



NamRA
Namibia Revenue Agency

ANNUAL
REPORT
2024/5



Serving with
PASSION

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List of **Abbreviations**

ATAF	African Tax Administration Forum
CBM	Coordinated Border Management
CSMS	Customer Service Management System
CRU	Compliance Risk Unit
e-AR	Electronic Advance Ruling
GDP	gross domestic product
FY	financial year
ICT	information and communications technology
ISO	International Organization for Standardization
ITAS	Integrated Tax Administration System
NamCode	Corporate Governance Code for Namibia
NamRA	Namibia Revenue Agency
OSBP	One-stop Border Post
SADC	Southern African Development Community
VAT	Value Added Tax
WCO	World Customs Organization

About NamRA

NamRA was established in line with the Namibia Revenue Agency Act, 2017 (Act No. 12 of 2017) and officially launched on 7 April 2021. NamRA is mandated to administer and enforce revenue laws.

NamRA operates as an agent of the State, with the primary mandate to assess and collect taxes and duties while providing customs and excise services that facilitate legitimate trade to receive and account for State revenue in accordance with applicable laws.

As part of its Five year strategy, NamRA has nine Strategic Objectives which serve as a roadmap for achieving operational excellence and long-term sustainability in revenue collection. These objectives are aligned with our vision of becoming a world-class revenue agency.



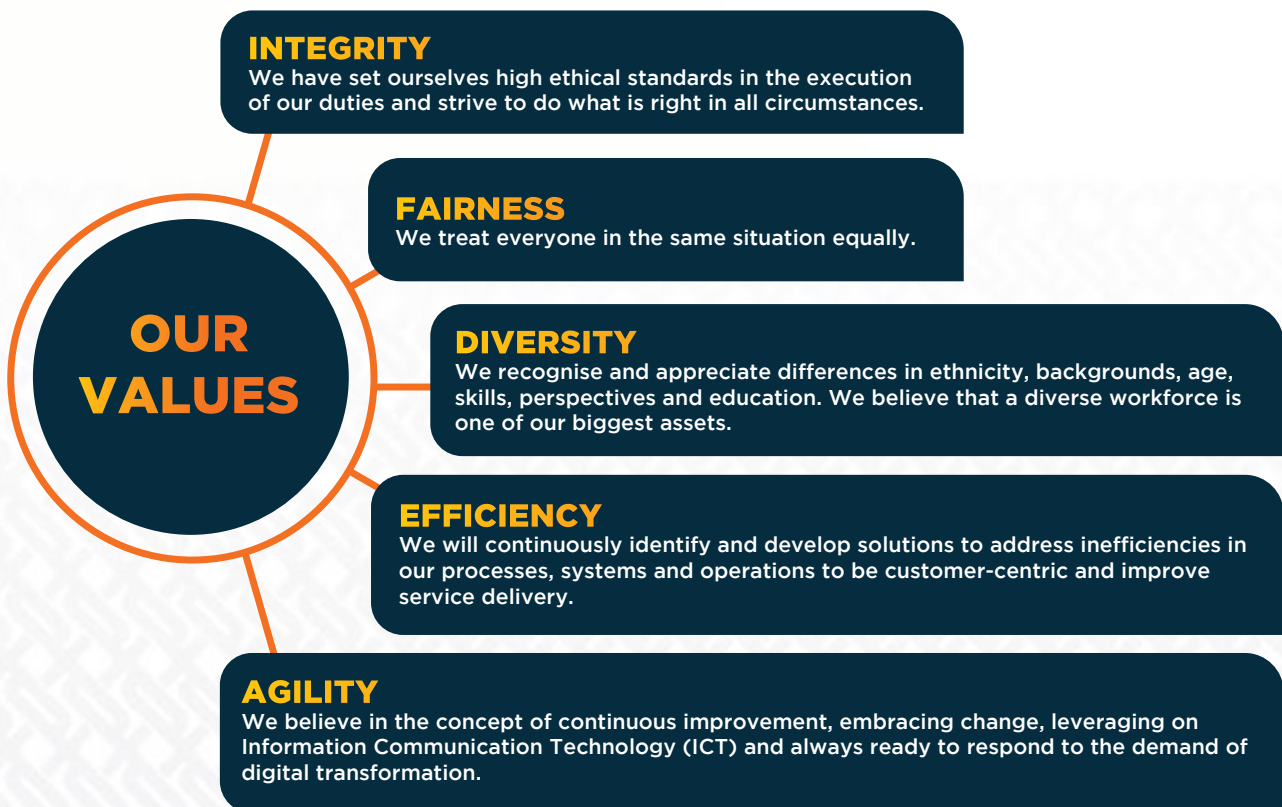
Our Vision

We aspire 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, in an effort to mobilise domestic revenue.



NamRA at a Glance






Collections

Total net revenue collected as at 31 March 2025





N\$88.5 billion

(at March 2024 - N\$77 billion)

Taxpayers Stats

-  **1,009,926** registered taxpayers
-  **575,136** registered as electronic e-filers on ITAS
-  **1,048,918** active tax accounts

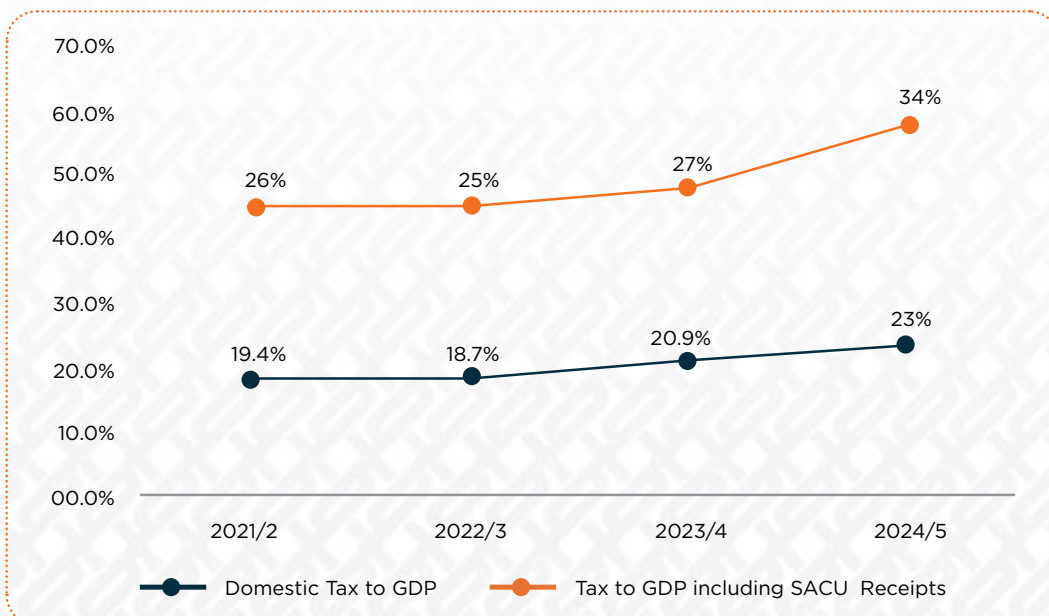
Tax amnesty programme

-  Taxpayers registered for waiver - **81,796 (FY2023/4 - 89,398)**
-  Tax revenue generated - **N\$2.5 billion (FY2023/4 - N\$2.9 billion)**
-  Interest reversed - **N\$2.8 billion (FY2023/4 - N\$797 million)**
-  Penalties waived - **N\$46.6 billion (FY2023/4 - N\$17.1 billion)**



Staff Complement

1491 Staff members
(at 31 March 2024 - 1406)

EDUCATIONAL STATS **REACH**

From April 2024
to March 2025



SHORT VIDEOS

f FACEBOOK 50 -PRODUCED
44-SHARED **941,300** VIEWS

t TIKTOK 50 -PRODUCED
45- SHARED **784,280** VIEWS

NamRA



103,000 (FACEBOOK VIEWS ONLY)
25 - PRODUCED



NamRA ONLINE CORNER

5 - SESSIONS IN TOTAL
1 - DOMESTIC TAXES
1 - CUSTOMS
1 - LEGAL SERVICES
1 - BIPA
1 - CRAN

31,526
(FACEBOOK VIEWS ONLY)

OTHER MEDIA HOUSES' SOCIAL MEDIA PLATFORM- VIDEOS

- 12 - TOTAL**
1. NBC Digital Platforms Posts: 4
 2. One Africa Television Digital Platforms Posts: 4
 3. The Namibian Newspaper Digital Platforms Posts: 4



170,633
TOTAL VIEWS

FACE TO FACE ENGAGEMENTS, ROAD SHOWS (TAX AND TRADE ON THE MOVE, POP- UP SERVICE CENTRES AND AWARENESS CAMPAIGNS

152



20,355
CUSTOMER'S ATTENDANCE

RADIO SESSIONS

16 (OCTOBER 2024)



PRINT MEDIA/ PRINTED MATERIALS

17 BROCHURES
POSTED ON OUR WEBSITE



TAXPAYER AND TRADER COMPETITIONS

- 16 radio quiz
- 25 Quiz NamRA Kachenu
- 1 - Street quiz in Wernhill

42 IN TOTAL

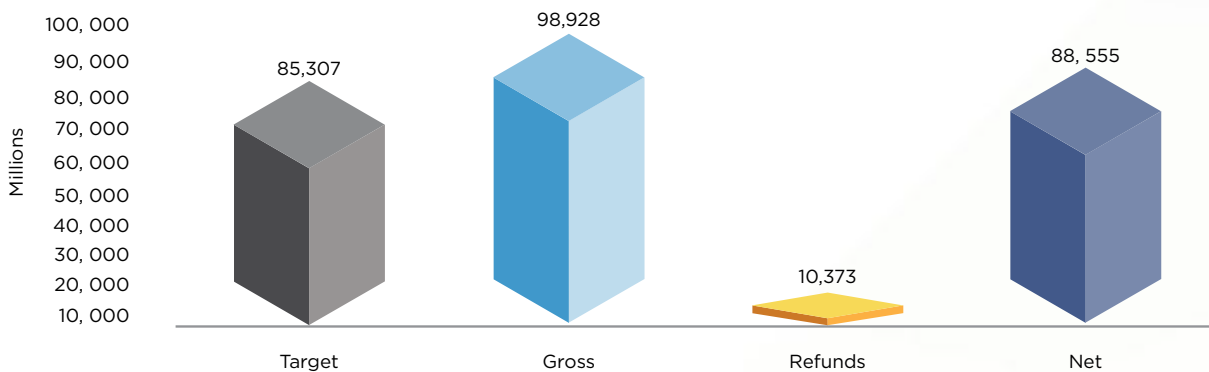
NamRA DEDICATED SERVICE CENTRES OPENED IN 2024/25 FINANCIAL YEAR

1 NamRA Pop Up Centre
Soweto Market - Katutura

NamRA in Numbers

At March 2025, NamRA collected a total net amount of **N\$88.555 billion** which equates to **103.373%** of the total revenue target of **N\$85.307 billion** for the FY2024/5.

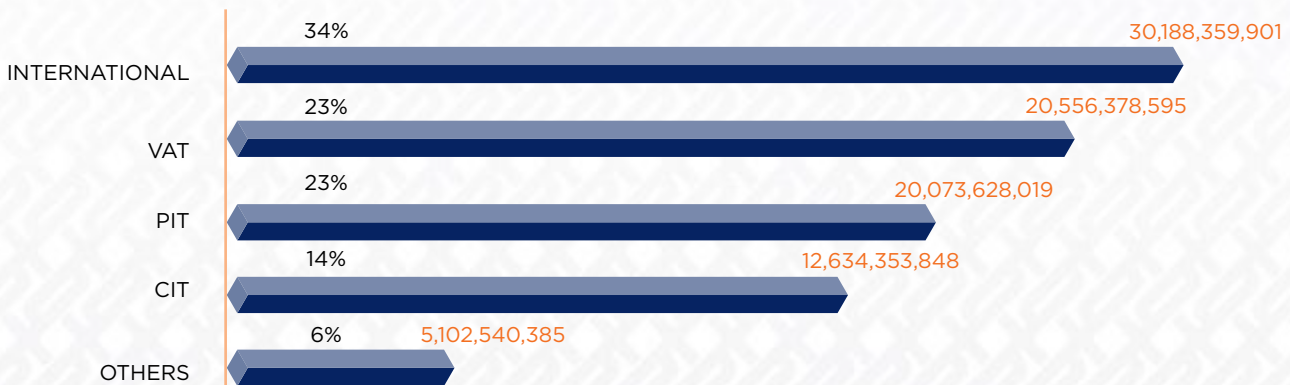
figure 1: Depicts an overview of the revenue collected at 31 March 2025.

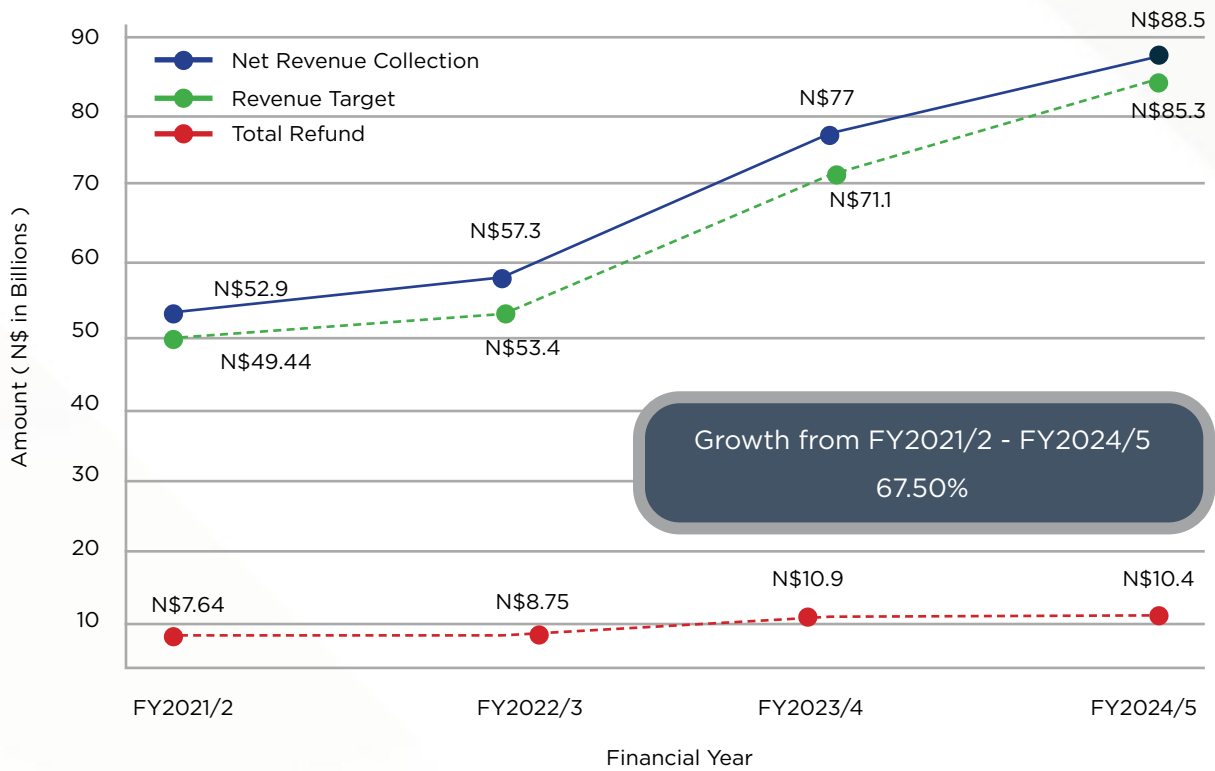


The table shows that NamRA collected an amount of **N\$98.928 billion** in gross revenues, with a net amount of **N\$88.555 billion**. Refunds paid out for the 1 April 2024 to 31 March 2025 amounted to **N\$10.373 billion**.

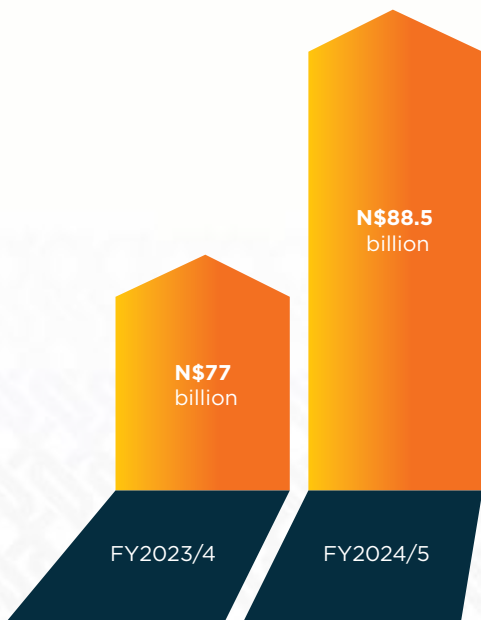
The net amount collected at 31 March 2025, is broken down into various main tax categories as shown in the figure below.

figure 2: Breakdown of Net Revenue of **N\$88.5 billion**

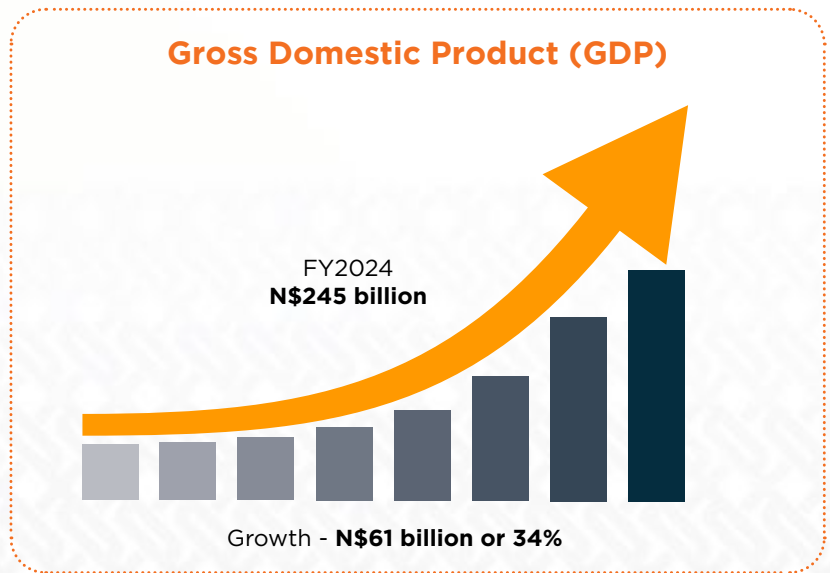




Revenue Collection, and Total Refunds from FY2021/2 - FY2024/5



Net Revenue
Growth of **N\$11.5 billion or 15%**



Minister's Perspective

It is both an honour and a privilege to provide this foreword to the NamRA Annual Report for the FY2024/5. This statement comes at a critical junction in our nation's financial journey, as we continue to navigate an increasingly complex global economic landscape while remaining committed to our national development goals.

Upon my appointment as Minister of Finance in March 2025, just prior to the close of the financial year, one of my first public engagements was attending NamRA's Fourth Annual Taxpayer/Trader Appreciation Day. This event, which celebrated the invaluable contributions of compliant taxpayers and traders, reinforced my strong confidence in NamRA's central role in administering tax, customs and excise laws, thereby supporting Namibia's financial sustainability and economic growth. I have also been closely associated with NamRA since its establishment in 2021, having had the privilege of serving as Executive Director at the Ministry of Finance during the Agency's conceptualisation and formation.

The Government is highly encouraged by NamRA's outstanding revenue performance for the 2024/5 financial year. The Agency successfully collected N\$88.5 billion, surpassing the target of N\$85.3 billion. This achievement is commendable not only in terms of revenue generation but also as a vital enabler of national development. These collections empower the Government to implement key socio-economic programmes, deliver essential public services, and advance our shared vision of improving the quality of life for all Namibians.

I am also pleased with the strong partnerships NamRA has fostered with developmental partners and other international stakeholders.



These collaborations continue to provide invaluable technical assistance and policy guidance, ensuring Namibia remains aligned with global best practices in revenue administration.

In conclusion, I extend my sincere appreciation to my predecessor Hon. Ipumbu Shilmi, who served as Minister of Finance from 2020 to 2025. I also wish to acknowledge the NamRA Board and its Chairperson, Ms Anna Nakale-Kawana, for their steadfast leadership, as well as the Commissioner, Management and Staff for their professional execution of the Agency's mandate.

The Ministry remains fully committed to supporting NamRA in its pursuit of operational excellence, enhanced compliance, and improved service delivery. Together, we will build a resilient, inclusive and prosperous Namibia through strengthened domestic revenue mobilisation beyond taxation.

Hon. Ericah B Shafudah

Minister of Finance

Statement by the Chairperson of the Board

It gives me great pleasure to present this statement on behalf of the Board at the end of yet another impactful financial year for NamRA. Our term, which ended in November 2024, was extended to allow us to maintain continuity in governance and strategic oversight, and it has been a privilege to continue serving during this important transition period. I express my sincere gratitude to the former Minister of Finance and Public Enterprises Hon. Ipumbu Shiimi for the trust and confidence placed in the Board to continue guiding NamRA through this critical phase.

Serving as the founding Chairperson of the NamRA Board has been one of the most enriching experiences of my professional journey. Over the past four years, it has been immensely gratifying to witness NamRA evolve from an idea into a fully operational, results-driven and future-focused Revenue Agency. The journey of institution-building is never easy, but together, we have laid a strong foundation for the long-term success of this important national body.

I am proud to confirm that the FY2023/4 Annual Report and the accompanying Annual Financial Statements were submitted in full compliance with the relevant legal and regulatory frameworks. These submissions were further validated by a clean audit opinion, an achievement that underscores NamRA's commitment to transparency, accountability and good corporate governance.

Under the Board's oversight, Management has worked diligently to address outstanding



audit recommendations, further strengthening the Agency's governance architecture and aligning its operations with best practice. The reporting year also saw the Board approve the revised Five-year Strategic Business Plan (2021-2026), reflecting NamRA's evolving mandate and ensuring alignment with sound governance principles and legislative imperatives.

To further strengthen the institution, several policies were reviewed and introduced during the past financial year. These have enhanced NamRA's capacity in the areas of governance, risk management, operational resilience and service excellence. During the period under review, the Tax Amnesty programme was extended to 31 October 2026, allowing taxpayers more time to honour their obligations.

In conclusion, I look forward to continued support from the newly appointed Minister of Finance, Hon. Ericah B Shafudah, to enable NamRA to consolidate its activities and operations.

A handwritten signature in black ink, appearing to be 'A. Nakale-Kawana'.

Anna Nakale-Kawana
Chairperson of the Board

Statement by the Commissioner

It is with immense pride and a deep sense of responsibility that I present this statement as we reflect on yet another remarkable year in the life of NamRA. Now having concluded four years of existence, we remain steadfast in our pursuit of becoming a world-class revenue agency, guided by our mission while serving with integrity, professionalism and excellence.

Over the past financial year, NamRA has made tremendous progress in delivering on its strategic objectives, thanks to the unwavering dedication of the NamRA workforce, our “NamRA Stars”. Their collective efforts have propelled us to new heights, and I take this opportunity to acknowledge and commend their resilience, innovation and sense of duty.

Since our inception in April 2021, NamRA has collected a cumulative total of N\$275.70 billion in revenue, which translates to overall growth of 67% over the last four reporting years.

These figures are a testament to the hard work, sound governance and strategic foresight that continue to define NamRA’s journey.

While we celebrate these notable milestones, we recognise that much remains to be done. To this end, NamRA therefore undertook a number of strategic projects during the reporting year that aimed at enhancing trade facilitation and tax administration. These included a Time Release Study, the Co-ordinated Border Management initiative, and the significant progress made on the Trans-Kalahari/Mamuno One-stop Border



Post, which reached 90% completion. These projects lay the groundwork for a more efficient, integrated and responsive revenue system.

Furthermore, to meet emerging challenges in tax administration, there is an urgent need to invest in infrastructure, information and communications technology and capacity-building. Such investments will enable us to strengthen compliance enforcement, improve risk management and deliver enhanced taxpayer services across all of the country’s regions.

In conclusion, I extend my sincere gratitude to the former Minister of Finance and Public Enterprises Hon. Ipumbu Shiimi and current Minister of Finance Hon. Ericah B Shafudah for their continued policy guidance and to the NamRA Board for their strategic oversight and unwavering support. As we look to the future, NamRA remains committed to contributing to national development and the economic well-being of all Namibians.

A handwritten signature in black ink, appearing to read 'S Shivute', written over a light blue grid background.

Sam SHIVUTE
Commissioner

NamRA Board



Mrs 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 degree in Economics and Agricultural Economics from the University of Aberdeen, among other qualifications. Anna is the founding Chairperson of NamRA, a position in which she is still honoured to serve. She also served as the founding Chairperson of the Namibia Financial Institutions Supervisory Authority's Board of Directors until December 2024.

Mr Stefan Hugo: Deputy Chairperson

Stefan is a Chartered Accountant with a Bachelor of Commerce degree from Stellenbosch University and an Advanced Certificate in Taxation from the University of South Africa. 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. He currently serves as 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.



Mrs Shirene Bampton: Member

Shirene is a seasoned human resources professional with over 25 years' experience in all related fields, but especially in the financial services industry. Having previously served as the Deputy Director of Organisational Development and Learning at the Bank of Namibia, she has since been appointed as Director of Human Resources. Shirene has a Master of Science degree in Global Human Resources Management from the University of Liverpool, among other qualifications. She also chairs the Board's Remuneration Committee.



Adv. Dennis Khama: Member

Advocate Khama holds a Bachelor of Jurisprudence degree from the University of Fort Hare and a Bachelor of Laws degree 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. He previously served as Deputy Director at the Financial Intelligence Centre and is a member of both the Society of Advocates of Namibia and the Law Society of Namibia.



Mr. Pieter Kruger: Member

Pieter is a financial services executive with close to 30 years' experience assisting financial institutions globally with digital and technological transformation. He holds a Master of Computer Science degree from the University of Stellenbosch and a Master of Philosophy in Management from the Universidad Catolica San Antonio de Murcia. Pieter chairs the Board's Information and Communications Technology Governance Committee and is also a member Audit and Risk and Remuneration Committees.



Mr. Titus Ndove: Ex-officio member

On 1 February 2022, Titus assumed the role of Executive Director of the former Ministry of Finance and Public Enterprises, now the 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 close to 25 years' experience in public financial management, research, public procurement, central and commercial banking, financial markets and corporate governance.



Sam SHIVUTE: Ex-officio member

Sam SHIVUTE 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 degree in International Finance and Banking Law from the University of Liverpool. Sam is also an accredited Transformational Coach, trained by Animas Centre for Coaching in the United Kingdom.



Governance Report

Introduction

NamRA is committed to upholding sound corporate governance practices that promote transparency, accountability and ethical leadership in the administration of public revenue. During the 2024/5 financial year, the Agency continued to strengthen its governance framework in alignment with international best practices, the Corporate Governance Code for Namibia (NamCode), the King IV Report, and the Namibia Revenue Agency Act, 2017 (Act No. 12 of 2017).

Governance instruments approved

To support strategic governance and strengthen institutional performance, the following instruments were reviewed and approved during the financial year:

- The Policy on Policies
- Amendment to the Performance Management Policy
- Amendment to the Remuneration Policy
- Amendment to the Leave of Absence Policy
- Amendment to the Conditions of Service Policy
- The Revised Strategic Plan (2021–2026)
- The NamRA Annual Report for FY2023/4, and
- NamRA Corporate Social Investment Policy.

Board and Committee meetings

NamRA’s governance structure comprises the Board and three functional committees: the Audit and Risk Committee, the Remuneration Committee, and the ICT Governance Committee. These structures operated efficiently throughout the year, executing their mandates in accordance with the Board Charter and approved terms of reference. Table 1 documents the number of meetings held by the Board and its Committees.

Table 1: Board and Committee meetings held

Meeting type	Date held
Statutory Board meeting	7 August 2024 23 October 2024 12 November 2024 12 March 2025
Special Board meeting	6 August 2024 20 September 2024 21 September 2024
Audit and Risk Committee ordinary meeting	2 July 2024 23 October 2024 5 February 2025

Meeting type	Date held
Audit and Risk Committee special meeting	13 September 2024
Remuneration Committee meeting	15 July 2024 21 October 2024 4 February 2025
ICT Governance Committee meeting	15 July 2024 21 October 2024 4 February 2025

Committee memberships

The following three Committees operated under their respectively approved charters and reported to the Board on a quarterly basis:

- **Audit and Risk Committee:** Stefan Hugo (Chair), Pieter Kruger, Titus Ndove, Sam SHIVUTE
- **Remuneration Committee:** Shirene Bampton (Chair), Adv. Dennis Khama, Pieter Kruger, Sam SHIVUTE
- **ICT Governance Committee:** Pieter Kruger (Chair), Stefan Hugo, Adv. Dennis Khama, Sam SHIVUTE

Each Committee is chaired by an independent non-executive Board member and comprises members with relevant expertise to ensure effective oversight.

Attendance summary

The attendance across Board and Committee meetings was notably strong, demonstrating active participation and commitment to governance responsibilities (Table 2).

Table 2: Board and Committee meeting attendance record

Board member	Statutory Board meeting	Special Board meeting	Ordinary Audit and Risk Committee meeting	Special Audit and Risk Committee meeting	Remuneration Committee	Information and Communications Technology Governance Committee	Total meetings attended
Anna Nakale-Kawana	2/3	3/3	-	-	-	-	5
Stefan Hugo	3/3	3/3	3/3	1/1	-	2/3	12
Shirene Bampton	3/3	3/3	-	-	3/3	-	9
Adv. Dennis Khama	2/3	2/3	-	-	2/3	3/3	9
Pieter Kruger	3/3	3/3	3/3	1/1	3/3	3/3	16
Titus Ndove	2/3	2/3	-	-	-	-	4
Sam SHIVUTE	3/3	3/3	2/3	1/1	2/3	3/3	14

Board remuneration disclosure

Board fees are guided by the Remuneration Framework under the Public Enterprises Governance Act, 2019 (Act No.1 of 2019).

Remuneration paid to non-executive Board members is guided by applicable directives. The Commissioner and other ex-officio members do not receive Board fees (Table 3).

Table 3: Board fees paid (1 April 2024 – 31 March 2025)

Board member	Committee memberships	Fees received (N\$)
Anna Nakale-Kawana	None	227,196.89
Stefan Hugo	~ Audit and Risk Committee ~ ICT Governance Committee	301,727.20
Shirene Bampton	Remuneration Committee	246,793.86
Adv. Dennis Khama	~ Remuneration Committee ~ ICT Governance Committee	248,243.95
Pieter Kruger	~ Audit and Risk Committee ~ Remuneration Committee ~ ICT Governance Committee	347,943.13
Titus Ndove	Audit and Risk Committee (ex officio)	0
Sam SHIVUTE	All Committees (ex officio)	0
Total		1,371,905.03

Governance outlook

NamRA will continue to advance its governance maturity by institutionalising international best practices, NamCode and King IV Report principles, strengthening ICT and risk oversight, and embedding performance accountability.

Executive Team



Sam SHIVUTE
Commissioner



MS MELANIE TJIJENDA
Chief Information Officer



MS VESORAUNE MBAHA
Chief Risk Management and
Internal Audit



MR FERNANDO SOMAEB
Acting Chief Financial Officer



MS NADINE DU PREEZ
Chief Legal Officer



MR WILLBROAD PONISO
Head: Customs and Excise



MR ANANIAS IIYAMBO
Acting Chief Internal Affairs



MS MAHNAEM HAIDULA
Head: Domestic Taxes



MR FANUEL UUGWANGA
Chief Human Capital and
Strategy



MR YARUKEEKURO NDOROKAZE
Chief Strategic Communications and
Support Engagements

NamRA's progress through its strategic objectives

In pursuit of our mandate and long-term vision, NamRA has continued to make meaningful progress in implementing its Strategic Plan for the period 2021-2026. The strategic objectives outlined below form the foundation of the Agency's efforts to drive operational excellence, enhance taxpayer service and strengthen its contribution to national development. The FY2024/5 Annual Report therefore presents a performance overview structured around these strategic objectives. It highlights the key interventions, milestones and progress made during the reporting period, with specific reference to the Strategic Plan.

The next nine sections are organised according to NamRA's strategic objectives, which collectively guide the Agency's efforts to perform, as follows:



Theme - Revenue

1. Maximise revenue collection

Strengthen revenue mobilisation through enhanced systems, an expanded tax base and effective collection strategies

2. Minimise revenue leakages

Proactively identify and address risks related to tax evasion, fraud and non-compliance that compromise revenue collection



Theme - Customer

3. Improve voluntary compliance

Foster a culture of compliance by improving taxpayer services, promoting education and building trust in the tax system

4. Enhance trade facilitation

Simplify and modernise customs procedures to support efficient cross-border trade and regional integration

5. Enhance stakeholder engagement and awareness

Build strong relationships and promote tax awareness through targeted engagement and strategic communication



Theme - Internal Processes and Governance

6. Optimise organisational efficiency and governance

Strengthen internal systems, processes and governance structures to enhance institutional performance and accountability

7. Enhance digital transformation

Modernise operations and service delivery through the integration of innovative digital technologies



Theme - Result Driven People

8. Invest in and retain talent

Attract, develop and retain a skilled, diverse and motivated workforce aligned with NamRA's strategic priorities

9. Enhance culture transformation

Cultivate an ethical, performance-oriented and values-driven organisational culture.



**Maximising
revenue
collection**

1

1. Maximising revenue collection

During the reporting period, NamRA remained steadfast in its commitment to mobilising domestic revenue in support of Namibia's fiscal sustainability and development agenda. Revenue collection continued to improve year-on-year, reflecting ongoing efforts to strengthen compliance, broaden the tax base and enhance the efficiency of collection processes across tax and customs streams.

1.1 Overall revenue performance

As at the end of March 2025, NamRA recorded a net revenue collection of N\$88.555 billion, exceeding its annual target of N\$85.307 billion. After accounting for tax refunds amounting to N\$10.373 billion, the net revenue collected stood at N\$98,928 billion. This represents a year-on-year increase of 15% in net revenue compared with net revenue recorded for the previous financial year. This relatively stronger performance reflects NamRA's strategic interventions to broaden the tax base, improve filing and payment compliance and enhance enforcement efforts.

The achievement of net collections above target not only underscores the effectiveness of NamRA's revenue mobilisation strategies but also demonstrates the Agency's commitment to supporting fiscal stability and national development through efficient and transparent tax administration. Figure 1 highlights NamRA's overall revenue performance.

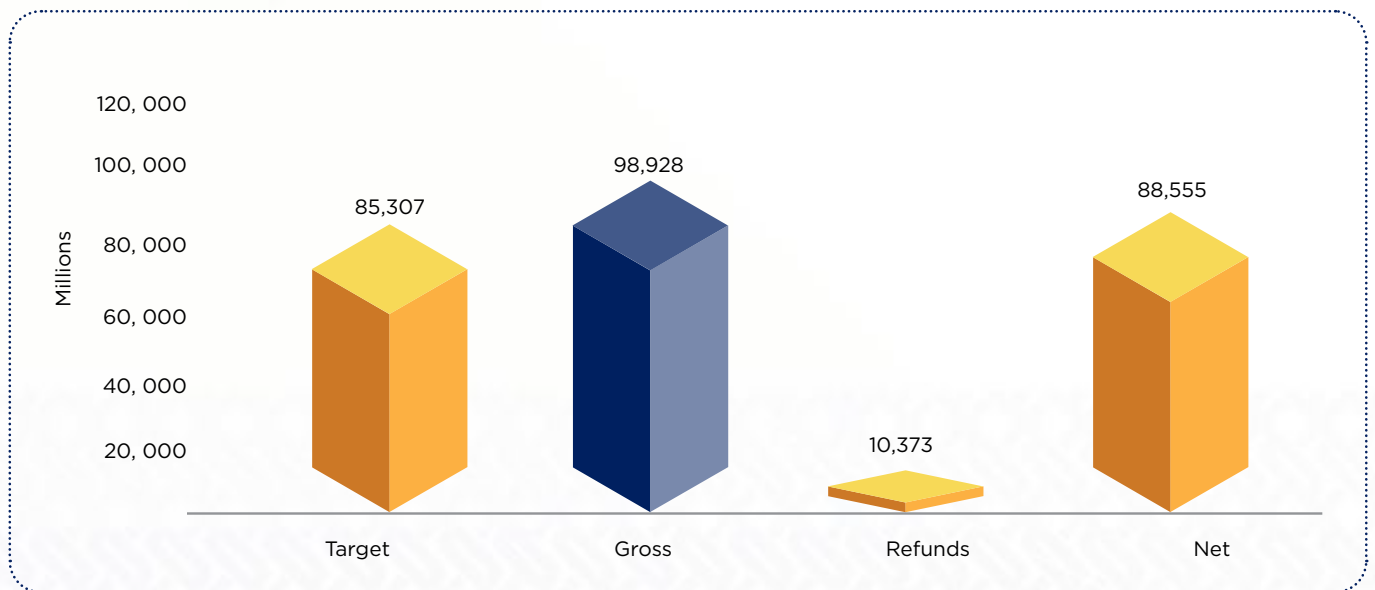


Figure 1: Revenue overview, 2024/5

The improved revenue collection is largely attributed to the resilient performance across both the domestic taxes and the customs and excise, coupled with diligent and complying taxpayers and traders playing their part. During the review period, Domestic Taxes contributed 64% of total net revenue, amounting to N\$56.5 billion, being 102.8% of its annual target. Meanwhile, the Customs and Excise accounted for 36%, recording N\$32.1 billion, which was 105.6% of the set annual target for that part.



**Minimising
revenue
leakages**

2

2. Minimising revenue leakages

2.1 Reviewing and drafting legal instruments

In line with its establishing Act, NamRA is empowered to advise the Minister of Finance on matters related to the administration and collection of revenue. During FY2024/5, NamRA reviewed various legal instruments affecting tax, customs and excise matters, with particular emphasis on closing apparent loopholes, while simplifying revenue administration and collection. The review process led to the following being gazetted:

- Income Tax Amendment Act, 2024 (Act No. 4 of 2024). The amendments included the limitation of carrying forward assessed losses, amendments to section 95A of the principal Act in respect of the definitions of connected person and a provision to cap net interest expenses (thin capitalisation).
- Value-Added Tax Amendment Act, 2024 (Act No. 5 of 2024). The amendments included changes to the VAT registration threshold, changes to the interest rates and changes to the timing of the VAT payment due on imported services.
- Transfer Duty Amendment Act, 2024 (Act No. 6 of 2024). The amendment included the definition of property and the new tax brackets.
- Stamp Duty Amendment Act, 2024 (Act No. 7 of 2024). The amendment included electronic stamping in the definition of stamp and lifted the threshold of duty on transfer deeds.
- Substitution of Part 1 of Schedule No. 1: Customs and Excise Act, 1998 (Act No. 20 of 1998). Schedule 1 provides the specific customs and excise duties to be applied to commodities imported into Namibia. The amendment was necessitated by the adjustment of existing SACU tariffs as well as the introduction of new tariffs to enable the operationalisation of the African Continental Free Trade Area.
- Amendment of Schedules and General Notes to Schedule No. 1: Customs and Excise Act, 1998 (Act No. 20 of 1998). The amendment provides context on how the specified commodities under Schedule 1 to the Act may be interpreted, while the notes listed the African Continental Free Trade Agreement countries with which Namibia may trade.
- Amendment of Part 1 of Schedule No. 2: Customs and Excise Act, 1998 (Act No. 20 of 1998). The amendment introduced trade remedies meant to protect domestic industries from unfair trade practices in the form of anti-dumping duties for cases of dumping and safeguard measures for situations of disruptive competition, and
- Amendment of Part 2 and Part 3 of Schedule No. 2: Customs and Excise Act, 1998 (Act No. 20 of 1998). The amendment introduced a trade remedy meant to protect domestic industries from unfair trade practices in the form of countervailing measures for subsidised exports.

2.2 Court Cases:

The importance of NamRA collecting the accurate amount of tax at the appropriate time cannot be overemphasised. During the reporting period, 28 cases were lodged with the High Court for adjudication.

In seven cases, the ruling was in favour of NamRA, while two cases were decided against the Agency. Another 12 cases remain on the roll and are yet to be concluded, with seven cases withdrawn at various stages.

The reporting year also saw 7 major court judgments and 3 Tax tribunal judgements involving NamRA being delivered which included among others:

1. **Esser Pawa Naukosho vs NamRA:** In this matter, the taxpayer approached the High Court on an Urgent Application basis to have her bank accounts released, after NamRA appointed her bank to make payment of taxes from amounts held in different bank accounts. The court held that the urgency is self-created as the taxpayer did nothing in response to the demand letter of taxes due and decided to wait until the decision to freeze the account was taken. The Court refused the application.
2. **Tandii Trading CC vs Minister of Education and Others:** In this matter, NamRA joined as a party for convenience to recover the outstanding taxes. The taxpayer was awarded a tender to construct teachers houses in the three (3) northern regions. Although the taxpayer is registered for VAT, the parties to the construction agreement were of the opinion that the supply is exempt from VAT as it is a supply of accommodation. NamRA argued that the taxpayer is liable for VAT as it was not a supplier of accommodation as envisaged in the law for the exemption to find application. The parties to the construction agreement reached a compromise agreement for the payment of the VAT portion to NamRA. NamRA recovered N\$2,372,210.34 in VAT.
3. **The Tax Tribunal Rulings on Ringfencing:** Three Appellant taxpayers, all not allowed to set-off losses from their part time farming activities against the taxable income from their salaried employment, approached the Tax Tribunal (in their respective individual capacity, with slightly different facts on the years of assessments and disallowed expenses, but same legal issue) challenging the interpretation of Section 21A and their rights to administrative justice.

The Tax Tribunal held that:

- Given the proper interpretation of section 21A of the Income Tax Act No 24 of 1981 and its operation, it is clear that the taxpayers in their tax returns following the coming into force of the Income Tax Third Amendment Act, did not comply with the provisions of the Act, which resulted in material facts being omitted from their tax returns. The taxpayers didn't apply the law, thereby obtaining an advantage and significant refunds, which other taxpayers, not engaged in part time farming or any of the other activities listed in section 21A(2)(b), were and is a legitimate basis for revising the assessments.
- Since the taxpayers set off the losses from their part time farming in the respective years which was not permissible in terms of the Act (in as far as they failed to successfully invoke the subsection (3) exception), it is deemed to have omitted the relevant amounts from their returns, thus entitling NamRA (Minister) to raise additional assessments.

- The taxpayers were notified of the intended audits, which they participated and in respect of which they were given a copy of the audit reports, which detailed the findings, irregularities, the amounts allowed and rejected as well as the basis therefore and the main ground on which the revisions were to be made. The revised assessments were therefore valid and contained the necessary particulars of assessments.
- There is no ambiguity in the language or meaning of the Income Tax Third Amendment to be resolved in favour of the taxpayers by applying the contra fiscum rule.

The three appeals to the Tax Tribunal were dismissed and ruled in NamRA's favour.



**Improving
voluntary
compliance**

3

3. Improving voluntary compliance

NamRA's efforts during the reporting period to enhance the voluntary payment of taxes were geared towards reviewing the nature, scope and reach of its services. These efforts focused on the Dedicated Service Centre, Customer Service Management System (CSMS), and widening taxpayer base.

3.1 Dedicated Service Centre Performance

NamRA's Dedicated Service Centre has experienced significant growth since its launch in August 2022. While the Centre has delivered positive results in terms of ticket resolutions and client satisfaction, it has also encountered challenges related to increased demand and longer service times. By addressing these challenges through strategic staff expansion, process optimisation and technological upgrades, the Centre strives for high-quality service to meet the growing needs of its clients in the coming years. It also remains dedicated to continuous improvement and adapting to its clients' changing needs.

3.1.1 Performance overview

Table 4 below reflects the ratio of the Centre's performance against total client visits over the past three financial years.

Table 4: Dedicated Service Centre performance, 2022/3-2024/5

Financial year	Total client visits	Resolved tickets	Unresolved tickets	Percentage of tickets resolved
2022/3	28,978	27,519	1,459	94.97
2023/4	60,562	51,470	9,092	84.99
2024/5	72,770	65,003	7,767	89.33

As Table 4 shows, client visits increased from 28,978 in Year 1 to 72,770 in Year 3. The rise indicates that the Centre has become a crucial service point for clients and this is primarily due to ticket resolutions having doubled in the same period, i.e. from 27,519 in Year 1 to 65,003 in Year 3, reflecting the Centre's growing capacity to handle client needs.

Table 5: Service turnaround times

Financial year	Average waiting time	Average service time	Average time in Centre
2022/3	14 minutes 59 seconds	10 minutes 52 seconds	25 minutes 52 seconds
2023/4	39 minutes 23 seconds	10 minutes 41 seconds	50 minutes 4 seconds
2024/5	35 minutes 28 seconds	10 minutes 51 seconds	46 minutes 20 seconds

Table 5 reveals that clients had to wait a significantly longer time for service during the reporting year than in the two previous financial periods. This increase reflects the growing demand for service and the challenges entailed in managing the increased volume of client visits. On a positive note, service times across the three periods mentioned remained at a relatively constant average of 10 minutes 48 seconds.

3.1.2 Satisfaction ratings

Client satisfaction remained relatively high over the past three reporting periods, but there were considerable fluctuations in the negative feedback (Table 6), as documented via a post-interaction survey.

Table 6: Client ratings of service

Financial year	Very dissatisfied with service	Dissatisfied with service	Satisfied with service	Very satisfied with service	Received excellent service	Total instances of feedback received
2022/3	125	112	652	4,374	10	5,273
2023/4	461	301	1,455	8,242	117	10,576
2024/5	546	187	881	2,062	8,318	11,994

The number of clients who said they were **Very dissatisfied** with NamRA’s service at the Centre rose from 125 in 2022/3 to 546 in 2024/5. The rising trend is attributed to increased expectations as the Centre scaled up its operations, leading to longer response times and service delays. In addition, the number of clients whose responses featured in the **Dissatisfied** column fluctuated from a low of 112 in 2022/3, increasing to 301 in 2023/4, and then falling back to 187 in 2024/5.

Despite this negative feedback, 2023/4 recorded a high rate of **Very satisfied** responses (8,242), while 2024/5 recorded a high rate of **Excellent service** responses (8,318).

3.1.3 Challenges identified

- **Increased client traffic:** The growth in both ticket resolutions and client visits presents a significant challenge in maintaining service levels. The rise in response and in-office times reflects the strain placed on resources as demand continues to grow.
- **Decreased resolution rate:** The decline signifies the difficulty in maintaining efficiency as the volume of tickets increases.
- **Fluctuations in client satisfaction:** Despite the overall positive feedback, the rising dissatisfaction levels in the Centre’s second and third years of operation suggest that clients may be experiencing frustration with longer wait times and response delays, which can lead to an increase in negative sentiment.

3.1.4 Improvements to be implemented

- **Expand staff and resources:** The rapid growth in demand calls for additional staff and resources to manage client traffic effectively.
- **Enhance employee development:** After the in-house Customer Service Fundamentals course was introduced, all Dedicated Service Centre consultants at the Centre underwent training to enhance service delivery. However, such training needs to be repeated and extended to include all other staff as well.
- **Optimise ticket resolution workflow:** Streamlining ticket resolution processes, including automation and enhanced case assessments, will help ensure that simple issues are addressed quickly.
- **Improve communication with clients:** Client expectations need to be managed continuously, especially in cases of longer waiting periods, to help reduce their frustration. For example, clients need to be notified whenever service is interrupted.

3.2 NamRA Customer Service Management System

In its ongoing commitment to efficiency, transparency and excellence, NamRA introduced a cutting-edge CSMS during the reporting year. This innovative digital platform was designed to streamline service delivery, enhance accountability and elevate the overall customer experience for taxpayers, traders and their intermediaries. By leveraging advanced technology, NamRA ensures that every customer interaction is meticulously recorded, tracked and resolved in a timely and professional manner.

In practice, the CSMS serves as a centralised, real-time, digital monitoring system, empowering NamRA officials to provide consistent, high-quality service across all touchpoints. The System's key functionalities and benefits are detailed below.

3.2.1 End-to-end interaction tracking

Every engagement whether conducted in person, via phone, email or WhatsApp is logged in detail. This includes digitally capturing:

- the identity of the NamRA official handling the request
- the customer's information
- the nature of the service inquiry, and
- the communication channel used.

Such logging ensures each aspect of an interaction can be fully traced, allowing for better accountability and service continuity.

3.2.2 Data-driven decision-making for walk-in services

For engagements initiated by walk-in clients, the CSMS captures the customer's residential area, enabling NamRA to:

- analyse geographic demand patterns
- assess the accessibility of current service centres, and
- strategically plan future locations to minimise its clients' travel burden.

This evidence-based approach ensures resources are allocated where they are most needed.

3.2.3 Automated customer feedback

Immediately after each interaction, customers receive a short satisfaction survey via SMS or email. If a customer reports dissatisfaction, the system triggers an escalation protocol, prompting a NamRA representative to proactively address the client's concerns. This closed-loop feedback system guarantees that no issue goes unresolved, which in turn fosters a continuous improvement in service standards.

3.2.4 Benefits of the new system

The CSMS delivers tangible advantages for NamRA and taxpayers alike. For NamRA, such advantages entail:

- offering real-time analytics on service performance, enabling strengths and areas for improvement to be identified
- enhancing operational efficiency through automated tracking and reporting
- gaining strategic insights, which can be used to optimise service centre locations and staffing, and
- bringing the Agency a step closer to achieving world-class service excellence.

Among the CSMS's advantages for taxpayers are:

- its faster, more consistent and transparent service
- its assurance that their concerns are recorded and acted upon, and
- the opportunities it offers to provide direct feedback, which ensures their voices are heard.

The CSMS therefore represents a major milestone in NamRA's digital transformation journey. By integrating smart technology with a customer-centric approach, NamRA has set a new benchmark for public service delivery in Namibia. Moving forward, NamRA remains dedicated to refining and expanding the system's capabilities, ensuring it adapts to evolving customer needs and technological advancements.

3.3 Widening the taxpayer base

By 31 March 2025, NamRA had registered a total of 1,009,926 taxpayers. Of these, 575,136 were registered as e-filers on ITAS. For the year under review, the total number of active tax accounts stood at 1,048,918 (Figure 2).

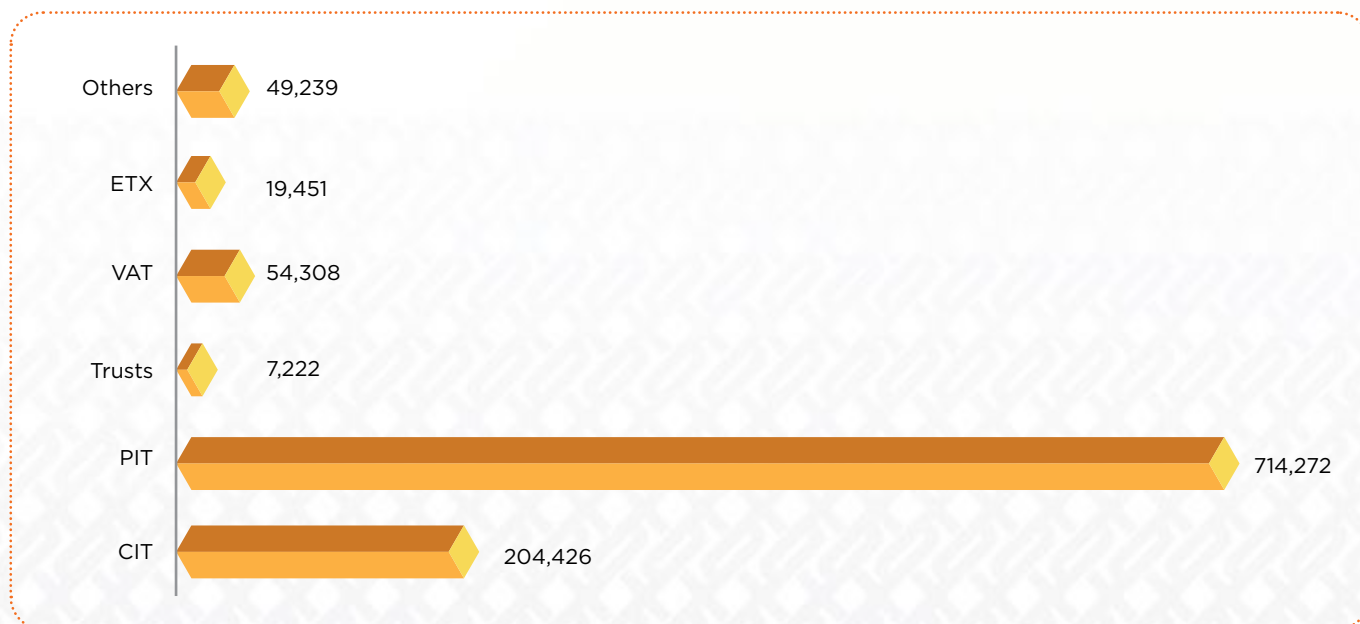


Figure 2: Active tax accounts as at 31 March 2025

3.4 Tax Amnesty Programme

The Tax Amnesty Programme, a pivotal initiative introduced by the Namibian Government, commenced on 1 April 2023 with an initial end date set for 31 October 2024. On 30 October 2024, the then Minister of Finance and Public Enterprises announced an extension of the Programme for a further two years, extending the deadline to 31 October 2026. This extension allows taxpayers further time to benefit from the amnesty and take necessary steps to ensure their tax affairs are in order.

Figure 3 offers a pictorial overview of the Tax Amnesty Programme’s performance between 1 April 2024 and 31 March 2025.

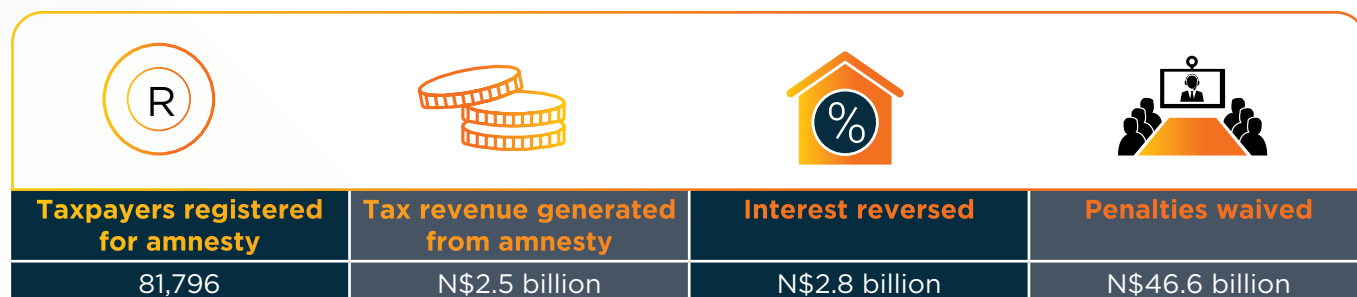


Figure 3: Tax Amnesty Programme performance, FY2024/5

To register for the Tax Amnesty Programme, taxpayers in arrears were – and continue to be – encouraged to do the following:

- Register as an electronic filer on the ITAS online portal
- File their tax returns via ITAS
- Pay their capital amount in full, and
- Register to participate in the Tax Amnesty Programme.



**Enhancing
trade
facilitation**

4

4. Enhancing trade facilitation



The upgraded Trans-Kalahari/Mamuno One-Stop Border Post

4.1 Trans-Kalahari/Mamuno One-Stop Border Post

By the end of the reporting year, the Trans-Kalahari/Mamuno One-Stop Border Post was nearing completion. This project originated from a bilateral agreement concluded between the Republics of Botswana and Namibia to implement a 24-hour operation at their borders, and to combine their respective border posts – Trans-Kalahari and Mamuno – into a one-stop facility by 1 May 2024. The new OSBP aims to streamline and facilitate trade as well as the movement of goods and people between the two neighbours by consolidating the conducting of customs, immigration and other regulatory processes from a single location, eliminating the need for multiple stops.

The project was initiated through the One-Stop Border Posts Control Act, 2017 (Act No. 8 of 2017), which allows Namibia to establish one-stop border posts with neighbouring countries. The OSBP concept is an innovative solution designed to increase efficiency and facilitate trade, following the spirit of the World Trade Organization's Trade Facilitation Agreement.

The trial run before the envisaged launch of the Trans-Kalahari/Mamuno OSBP began on 2 September 2024. This test offered the two countries' border agencies a unique opportunity to determine the extent to which the movement of people and goods was facilitated by the OSBP, to identify any gaps before the launch. During the trial run, a series of consultations with various stakeholders, including the OSBP staff, livestock traders in Namibia and clearing agents of both states, were conducted to encourage the use of pre-clearance, to ensure faster clearance of goods at the OSBP.

During Phase 1 of the OSBP project, the existing terminal and vehicle inspection building was upgraded into a passenger terminal for small vehicles and buses, while the commercial terminal for commercial vehicles was upgraded as well. Phase 2 comprises moving scanners, roadworks,

parking bays, fencing and the port health building, as well as converting the existing scanner building into a storage facility and upgrading the sewerage plant. Phase 2 is anticipated to start in the 2025/6 financial year.

Once it becomes fully operational, the OSBP will offer modernised border facilities and improved service delivery for travellers, importers and exporters alike. Streamlining border management processes also improves security control overall, thereby reducing illegal trade and enhancing community safety. Moreover, making border crossing management more efficient will increase trade and strengthen NamRA’s collection of taxes and levies.

4.2 Border Protection

NamRA has been working to safeguard Namibia’s borders in various ways. This includes collaborating with other border agencies as well as the use of non-intrusive measures. For example, smugglers have attempted to bring in illicit goods and drugs using different concealment tactics. Mandrax (methaqualone), cocaine and cannabis were among some of the drugs intercepted during the reporting year (Table 7). These were handed over to the Namibian Police along the due chain of custody in accordance with the Customs and Excise Act, and a case was opened for each incident.

Table 7: Drug interception summary

Description	Quantity	Estimated value (N\$)
Cannabis (Pure)	345,015 kg	17,250,750
Cannabis (Skunk)	20,965 kg	1,048,250
Cannabis (Majat)	10,910 kg	109,100
Cocaine	8,830 kg	4,415,000
Ecstasy	2,476 tablets	1,238,000
Mandrax (methaqualone)	12,630 whole tablets and 39 fragments	1,517,940
Methamphetamine	2,635 kg	1,317,500
Total		26,896,540



Illegal narcotics seized during enforcement operations



**Enhancing
stakeholder
engagement
and awareness**

5

5. Enhancing stakeholder engagement and awareness

5.1 Joint official launch of National Strategy and Time Release Study Report

The Coordinated Border Management (CBM) National Strategy for Namibia and the Time Release Study Report for the Trans-Kalahari Border Post were officially jointly launched by the Southern African Development Community (SADC) Secretariat, the Ministry of Industrialisation and Trade and NamRA on 12 and 13 March 2025, respectively.

Both the National Strategy and the Report were compiled during the reporting year. For these tasks, the SADC Secretariat received technical support from the European Union under the European Development Fund - 11 (EDF-11). Before their launch, the two publications were validated in Windhoek by key stakeholders and border agencies, between 27 February and 1 March 2025.



Launch of the Coordinated Border Management National Strategy for Namibia in Windhoek on 12 March 2025

The CBM National Strategy contains ten specific recommendations for the country's development. These include developing a National Policy on Border Cooperation, enacting legislation on border cooperation and developing a CBM National Strategy and Procedures Manual.

From the Time Release Study Report for the Trans-Kalahari Border Post, it was gleaned that the average clearance time for imports was 5 hours and 40 minutes, while the average time taken to clear export goods at the border post - from the time a truck arrived at the Entry Gate to when it left at the Exit Gate - was 4 hours and 34 minutes. The Report also outlined a total of six recommendations for implementation. One such recommendation entailed reconfiguring

the Automated System for Customs Data. The change would facilitate divesting the assessment function to clearing agents. This would enable clearing agents to register their declarations, make their tax assessments and then pay applicable duties. They would only need to go to the Customs desk to confirm all administrative requirements had been met and goods, for example, could be released. In this way, using pre-arrival processing was to become an obligation for customs clearance to avoid delays.



NamRA Commissioner Sam SHIVUTE addressing guests at the launch of the Time Release Study Report on the Trans-Kalahari One-stop Border Post on 13 March 2025

At the Report’s official launch, in his keynote speech, Commissioner SHIVUTE urged the executives of all Government institutions and border agencies to link up and work together with private sector executives to implement the Report’s recommendations. Only in this way could Namibia’s economic growth and its competitiveness with the global economy be ensured.

5.2 Draft Customs Bonds Management Policy

In line with the Agency’s commitment to delivering customs and excise services that facilitate trade, stakeholder consultations on the draft Customs Bonds Management Policy were initiated at Hosea Kutako International Airport on 8 November 2024 and continued at Walvis Bay from 12 to 13 November 2024.

Furthermore, on 5 March 2025, NamRA’s Trade Facilitation and Customs Procedures Division engaged representatives from both the banking and non-banking financial institutions for their input on the draft Policy.

This consultation aimed at improving certain security obligations which traders are obliged to meet, as set out in the Customs and Excise Act, 1998 (Act No. 20 of 1998). According to the Act, the required security is often in the form of surety bonds – or “demand guarantees” – which serve specific purposes such as licensing or registering clearing agents, bonded warehouses and transit operators.



Stakeholders discussing the draft Bond Management Policy

5.3 Developmental Partners Engagements and International Organisations Engagements

Engagements with the State Tax Administration and General Administration of Customs China

In line with its aspiration of being a world class revenue agency, the NamRA Commissioner led a delegation to China in December 2024, which met the leadership of both the State Taxation Administration (STA) of the People’s Republic of China and the General Administration of Customs China (GACC). The visit was intended to establish a collaborative relationship with GACC and STA, while laying the ground for reciprocal memorandum of understanding, to share best practices in customs and tax administration, capacity building of staff and exchange of information. The engagements were very fruitful, seeing a firm undertaking being made to have written agreements in place.

WCO ESA Hosting

NamRA hosted the 30th Governing Council (GC) Meeting and the 39th Regional Steering Group (RSG) Meeting of the World Customs Organization (WCO) East and Southern Africa (ESA) Region during 20–24 May 2024, in Swakopmund. The meeting discussed critical issues relating to the modernisation of customs administration and assessed the implementation of the WCO Strategic Plan for 2022-5, with the view to commence work on the next three-year Plan.

Developmental Partners

During the year under review, NamRA continued efforts to enhance relations with various stakeholders, including developmental partners for support in identified specialised areas linked to customs and tax administration. NamRA values the support received as it has significantly contributed to the growth recorded to date.

List of the development partners:

1. African Tax Administration Forum (ATAF)
2. African Development Bank
3. IMF-International Monetary Fund (AFRITAC SOUTH)
4. World Customs Organisation
5. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
6. His Majesty Revenue and Customs (HMRC)
7. United Nations Office on Drugs and Crime (UNODC)
8. United Nations Development Programme (UNDP)
9. Korea Customs Service
10. People's Republic of China
11. US Treasury Department (OTA)
12. Namibia Nature Foundation (NNF)
13. Columbia University (School of International and Public Affairs)
14. Japan International Cooperation Agency (JICA)
15. Revenue Administrations in Southern Africa
16. The Global Forum: and
17. SECFIN



Delegation led by the Commissioner met with the leadership of both the State Taxation Administration (STA) of the People's Republic of China and the General Administration of Customs China (GACC) in December 2024.



NamRA hosted the 39th Regional Steering Group (RSG) Meeting, that took place in Swakopmund, Namibia 20th - 22nd May 2024.



Strengthening governance and strategic direction, NamRA's Board and Executives at the Special Board Meeting in Swakopmund on 20-21 September 2024, which approved the FY2023/4 NamRA Annual Report, with the Audited Financial Statements and the revised NamRA 2021-6 Strategic Plan.

15 YEARS OF COLLABORATION: STRENGTHENING AFRICA'S TAX SYSTEMS TOGETHER



Commissioner Sam SHIVUTE pictured with fellow African Commissioners during the ATAF Forum in Kigali, Rwanda, where he was elected Vice Chairperson of the African Tax Administration Forum (ATAF).

5.4 Continued Stakeholders Engagements

In view of its role of collecting revenue for the State, NamRA has a diverse stakeholder universe. Hence, the need for a targeted approach for stakeholders' engagements. To guide, that NamRA approved a two-year Revised Stakeholders Engagement Strategy for the FY2024/5-FY2025/6 period, as a follow up to the initial Strategy approved in 2021, to run for three years until March 2024.

The Revised Stakeholders Engagement Strategy provided a strategic framework in fostering dynamic and impactful interactions with the various stakeholders that actively contribute to its institutional ecosystem. The revision represented a holistic re-evaluation of NamRA's stakeholder engagement approach, assessing the activities outlined in the previous strategy, capturing the lessons learned and having regard to the opportunities for refinement. A key outcome based on feedback from the implementation of the initial Strategy, was to involve representative bodies of the targeted stakeholders in the planning and preparation of the sessions, mainly flowing from the Engagement with the Creative Industry held in August 2023. The review process entailed capturing the NamRA universe as indicated below.



5.5 Stakeholder Engagements

For the period under review, 52 engagement sessions were held across the country. NamRA views a stakeholder engagement session as to a self-organised event initiated by it or at the request and initiation of a stakeholder to address specific identified issues. These sessions are typically convened in response to new developments, the introduction of a new service or product or to clarify emerging concerns. This generally presents an opportunity to engage stakeholders proactively, enhance mutual understanding and strengthen relationships between NamRA and its stakeholders.

The sessions held in FY2024/5, included joint information sharing session with the Communities, accompanied by the Namibian Police and officials from the Ministries of Home Affairs, Immigration, Safety and Security, together with Health and Social Services. There were dedicated sessions with clearing agents on the harmonized system, valuation and advance ruling recognising their role as critical intermediaries between NamRA and traders, in uploading the transaction documents on behalf of the traders. Similarly, engagements were held with taxpayers and bookkeepers, to enhance understanding of the relevant obligations.





Engagement Session on Valuation and Classification at Noordoewer Border Post held in August 2024

Engagement session on valuation and classification at Walvis Bay in July 2024



Engagement session with the Namibian Police on enhanced collaboration held at Omuthiya in February 2025

NamRA engages stakeholders on the implementation of freight tax in May 2024





**Optimising
organisational
efficiency and
governance**

6

6. Optimising organisational efficiency and governance

6.1 Value addition through procurement

The Agency's procurement activities are spread across various multidisciplinary sectors. For the 2024/5 financial year, NamRA spent N\$382,666,000.00 on goods and services from a range of suppliers, as illustrated in Tables 8a and 8b.

Table 8a: Procurement activities by type of beneficiary, 2024/5

Type of beneficiary	Value of procurement award (N\$)	Number of procurement awards
Small - and medium-scale enterprises	49,708,872.53	312
Public entities	2,830,841.68	61
Large corporations (domestic)	82,138,921.03	374
Multinational corporations	178,287,091.00	4
Total	382,666,000.00	750

Table 8b: Procurement activities by beneficiary location, 2024/5

Beneficiary location	Value of procurement award (N\$)	Number of procurement awards
Central Namibia	122,064,731.73	588
Southern Namibia	1,771,709.58	24
Western Namibia	2,940,612.94	42
Northern Namibia	2,879,872.32	62
North-eastern Namibia	983,065.08	17
Eastern Namibia	3,801,223.59	13
East-central Namibia	237,420.00	1
International (Botswana, South Africa and China)	178,287,091.00	4
Total	382,666,000.00	750

6.2 Managing risks and internal audit

Risk Management and Internal Audit Department Overview

The Risk Management and Internal Audit Department is central in safeguarding NamRA's strategic objectives through effective risk oversight, assurance, and control enhancement. Its mandate spans Enterprise Risk Management, Compliance Management, Business Continuity Management (BCM), Internal Audit and the Whistleblowing Programme. This integrated approach ensures alignment across all risk-related activities, providing timely insights to management, the Board and external stakeholders.

6.2.1 NamRA's Risk Management Framework



Figure 4: NamRA's Risk Management Framework

Enterprise Risk Management
Focuses on identifying and mitigating risks across the organisation.

Compliance Management
Ensures adherence to policies, laws and regulations.

Business Continuity Management
Prepares for and manages disruptions to ensure operational resilience.

Internal Audit
Conducts independent assessments of internal controls and compliance.

Whistleblowing Programme
Provides a secure channel for reporting misconduct and ethical concerns.

The Risk Management and Internal Audit Function is part of NamRA's governance structure, ensuring accountability, transparency and robust oversight. It serves as the custodian of the risk management framework, coordinates the identification and mitigation of risks across the Agency, and conducts independent audits to assess the adequacy and effectiveness of internal controls. The Internal Audit function also evaluates compliance with policies, laws and regulations, offering recommendations for strengthening operational resilience.

6.2.2 Management Framework



Risk Management

Focuses on identifying and mitigating potential risks using ISO 31000:2018.



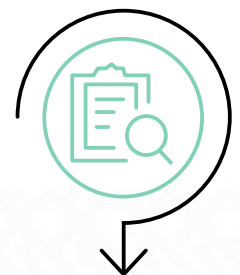
Continuity Management

Ensures business operations continue during disruptions using ISO 22301:2019.



Compliance Management

Adheres to legal and ethical standards using ISO 37301:2021.



Internal Audit

Evaluates organizational processes using IPPF and GIIIS standards

6.2.3 NamRA Top Risks

Our risk profile has evolved between FY2023/4 and FY2024/5, reflecting persistent challenges and emerging priorities. From FY2023/4 to FY2024/5, several core risks persisted, such as Core Systems, Cybercrime, Revenue Leakages, Ineffective Risk Management, Business Continuity and Data Management, while new priorities emerged, including Project Management Capacity, Security and Reputation Management. Some earlier risks, like Legal, Budget Constraints, Talent Retention, Operational Policy Gaps and Illicit Trade, were dropped or reclassified, reflecting a shift towards stronger delivery capability, resilience and stakeholder trust.

6.2.4 Emerging Risks - FY2024/5

Emerging risks identified during the reporting year included delays in the OSBP launch due to incomplete data exchange readiness, non-configuration of the Petroleum Taxation Act in ITAS, potential greylisting of Namibia under FATF AML/CFT requirements, inefficiencies in warehouse and document storage, climate-related disruptions such as flash floods, vulnerabilities in ITAS database security. Mitigation measures ranged from accelerated system readiness assessments and legislative configuration to enhanced storage solutions, climate resilience planning and targeted cybersecurity enhancements.

6.2.5 Opportunities Profile - FY2024/5

Opportunities during the year included the implementation of the Extractive Industries Compliance Improvement Plan for oil, gas and mining, launching the E-Invoicing Project to improve transaction transparency and efficiency and developing a formalised and digitalised contract management system to enhance procurement governance. NamRA also strengthened stakeholder engagement through a Memorandum of Understanding with the Namibia Investment Promotion and Development Board (NIPDB) to facilitate investment and trade.

6.3 Internal Audit

The Internal Audit function operates independently in accordance with its approved Internal Audit Charter. It executes a risk-based audit plan that prioritises areas of highest risk exposure while remaining flexible to accommodate ad hoc consultancy engagements and special reviews, as required.

During the FY2024/5, Internal Audit provided assurance on the adequacy and effectiveness of governance, risk management and internal control systems across the organisation. All audit reports were submitted to the ARC and the Board, thereby ensuring appropriate oversight and accountability.

6.4 Issue Management - Closure Rate

The resolution of findings and risk actions were monitored through our Closure Rate metric, which measures the rate at which our Management implements responses to identified issues. This monthly metric provides a transparent view of our progress in addressing audit findings and risk mitigation actions. For FY2024/5, our overall Audit Closure Rate reached 33%, indicating that one-third of our Internal Audit findings were successfully resolved. Likewise, our overall Risk Closure Rate stood at 39%, reflecting the percentage of risk actions closed during the period.

6.5 Top Risk Analysis

Our risk profile has evolved between FY2023/4 and FY2024/5, reflecting persistent challenges and emerging priorities. The top risks we identified for each period are as follows, of which mitigations have been developed and implementation is being monitored:

Table 9: NamRA's top risks FY2024/25

Top Risks 2023/4	Top Risks 2024/5	Risk Description (2024/5)	High-Level Mitigation (2024/5)	Risk Rating (2024/5)	Linked Strategic Objectives
1. Core Systems Risk	Core Systems Risks	Vulnerabilities and instability across ITAS, ASYCUDA and ERP risk service interruptions and revenue operations.	<ul style="list-style-type: none"> • ASYCUDA system upgrade • ITAS upgrade and SLA renewal • Strengthen ERP support • On-site training and skills transfer 	Critical	Optimise Organisational Efficiency and Governance/ Maximise Revenue Collection/ Enhance Trade Facilitation
2. Cyber-Crime Risk and Information Breach	Cybercrime and Information Breach	Increased exposure to cyber threats, data loss and service outages across revenue systems.	<ul style="list-style-type: none"> • Implement the IT Security Plan • Implementation of Data Strategy 	Critical	Optimise Organisational Efficiency and Governance
3. Revenue Leakages	Revenue Leakages	Ongoing losses from under-declaration, evasion, smuggling and control gaps.	<ul style="list-style-type: none"> • Implement and Enhance the Compliance & Enforcement Strategy 	Very High	Minimise Revenue Leakages
4. Non-compliance by Taxpayers	Non-compliance by Taxpayers	Voluntary compliance remains below target, affecting declarations, payments and accurate reporting.	<ul style="list-style-type: none"> • Compliance Improvement Plan • Implement the Service Improvement Strategy • Expand taxpayer education and engagement 	High	Improve Voluntary Compliance
5. Legal Risk	De-escalated to monitoring	De-escalated to monitoring	De-escalated to monitoring	Monitored at the departmental level	N/A
6. Insufficient Budgetary Provision for NamRA	De-escalated to monitoring	De-escalated to monitoring	De-escalated to monitoring	Monitored at the departmental level	N/A
7. Inability to Attract and Retain Required Talent, Skills and Culture	De-escalated to monitoring	De-escalated to monitoring	De-escalated to monitoring	Monitored at the departmental level	N/A
8. Lack of Operational Policies and Procedures	De-escalated to monitoring	De-escalated to monitoring	De-escalated to monitoring	Monitored at the departmental level	N/A

9. Inadequate and Ineffective Risk Management	Inadequate and Ineffective Risk Management	Inconsistent identification and treatment of risks across functions and projects.	<ul style="list-style-type: none"> • Implement a robust Enterprise Risk Management Framework • Enhance Risk Monitoring and Reporting • Implement the closure rate (management action tracking) process • Build Risk Culture and Capability 	High	Optimise Organisational Efficiency and Governance
10. Business Continuity Risk	Business Continuity Risk	Disruptions (e.g., floods, utilities) can interrupt core operations without tested plans.	<ul style="list-style-type: none"> • Develop and Maintain a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) • Test and Exercise Continuity Arrangements 	High	Optimise Organisational Efficiency and Governance
11. Lack of Data Management and Research Capabilities	Lack of Data Management and Research Capabilities	Limited analytics capacity and platforms constrain decision-making and compliance risk analysis.	<ul style="list-style-type: none"> • Roll out the data strategy and reporting • Recruit analytics capacity 	High	Optimise Organisational Efficiency and Governance
12. Illicit Trade and Smuggling	De-escalated to monitoring	De-escalated to monitoring	<ul style="list-style-type: none"> • De-escalated to monitoring 	Monitored at the departmental level	N/A
N/A	Inadequate Project Management Framework and Project Management Office (PMO) Capacity for BPM (New)	Project execution and process mapping are delayed, affecting the delivery of strategic initiatives.	<ul style="list-style-type: none"> • Operationalise the PMO • Enhance PMO Capacity and Capability • Implement Robust Oversight and Monitoring Mechanisms 	High	Optimise Organisational Efficiency and Governance
N/A	Security Risk (New)	Physical security gaps at key sites elevate safety and asset risks.	<ul style="list-style-type: none"> • Physical Security Plan Implementation 	High	Optimise Organisational Efficiency and Governance
N/A	Reputational Risks (New)	Supplier payment delays, service issues and external rankings can erode stakeholder trust.	<ul style="list-style-type: none"> • Implement customer service standards (Implement Service Charter) and Customer Service Management System • Strengthen external engagement 	High	Enhance Stakeholder Engagement and Awareness

Table 9 shows that risk management remains proactive, with several top risks having been mitigated and transitioned to departmental monitoring, reflecting growing maturity in key areas of the ERM process.



**Enhance
Digital
Transformation**

7

7. Enhance Digital Transformation

NamRA's primary focus is to administer and enforce the revenue laws of Namibia with consistency, fairness, efficiency and effectiveness, to ensure the overarching objective of mobilising domestic revenue. In line with this mandate, our digital transformation approach has been centred on facilitating voluntary compliance by making it easier for taxpayers and traders to fulfil their obligations. These obligations comprise four key responsibilities: registering for applicable tax and customs requirements, filing all required returns and declarations on time, paying due amounts promptly, while providing accurate information in all submissions. Digital technologies play a critical role in enabling taxpayers and traders to meet these obligations effectively.

7.1 Electronic advance ruling and e-tariff solutions

On 7 November 2024, NamRA officially launched its Electronic Advance Ruling (e-AR) and Electronic Tariff (e-Tariff) platforms. This marks a significant step towards digital transformation, allowing businesses and individuals to submit advance ruling applications for classification, valuation and origin through a secure online system.

7.1.1 e-AR platform

The e-AR system provides clarity and certainty in customs processes. This is because the system enables importers and exporters to obtain binding decisions on tariff classifications and origin during any transaction. This solution not only reduces uncertainty but also facilitates smoother trade operations.

7.1.2 e-Tariff platform

NamRA's e-Tariff solution will significantly streamline access to essential tariff information by digitising the process, removing unnecessary barriers and simplifying compliance. The e-Tariff initiative is designed to save time, reduce costs and, ultimately, empower the trading community to operate more effectively and efficiently in both domestic and international markets.



NamRA officials with representatives from the World Customs Organization-European Union Harmonized System Africa Programme, the United Nations Development Programme, Global Trade Solutions and his Majesty's Revenue and Customs launching the Electronic Advance Ruling and Electronic Tariff platforms in Windhoek on 7 November 2024

NamRA developed digital transformation tools in line with the World Customs Organization’s (WCO) blueprints for digital customs. Other guidelines in this regard included the Revised Kyoto Convention and the World Trade Organization’s Trade Facilitation Agreement. The Implementation of e-Tariff was supported by the WCO-European Union Harmonized System Africa Programme, the United Nations Development Programme and Global Trade Solutions.

The implementation of the e-AR and e-Tariff initiatives is a concrete step toward realising NamRA’s vision of mobilising and creating user-friendly digital platforms. These platforms not only benefit customs, but also support the engagement of the trading community by fostering a business-enabling environment, enhancing trust and advancing a prosperous environment for trade facilitation.

The two new platforms are aimed at bringing about efficiency, fostering market growth and creating a stronger and more resilient economy. All businesses are encouraged to embrace these new platforms so that they may experience for themselves the tangible benefits that will unfold as NamRA continues to modernise and innovate.



NamRA Commissioner Sam SHIVUTE with representatives from Global Trade Solutions and his Majesty's Revenue and Customs during the launch of the Electronic Advance Ruling and Electronic Tariff platforms in Windhoek on 7 November 2024

Improving tax collection methods

E-invoicing initiative

In optimising and improving domestic taxes revenue, NamRA completed its Project Charter and Plan to introduce e-invoicing in Namibia. Accordingly, a Bill to amend the Value-Added Tax Act, 2000 (Act No. 10 of 2000) was drafted.

The e-invoicing system will allow for real-time generation and validation of electronic invoices, enhancing the accuracy of tax reporting and streamlining processes for both taxpayers and NamRA. This technology aims to reduce VAT fraud, improve revenue collection and simplify taxpayer compliance. E-invoicing is expected to be rolled out in April 2026.

Network Availability

For the reporting period, the server infrastructure availability stood at an average of 95% with the Wide Area Network (WAN) maintaining an average uptime of 98.6%, while the Disaster Recovery (DR) site achieved 100% network availability. A total of 43 out of 45 offices (96%) had bandwidth upgrades, with internet capacity increased from 250 Mbps to 380 Mbps; and the rollout of wireless internet (Wi-Fi) at the Head Office. The rollout of Voice-over-IP (VOIP) telephony commenced at regional sites (Keetmanshoop, Trans Kalahari Border Post, Gobabis and the Customs Warehouse in Windhoek), supporting modern and cost-effective communications.

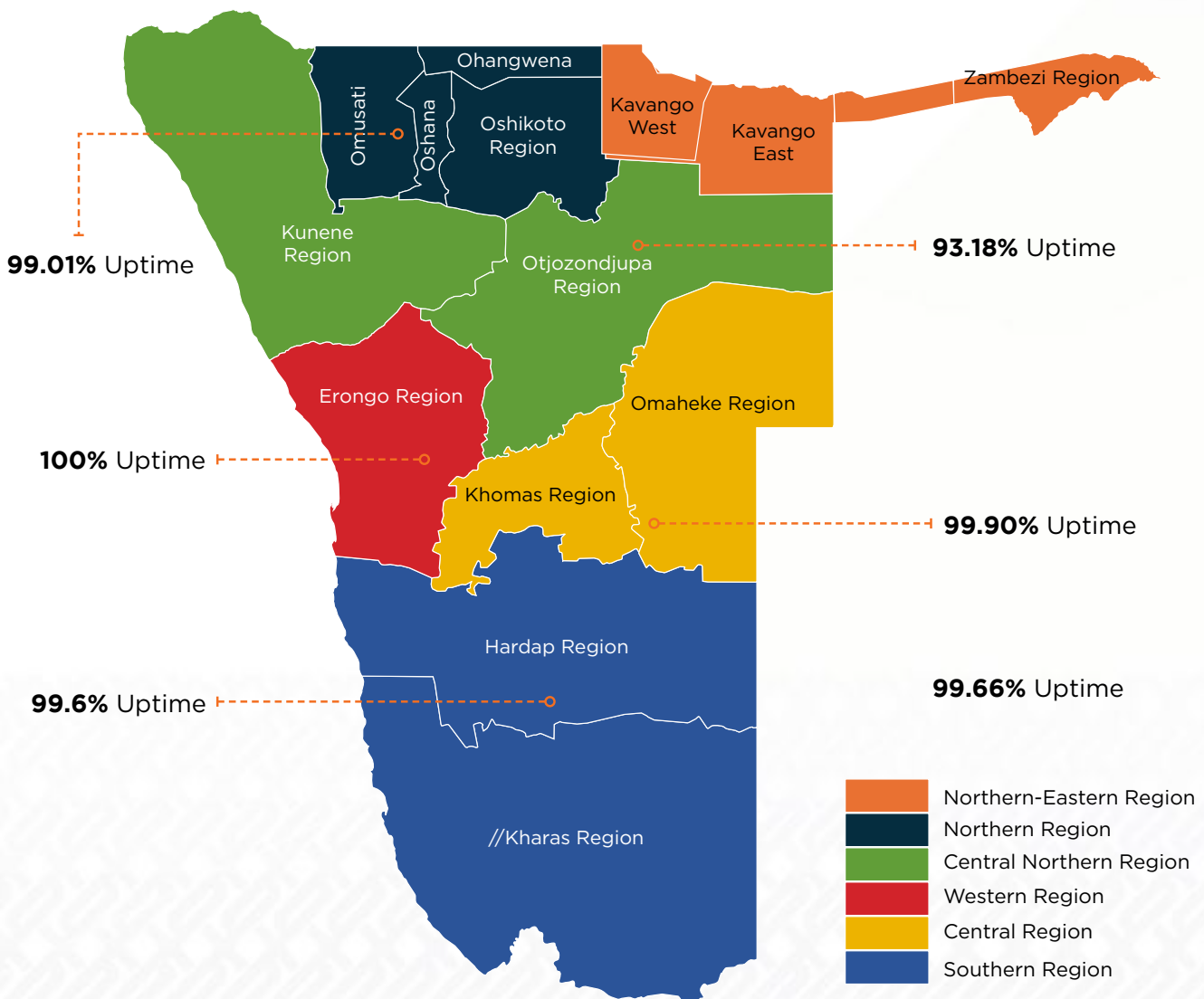


Figure 5: Network availability



NamRA
Nambudhi Revenue Agency

Invest in and retain talent

8

8. Invest in and retain talent

NamRA reviewed its Strategic Plan during the reporting year, which resulted in the Plan's extension beyond an initial three-year to a five-year period, i.e. until 2026. One of the necessary revisions to align the Plan with the Agency's institutional performance culture was to change the **Human Capital Strategic Pillar of Investing in NamRA and Its People** to **Result-driven People**. This revised strategic objective still focuses on developing a skilled, motivated and diverse workforce to drive innovation, efficiency and sustainability in operations and service delivery, as well as on attracting top talent, investing in continuous learning and development opportunities, and creating a supportive and inclusive work environment. Such an environment aims to foster employee engagement, collaboration and professional growth to build a high-performing team.

8.1 Composition of the workforce

As of 31 March 2025, NamRA boasted a staff complement of 1491. This figure includes permanent staff, staff in acting capacities and staff on fixed-term contracts. Of the total, 946 were female (63%) and 545 were male (37%) (Figure 6).

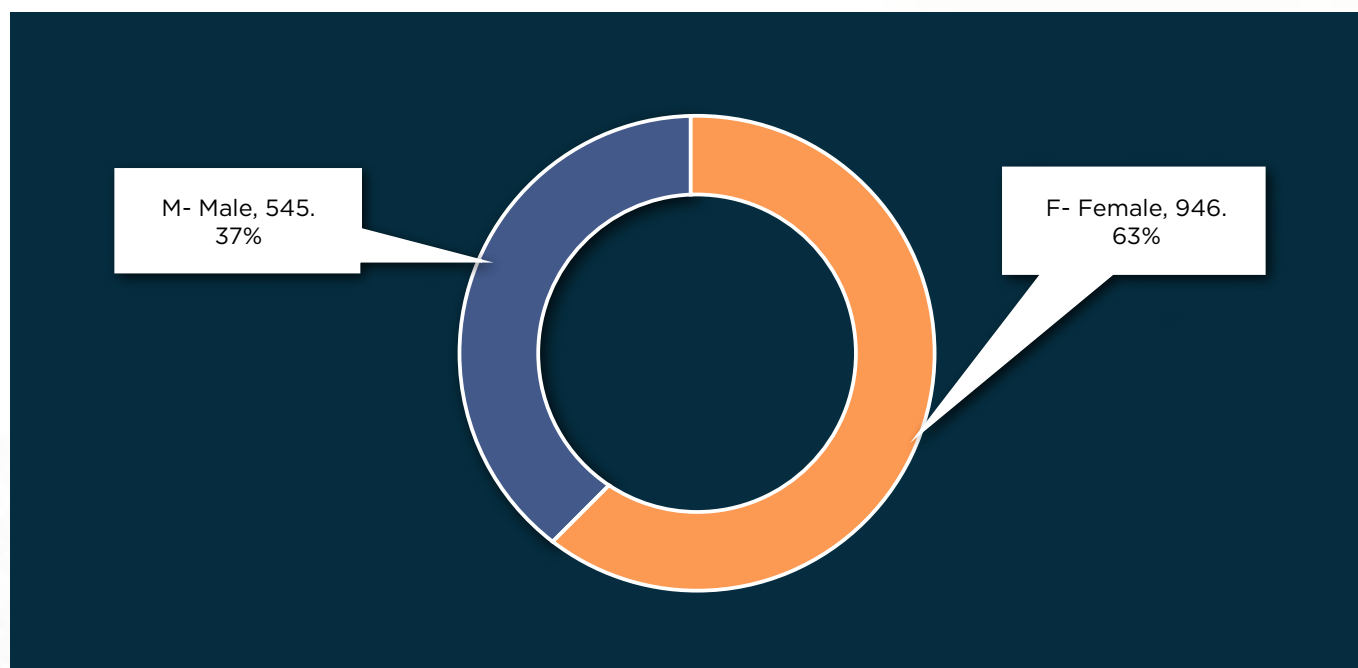


Figure 6: Employees by gender

A more balanced gender distribution obtained at Management level during the year under review, with 56% male and 44% female representation (Figure 7). This aligns with WCO principles to emphasise gender equality, diversity and inclusivity in the workplace.

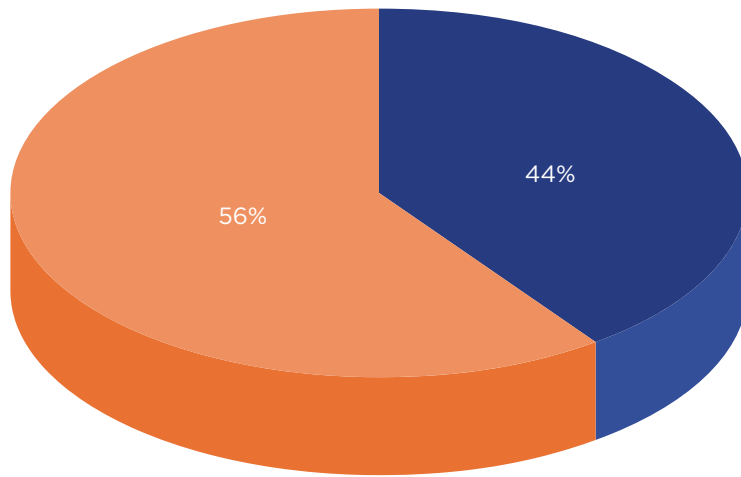


Figure 7: Employees at Management level by gender

■ Female ■ Male

Management prioritises monitoring staff members approaching retirement, particularly those aged between 56 and 60, who made up 6% of the workforce as at the end of the reporting year (Figure 8). Establishing a strong succession pipeline is crucial to preparing the next generation of leaders to assume key roles when their incumbents retire. This strategic approach ensures continuity while facilitating knowledge transfer, and it upholds the institution’s long-term success.

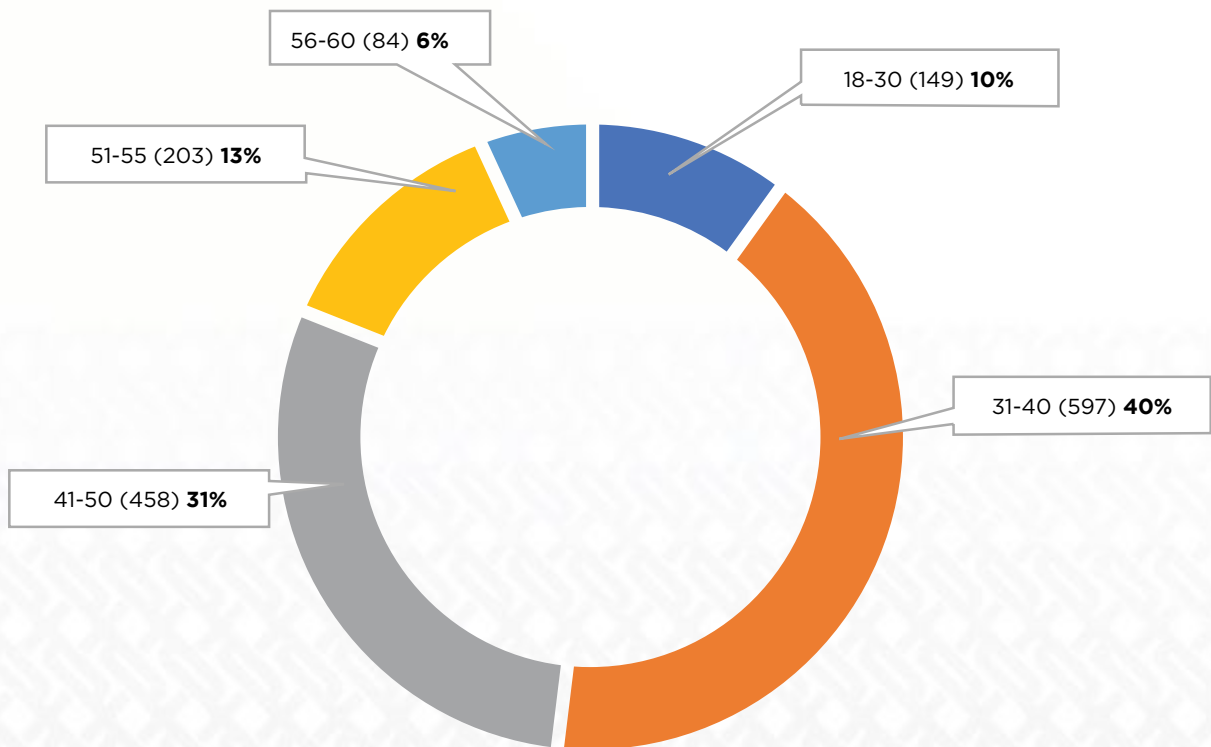


Figure 8: Employees by age cohort

8.3 NamRA Leadership Model

This Model is a persistent framework that guides the behaviour and actions of NamRA's leaders (Figure 10). Its objective is to provide a clear understanding of the qualities, skills and behaviours that effective leaders should possess.

The Model aims to inspire and empower leaders to drive success, develop their teams and create a positive impact in NamRA as well as to our stakeholders and clients. Thus, the Model assists in –

- establishing a common language and common expectations for leadership
- promoting consistency in decision-making, and
- fostering a positive NamRA culture.

The Model serves as an ongoing channel through which the Commissioner and the senior leadership team embed the values of leadership service across all leadership levels in NamRA and create opportunities for leaders to continuously introspect and own the NamRA vision and strategic direction.

At the heart of NamRA's Leadership Model lies a deep commitment to the Namibian people, recognising that they are the driving force behind the Agency's success. NamRA prioritises investing in the development and growth of its leaders, empowering them to excel in their roles and contribute effectively to the Agency's mission.

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.

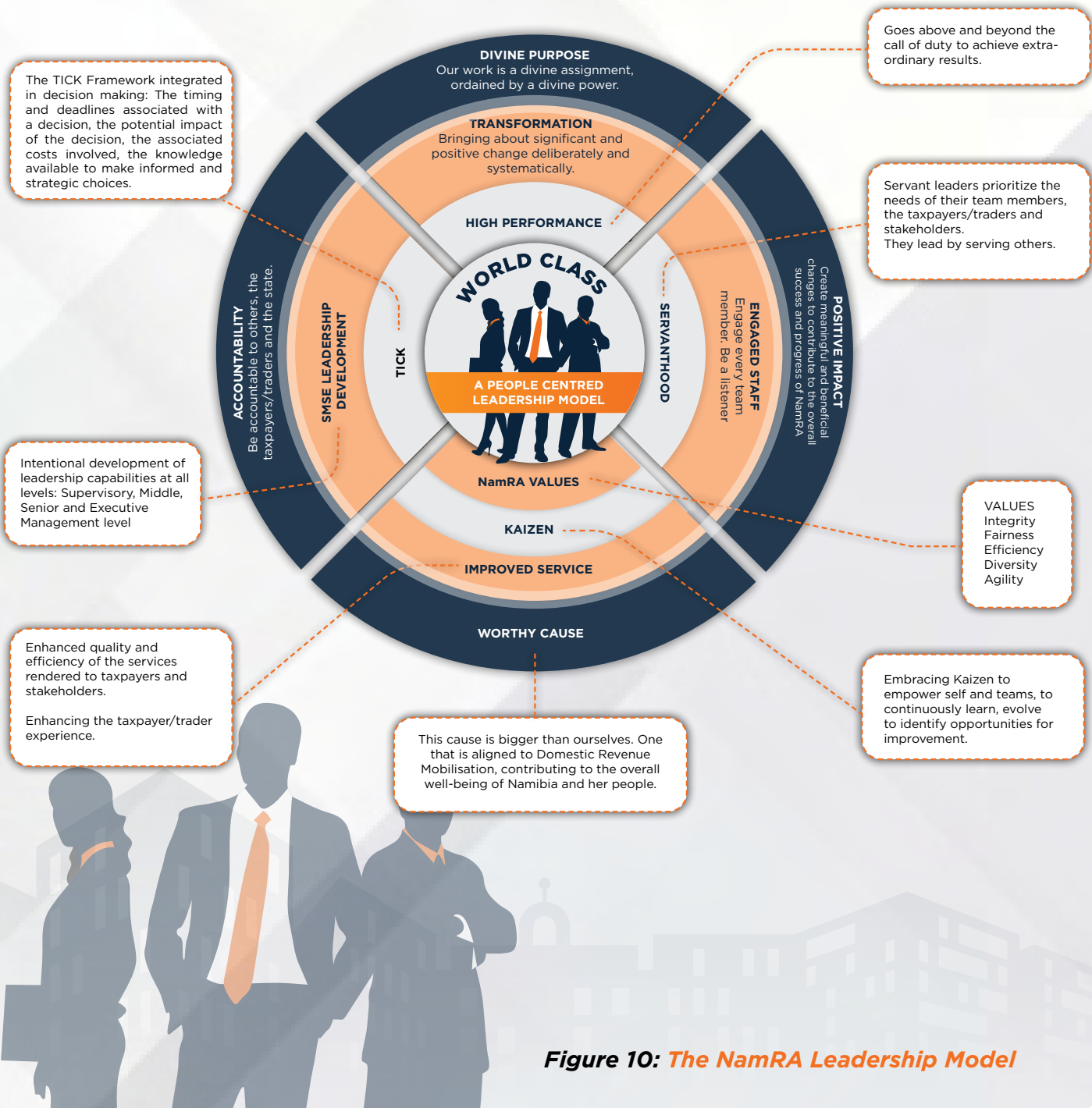


Figure 10: The NamRA Leadership Model

8.4 Employee engagement

During FY2024/5, NamRA contracted Twafika Consultancy to conduct an independent survey of employee engagement. The objective was to assess employee sentiment, levels of motivation and both emotional and rational engagements with the NamRA brand. Ultimately determining overall employee satisfaction with their work and the institution. The survey was intended to serve as an aid to management to understand how employees felt about various aspects of their work, including the NamRA leadership, the institutional culture and opportunities for growth. These insights would ultimately be used to improve the employee experience and boost employee retention.

The survey results revealed an employee engagement level of 76% at the Agency. The survey's key focus areas and initiatives are schematically presented in Figure 11.

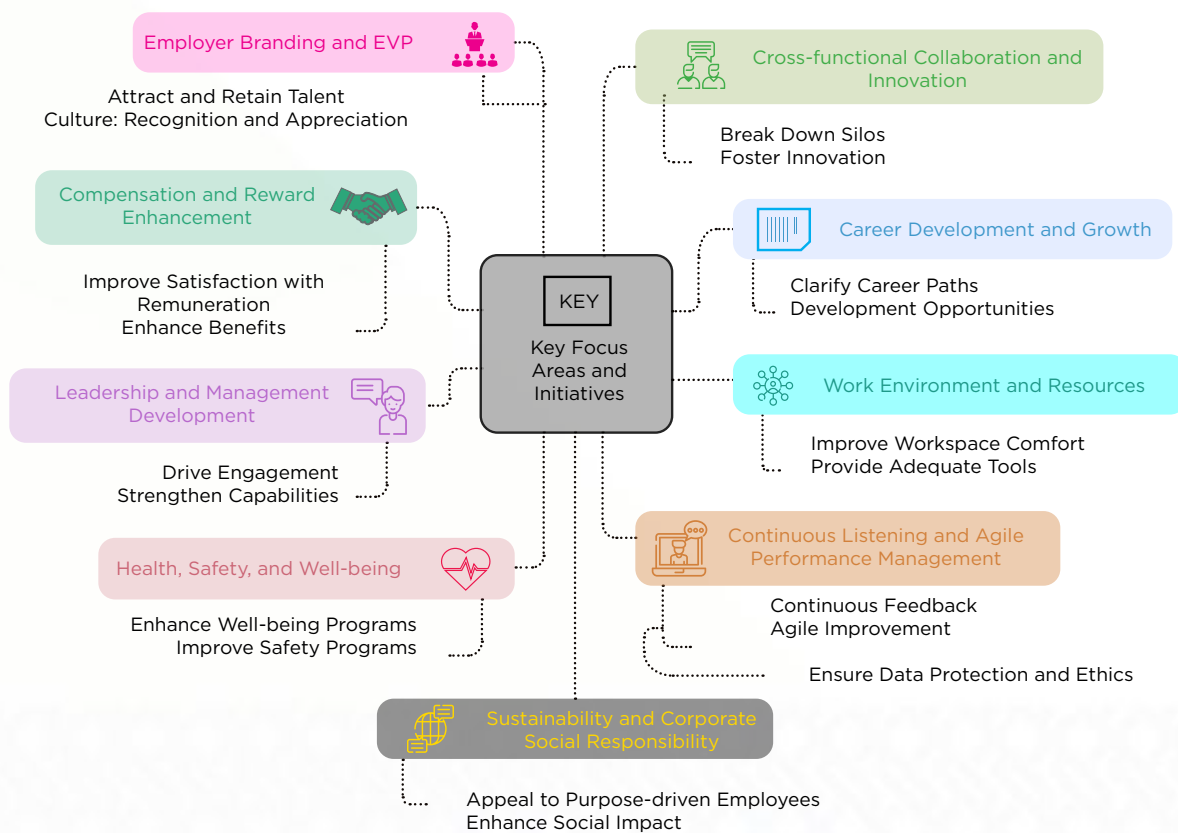


Figure 11: Key focus areas and initiatives of the employee engagement survey

8.5 Employee wellness

The reporting year also saw Management approve an Employee Wellness Strategy with specific programmes and initiatives designed to enhance the overall health and well-being of all NamRA employees in respect of physical, mental and financial aspects. The programmes and initiatives include activities such as enjoying physical fitness, discussing mental health, and undergoing psychosocial or financial counselling. The Strategy's ultimate goal is to create a healthier, happier and more productive workforce and avert negative lifestyle conditions.

Furthermore, NamRA has adopted the United Nations' Sustainable Development Goal 3, namely "to ensure healthy lives and promote well-being for all at all ages". The Wellness team promoted employee well-being and productivity through various activities during the reporting period.

Table 10: Wellness initiatives during FY2024/5

Initiatives	Events Organised	Regions	Outcome
Physical health Programmes	Biometric Screenings	Southern Windhoek Regional Head Office North Central Western	448 employees reached <ul style="list-style-type: none"> • Cholesterol • Blood pressure • Blood glucose • Body Mass Index • Weight • Waist measurements • Uric Acid • Iron Levels
	NamRA Sports	All regions	587 employees participated
	Cancer Screenings	North Central North-Eastern Windhoek	107 employees screened
	Physiotherapy Sessions	Head Office	53 employees participated
Mental health Programmes	World Suicide prevention Day in partnership with the MoHSS	Far North Eastern Northern, Western Windhoek, Southern	255 employees participated
	Psycho-Social Support Services	All regions	95 Counselling Services 25 Referral Cases 45 Home/hospital visits
Financial Wellness	Financial Literacy Awareness: Budgeting and Savings Skills Living within means	Windhoek HQ Windhoek Regional Oshakati, Western Oshikango, Satellite Offices, Rundu, North Central	230 employees participated
Nutrition	Awareness Messages on NamRA Social Media Platforms	Five Key Thematic Messages on Nutrition Circulated All regions	85% staff reached

8.6 Training and organisational development

Capacity-building for staff is engraved in NamRA’s institutional strategic objective to invest in the Agency and its people. This is geared towards ensuring a fit-for-purpose workforce and capacitating staff to meet the demands of their ever-evolving work challenges. Equipping its staff appropriately is especially important since NamRA operates in a very complex and dynamic environment and engages all entities in the country – be they corporates, traders or natural persons. Understanding who its stakeholders are, and what the source of their earnings is, are essential to NamRA as the Agency constitutes the very centre of revenue collection in terms of taxes and duties. Thus, the end of any financial year presents an opportune time to reflect on all training and development initiatives undertaken during the review period.

As part of its 2024/5 Training Plan, NamRA committed to enabling its employees to attend training programmes offered in-house by technical experts as well as those offered with development partners' assistance. During the review period, 886 employees underwent various internal training courses, which by far exceeded the planned estimate of 400 employees. These in-house programmes were initiated in partnership with NamRA's relevant core Departments and utilised the Agency's trained instructors as well as external providers. The objective of these courses was to build critical operational and leadership capabilities.



**Enhance
culture
transformation**

9

9. Enhance culture transformation

From inception, NamRA has adopted a four-pronged approach to its operations, being getting the right people in the right positions, process re-engineering to serve the intended purpose, optimising and stabilising our systems, as well as embedding the right culture.

An organisational culture captures certain aspects that are common to how the organisation conducts its business, these aspects include shared beliefs, values and norms. At NamRA there have been deliberate efforts to ensure that our core values of integrity, fairness, efficiency, diversity and agility come to life through the conduct of our staff.

At the heart of our value promotion is the need to ensure integrity in all our activities, with the emphasis on doing the right thing the first time around and stressing zero tolerance for corruption. In this regard, reported cases of malpractices, ranging from fraud to theft are actively pursued to ensure finality. For FY2024/5, a total of 56 cases were reported, with 23 fraud cases and 18 corrupt practices, followed by 6 theft incidents. In response, 63% of the reported cases were finalised during the same year.

Rallied under the name “NamRA STARS”, there is a targeted push for professional conduct, which stresses showing up in NamRA corporate colours of navy, white and a touch of orange. Greater focus is also given to arriving on or ahead of time and starting events as per scheduled time.

To further enhance greater team cohesion, participation in sport activities is prioritised, which saw impressive performance by the NamRA STARS at part editions of the South African Inter-Revenue Administrations Games and the Public Enterprises Games.



NamRA Football Team ahead of its match at the South African Inter-Revenue Administrations Games held in Lesotho in 2024



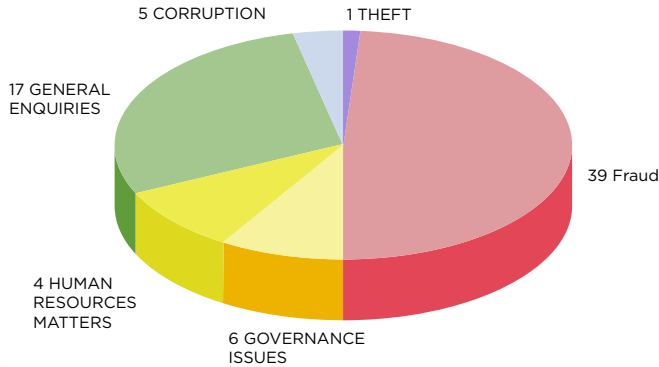
NamRA Commissioner Sam SHIVUTE, Head of Domestic Taxes Mahnaem Haidula, Chief Strategic Communications and Support Engagements Yarukeekuro Ndorokaze and then Chief Financial Officer Haitange Nelumbu display trophies won by NamRA at the 2024 Public Enterprises Games in Oshakati, for the Commissioner's Race, Netball and the Most Cheerful Team



Staff at Walvis Bay marking the NamRA Favourite Career Day in July 2024

Whistleblowing Programme

NamRA maintains a dedicated Whistleblowing Hotline as part of its commitment to transparency, accountability, and zero tolerance for unethical conduct. Reports can be made via toll-free number (0800 535 777), email (namra@tip-offs.com), or website (www.tip-offs.com).



During the year under review, 72 reports were received: 39 related to fraud, six to governance issues, four to human resources matters, 17 to general enquiries, five to corruption, and one to theft. Two investigations were concluded, resulting in the recovery of N\$3.4 million from total assessments of N\$15.8 million raised. The remaining 70 reports are under active investigation, with outcomes to be reported in the next cycle. Awareness sessions were conducted to promote a reporting culture, and all reports were logged, tracked and managed per NamRA’s Whistleblowing Policy.



**Enacting
corporate
social
investments**

10

10. Enacting corporate social investments

NamRA adopted its Corporate Social Investment Policy during the reporting year, mandating the Agency to execute its objectives. With this policy NamRA endeavors to positively impact the lives of Namibians by donating goods forfeited to the state.

Donations

On 13 September 2024, NamRA donated N\$62,000 worth of medical equipment that included laboratory trays and testing kits to the Ministry of Health and Social Services. The equipment was donated in compliance with the Customs and Excise Act, as Amended.



NamRA representatives with officials from the Ministry of Health and Social Services at the handover of medical equipment on 13 September 2024, in Windhoek

NamRA additionally donated goods to the Office of the Governor of the Erongo Region. These goods included 100 blankets, 340 plastic chairs and 10 wheelchairs, totalling a value of N\$37,900.



NamRA officials hand over donations to the Office of the Governor of the Erongo Region



**Financial
Statements**

for the year ended
31 March 2025

11

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Administration and enforcement of Namibia's tax and custom laws.
Members	Anna Nakale-Kawana Stefan Hugo Adv. Dennis Khama Pieter Kruger Sam SHIVUTE Shirene Bampton Oscar Capelao
Registered office	Namibia Revenue Agency Town Square Werner ListStreet Windhoek
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Nadine du Preez

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Members' Responsibilities and Approval

The members are required in terms of the Namibia Revenue Agency Act 12 of 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 12 of 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 12 of 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 set 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 2026 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 have been examined by the agency's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 48, which have been prepared on the going concern basis, were authorised by the board and were signed on their behalf on 29 January 2026 by:

Approval of financial statements



Anna Nakale-Kawana



Stefan Hugo



Independent auditor's report

To the members 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 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

Namibia Revenue Agency's financial statements set out on pages 7 to 48 comprise:

- the members' report for the year ended 31 March 2025;
- the statement of financial position as at 31 March 2025;
- 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.

PricewaterhouseCoopers, Registered Auditors
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 Region, Republic of Namibia
 P O Box 1571, Windhoek, Khomas Region, Republic of Namibia
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Country Senior Partner: Chantell N Husselmann
 The Firm's principal place of business is at Unit No. 156, Maerua Mall, Centaurus Street, Windhoek,
 Khomas Region, Republic of Namibia
 Partners: Willem A Burger (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo,
 Hans F Hashagen, Nina A Coetzer, Audrey C van Antwerpen, Riëtte Jacobs
 Practice Number 9406, VAT reg no. 00203281-015

Other information

The members are responsible for the other information. The other information comprises the information included in the document(s) titled “Namibia Revenue Agency Annual Financial statements for the year ended 31 March 2025” and “Namibia Revenue Agency Annual Report 2024/5”. 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, 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 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.

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.

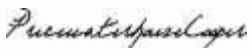
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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: 29-01-2026 | 22:50SAST

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 2025.

1. Incorporation

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

The Agency's domicile and country of incorporation is Namibia and its registered address is:

Namibia Revenue Agency

Town Square

Werner List Street

Windhoek

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 an effective manner on behalf of the State. NamRA administers and enforces 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 12 of 2017, the Revenue Agency is funded through:

(a) money appropriated by Parliament; (through Ministry of Finance)

(b) grants and donations subject to the approval of the Minister of Finance and Public Enterprise (hereinafter: 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 12 of 2017. The accounting policies have been applied consistently compared to the prior year.

Statement of Comprehensive income

The Agency is funded through fixed monthly subsidies received from the State. The nature of the Agency and its activities are that of an extra-budgetary State-owned enterprise, not in the business of making surpluses but purely breaking even. The Agency reported a deficit of N\$ 77 million for 2025 (2024: N\$ 43 million).

The deficits are once off in nature. The key drivers are the increase in payroll costs and depreciation. Payroll costs have been primarily triggered due to the mismatch in timing of costs and subsidies to fund the costs due to insourcing of staff from Inland Revenue. This is expected to even out in the 2026 financial year. Lease terms of various leases are being reviewed to assist in reducing the depreciation charge.

Statement of Cash Flows

The Agency's overall cash flow position declined year-on-year on the back of overall increases in pay-

Members' Report

roll costs; due to the in-sourcing of Inland Revenue staff into the Namibia Revenue Agency. In addition; ancillary costs associated with the purchases of computer infrastructure and scanner maintenance costs, further contributed to the decline in the cash flow position.

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
Pieter Kruger	Member	Independent Non-executive	Namibian	01 December 2021
Sam SHIVUTE	Commissioner - Ex Officio Member	Executive	Namibian	06 April 2021
Shirene Bampton	Member	Independent Non-executive	Namibian	06 April 2021
Titus Ndove	Ex Officio Member	Non-executive	Namibian	Term ended 31 March 2025
Michael Nokokure Humavindu	Ex Officio Member	Non-executive	Namibian	Term ended 31 December 2025
Oscar Capelao	Ex Officio Member	Non-executive Independent	Namibian	02 January 2026

5. Events

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.

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 agency reported a net asset position of N\$ 24 million (2024: N\$ 100 million). The members associate the net asset reduction primarily to increasing operating costs as the Agency is maturing. The members have satisfied themselves that the Agency will continue as going concern on the basis that forecasted budgetary support will match expenses and government has provided comfort of support. An active plan is being carried out to transfer assets to help improve asset position.

Members' Report

The agency is in the process of concluding asset transfers in terms of section 39 of the NamRA Act 12 of 2017 to capitalised assets inherited from the State in its financial statements. The process is anticipated to be completed by 31 March 2026.

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 with the fact 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 is Ms. Nadine du Preez.

Postal address:	P O Box 569 Windhoek
Business address:	Namibia Revenue Agency Town Square Werner List Street Windhoek

8. Auditors

PricewaterhouseCoopers continued in office as the agency's auditors in accordance with the Companies Act of Namibia.

Statement of Financial Position as at 31 March 2025

	Note(s)	2025 N\$ '000	2024 Restated* N\$ '000	2023 Restated* N\$ '000
Assets				
Non-Current Assets				
Property, plant and equipment	3	171,696	134,890	40,112
Right-of-use assets	4	54,536	76,131	64,453
Intangible assets*	5	38,323	48,703	4,910
Trade and other receivables	7	141,725	-	-
		406,280	259,724	109,475
Current Assets				
Inventories	6	4,064	4,858	3,666
Trade and other receivables	7	15,908	17,543	4,428
Cash and cash equivalents	8	48,313	190,301	235,708
		68,285	212,702	243,802
Total Assets		474,565	472,426	353,277
Equity and Liabilities				
Equity				
Retained income*		23,546	100,153	143,142
Liabilities				
Non-Current Liabilities				
Lease liabilities	4	30,478	41,752	47,735
Deferred income	9	117,574	47,465	1,347
Trade and other payables*	10	-	19,433	-
		148,052	108,650	49,082
Current Liabilities				
Trade and other payables*	10	267,819	114,003	56,420
Lease liabilities	4	32,849	42,927	22,745
Deferred income	9	2,299	1,023	886
Provisions*	11	-	105,670	51,002
Income received in advance		-	-	30,000
		302,967	263,623	161,053
Total Liabilities		451,019	372,273	210,135
Total Equity and Liabilities		474,565	472,426	353,277

Statement of Comprehensive Income

	Note(s)	2025 N\$ '000	2024 Restated* N\$ '000
Government income for recurring expenditure	12	1,182,537	1,009,191
Other operating income	13	1,901	1,292
Other operating gains*	14	1,157	635
Employee costs	15	(875,725)	(738,188)
Lease expenses	4	(5,619)	(3,104)
Depreciation, amortisation and impairment expenses*	16	(93,113)	(58,877)
Other operating expenses*		(283,933)	(253,151)
Operating deficit	17	(72,795)	(42,202)
Finance income	18	7,908	8,397
Finance cost*	19	(11,720)	(9,184)
Deficit for the year		(76,607)	(42,989)
Other comprehensive income		-	-
Total comprehensive loss for the year		(76,607)	(42,989)

Statement of Changes in Equity

	(Accumulated loss)/retained income* N\$ '000	Total equity N\$ '000
Opening balance as previously reported	179,926	179,926
Adjustments Prior period error*	(36,784)	(36,784)
Balance at 1 April 2023 as restated	143,142	143,142
Deficit for the year	(42,989)	(42,989)
Other comprehensive income	-	-
Total comprehensive loss for the year	(42,989)	(42,989)
Opening balance as previously reported	172,358	172,358
Adjustments Prior period error*	(72,205)	(72,205)
Balance at 1 April 2024 as restated	100,153	100,153
Deficit for the year	(76,607)	(76,607)
Other comprehensive income	-	-
Total comprehensive loss for the year	(76,607)	(76,607)
Balance at 31 March 2025	23,546	23,546

Statement of Cash Flows

	Note(s)	2025 N\$ '000	2024 Restated* N\$ '000
Cash flows from operating activities			
Cash (used in)/generated from operations	20	(64,983)	68,978
Interest received	18	7,908	8,397
Interest paid	19	(8,790)	(8,998)
Net cash from operating activities		(65,865)	68,377
Cash flows to investing activities			
Purchase of property, plant and equipment	3	(83,565)	(93,586)
Proceeds from sale of property, plant and equipment	3	-	156
Purchases of intangible assets	5	(21,821)	(3,620)
Capital grant receipts from government		72,575	17,000
Net cash to investing activities		(32,811)	(80,050)
Cash flows to financing activities			
Lease payments	4	(43,312)	(33,734)
Total cash movement for the year		(141,988)	(45,407)
Cash and cash equivalents at the beginning of the year		190,301	235,708
Cash and cash equivalents at the end of the year	8	48,313	190,301

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

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 12 of 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 include:

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:

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 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 were signed during the year.

The term: The assumption was based on the signed contracts which have a three (3) year lease term. All leased properties without signed contracts were assumed to have lease terms not exceeding 4.25 years in the determination of the Right of Use Asset and Lease Liability,

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Determining the lease term and discount rate (continued)

The Escalation rate: NamRA used the escalation rate as per contract . 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.

Impairment testing

The agency reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

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

Management assessed 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.

Measurement of intangible assets

Significant judgements in measuring the cost of an intangible asset at initial recognition arise due to the fact that payment of the Oracle system is deferred beyond normal credit terms. This requires estimating the discount rate through time-money-value calculation to determine rate at which to discount all future payments to arrive at the present value that will be included in the cost of the intangible asset. The incremental borrowing rate at prime rate is used.

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.

Accounting Policies

1.3 Property, plant and equipment (continued)

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 the statement of comprehensive income 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. 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

1.3 Property, plant and equipment (continued)

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	3-5 years
Fixtures and fittings	Straight line	10 years
Security dogs	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.

The depreciation charge for each year is recognised in the statement of comprehensive income.

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 the statement of comprehensive income 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 the statement of comprehensive income when the item is derecognised.

1.4 Intangible assets

Intangible assets are defined as identifiable non-monetary assets 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.

Accounting Policies

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Asycuda Operating Software	Straight line	5 years
Oracle 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.

Note 25 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 including transaction costs, if any. They are subsequently measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

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 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 25).

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 the statement of comprehensive income in the derecognition gains (losses) on financial assets at amortised cost line item (note 7).

Trade and other payables

Classification

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

Accounting Policies

1.5 Financial instruments (continued)

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 the statement of comprehensive income in finance cost* (note 19).

Trade and other payables expose the agency to liquidity risk and possibly to interest rate risk. Refer to note 25 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 the statement of comprehensive income in the other operating gains* (note 14).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 25).

Derecognition

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

Cash and cash equivalents

Classification

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. Cash and cash equivalents are initially measured at fair value.

Recognition and measurement

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.

Cash and cash equivalents are initially measured at fair value and subsequently carried at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Derecognition

Cash and cash equivalents are derecognised when and only when the right to the cash flows 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 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 the statement of comprehensive income.

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.

Accounting Policies

1.6 Leases (continued)

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.

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 19).

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;

Accounting Policies

1.6 Leases (continued)

Lease liability (continued)

- 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 the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Initial measurement of the right-of-use assets 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 - 4.25 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.

Accounting Policies

The depreciation charge for each year is recognised in the statement of comprehensive income 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.

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.

Accounting Policies

1.8 Impairment of assets (continued)

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 the statement of comprehensive income. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Tax

The Agency is tax exempt. The Namibia Revenue Agency, Act 12 of 2017 exempts the Agency from any tax duty or levy imposed by any law.

1.10 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.

1.11 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.

Accounting Policies

1.11 Provisions and contingencies (continued)

If the agency has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.12 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. They are then recognised in the statement of comprehensive income as other income on a systematic basis over the useful life of the asset.

Grants related to income are presented as a credit in the statement of comprehensive income (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.

1.13 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 the statement of comprehensive income 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:

Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

The new standard has not had a material impact during the current financial year.

The effective date as well as application date of the amendment is for years beginning on or after 1 January 2024.

Amendment to IFRS 16, 'Leases' - sale and leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The new standard has not had a material impact during the current financial year.

The effective date as well as application date of the amendment is for years beginning on or after 1 January 2024.

Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The new standard has not had a material impact during the current financial year.

The effective date as well as application date of the amendment is for years beginning on or after 1 January 2024.

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 2025 or later periods:

IFRS 18 Presentation and Disclosure in Financial Statements

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The effective date of the amendment is for years beginning on or after 1 January 2027.

The agency expects to adopt the amendment for the first time in the 2028 annual financial statements.

The adoption of this amendment is not expected to impact on the results of the agency, but may result in more disclosure than is currently provided in the annual financial statements.

Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The effective date of the amendment is for years beginning on or after 1 January 2026.

The agency expects to adopt the amendment for the first time in the 2027 annual financial statements.

It is unlikely that the amendment will have a material impact on the agency's annual financial statements.

Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21) (continued)

The effective date of the amendment is for years beginning on or after 1 January 2025.

The agency expects to adopt the amendment for the first time in the 2026 annual financial statements.

It is unlikely that the amendment will have a material impact on the agency's annual financial statements.

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Buildings	98,724	(14,269)	84,455	28,920	(193)	28,727
Furniture	15,339	(2,031)	13,308	12,517	(766)	11,751
Motor vehicles	12,654	(4,423)	8,231	12,654	(1,893)	10,761
Office equipment	9,827	(1,714)	8,113	6,449	(740)	5,709
Computer equipment	58,249	(30,227)	28,022	53,034	(15,126)	37,908
Leasehold improvements	25,365	(7,995)	17,370	24,610	(2,984)	21,626
Fixtures and fittings	1,010	(136)	874	620	(51)	569
Security dogs	442	-	442	-	-	-
Capital - Work in progress	10,881	-	10,881	17,839	-	17,839
Total	232,491	(60,795)	171,696	156,643	(21,753)	134,890

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Buildings	28,727	-	-	69,803	(1,043)	(13,032)	84,455
Furniture	11,751	2,822	-	-	(1,265)	-	13,308
Motor vehicles	10,761	-	-	-	(2,530)	-	8,231
Office equipment	5,709	3,378	-	-	(974)	-	8,113
Computer equipment	37,908	5,800	(404)	-	(15,282)	-	28,022
Leasehold improvements	21,626	755	-	-	(5,011)	-	17,370
Fixtures and fittings	569	390	-	-	(85)	-	874
Security dogs	-	442	-	-	-	-	442
Capital - Work in progress	17,839	62,845	-	(69,803)	-	-	10,881
	134,890	76,432	(404)	-	(26,190)	(13,032)	171,696

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
				2025	2024
				N\$ '000	N\$ '000
Net carrying amounts of leased assets					
Leasehold improvements				17,370	21,626

Notes to the Annual Financial Statements

3. Property, plant and equipment (continued)

Impairment

The initial valuation of the Prefabricated Houses at the Trans Kalahari border post; initially recognised at cost in February 2023, was performed by Property Valuations Namibia in the current year. The Prefabricated Houses at the Trans Kalahari border post was tested for impairment by comparing the carrying amount to its recoverable amount. As a result, an impairment charge of N\$ 13,031,954 (2024: N\$ nil) was recorded in other operating expenses in statement of comprehensive income. The recoverable amount of N\$ 15,117,000 (2024: N\$ nil) was calculated on the fair value less cost of disposal basis, using the market approach.

The impairment is primarily triggered as a once off event that is reversible in the future. The Agency has conducted exercise to commission the remaining prefabricated units to assist in reversing the impairment impact. In addition, long-term leasing arrangement is being negotiated with the Regional Council that will assist in capitalising the value on to its balance sheet.

4. Leases (agency as lessee)

The agency's leases primarily, buildings or office spaces as premises for its various regional offices and IT equipment. The average lease term is 3 - 4.25 years (2024: 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:

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	150,295	(99,270)	51,025	130,758	(60,053)	70,705
Office equipment	5,745	(2,234)	3,511	5,745	(319)	5,426
Total	156,040	(101,504)	54,536	136,503	(60,372)	76,131

	2025 N\$ '000	2024 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	51,025	70,705
Office equipment	3,511	5,426
	54,536	76,131
Additions to right-of-use assets		
Buildings	5,291	44,391
Office equipment	-	5,745
	5,291	50,136

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

4. Leases (agency as lessee) (continued)

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 the statement of comprehensive income (note 17), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	41,595	35,557
Office equipment	1,915	319
	43,510	35,876
Other disclosures		
Interest expense on lease liabilities	8,790	8,998
Expenses on short-term leases included in operating expenses	5,619	3,104
Total cash outflow from leases	52,103	46,387
There are currently no right-of-use assets held as security for lease liabilities.		
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
Within one year	37,843	49,236
Two to five years	33,258	45,638
	71,101	94,874
Less finance charges component	(7,774)	(10,195)
	63,327	84,679
Non-current liabilities	30,478	41,752
Current liabilities	32,849	42,927
	63,327	84,679
Exposure to currency risk		
All leases are with local suppliers and thus there is no foreign currency risk.		
The net carrying amounts of lease liabilities are denominated in Namibian Dollar.		
Namibia Dollar amount		
Namibia Dollar	63,327	84,679

Notes to the Annual Financial Statements

5. Intangible assets*

	2025			2024			
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value	
Computer software - Asycuda	8,530	(3,335)	5,195	8,530	(1,413)	7,117	
Computer software - Oracle	42,291	(9,163)	33,128	42,291	(705)	41,586	
Total	50,821	(12,498)	38,323	50,821	(2,118)	48,703	
Reconciliation of intangible assets - 2025							
				Opening balance	Amortisation	Total	
Computer software - Asycuda				7,117	(1,922)	5,195	
Computer software - Oracle				41,586	(8,458)	33,128	
				48,703	(10,380)	38,323	
Reconciliation of intangible assets - 2024							
				Opening balance	Additions	Amortisation	Total
Computer software - Asycuda				4,910	3,620	(1,413)	7,117
Computer software - Oracle*				-	42,291	(705)	41,586
				4,910	45,911	(2,118)	48,703

Asycuda is a computerized management system designed to modernize and streamline customs procedures.

Oracle is a database management tool used for enterprise resource planning (ERP) and customer relationship management (CRM).

Asycuda worldly accepted IT management software used for management of customs. NAMRA has no access to source code of the Asycuda system however have usage rights as guided by the service level agreement. The agency purchased enhancement modules and packages that have economic benefit in future that have been capitalised and amortised.

The Oracle licences purchase primarily relate to application programming interfaces purchased to assist with underlying programs for ITAS and Asycuda. These software application assist have indefinite use and resalable to the vendor after period if the Agency does not intend to use it in future.

The Agency has SLA with Profile Investments on the management of the ITAS system. The agency does not own source code on the software hence most costs serviced under the service level agreement are treated as operating expenditure. The current service level agreement end at 31 March 2025. A new agreement was signed for another five year term that commenced in the September 2025.

The above software relates to Oracle software acquired in the prior year and ASYCUDA software upgrades acquired on the 08 March 2023.

Notes to the Annual Financial Statements

	2025 N\$ '000	2024 Restated* N\$'000
6. Inventories		
Inventories - consumables	4,064	4,858
Inventory is carried at lower of cost and net realisable value.		
7. Trade and other receivables		
Financial instruments:		
Trade receivables	146,231	3,297
Other receivables	-	688
Non-financial instruments:		
Deposits	2,505	1,572
Prepayments	8,897	11,986
Total trade and other receivables	157,633	17,543
Split between non-current and current portions		
Non-current assets	141,725	-
Current assets	15,908	17,543
	157,633	17,543
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	146,231	3,985
Non-financial instruments	11,402	13,558
	157,633	17,543

The Ministry of Finance has made provision in the 2026/2027 Appropriation Income Budget to fund the unpaid amount of N\$ 141,724,739 as due on 31 March 2025.

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 with consistent payment histories, through both government grant and related trade receivables. Other receivables constitute debit payables that arose in the prior year and were cleared off in the current year.

The average credit period on trade receivables is renewed every 90 days as subsidies are received. 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.

The agency's historical credit loss experience does not show loss patterns for Ministry of Finance. Therefore no provision for credit losses is therefore noted based on historical precedent.

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

7. Trade and other receivables (continued)

The credit quality of the Ministry of Finance was assessed by making reference to Fitch Ratings credit quality on Namibian government bonds:

Credit rating

Ministry of Finance (BB-)	146,231	3,297
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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	146,231	3,985
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Fair value of trade and other receivables

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	48,313	190,301
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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+)	48,313	190,301
Details of total facilities		
Credit cards	200,000	200,000
Exposure to currency risk		
Namibia Dollar amount		
Namibia Dollar	48,313	190,301

The Agency is not exposed to currency risk as cash is held in Namibian Dollars, which is the local reported currency.

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

9. Deferred income

The Agency receives grants in the form of property, plant and equipment from the government or foreign multinationals as well as monetary subsidies for the construction of strategic projects. 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	117,574	47,465
Current liabilities	2,299	1,023
	119,873	48,488

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 2025, NamRA received donations of computer equipment (2024: NamRA received donations from United Nations Office on Drugs and Crime, World Customs Organisation, and The Nature Foundation disclosed below):

Asset donations		
United Nations	1,535	1,681
Deferred income break down		
Utilised funds - completed buildings	97,487	28,727
Utilised funds - WIP	10,123	17,637
Utilised funds	10,728	443
	118,338	46,807
Reconciliation		
Opening balance	28,727	-
Funds utilised on completed projects during the period	69,804	28,920
Deferred income realised during the period	(1,044)	(193)
	97,487	28,727

Notes to the Annual Financial Statements

	2025 N\$ '000	2024 Restated* N\$'000
10. Trade and other payables*		
Financial instruments:		
Trade payables*	179,121	43,472
Trade payables - related parties	81	127
Accrued 13th cheque	3,864	3,031
Other accrued expenses - suppliers	19,426	41,591
Other accrued expenses - third parties	17,032	383
Non-financial instruments:		
Accrued Pay As You Earn	12,373	13,171
Accrued leave pay	35,922	31,661
	267,819	133,436
Non-current liabilities	-	19,433
Current liabilities	267,819	114,003
	267,819	133,436
Financial instrument and non-financial instrument components of trade and other payables		
At amortised cost	219,524	88,604
Non-financial instruments	48,295	44,832
	267,819	133,436

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.

Namibia Dollar Amount		
Namibia Dollar	149,030	97,795
Foreign currency amount		
US Dollar	9,128	5,026
Euro	1	20
Namibia Dollar per unit of foreign currency:		
US Dollar	18.440	19.457
Euro	23.839	21.011

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Notes to the Annual Financial Statements

11. Provisions*

Reconciliation of provisions - 2025				
	Opening balance	Utilised during the year	Reversed during the year	Total
Performance bonus	30,000	(29,026)	(974)	-
Institutional Progress Incentive	(19)	-	19	-
NucTech repairs and maintenance provision	75,689	(75,689)	-	-
	105,670	(104,715)	(955)	-
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)
NucTech repairs and maintenance provision*	36,784	38,905	-	75,689
	51,002	68,905	(14,237)	105,670

Provision for performance bonus of N\$ - (2024: N\$ 30,000,000) 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 2025. The provision constitutes a liability of uncertain amount as settlement is determined by the eventual results of performance ratings.

The institutional progress incentive awarded to staff in 2024 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 2024. The provision constitutes a liability of uncertain amount as settlement was determined by the eventual results of the progress incentive.

The NucTech repairs and maintenance provision was raised for repairs and maintenance expenditure on scanners used at the border posts. The provision constituted a liability of uncertain timing as no contractual obligation existed prior to the current financial year. In the current financial year, the related contract was finalised, and the provision was consequently utilised and reclassified to trade and other payables upon entering into the contractual agreement and receiving the corresponding invoicing.

The Agency operates equipment used for scanning for illicit goods at the respective borders. The equipment must go through annual maintenance, hence the associated liabilities of the maintenance of the scanners cover annually N\$ 45 million. The current contract in place runs to February 2027. Refer to note 24 for further details.

Notes to the Annual Financial Statements

12. Government income for recurring expenditure

Government funding for recurring expenditure		
Government funding for recurring expenditure	1,040,812	1,009,191
Discretionary grant income	141,725	-
	1,182,537	1,009,191
Income received in advance brought forward	-	30,000
Discretionary grant income	141,725	-
Appropriation income received for the year	1,040,812	979,191
	1,182,537	1,009,191

The discretionary grant income refers to the long term receivable in note 7 and relates a provision made by Ministry of Finance in the 2026/2027 Appropriation Income Budget to fund the unpaid Nuctech invoices as due on 31 March 2025. The transaction is once-off in nature.

* See Note 24

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

13. Other operating income

Deferred income realised (note 9)	1,368	744
Other income	533	548
	1,901	1,292

14. Other operating gains*

Gains (losses) on disposals		
Loss on property, plant and equipment	(225)	(550)
Gain on lease termination	240	-
	15	(550)
Foreign exchange gains		
Net foreign exchange gains (losses)*	1,142	1,185
Total other operating gains	1,157	635

15. Employee costs

As at 31 March 2025 the agency had 1,415 permanent employees (2024: 1,395). The total employee costs consists of the following:

Employee costs		
Basic	552,514	420,908
13th cheque	(140)	39,209
Medical aid - agency contributions	96,905	78,163
Social Security Commission	2,811	2,373
Leave pay provision charge	4,354	16,926
Subsistence and travelling allowance	13,340	11,793
Pay As You Earn	148,344	130,795
Retirement contribution plans	57,597	38,021
	875,725	738,188
Reconciliation of number of permanent employees for the year		
Employees at beginning of year	1,395	945
Entrants	38	462
Exits	(18)	(12)
Permanent staff	1,415	1,395
Acting	4	-
Directors	5	-
Executives	9	-
Interns	21	-
Management	46	-
Secondment	9	-
Staff	1,360	-
Total permanent and temporary staff	1,454	-

Temporary staff consist of 39 employees.

Notes to the Annual Financial Statements

	2025 N\$ '000	2024 Restated* N\$'000
16. Depreciation, amortisation and impairment losses*		
Depreciation		
Property, plant and equipment	26,190	18,096
Right-of-use assets	43,510	38,663
	69,700	56,759
Amortisation		
Intangible assets*	10,381	2,118
Impairment losses		
Property, plant and equipment	13,032	-
Total depreciation, amortisation and impairment		
Depreciation	69,700	56,759
Amortisation*	10,381	2,118
Impairment losses	13,032	-
	93,113	58,877

17. Operating deficit*

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

Auditor's remuneration - external		
Audit fees	1,399	933
Audit fees for previous year	2,234	-
	3,633	933
Auditor's remuneration - internal		
	703	495
Remuneration, other than to employees		
Administrative and managerial services	-	10
Consulting and professional services	8,480	4,071
	8,480	4,081
Leases		
Short-term leases	5,619	3,104
Total lease expenses	5,619	3,104
Depreciation and amortisation		
Depreciation of property, plant and equipment	26,190	18,096
Depreciation of right-of-use assets	43,510	38,663
Amortisation of intangible assets*	10,381	2,118
Total depreciation and amortisation	80,081	58,877

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

17. Operating deficit* (continued)

Expenses by nature

The total operating expenses are analysed by nature as follows:

Employee costs	875,725	738,188
Lease expenses	5,619	3,104
Depreciation, amortisation and impairment*	93,113	58,877
Other expenses	5,031	8,023
Advertising	8,043	3,119
Auditor's remuneration - external audit	3,633	933
Cleaning	8,459	6,920
Commission paid to bank for Point-of-Sale devices	14,448	12,092
Consulting and professional fees	8,480	4,071
Fines and penalties	5,684	410
ICT maintenance and licenses expenses*	49,101	29,844
Insurance	2,062	1,553
Motor vehicle expenses	10,706	9,336
Municipal expenses	39,377	37,116
Printing and stationery	9,464	18,855
Repairs and maintenance*	57,833	60,154
Security expenses	21,266	19,363
Staff welfare	7,231	7,939
Subscriptions	5,085	6,499
Telephone, internet and communication expenses	24,216	21,541
Training	3,814	5,383
	1,258,390	1,053,320

18. Finance income

Interest income

Investments in financial assets:

Bank and other cash and cash equivalents	7,908	8,397
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19. Finance cost*

Lease liabilities	8,790	8,998
Other interest paid*	2,930	186
Total finance costs	11,720	9,184

Notes to the Annual Financial Statements

	2025 N\$ '000	2024 Restated* N\$'000
20. Cash (used in)/generated from operations*		
Deficit for the year*	(76,607)	(42,989)
Adjustments for non-cash items:	93,113	58,877
Depreciation and amortisation*		
Losses on sale of property, plant and equipment	15	550
Gains on exchange differences*	-	(641)
Other income	-	(548)
Deferred income amortised	(1,368)	(744)
Other non-cash items	69	(914)
Adjust for items which are presented separately:	(7,908)	(8,397)
Interest received		
Interest paid*	11,720	9,184
Changes in working capital:	794	(1,192)
Decrease / (increase) in inventories		
Decrease / (increase) in trade and other receivables	(140,090)	(13,071)
Increase in trade and other payables*	160,949	14,195
(Decrease) / increase in provisions*	(105,670)	54,668
	(64,983)	68,978

Notes to the Annual Financial Statements

21. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2025

	Opening balance	Derecognition	Remeasurements	New leases	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	84,679	(1,315)	17,984	5,291	21,960	(43,312)	63,327
Total liabilities from financing activities	84,679	(1,315)	17,984	5,291	21,960	(43,312)	63,327

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	3,230	53,366	(39,167)	84,679
Total liabilities from financing activities	70,480	50,136	3,230	53,366	(39,167)	84,679

22. Commitments

Authorised capital expenditure

Already contracted for but not provided for

- Property, plant and equipment
- Intangible assets

Not yet contracted for and authorised by members

	287	2,232
	27,016	-
	-	186,406

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

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

23. Related parties

Relationships

Ultimate owner	The Government of the Republic of Namibia
Line Ministry	Ministry of Finance
Members of key management	<p>Sam SHIVUTE: Commissioner</p> <p>Fernando Somaeb: Chief Financial Officer & Corporate Services</p> <p>Wilbroad Poniso: Head Custom & Excise</p> <p>Fanuel Uugwanga: Chief Human Capital & Business Strategy & Development</p> <p>Melanie Tjienda: Chief Information Officer</p> <p>Nadine du Preez: Chief Legal Officer & Board Secretary</p> <p>Steven Ndorokaze: Chief Strategic Communication, Stakeholder Engagements, Taxpayer Education & International Relations</p> <p>Vesoraune Mbaha: Chief Risk Management and Internal Audit</p> <p>Mahnaem Haidula: Head Domestic Taxes</p>

Related party balances

Amounts included in Trade receivable regarding related parties Ministry of Finance (note 7)	141,725	-
Amounts included in Trade payables regarding related parties Ministry of Finance (note 10)	81	127

The receivables and payables are normally collected and paid for within 90 days.

Related party transactions

Appropriation received Ministry of Finance	1,040,812	1,009,191
CDE (Proprietary) Limited	141,725	-
Compensation to Members Namibia Revenue Agency	1,386	1,135
Compensation to Key management Short-term employee benefits	17,374	16,359

Members of key management comprises of members of the executive committee and the Commissioner

Notes to the Annual Financial Statements

24. Prior period errors

During the current financial year, the Agency identified a prior period error relating to the repair and maintenance expenses and corresponding liabilities of border post scanners. These scanners were previously under the Ministry of Finance's responsibility until 31 March 2021. Effective 7 April 2021, the Agency commenced operations as a standalone entity and assumed responsibility for all liabilities associated with services rendered to it, including the maintenance of the scanners.

The contract, which was only formalized and signed between Ministry of Finance and the Agency in the current year; ratifies maintenance services provided by NucTech Company Limited, the service provider, in prior periods. The Agency simultaneously has requested additional appropriation support to help fund the liability which the ministry has confirmed in writing to support in the 2026/2027 appropriation cycle to the value of N\$141 million. The Agency assessed the financial impact of the unrecorded expenses. The periods affected are the previous year including prior periods and as a result; adjustment was made to the prior periods retrospectively, to recognize the related expenses and liabilities in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In the prior financial year, the Agency entered into an agreement with Oracle for the acquisition of a software license and software support valued at N\$ 59 million (N\$ 46 million and N\$ 13 million respectively), payable in two installments. In accordance with IAS 38 Intangible Assets, the software license met the criteria for recognition as an intangible asset, as it is identifiable, the Agency has control over the asset and it is expected to generate future economic benefits.

The software license as an intangible asset in the prior year and the related liability had not been recognized by management. This resulted in an understatement of intangible assets and liabilities in the statement of financial position, and an understatement of amortization expense in the statement of comprehensive income.

These errors did not have an impact on the primary Statement of Cash Flows, however they affected the Cash (used in)/generated from operations note as contained in the notes to the annual financial statements (note 20).

Notes to the Annual Financial Statements

24. Prior period errors (continued)

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 as at 31 March						
2025	2024	Adjustment	2024	2023	Adjustment	2023
	N\$ '000	N\$ '000	Restated N\$ '000	N\$ '000	N\$ '000	Restated N\$ '000
Retained income	172,358	(72,205)	100,153	179,926	(36,784)	143,142
Trade and other payables	95,334	38,102	133,436	-	-	-
Intangible assets	7,117	41,586	48,703	-	-	-
Provisions	29,981	75,689	105,670	14,218	36,784	51,002
	304,790	83,172	387,962	179,926	-	143,142

Statement of Comprehensive Income

	2024	Adjustment	2024
	N\$ '000	N\$ '000	Restated N\$ '000
Other operating gains	96	539	635
Depreciation and amortisation expenses	(58,172)	(705)	(58,877)
Other operating expenses	(218,082)	(35,069)	(253,151)
Finance cost	(8,998)	(186)	(9,184)
	(285,156)	(35,421)	(320,577)

Notes to the Annual Financial Statements

25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Total
Trade and other receivables	7	146,231	146,231
Cash and cash equivalents	8	48,313	48,313
		194,544	194,544

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

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	10	219,524	-	219,524
Lease liabilities	4	-	63,327	63,327
		219,524	63,327	282,851

2024

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	10	88,604	-	88,604
Lease liabilities	4	-	84,679	84,679
		88,604	84,679	173,283

Notes to the Annual Financial Statements

25. Financial instruments and risk management (continued)

Pre-tax gains and losses on financial instruments

Gains and losses on financial assets

2025

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income from bank and other cash and cash equivalents	18	7,908	7,908

2024

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income from bank and other cash and cash equivalents	18	8,397	8,397

Gains and losses on financial liabilities

2025

	Note(s)	Amortised cost	Leases	Total
Recognised in profit or loss:				
Finance costs	19	(2,930)	(8,790)	(11,720)
Gains on foreign exchange	14	1,142	-	1,142
Net gains (losses)		(1,788)	(8,790)	(10,578)

2024

	Note(s)	Amortised cost	Leases	Total
Recognised in profit or loss:				
Finance costs	19	(186)	(8,998)	(9,184)
Losses on foreign exchange	14	1,185	-	1,185
Net gains (losses)		999	(8,998)	(7,999)

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

25. Financial instruments and risk management (continued)

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	(63,327)	(84,679)
Trade and other payables	10	(267,820)	(133,436)
Total borrowings		(331,147)	(218,115)
Cash and cash equivalents	8	48,313	190,301
Cash surplus		(282,834)	(27,814)
Equity		23,546	(84,845)
Gearing ratio		(1,201)%	33%

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 of members 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 of members 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.

Notes to the Annual Financial Statements

25. Financial instruments and risk management (continued)

Financial risk management (continued)

Overview (continued)

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

The principal financial instruments used by the agency, 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 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 with consistent payment histories, through both government grant and related trade receivables.

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

		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Trade and other receivables	7	146,231	-	146,231	3,985	-	3,985
Cash and cash equivalents	8	48,313	-	48,313	190,301	-	190,301
		194,544	-	194,544	194,286	-	194,286

Notes to the Annual Financial Statements

25. Financial instruments and risk management (continued)

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.

2025

		Less than 1 year	1 to 2 years	Total	Carrying amount
Current liabilities					
Trade and other payables	10	229,542	-	229,542	267,819
Lease liabilities	4	37,843	33,258	71,101	63,327
		267,385	33,258	300,643	331,146

2024

		Less than 1 year	1 to 2 years	Total	Carrying amount
Current liabilities					
Trade and other payables	10	113,455	-	113,455	133,436
Lease liabilities	4	49,236	45,638	94,874	84,679
		162,691	45,638	208,329	218,115

Notes to the Annual Financial Statements

	2025	2024
	N\$ '000	Restated* N\$'000

25. Financial instruments and risk management (continued)

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 transactions 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:

US Dollar exposure:

Current liabilities:			
Trade and other payables	10	(27,373)	(4,942)
Euro exposure:			
Current liabilities:			
Trade and other payables	10	(9)	(420)
Net exposure to foreign currency in Namibia Dollar		(27,382)	(5,362)

Exposure in foreign currency amounts

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

US Dollar exposure:

Current liabilities:			
Trade and other payables	10	(1,484)	(254)
Euro exposure:			
Current liabilities:			
Trade and other payables	10	(1)	(20)
Exchange rates			
Namibia Dollar per unit of foreign currency:			
US Dollar		18.440	19.457
Euro		23.839	21.011

Notes to the Annual Financial Statements

25. Financial instruments and risk management (continued)

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.

	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Impact on profit or loss:				
US Dollar 1% (2024: 1%)	(274)	274	(50)	50
Euro 1% (2024: 1%)	-	-	(4)	4
	(274)	274	(54)	54
Impact on equity:				
US Dollar 1% (2024: 1%)	274	(274)	50	(50)
Euro 1% (2024: 1%)	-	-	4	(4)
	274	(274)	54	(54)
	-	-	-	-

Notes to the Annual Financial Statements

25. Financial instruments and risk management (continued)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk. Exposure to interest rate risk on financial assets and liabilities is monitored on a continuous and proactive basis.

Interest rate profile

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

	Note	Average effective interest rate		Carrying amount	
		2025	2024	2025	2024
Assets					
Cash and cash equivalents	8	6.75%	6.75%	48,313	190,301
Liabilities					
Lease liabilities	4	8.00 - 11.50%	8.00-11.50%	63,327	84,679

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.

	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Impact on profit or loss:				
Cash 1% (2024: 1%)	483	(483)	1,903	(1,903)
Lease liability 1% (2024: 1%)	(633)	633	(847)	847
	(150)	150	1,056	(1,056)
Impact on equity:				
Cash 1% (2023: 1%)	(483)	483	(1,903)	1,903
Lease liability 1% (2024: 1%)	633	(633)	847	(847)
	150	(150)	(1,056)	1,056
Total impact on profit or loss and equity	-	-	-	-

Detailed Income Statement

	Note(s)	2025 N\$ '000	2024 Restated* N\$'000
Income			
Government income for recurrent expenditure	12	1,040,812	1,009,191
Discretionary grant income		141,725	-
	12	1,182,537	1,009,191
Other operating income			
Deferred income realised		1,368	744
Other income		533	548
	13	1,901	1,292
Other operating gains			
Losses on disposal of assets		15	(550)
Foreign exchange gains		1,142	1,185
	14	1,157	635
Expenses (Refer to page 50)		(1,258,390)	(1,053,320)
Operating deficit	17	(72,795)	(42,202)
Finance income	18	7,908	8,397
Finance cost	19	(11,720)	(9,184)
Deficit for the year		(76,607)	(42,989)

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

Detailed Income Statement


	Note(s)	2025 N\$ '000	2024 Restated* N\$'000
Other operating expenses			
Administration and management fees		-	(10)
Advertising		(8,043)	(3,119)
Amortisation	16	(10,381)	(2,118)
Auditor's remuneration - external audit	17	(3,633)	(933)
Auditor's remuneration - internal audit	17	(703)	(495)
Bank charges		(105)	(34)
Cleaning		(8,459)	(6,920)
Commission paid to bank for Point-of-Sale devices		(14,448)	(12,092)
Consulting and professional fees		(7,855)	(3,998)
Consulting and professional fees - legal fees		(625)	(73)
Depreciation	16	(69,700)	(56,759)
Donations		(170)	(22)
Employee costs	15	(875,725)	(738,188)
Entertainment		(1,495)	(582)
Fines and penalties		(5,684)	(410)
Impairment		(13,032)	-
ICT maintenance and licenses expenses		(49,101)	(29,844)
Insurance		(2,062)	(1,553)
Lease expenses		(5,619)	(3,104)
Motor vehicle expenses		(10,706)	(9,336)
Municipal expenses		(39,377)	(37,116)
Postage		(1,920)	(2,715)
Printing and stationery		(9,464)	(18,855)
Protective clothing		(544)	(4,007)
Repairs and maintenance		(57,833)	(60,154)
Royalties and license fees		-	(5)
Security expenses		(21,266)	(19,363)
Staff welfare		(7,231)	(7,939)
Subscriptions		(5,085)	(6,499)
Telephone, internet and communication expenses		(24,216)	(21,541)
Training		(3,814)	(5,383)
Transport and freight		(94)	(153)
		(1,258,390)	(1,053,320)


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



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