



NamRA
Namibia Revenue Agency

ANNUAL
REPORT
2023/4







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About NamRA

Our Mandate

The Namibia Revenue Agency (NamRA) is the nation's tax collecting authority, established in terms of the Namibia Revenue Agency Act, 2017 (Act No. 12 of 2017) as a semi-autonomous agency responsible for administering Namibia's revenue laws:



Our Mandate

- assess and collect taxes and duties on behalf of the State
- receive and record all State revenue on behalf of the State
- enforce the revenue, customs and excise laws, with respect to the collection of revenue as provided by those laws
- provide customs and excise services that facilitate trade, maximise revenue collection and protect Namibian borders from illegal importation and exportation of goods
- improve service delivery to taxpayers and promote compliance with the revenue laws
- levy penalties and interest on overdue accounts, collect unpaid taxes and impose liens over properties, as provided by revenue laws
- provide information to and to advise the Minister on all matters relating to the administration and collection of revenue
- perform any other functions in relation to revenue collection as the Minister may direct in writing



Our Vision

To be a world-class Revenue Agency, serving with passion to positively impact the livelihood of every Namibian.



Our Mission

We administer and enforce the revenue laws of Namibia with consistency, fairness, efficiency and effectiveness with a focus on the needs of each taxpayer and trader.



NamRA at a *glance*



2023/4 NamRA Highlights in Numbers



954,966
Taxpayers Registered



1,003,774
Active Tax Accounts



N\$ 77 billion
NamRA Net Revenue Collected
(108.30% of the target)



N\$ 49.1 billion
Domestic Tax Revenue
(63.72% contribution to the Net Revenue)



36%
Tax to GDP Ratio



N\$ 27.9 billion
Customs and Excise Revenue
(36.28% contribution to the Net Revenue)



1 395
Workforce

(93% permanent staff appointed of the targeted appointment workforce)



69
(Stakeholder Engagements)

Tax Amnesty Programme



89,398
Taxpayers Registered



N\$2.9 billion
Tax Revenue Collected



N\$797 million
Interest Reversed



N\$17.1 billion
Penalties Waived

ABBREVIATIONS

AfCFTA	African Continental Free Trade Area
ASYCUDA	Automated System for Customs Data
e-CoO	Electronic Certificate of Origin
EU	European Union
GDP	Gross Domestic Product
ICT	Information and Communications Technology
ITAS	Integrated Tax Administration System
NamRA	Namibia Revenue Agency
SACU	Southern African Customs Union
SADC	Southern African Development Community
TFP	Trade Facilitation Programme
TRS	Time Release Study
TVS	Trade Verification System
VAT	Value Added Tax
WCO	World Customs Organization
WTO	World Trade Organization

FOREWORD

BY THE MINISTER OF FINANCE AND PUBLIC ENTERPRISES



It is with great pride and commitment that I bring you this Annual Report reflecting on the fiscal year 2023/4. Our nation's fiscal landscape has witnessed significant strides, thanks to the diligent efforts of NamRA and collaborative measures across various sectors.

The Ministry of Finance and Public Enterprises (MFPE), in its role of applying the law and developing policy in respect of revenue collection, remains steadfast in its support of NamRA's mission to lead in compliance and accountability. The publication of this Annual Report serves as a crucial pillar in our pursuit of transparency and fiscal responsibility. I am therefore pleased to announce that, following the establishment of the Tax Advisory Unit within the Ministry, collaboration between NamRA and the Ministry regarding legislation and policy matters has been highly satisfactory. This strategic alliance aims to ensure the effective implementation of tax policies and customs regulations, providing robust support to NamRA in fulfilling its mandate.

In our dedication to tax policy and administration reforms, I am also pleased to highlight significant progress in enhancing our fiscal framework. Throughout the previous Mid-term Expenditure Framework period, the Ministry maintained a prudent policy stance, avoiding new tax proposals that could hinder economic recovery or impede growth prospects. Building on this foundation, the current budget continues to prioritise tax policies aimed at providing relief to taxpayers, boosting domestic demand and expanding our tax base for improved revenue mobilisation. The introduction of new tax brackets as contained in the 2024/5 Budget Statement reaffirmed our commitment to a balanced and progressive tax system that supports economic growth, empowers individuals, and fortifies our fiscal resilience. NamRA plays a crucial role in educating taxpayers about these changes. This ensures transparency in implementing change and enhances taxpayers' understanding of the process.

Undoubtedly, the global economic landscape has presented challenges that have impacted taxpayers worldwide. However, through collaborative efforts with the Bank of Namibia and via judicious strategic interventions, the Ministry has endeavoured to mitigate undue pressure on taxpayers while ensuring equitable contributions to our national fiscal framework. An instrumental case in point is NamRA's Tax Amnesty Programme. NamRA's robust campaigns in this regard have supported numerous individual and business taxpayers in managing their outstanding tax balances.

The fiscal year 2023/4 witnessed some significant achievements, notably driven by NamRA's enhanced tax administration measures, which in turn improved revenue streams and key fiscal indicators. The stabilisation observed in critical public debt metrics is a testament to our collective resilience and prudent fiscal management.

Looking ahead, we are poised to explore innovative measures, including the introduction of a Value Added Tax e-invoicing system in collaboration with NamRA. This digitisation initiative is set to revolutionise tax data management, streamline administrative processes and bolster tax enforcement capabilities, ultimately fostering an environment that is conducive to compliance and revenue optimisation.

In closing, I extend my sincere appreciation to NamRA and all stakeholders for their unwavering support and dedication to fiscal matters. Together, let us nurture and empower NamRA to uphold its mandate, ensuring the sustainable mobilisation of resources to advance the well-being of every Namibian citizen.



.....
Ipumbu Shiimi

Minister of Finance and Public Enterprises

STATEMENT

BY THE CHAIRPERSON OF THE BOARD



It gives me great pleasure to present to you the NamRA Annual Report for the 2023/4 financial year. The occasion holds special significance for me as it marks the final time that I will present the Report as NamRA's founding Chairperson. Our Board's term concludes in December 2024.

To reflect on our journey, the Inaugural Board was appointed in December 2018, with the majority reappointed in December 2021 to continue steering NamRA's governance journey. As per the Namibia Revenue Agency Act, 2017 (Act No. 12 of 2017), the majority of Board Members are now ineligible for reappointment. I extend my deepest gratitude to the Minister of Finance and Public Enterprises for entrusting us with the pivotal task of establishing NamRA and guiding it from its inception on 6 April 2021 to the present.

I must also acknowledge the invaluable contributions of my fellow Board Members. Our collective cooperation has been instrumental in ensuring NamRA has operated with efficiency and professionalism, which is a testament to our commitment to serving the Namibian nation. Furthermore, the compilation of this Annual Report is not merely a statutory requirement; it is also a cornerstone of governance, embodying our pledge to ensure transparency and accountability.

The 2023/4 financial year was marked by significant milestones for NamRA. We are delighted by the Agency's performance in surpassing revenue collection targets for the third consecutive year. NamRA's focus on robust policy implementation, stakeholder engagement and public education has yielded commendable results.

In addition, our customs modernisation initiatives have enhanced the ease of doing business for our clients, aligning with our commitment to seamless service delivery. NamRA's active participation in international forums has garnered recognition from institutions such as the World Customs Organization and the African Tax Administration Forum, highlighting the Agency's global standing and the pride it brings to our nation.

The recruitment drive during the reporting year has also been a success, with 1 395 new staff members having joined NamRA by 31 March 2024. Moreover, our Strategic Plan's emphasis on diversity was realised, with a significant portion of our workforce comprising young Namibians.

As a Board, our core responsibility is governance ensuring NamRA operates with integrity and effectiveness. Our policies and strategies are designed to uphold NamRA as a world-class revenue agency, poised to meet the evolving needs of our nation. I therefore extend my sincere appreciation to all stakeholders, staff and partners for their unwavering support. Together, we will continue to uphold NamRA's legacy of excellence and service to our beloved Namibia.



.....
Anna Nakale-Kawana

Chairperson of the Board

OVERVIEW

BY THE COMMISSIONER



As we present our third Annual Report and Financial Statements for the financial year ended 31 March 2024 to our stakeholders, we do so with mixed emotions. The year 2024 commenced on a sombre note for the entire nation with the passing of our late President Dr Hage G Geingob, on 4 February. Dr Geingob's immense contributions to NamRA's formation, as well as his subsequently unwavering support were instrumental in helping us realise our goals. His legacy will continue to inspire us to strive for excellence in revenue collection, in constant pursuit of the betterment of our country.

Notwithstanding the above, the 2023/4 reporting year was the most remarkable year for our books, as we continued to impact the livelihood of every Namibian positively through collecting revenue, facilitating trade and protecting society. I am pleased to announce that, as at 31 March 2024, NamRA had collected N\$87.9 billion in gross revenue and N\$77.0 billion in net revenue. The latter amount equates to 108.3% of the total revenue target of N\$71.1 billion for FY 2023/4. In addition, the Agency also paid out refunds amounting to N\$10.9 billion during the reporting period.

As of 31 March 2024, the total debt amounted to N\$79.3 billion, with N\$16.8 billion attributed to capital, N\$49.3 billion to penalties, and N\$13.1 billion to interest. Through the ongoing Tax Amnesty Programme, which commenced on 1 April 2023 and concludes on 31 October 2024, a total of 235,505 debtors stand to benefit from having their interest and penalties waived, once they pay their capital tax amount outstanding. To date, 89,398 taxpayers have participated in the Programme, resulting in the collection of N\$2.9 billion and the write-off of N\$797.0 million in interest and N\$17.1 billion in penalties.

During the year under review, NamRA conducted a thorough review of the FY2021/2-2025/6 Strategic Plan, with particular focus on the remaining FY2024/5-FY2025/6 period, highlighting four key pillars: Revenue, Customer, Internal Processes and Governance and Result-driven People. The review involved realigning elements within each pillar to ensure alignment with our nine deliberately set Strategic Objectives, to ensure the realisation of our Strategic Plan's main goals.

As part of our mandate, we play an important role in facilitating legitimate cross-border trade and travel activities, while disrupting harmful and illicit trade. During the current reporting period, NamRA conducted a Time Release Study at the Port of Walvis Bay as well as at the Trans-Kalahari Border Post. The studies were effected under the banner of Accelerate Trade Facilitation, an initiative facilitated by the World Customs Organization and the United Nations

Conference for Trade and Development, in a partnership supported by the United Kingdom's His Majesty's Revenue and Customs, to undergird the effective implementation of the World Trade Organization's Trade Facilitation Agreement. Such studies are crucial in enhancing customs clearance processes and ensuring efficiency in clearing goods. The Time Release Study at the Trans-Kalahari Border Post was sponsored by the SADC Secretariat under the SADC-EU Trade Facilitation Programme. NamRA is committed to implementing the recommendations from these studies to enhance our service delivery.

Thus, in addition to having opened the 24-hour operations at the Trans-Kalahari-Mamuno Border Post and those at the Katima Mulilo border, we are excited with the progress made in implementing the One-Stop Border Post concept at the Trans-Kalahari-Mamuno Border Post, whose operations are set to go live during FY2024/5. Buoyed by these successes and in the same spirit, we aim to extend One-Stop Border Posts collaboratively with neighbouring states at all official points of entry into Namibia.

Also, with respect to trade facilitation, we collaborated with the Bank of Namibia to introduce a transformative digital initiative the Trade Verification System (TVS) that has redefined trade operations within the country by creating efficiencies, ensuring compliance, deterring illicit capital flows and practices, and streamlining trade operations. The new system offers a more efficient, secure and technologically advanced approach to international trade as well. The TVS is common in modern global operations as it addresses many of the limitations and challenges associated with traditional trade practices.

As always, NamRA employees are the key resource in achieving our goals. As an organisation, we therefore continue to create a work environment that supports employee growth and development. NamRA will furthermore ensure that all staff have the necessary skills and tools they require to enable them to deliver optimally in their jobs and meet the Agency's needs. The strong performance of this vital fiscal organisation would not have been possible without the dedication and professionalism of the 1 395 'NamRA Stars'. I continue to be humbled by their commitment and energy, which I have the pleasure of observing daily.

In closing, I thank the Board Members and the Minister of Finance and Public Enterprises for their continued support.



.....
Sam SHIVUTE
Commissioner

NamRA BOARD MEMBERS *Profiles*

ANNA NAKALE-KAWANA, CHAIRPERSON

Anna is an accomplished, self-made Namibian businesswoman. Her expertise in public finance empowered her to head the Secretariat of the then Tender Board of Namibia (now the Central Procurement Board of Namibia) as well as the Department of Revenue Management in the Ministry of Finance, before being appointed as the Managing Director of the Namibia National Reinsurance Corporation Ltd. She holds a Master of Financial Economics degree from London University and a joint Honours in Economics and Agricultural Economics from the University of Aberdeen, among other qualifications. Anna is the founding Chairperson of NamRA, with the term expected to end in December 2024. She is the founding Chairperson of the Namibia Financial Institutions Supervisory Authority's Board of Directors.



STEFAN HUGO, DEPUTY CHAIRPERSON

Stefan is a Chartered Accountant with an Advanced Certificate in Taxation. He has previously held positions as Partner and Tax Practice Leader at PwC Namibia, as well as Chief Executive Officer of One Africa Television and TribeFire Studios. Currently, he is a Director at Namibia Future Media and serves as an Independent Director for various entities in the financial services, property, and investment promotion sectors. Stefan is the Chairperson of the NamRA Audit and Risk Committee.



SHIRENE BAMPTON, MEMBER

Shirene is a seasoned human resources professional with more than 25 years' experience in all related fields. She has spent much time in the financial services industry and is currently Head of Organisational Development and Learning at the Bank of Namibia. Shirene holds a Master of Science Degree in Global Human Resources Management from the University of Liverpool, among other qualifications. She chairs the NamRA Remunerations Committee.



ADV. DENNIS KHAMA, MEMBER

Dennis holds a Bachelor of Jurisprudence degree from the University of Fort Hare and a Bachelor of Laws from the University of South Africa. He was admitted as a Legal Practitioner of the High Court of Namibia in 2004 and joined the Namibian Bar in July 2011, after having been in State practice. Dennis also served as a Deputy Director at the Financial Intelligence Centre. He is a member of the Society of Advocates of Namibia and the Law Society of Namibia.



PIETER KRUGER, MEMBER

Pieter is a financial services executive with over 25 years' experience in assisting financial institutions around the world with digital and other technological transformation. Pieter holds a Master of Computer Science degree from the University of Stellenbosch and a Master of Philosophy in Management from Universidad Catolica San Antonio de Murcia. He is the Chairperson of NamRA Information Communication Technology Committee.



TITUS NDOVE, EX-OFFICIO MEMBER

On 1 February 2022, Titus assumed the role of Executive Director of the then Ministry of Finance. For four years prior to that, he served as the Head of Public Sector and Market Intelligence at Standard Bank Namibia. He also served as the Deputy Permanent Secretary responsible for State Accounts (Treasury) in the Ministry of Finance. Prior to his Treasury appointment, he worked at the Bank of Namibia for 16 years in various capacities, including that of Director of Financial Markets. Titus brings a wealth of knowledge to the Board, gleaned from over 20 years' experience in public financial management, research, public procurement, central and commercial banking, financial markets and corporate governance.



Sam SHIVUTE, EX-OFFICIO MEMBER

Sam is the founding Commissioner of NamRA. Before joining the Agency, he worked for the Bank of Namibia for 18 years. He also served in the Namibian Police as a Detective for eight years, during which time he was seconded to the United Nations Mission in East Timor as Deputy Chief of the Office of Professional Standards, Audit and Evaluation from 2000 to 2002. He is a law graduate from the University of Namibia and holds a Master of Law in International Finance and Banking Law degree from the University of Liverpool. Sam is also an accredited Transformational Coach, trained by Animas Centre for Coaching in the United Kingdom.



Governance report

The Governance report outlines NamRA’s governance standards, policies and practices. This section highlights Board’s commitment to facilitating effective and prudent management to deliver long term success and ensure the attainment of the NamRA’s strategic objectives.

During the financial year under review, the Board approved the following policies:

1. Communications Policy
 2. Internal Audit Charter
 3. Health and Wellness Policy
 4. Whistleblowing Policy
 5. Procurement Policy
 6. Credit Card Policy
 7. Acceptable Use Policy
 8. Information Security Policy
 9. Training and Development Policy
 10. Risk Management Policy
 11. Security Policy
 12. NamRA Corporate Social Investment Policy
 13. Safety, Health, Environment and Quality (SHEQ) Policy
 14. Business Continuity Management Policy
 15. Information and Communications Technology (ICT) Data Governance Policy
- The Board also approved amendments to the Travel Policy.

BOARD MEETINGS

The following tables provide details of the Members of the Board and its three Committees as well as the dates of their meetings and their remuneration for attendance during the reporting year.

Table 1: Dates of Statutory Board and Board Committee meetings

Dates of meetings	Members of the Board	Members of the Audit and Risk Committee	Members of the Remuneration Committee	Members of the Information and Communications Technology (ICT) Committee
14.06.2023 05.09.2023 21.11.2023 06.03.2024				Pieter Kruger Stefan Hugo Adv. Dennis Khama Sam SHIVUTE
13.06.2023 31.08.2023 05.12.2023 07.03.2023		Stefan Hugo Titus Ndove Sam SHIVUTE		
22.05.2023 29.08.2023 06.11.2023 04.03.2024			Shirene Bampton Adv. Dennis Khama Pieter Kruger Sam SHIVUTE	
27.06.2023 (Special meeting) 28.06.2023 27.09.2023 13.12.2023 27.03.2024	Anna Nakale-Kawana Stefan Hugo Titus Ndove Shirene Bampton Adv. Dennis Khama Pieter Kruger			

Table 2: Attendance of Board and Board Committee meetings

Board Member	Number of statutory Board meetings attended	Special Board meeting (27.06.2023) attended	Number of Board Committee meetings attended
Anna Nakale-Kawana	4	1	0
Stefan Hugo	4	0	8
Shirene Bampton	4	1	4
Adv. Dennis Khama	4	1	8
Pieter Kruger	4	1	7
Titus Ndove	1	0	2
Sam SHIVUTE	4	1	8

Table 3: Board Members' remuneration per membership

Board membership	Membership of Board Committees	Board fees received 1 April 2023–31 March 2024 (N\$)
Anna Nakale-Kawana	0	190,361.59
Stefan Hugo	2	247,753.08
Shirene Bampton	1	212,326.74
Adv. Dennis Khama	2	237,188.22
Pieter Kruger	2	245,649.39
Titus Ndove	1	0
Sam SHIVUTE	3	0
TOTAL		1,133,279.02



NamRA Board Members and Management's visit to the State House.

EXECUTIVE *Team*



Sam SHIVUTE
Commissioner



MS MELANIE TJIJENDA
Chief Information Officer



MS VESORAUNE MBAHA
Chief Risk Management and
Internal Audit



MR HAITANGE NELUMBU
Chief Financial Officer and
Corporate Services



MS NADINE DU PREEZ
Chief Legal Officer



MR WILLBROAD PONISO
Head Customs & Excise



MR ANANIAS IYAMBO
Acting Chief Internal Affairs



MR IDI ITOPE
Head Domestic Taxes



MR FANUEL UUGWANGA
Chief Human Capital and
Strategy



MR YARUKEEKURO NDOROKAZE
Chief Strategic Communications and
Support Engagements

GUIDED LEADERSHIP

As a guiding framework for the institution’s desired culture, values and practices, NamRA developed and has now implemented its own Leadership Model. The Model was designed to inspire and empower the Agency’s leaders to drive positive change, achieve exceptional results, and uphold the highest standards of integrity and accountability. Through a holistic approach that integrates a divine purpose, having a positive impact, accountability, high performance and world-class standards, our Leadership Model aims to foster a culture of innovation and service excellence within NamRA.

The Leadership Model guides every NamRA leader, who commits to:

- Serving with passion to execute the NamRA Strategy
- Working in and on NamRA, and
- Being a servant striving for a worthy cause.



The Namibia Revenue Agency (NamRA) Board of Directors and Management briefed President Dr Hage G. Geingob on the entity’s operations and activities, more than two years since its launch.

The African Tax Administration Forum (ATAF) recognised NamRA’s exceptional contributions to ATAF NEW DECADE tax agenda during the ATAF Annual Meeting which took place on 31 October - 2 November 2023.



NamRA Leadership Model

Leading with passion to positively impact the NamRA Culture

The Commissioner and his Senior Leadership team developed a NamRA Leadership Model in 2023. The Model is designed with the goal of providing a structured framework to guide and shape the behaviors, actions and decision-making of all NamRA Leaders.

The leadership model shall serve as a foundation of the NamRA culture. It sets the tone for a culture that values integrity, innovation and inclusivity.

Every leader in NamRA Shall:

1. Serve with passion and execute the strategy
2. Work in and on NamRA
3. Be a servant striving for a worthy cause.

Every NamRA leader shall exemplify and embody our leadership model as a guiding principle in their actions and decision-making.

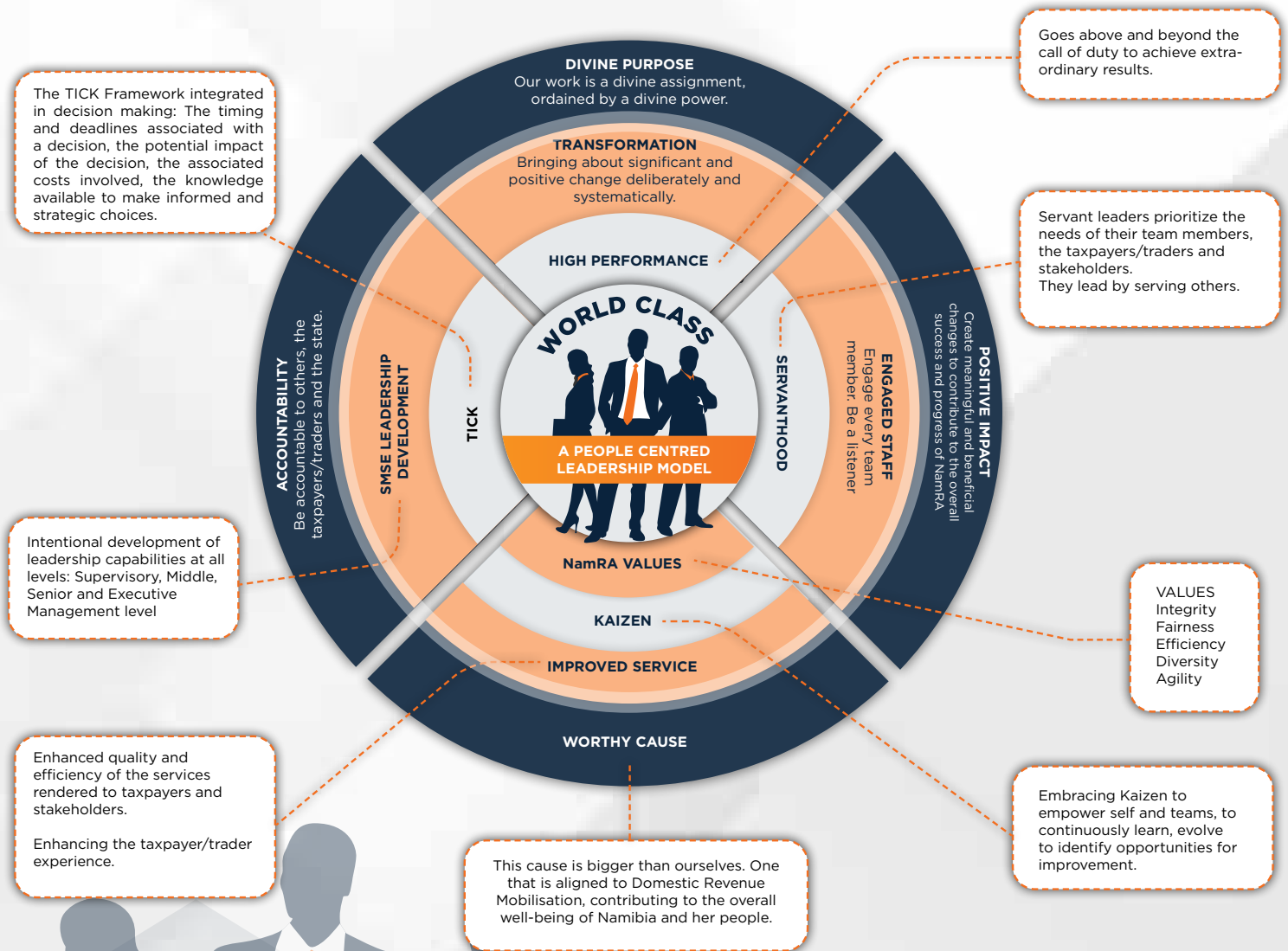


Figure 1: NamRA's Leadership Model in brief

Note: SMSE = Supervisory, Middle Management, Senior Management and Executive Management levels
TICK = Time, Impact, Cost, Knowledge
KAIZEN = Continuous Improvement

STRATEGIC OBJECTIVES

Optimize revenue collection

1

Improve voluntary compliance

2

Enhance trade facilitation

3

Invest in NamRA and its people

4

Pursue innovation

5

Optimize organizational efficiency, service delivery and cost-effectiveness

6

Improve data management and analytical capability

7



OPTIMISING REVENUE COLLECTION

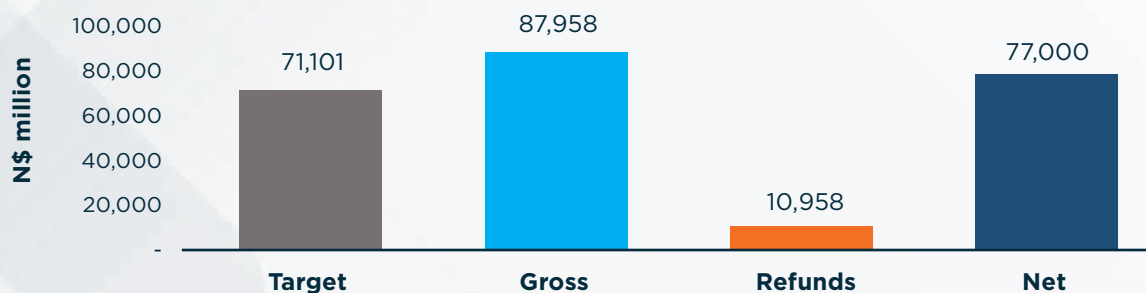
1. OPTIMISING REVENUE COLLECTION

From 1 April 2023 to 31 March 2024, NamRA demonstrated commendable revenue performance, reaching a notable milestone in revenue collection as the fiscal year concluded. NamRA's collection of N\$87.9 billion in gross revenue, with net revenue reflected at N\$77.0 billion, meant that the Agency achieved 108.3% of its envisaged net revenue target (Figure 2).

The improved revenue collection is attributed to:

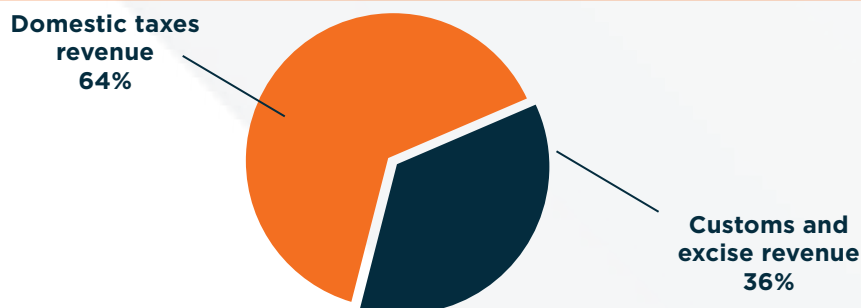
1. Effective implementation of the Compliance and Enforcement Strategy which led to improved voluntary compliance among some multinational companies,
2. The concerted administrative efforts to curb tax and Value Added Tax (VAT) fraud and recovery through notice to agents,
3. Better performance of the diamond sector;
4. Better than forecasted Southern African Customs Union (SACU) receipts and
5. The N\$ 2.9 billion collected from the Amnesty Tax Relief Programme.

Figure 2: Overall revenue performance as at 31 March 2024



This success was primarily due to strong collections from both the Domestic Taxes and Customs and Excise Business Units. Some 64% of the total net revenue collected was generated from domestic taxes, while 36% was derived from customs and excise (Figure 3).

Figure 3: Contributions to total net revenue as at 31 March 2024 (%)

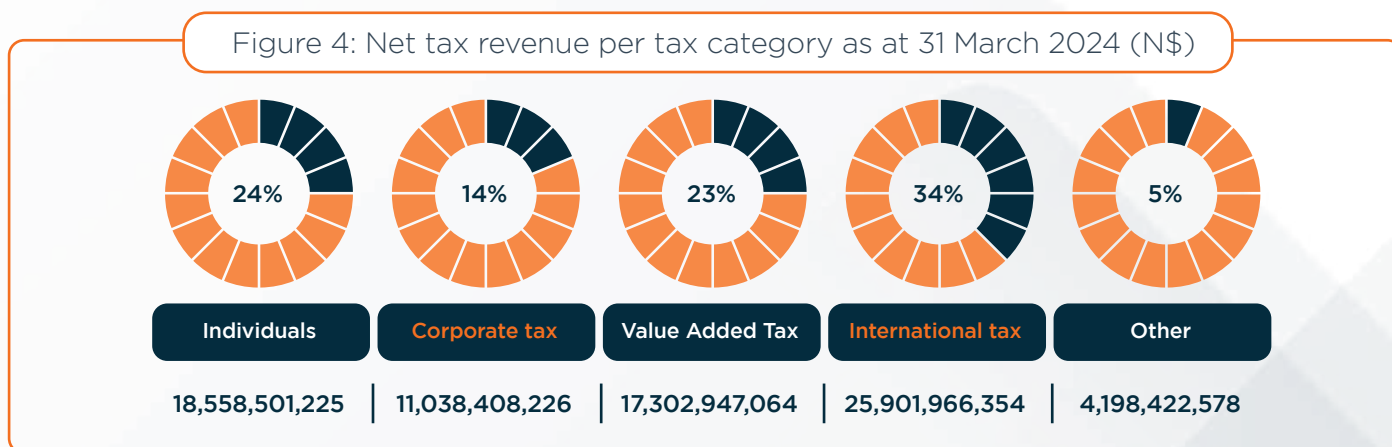


Domestic taxes generated gross revenue of N\$59.9 billion as at 31 March 2024, and net revenue of N\$49.1 billion – equating to 108.7% of the target for the financial year. Similarly, gross customs and excise revenue amounted to N\$28.0 billion as at 31 March 2024, with net revenue from this source totalling N\$27.9 billion for the period, being 107.6% of the total targeted for the reporting year. Customs and excise revenue was predominantly made up of receipts from the Southern African Customs Union (SACU), totalling N\$24.3 billion for the year under review.

In terms of refunds, N\$10.9 billion was refunded to taxpayers after the conclusion of audits and verifications. Some 95% of this amount, namely N\$10.4 billion, relates to VAT refunds.

During the preceding review period, being 1 April 2022 to 31 March 2023, NamRA's net collections had totalled N\$57.8 billion, whereas the current review period saw a net collection of N\$77.0 billion. In short, revenue from domestic taxes rose from N\$40.1 billion as at 31 March 2023 to N\$49.1 billion by 31 March 2024. Customs and Excise revenue also saw a significant year-on-year rise, namely from N\$17.8 billion (31 March 2023) to N\$27.9 billion (31 March 2024).

Figure 4 reveals the various tax categories in which revenue was collected during the reporting year.



Tax on individuals contributed N\$18.6 billion to net value of domestic taxes revenue for the reporting period. This amount relates to the Pay-As-You-Earn (PAYE) taxes withheld from employees and remitted to NamRA. This contribution to overall revenue comprises 24.1% and historically represents the highest proportion of NamRA's net tax collections

Corporate tax contributed N\$11.0 billion to net revenue collected for the reporting year ended 31 March 2024. In this respect, taxes derived from diamond and other mining contributed 21% and 15%, respectively, while non-mining activities contributed 64%.

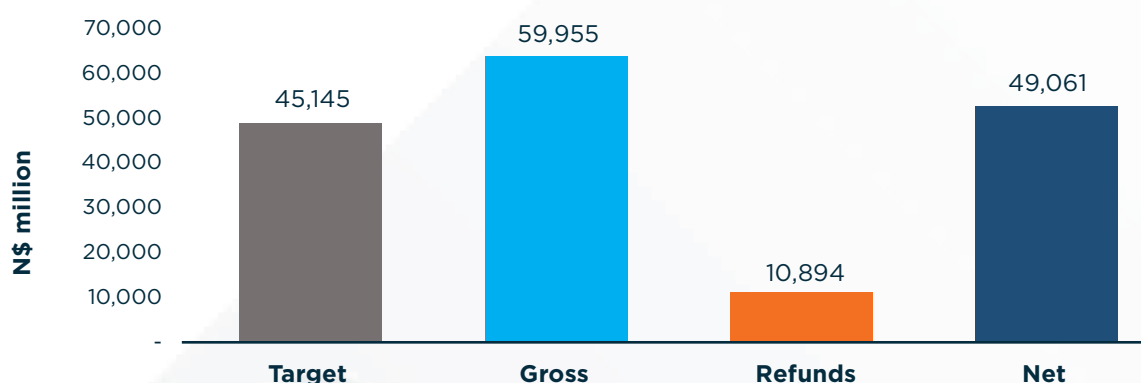
VAT generated a net amount of N\$17.3 billion for the period under review, adding to the net value of domestic taxes. This tax represents the consumption of goods and services in the country that attracts tax at a standard rate of 15%.

Revenue generated in the Other category was derived from withholding taxes, non-resident shareholders' tax, stamp duties, transfer duties, the environmental levy, the export levy and the fuel levy. The total revenue generated in this category amounted to N\$4.2 billion, constituting 5.5% of NamRA's net revenue for the financial year 2023/4.

1.1. DOMESTIC TAXES REVENUE IN DETAIL

During the financial year, the Domestic Taxes Department collected a net amount of N\$49.1 billion in revenue, which was deposited into the State Revenue Fund as required by Article 125(2) of the Namibian Constitution. The net revenue collected equated to 108.7% of the revised tax revenue estimate of N\$45.1 billion and translated into 64% of NamRA's total net revenue collection of N\$77.0 billion. The Department collected a sum of N\$59.9 billion in gross revenue and paid refunds of N\$10.9 billion. Figure 5 depicts an overview of the domestic taxes revenue collected as at 31 March 2024.

Figure 5: Domestic taxes revenue as at 31 March 2024



1.2. ESTIMATED VERSUS ACTUAL REVENUE COLLECTIONS

Table 4 depicts what was estimated versus what was actually collected, per category, in terms of net revenue from domestic taxes as at 31 March 2024.

Table 4: Estimated versus actual domestic taxes net revenue

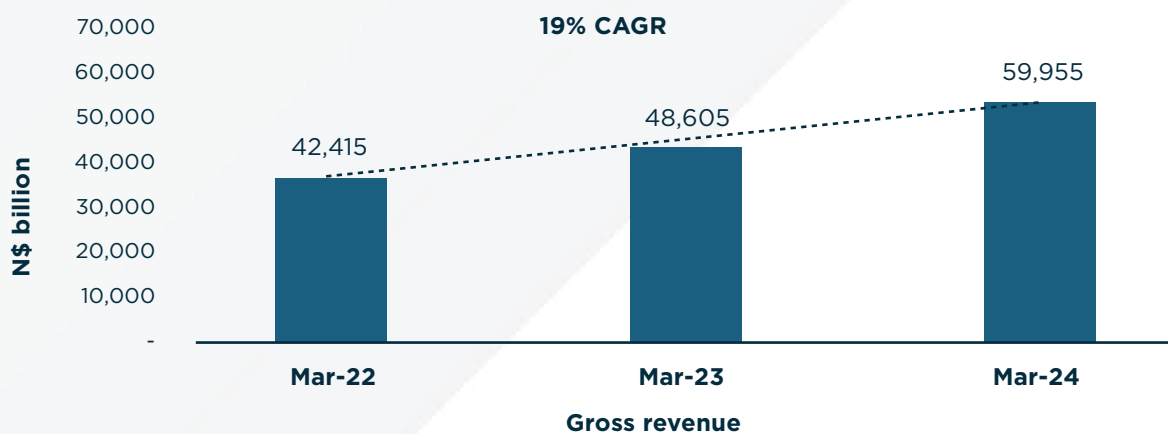
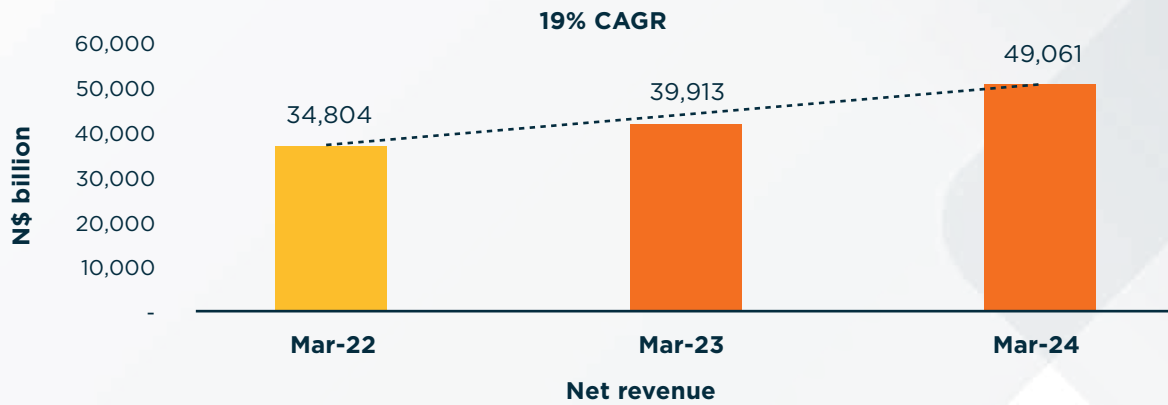
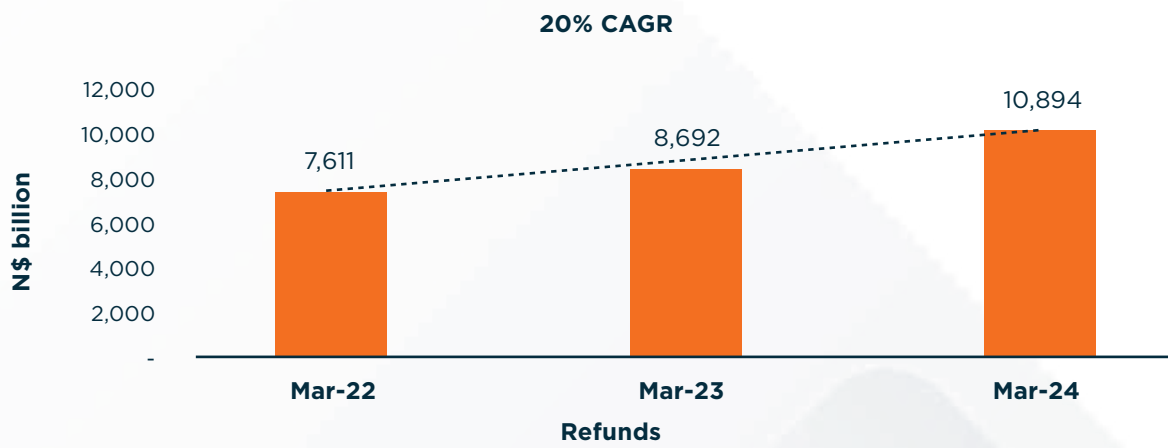
Revenue category	Net revenue estimate/ target (N\$)	Actual collection as at 31 March 2024 (N\$)	Actual collection vs estimate (%)
Individual tax	17,659,904,344	18,558,501,225	105.1
Corporate tax	9,362,000,468	11,038,408,226	117.9
Value Added Tax	16,298,599,567	17,302,947,064	106.2
Other	1,824,614,126	2,160,919,437	118.4
Net revenue	45,145,118,505	49,060,775,954	108.7

As Table 4 shows, all domestic taxes categories exceeded their respective estimates set for the financial year. Income tax on individuals was the highest net revenue contributor. This category generated N\$18.6 billion, being 105.1% of its annual target. VAT was the second highest contributor with an amount of N\$17.3 billion, which represents 106.2% of the annual target for that category. The tax category Other recorded 118.4% of its annual target. This category is made up of withholding tax on services, withholding tax on interest, tax on royalties, stamp duties, transfer duties and non-resident shareholders' tax.

1.3. HISTORICAL COMPARISON OF REVENUE COLLECTION

As shown in Figure 6, the performance by domestic taxes revenue as measured by the compounded annual growth rate (CAGR) over the past three financial years has been relatively progressive. Gross revenue showed a CAGR of 19%, for refunds it was 20%, and for net revenue 19%.

Figure 6: Historical revenue performance, 1 April 2022 to 31 March 2024



1.4. RATIO OF TAX COLLECTION TO GROSS DOMESTIC PRODUCT

The ratio of tax to gross domestic product (GDP) is calculated as the total revenue in relation to GDP. Table 5 states the GDP value at market prices in FY2022/3, while the tax value comprises total domestic tax revenue collected during FY2023/4.

Table 5: Domestic tax revenue to GDP vs Tax-to-GDP ratio target

Performance area	N\$	Tax-to-GDP ratio	Tax-to-GDP ratio target
Gross domestic product (GDP) 2023	215,734,000,000		
Tax Domestic tax revenue FY2023/4 (including SACU receipts)	77,000,245,448	36%	33%

Source: Ministry of Finance and Public Enterprises, Fiscal Strategy for Medium-term Expenditure Fund 2024/5-2026/7

1.5. DEBT MANAGEMENT

Tax arrears represent the balance owed to NamRA on taxpayers' statement of accounts at the end of each financial year. The arrears figure is made up of capital, penalties and interest. By the end of the reporting period, the total debt balance owed to NamRA had grown by 8.79% in comparison with FY2022/3 (Figure 7).

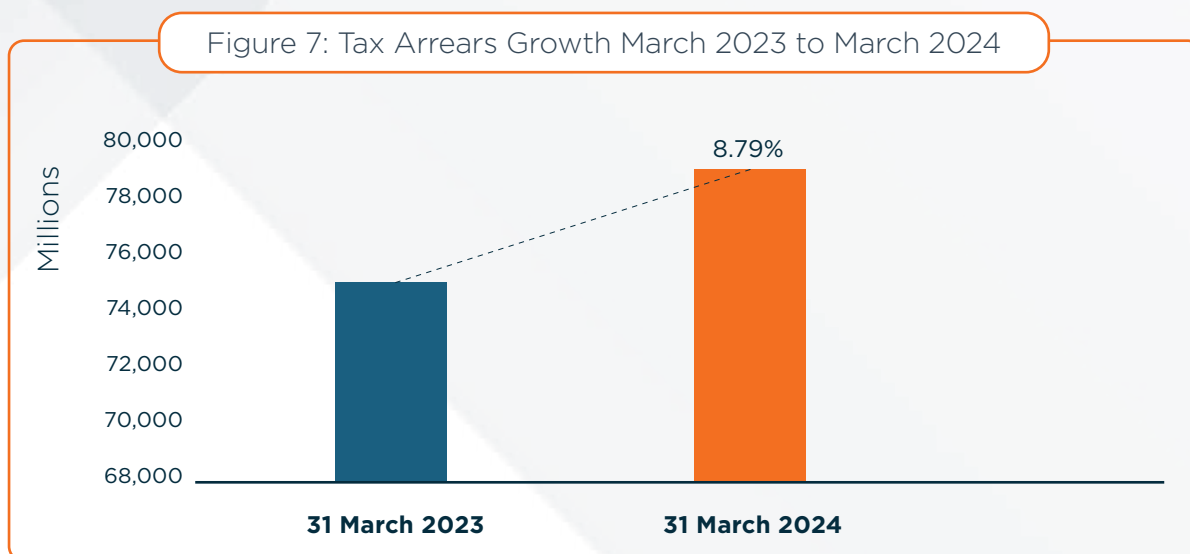


Table 6 depicts the net movement of tax capital, penalties and interest arrears from 31 March 2023 to 31 March 2024. Table 7 also reveals that the number of taxpayers who owe NamRA had decreased by 4682 (-1.97%) by the end of the current reporting period.

Table 6: Comparative debt movement, FY 2022/3- FY 2023/4

Period ended	Tax	Penalties	Interest	Total Debt	Number of debtors
31 March 2024	16,823,540,876	49,334,271,720	13,169,550,349	79,327,362,945	232,505
31 March 2023	16,527,334,586	43,703,187,310	12,685,574,505	72,916,096,401	237,187
Difference	296,206,290	5,631,084,410	483,975,844	6,411,266,544	(4,682)
%	▲ 1.79%	▲ 12.88%	▲ 3.82%	▲ 8.79%	▼ -1.97%

The increase in tax arrears can be attributed to NamRA's commitment to enforcing the nation's tax laws. This resulted in an increase in audit assessments in comparison with the previous financial year, thereby also increasing the total tax debt. Moreover, the increased number of audits generated various objections and appeals, which inherently delayed the recovery of assessed amounts.

NamRA is committed to improving the overall compliance rate and reducing tax arrears. The Agency's approach is an active one and includes initiatives such as the ongoing Tax Amnesty Programme, proactive engagement with taxpayers, and implementing improved recovery methods. The latter methods are guided by the issuance of notice to agent procedures.

1.6. CUSTOMS AND EXCISE REVENUE IN DETAIL

During the 2023/4 financial year, customs and excise revenue brought in a net amount of N\$27.9 billion for the State Revenue Fund (Figure 8). This net revenue equated to 107.6% of the revised tax revenue estimate of N\$25.9 billion and translates as 36% of NamRA's net customs and excise collections. Gross revenue amounted to N\$28.0 billion, from which N\$63.1 million was paid out as taxpayer refunds.

Figure 8: Customs and Excise Revenue at 31 March 2024

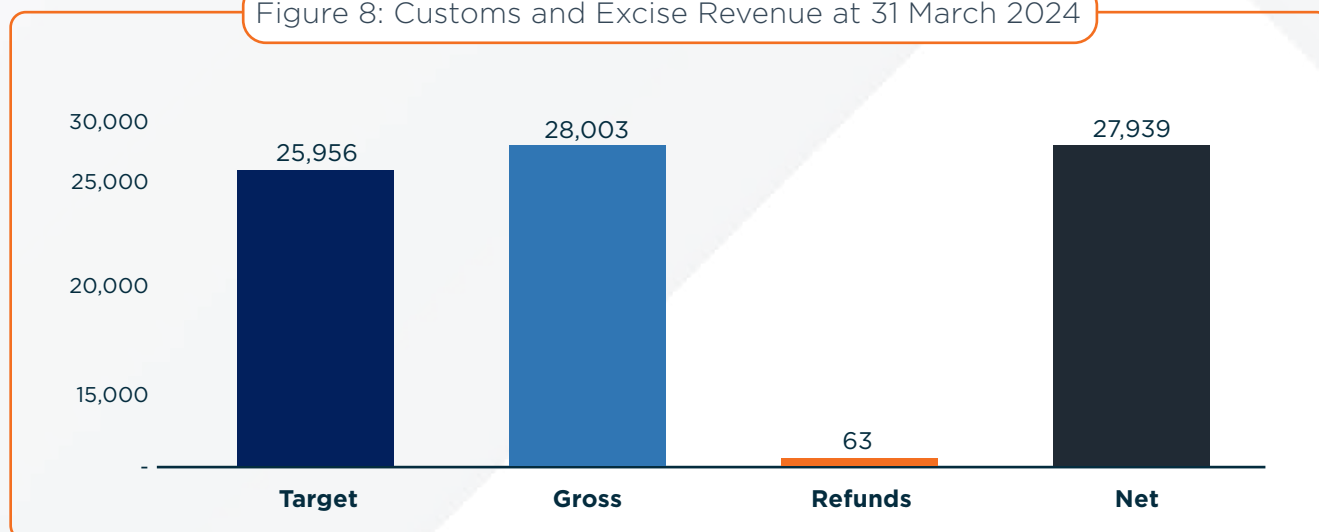


Figure 8: Customs and Excise Revenue as at 31 March 2024

As depicted in Table 7, customs and excise categories fared very well during the fiscal year, exceeding the set targets. International trade contributed the highest amount and percentage of revenue from these sources, being N\$25.9 billion and 106.4% of the target, respectively.

The fuel levy generated the second highest sum, namely N\$1.3 billion (109.2% of target), followed by N\$522 million (189.5% of target) in revenue receipts from the export levy. The environmental levy generated N\$141.9 million (94.6% of target) of net customs and excise receipts during the period under review, while the plastic environmental levy recorded N\$69.5 million (no target set) in collections during the same period. The Other category comprised revenue of N\$26 million (206.6% of target) generated from auction sales and licence fees.

Table 7: Categories of customs and excise revenue

Source of customs and excise revenue	Revenue estimate	Actual revenue collected as at 31 March 2024	Actual versus estimated revenue (%)
International trade	24,347,552,974	25,901,966,354	106.4%
Environmental levy	150,000,000	141,940,366	94.6%
Fuel levy	1,170,000,000	1,277,305,603	109.2%
Export levy	275,600,000	522,333,231	189.5%
Other categories	12,770,000	26,386,669	206.6%
Plastic environmental levy	0	69,537,272	0.0
Total	25,955,922,974	27,939,469,494	107.6%

The reporting year also saw Namibia receiving her share of the Southern African Customs Union (SACU) pool revenue (Table 8). The total value of the revenue received from SACU was N\$24.3 billion, contributing a higher percentage to the Customs and Excise net value in the FY2023/4. In comparison to the previous financial year FY2022/3, the increase in its value was due to a surplus from the pool discovered after the shares were distributed. The surplus was attributable to good collection into the Common Revenue Pool of which the base data, mainly intra-SACU imports, as provided by member states during the trade data reconciliation process, are used to determine the revenue shares. The accuracy of the trade data ensured that Namibia received a fair share from the surplus revenue.

Table 8: SACU receipts, 1 April 2022–31 March 2024

Reporting period	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
FY2023/4	6,086,888,244	6,086,888,244	6,086,888,244	6,086,888,244	24,347,552,976
FY2022/3	3,547,383,543	3,547,383,543	3,547,383,543	3,547,383,543	14,189,534,172
Variance	2,539,504,701	2,539,504,701	2,539,504,701	2,539,504,701	10,158,018,804

Customs and Excise *showcase* parade





IMPROVING VOLUNTARY COMPLIANCE

2. IMPROVING VOLUNTARY COMPLIANCE

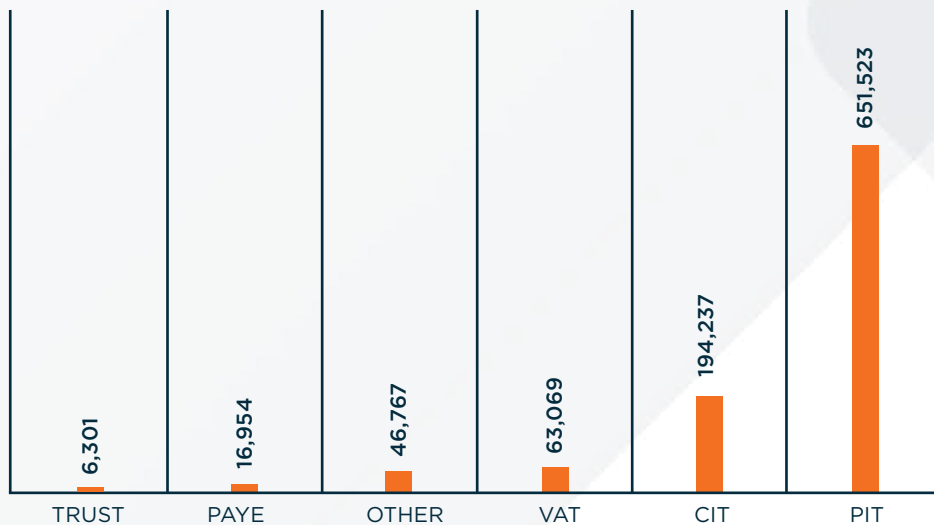
2.1. THE TAXPAYER BASE



To ensure improved access to NamRA services and thereby contributing to increased taxpayer base, NamRA opened a Satellite Office at Opuwo in the Kunene Region in August 2023. The NamRA Commissioner officiated with the Kunene Regional Governor Marius Shaye.

As at 31 March 2024, NamRA had a total of 954,966 registered taxpayers. Of these, 477,164 were registered as e-filers on the Integrated Tax Administration System (ITAS). The registered taxpayers, for the year under review, had a total number of 1,003,774 active tax accounts (Figure 9).

Figure 9: Number of active taxpayer accounts as at 31 March 2024



2.2. TAX AMNESTY PROGRAMME



TAX AMNESTY PROGRAMME
From 1 April 2023 to 31 October 2024.

REMINDER!
Pay capital on outstanding tax debts, file online via ITAS and enjoy **100% OFF** interests/penalties. Only valid until **31 October 2024**.

ACT NOW!
Visit your nearest NamRA offices or www.namra.org.na

SCAN THE QR CODE TO SIGN UP

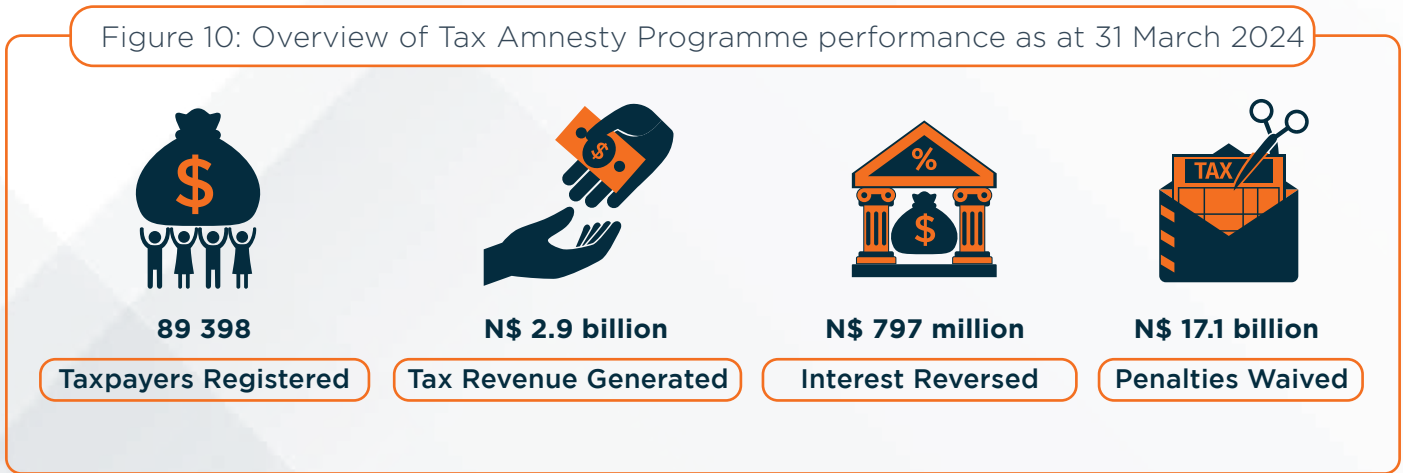
NamRA
Namibia Revenue Agency

Serving with passion

The Minister of Finance and Public Enterprises announced the introduction of a final Tax Amnesty Programme in Parliament on 24 February 2023, namely before the close of the previous reporting period on 31 March 2023. The Programme commenced at the start of the current reporting year, namely on 1 April 2023 and will conclude on 31 October 2024.

Registering with the Programme meant that eligible taxpayers benefited from both penalties and interest being written off, once they had settled the capital of their arrears taxes within the specified period. Figure 10 offers an overview of the performance of this Programme as at 31 March 2024.

Figure 10: Overview of Tax Amnesty Programme performance as at 31 March 2024



2.3. APPROVED EXPORTERS

The approved status is granted to compliant exporters as an incentive under various trade agreements, to reward and promote compliant exporters in respect of rules of origin. Approved exporters can self-certify the origin of their products, allowing them to export at reduced or free duty rates. Having this status eliminates the waiting period for exporters at Customs Offices.

Pre-registration desk verification and physical inspections were carried out at 12 potentially approved exporter companies during the reporting year. These activities were conducted in line with the Economic Partnership Agreement (EPA) between the United Kingdom on the one hand and the Southern African Customs Union member states and Mozambique on the other, as well as the EPA between the European Union (EU) and the Southern African Development Community (SADC). The 12 companies were then registered under the Approved Exporter Programme, which is a compliance incentive as well as a trade facilitation measure.



Self-Certification Pamphlet for **approved exporters**



ENHANCING TRADE FACILITATION

3. ENHANCING TRADE FACILITATION



NamRA officials spearheading trade facilitation at Walvis Bay Port.

NamRA aspires to be a world-class revenue agency. To achieve this vision, the Agency constantly considers ways to improve Namibia's trading environment. Since Namibia is a strategically positioned country, NamRA needs to deliver optimal services to ensure that Namibia competes effectively with other countries in the SADC Region. Some of the major trade facilitation efforts pursued by the Agency during the reporting year, are discussed below.

3.1. THE SADC ELECTRONIC CERTIFICATE OF ORIGIN

In April 2023, NamRA successfully implemented the SADC Electronic Certificate of Origin (e-CoO). The e-CoO, which replaces its manual counterpart, is issued by an issuing authority in the goods' country of origin. The e-CoO allows NamRA to facilitate the seamless movement of goods by assisting traders to apply online for such certification themselves, trace their applications, and obtain electronic responses to their applications. The digitisation of the application system not only infuses efficiency into it, but it also reduces the cost of doing business within SADC and promotes a paperless environment.

The e-CoO is part of ongoing efforts to increase the seamless flow of intra-regional trade and to support regional industrialisation. The aim is to accelerate regional economic development

under the SADC-EU Trade Facilitation Programme (TFP). The SADC-EU TFP supports the implementation of the SADC Protocol on Trade and Trade in Services, which requires SADC Member States to implement measures to eliminate all existing non-trade barriers, non-tariff barriers to trade and to refrain from adding new ones.

The reporting year also saw NamRA and the Zambia Revenue Authority (ZRA) successfully integrate their e-CoO systems. This will allow the two countries to exchange data to confirm the origin of products produced in them.



A NamRA official using the e-CoO system to approve certificates of origin and register traders for trading under the SADC Trade Agreement.

3.2. LAUNCH OF 24-HOUR OPERATIONS AT THE TRANS-KALAHARI-MAMUNO BORDER POST



Minister of Home Affairs, Immigration, Safety and Security Dr Albert Kawana and the Botswana Minister of Finance Peggy Serame launched the 24-hour operations at the Trans-Kalahari and Mamuno Border Posts on 1 April 2023.

On 1 April 2023, NamRA alongside other key border agencies launched its 24-hour operations at the Trans-Kalahari Mamuno Border Post between Namibia and Botswana. The launch of these operations follows a commitment made by Namibia under Articles 8.1 and 8.2 of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) ratified on 9 February 2018. Paragraph 1 of Article 8 therein requires WTO Member States and their respective border agencies to “cooperate with one another and coordinate their activities in order to facilitate trade”. Trade between Namibia and Botswana was later augmented by their bilateral agreement signed during the Inaugural Bi-National Commission Meeting held in September 2022.

The launch of 24-hour operations at the Trans-Kalahari Mamuno Border Post has affected several other agencies. These have since aligned their hours of operation with NamRA’s to ensure the seamless movement of people and goods, and to reduce the time spent by traders at the border. The agencies concerned include the Livestock and Livestock Products Board of Namibia; the Ministry of Agriculture, Water and Land Reform; the Ministry of Health and Social Services; the Ministry of Home Affairs, Immigration, Safety and Security; the Namibian Agronomic Board; and the Road Fund Administration.

Furthermore, paragraph 2 of Article 8 of the TFA requires WTO Member States to “cooperate on mutually agreed terms with other Members with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade”. The Article specifies that such cooperation and coordination may include the alignment of working days and hours, the alignment of procedures and formalities, the development and sharing of common facilities, the exercising of joint controls, and the establishment of one-stop border posts.

The launch of 24-hour operations at the Trans-Kalahari-Mamuno Border Post furthers the initiative embodied by the official opening of the Trans-Kalahari Corridor between Namibia and Botswana by the two countries’ Presidents in 1998. At the time, the Corridor was the first road south of the Sahara to connect the Atlantic and Indian Oceans. The Corridor has since continued to show significant growth as the number of trucks crossing the common border keeps increasing. Thus, the new 24-hour operations are a very welcome development in easing the movement of people and goods across this common border.

3.3. OPERATIONALISATION OF 24-HOUR OPERATIONS AT THE KATIMA MULILO BORDER POST



NamRA and Zambia Revenue Authority officials met on the margins of the 24-hour operationalisation of the Katima Mulilo Border Post.

On 22 August 2023, NamRA and its key border agency partners together operationalised 24-hour operations at the Katima Mulilo Border Post as well. This development was in accordance with the recommendations of the 10th session of the Namibia-Zambia Joint Permanent Commission of Cooperation, held from 5 to 10 October 2022 in Swakopmund. This development, as with the 24-hour operations at the Trans-Kalahari-Mamuno Border Post, manifests Namibia's commitments under Article 8 of the WTO TFA and underscores the importance of border agency coordination at domestic and cross-border level.

Border agency coordination is critical for increasing operational efficiency, facilitating legitimate trade, and reducing the time and compliance costs of traders at both the domestic and cross-border level. In respect of Zambia and Namibia, such reductions have the potential not only to increase the volume of trade traffic between them, but also to expand the Walvis Bay-Ndola-Lumbumbashi Corridor. From the Namibian perspective, this Corridor, which enables the efficient movement of goods from Zambia, the Democratic Republic of the Congo and Namibia through the Port of Walvis Bay - is considered to be the fastest-growing of its kind in the country.



Minister of Home Affairs, Immigration, Safety and Security - Dr Albert Kawana, Minister of Home Affairs and Internal Security of Zambia - Mr Jacob Mwiimbu, at the 24-hour inauguration of the Katima Mulilo Border Post.



Commissioner Sam SHIVUTE and Commissioner of Customs Mr Ernest Chikande of the Zambia Revenue Authority, At the 24-hour inauguration of the Katima Mulilo Border Post.

3.4. LAUNCH OF THE TRADE VERIFICATION SYSTEM



Commissioner Sam SHIVUTE and Ms Leonie Dunn, Deputy Governor of Bank of Namibia at the launch of TVS.

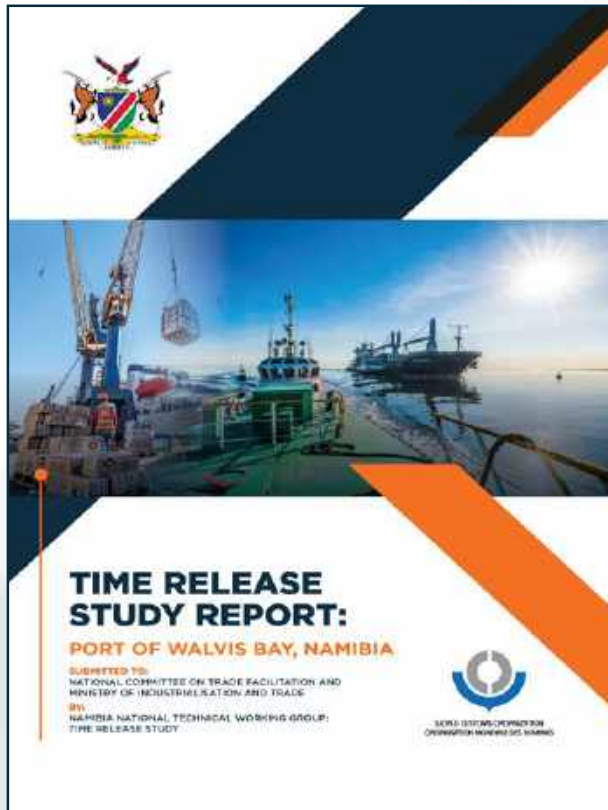
NamRA and the Bank of Namibia introduced Namibia's first Trade Verification System (TVS) on 16 October 2023, as effected by the issuance of Government Gazette Notice No. 21 of 2024. The TVS is a web-based application intricately integrated into ASYCUDAWorld (the latest iteration of the Automated System for Customs Data software), which monitors trade activities and cross-border transactions to prevent illegal financial outflows and enforce compliance with trade regulations. The TVS reconciles the movement of money – including payment data from commercial banks with customs data to establish the actual movement of goods. The new system also ensures the proper repatriation of export proceeds.

Another benefit of the TVS is that it aids NamRA in detecting any misclassifications or discrepancies in the declaration of export proceeds. In addition, the TVS supports the implementation of the Agency's Compliance and Enforcement Strategy, which identifies misclassification and undervaluation as key risks to effective revenue collection. In accordance with the TVS, traders are now required to provide accurate documentation, generate Unique Consignment References, obtain a trader identification number, manage timelines for import and export transactions, and categorise trade transactions precisely.



Commissioner Sam SHIVUTE and Ms Leonie Dunn, Deputy Governor of Bank of Namibia signing the Memorandum of Agreement during the launch of TVS.

3.5. LAUNCH OF THE TIME RELEASE STUDY REPORT AT THE PORT OF WALVIS BAY



NamRA released the first Time Release Study (TRS) report for the Port of Walvis Bay on 1 December 2023. Collaborating in this initiative and contributing to its success were certain key border agencies, including the Livestock and Livestock Products Board of Namibia; the Ministry of Agriculture, Water and Land Reform; the Ministry of Health and Social Services; the Ministry of Home Affairs, Immigration, Safety and Security; the Ministry of Industrialisation and Trade; the Namibian Agronomic Board; and the Namibian Ports Authority.

The TRS for the Port of Walvis Bay ran under the banner of “Accelerate Trade Facilitation”, facilitated by the World Customs Organization (WCO) and the United Nations Conference for Trade and Development, in a partnership supported by the United Kingdom’s His Majesty’s Revenue and Customs (HMRC) to undergird the effective implementation of the WTO’s TFA. Namibia has been a member of the WCO’s “Accelerate Trade Facilitation” Programme since 1 July 1992.

On its website, the WCO defines a TRS as –

“

A strategic and internationally accepted instrument for assessing the real time needed to complete the release and/or clearance of goods, from the point of arrival to the actual release of goods, in order to identify trade flow bottlenecks and take the appropriate action to enhance the efficiency and effectiveness of border procedures.

”

Namibia committed to conducting various TRSs as a Category C measure under paragraph 6.1 of Article 7 of the WTO TFA, which encourages its Member States to “measure and publish their average release time of goods periodically and in a consistent manner”, using tools such as the WCO TRS methodology. The establishment of the average release time of goods is a critical step in facilitating trade as it identifies inefficiencies and unjustifiable delays at border posts that need to be resolved. Establishing such times is also a key activity for Member States of the SADC-EU TFP, which strives to eliminate non-tariff barriers to regional and international trade within SADC.

In addition to compliance with the WTO TFA and the SADC-EU TFP, the TRS for the Port of Walvis Bay was aimed at supporting Namibia’s goal of being the preferred logistics hub connecting SADC to international markets by increasing the Port’s capacity from twenty-foot equivalent units (TEUs) to 1 million TEUs. The TRS Report findings revealed that the average time for clearing imported goods at the Port was 19 days, 7 hours, and 32 minutes. One of the major contributing factors for this average clearance time was the limited use of ASYCUDAWorld functionalities. A second factor involved inefficiencies linked to the lack of effective coordination with the various border agencies. Amongst other recommendations in the Report, NamRA is prioritising the upgrade of ASYCUDAWorld. This will not only respond to trader needs in a modern trade environment, but it will also formalise coordination and cooperation with key border agencies.

The reporting period saw NamRA launch a TRS at the Trans-Kalahari-Mamuno Border Post as well. This initiative was implemented with the support of the SADC Secretariat under the SADC-EU TFP. The TRS aims to establish the average release time of goods in preparation for the launch of the One-Stop Border Post between the end of the Trans-Kalahari Corridor in Namibia and Mamuno in Botswana at the Trans-Kalahari-Mamuno Border Post and will provide a unique opportunity to address the bottlenecks identified.



Picture taken during the TRS Report launch in Walvis Bay, 1 December 2023.

3.6. REGISTRATION OF EXPORTERS IN THE AFRICAN CONTINENTAL FREE TRADE AREA

Exporters need to ensure that they are correctly registered with NamRA before they can proceed to trade under the Agreement, establishing the African Continental Free Trade Area (AfCFTA). Duly registered exporters will be able to trade certain goods under reduced or preferential tariffs with countries that have ratified the AfCFTA Agreement, provided those countries' tariff offers, have been accepted and published as legislation in their respective domestic domains.



Customs officials, traders and clearing agents at the AfCFTA Rules of Origin Awareness Campaign in Walvis Bay, 27 February 2024.

From 13 February to 19 March 2024, NamRA conducted a nation-wide awareness campaign on the AfCFTA in Namibia. The campaign was run under the banner of, and with support from, the EU-WCO Rules of Origin Africa Programme. The campaign aimed at educating Customs and Excise officials as well as traders and their clearing agents about the imminent implementation of the AfCFTA, which will enable Namibian traders to benefit from the terms of the associated Agreement. Exporters were also encouraged to contact NamRA (info@namra.org.na or origin@namra.org.na) to obtain additional information on these registrations.

3.7. TRADE FACILITATION SYSTEM INITIATIVES

Effective and integrated systems are key for a seamless trade facilitation environment. To this end, several trade facilitation system upgrades and integration activities were undertaken during the period under review, including the following:

- **Online Tariff (Trade Information) Portal:** This web portal provides information on tariffs and duties for imports and exports.
- **African Trade Observatory (ATO) Monitor Module:** The ATO, which is one of five operational instruments of the AfCFTA Agreement, is a portal on trade and related data on the AfCFTA. Its Monitor Module tool, to which African policymakers have access, tracks the AfCFTA's implementation and evaluates its impact through real-time indicators. During the reporting year, the ATO developed an integration module in collaboration with ASYCUDAWorld to provide NamRA with current quantitative as well as qualitative trade data. These data will allow for better policy decisions and will assist with reporting trade information to the ATO in a comprehensive and timely manner.



INVESTING IN NamRA AND ITS PEOPLE

4. INVESTING IN NamRA AND ITS PEOPLE

The Human Capital Strategy is premised on NamRA's Strategic Pillar of Investing in NamRA and Its People. Its Strategic Objectives are crafted to ensure that the Agency attracts and retains skilled talent and that these prized assets, its employees, are highly engaged. To this end, the Pillar focuses on talent attraction, recruitment, onboarding, employee training and development, performance appraisal and feedback.

4.1. RECRUITMENT

NamRA is dedicated to promoting a workplace environment that values and embraces diversity. The Agency believes that a workforce reflecting the rich tapestry of Namibia strengthens its ability to serve the nation effectively. NamRA had therefore appointed at least 94% (1,395) of its targeted workforce complement of 1,500 by 31 March 2024, which included the appointment of 150 Customs Officers and 57 Assistant Taxation Officers. These new recruits were drawn specifically from among the pool of unemployed graduates, who in some cases had been job-seeking for years without success.

4.1.1 WORKFORCE HEADCOUNT

NamRA's total permanent employees stood at 1,395 during the period under review (Figure 11). In addition to the permanent employees the Agency's workforce is complemented by 11 contractual staff members.

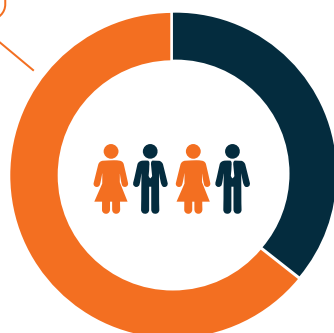


New staff members under Customs and Excise during the ceremony marking the end of their training - 26 October 2023.

Figure 11: Headcount of permanent staff

F - Female, 887
64%

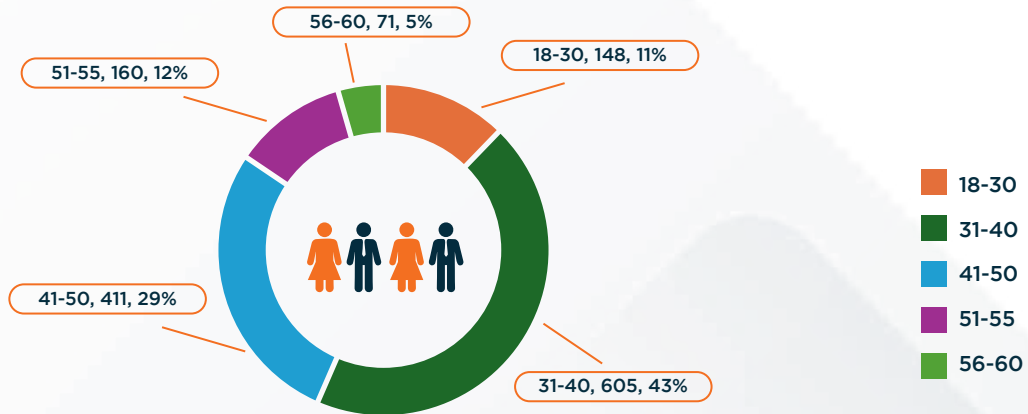
M - Male, 508
36%



■ M - Male
■ F - Female

4.1.2 AGE DISTRIBUTION

Figure 12: Age distribution among permanent staff



The current average age among employees at NamRA is 40 years. While this provides a strong foundation of experience and leadership, value is added by incorporating members of the younger generation with fresh ideas and technological expertise. The current age distribution also ensures a robust **leadership succession pipeline** for the future.

4.1.3 GENDER DISTRIBUTION AT MANAGEMENT LEVEL

Although NamRA has a satisfactory gender distribution ratio at Management level, it intends to attain a balanced ratio. The Agency is also committed to ensuring an improvement in male representation at levels below Management.

Figure 13: Gender distribution among Management staff



4.2. STAFF MOVEMENT

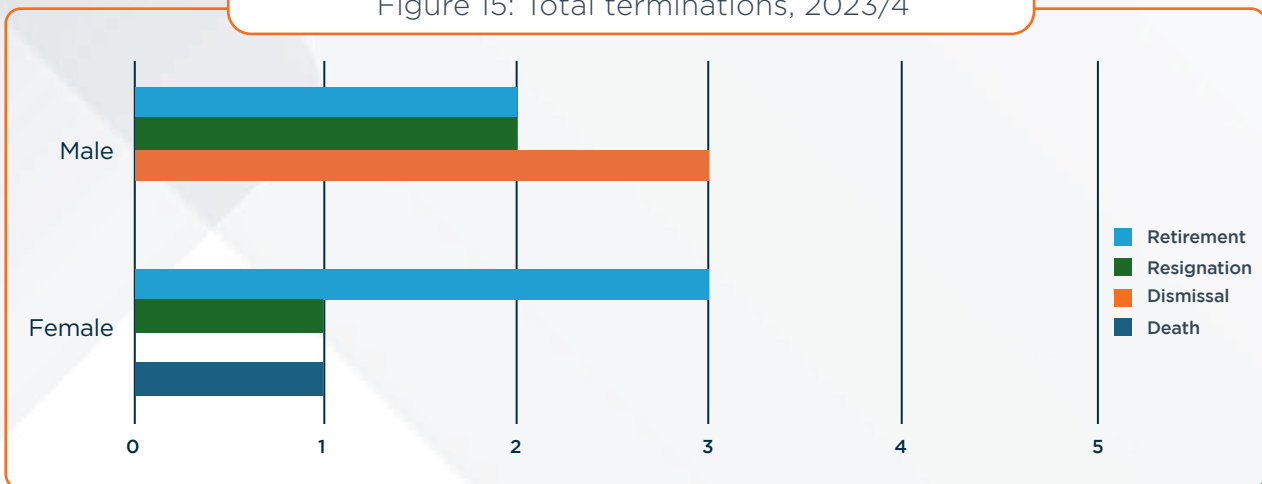
In terms of recruitment and labour turnover during the period under review, NamRA recorded 462 new hires (Figure 14) and 12 terminations for various reasons (Figure 15).

4.2.1. RECRUITMENT

Figure 14: New hires, 1 April 2023–31 March 2024



Figure 15: Total terminations, 2023/4



NamRA is committed to fostering a culture of career development for all its employees. To this end, internal recruitment for open positions is prioritised. In this way, the Agency is able to leverage existing skills and knowledge in its workforce and provide employees with valuable growth opportunities.

4.3 CONDITIONS OF EMPLOYMENT

NamRA believes in attracting and retaining top talent by offering a competitive compensation and benefits package. As a result, NamRA demonstrates its commitment to investing in its employees. This focus on employee well-being helps the Agency to attract and retain a highly skilled and motivated workforce, ultimately contributing to NamRA's continued success.

4.3.1 MARKET-RELATED SALARIES

The reporting year saw NamRA conduct its annual salary benchmarking to ascertain that the Agency offers its employees remuneration that is competitive within the market for each position and guarantees that its workforce is compensated fairly and according to their skills and experience.

4.3.2 COMPREHENSIVE BENEFITS PACKAGES

In addition to competitive salaries, NamRA continued to offer a comprehensive benefits package to its staff during the reporting year. Such packages, which include membership of a pension or provident fund as well as a medical aid fund, provided employees with financial security and peace of mind. In this regard, NamRA successfully became registered under the Alexander Forbes Namibia Retirement Fund.

In respect of a Provident Fund, on 30 June 2023, NamRA applied to the Namibia Financial Institutions Supervisory Authority (NAMFISA) to register its own fund. After NAMFISA's review, NamRA submitted a revised application in December 2023, of which NamRA is addressing subsequent comments and to resubmit during the 2024/5. The outcome of the second review was still awaited by the close of the current reporting period.

4.3.3 AFFIRMATIVE ACTION

NamRA is committed to providing equal employment opportunities for all qualified candidates, regardless of race, gender, ethnicity or background. This commitment extends to adhering to all statutory requirements aligned with Affirmative Action (AA). NamRA is proud to announce that it obtained a Compliance Certificate with a Grade A compliance scoring for the period under review from a Grade B in the prior year. This achievement demonstrates the Agency's ongoing efforts to build a diverse and inclusive workforce that reflects the communities it serves.

4.4 SHINING THE SPOTLIGHT ON TOP PERFORMERS

NamRA believes in celebrating and acknowledging the exceptional contributions of its employees who go above and beyond in their dedication to excellence. The December 2023 year-end function therefore paid tribute to the testified commitment of certain star performers and the significant impact they had made on the Agency's behalf. These individuals exemplified a relentless pursuit of excellence, constant innovation, and a dedication to achieving results that directly contributed to increased revenue, improved efficiency in our processes, and enhanced enforcement and compliance measures. Table 9 illustrates the areas in which excellence was recorded and rewarded during the review period.

SHINING THE *Spotlight* ON TOP PERFORMERS



Table 9: Employee Awards as presented in December 2023

Category of award	Beneficiary of award	Awards made
Best-performing Business Unit	Business Unit	3
Most Impactful and Best Executed Project	Project Committee	3
Individual Awards	Individual Star Performer	14
Business Unit Star Performers	Individuals	9
Best Performer in the Region	Individuals	12
Brand Ambassador of the Year	Individual	1
Value Ambassador of the Year	Individual	1
Sportsperson of the Year	Individual	1



Legal Services emerged as 2023's Best-performing Business Unit and received its award at the year-end function in December 2023.

In recognition of their exceptional achievements and contributions, all award beneficiaries were gifted a monetary reward. NamRA remains committed to fostering a culture of appreciation, recognition and empowerment that recognises the valuable contributions of employees and motivates them to continue striving for excellence.

4.5 NamRA CHOIR

The NamRA Choir was founded in March 2021, with launch of NamRA on 7 April 2021 and has since performed at each of the Taxpayer/Trader Appreciation Day and grown in repertoire, membership and talent.

The NamRA Choir aligns itself fully to the values of the institution and this is seen in the diversity of membership, passions in performances and the incorporation of the various local and regional cultural, regions and folk songs and dances. Since its inception, the Choir has performed at a various NamRA events and has also been invited to perform at prestigious events that are not associated to NamRA.

The objective of the Choir is to raise awareness and educate through singing while giving remarkable performances and entertaining the audience.

NamRA CHOIR



NamRA Choir showcases diversity through cultural performance.



NamRA Choir in corporate colours during a performance.



PURSUING INNOVATION

5. PURSUING INNOVATION

Aligning with NamRA's Strategic Objective to pursue innovation, the financial year under review saw work begin on implementing the Electronic Invoicing (E-invoicing) Project. The Project is expected to digitally transform tax administration operations while greatly enhancing the ability to collect, analyse and monitor tax data.

E-invoicing facilitates electronic billing, recordkeeping and business transactions. It also automatically applies accurate taxes, issues traceable invoices, and reports sales data to the revenue authority in real-time. This enables the tax authority in question to monitor transactions efficiently.

NamRA's E-invoicing Project is expected to start implementation by March 2025. Figure 16 displays the potential platforms through which e-invoicing will take effect.

Figure 16: Platforms that will give effect to e-invoicing



5.1 MICROSOFT 365 APPLICATIONS

The reporting year saw a greater uptake and utilisation of Microsoft 365 applications, following NamRA's development of over 15 electronic forms for various departmental purposes. Use of Microsoft's content management system, SharePoint, which enables sharing as well as collaborating on material has increased, as has use of the Planner and Updates applications on Microsoft Teams. Microsoft's Viva Engage continued to be used for internal communication and interaction amongst staff members.





**OPTIMISING
ORGANISATIONAL EFFICIENCY,
SERVICE DELIVERY AND
COST-EFFECTIVENESS**

6. OPTIMISING ORGANISATIONAL EFFICIENCY, SERVICE DELIVERY AND COST-EFFECTIVENESS

6.1. MASS TAX REFUNDS

The mass tax refund initiative was launched during the reporting year to expedite the processing and issuance of refunds to eligible taxpayers. This initiative also aimed to enhance the efficiency and transparency of the refund process, improve taxpayer satisfaction, foster compliance, and align with NamRA's Strategic Objectives.

A total number of 78,441 tax refund claims were processed in FY2023/4. Of these, 46,912 claims resulted in successful refunds, with a total value of N\$100,995,840.22 while 31,529 refund claims valued at N\$56,957,404.52 were rejected.

Figure 17: Number of tax refund applications processed

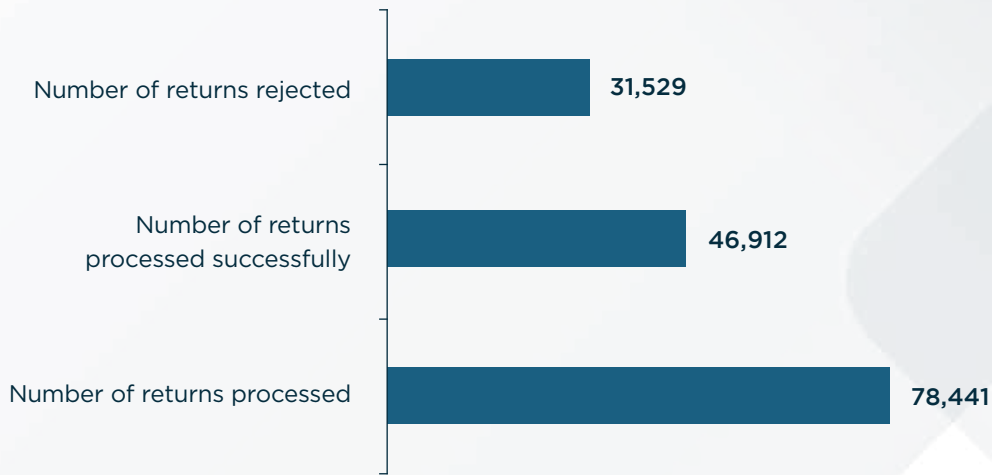
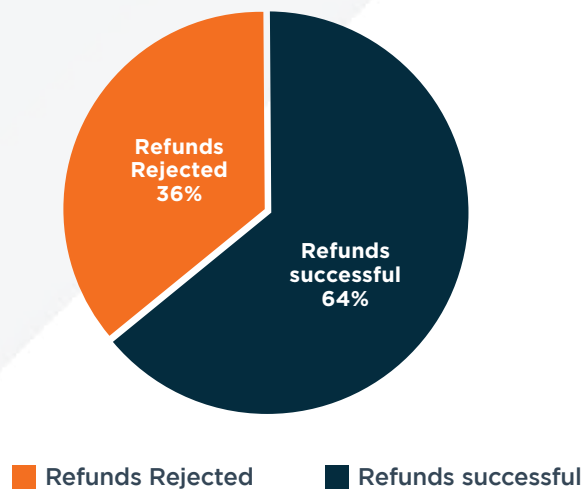


Figure 18 shows that, of the returns processed for possible refunds, 64% of the applications were successful, while 36% of the applicants were rejected and no refunds were paid out.

Figure 18: Percentage of tax refund applications processed



6.2. JUST A CALL AWAY



Staff members at the NamRA Call Centre attending to taxpayers and traders.

Since NamRA's launch in April 2021, it has prioritised enhancing service delivery to taxpayers and traders in line with the requirements of section 3(f) of the NamRA Act, namely to “improve service delivery to taxpayers and promote compliance with the revenue laws”. In keeping with this imperative, NamRA's Management Committee directed the Strategic Communications and Support Engagements Department to submit a proposal on the articulation of the ideal NamRA service, anchored on the NamRA Client Service Charter (which is a promise to taxpayers/traders). The proposal is expected to cover aspects such as acceptable service levels at all points of service, service processes/procedures, and the structure of a new NamRA Service Division along with its suggested reporting lines.

While the proposal on NamRA's service experience was in progress, NamRA focused on prioritising and fast-tracking the upgrade of its Call Centre. Being a significant service point, the upgraded Call Centre is also vital in meeting NamRA's statutory requirements.

Originally, the Call Centre formed part of the launch of ITAS. The service, which was located on the Third Floor of the Fiscus Building, under the Ministry of Finance (now the Ministry of Finance and Public Enterprises), was aimed at ensuring taxpayers' queries were efficiently captured and effectively resolved. Its primary function, therefore, was to act as a key back-office support for ITAS, providing first-line enquiries support for taxpayers and other stakeholders using ITAS.

Fortunately, the upgrade simply entailed converting the existing Call Centre into one that could respond to all NamRA-related enquiries – and not only those pertaining to ITAS. To get the project going, it was vital to capture the status, activities and operations of the original Call Centre and assess its efficiency levels. As further short-term interventions, the Executive team also approved certain key deliverables. These included determining an appropriate NamRA Call Centre structure, relocating the Call Centre to an environment more conducive to its efficiency and effectiveness, obtaining a new number for the Centre, and installing a multi-functional system.

This critical project was also informed by recommendations and suggestions from benchmarking engagements held with MultiChoice Namibia and the Government Institutions Pension Fund in 2022. These engagements were critical in appreciating their end-to-end service processes.

By monitoring performance levels and engaging staff during the upgrade, several improvements were recorded. For example, the Call Centre's staff complement rose from 7 in March 2022 to 14 by December 2023. Also, from the total of 10,258 calls received by the Centre between July and September 2022, only 71% were answered. Thus, about a third of all calls went unanswered. From July to September 2023, however, the total number of calls received rose to 14,299, with 99% of them being answered. This represented a marked improvement that needed to be embedded going forward, supported by firm and consistent processes.

Suitably informed by these assessments, the upgraded Call Centre was launched as the review period drew to a close. The enhanced service now offers an improved experience for taxpayers, traders and other stakeholders who choose to call rather than physically visit NamRA's service centres or regional offices. Boasting an enhanced and multi-functional system, the now rebranded NamRA Call Centre serves as the centralised entry point for all NamRA queries, whether via telephone, e-mail or social media.

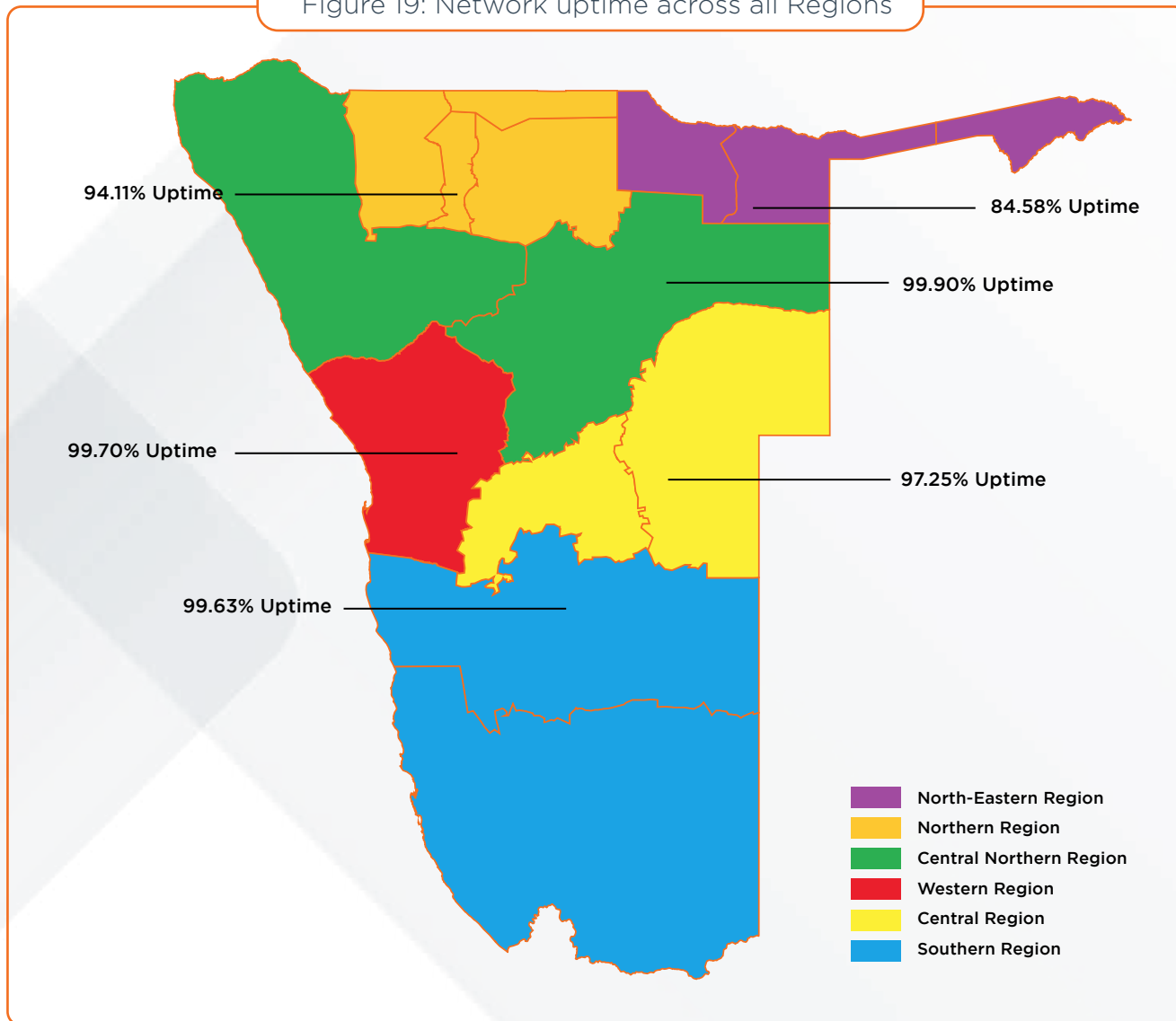
It is certainly too early to lay any claim to improved overall service delivery by NamRA. Nonetheless, the operationalisation of the upgraded, centralised NamRA Call Centre is a giant leap towards consolidating the Agency's service delivery at a significant service point since it is the only window for all calls, external emails and social media direct messages. This system will allow service needs to be captured properly, NamRA responses and timelines to be monitored, and the constant push for improved levels of service to be strengthened. Together, these efforts should create a worthwhile customer experience. After all, NamRA is now just a call away!



6.3. INFRASTRUCTURE AVAILABILITY AND SERVICE DELIVERY

During the year under review, NamRA increased the bandwidth to 43 of its 45 offices nationwide, with an average infrastructure availability of 90% (Figure 19). As part of the Agency's relocation from the Ministry of Finance and Public Enterprises, both wired and wireless infrastructure was installed at its new premises.

Figure 19: Network uptime across all Regions



In NamRA's ongoing drive to improve service delivery, a Service Desk was implemented during the reporting period. The Service Desk maintained an average closure rate of 90% for all general and technical service requests that came its way.



IMPROVING DATA MANAGEMENT AND ANALYTICAL CAPABILITY

7. IMPROVING DATA MANAGEMENT AND ANALYTICAL CAPABILITY

In 2023, the Namibia Revenue Agency (NamRA) as part of its strategic review recognised the need to include as strategic objective “Improve data management and analytical capability” and thus embarked on the journey to understand its data and garner value from it for the operations of the business.

The institution understands the importance of data not only for its daily operational efficiency but to aid in the generation of government revenue for sustainable economic and social development.

The following achievement were accomplished:

7.1 BENCHMARKING EXERCISE WITH DEBMARINE NAMIBIA and FNB NAMIBIA

Given the above, FNB and Debmarine Namibia were identified as institutions with vast experience and expertise in data handling and related matters. NamRA’s ICT in conjunction with Human Capital and Strategy (data analysts) undertook benchmarking exercises on Data Analytics.

The NamRA delegates were also provided with an in-depth summary of the key milestone to archive Realtime data analytics and their approach to data quality, amongst others. These were some of the areas recognised of major benefit to the NamRA environment to enable business processes to optimise revenue collection through real-time decision making.

7.2 DATA GOVERNANCE TOOLS

During the year under review three governance frameworks were approved to ensure that data sets meet standard for accuracy, consistency and relevance. The three frameworks are:

- **Data Governance Policy:** Policy statements to align data governance with the Agency’s governance, business strategy and value streams. Additionally, it identifies the shared responsibilities for assuring the integrity of the data and that it efficiently and effectively serves the needs of NamRA.
- **Data Strategy:** A 3-year (2024 to 2026) strategic plan (road map) that defines set of activities to be undertaken to achieve data-driven decision-making.
- **Data Governance Framework:** Aims to ensure effective management, protection, and utilization of data.

7.3 DATA CON AFRICA CONFERENCE

DataCon Africa 2023 is a data and analytics conference that bring together data and analytics professionals as well as anyone with an interest in the field from across Africa to learn about the latest trends and technologies in the field. Few recommendations amongst others from the conference:

- Develop a Data Strategy
- Establishing what NamRA’s data analytics needs are
- Develop a data governance framework and data governance policy
- Develop a Data Quality Plan
- Encouraging Data literacy and analytical thinking across all departments



FINANCIAL SYNOPSIS

8. FINANCIAL SYNOPSIS

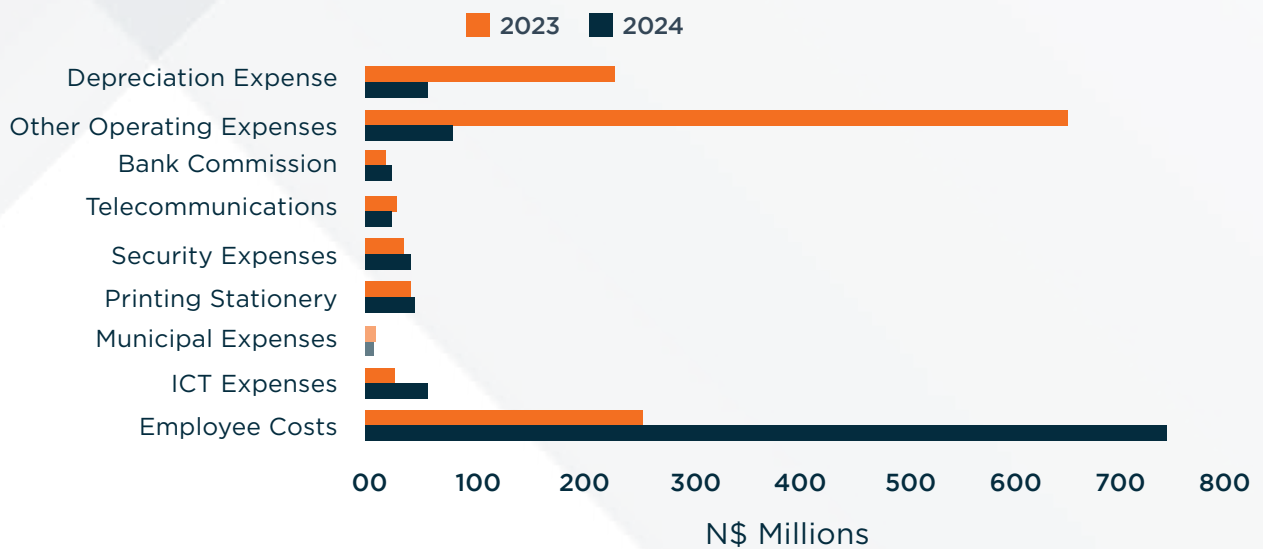
8.1. INCOME

The Namibia Revenue Agency received subsidy income of N\$1, 009 million for the financial year 2023/4 compared to the N\$601 million received during FY2022/3 year. The overall subsidy increase was geared towards financing the human capital associated costs of the Agency which covered the insourcing of staff that were previously housed as part of Inland Revenue Department and Directorate of Customs and Excise department at Ministry of Finance and Public Enterprises. This assisted the Agency to execute its mandate to improve service delivery and collect revenue on behalf of the State.

8.2. OPERATING EXPENDITURE

The Agency's operating cost evolution was consistent with how underly transitional strategy was effected. Total operating cost increased from N\$478 million to N\$1,017 million in FY 2023/4. The largest cost drivers for the year was employee costs, ICT expenses and depreciation expenses. Employee costs increased by 190% year on year. This was predominately driven by the insourcing of the Inland Revenue staff into NamRA. The total staff complement increased from 945 to 1,395 employees during the 2023/4 financial year. ICT and depreciation expenses associated with head count and property rentals also organically increased as result of the insourcing. The Agency's total operating costs.

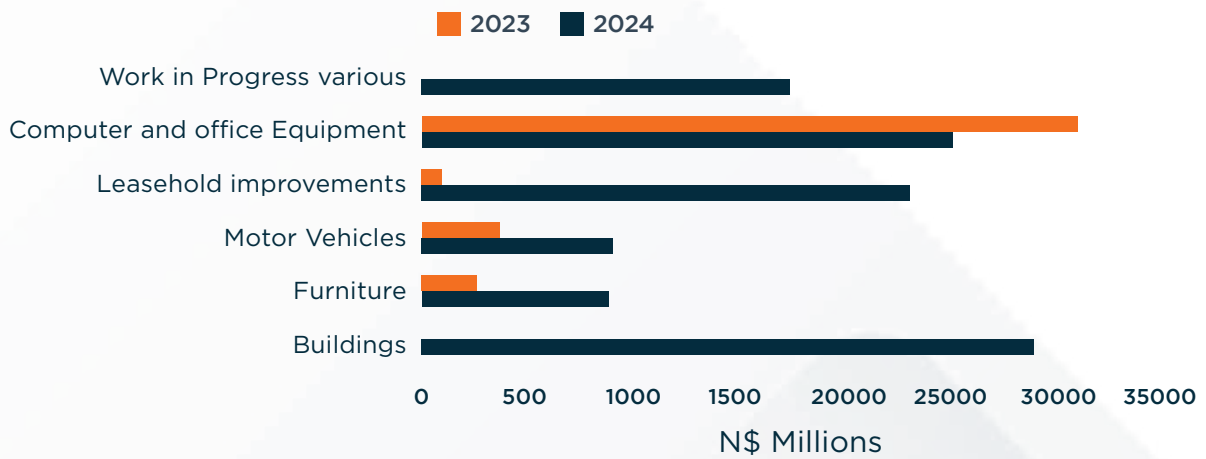
Figure 20: Operating Costs Evolution



8.3. CAPITAL EXPENDITURE

Additions to property, plant and equipment amounted to N\$113 million for the FY 2023/4. This is overall increase of 197% from the previous year spend of N\$38 million. The big drivers for the spend covered the expansion of our services centres nationwide, investment in border post accommodation for Border post staff, additional office space to accommodate increase in staff complement and auxiliary items associated with staff which includes computer and office equipments. See below key spending categories.

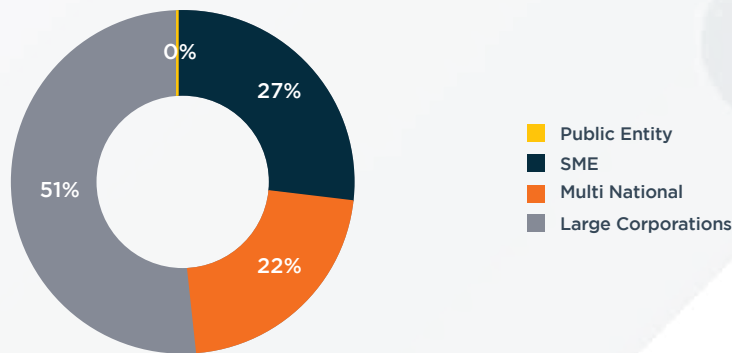
Figure 21: Capital Expenditure



8.4 VALUE ADDED STATEMENT

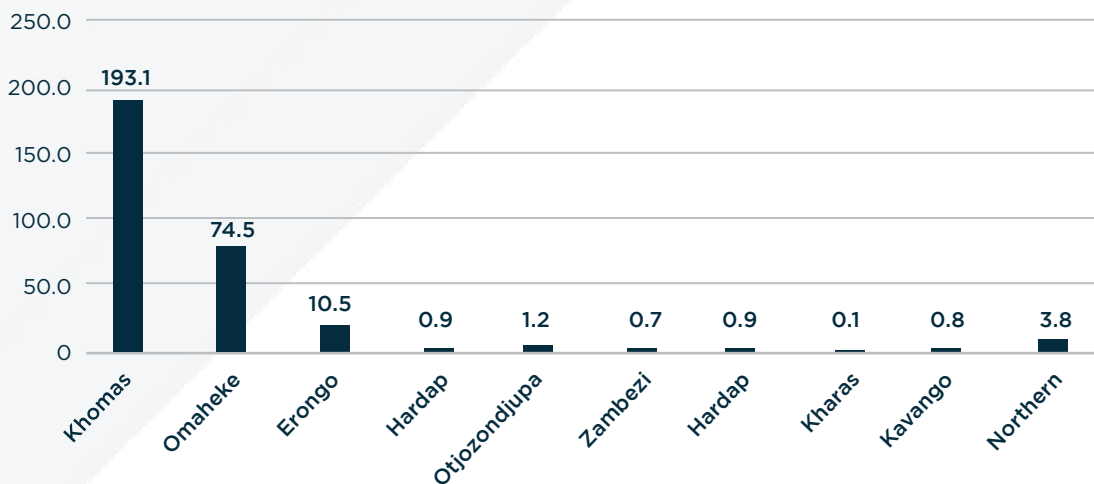
The Agency's procurement activities spread across various multidisciplinary sectors. For the 2023/4 financial year the Agency spend N\$278 million on goods and services provided by Suppliers. The below graph outlines how the spending was spread amongst categories of suppliers:

Figure 22: Procurement Spread



In terms of regional spending, suppliers from the Khomas region ranked the highest followed the rest regions as outlined in the below graph.

Figure 23: Spending by Region in N\$'millions





RISK MANAGEMENT AND INTERNAL AUDIT

9. RISK MANAGEMENT AND INTERNAL AUDIT

9.1. OVERVIEW

The 2023/4 fiscal year marked the inception and launch of NamRA's new Risk Management and Internal Audit Department, the establishment of its core functionalities, and the appointment of a Chief of Risk Management and Internal Audit to oversee its affairs effective May 2023. This was followed by recruiting an Executive Administrative Assistant for the Department in November 2023 as well as Managers for Internal Audit and Risk Management, respectively, in December 2023. These foundational staff appointments shape the new strategic direction and operational capabilities of the Department. As the fiscal year ended, the Department conducted interviews for five senior officer positions, with appointments scheduled for the new financial year.

9.2. RISK MANAGEMENT

NamRA also focused on establishing a Risk Management Strategy during the reporting period. The first step in this process was marked by obtaining approval for a Risk Management Policy of which the development of a comprehensive Risk Management Framework is ongoing. Once completed, the Framework will standardise risk identification and reporting throughout the Agency. A total of 12 inherent strategic risks and the action taken to manage them were recorded in the Risk Report Register. The year under review saw a closure rate of (14.49%) in this regard, which underscores the need to improve the rate at which action is taken to manage risk.



NamRA partnered with Capricorn Group for a Risk Management Workshop attended by Members of NamRA's Enterprise Risk Management Committee and Senior Managers.

9.3. COMPLIANCE MANAGEMENT

Introducing 85 instruments into NamRA's compliance universe during the reporting year marked a crucial step towards enhancing its compliance framework. This development was incorporated into the inaugural Compliance Management Report for Quarter 3 of the 2023/4 fiscal year. The drafting of a Compliance Management Policy and its frameworks was still in progress by the end of the reporting period.

9.4. BUSINESS CONTINUITY MANAGEMENT

The Business Continuity Management Policy was approved in February 2024. This marks a valuable step towards driving the Business Impact Analysis and Business Continuity Planning process at NamRA, which will identify critical functions within the Agency.

9.5. INTERNAL AUDIT

NamRA's Internal Audit function ensures the governance, risk and controls of NamRA through a risk-based and systematic approach. To this end, the Audit and Risk Committee approved the Agency's 2023/4 Internal Audit Plan in September 2023. By the close of the year under review, the Internal Audit Plan's completion rate stood at 57.10%. This advance constituted four audits, which made up 33.90% of the completion rate, while three audits were still in progress as at 31 March 2024. To ensure the control environment was stable and continued to improve while additional staff were being recruited, the Internal Audit function entered into a co-sourcing agreement with Ernst & Young (EY).



Capricorn Group Business Risk Officer, Horst Simon facilitated NamRA's Risk Management Workshop on 15 February 2024.

9.6 WHISTLEBLOWING

NamRA is devoted to promoting transparency and ethical conduct within our organisation. As a result, during the period under review, the Board approved the Whistleblowing policy. Subsequently, NamRA intend to initiate a Whistleblower Hotline during the financial year 2024/2025. This will be a central tool for reporting any instances of fraud, corruption, bribery, or other workplace crimes involving NamRA staff, taxpayers, and traders.

The Whistleblower Hotline will be managed by an independent consultant, Deloitte Namibia, ensuring complete neutrality and confidentiality. Whistleblowers can submit information anonymously, reports are treated seriously, and any investigation is carried out independently and objectively.

Retaliation against Whistleblowers and witnesses will be prohibited, and NamRA will assure that any concern regarding safety or well-being will be promptly addressed with interim protection to be provided immediately where necessary.

The Contact Information will be as follow;

Phone: 0800 535 777

Email: namra@tip-offs.com

Website: www.tip-offs.com

All stakeholders are encouraged to utilise this hotline to report any unethical behaviour in good faith effective, August 2024.

INTRODUCING THE
**NamRA
WHISTLEBLOWER
HOTLINE**

NamRA is committed to transparency and ethical conduct and has developed a Whistleblower Policy. Following the approval of this Policy, NamRA is proud to announce the implementation of the Whistleblower Hotline. Report any information about fraud, corruption, bribery or other workplace crimes by NamRA staff, taxpayers and traders.

Toll-Free #: 0800 535 777
Email: namra@tip-offs.com
Website: www.tip-offs.com

The hotline is managed by an independent consultant, Deloitte for neutrality. Your reports are vital in safeguarding our integrity.

Join us in fostering a safe and ethical workplace.

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Namibia Revenue Agency

Serving with passion



THE LEGAL SPACE

10. THE LEGAL SPACE

10.1. LEGAL SERVICES

The Legal Services Department fulfilled various obligations in terms of its mandate and NamRA's Strategic Plan during the year under review, as detailed below.

10.2. REVENUE MANAGEMENT

In line with optimising revenue collection through improved compliance, NamRA issued 1,852 private legal rulings and directives. These legal instruments are binding decisions issued by the Agency at a taxpayer or trader's request, which provide direction and legal confirmation as to the correct application of tax and customs laws in Namibia. In addition, legal opinions on Customs and Excise matters, Domestic Taxes Laws and Labour matters were issued both within NamRA and to external parties during the reporting year.

10.3. COURT PROCEEDINGS

The importance of NamRA collecting the correct amount of tax at the appropriate time cannot be overemphasised. Legal Services managed 32 court cases during the review period, four of which NamRA won. The reporting year also saw four major court judgements involving NamRA being delivered:

1. Zhong Mei Engineering Group (Pty) Ltd & Others v Namibia Revenue Agency & Others: In this matter, the court found no reason to conclude that the 'pay now argue later' concept should not apply. Therefore, it found that the monies attached by the first respondent was to remain with them for now as it was "in the public interest".
2. Tuzembeho & Others v Namibia Revenue Agency ('NamRA') & Others: In this case, the court found that NamRA had followed the provisions of the Income Tax Act 1981 (Act No. 24 of 1981), which remained binding and enforceable until set aside. For this reason, the court found that the applicants had failed to establish a prima facie right for the relief sought and therefore refused their application.
3. African Big Lion Mining (Pty) Ltd ('ABLM') v Commissioner for Customs and Excise: The court found that the applicant's expectation that the company would continue to export dolomite without paying a cent in export levy, and that it would be heard before the respondents had not only interpreted the law but also had not applied it as interpreted in the exercise of their statutory power, was not legitimate. The court therefore found it not to be a reasonable expectation that it ought to protect.
4. Rhapsody Investments Close Corporation v Standard Bank Namibia Ltd & Others: In this case, NamRA was the Third Respondent. The court stated that the difficulty in which it found itself was that Rhapsody did not deny that it owed the taxes that NamRA alleged it did. Furthermore, Rhapsody had not denied that NamRA had made several attempts to locate it and had even gone to the extent of contacting the legal practitioners of record for Rhapsody to assist with obtaining its contact details in order to conduct further tax assessment, but without success.

10.4. REVIEWING AND DRAFTING LEGAL INSTRUMENTS

During FY2023/4, NamRA initiated the review of various legal instruments affecting tax, customs and excise matters and provided advice in respect of a range of laws and regulations. These activities involved the following:

1. Amendment of Part 2A of Schedule 1 to the Customs and Excise Act, 1998 (Act No. 20 of 1998) published in the Government Gazette to introduce revised excise duties.
2. Drafting of the Government Gazette to introduce anti-dumping duties.
3. Drafting and review of rules for clearing agents.
4. Drafting of transfer pricing regulations in collaboration with the African Tax Administration Forum and the Domestic Taxes Department.
5. Review of legislation governing the Business and Intellectual Property Authority.
6. Facilitating and drafting the agreed SACU tariff concessions for Gazzeting.
7. Review of Namibia's National Action Programme on Investment to domesticate the SADC Investment Policy Framework.
8. Trade Policy Review for Namibia, Section 3 (Trade Policies and Practices by Measure) in response to the World Trade Organisation (WTO).





MEDIA ENGAGEMENTS

11.1 STRATEGIC MEDIA ENGAGEMENTS



NamRA held a Media Master Class in Windhoek and a Media Engagement in Ongwediva.

Communication plays a pivotal role at NamRA, serving as the cornerstone for conveying the Agency's messages and enhancing the visibility of its brand among the public and stakeholders. Throughout the reporting period, numerous communication initiatives and media engagements were undertaken to educate and inform stakeholders as well as provide clarity on NamRA's stance on various issues.

In addition to media interviews with various media houses, the Agency hosted a media practitioner engagement event at Ongwediva in the Oshana Region. The event, which aimed at establishing and enhancing NamRA's relations with the media, enabled the Agency to engage directly, providing media practitioners with insights and updates, and fostering meaningful dialogue on NamRA's initiatives and objectives.

To enhance media engagement and communication effectiveness, a Media Masterclass was held for the Management Team countrywide on 8 March 2024. The Masterclass aimed at equipping NamRA's leadership with the skills, knowledge and strategies required for interacting with media effectively and for managing crisis communications. By investing in the Management Team's professional development, NamRA intends to ensure that its media engagements are conducted with professionalism, clarity and strategic foresight, thereby enhancing the Agency's reputation and public image. Table 10 provides more detail on the initiatives taken to strengthen communication between NamRA and its stakeholders, via the media.

Table 10: Communication initiatives, FY2023/4

Type of initiative	Number of initiatives
Media engagement sessions	1
Media releases issued	13
Public notices issued	18
Media Master Class	1
Quarterly newsletter issued	3
Total	36



ENGAGING STAKEHOLDERS

12. ENGAGING STAKEHOLDERS

By raising awareness among its stakeholders and engaging them successfully, NamRA focuses on building strong relationships with them, whether they be individual taxpayers, businesses, government agencies, or simply the general public. These engagements aim to increase awareness about, and deepen the understanding of NamRA's tax policies, regulations and compliance requirements, while fostering open communication, collaboration and trust between NamRA and its stakeholders.

During FY2023/4, NamRA carried out several initiatives and activities guided by its Stakeholder Engagements Strategy, facilitated by its Strategic Communications and Support Engagements Department and supported by the various Business Units. The Agency's Regional Offices also organised a multitude of impactful sessions in various corners of the country.

In one of the highlights of the reporting year, NamRA hosted an African Tax Administration Forum (ATAF) Workshop on VAT in the Extractive Industry. The Workshop, held in April 2023, brought together participants from various ATAF Member States. Another notable calendar event was the Commissioner's Winter Engagement Drive in July 2023 with the Office of the President, political parties and certain non-political entities. In addition, the Commissioner and Management addressed several sector-specific engagement opportunities. These included sessions with the creative industry and the construction industry, as well as engagements by NamRA's offices in the Kunene, Oshana and Zambezi Regions. In these ways NamRA can manifest its commitment to promoting collaboration with and understanding among its stakeholders.

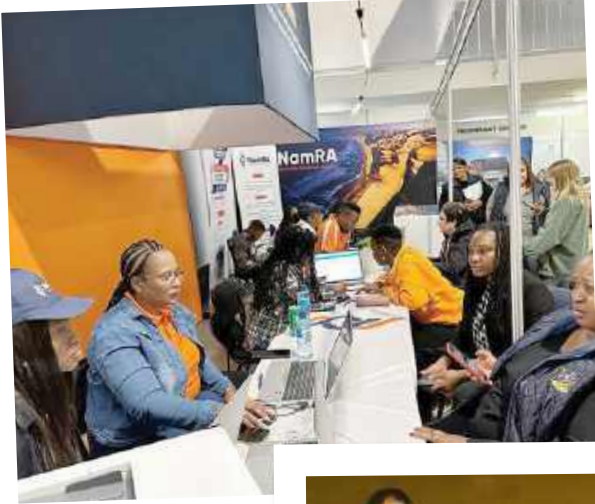
The Commissioner also engaged in bilateral discussions with stakeholders such as the Ministry of Home Affairs, Immigration, Safety and Security and the Namibian Ports Authority to address their mutual concerns, given that NamRA and these bodies often share very similar stakeholders.

Table 11 sets out the various stakeholder engagement events that NamRA held during the year under review.

Table 11: Stakeholder engagement events

Type of engagement	Number of engagements
Commissioner's Winter Engagement Drive	6
Regional stakeholder engagement sessions	3
Staff meetings with the Commissioner	3
Engagements by Regional Offices	31
Other stakeholder engagements	26
Total	69

Stakeholder engagements in films





TECHNOLOGICAL CAPACITY

13. TECHNOLOGICAL CAPACITY

13.1 INFORMATION TECHNOLOGY A CRITICAL ENabler

NamRA has put measures in place to address the availability and functionality of the two revenue management systems, namely ITAS and ASYCUDAWorld, together with various applications under the Customs Modernisation Initiative. The achievements attained in the year under review, as detailed below, underscore the Agency's resilience and fortifies its resolve to navigate the evolving landscape with agility and foresight.

13.2. THE INTEGRATED TAX ADMINISTRATION SYSTEM

During the year under review, the functionality of various modules was improved, and firmware upgrades were done. Recognising the prevailing performance and stability challenges within the ITAS architecture that significantly impeded service delivery, NamRA virtualised certain of the system's key components. The system is not yet at the operational level where we want it to be, therefore, we are working with relevant stakeholders to ensure that the ITAS is continuously improved and optimised so as to provide excellent customer experience to taxpayers.

13.3. ASYCUDAWORLD

As part of the drive to improve the availability of ASYCUDAWorld, the customs administration software, NamRA replaced its legacy server infrastructure during the year under review. The new infrastructure will enable features that were not previously part of the ASYCUDAWorld architecture to be configured and tested. In addition, the ICT Department commenced with the optimisation of various components of ASYCUDAWorld, based on the underlying SOClass framework. The SOClass framework enables NamRA to build and maintain complex software applications and high-performance document management systems.





ENTRENCHING ETHICAL CONDUCT

14. ENTRENCHING ETHICAL CONDUCT

14.1. ETHICS AND INTEGRITY POLICY AND INTEGRITY AWARENESS PROGRAMME

Ethics and integrity lie at the core of every successful, transparent and accountable organisation. Therefore, an Ethics and Integrity Policy is vital for any institution, as it sets the tone for the organisation's commitment to honesty, fairness and accountability. A responsive Ethics and Integrity Policy also safeguards the institution's reputation. Reputation is often one of the most valuable assets of any organisation, and unethical behaviour can tarnish it irreparably.

Against this background, NamRA approved its Ethics and Integrity Policy during the period under review. In addition, the Agency launched an accompanying Integrity Awareness Programme on 9 November 2023, with the theme of Leading with Integrity through Cultural Change in Fighting Corruption. The Programme's purpose is to sensitise Management about the significance of personal and corporate integrity and to solicit support in enhancing behavioural change among NamRA employees. A further objective is to make all staff aware of the consequences of engaging in unethical behaviour, as well as what constitutes corrupt practices. Figure 24 shows a summary of the number of staff that underwent training in this regard, across the country during FY2023/4.

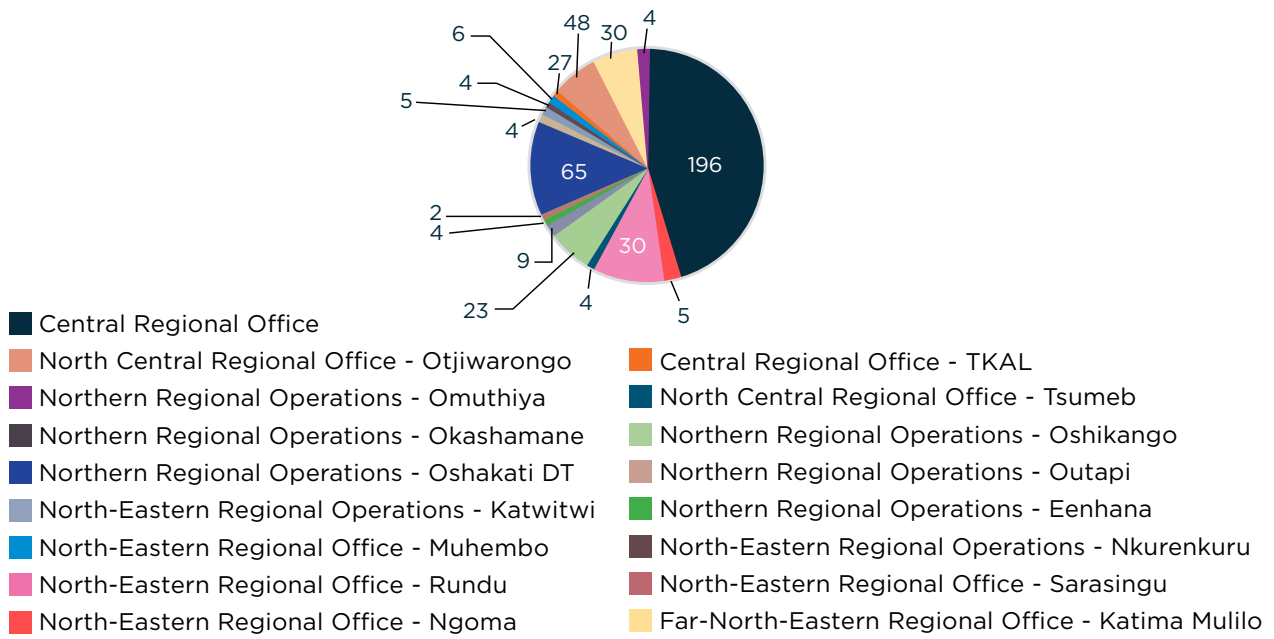


NamRA employees pictured during a staff engagement.

Acting Chief Internal Affairs at the Ethics and Integrity Awareness session.



Figure 24: Number of staff members trained in integrity awareness, FY2023/4



14.2. TAX REFUND FRAUD

In March 2022, NamRA launched an investigation into the process involving tax refund claims. The observed trend was that several individual taxpayers’ profiles had been changed (mostly with the assistance of taxpayer representatives such as bookkeepers) to show them as provisional taxpayers. The latter category is associated with taxpayers earning income from sources additional to their employment, such as farming. Subsequently, revised returns would be submitted with inflated deductions, which then resulted in tax refunds becoming due to the affected taxpayer.

At the time, tax refund claims worth N\$15 million were linked to this scam, resulting in NamRA imposing a three-month moratorium to determine the full extent of the scam and its real impact on the public purse. The moratorium was limited to claims for provisional tax refunds, while refunds in respect of other tax types such as individual taxpayers and VAT continued to be processed without interruption.

NamRA has since opened criminal cases against identified suspects, and it will pursue administrative violations in line with the applicable statutes. Those who might have benefited unwittingly from this scam are encouraged to engage their nearest NamRA office to assist the Agency in its investigation and expose the masterminds behind this crime.

The investigation in this regard gained greater momentum during FY2023/4. By July 2023, some 1,168 taxpayers had been implicated. They were employed at 84 institutions, encompassing private companies, Government Offices, Ministries and Agencies, and other public institutions. By then, the total refund amount under scrutiny had surged to N\$833 million, which was a substantial increase from the N\$136 million reported in January 2023.

The investigation was also extended during the year under review to include VAT claims. Figure 25 and Table 12 capture progress as at 31 March 2024 in respect of uncovering the refund scam.

Figure 25: Assessment of suspicious income tax and VAT refunds

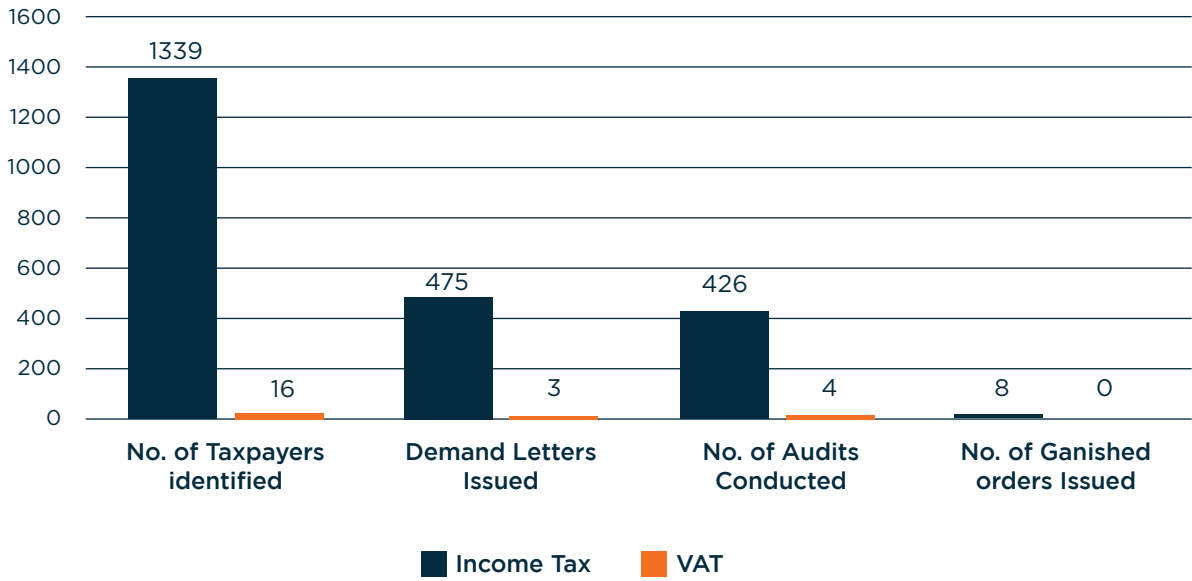


Table 12: Assessment of suspicious income tax and VAT refunds

Type of claim	Value of claim (N\$)
REVENUE	
Value Added Tax (VAT)	8,322,170.92
Income tax	58,217,687.91
Total recovered	66,539,858.83
NOTICES TO AGENTS	
VAT (3 notices issued)	167,324,624.26
Income tax (462 notices issued)	108,279,426.31
Total notices to agents	275,604,050.57
REFUNDS	
VAT	77,399,312.85
Income tax	833,218,513.80
Total refunds under consideration	910,617,826.65



CORPORATE SOCIAL RESPONSIBILITY

15. CORPORATE SOCIAL RESPONSIBILITY

On 19 April 2023, NamRA held its second Taxpayer and Trader Appreciation Day. This event is marked on the calendar to acknowledge and express NamRA's appreciation to compliant taxpayers and traders who continue to fulfil their tax obligations.

In preparation for the day, NamRA employees launched several activities as part of a campaign building up to and promoting the event. The campaign took place in early April 2023 and involved all Regional Offices. The associated activities focused on educating communities about the important role played by the taxes and duties collected by NamRA as well as that NamRA's services could be provided outside of its usual office environment. These efforts were aimed at fostering and driving voluntary compliance and enhancing taxpayer and trader morale.

Furthermore, while educating the communities about NamRA's mandate, NamRA employees also gave back to the community by volunteering to clean up at certain orphanages.



Staff from NamRA's Oshakati Office visited the Okandjengedi Orphanage Home, where the Agency's employees donated some essential toiletries and groceries and helped to tidy up the premises



NamRA's Katima Mulilo Office donated some essentials to the Mainstream Foundation Orphanage Centre and assisted by cleaning up their premises

NamRA also donated 264 agricultural tools to the Kunene Regional Council and another 264 to the Zambezi Regional Council during the reporting year as part of the Agency's ongoing Corporate Social Responsibility efforts. These tools were part of certain goods that had been forfeited to the State under the provisions of the applicable customs law.



The NamRA Commissioner and the Mayor of Katima Mulilo Town Council attended the official handing over of donated agricultural tools to the Zambezi Regional Council on 2 October 2023.



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Financial Statements

for the year ended 31, March 2024

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Revenue administration
Directors	Anna Nakale-Kawana Stefan Hugo Adv. Dennis Khama Shirene Bampton Titus Ndove Pieter Kruger Sam SHIVUTE
Registered office	Namibia Revenue Agency Town Square Werner List Street Windhoek
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Nadine Du Preez

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The following supplementary information does not form part of the annual financial statements and is unaudited: Detailed Income Statement	117 - 119

Members' Responsibilities and Approval

The members are required in terms of the Namibia Revenue Agency Act 2017 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the agency as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards and Namibia Revenue Agency Act 2017. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards and Namibia Revenue Agency Act 2017 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the agency and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members 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 agency and all employees are required to maintain the highest ethical standards in ensuring the agency's

business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the agency is on identifying, assessing, managing and monitoring all known forms of risk across the agency. While operating risk cannot be fully eliminated, the agency endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members 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 members have reviewed the agency's cash flow forecast for the year to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the agency has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the agency's annual financial statements.

The annual financial statements set out on pages 7 to 43, which have been prepared on the going concern basis, were authorised by the Board on 21 September 2024 and were signed on their behalf by:

Approval of financial statements



Anna Nakale-Kawana



Stefan Hugo

Independent Auditor's Report



To the Member of Namibia Revenue Agency

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia Revenue Agency (the Agency) as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Namibia Revenue Agency Act 12 of 2017.

What we have audited

Namibia Revenue Agency's financial statements set out on pages 7 to 43 comprise:

- the members' report for the year ended 31 March 2024;
- the statement of financial position as at 31 March 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standard) (Code

of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The members are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the document titled "Namibia Revenue Agency Annual Financial Statements for the year ended 31 March 2024". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the members for the financial statements

The members are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the requirements of the Namibia Revenue Agency Act 12 of 2017, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report



In preparing the financial statements, the members are responsible for assessing the Agency'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 members either intend to liquidate the Agency or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' 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 Agency'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 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 Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members 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.

PricewaterhouseCoopers

Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Samuel N Ndahangwapo Partner
Windhoek, Namibia
Date: 30 September 2024

Members' Report

The members have pleasure in submitting their report on the annual financial statements of Namibia Revenue Agency (NamRA) for the year ended 31 March 2024.

1. INCORPORATION

NamRA is 100% owned by The Republic of Namibia (the State).

2. NATURE OF BUSINESS

In terms of Section 3 of the Namibia Revenue Agency Act 12 of 2017, the primary business is to carry out efficiently, and in the best interest of the Republic of Namibia, the administration and enforcement of tax and custom laws, in efficient and effective manner on behalf of the State. NamRA administer and enforce the tax and customs laws of Namibia with consistency, fairness, efficiency and effectiveness with a focus on the needs of each taxpayer and trader.

In terms of section 28 of the Namibia Revenue Agency Act of 2017, the Revenue Agency is funded through:

- (a) money appropriated by Parliament; (through Ministry of Finance and Public Enterprises)
- (b) grants and donations subject to the approval of the Minister of Finance and Public Enterprises (hereafter: Minister);
- (c) investment income and proceeds from the disposal of any Revenue Agency property; and
- (d) loans extended to the Revenue Agency with the prior approval of the Minister.

The tax collected on behalf of State is not included as part of income for the Namibia Revenue Agency. There have been no material changes to the nature of the agency's business from the prior year.

3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Namibia Revenue Agency Act 2017. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the agency are set out in these annual financial statements.

4. MEMBERS

The members in office at the date of this report are as follows:

Members	Office	Designation	Nationality	Appointment date
Anna Nakale-Kawana	Chairperson	Independent Non-executive	Namibian	06 April 2021
Stefan Hugo	Deputy Chairperson	Independent Non-executive	Namibian	06 April 2021
Adv. Dennis Khama	Member	Independent Non-executive	Namibian	06 April 2021
Shirene Bampton	Member	Independent Non-executive	Namibian	06 April 2021
Pieter Kruger	Member	Independent Non-executive	Namibian	01 December 2021
Sam SHIVUTE	Commissioner - Ex Officio Member	Executive	Namibian	06 April 2021
Titus Ndove	Ex Officio Member	Non-Executive	Namibian	06 April 2022

There have been no changes to the directorate for the year under review.

5. EVENTS AFTER THE REPORTING PERIOD

Idi Itope left the agency as the Head Domestic Taxes in June 2024. The members are not aware of any other significant events or circumstances, between the date of the annual financial statements and the date of this report, requiring disclosure or amendment in the annual financial statements.

Members' Report

6. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The members believe that the Agency has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The members have satisfied themselves that the agency is in a sound financial position to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the agency. The members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the agency.

7. SECRETARY

The agency secretary:

Postal address:

Business address:

Ms. Nadine Du Preez

P O Box 569

Windhoek

Namibia Revenue Agency

Town Square

Werner List Street

Windhoek

8. TERMS OF APPOINTMENT OF THE AUDITORS

PricewaterhouseCoopers were appointed as the agency's auditors on Monday, 01 August 2022. The appointment term of the office is 3 years.

Statement of Financial Position as at 31 March 2024

	Note(s)	2024 N\$ '000	2023 Restated* N\$ '000
Assets			
Non-Current Assets			
Property, plant and equipment	3	134,890	40,112
Right-of-use assets	4	76,131	64,453
Intangible assets	5	7,117	4,910
		218,138	109,475
Current Assets			
Inventories	6	4,858	3,666
Trade and other receivables	7	17,543	4,428
Cash and cash equivalents	8	190,301	235,708
		212,702	243,802
Total Assets		430,840	353,277
Equity and Liabilities			
Equity			
Retained income		172,358	179,929
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	41,752	47,735
Deferred income	9	47,465	1,347
		89,217	49,082
Current Liabilities			
Trade and other payables	10	95,334	56,417
Lease liabilities	4	42,927	22,745
Deferred income	9	1,023	886
Provisions	11	29,981	14,218
Income received in advance	12	-	30,000
		169,265	124,266
Total Liabilities		258,482	173,348
Total Equity and Liabilities		430,840	353,277

Statement of Comprehensive Income

	Note(s)	2024 N\$ '000	2023 Restated* N\$ '000
Government income for recurring expenditure	13	1,009,191	601,133
Other operating income	14	1,292	438
Other operating gains/(losses)	15	96	(1,831)
Employee costs	16	(738,188)	(255,743)
Lease expenses	4	(3,104)	(4,638)
Depreciation and amortisation expenses	17	(58,172)	(24,665)
Other operating expenses		(218,082)	(193,783)
Operating (deficit)/surplus	18	(6,967)	120,911
Finance income	19	8,397	4,987
Finance cost	20	(8,998)	(5,276)
(Deficit)/surplus for the year		(7,568)	120,622
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(7,568)	120,622

Statement of Changes in Equity

	Retained income N\$ '000	Total equity N\$ '000
Balance at 1 April 2022	59,307	59,307
Surplus for the year	120,622	120,622
Other comprehensive income	-	-
Total comprehensive income for the year	120,622	120,622
Opening balance as previously reported	182,746	182,746
Adjustments Prior period errors*	(2,820)	(2,820)
Balance at 1 April 2023 as restated	179,926	179,926
Deficit for the year	(7,568)	(7,568)
Other comprehensive income	-	-
Total comprehensive loss for the year	(7,568)	(7,568)
Balance at 31 March 2024	172,358	172,358

Statement of Cash Flows

	Note(s)	2024 N\$ '000	2023 Restated* N\$ '000
Cash flows from operating activities			
Cash generated from operations	21	68,978	134,534
Interest received	19	8,397	4,987
Interest paid	20	(8,998)	(5,276)
Net cash from operating activities		68,377	134,245
Cash flows to investing activities			
Purchase of property, plant and equipment	3	(93,586)	(36,701)
Proceeds from sale of property, plant and equipment	3	156	-
Purchases of intangible assets	5	(3,620)	(4,910)
Capital grant receipts from government	12	17,000	-
Net cash to investing activities		(80,050)	(41,611)
Cash flows to financing activities			
Lease payments	4	(33,734)	(14,480)
Total cash movement for the year		(45,407)	78,154
Cash and cash equivalents at the beginning of the year		235,708	157,554
Cash and cash equivalents at the end of the year	8	190,301	235,708

Accounting Policies

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Namibia Revenue Agency Act 2017.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar, which is the agency's functional currency. They are rounded to the nearest thousand Namibia Dollar.

These accounting policies are consistent with the previous year.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant estimates includes:

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Recognition of donated assets

In recognition of donated assets management consider all facts and circumstances to determine when the asset becomes receivable by the agency, the fair value of the asset and the useful life of the asset.

Fair value estimation

When measuring the fair value of an asset or a liability, the agency uses market observable data as far as possible. Fair value are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the input used to measure the fair value of asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The agency recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Depreciation

Depreciation of donated assets commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the agency.

Determining the lease term and discount rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been

Accounting Policies

included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

In the current year management applied judgement in determining the lease term, escalation rate, discount rate and other terms and conditions for the leases where no contractual agreements was signed during the year.

The term: The assumption was based on the signed contracts which have a three (3) lease term. All leased properties without signed contracts were assumed to have a term of 3 years in the determination of the Right of Use Asset and Lease Liability,

The Escalation rate: NamRA made an offer of an annual escalation inflation rate linked escalation rate for all signed agreements. An inflation linked escalation rate was assumed for all leases without signed agreements.

Discount Rate (Annual)

The rate was determined using the prime lending rate.

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

Management assess the appropriateness of the useful lives and residual values of property, plant and equipment and intangible assets at the end of each reporting period. The useful lives and residual values of property, plant and equipment and intangible assets are determined based on agency replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life or residual value of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation or amortisation charge.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the agency holds for its own use which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the agency, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset or construction of the asset, including the capitalisation of cost linked to the construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the agency and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Land and work in progress are not depreciated.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the agency.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the agency.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Accounting Policies

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	10 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	5 years
Fixtures and fittings	Straight line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

Intangible assets are defined as identifiable non-monetary asset without physical substance.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the agency; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Item	Depreciation method	Average useful life
ASYCUDA Operating Software	Straight line	5 years

1.5 Financial instruments

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

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

Financial assets which are equity instruments:

- At fair value through profit or loss; or
- Designated as at fair value through other comprehensive income.

Financial assets which are debt instruments:

- Amortised cost; or
- Fair value through other comprehensive income; or
- At fair value through profit or loss; or
- Designated at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- At fair value through profit or loss; or
- Designated at fair value through profit or loss.

Accounting Policies

Note 26 Financial instruments and risk management presents the financial instruments held by the agency based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the agency are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

Recognition and measurement

Trade and other receivables are recognised when the agency 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.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method.

Deposits are considered a separate non-financial asset. The deposits do not bear interest, thus no interest income is calculated using the effective interest method.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate

is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 7), cash and cash equivalents (note 8) and the financial instruments and risk management note (note 26).

In assessing whether the credit risk on a trade receivable the agency compares the risk of default occurring at reporting date compared to the risk of default at date of initial recognition.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item (note 7).

Transferred liabilities from related parties

Classification

Transferred liabilities from the Ministry of Finance and Public Enterprises (note 7), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Transferred liabilities from related parties are recognised when the agency becomes a party to the contractual provisions of the liability. The liabilities are measured, at initial recognition, at fair value.

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

Accounting Policies

liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance cost (note 20).

Borrowings expose the agency to liquidity risk and interest rate risk. Refer to note 26 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 10), excluding amounts received in advance (note 12), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the agency 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 finance cost (note 20).

Trade and other payables expose the agency to liquidity risk and possibly to interest rate risk. Refer to note 26 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 15).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 26).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Cash and cash equivalents comprise of 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 change in value.

NamRA recognises cash and cash equivalents in its statement of financial position when, and only when, the agency becomes party to the contractual provision of the instrument.

Subsequent to initial recognition, NamRA measures cash and cash equivalents at amortised cost.

Cash and cash equivalents are derecognised when and only when the right to the cashflows from the cash and cash equivalents expires or the agency transfers the cash and cash equivalents and the transfer qualifies for derecognition.

Derecognition

Financial assets

The agency 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

Accounting Policies

the asset to another party. If the agency neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the agency recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the agency retains substantially all the risks and rewards of ownership of a transferred financial asset, the agency continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The agency derecognises financial liabilities when, and only when, the agency 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.

1.6 Leases

The agency assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the agency has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Agency as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the agency is a lessee, except

for short-term leases of 12 months or less, or leases of low value assets.

For these leases, the agency recognises the lease payments as an operating expense (note 4) 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 asset are consumed.

The agency has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the agency is a lessee are presented in note 4 Leases (agency as lessee).

Lease liability

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 agency uses its incremental borrowing rate.

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

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- 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 agency under residual value guarantees;
- the exercise price of purchase options, if the agency is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the agency is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

Accounting Policies

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 lease payments made. Interest charged on the lease liability is included in finance cost (note 20).

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

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the agency will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial 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);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

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

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;

- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the agency incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the agency expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale should the inventory be auctioned.

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The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the agency.

When inventories are issued for use, the carrying amount of those inventories are recognised as an expense in the period in which they are issued. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of assets

The agency assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the agency estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the agency also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The agency assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Accounting Policies

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

Provisions are recognised when:

- the agency has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the agency settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses. If the agency has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when the agency:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;

- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it would carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the agency will comply with the conditions attached to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the agency with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Accounting Policies

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollar, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollar by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

Notes to the Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the agency has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023	The impact of the amendment is not material.
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The agency has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the agency's accounting periods beginning on or after 1 April 2024 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendments to IAS 21 - Lack of Exchangeability	1 January 2025	Unlikely there will be a material impact
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2024	Unlikely there will be a material impact
Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact

Notes to the Annual Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost	Accumulated value depreciation	Carrying amount	Cost	Accumulated value depreciation	Carrying amount
Buildings	28,920	(193)	28,727	-	-	-
Furniture	12,517	(766)	11,751	3,605	(122)	3,483
Motor vehicles	12,654	(1,893)	10,761	3,625	(107)	3,518
Office equipment	6,449	(740)	5,709	4,897	(267)	4,630
Computer equipment	53,034	(15,126)	37,908	30,390	(3,100)	27,290
Leasehold improvements	24,610	(2,984)	21,626	1,260	(197)	1,063
Fixtures and fittings	620	(51)	569	149	(21)	128
Capital - Work in progress	17,839	-	17,839	-	-	-
Total	156,643	(21,753)	134,890	43,926	(3,814)	40,112

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	-	28,920	-	(193)	28,727
Furniture	3,483	8,912	-	(644)	11,751
Motor vehicles	3,518	9,028	-	(1,785)	10,761
Office equipment	4,630	1,552	-	(473)	5,709
Computer equipment	27,290	23,504	(706)	(12,180)	37,908
Leasehold improvements	1,063	23,350	-	(2,787)	21,626
Fixtures and fittings	128	475	-	(34)	569
Capital-Work in progress	-	17,839	-	-	17,839
	40,112	113,580	(706)	(18,096)	134,890

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture	1,154	2,432	(103)	3,483
Motor vehicles	-	3,625	(107)	3,518
Office equipment	417	4,458	(245)	4,630
Computer equipment	3,134	26,821	(2,665)	27,290
Leasehold improvements	349	899	(185)	1,063
Fixtures and fittings	37	105	(14)	128
	5,091	38,340	(3,319)	40,112

Net carrying amounts of leased assets

	2024 N\$ '000	2023 Restated* N\$ '000
Leasehold improvements	21,626	1,063

Notes to the Annual Financial Statements

The agency leases several assets, including buildings, and IT equipment. The average lease term is 3 years (2023: 3 years).

The agency has the option to extend the lease on completion of the lease term. Any extension of the lease will be entirely at the Lessor's discretion and on the terms to be negotiated between the lessee and the lessor then.

Details pertaining to leasing arrangements, where the agency is lessee are presented below:

	2024			2023		
	Cost	Accumulated value	Carrying depreciation	Cost	Accumulated value	Carrying depreciation
Buildings	130,758	(60,053)	70,705	86,161	(21,708)	64,453
Office equipment	5,745	(319)	5,426	-	-	-
Total	136,503	(60,372)	76,131	86,161	(21,708)	64,453

	2024	2023
	N\$ '000	Restated* N\$ '000

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	70,705	64,453
Office equipment	5,426	-
	76,131	64,453

Additions to right-of-use assets

Buildings	46,490	58,374
Office equipment	5,745	-
	50,136	58,374

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 18), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	35,557	21,346
Office equipment	319	-
	35,876	21,346

Other disclosures

Interest expense on lease liabilities	8,998	5,276
Expenses on short-term leases included in operating expenses	3,104	4,638
Total cash outflow from leases	42,732	18,808

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
Within one year	49,236	24,779
Two to five years	45,639	50,128
	<u>94,875</u>	<u>74,907</u>
Less finance charges component	(10,195)	(4,427)
	<u>84,679</u>	<u>70,480</u>
Non-current liabilities	41,752	47,735
Current liabilities	42,927	22,745
	<u>84,679</u>	<u>70,480</u>
Exposure to currency risk		
The net carrying amounts of lease liabilities are denominated in Namibian Dollar.		
Namibia Dollar amount		
Namibia Dollar	<u>84,679</u>	<u>70,480</u>

5. INTANGIBLE ASSETS

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
ASYCUDA Operating Software	8,530	(1,413)	7,117	4,910	-	4,910

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
ASYCUDA Operating Software	4,910	3,620	(1,413)	7,117

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Total
ASYCUDA Operating Software	-	4,910	4,910

The above software relates to ASYCUDA software upgrades acquired on the 08 March 2023. The software was acquired to improve user experience on the system.

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
6. INVENTORIES		
Inventories - consumables	4,858	3,666
7. TRADE AND OTHER RECEIVABLES		
Financial instruments:	3,297	1,461
Trade receivables - related parties		
Other receivables	688	562
Non-financial instruments:		
Deposits	1,572	1,572
Prepayments	11,986	833
Total trade and other receivables	17,543	4,428
Split between non-current and current portions		
Current assets	17,543	4,428
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	3,985	2,023
Non-financial instruments	13,558	2,405
	17,543	4,428

Exposure to credit risk

Trade receivables inherently expose the agency to credit risk, being the risk that the agency will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the agency only deals with Ministry of Finance and Public Enterprises with consistent payment histories, through both government grant and related trade receivables.

The average credit period on trade receivables is 90 days. No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The agency measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The agency's historical credit loss experience does not show loss patterns for Ministry of Finance and Public Enterprises. Therefore no provision for credit losses is therefore noted based on past due status without disaggregating into further risk profiles.

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
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Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar amount

Namibia Dollar	3,985	2,023
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The fair value of trade and other receivables approximates their carrying amounts.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	190,301	235,708
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Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

First National Bank of Namibia (A1+)	190,301	235,708
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Details of total facilities

Credit cards	200,000	-
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Exposure to currency risk Namibia

Namibia Dollar amount

Namibia Dollar	190,301	235,708
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9. Deferred income

The Agency received grants in the form of property, plant and equipment from the government or foreign multinational. These donated assets are recognised as deferred income and are released to the income statement over the useful life of the related assets.

Non-current liabilities	47,465	1,347
Current liabilities	1,023	886
	48,488	2,233

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
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The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the agency has directly benefited are disclosed below.

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

During 2024, NamRA did not receive any donations (2023: NamRA received donations from United Nations Office on Drugs and Crime, World Customs Organisation, and The Nature Foundation disclosed below):

Assets donation received		
United Nations	1,681	2,134
The Namibia Nature Foundation	-	99
	1,681	2,233

NamRA capital expenditure		
Transkalahari project	28,920	-
Unutilised WIP on buildings	17,887	-
	46,807	-

10. TRADE AND OTHER PAYABLES

Financial instruments:		
Trade payables	5,370	2,169
Trade payables - related parties	127	3,400
Accrued leave pay	31,661	14,814
Accrued 13th cheque	3,031	2,052
Accrued Pay As You Earn	13,171	8,825
Other accrued expenses - suppliers	41,591	20,034
Other accrued expenses - third parties	383	5,123
	95,334	56,417

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	95,334	56,417
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Exposure to currency risk

The agency is exposed to currency risk related to trade payables because certain transactions are denominated in foreign currencies. Exchange rate exposures are minimal as they mostly relate to once off payments for licenses and subscriptions. The currencies in which the agency deals primarily are US Dollars and Euros.

The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
Namibia Dollar amount		
Namibia Dollar	95,334	56,417
Foreign currency amount		
US Dollar	254	73
Euro	20	42
Namibia Dollar per unit of foreign currency:		
US Dollar	19.457	18.254
Euro	21.011	19.868

Fair value of trade and other payables

11. PROVISIONS

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Performance bonus	-	30,000	-	30,000
Institutional Progress Incentive	14,218	-	(14,237)	(19)
	14,218	30,000	(14,237)	29,981

Reconciliation of provisions - 2023

	Opening balance	Additions	Reclassified during the year	Total
Institutional Progress Incentive	-	14,218	-	14,218
Leave pay accrual	1,080	-	(1,080)	-
	1,080	14,218	(1,080)	14,218

Provision for performance bonus of N\$ 30,000,000 (2023: N\$ 0) was accounted for in line with IAS 37. The performance bonus to the staff was as a result of the attainment of the performance targets of the agency as determined during the institutional performance review for the year ended 31 March 2024.

The institutional progress incentive awarded to staff in 2023 was as a result of the attainment of the institutional progress of the agency as determined during the institutional performance review for the year ended 31 March 2023. The institutional progress incentive is payable after year end.

12. INCOME RECEIVED IN ADVANCE

The agency received income in advance from the Ministry of Finance and Public Enterprises amounting to N\$ 0 (2023: N\$ 30,000,000) which relates to the next financial year.

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
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Prepayments - Ministry of Finance and Public Enterprises	-	30,000
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13. GOVERNMENT INCOME FOR RECURRING EXPENDITURE

Government funding for recurring expenditure

Government funding for recurring expenditure	1,009,191	601,133
Income received in advance brought forward (note 12)	30,000	98,345
Ministry of Finance and Public Enterprises transferred liabilities	-	(12,656)
Appropriation income received for the year	979,191	545,444
Income received in advance and carried forward (note 12)	-	(30,000)
	<u>1,009,191</u>	<u>601,133</u>

14. OTHER OPERATING INCOME

Deferred income realised (note 9)	744	435
Other income	548	3
	<u>1,292</u>	<u>438</u>

15. OTHER OPERATING GAINS (LOSSES)

Losses on disposals

Property, plant and equipment	(550)	-
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Foreign exchange gains (losses)

Net foreign exchange gains (losses)	646	(1,831)
Total other operating gains (losses)	<u>96</u>	<u>(1,831)</u>

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
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16. EMPLOYEE COSTS

As at 31 March 2024 the agency had 1395 permanent employees (2023: 945). The total employee costs consists of the following:

Employee costs

Basic	420,908	150,126
13th cheque	39,209	16,029
Medical aid - agency contributions	78,163	27,950
Social Security Commission	2,373	773
Leave pay provision charge	16,926	13,733
Subsistence and travelling allowance	11,793	6,274
Pay As You Earn	130,795	47,132
Retirement benefit plans	38,021	-
	738,188	262,017

Reconciliation of number of employees for the year

Employees at beginning of year	945	29
Entrants	462	917
Exits	(12)	(1)
	1,395	945

17. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Depreciation

Property, plant and equipment	18,096	3,319
Right-of-use assets	38,663	21,346
	56,759	24,665

Amortisation

Intangible assets	1,413	-
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Total depreciation, amortisation and impairment

Depreciation	56,759	24,665
Amortisation	1,413	-
	58,172	24,665

18. OPERATING SURPLUS

Operating surplus for the year is stated after charging the following, amongst others:

Auditor's remuneration - external

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
Audit fees	933	1,835
Auditor's remuneration - internal	495	-
Remuneration, other than to employees		
Administrative and managerial services	10	-
Consulting and professional services	4,071	2,740
	4,081	2,740
Leases		
Short-term leases	3,104	4,638
Total lease expenses	3,104	4,638
Depreciation and amortisation		
Depreciation of property, plant and equipment	18,096	3,319
Depreciation of right-of-use assets	38,663	21,346
Amortisation of intangible assets	1,413	-
Total depreciation and amortisation	58,172	24,665
Expenses by nature		
The total operating expenses are analysed by nature as follows:		
Employee costs	738,188	262,017
Lease expenses	3,104	4,638
Depreciation and amortisation	58,172	24,665
Other expenses	18,109	16,970
Cleaning	6,920	735
Commission paid to bank for Point-of-Sale devices	12,092	4,307
ICT maintenance and licenses expenses	33,680	37,878
Motor vehicle expenses	9,336	7,416
Municipal expenses	37,116	32,664
Printing and stationery	18,855	24,696
Repairs and maintenance	21,249	20,738
Security expenses	19,363	13,665
Staff welfare	7,939	1,272
Subscriptions	6,449	4,307
Telephone, internet and communication expenses	21,541	21,598
Training	5,383	1,263
	1,017,546	478,829

19. FINANCE INCOME

Interest income

Investments in financial assets:

Bank and other cash	8,397	4,987
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Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
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20. FINANCE COST

Lease liabilities	8,998	5,276
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21. CASH GENERATED FROM OPERATIONS

Surplus for the year	(12,502)	123,440
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Adjustments for non-cash items:

Depreciation and amortisation	58,172	22,795
Losses on sale of property, plant and equipment	550	-
(Gains) losses on exchange differences	(102)	1,831
Deferred income amortised	(744)	(435)
Other income	(548)	-
Other non-cash items	(562)	-

Adjust for items which are presented separately:

Interest received	(8,397)	(4,987)
Interest paid	8,998	5,276

Changes in working capital:

(Increase) in inventories	(1,192)	(3,666)
(Increase) in trade and other receivables	(13,071)	(4,428)
(Decrease) in income received in advance	-	(68,345)
Increase in trade and other payables	22,613	48,835
Increase in provisions	15,763	14,218
	68,978	134,534

22. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	70,480	50,136	6,795	56,931	(42,732)	84,679
	70,480	50,136	6,795	56,931	(42,732)	84,679
Total liabilities from financing activities	70,480	50,136	6,795	56,931	(42,732)	84,679

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
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Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	5,085	58,374	21,501	79,875	(14,480)	70,480
	5,085	58,374	21,501	79,875	(14,480)	70,480
Total liabilities from financing activities	5,085	58,374	21,501	79,875	(14,480)	70,480

23. COMMITMENTS

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment	2,232	25,547
Not yet contracted for and authorised by members	186,406	-

This committed expenditure relates to property and was financed by existing cash resources and retained profits.

24. RELATED PARTIES

Relationships

Ultimate owner	The Government of the Republic of Namibia
Line Ministry	Ministry of Finance and Public Enterprises
Members of key management	<p>Sam SHIVUTE: Commissioner</p> <p>Idi Itope: Head Domestic Taxes</p> <p>Haitange Nelumbu: Chief Financial Officer and Corporate Services</p> <p>Willbroad Poniso: Head Customs and Excise</p> <p>Faniel Uugwanga: Chief Human Capital and Business Strategy & Development</p> <p>Melanie Tjienda: Chief Information Officer</p> <p>Nadine Du Preez: Chief Legal Officer and Board Secretary</p> <p>Yarukeekuro Ndorokaze: Chief Strategic Communications and Support Engagements</p>

RELATED PARTY BALANCES

Amounts included in Trade receivable regarding related parties

Ministry of Finance and Public Enterprises	3,297	1,461
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Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
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Amounts included in Trade payables regarding related parties

Ministry of Finance and Public Enterprises	127	3,400
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Amounts included in Income received in advance

Ministry of Finance and Public Enterprises	-	30,000
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RELATED PARTY TRANSACTIONS

Appropriation received

Ministry of Finance and Public Enterprises	1,009,191	601,133
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Compensation to Members

Namibia Revenue Agency	1,135	726
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Compensation to Key management

Short-term employee benefits	16,359	12,308
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Members of key management comprises of members of the executive committee and the Commissioner

25. PRIOR PERIOD ERRORS

During the current financial period, management identified lease contracts that were omitted during the 2023 financial period.

Impact on Financial Statements

The errors have been corrected retrospectively in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates, and Errors. The comparative figures for the prior periods have been restated as follows:

Statement of Financial Position

	2023 N\$ '000	Adjustment due to omitted leases N\$ '000	2023 Restated N\$ '000
Right-of-use assets	43,883	20,570	64,453
Retained income	182,748	(2,819)	179,929
Lease liabilities	48,981	21,499	71,480
Trade and other payables	54,528	1,889	56,417
	331,140	41,139	372,279

Statement of Comprehensive Income

	2023 N\$ '000	Adjustment due to omitted leases N\$ '000	2023 Restated N\$ '000
Depreciation expenses	(19,476)	(1,870)	(21,346)
Finance costs	(4,327)	(949)	(5,276)
	(23,803)	(2,819)	(26,622)

Notes to the Annual Financial Statements

	Note	2024 N\$ '000	2023 N\$ '000
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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

2024

	Note(s)	Amortised cost	Total
Trade and other receivables	7	3,985	3,985
Cash and cash equivalents	8	190,301	190,301
		194,286	194,286

2023

	Note(s)	Amortised cost	Total
Trade and other receivables	7	2,023	2,023
Cash and cash equivalents	8	235,708	235,708
		237,731	237,731

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Total
Trade and other payables	10	95,334	95,334

2023

	Note(s)	Amortised cost	Total
Trade and other payables	10	56,417	56,417

PRE TAX GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains and losses on financial assets

2024

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	19	8,397	8,397

Notes to the Annual Financial Statements

	Note	2024 N\$ '000	2023 N\$ '000
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2023

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	19	4,987	4,987

Gains and losses on financial liabilities

2024

	Note(s)	Amortised cost	Leases	Total
Recognised in profit or loss:				
Finance costs	20	-	(8,998)	(8,998)
Gains on foreign exchange	15	646	-	646
Net gains (losses)		646	(8,998)	(8,352)

2023

	Note(s)	Amortised cost	Leases	Total
Recognised in profit or loss:				
Finance costs	20	-	(5,276)	(5,276)
Losses on foreign exchange	15	(1,831)	-	(1,831)
Net gains (losses)		(1,831)	(5,276)	(7,107)

Capital risk management

The agency's objective when managing capital (which includes working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the agency's ability to continue as a going concern while taking advantage of strategic opportunities to effectively execute its mandate sustainably.

The agency monitors capital utilising a number of measures, including the gearing ratio.

The capital structure and gearing ratio of the agency at the reporting date was as follows:

Lease liabilities	4	(84,680)	(70,480)
Trade and other payables	10	(95,334)	(56,419)
Total borrowings		(180,013)	(126,899)
Cash and cash equivalents	8	190,301	235,708
Cash surplus		10,288	108,809

Notes to the Annual Financial Statements

	2024 N\$ '000	2023 N\$ '000
Equity	172,358	179,929
Gearing ratio	(6%)	60%

Financial risk management

Overview

The agency is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Board has overall responsibility for the establishment and oversight of the agency's risk management framework. The Board has established the risk committee, which is responsible for developing and monitoring the agency's risk management policies. The committee reports quarterly to the Board on its activities.

The agency's risk management policies are established to identify and analyse the risks faced by the agency, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the agency's activities.

The agency audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the agency.

The agency audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the agency. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Trade and other receivables	7	3,985	-	3,985	2,023	-	2,023
Cash and cash equivalents	8	190,301	-	190,301	235,708	-	235,708
		194,286	-	194,286	237,731	-	237,731

and procedures, the results of which are reported to the audit committee and the risk committee.

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Lease liabilities
- Trade and other payables

Credit risk

Credit risk is the risk of financial loss to the agency if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The agency is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, is minimal given that the agency is funded through appropriation and thus only mainly transacts with the Ministry of Finance and Public Enterprises through the requirement of the Namibia Revenue Agency Act. The exposure to credit risk of the counterparty is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the agency through dealing with well-established financial institutions with high credit ratings.

The agency exposure to credit risk related to trade and other receivable is not significant due to the nature of the receivable with Ministry of Finance and Public Enterprises with consistent payment histories, through both government grant and related trade receivables.

Notes to the Annual Financial Statements

	Note	2024 N\$ '000	2023 N\$ '000
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Liquidity risk

The agency is exposed to liquidity risk, which is the risk that the agency will encounter difficulties in meeting its obligations as they become due.

The agency manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through cash appropriated by the State.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Current liabilities					
Trade and other payables	10	95,334	-	95,334	95,334
Lease liabilities	4	49,236	45,638	94,874	84,679
		144,570	45,638	190,208	180,013

2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Current liabilities					
Trade and other payables	10	56,417	-	56,417	56,417
Lease liabilities	4	24,779	50,128	74,907	70,480
		81,196	50,128	131,324	126,897

Foreign currency risk

The agency is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are not significant as they mostly relate to subscriptions with international organisations. The foreign currencies in which the agency deals primarily are US Dollars and Euros.

The agency has certain transactions for licenses and subscriptions exposed to foreign currency translation risk, the transaction are minimal and the foreign exchange implications are not significant.

Exposure in Namibia Dollar

The net carrying amounts, in Namibia Dollar, of the various exposures, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amounts at the closing rate at the reporting date:

Notes to the Annual Financial Statements

	Note	2024 N\$ '000	2023 N\$ '000
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US DOLLAR EXPOSURE:

Current liabilities:

Trade and other payables	10	(4,942)	(1,335)
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EURO EXPOSURE:

Current liabilities:

Trade and other payables	10	(420)	(836)
Net exposure to foreign currency in Namibia Dollar		(5,362)	(2,171)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US DOLLAR EXPOSURE:

Current liabilities:

Trade and other payables	10	(254)	(73)
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EURO EXPOSURE:

Current liabilities:

Trade and other payables	10	(20)	(42)
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EXCHANGE RATES

Namibia Dollar per unit of foreign currency:

US Dollar	19.457	18.254
Euro	21.011	19.868

Foreign currency sensitivity analysis

The following information presents the sensitivity of the agency to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the 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 amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Detailed Income Statement

	Note	2024 N\$ '000	2023 N\$ '000
Increase or decrease in rate			
Impact on profit or loss:			
US Dollar 1% (2023: 1%)		(50)	50
Euro 1% (2023: 1%)		(4)	4
		(54)	54

Impact on equity:

	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
US Dollar 1% (2023: 1%)	50	(50)	13	(13)
Euro 1% (2023: 1%)	4	(4)	8	(8)
	54	(54)	21	(21)
	-	-	-	-

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Assets

Cash and cash equivalents	8	6.75 %	- %	190,301	235,708
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Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
Increase or decrease in rate				
Impact on profit or loss:				
Cash 1% (2023: 1%)	1,903	(1,903)	2,357	(2,357)
Impact on equity:				
Cash 1% (2023: 1%)	(1,903)	1,903	(2,357)	2,357
Total impact on profit or loss and equity	-	-	-	-

Detailed Income Statement

	Note	2024 N\$ '000	2023 N\$ '000
Income			
Government income for recurrent expenditure	13	1,009,191	601,133
Other operating income			
Deferred income realised		744	435
Other income		548	3
	14	1,292	438
Other operating gains (losses)			
Losses on disposal of assets		(550)	-
Foreign exchange gains (losses)		646	(1,831)
	15	96	(1,831)
Expenses (Refer to page 45)		(1,017,546)	(478,829)
Operating profit	18	(6,967)	120,911
Finance income	19	8,397	4,987
Finance cost	20	(8,998)	(5,276)
Surplus for the year		(7,568)	120,622

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Detailed Income Statement

	Note	2024 N\$ '000	2023 N\$ '000
Other operating expenses			
Administration and management fees		(10)	-
Advertising		(3,119)	(1,026)
Amortisation	17	(1,413)	-
Auditor's remuneration - external audit	18	(933)	(1,835)
Auditor's remuneration - internal audit	18	(495)	-
Bank charges		(34)	(82)
Cleaning		(6,920)	(735)
Commission paid to bank for Point-of-Sale devices		(12,092)	(10,760)
Consulting and professional fees		(3,998)	(2,623)
Consulting and professional fees - legal fees		(73)	(117)
Depreciation	17	(56,759)	(24,665)
Donations		(22)	-
Employee costs	16	(738,188)	(262,017)
Entertainment		(582)	(384)
Fines and penalties		(410)	(190)
Insurance		(1,553)	(407)
ICT maintenance and licenses expenses		(33,680)	(37,878)
Lease expenses		(3,104)	(4,638)
Motor vehicle expenses		(9,336)	(7,416)
Municipal expenses		(37,116)	(32,664)
Postage		(2,715)	(2,912)
Printing and stationery		(18,855)	(24,696)
Protective clothing		(4,007)	(906)
Repairs and maintenance		(21,249)	(20,738)
Royalties and license fees		(5)	(11)
Security expenses		(19,363)	(13,665)
Staff welfare		(7,939)	(1,272)
Subscriptions		(6,449)	(4,307)
Telephone, internet and communication expenses		(21,541)	(21,598)
Training		(5,383)	(1,263)
Transport and freight		(153)	(24)
		(1,017,546)	(478,829)

The supplementary information presented does not form part of the annual financial statements and is unaudited.





Namibia Revenue Agency

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