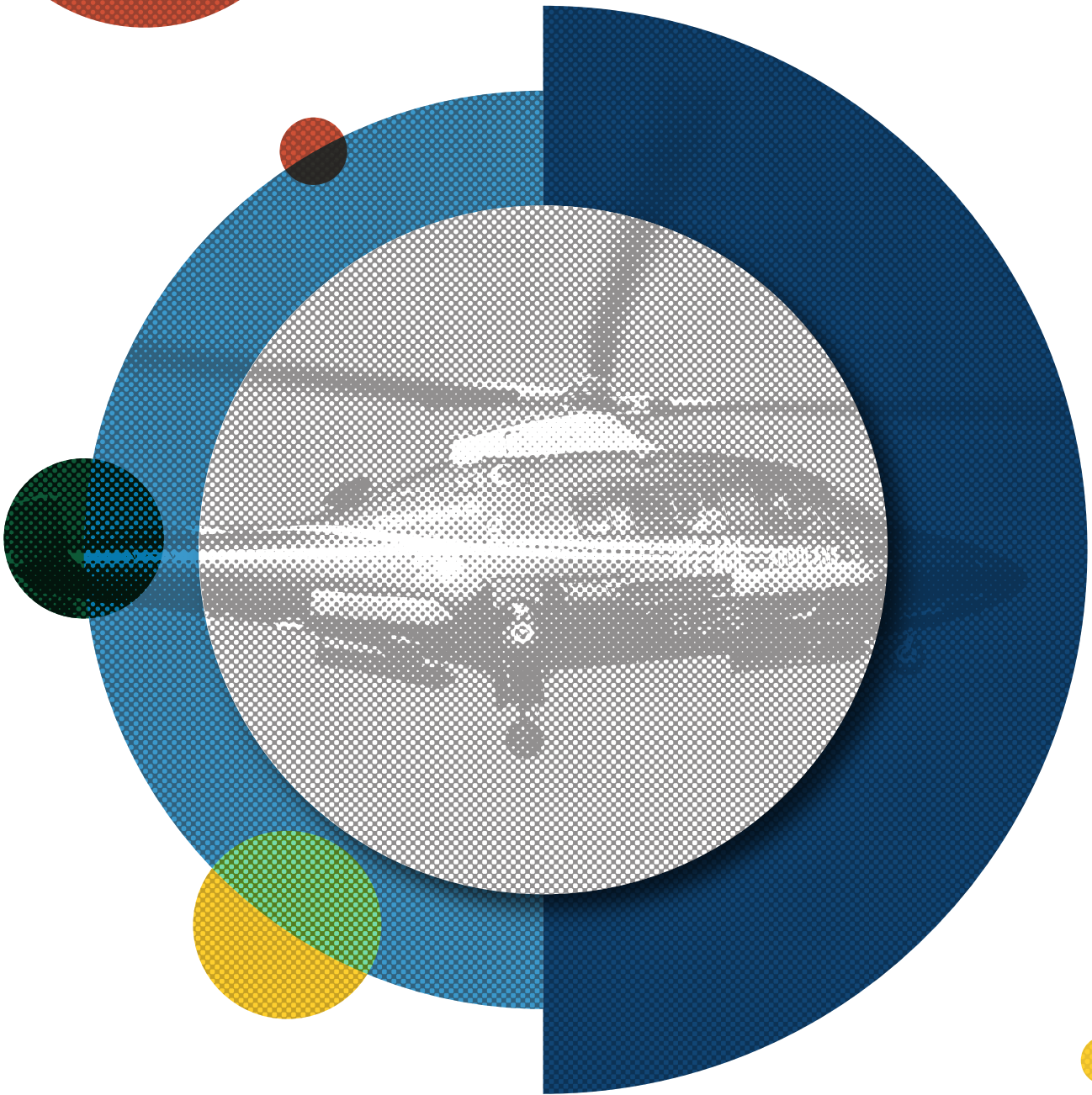
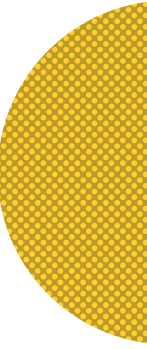
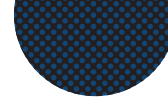
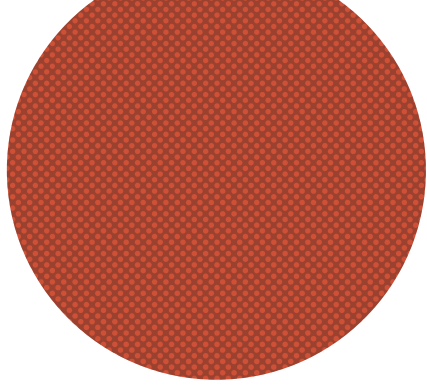
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