



YEAR OF
CELEBRATIONS

2017







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ABBREVIATIONS

AGM	Annual General Meeting
ATU	African Telecommunications Union
BC	Business Continuity
CEO	Chief Executive Officer
COMESA	Common Market for Eastern and Southern Africa
COS	Child Online Safety
CRAN	Communications Regulatory Authority of Namibia
CRASA	Communications Regulators' Association of Southern Africa
CRTT	CRASA Roaming Task Team
DTT	Digital Terrestrial Television
HPP	Harambee Prosperity Plan
HR	Human Resources
ICT	Information and Communications Technology
ITU	International Telecommunications Union
LTE	Long-Term Evolution - This is standard for high-speed wireless Communication
MACRA	Malawi Communications Regulatory Authority
MICT	Ministry of Information and Communication Technology

MTC	Mobile Telecommunications Limited
NSA	Namibia Statistics Agency
NUST	Namibia University of Science and Technology
PM	Performance Management
PPDR	Public Protection and Disaster Relief
PSTN	Public Switched Telephone Network
ROI	Return on Investment
SADC	Southern African Development Community
Telecom	Telecom Namibia Limited
UAS	Universal Access and Services
UNAM	University of Namibia
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UPU	Universal Postal Union
USF	Universal Service Fund
WRC-15	World Radiocommunication Conference 2015
WTDC-17	World Telecommunication Development Conference 2017



FRIEDA KISHI, CHAIRPERSON, BOARD OF DIRECTORS



ABOUT US

The Communications Regulatory Authority of Namibia (CRAN) is an independent regulator established under Section 4 of the Communications Act (No.8 of 2009) to regulate, supervise and promote the provision of telecommunications services and networks, broadcasting, postal services and the use and allocation of radio spectrum in Namibia. CRAN replaced the previous regulator, the Namibia Communications Commission, which was operational from 1992 until 2008.

Since its inception, CRAN issued eighteen (18) telecommunications service licences, providing a wide array of services throughout Namibia. CRAN also established a firm regulatory framework for the Digital Terrestrial Television (DTT) switchover process and formulated a comprehensive frequency-channelling plan, which other Southern African Development Community (SADC) regulators are using as a benchmark.

CRAN reached another milestone when it ensured that 120% mobile penetration rate in the country was reached. This was achieved because there is an established regulatory framework that creates an environment that promotes fair competition. CRAN also facilitated the extension and digitising of Information and Communications Technology (ICT) infrastructure and the introduction of the 4th generation (LTE) technology in the country.

CRAN also completed the study on the numbering plan and number portability for Namibia. Once implemented, consumers can move from one network to another with ease whilst retaining their numbers.



MOSES M. MOSES, VICE-CHAIRMAN

VISION

To be a dynamic regulator of the Information and Communications Technology (ICT) sector, transforming Namibia and its peoples into an active knowledge-based society to derive the full socio-economic benefits of ICTs.

MISSION

To purposefully regulate electronic communications services, networks, postal services and spectrum, so that all Namibians derive the full socio-economic benefits of ICT.



TANSWELL DAVIES, COMPANY SECRETARY



BEVERLEY GAWANAS-VUGS, DIRECTOR

VALUES

- To have integrity
- To be transparent
- To be innovative
- To be knowledgeable
- Teamwork



ANDREAS NEKONGO, DIRECTOR

MANDATE

CRAN is the Communications Regulatory Authority of Namibia. It is mandated to regulate telecommunication services and networks, broadcasting services, postal services and the use and allocation of radio spectrum. It was established in terms of the Communications Act (No. 8 of 2009) on 18 May 2011.



ANNE-DORIS NASTASSJA HANS-KAUMBI, DIRECTOR



MPASI HAINGURA, DIRECTOR

ABOUT US

The Board of Directors is appointed by the Minister of Information and Communication Technology. CRAN is led by the Chief Executive Officer, Festus K. Mbandeka, who is supported by the following head of departments:

Jochen Traut	- Chief Operations Officer
Katrina Siken	- Head: Communications and External Relations
Ronel Le Grange	- Head: Electronic Communications
Helene Vosloo	- Head: Economics and Research Sector
Manfred Rittmann	- Head: Internal Audit
Lucrezia Heckert-Louw	- Head: Human Resources
Justus Tjituka	- Head: Finance
Emilia Nghikembua	- Head: Legal Advice
Melvin Angula	- Head: Universal Access and Services
Tanswell Davis	- Company Secretary



FRIEDA KISHI, CHAIRPERSON, BOARD OF DIRECTORS

THE BOARD AND CORPORATE GOVERNANCE

2016-2017

The Communications Regulatory Authority of Namibia (CRAN) is celebrating five years of success since its inception in 2011. This success has been defined by integrity, transparency, innovation, knowledge and teamwork.

Celebrations are joyous times for people to come together, reminisce and look forward to the future. A majority of the time, family and friends come together to celebrate a birthday, wedding, anniversary or milestone. CRAN's family and friends not only consist of its dedicated employees and Board of Directors, but they also consist of the Ministry of Information and Communication Technology (MICT), its partners, stakeholders, consumers and the Namibian public at large.

The relationship with external partners has allowed CRAN to grow over the past five years and has positioned it well on its way to becoming a dynamic regulator of the Information and Communications Technology (ICT) sector that transforms Namibia and its peoples into an active knowledge-based society able to derive the full socio-economic benefits of ICTs.

Without support, CRAN would not be able to boast the immense successes that it has achieved to this day.

ACHIEVEMENTS OF THE PAST 5 YEARS

CRAN's founding Board of Directors established the initial regulatory framework as mandated by the Communications Act (No. 8 of 2009) by means of promulgating certain regulations to get the organisation and the regulation of the ICT industry working.

CRAN's current Strategic Plan was developed in 2014 and is effective from April 2015 to March 2018. The Strategic Plan was submitted to the MICT and Ministry of Public Enterprises in June 2015 and was accordingly approved. The Plan is aligned with the objectives of the Communications Act and focuses on ICT market development through the addition of new licences and creation of a new service licence category namely network facilities, second (2nd) market dominance study, postal market study, study on convergence, infrastructure sharing regulations, Public Switched Telephony Network cost study and national numbering plan supporting number portability. It also focuses on the establishment of universal service regulatory framework, the execution of gap analysis to broadband services in rural areas and the review of spectrum band plan after the World Radiocommunication Conference 2015 (WRC-15) to provide more spectrum for broadband services and the development of a spectrum assignment strategy.

Further, the Strategic Plan aims to monitor and enforce adherence to quality of service and type approval regulations, broadcasting code, consumer protection regulations and investigations, SIM registration and cyber security and propose amendments to the Communications Act to address new realities. It further focuses on enhancing other key organisational aspects such as human resources (HR) development, governance, communications and business continuity, to mention but a few. The implementation of the Strategic Plan is ongoing and the achievements in respect thereof are reflected in this Annual Report.

ACHIEVEMENTS OF THE CURRENT FINANCIAL YEAR

REGULATORY

The CRAN Board of Directors is tasked to ensure that the objectives of the Communications Act (No. 8 of 2009) are achieved through strategic intent and regulatory implementation.

During the financial year under review, the Board of Directors approved the Amendment to the regulations regarding Licencing Procedures for Telecommunications and Broadcasting Services and Spectrum Use Licences and the regulations regarding Administrative Licence Fees for Services Licences to introduce two new service licence categories, namely Class Network Facilities telecommunications service licence and Class Non-Profit ECNS/ECS telecommunications service licence. The two new service licence categories were approved to support the implementation of infrastructure sharing and equal treatment of non-profit entities providing broadcasting and telecommunications services in the industry. This will contribute to market development and fair competition within the ICT sector. The Board of Directors also approved the regulations prescribing the sharing of infrastructure in October 2016. The purpose of the regulations are to regulate the duties imposed on carriers, dominant carriers and utilities, set out the terms upon which carriers and utilities must agree to fulfill those duties and to ensure that any conditions and charges for agreements referred to in the regulations are reasonable, non-discriminatory and fairly portioned.

These regulations will encourage local participation in the telecommunications sector, increase competition in the market and promote technological innovation and the deployment of advanced services in order to respond to the diverse needs of commerce and industry and support the social and economic growth of Namibia. This would also assist in achieving the infrastructure development goals of the Namibian Harambee Prosperity Plan (HPP).

The Board of Directors also approved the Universal Service Regulations which makes provision for the imposition of universal service access obligations on telecommunications licensees. This will ensure the increase of access to telecommunications services to all regions of Namibia at just, reasonable and affordable prices and ensure the availability of a wide range of quality, reliable and efficient telecommunications services to all users in the country.

GOVERNANCE

The Board of Directors constituted its sub-committees in May 2016, namely the Legal and Technical Committee, the Audit and Risk Committee and the Human Resources and Remuneration Committee. The Committees are advisory committees and as such, do not perform any management functions or assume any management responsibilities. The Committees have independent and objective roles, operating as overseers and creators of recommendations to the Board of Directors for its approval or final decision.

During the period under review, the Board of Directors commenced with the crafting and compilation of the Board Charter in the interest of good Board governance. The Board of Directors deemed the

need for the adoption and implementation of a charter that will prescribe and set out the Board of Directors mandate, role and responsibilities, standards of conduct and behaviour as well as the requirements for its composition and meeting procedures. The Board Charter, amongst other things, deals with disclosure of interest by Board members and how members should deal with confidential information and ex parte communications. The Board Charter further sets out the extent to which the Board of Directors may delegate a certain of its powers and functions in consonance with the Communications Act. It is envisaged for the Board Charter to be adopted in June 2017.

CRAN management is in the process of reviewing the organisation's Strategic Plan, with the input and assistance from the Board of Directors, to align the strategic plan with the HPP and the Honourable Minister of ICT's strategic objectives as well as to incorporate the Board of Directors' Strategic intent for the organisation in the Plan. Revisions include ensuring accessibility and affordability of broadband as per the HPP through the Authority's Universal Service Regulations and universal service and access initiatives. In addition, it also calls for the development of ICT infrastructure through the Authority's Infrastructure Sharing regulations.

The Authority is pro-actively involved with consultations with the MICT in respect of Electronic and Cyber Crime Bill. The Bill will ensure the achievement of confidence in and security of broadband networks in line with the HPP. The Revised Strategic Plan now includes a focus area designated specifically for stakeholder engagement. The aim of the strategy is to inform, educate, empower and engage consumers and licensees regarding CRAN activities, rights and responsibilities and development in the ICT sector through initiatives such as brand and consumer awareness campaigns and stakeholder engagement activities.

The Board of Directors intends to appoint a Strategic Executive to pro-actively steer and ensure the effective implementation of the organisation's strategic intent. The incumbent will assist the Chief Executive Officer (CEO) with the strategic management function of the organisation, which includes the formulation, and review of the strategic intent, through facilitating organisational and or departmental strategic planning. The strategic executive will also be responsible for evaluating and monitoring, implementing departmental strategic objectives and projects and advising management accordingly. This position was necessitated to ensure the objectives of the Plan are effectively and efficiently implemented, and thereby achieving the objectives of the Communications Act.

LOOKING TOWARDS THE NEXT FIVE YEARS

The Board of Directors would like to thank the CRAN team, stakeholders, partners and consumers for their continued support and look forward to the next five years. With unity, CRAN will continue to purposefully regulate electronic communications services, networks, postal services the spectrum, so that all Namibians derive the full socio-economic benefits of ICT.



Ms. Frieda Kishi, Chairperson



YEAR IN REVIEW

The background of the page is a soft-focus photograph of colorful confetti scattered on a white surface. The confetti consists of small, irregular pieces in various colors including red, green, blue, yellow, and white. The overall aesthetic is clean and celebratory.

5th
ANNIVERSARY



CRAN

Communications Regulatory Authority of Namibia



FESTUS K. MBANDEKA, CEO



CELEBRATING THE AUTHORITY'S DEDICATED TEAM

Since establishment as an independent regulator through Section 4 of the Communications Act (No.8 of 2009), the Communications Regulatory Authority of Namibia (CRAN) has regulated, supervised and promoted the provision of telecommunications services and networks, broadcasting, postal services and the use and allocation of radio spectrum in Namibia.

For half a decade, CRAN has challenged barriers to communication in Namibia and has continued to grow, attaining numerous successes along the way that are worth celebrating.

CRAN provides a wide array of services throughout Namibia as a result of issuing eighteen (18) telecommunications service licenses over the years. The Authority's firm regulatory frameworks have created an environment that promotes fair competition while also strategically facilitating changes in communication technology. Emerging as a pioneer in the field, CRAN's comprehensive

frequency-channelling plan is being used by other Southern Africa Development Community (SADC) regulators as a benchmark.

CRAN facilitated the extension and digitising of the ICT infrastructure, and the introduction of the 4th generation (LTE) technology in the country within only five years of its foundation. The Authority also completed the study on numbering plan and number portability for Namibia. Once implemented, consumers can move with their numbers from one network to another with ease.

THE GIFT OF A DEDICATED TEAM

Many times, celebrations include unwrapping gifts. The suspense of the unknown, the excitement of tearing the wrapping paper to shreds and the joy in discovering of what is inside makes opening gifts unforgettable. The most valuable gift CRAN has received over the past five years is its dynamic, flexible and dedicated team. The coordinated work of the entire CRAN team, through its departments has allowed for the Authority to thrive.

The Operations Department has paved the way for a 'level playing field' in the ICT industry in Namibia. Operations has worked towards achieving its focus areas, including; market expansion and development, fair competition, spectrum management and monitoring and compliance. Through these areas, CRAN has established a regulatory framework for digital terrestrial television, the first national frequency band plan and the first national numbering plan. The Authority has also set out quality of service, type approval and infrastructure regulations, while introducing new service license categories.

In addition, the Authority has made headway with universal service provision. Regulations prescribing the provision of universal service by telecommunications service licensees have been finalised and approved by the Board of Directors. The Authority has also completed the rule making process in respect of universal access and service regulations, which are now pending publication in the Government Gazette.

Through meticulous research, the Economics Department has produced various market reports, establishing CRAN as a competitive regulator. Keeping consumers in mind, the Economics Department has developed a licensee data base, easily accessible by consumers as well as played a pertinent role in reducing termination rates. Not only has the Economics Department propelled the Authority to be a role model in Namibia's communication sector, but it has become a role model in the Southern Africa region as part of the Communications Regulators' Association of Southern Africa (CRASA).

The Communication and External Relations Department continues to communicate CRAN's vision through dynamic interpersonal as well as digitally-mediated outreaches. The Authority's informative and interactive stands at national trade exhibitions made waves in fostering strategic dialogue between CRAN and its target audiences, while commemorations of World Radio Day have localised international ICT sector objectives. CRAN has expanded its digital platforms, introducing a user-friendly, revamped website and engaging with consumers directly through its platforms. The Authority continues to encourage the public, stakeholders and consumers to OWNit! when it comes to ICT.

Since inception, the Audit Department has provided an independent, objective assurance and consulting service designed to add value and improve the organisation's operations. Internal Audit continues to operate independently by reporting functionally to the Board Audit and Risk Committee and administratively to the CEO. As a result, CRAN's governance activities and practices are of the highest standards.

The Legal Advice Department continues to ensure that the Authority operates in line with Communications Act (No. 8 of 2009) and focused on the development of regulations prescribing the Provision of Universal Service by Telecommunications Service Licensees. Through the execution of several strategic plans over the years, the Department continues to work towards the goal that all Namibians have access to ICT technologies.

The Authority made significant progress in another key focus area, namely postal. The Operations Department and Legal Advice Department jointly completed a postal market study in preparation for the development of a postal regulatory framework in Namibia. Worldwide, postal markets are rapidly evolving, and this resonates with the Namibian market as well. These market developments require legal and institutional changes, and CRAN is taking the necessary steps to put in place the best regulatory framework and practices for Namibia's postal market.

The Finance Department evaluates CRAN's revenue and operational costs to ensure that it operates efficiently and can strategically achieve its successes. CRAN has become financially independent over the past five years and submitted financial statements for each year. This is not only testament to all of CRAN's dedicated employees, but to the Finance Department specifically.

The Finance Department has and continues to play a key role in quantitatively analysing CRAN's outputs and at the same time, coming up with pertinent figures used to improve the prudent and efficient management of resources. For the year under review, CRAN's revenue increased by 15.7% from N\$82.3 million in 2016 to N\$95.2 million in 2017. Operating expenses increased by 34.6% from N\$84.4 million in 2016 to N\$113.6 million in 2017. Overall, CRAN recorded a total comprehensive loss of N\$9.9 million, representing a decrease of 284.8% from the prior year's total comprehensive income of N\$5.4 million. The decrease is ascribed to the increase in the movement for the provision for doubtful debts of N\$59.2 million.

Starting out with only five employees, five years down the line CRAN's team has now grown to comprise of over fifty people. The Human Resources (HR) Department has been key in ensuring that

CRAN's employees perform to their highest ability. By weaving professional growth opportunities with positive recognition, the HR Department has succeeded with fostering a healthy work environment. Likewise, the Authority's benefits for its employees have ensured that everyone enjoys a balance between work and life.

The Office of the CEO remains an important cornerstone of the organisation, bringing the work of all departments together. Since inception, this office has been resolute in executing the day to day management as well as in implementing long and short-term decisions of the Authority. Through overseeing and delivering on the vision of the organisation, the Office of the CEO has ensured business continuity.

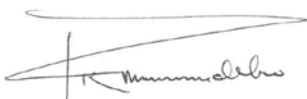
The Office of the CEO plays an instrumental role in leading the development and execution of CRAN's long term strategy. Furthermore, it ensures prudent fiscal management and balances two of the most important resources within an organisation, namely; people and capital. The Office of the CEO is at the helm of creating a conducive corporate culture, enabling people to perform at their best. Not only does it help shape the strategic vision of the Authority, it stays abreast of the industry and the local market and at the same time, remains in touch with the core business functions to ensure execution.

LOOKING FORWARD TO THE NEXT FIVE YEARS

Besides encouraging reflection on the past, celebrations encourage people to look forward to the future. CRAN hopes to continue to address the challenges that arise in meeting the demands of the ever-evolving ICT industry. We hope to accomplish our missions and objectives in line with national and international priorities, while simultaneously encouraging our backbone, our employees, to continue to grow in their professions. By continuing to operate with transparency, we hope our relationship with consumers continues to blossom to ensure that we are held accountable to our mandate.

For CRAN's success and numerous accomplishments, I would like to thank the Ministry of Information and Communication Technology (MICT), our management and staff members for their hardwork and integrity. As unwavering support is a priceless gift, we recognise and thank the Board of Directors and its Chairperson for their knowledgeable guidance.

To the CRAN team, the Board and MICT – congratulations on five (5) years of excellence. Let us remain at the forefront of the ICT sector in Namibia and the African continent and continue to enlarge our vision.



Mr. Festus K. Mbandeka, CEO



FESTUS K. MBANDEKA, CEO





Katrina Siken, Head: Communication & External Relations

COMMUNICATION AND EXTERNAL RELATIONS **DEPARTMENT**

CRAN's Communication and External Relations Department (herein after referred to as Comms Department) works closely with all departments to execute the Authority's communication function, facilitating and executing internal and external communication, which includes advertising campaigns, events, launches and related activities.

Through its external stakeholder relations role, the Department manages and sustains relationships with key audiences and actively manages the Authority's reputation. Over the past five years, the Department has been instrumental in engaging with the Namibian public and stakeholders to raise awareness and understanding of the mandate and role of the Authority.

MILESTONES OF THE PAST FIVE YEARS

The Comms Department is celebrating its many milestones during CRAN's five (5) year tenure. These achievements include:

- 2013- Organised the First World Radio Day event;
- 2013- Launched the first national consumer campaign, which aimed to educate consumers about CRAN's mandate and guide them on how to lay a complaint with the Authority when they felt aggrieved by their respective service providers;
- 2013- Received a gold award for best stand at the Windhoek Agricultural and Industrial show;
- 2014- Launched the first internal communication campaign entitled "Vision, Mission and Values", which aimed to educate employees about the Authority's vision, mission and values and how they can apply them in their work;
- 2014- Commissioned the first Stakeholder Perception Survey and Internal Communication Survey to understand internal and external needs and expectations of stakeholders;
- 2015- Received a bronze award for best stand at the Windhoek Agricultural and Industrial Show;
- 2015- Launched the second national consumer campaign entitled OWNit!;
- 2016- Organised the Fifth Communications Regulators' Association of Southern Africa (CRASA) Annual General Meeting (AGM), a prestigious event on the CRASA calendar attended by delegates from all over Southern Africa;
- 2016- Revamped CRAN's website to include robust new functionalities.

CRAN VISITS TOWNS AROUND NAMIBIA

The Comms Department and the CRAN team, as part of the OWNit! campaign, embarked on a national road show, visiting a number of towns across Namibia. The purpose of the road show was to inform, educate and engage consumers on the regulatory process of CRAN, type approval of telecommunication equipment, child online protection, mobile etiquette and consumer complaints procedures. The road shows proved to be an effective and informative platform.

ACHIEVEMENTS FOR 2016/2017

For the Comms Department, the year under review was characterised by compelling and laudable achievements. The Comms Department executed a national consumer campaign, OWNit! through various riveting activities and events, which informed, educated and empowered consumers about CRAN's mandate and their rights and responsibilities as consumers. Towns across Namibia were "painted yellow", as the OWNit! team took to the streets to enforce the CRAN brand in the minds of the Namibian people. The campaign was a resounding success. Many stakeholders, including the Minister of Information and Communication Technology, Honourable Tjekero Tweya, were supportive of and participated in the campaign by featuring in the OWNit! television advertisement.

As part of its strategic stakeholder engagement initiatives, the Comms Department participated in various national and regional events that were aimed at establishing and enhancing relationships with new industry players, strengthening already existing relationships and building the CRAN brand. These events included, among others, public hearings, the National ICT Summit, World Radio Day, expos and trade shows, the Namibia National Cyber Security Competition, the CRASA AGM, and the Namibia Child Online Protection Conference, to mention a few.

CRAN's revamped website officially went live on 28 February 2017. The new website boasts robust functionalities and interactive tools, which provide critical information, news and events about CRAN and the ICT industry. Some of the new features include a mobile price analyser, CRAN Portal for Data Submission, information on infrastructure sharing, the economics tariffs and publications. This new site provides stakeholders with a multi-dimensional, in-depth browsing experience.

STAKEHOLDER ENGAGEMENT

PUBLIC HEARINGS

The Comms Department was actively involved in the coordination and hosting of various public hearings during the year under review. CRAN asserts itself as a regulator, which provides a safe and interactive environment wherein industry players can candidly engage the Authority.

MICT GOLF DAY

The Ministry of Information and Communication Technology (MICT) hosted the first ICT Ministers Golf Day for stakeholders (on 22 April 2016, at the Windhoek Golf and Country Club). The event was well attended by various stakeholders from the ICT industry.

COMMUNICATING ACROSS NAMIBIA

TRADE SHOWS 2016

CRAN participated in the Ongwediva Annual Trade Fair, Windhoek Industrial and Agricultural Show and the Erongo Trade Expo during the period under review. The objectives for participating in these trade shows were to educate, inform and create awareness about:

- CRAN and what it does;
- Consumer complaint procedures;
- Licensing procedures; and
- Type approval of telecommunications equipment.

The Authority considers expos to be an excellent platform to effectively engage consumers while at the same time entrench the brand's values, mandate and services in their minds. In a bid to attract more visitors to the stand, the Comms Department commissioned Radio Energy to conduct live interviews at the stand. The broadcaster also ran various outside broadcasts, three times a day, in order to inform the public about CRAN's mandate.

The innovative, 'high tech' stand at the Erongo Trade Fair was one of the main attractions at the Expo. The stand was designed with striking contemporary lighting, LCD screens that screened corporate videos of CRAN and graphic displays of electronic communications equipment.

It must be reported that all initiatives undertaken by the Comms Department were purposefully hosted and formed an integral part of stakeholder engagement. The initiatives aimed at establishing long-term relationships with national, regional and international stakeholders. Furthermore, the Comms Department collaborates

with regional and international associations to ensure that it remains abreast of matters pertaining to ICT.

CHILD ONLINE PROTECTION WORKSHOP IN MALAWI

The International Telecommunication Union (ITU) annual Regional Human Capacity Building Workshop for African Countries on Child Online Protection was held under the theme "Ensuring child online safety (COS) in a digital world: building human capacity in COS policy formulation and implementation" in Lilongwe, Malawi from 18 to 20 July 2016. This regional workshop was organised by ITU in collaboration with the Common Market for Eastern and Southern Africa (COMESA) and the Malawi Communication Regulatory Authority (MACRA) who also played host to the event.

At the workshop, the Comms Department presented on the current status of child online safety in Namibia and the regulatory framework that is currently in place to protect children from abuse and exploitation online. The presentation further expounded on the awareness campaign, which aimed to educate children and their parents on the dangers of online child exploitation. The presentation also showcased the study done by the Namibia University of Science and Technology (NUST) on knowledge, attitudes, and practices of ICT use and online protection risks by adolescents between the ages of 13 and 17.

SPONSORSHIPS

NAMIBIA NATIONAL CYBER SECURITY COMPETITION

As part of its Corporate Social Responsibility initiatives, the Department facilitated the sponsorship hand over to the tune of N\$20 000 for the NUST Computer Science Department. The funds were utilised for the second Namibia National Cyber Security Competition, which took place at NUST from 21 to 22 October 2016.

NATIONAL ICT SUMMIT/CRAN SPONSORS N\$95 000

The Comms Department was proud, once again, to be part of the Third National ICT Summit. The annual event took place at the Windhoek Country Club Resort and Casino from 10 to 12 October 2016 and was held under the theme, "Digital Transformation towards Economic Growth and Prosperity". The Third National ICT Summit provided a platform for all industry stakeholders, including



Katrina Siken, Head: Communication & External Relations

government, business, professionals, consumers and academia, to discuss trends and challenges facing the industry globally and in the country. It also afforded students from various institutions of higher learning to exhibit their innovations for the first time.

CRAN sponsored N\$95 000 towards this as a Platinum Sponsor.

HARAMBEE YOUTH AWARD 2016

The Harambee Youth Award is a platform where the youth are recognised, acknowledged and appreciated for the work they have done in different sectors in their respective regions. It focuses on youth ages 18-35 years in all fourteen (14) regions. The awards ceremony was held in Windhoek on 02 December 2016. CRAN contributed the amount of N\$10 000, which went towards the purchase of trophies for the event.

WORLD RADIO DAY 2017

CRAN, together with the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and other broadcasting industry players, commemorated World Radio Day under the theme "Radio is you" in Okahandja on 13 February 2017.

The Comms Department facilitated the sponsorship hand over worth N\$10 000 for the World Radio Day celebrations. The team also served on the organising committee and assisted with events management.

SOCIAL MEDIA

CRAN's social media platforms are one of the various means through which the Authority engages and keeps the public informed about its events, services and activities. During the review period, the Comms Department implemented the following strategy to ensure that CRAN's message reaches online stakeholders:

- a. Utilising social media as a means of disseminating news and information to the public;
- b. Creating public awareness through mini campaigns about CRAN's operations and mandate;
- c. Attending to public enquiries and views expressed on social media; and
- d. Distributing media releases and other important information about CRAN.

The Comms Department undertook an aggressive and proactive approach in updating all social media platforms with consistent, relevant and current information and news in order to engage, inform and create awareness on CRAN. For this reason, CRAN's social media engagement initiatives yielded laudable returns on investment (ROI) as evidenced through rapid growth in reach. Currently, CRAN communicates directly with approximately 5,000 followers across its social media platforms, namely Facebook, Twitter and Instagram.

PUBLICATIONS

CRAN produces two publications that are effective in informing and educating staff and stakeholders about CRAN's operations and events on a monthly, quarterly and annual basis. These publications include CRAN Beats, an internal monthly newsletter that seeks to keep employees up-to-date with events and activities that transpired within CRAN during the month. The CRANicles is an informative external quarterly newsletter that provides news and information on the brand, the business and important milestones achieved during each quarter.

MEDIA ENGAGEMENT

The Authority received generous media coverage through the appropriate issuing of media statements on CRAN news and information and the timely response to various media queries.



Emilia Nghikembua, Head: Legal Advice



LEGAL ADVICE **DEPARTMENT**

The Legal Advice Department reached an important five (5) year milestone in 2017 and will remain steadfast in reaching a goal all Namibians should embrace – ensuring that the country has access to information and communications technology (ICT) through the development of a regulatory framework by putting in place regulations enabled by the Communications Act.

Over the course of five (5) years, CRAN has introduced several strategic plans, namely the 2012 to 2014 Strategic Plan and the 2015 to 2018 Strategic Plan. The former plan was focused on the Authority becoming fully operational and developing and executing a successful transition process from its predecessor, the

Namibian Communications Commission; whilst the latter is aimed at shifting the focus to compliance monitoring, enforcement, cyber security, universal access and services as well as consumer advocacy.

MAJOR ACTIONS

Over the past five (5) years:

The Legal Advice Department was assigned several tasks under both plans with the aim of achieving the objectives of the Communications Act (No. 8 of 2009). The following are some of the major actions taken by the Department over the past five (5) years:



PROJECTS & MILESTONES

BROADCASTING CODE

2012/2013

The Authority conducted a study to determine the need for a broadcasting code.

2013/2014

The Authority made a determination in November 2013 in terms of section 89 that there was a need for a broadcasting code.

2014/2015

The Authority started working on the draft broadcasting code.

2015/2016

The Authority hosted its first consultative meeting on the draft broadcasting code on 22 April 2015 and incorporated public/stakeholders comments of the draft broadcasting code.

2016/2017

The Authority commenced with the rule making process by publishing the revised draft broadcasting code in the Government Gazette for public comments. The Authority held a second consultative meeting on 5 September 2016.

The Authority has since incorporated stakeholder's comments on the draft broadcasting code and intends to publish the final version of the broadcasting code in 2017.

POSTAL MARKET STUDY

2014/2015

The Authority appointed Analysis Mason to conduct a market study on postal services in Namibia in order to analyse the current market structure and make a recommendation on how the current frameworks can be reformed to encourage further development of postal services in Namibia and to further advise the Authority whether to regulate postal services and the methodology of such regulation.

2015/2016

The Authority with its consultant (Analysis Mason) held consultative meetings with specific stakeholders during August and September 2015. The Authority with its consultant conducted a public consultative meeting on 21 October 2015. From 27 to 29 January 2016, the Authority and its consultant provided training to stakeholders to offer an overview on postal regulation, in order to enable the Authority and the industry to perform their various roles effectively upon commencement of Chapter VII of the Communications Act (No. 8 of 2009).

2016/2017

The final report on the regulation of the Postal Sector was completed on 10 March 2016. The Authority awaits the commencement of Chapter VII of the Communications Act (No 8 of 2009) by the Honourable Minister of ICT before commencing with the rule making process.

UNIVERSAL ACCESS AND SERVICES

2014/2015

The Authority commenced with the drafting of Regulations Prescribing the Provision of Universal Service by Telecommunications Service Licensees and the Regulations to impose a Universal Service Levy on Telecommunications Service Licensees.

2015/2016

The Authority commenced with the rule making process by publishing notices of its intention to make Regulations prescribing the Provision of Universal Service and Universal Service Levy in the Government Gazette for public comments on 08 June 2015. The Authority held a stakeholders' consultative meeting on 28 July 2016.

2016/2017

On 01 December 2016, the Minister of ICT commenced Part 4 of Chapter V of the Communications Act on Universal Access, as published in the Government Gazette No. 6188, General Notice No. 286. The Regulations to impose a Universal Service Levy are put on hold pending the finalisation of the Authority's appeal on the high court judgement. The Authority is currently finalising its Regulations Prescribing the Provision of Universal Service by Telecommunications Service Licensees for publication in the Government Gazette.

AMENDMENT TO THE COMMUNICATIONS ACT

2014/2015

In May 2015, the Authority commenced with the process of identifying the provisions of the Communication Act (No. 8 of 2009) which require amendment.

2015/2016

The Authority finalised the identification of provisions in the Communications Act (No. 8 of 2009) which would require an amendment. The Authority further held consultative meetings with the Ministry of ICT to present its findings herein.

2016/2017

The Authority intends to appoint a consultant to commence with the amendment of the Communications Act (No. 8 of 2009) subject to the approval of the Ministry of Information and Communications Technology (MICT).

ENFORCEMENT AND PENALTY GUIDELINES

2016/2017

The Authority appointed the University of Namibia (UNAM) as a consultant to draft Enforcement and Penalty Guidelines. The draft enforcement and penalty guidelines seek to set out the Authority's general approach in relation to enforcement, which will specifically focus on:

- a. The manner in which investigations and inspections are conducted;
- b. How penalties are imposed in respect of offenses prohibited in terms of the Communications Act (No. 8 of 2009);
- c. The manner in which hearings are conducted.

The Authority is set to commence with the rule making process during June 2017.

AMENDMENT TO DISPUTE RESOLUTION RULES, PROCEDURES AND TIMELINES

2016/2017

During February 2016, the Authority identified provisions within the Regulations regarding Consumer Complaints and Regulations regarding Licensee Disputes which required amendment and further introduced new provisions for both Regulations. The Authority further appointed a Legal Drafter to review the revised Regulations and provide input. During March 2017, the Legal Drafter provided a set of Regulations titled "Regulations regarding Procedures for Adjudication of Disputes". The Authority commenced with the rule making process by publishing notices of its intention to make Regulations prescribing the Provision of Universal Service and Universal Service Levy in the Government Gazette for public comments on 01 June 2017. The Authority will hold its public consultative meeting in respect of the Regulations on 11 July 2017.

CIRCULATION OF INDECENT MATERIAL

2016/2017

On 08 February 2017, the Authority published a media release in various print media wherein it cautioned the Namibian nation to refrain from circulating "sex tapes" and other indecent or obscene material via social media as offenders would be prosecuted in terms of the Communications Act (No. 8 of 2009). The Authority further conducted television and radio interviews to educate the nation on the provisions of the Act with respect to indecent materials during the period 10 to 17 February 2017. The Authority is currently engaged with the Namibian Police and the Office of the Prosecutor General in respect hereof.



CONSUMER COMPLAINTS

Numerous complaints were received by the Authority during the period under review. The consumer complaints whose decisions have a general impact on other consumers are highlighted herein:

T. KAULUMA // MOBILE TELECOMMUNICATIONS LIMITED

2013/2014

In March 2014, the Authority received a complaint against Mobile Telecommunications Limited (MTC) (the Respondent) from Mr. T. Kauluma (the Complainant). The Complainant submits that he entered into a contract with the Respondent for Connect 100 Active package for a period of 24 months. This contract lasted for three periods ranging from September 2007 to September 2013. On 05 September 2007, barely 4 months after entering into the 100 Active, the Complainant requested to migrate to a Connect 250 Achiever, a higher package, for the remaining contract period amounting to twenty (20) months. In terms of the aforesaid Connect 250 Achiever contract, the Complainant claims he was entitled to receive a phone after each contract period lapsed, such period being 24 months. The Complainant submits that the Respondent refused and/or failed to give him the said phone(s). The Complainant further alleges that he had been paying for his monthly subscription fees for the Connect 250 package accordingly.

2014/2015

In September 2015, the Authority ordered that the Complainant be provided with the two phones for the two contract periods, commencing from the September 2009 to September 2013. Furthermore the Respondent should not refund the Complainant the monthly Black Berry Services BBS subscription fees he incurred as of May 2013, when he acquired the Samsung S3 mobile phone until March 2014, amounting to N\$1,800 for the ten (10) months duration because his phone did not use the BBS services. That MTC should indicate to the Authority how they intend to deal with all similar incidents/matters which has affected other customers in a similar manner and also how they intend to deal with these similar matters going forward.

2015/2016

On 23 October 2015, the Respondent submitted an application for reconsideration in respect of the Authority's decision and the Complainant withdrew his complaint. In view of the withdrawal of the complaint by the Complainant, the Authority opted to pursue the matter further as a matter of public policy and the larger mandate of consumer protection.

2016/2017

In June 2016, the Authority ordered that the subscription fee includes the unsubsidised amount of the phone, which is paid over a period of 24 months; and the terms and conditions of the subscriber service agreement allows for consumers to continue paying the subscription fee, month to month, after the contract has renewed for an indefinite period without having received a new gadget albeit the fact that the price of the gadget is included in the subscription fee. The Authority is currently engaging MTC to amend its terms and conditions as per the above resolution.

JP CLEANING // MOBILE TELECOMMUNICATIONS LIMITED**2013/2014**

The Authority received the complaint on 27 August 2017 wherein JP Cleaning (the Complainant) indicated amongst other issues that he was handed over to Revenue Solutions (Pty) Ltd. by MTC (the Respondent) and that the collection agency was charging commission at the rate of 18%.

2014/2015

Various correspondences were exchanged between the Parties and the Authority.

2015/2016

On 9 September 2016, the Authority resolved that the Complainant must pay the Respondent an amount of N\$500 in respect of collection commission. The rationale for the decision emanates from the fact that collection commission and costs that may be charged in respect of collection debts falls within the jurisdiction of the Magistrate's Court and is regulated by the Magistrate's Court Rules, which prescribes that the collection commission fee should be 10% subject to a maximum of N\$500.

SIMON IPINGE // TELECOM NAMIBIA LIMITED**2016/2017**

The Authority received the complaint on 29 June 2016 which



pertains to the automatic renewal clause in the Speedlink contracts between Telecom Namibia Limited (the Respondent) and Simon Ipinge (the Complainant). On 05 December 2016, the Authority resolved that it deals with the issue of the automatic renewal clause as a license condition compliance issue under the provisions of the Telecommunications Service Licences conditions in light of the Authority's findings in the matter between T. Kauluma // MTC. The Authority further resolved to observe and comply with the elementary rules of administrative action and engage the Respondent to amend its terms and conditions of the standard agreement with the insertion of two new clauses.

MICHAEL ATKINSON // MOBILE TELECOMMUNICATIONS LIMITED**2014/2015**

On 05 January 2015, the Authority received a complaint against MTC (the Respondent), wherein Micheal Atkinson (the Complainant) indicated that the Respondent's advertisement that its Netman 4G is the fastest internet in Namibia to be false and further that the Respondent's claim that its 3G and 4G services have unlimited internet to be incorrect and thus misleading to consumers.

2015/2016

Various correspondences were exchanged between the Parties and the Authority.

On 05 December 2016, the Authority resolved as follows:

- a. That the advertisement by the Respondent that they have the fastest internet in Namibia constitutes puffing and is therefore allowed.
- b. That the Respondent's claim that its 3G and 4G services are unlimited is misleading and constitute false advertising, and thus a direct contravention of section 79 of the Communications Act.
- c. The fact that the offer is effectively limited to 90GB, for instance, is a material condition, especially given that this limitation contradicts the prominent message of "unlimited" data. The Respondent must therefore communicate this limitation upfront, rather than hiding it in its policies and fine print.
- d. That the Respondent must thus withdraw the advertisement and replace it with wording that accurately reflects the essence of paragraph 4.1 of the Fair and Acceptable Use Policy.
- e. That the Respondent is prohibited from using the word "unlimited" in any of its advertising of internet services which are subject to paragraph 4.1 of the Fair and Acceptable Use Policy.

FUTURE PROJECTS: DEVELOPMENT OF CONSUMER PROTECTION REGULATIONS

The Legal Advice Department is in the process of developing Consumer Protection Regulations. The Regulations are aimed at ensuring that consumer protection rules and standards are widely adopted and understood. It further seeks to ensure that a formal process for consumers to make complaints and seek redress/compensation be introduced to reduce consumer problems and complaints.

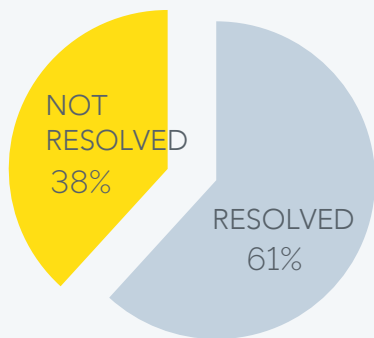
ENSURING CONSUMER PROTECTION VIA SECTION 79

The Authority has a mandate in terms of Section 79 of the Communications Act (No.8 of 2009) to ensure that consumers make informed choices and obtain affordable, efficient and high quality services. The Consumer Protection Mandate of the Authority has been implemented through the Regulations regarding Consumer Complaints. The Legal Advice Department adjudicated over thirty-four (34) official consumer complaints during the reporting period of 01 February 2016 – 31 January 2017.

The table below indicates that of the thirty-four (34) complaints received by the Authority, twenty-one (21) complaints were resolved (61%) and thirteen (13) complaints remained unresolved (38%) as at 31 January 2017.

COMPLAINT STATISTICS:

1 FEB 2016 TO 31 JAN 2017



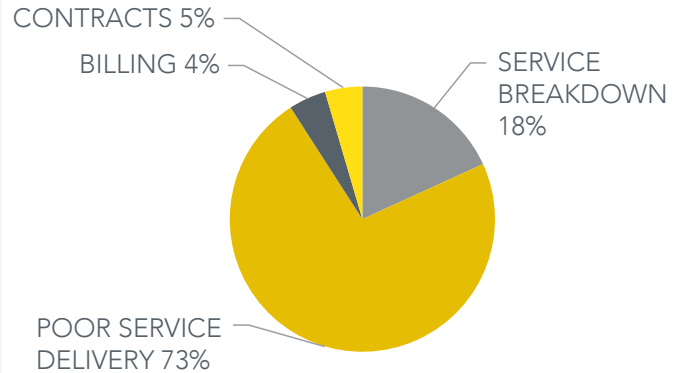
Graph 1: Number of complaints received from consumers

The Authority has for the period of 01 February 2016 to 31 January 2017 only received complaints against Telecom Namibia Limited (Telecom) and Mobile Telecommunications Limited (MTC); The nature of consumer complaints received pertained to poor internet/service delivery, billing, non-compliance with contractual obligations, poor network, service breakdown and product faultiness.

TELECOM NAMIBIA LIMITED:

The Authority received twenty-three (23) complaints against Telecom for the period 01 February 2016 to 31 January 2017.

NATURE OF COMPLAINTS

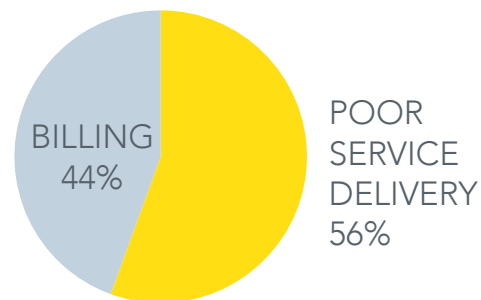


Graph 2: Nature of complaints received against Telecom Namibia Limited

MOBILE TELECOMMUNICATIONS LIMITED:

The Authority received nine (9) complaints against MTC for the period 01 February 2016 to 31 January 2017.

NATURE OF COMPLAINTS



Graph 3: Nature of complaints received against MTC



Emilia Nghikembua, Head: Legal Advice



ENFORCEMENT MATTERS

In terms of Section 115 of the Communications Act (No.8 of 2009), the Authority is empowered to issue summons on the view that any person has committed an offense in terms of Section 114 of the Act.

SUMMONS ISSUED BY CRAN DURING THE PERIOD 01 OCTOBER 2016 TO 31 MARCH 2017

Parties	Date Issued	Offence Committed	Status
CRAN // Dimension Data (Pty) Ltd.	24 March 2017	Non-compliance with Clause 4(4) of the Consumer Complaints Regulations	Awaiting the return of service.
CRAN // MTN Business Solution (Namibia) (Pty) Ltd.	24 March 2017	Non-compliance with Clause 4(4) of the Consumer Complaints Regulations	Awaiting the return of service.
CRAN // Telepassport Communications (Pty) Ltd.	24 March 2017	Non-compliance with Clause 4(4) of the Consumer Complaints Regulations	Awaiting the return of service.
CRAN // Bidvest Namibia Information Technology (Pty) Ltd.	24 March 2017	Non-compliance with Clause 4(4) of the Consumer Complaints Regulations	Awaiting the return of service.



JOCHEN TRAUT, CHIEF OPERATIONS OFFICER



OPERATIONS DEPARTMENT

CRAN's Operations Department, headed by the Chief Operations Officer (COO) is responsible for licencing of telecommunications, broadcasting and postal service providers, spectrum management, infrastructure sharing, quality of service, type approval, management of numbering resources, universal access and services as well as CRAN's internal information technology (IT) infrastructure. Subsequently the Department consists of three divisions, namely Electronic Communications, Universal Access and Service Projects and Postal.

MILESTONES OF THE PAST FIVE YEARS

The Department has achieved many milestones throughout the Authority's existence, including;

- Digital Terrestrial Television (DTT) Regulatory framework for digital terrestrial television, making CRAN the benchmark regulator of SADC regulators;
- First national frequency band plan published 31 May 2013 and updated after World Radiocommunication Conference 2015 (WRC-15) on 28 October 2016, identifying various new bands for International Mobile Telecommunications (IMT) implementation;

- First national numbering plan published 1 April 2016, paving the way for service technology neutral number licences and implementation of fixed and mobile number portability;
- Quality of Service regulations, setting out minimum standards for delivery of services by licencees;
- Type Approval regulations, setting out a regulatory framework preventing dumping of substandard and grey equipment in Namibia and to ensure that all telecommunications equipment entering Namibia comply with international standards;
- Infrastructure sharing regulations, setting out the framework for passive and active sharing of infrastructure between licencees and with utilities;
- Introduction of new service licence categories allowing the entry of infrastructure providers into the market, providing infrastructure on a non-discriminatory basis as their core business to all interested licencees;

All these regulations paved the way for a "level playing field" in the information and communications technology (ICT) industry in Namibia.



RONEL LE GRANGE, HEAD: ELECTRONIC COMMUNICATIONS

ACHIEVEMENTS OF 2016/2017

During the period under review, the Authority operated within its various focus areas.

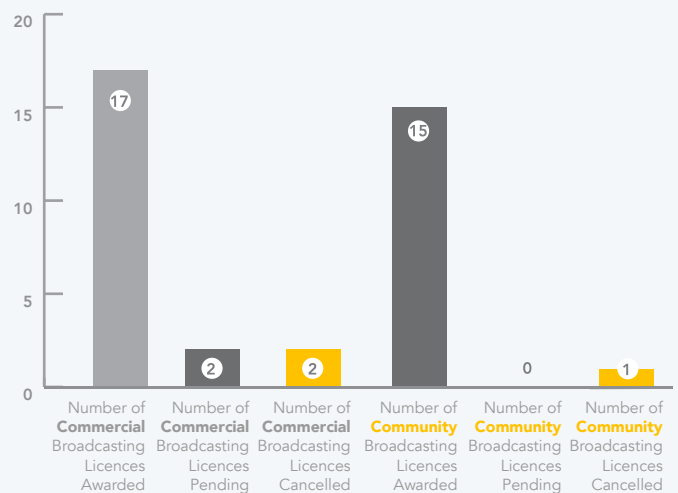
Focus Area 1: Market Expansion and Development (Quality of Service, Telecommunications, Broadcasting and Postal Services)

BROADCASTING

During the period under review, two (2) new commercial broadcasting service licences and three (3) new community broadcasting service licence applications were submitted to the Authority for consideration. The Authority approved the renewal of eight (8) broadcasting service licences and declined the renewal of one (1) broadcasting services licence. CRAN awarded four (4) new broadcasting service licences (1x commercial and 3x community) during the time period under review. A further four (4) applications for renewal of broadcasting service licences have also been submitted for consideration by the Authority.

Figure 1.1

OVERVIEW: BROADCASTING SERVICES LICENCES



The Authority received the first new applications for a commercial broadcasting service licence for television services since its inception in 2011.

The Operations Department commenced preparation for the introduction of Digital Radio Broadcasting in conjunction with other SADC regulators and in adherence to the GE75, GE84 and GE06 agreements signed by Namibia as an ITU member state. Guidelines for a regulatory framework have been developed at the CRASA level and will be submitted to the SADC ICT Ministers for approval. Namibia leads the task team within CRASA for Digital Radio Broadcasting.

The introduction of Digital Radio Broadcasting will alleviate the scarcity of availability of FM spectrum for analogue radio broadcasting services in that it can be deployed in spectrum bands not currently utilised for radio broadcasting services and also makes provision for more efficient use of spectrum. The HPP has set a target for 100% digital radio and television coverage by 2020.

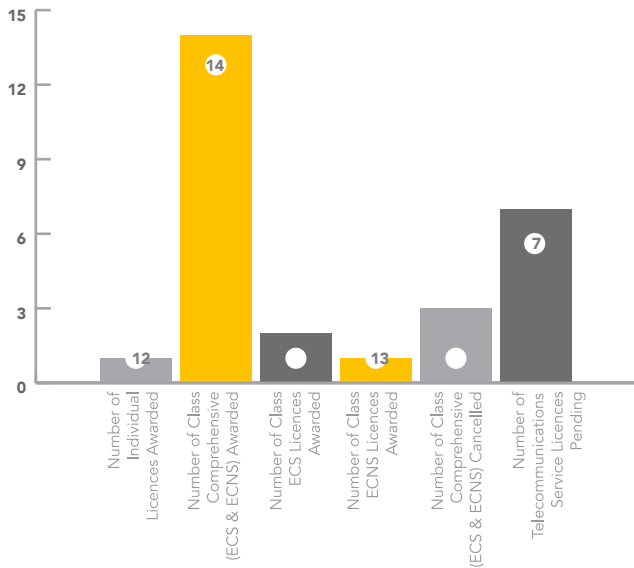
In line with the envisaged implementation of Digital Radio Broadcasting, the Operations Department has planned a stakeholder's workshop with broadcasting licencees and the MICT for 06 April 2017.

TELECOMMUNICATIONS

During the period under review twelve (12) new applications for telecommunications service licences were received; seven (7) Class Comprehensive ECS and ECNS licences, one (1) Class ECS licence, one (1) Class ECNS licence and three (3) Class Network Facilities licences. The Authority awarded five (5) telecommunications service licences three (3) Class Comprehensive ECS and ECNS, one (1) Class ECS and one (1) Class ECNS.

Figure 1.2

OVERVIEW: TELECOMMUNICATIONS SERVICES LICENCES



The Authority is still in the process of considering the remaining seven (7) applications submitted, including four (4) Class Comprehensive ECS and ECNS and three (3) Class Network Facilities. Applicants for Class Network Facilities service licences will provide infrastructure for provisioning of telecommunications or broadcasting services to other service licencees as their core business. These licensees will therefore not compete downstream with existing licence holders of Class Comprehensive ECS and ECNS, Class ECS, Class ECNS or Individual telecommunications service licences. The Operations Department issued a tender for quality of service drive testing in compliance with these regulations and submitted a Board proposal in this regard. The Board of Directors approved the appointment of a third party to conduct drive testing on behalf of the Authority and the contract was concluded on 23 March 2016. Drive testing was conducted and completed on 30 September 2016. The final report was received by the Operations Department in the third week of October 2016.

POSTAL

The Operations Department and the Legal Advice Department completed a postal market study in preparation for development of a postal regulatory framework in Namibia.

Focus Area 2: Fair Competition (Numbering, Number Portability and Infrastructure Sharing)

The Regulations prescribing the National Numbering Plan for

use in the provision of Telecommunications Services in the Republic of Namibia, Number Licence Fees and Procedures for Number Licences was published in Government Gazette No. 5983 on 01 April 2016. The said regulations provides for a twelve (12) month implementation period for all licencees providing services utilising numbers i.e. voice services, data services and machine-to-machine services. The transitioning period has ended on 31 March 2017. The successful implementation of the aforementioned regulations is a pre-requisite for the implementation of number portability as required by the Communications Act. The Operations Department established a steering committee consisting of CRAN, Telecom Namibia, MTC, Paratus Telecom, MTN Business and Demshi Investment Holdings to implement number portability. A joint Request for Proposal (RFP) for the industry has been issued, evaluated and awarded to an independent number portability solutions vendor in December 2016. The steering committee is currently in contract negotiations. The successful tenderer has also established a local company and applied for a Class Network Facilities telecommunications service licence in accordance with the Authority's regulatory framework. Final infrastructure sharing regulations has been published in Government Gazette No. 6141, General Notice No. 400 dated 04 October 2016 and is currently under implementation and will assist greatly in creating a level playing field.

Focus Area 3: Universal Service

The regulations prescribing the provision of Universal Service by Telecommunications Service Licencees has been finalised and approved by the Board of Directors at its meeting held 30 June 2016.

The Minister of ICT enabled part IV of the Communications Act on 02 December 2016. However, publication of the regulations has been impacted by the outcome of the court case between Telecom Namibia Limited and the Authority in as far as it pertains to the levies to be imposed on telecommunications service licencees and the establishment of the Universal Service Fund (USF). Operations has provided all necessary support to the Economics and Sector Research Department to finalise the GAP analysis to identify areas for expansion of telecommunications services to areas which to date do not have access to telecommunications services. The final report is now being finalised utilising a GIS system inclusive of information pertaining to schools, health facilities, banking facilities, government agencies, etc. The Authority completed the rule making process in respect of universal access and service regulations. These regulations are now pending publication in the Government Gazette.

Focus Area 4: Spectrum Management

The Operations Department concluded a baseline study for spectrum assignment and review of spectrum fees. Spectrum fees in Namibia have not been reviewed since 1995. Operations is preparing new regulations in this regard to align spectrum fees with international trends and market value of spectrum. Spectrum fees are one of the main revenue streams for CRAN. In the interim, Operations has developed regulations to increase spectrum fees as per the current fee structure based on the Consumer Price Index (CPI). Following completion of the rule making process, the final Regulations Setting Out Fees

for Spectrum Licences, Certificates and Examinations was approved by the CRAN Board of Directors on 24 March 2017 and is pending publication in the Government Gazette.

In conjunction with the review of the spectrum fees, the Operations Department is in the process of developing a spectrum assignment strategy to ensure the optimal use of spectrum aimed at meeting the objectives of the Act. The spectrum study will also take into account all decisions made at the International Telecommunication Union (ITU) World Radiocommunication Conference 2015 (WRC-15) held 02-27 November 2015. Operations attended WRC-15 on behalf of Namibia and also fulfilled Namibia's duties as SADC rapporteur on three agenda items in respect of spectrum for maritime service and public protection and disaster relief (PPDR) as well as the ITU definitions for mobile and fixed services. Within CRASA, the Operations Department prepared the review of the SADC spectrum band plan, which was approved by CRASA and submitted to the SADC ICT Ministers for their approval. Development of frequency channelling plans or newly allocated spectrum bands for International Mobile Telecommunications (IMT) services are currently underway at CRASA level.

In addition, the Operations Department reviewed and updated the Namibian spectrum band plan in accordance with the ITU WRC-15 final acts and SADC spectrum band plan. The new Frequency Band Plan was approved by the Board of Directors at its meeting held 09 September 2016 and published in Government Gazette No. 6160, General Notice No. 424 dated 28 October 2016. Operations also prepared the 700 MHz and 800 MHz frequency channelling plan for SADC on behalf of CRASA in accordance with the ITU channelling plans approved at the ITU Radio Assembly on 28 October 2016. CRASA and the SADC ICT Ministers approved the aforementioned channelling plans. To make provision for the issuance of spectrum



MELVIN HOSEA ANGULA, HEAD: UNIVERSAL ACCESS AND SERVICES

use licences for telecommunications services in the digital dividend spectrum bands (700 MHz and 800 MHz) after the migration of analogue television services to Digital Terrestrial Television, Operations completed the rule making process and the said channelling plans were approved by the Board of Directors at its meeting held on 09 September 2016 and published in Government Gazette No. 6160, General Notice No. 423 dated 28 October 2016. The Operations Department in conjunction with all other SADC regulators commenced with the development of channelling plans for Digital Radio Broadcasting and stocktaking of existing analogue broadcasting spectrum assignments have been completed. Preparations have commenced for World Radiocommunication Conference 2019 (WRC-19) and Namibia has been appointed as rapporteurs for four agenda items together with South Africa and Mozambique. As in the case of WRC-15, MICT has appointed CRAN executive to fulfil all rapporteur duties. Operations will fulfil these duties at the SADC, Africa Telecommunications Union (ATU) and ITU levels.

Focus Area 5: Monitoring and Compliance

Type approval regulations came into force on 01 November 2016, ensuring that all telecommunications equipment is type approved prior to importation into Namibia. CRAN entered into a Memorandum of Understanding (MoU) with Customs and Excise to support the Authority in inspecting goods at all entrance points into Namibia. The aforementioned regulations have been implemented to protect consumers by ensuring the telecommunications equipment meets international standards and to prevent importation of substandard and grey products intended for resale in Namibia.

OTHER ACTIVITIES UNDERTAKEN BY OPERATIONS

The Operations team represented CRAN and actively participated at various CRASA meetings including the executive committee, postal committee, electronic communications committee and universal access and service committee of CRASA. Operations led and/or provided input to the following projects within CRASA:

- i) SADC TV bouquet;
- ii) SADC Guidelines for Digital Radio Broadcasting (team leader);
- iii) SADC channelling plans for 3300-3400 MHz, L-Band and Digital Radio Broadcasting;
- iv) Measuring of broadband targets contained in the SADC Broadband Plan;
- v) SADC Preparation for Universal Postal Union (UPU) and participated at the UPU Congress in October 2016;
- vi) SADC Postal reforms and financial inclusion;
- vii) Development of Universal Access and Service (UAS) obligations for the postal sector;
- viii) Development of Key Performance Indicators (KPIs) for universal service and access;
- ix) SADC Guidelines for Universal Broadband Services in Rural Areas;

CRAN has served as Chairperson of CRASA for the year 2016/2017 from 1 April 2016 to 31 March 2017, requiring the continued participation of CRAN in the aforementioned committees taking into account that preparation for WRC-19 and World Telecommunication Development Conference 2017 (WTDC-17) have commenced.







ECONOMICS AND SECTOR RESEARCH DEPARTMENT

The Economics and Sector Research Department is responsible for the economic regulation and development within the information and communications technology (ICT) industry. The Department analyses and monitors the performance of licencees, as well as prospective licencee applicants. Through collecting and analysing technical, financial and economic data from the industry, the Department prepares reports and recommendations.

MILESTONES OF THE PAST FIVE YEARS

Within five (5) years of CRAN's inception, the Economics and Sector Research Department has analysed the ICT environment in an effort to effectively strategise and align regulatory frameworks with current trends. The Department has also

been responsible for pricing evaluations to ensure fair competition among operators.

REDUCTION OF THE TERMINATION RATE

One of the Economics and Sector Research Department's biggest accomplishments over the past five (5) years has been the reduction of the termination rate. The Authority conducted a study on termination rates for both fixed and mobile telecommunications licencees in 2013. After initial calculations, discussions were held with MTC and Telecom Namibia and it was agreed that the Fixed Termination Rate (FTR) and the Mobile Termination Rate (MTR) would be reduced as from 01 November 2013 to twenty cents (20c). The rate for short message service (SMS) was reduced to one cent (1c). This decision was approved by the Board of Directors and published in Government Gazette No. 5369, Notice No. 511 dated 20 December 2013. Since January 2011, interconnection rates in Namibia decreased from N\$1.06 to N\$0.30 for mobile and fixed operators. In terms of section 49(4) of the Communications Act (No.8 of 2009), the Authority approves interconnection agreements between operators. In terms of 49(11)(b) of the Act, mobile termination rate may



HELENE VOSLOO, HEAD: ECONOMICS AND SECTOR RESEARCH



not exceed the carrier's forward-looking incremental cost. Forward incremental costs decline with increasing volumes made it necessary to review the termination rates that were last reviewed and set in January 2011. In 2016 the termination rate for both fixed and mobile was further reduced to ten cents (10c) after discussions with all the relevant licencees. The rate for SMS was kept at one cent (1c). This decision was approved by the Board of Directors and published in Government Gazette No. 6141, Notice No. 4011 dated 04 October 2016.

COLLECTING ICT DATA

CRAN collects data from the ICT industry that is used both internally by CRAN for the annual Market Report and externally by national and international organisations. CRAN is also a partner to the SCAN ICT project in conjunction with the MICT and Namibia Statistics Agency (NSA). This project provides data to the government.

COST STUDY

The Public Switched Telephone Network (PSTN)/Leased Line Cost model was finalised, and the first hearing was held on 21

July 2015. After consultation and redrafting of the regulations, another hearing will be held, and it is expected that the Regulations to set price caps under section 53(20)(a) of the Communications Act will be finalised in the next reporting period.

SADC ROAMING PROJECT

Another achievement has been Namibia's active participation in the SADC Roaming project. At the CRASA Annual General Meeting (AGM) held from 27-28 March 2015, a CRASA Roaming Task Team (CRTT) was established to guide the implementation and oversee the project. Namibia is the vice-chairperson of this committee.

The committee started with the collection of information to calculate the new roaming tariffs according to the methodology as approved by the ICT Ministers. A meeting of the SADC ICT Ministers was held in Walvis Bay, Namibia in June 2015. Consequent to this meeting of Ministers, Namibia took the lead and invited Botswana, Zambia and Zimbabwe to join in a pilot study to start with the implementation of the roaming glide path as of 01 September 2015. The implementation posed a number of challenges of which most were with the



HELENE VOSLOO, HEAD: ECONOMICS AND SECTOR RESEARCH



methodology. The four countries that met in August 2015 in Windhoek were Botswana, Namibia, Zambia and Zimbabwe, and each started with the implementation of the pilot and reduced the roaming charges effective 1 November 2015. The MTN Group joined the roaming initiative, resulting in the participation of all countries in SADC, where MTN is represented, including South Africa. The reduced roaming tariffs for the MTN Group were implemented in December 2015. During 2016, Mozambique and Lesotho joined the initiative. At the end of 2016, South Africa indicated that the operators in South Africa, other than MTN South Africa, would also join the initiative within the next year. Indications from the data show that roaming tariffs decreased between the countries that implemented the roaming initiative. The pilot project brought attention to shortcomings within the project, and it was possible to identify solutions. At the same time, the data collected encouraged other countries in the region to join the project. The next step in this important project is to conduct a cost study to determine the actual cost of roaming in the region.

REPORTING AND DATA COLLECTION

The Economics and Sector Research Department worked on improving the database to capture collected licensee data in order to conduct fact-based ICT industry overviews and to monitor developments with specific, reliable referencing. The database allows licensees to submit the data online as well as do tariff submissions online. Specific time was allocated to improving the technical capability of the database to ensure that data, with reference to spectrum and infrastructure, is correctly entered. This is ongoing and the expectation is that the work would be finalised during the next reporting period. The database also has a link which allows customers to compare different tariffs of the different licensees to choose the correct package for individual use. In the meantime, the Economics and Sector Research Department started with the online publication of a quarterly statistics newsletter to provide the public with up-to-date data on the ICT industry.

COMPETITION REGULATIONS

CRAN is currently faced with an environment where licensees are behaving in an anti-competitive and even monopolistic manner. It is against this background that it was decided to formulate regulations that will set out CRAN's approach to regulate anti-competitive behaviour in the telecommunications sector. The draft regulations were finalised, and it is expected that the rule making process and finalisation of these regulations will be undertaken during the next reporting period.

TARIFFS AND FEES

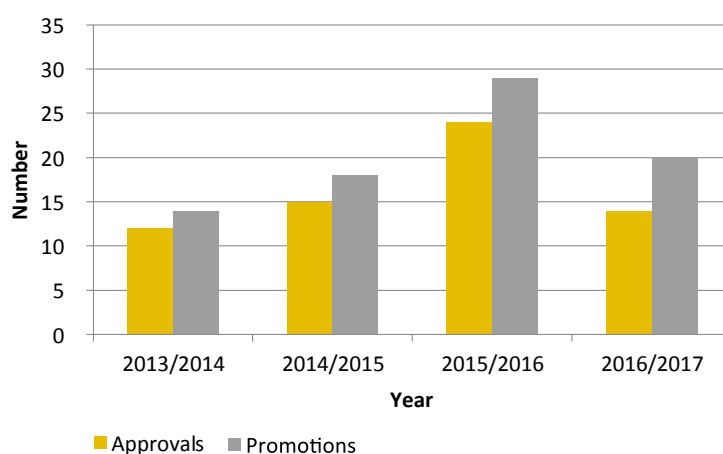
During the 2016/2017 period under review, the following rates and tariffs were submitted to CRAN for review and approval. There has been a substantial increase in the number of tariffs submitted by Telecom Namibia Limited for approval from the previous financial year for telecommunication service licensees.

TARIFF	DAY SUBMITTED
TELECOM NAMIBIA LIMITED	
Approvals:	
Telecom VSAT	30 June 2016
JIVA Plus	15 September 2016
JIVA Surf	15 September 2016
SmartEntry Package	01 September 2016
Promotions:	
Flexible Prepaid Unlimited Data	16 June 2016
Holiday Promotion	01 December 2016
SmartChat	17 August 2017
Smart Entry	01 September 2016
Jiva Plus	15 September 2016
Jiva Surf	15 September 2016
Valentine Specials	10 February 2017
104kbps Speedlink & Speedlink Lite	23 March 2017
MOBILE TELECOMMUNICATIONS LIMITED (MTC)	
Approvals:	
New Prepaid Netman Bundles Reconsideration	18 April 2016
OkaAweh	22 September 2016
Data & International Voice Bundles Amendment	20 February 2017
Contract/PostPaid Bundles & Services Amendment	20 February 2017
Prepaid Amendment	20 February 2017
Promotions:	
MTC Netflix Airtime	17 May 2016
MTC Triple Airtime	19 May 2016
MTC Wine Extravaganza Turbo-Boost	24 May 2016
OkaAweh	22 September 2016
Netman TurboBoost	26 May 2016
SuperAweh	16 February 2017
Aweh GIG	16 February 2017

TARIFF	DAY SUBMITTED
MWIRELESS (PTY) LTD.	
Approvals:	
Jola VSAT Broadband Services	14 September 2016
Promotions:	
Jola VSAT Broadband Services	14 September 2016
PARATUS TELECOMMUNICATIONS (PTY) LTD.	
Approvals:	
YUR SAT	01 April 2016
Additional LTE Data Bundles	04 August 2016
YUR SAT Farmers	01 June 2016
Fiber Packages	31 January 2017
Promotions:	
LTE Data Bundles	11 April 2016
LTE Data Bundles	10 August 2016
Black Friday	24 November 2016
Fiber Packages	31 January 2017

In total, fourteen (14) tariff packages were submitted during the 2016/2017 year. During the same period, the Authority received a total of twenty (20) promotional packages. It should, however, be mentioned that MTC requested for a review of all their tariffs during this period.

TARIFF SUBMISSIONS





LUCREZIA HENCKERT-LOUW, HEAD: HUMAN RESOURCES



HUMAN RESOURCES DEPARTMENT

The Human Resources (HR) Department is responsible for the strategic direction of the Communications Regulatory Authority of Namibia (CRAN) in terms of retention, capacity building, wellness, remuneration, performance management, discipline, equity employment and employee well-being. The Department manages all human capital services, roles and functions with regards to recruitment, policies, procedures, and the related administrative processes.

MILESTONES OF THE PAST FIVE YEARS

CRAN started out with five (5) employees in 2011. The number increased to thirteen (13) employees at the beginning of 2012. During 2013 the staff complement grew to thirty (30) and in 2014 to forty-one (41). By the end of 2016, a total of fifty-three (53) employees (including interns and minimal temporary employees) were employed by CRAN.

Amongst CRAN's milestones, those achieved in the area of HR include:

- Recruitment and appointments of functional heads of departments;
- Implementation of payroll system and online employee self-service system for leave management and access to pay slips;

- Implementation of CRAN's medical aid and pension scheme;
- Successful attainment of strategic objectives;
- Engagement with new recruits as per organisational structure and online recruitment system;
- Implementation of employee training and development programme;
- Implementation of employee wellness and retention programme;
- Recruitment of twenty-one (21) interns as part of CRAN's internship programme;
- Development and implementation of performance management framework and system from manual to electronic;
- Implementation of job grading system – Patterson;
- Employment Equity compliant – awarded affirmative action compliance certificates;
- Development and implementation of seventeen (17) HR policies;
- Increased employee satisfaction determined through employee engagement surveys, successfully conducted over three (3) consecutive years, and subsequent team building interventions, successfully implemented; and
- Raised awareness of CRAN's services and employment opportunities by showcasing CRAN as a prospective employer at UNAM and NUST career fairs.



LUCREZIA HENCKERT-LOUW, HEAD: HUMAN RESOURCES

STAFF COMPLEMENT OVER PAST FIVE YEARS

The table below indicates statistics of the staff complement, since CRAN's inception.

Description	2012	2013	2014	2015	2016
Executive Management	5	6	8	10	10
Middle Management	2	6	6	9	11
General Staff	6	8	10	21	24
Temporary Employees/Consultants	0	7	8	1	1
Interns	0	3	9	2	7
Total Number of Employees	13	30	41	43	53

Table 1: Staff Complement

PROMOTIONS

The table below indicates statistics of employee promotions over the past five years.

Description	2012	2013	2014	2015	2016
Executive Management	0	0	1	1	0
Middle Management	0	1	1	3	1
General Staff	0	4	2	1	2
Total Number of Employees	0	5	4	5	3

Table 2: Promotions

RESIGNATIONS

The table below indicates statistics of employee resignations over the past five years.

Description	2012	2013	2014	2015	2016
Executive Management	0	1	2	1	0
Middle Management	0	0	0	1	3
General Staff	0	0	5	1	5
Temporary Employees/Consultants	0	1	6	4	0
Interns	0	0	6	7	4
Total Number of Employees	0	2	19	14	12

Table 3: Resignations

CURRENT STAFF COMPLEMENT

The table below indicates statistics of the current staff complement from 01 April 2016 to 31 March 2017.

Description	Statistics
Total Number of Permanent Employees	55
Number of Males	22
Number of Females	29
Number of Employees with Disabilities	0
Number of Temporary Employees/ Consultants	0
Number of Interns	4

Table 4: Staff Complement as at 31 March 2017

RECRUITMENT/APPOINTMENTS

The table below indicates statistics of the employees recruited from 01 April 2016 to 31 March 2017

Description	Statistics
Total Number of Employees	14
Number of Males (Permanent Positions)	1
Number of Females (Permanent Positions)	5
Number of Employees with Disabilities	0
Number of Temporary Employees/ Consultants	1
Number of Interns	7

Table 5: Recruitments

PROMOTIONS

The table below indicates statistics of the employees that were promoted from 01 April 2016 to 31 March 2017.

Description	Statistics
Total Number of Employees	6
Number of Males (Permanent Positions)	2
Number of Females (Permanent Positions)	4
Number of Employees with Disabilities	0
Number of Temporary Employees/ Consultants	0
Number of Interns	0

Table 6: Promotions

RESIGNATIONS/TERMINATIONS

The table below indicates statistics of employee resignations/ terminations from 1 April 2016 to 31 March 2017.

Description	Statistics
Total Number of Employees	17
Number of Males (Permanent Positions)	3
Number of Females (Permanent Positions)	5
Number of Employees with Disabilities	0
Number of Temporary Employees/ Consultants	1
Number of Interns	8

Table 7: Resignations/Terminations

STAFF TRAINING AND DEVELOPMENT

PROFESSIONAL DEVELOPMENT

CRAN recognises that it operates in a dynamic working environment that requires continuous professional development. In addition, CRAN seeks to establish a culture of learning in the organisation. Therefore, staff members were trained in the following areas which relate to CRAN's core business operations and incidental disciplines:

- Competition policy and digital era;
- Broadband internet and future networks;
- Project management;
- Presentation skills;
- ICT policy regulation and management; and
- Management development.

This is a capacity development process for long-term studies towards a formal qualification. Table 8 indicates the statistics of the employees who received formal training during the period 01 April 2016 to 31 March 2017.

Description	Statistics
Total Number of Employees	20
Number of Males	8
Number of Females	12
Number of Employees with Disabilities	0

Table 8: Professional Development Training

STAFF DEVELOPMENT

The following qualifications were granted to employees who studied courses in the areas which relate to CRAN's core business operations and incidental disciplines:

- Bachelors Degree in Computer Science (Networks and Communication);
- Masters Degree in ICT Policy and Regulation;
- Honours Degree in Communications;
- Post Graduate Diploma in Business Administration;

- Bachelor's Degree in Integrated Organisational Communications;
- Certificate in Internal Audit;
- Bachelor's Degree in Human Resources Management;
- Certificate in Office Administration;
- Chartered Institute Management Accounting Certification;
- Diploma in Procurement & Supply Chain; and
- Chartered Institute of Management Accounting (CIMA).

The above listed qualifications run over periods of one, two and/or three years and as such, will be repeated in the reporting periods.

The table below indicates the statistics on the employees who undertook formal training through staff development as from 01 April 2016 to 31 March 2017.

Description	Statistics
Total Number of Employees	28
Number of Males	11
Number of Females	17
Number of Employees with Disabilities	0

Table 9: Staff Development

IN-HOUSE TRAININGS

All employees participated in four (4) specific in-house training initiatives:

- Emergency Preparedness training;
- Performance Management refresher;
- Emotional Intelligence training; and
- Cultural and Team Alignment session.

OTHER HR INITIATIVES

The HR Department focused on effective leadership, team engagement and alignment. During the period under review, the HR Department set out the following objectives to be achieved during the financial year:

- Fulfilling the employment equity requirements;
- Developing a new organisational structure;
- Implementing the internship programme by memorandums of understanding with local universities;
- Promoting employee wellness;
- Implementing a talent management policy;
- Increasing employee engagement/team building;
- Reviewing current performance management processes; and
- Hosting in-house training related to coaching and mentoring.

EMPLOYMENT EQUITY AT CRAN

In accordance with the Affirmative Action Employment Act (No. 29 of 1998), CRAN's last Affirmative Action Report for the three-year cycle is due 29 June 2017. The third Affirmative

Action Report for the period 01 July 2015 to 30 June 2016 was submitted to the Employment Equity Commission in June 2016. CRAN received its second compliance certificate in October 2016. The Authority is an equal opportunity employer and is committed to the requirements as prescribed in the Act.

NEW ORGANISATIONAL STRUCTURE

In March 2017, the revised organisational structure with seven (7) new positions was approved by the Board of Directors for implementation starting April 2017.

REVISED PERFORMANCE MANAGEMENT PROCESS

CRAN has come a long way in developing, structuring and implementing performance management (PM). The HR Department embarked on a review process to reinforce its PM system. The PM policy sets a good foundation for effective implementation and management of a PM framework in CRAN. However, some areas for improvement became clear and were implemented with this project. Furthermore, the review process solidified the fact that introducing and implementing a PM system is only the starting point for successful PM. CRAN's next step will be to develop a PM culture, founded in a particular work ethic that requires continuous performance dialogue.

CRAN FOCUSES ON EMPLOYEE WELLNESS

CRAN recognises that the ability to achieve its objectives is dependent upon the well-being of its employees. A healthy workplace includes positive physical and social environments, healthy practices and employee resources. Therefore, the Authority's focus during the period was to align this objective with its day-to-day operations while also continuing to be the employer of choice. Wellness-related activities conducted, included:

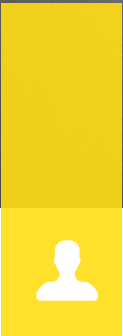
- Health screenings;
- Flu and vitamin B complex vaccinations;
- Blood transfusion donations;
- Mental health awareness campaign; and
- Soup Fridays and Spring Fridays, which comprised the sharing of warm winter soup and spring goodies internally with employees to improve functionality.

LISTENING TO EMPLOYEES THROUGH EMPLOYEE ENGAGEMENT SURVEYS

The HR Department carried out an employee satisfaction survey through which employees provided feedback and made recommendations for possible interventions to improve satisfaction within the Authority. Team alignment sessions were successfully conducted to address some of the shortcomings identified in the survey.



MANFRED RITTMANN, HEAD: INTERNAL AUDIT



INTERNAL AUDIT AND RISK **DEPARTMENT**

The Internal Audit and Risk Department provides an independent, objective assurance and consulting service designed to add value and improve the organisation's operations. Internal Audit continues to operate independently by reporting functionally to the Board Audit and Risk Committee and administratively to the CEO.

MILESTONES OF THE PAST FIVE YEARS

CRAN created the Internal Audit and Risk Department during 2013, and during July 2013 the Head: Internal Audit was appointed to setup the Department. The Department has since become a fully-fledged unit operating with three approved positions, i.e. one Internal Auditor, one Risk Officer (Vacant) and one Head of Internal Audit.

The Department is divided into two main units, i.e. Internal Audit and Risk and Compliance Management. Furthermore, the Department has an oversight role in respect of Business Continuity. All the sub-units have been fully established with up-to-date policies, procedures and business processes.

The Internal Audit and Risk Department has achieved great success over the past five (5) years in identifying major control, risk and compliance weaknesses, and making recommendations that improved the internal control systems.

As a result, CRAN is regarded as a professional organisation with governance processes of the highest standards.

AUDIT, RISK & COMPLIANCE INTERNAL AUDIT (ASSURANCE)

The Internal Audit and Risk Department operates on a Board of Directors approved internal audit plan which focuses on the high

risk areas within the organisation. The internal audit plan for the reporting period has been successfully completed and all the results were reported to the respective Department Heads, the CEO and the Board of Directors. In summary, most of the audit reports issued were rated medium or high for example significant and or critical control weaknesses or instances of non-compliance were identified which require management's attention. A number of follow-up audits have also been conducted during the reporting period. The follow-up audit results show that the degree to which management is addressing the audit findings and recommendations is satisfactory.

INTERNAL AUDIT (CONSULTING)

The Head: Internal Audit serves on the Executive Management Committee in an advisory capacity. The Internal Audit and Risk Department continues to provide advisory services on a wide range of issues including policy and procedure design, internal controls, risk management and compliance management.

RISK MANAGEMENT

Based on the revised strategic plan, an Organisation-Wide Risk Assessment has been conducted during the reporting period. Risk management reports are being submitted to the Audit and Risk Committee and the Board of Directors on a bi-annual basis.

The reports provided an overview of CRAN's risk environment and portrayed the top risks facing the organisation. Based on the



MANFRED RITTMANN, HEAD: INTERNAL AUDIT



latest risk management report, CRAN's risk environment was rated medium to high, for example CRAN is prone to risks that can cause reputational damage, legal consequences, financial losses, operational inefficiencies, non-attainment of strategic objectives and the inability to effectively fulfil its mandate. CRAN, however, continues to implement risk mitigating strategies and has shown resilience with regard to all high risk matters.

CRAN's risks are maintained on a central risk management database (risk logs). Risk measuring and monitoring is carried out on an ongoing basis.

COMPLIANCE MANAGEMENT

A compliance management database is being used to effectively manage CRAN's compliance activities. The results of internal audits and compliance self-assessment exercises show that CRAN is achieving a "reasonable level of compliance" with regard to its critical external and internal compliance obligations. Efforts are underway to continuously improve the level of compliance.

BUSINESS CONTINUITY

The Board of Directors has approved the Business Continuity (BC) policy. The Internal Audit and Risk Department is overseeing the implementation of this policy. The following BC activities are being addressed/implemented:

- a. Emergency crisis communication;
- b. Emergency response;
- c. Information technology disaster recovery;
- d. Succession planning;
- e. Adequate off-site storage facilities;
- f. Electronic back-ups of critical documents; and
- g. BC license conditions.



JUSTUS TJITUKA, HEAD: FINANCE



FINANCIAL REVIEW

For the year under review, the Authority recorded a total comprehensive loss of N\$9.9 Million, representing a decrease of 284.8% from the previous year's total comprehensive income of N\$5.4 million. The decrease is ascribed to the increase in the movement for the provision for doubtful debts of N\$59.2 million.

	2017	% change	2016
	N\$'000		N\$'000
Revenue	95,168	15.7%	82,265
Other income	295	-35.4%	457
Operating expenses	(113,793)	34.8%	(84,431)
Operating profit	-18,330	972.6%	-1,709
Investment revenue	8,377	18.0%	7,098
Finance costs	(0)		(3)
Profit for the year	-9,953	-284.8%	5,386
Other comprehensive income	-		-
Total comprehensive income for the year	-9,953	-284.8%	5,386

REVENUE

Revenue for the year under review increased by 15.7% from N\$82.3 million in 2016 to N\$95.2 million in 2017, with regulatory levies for telecommunications and broadcasting fees contributing to 75% of the revenue. Revenue comprises of regulatory levies from telecommunications and broadcasting service licensees, spectrum fees and type approval fees. The regulatory levies are calculated as a percentage of operators' turnover based on a progressive licence fee formula that caps the maximum percentage at 1.5%. Spectrum fees, which comprised 24% of the revenue generated, are derived from the radio licences and the fees vary depending on the type of licence. The type approval application fees makes up 1% of revenue.

2017 REVENUE BREAKDOWN

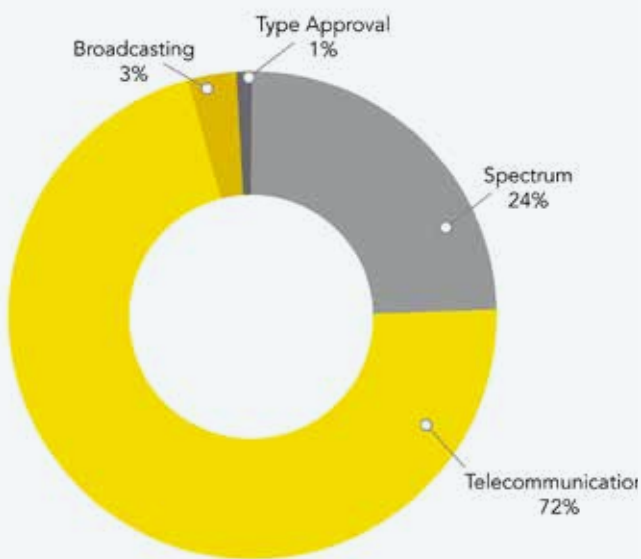


Figure 1: 2017 Revenue Breakdown

4 Year Revenue Trend - N\$'000

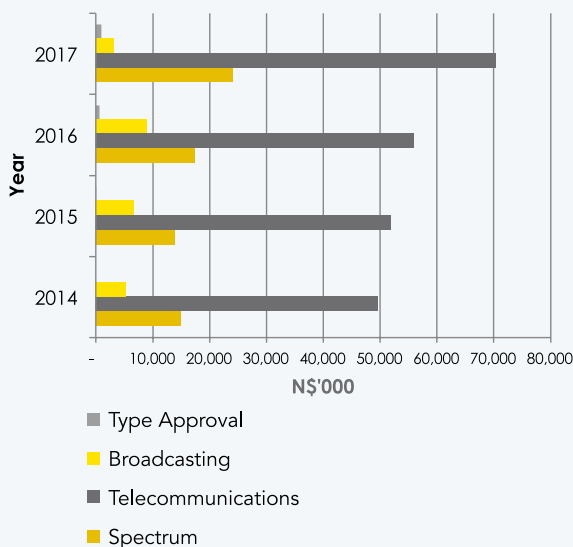


Figure 2: 4 Year Revenue Trend – N\$000



JUSTUS TJITUKA, HEAD: FINANCE

OPERATING EXPENSES

Operating expenses increased by 34.6% from N\$84.4 million in 2016 to N\$113.6 million in 2017. The main reason for the increase is ascribed to the increase in the movement for the provision for doubtful debts of N\$59.2 million.

4 Year Operating Expenses Trend - N\$'000

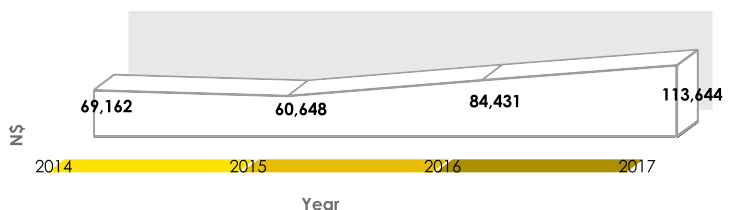
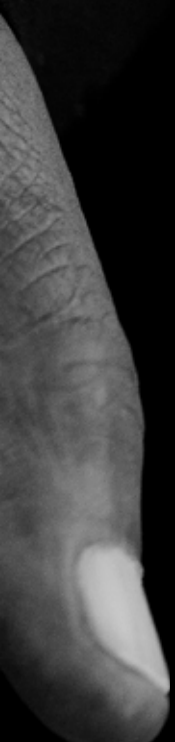


Figure 3: 4 Year Operating Expenses Trend – N\$'000



5th
ANNIVERSARY
CRAN
Communications Regulatory Authority of Namibia

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017





COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Nature of business and principal activities	The Authority is a body corporate established under section 4 of the Communications Act (No. 8 of 2009) to regulate, supervise and promote the provision of telecommunications services and networks, broadcasting, postal services and the use and allocation of radio spectrum in Namibia.
Directors	Ms. Frieda Kishi Ms. Anne-Doris Hans-Kaumbi Ms. Beverley Gawanas –Vugs Mr. Moses Molatendi Moses Mr. Mpasí Haingura Mr. Andreas Nekongo
Registered office	Communications House 56 Robert Mugabe Avenue Windhoek Namibia
Business address	Communications House 56 Robert Mugabe Avenue Windhoek Namibia
Postal address	Private Bag 13309 Windhoek Namibia
Banker	Bank Windhoek Limited
Auditor	PricewaterhouseCoopers (Namibia) Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Mr Tanswell Davies
Lawyers	Clement Daniel Attorneys Kangueehi & Kavendjii Inc ENS Africa Nakamhela Attorneys Dr. Weder, Kauta, & Hoveka Inc Bowman Gilfillan Nambahu & Uanivi Angula Co Inc

CONTENTS

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CORPORATE GOVERNANCE STATEMENT

The Communications Regulatory Authority of Namibia is committed to the principles of integrity, safety, professionalism, transparency, responsibility and accountability. The members recognise the need for management to conduct the business of the authority accordingly and in accordance with generally accepted corporate practices, the Authority's policies and the laws of Namibia.

BOARD OF DIRECTORS

The Board of Directors meets regularly. The roles of the Chairperson and Chief Executive Officer do not vest in the same person and the Chairperson is a non-executive member. The Chairperson provides and encourages proper deliberation of all matters requiring the Board of Directors attention, and obtains optimum input from the other members. The Chairperson also ensures that all decisions of the Board of Directors are clearly documented and are likely to advance the Authority's interests.

NON-EXECUTIVE MEMBERS

The Board of Directors has six non-executive members. Non-executive members are appointed for specific terms and re-appointment does not occur automatically.

AUTHORITY SECRETARY AND PROFESSIONAL ADVICE

All members have access to the advice and services of the Authority secretary, who is responsible to the Board for ensuring that Board procedures are followed. All members are entitled to seek independent professional advice about the affairs of the Authority and at the Authority's expense.

INTERNAL CONTROL SYSTEM

The Authority maintains systems of internal control over financial reporting and over safeguarding of assets against unauthorised acquisition, use or disposition. These controls are all designed to provide reasonable assurance to the Authority's management and members of the Board regarding the preparation of reliable published financial statements and the safeguarding of the Authority's assets. The system includes a documented organisational structure and division of responsibility, established policies and procedures which are communicated throughout the Authority and used for the proper training and development of its people.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to annual financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control can change with circumstances.


Member

Windhoek, Namibia


Member

22/06/2018
(Date)

MEMBERS' RESPONSIBILITIES AND APPROVAL

The members are required in terms of the Communications Act (No.8 of 2009) 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 Authority 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The 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 Authority's cash flow forecast for the year to 31 March 2018 and, in light of this review and the current financial position, they are satisfied that the Authority 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 Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 52 to 54.

The annual financial statements set out on pages 58 to 89, which have been prepared on the going concern basis, were approved by the members of the Board of Directors and were signed on their behalf by:


Member

Windhoek, Namibia

22/06/2018
(Date)


Member



INDEPENDENT AUDITOR'S REPORT

TO THE MINISTER OF INFORMATION AND COMMUNICATION TECHNOLOGY

Our opinion

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Communications Regulatory Authority of Namibia (the 'Company') as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Communications Act (No. 8 of 2009).

What we have audited

Communications Regulatory Authority of Namibia's financial statements set out on pages 58 to 89 comprise:

the members' report for the year ended 31 March 2017;

the statement of financial position as at 31 March 2017;

the statement of comprehensive income for the year then ended;

the statement of changes in equity for the year then ended and;

the statement of cash flows for the year then ended; and

the notes to the financial statements, which include a summary of significant accounting policies.

Basis for qualified opinion

Recorded in the statement of comprehensive income is revenue of N\$ 95,167,552. The company records could not provide us with sufficient evidence supporting the completeness of revenue owing to gaps noted in the invoice sequence and other billing system shortcomings/limitations.

As a result, we are unable to determine whether any adjustments would be required in respect of recorded or unrecorded revenue and the related elements making up the statement of financial position, statement of comprehensive income and changes in equity and cash flows.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report.

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

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Country Senior Partner: R Nangula Uaandja
Partners: Carl P van der Merwe, Louis van der Riet, Anna EJ Rossouw, Chantell N Husselmann, Gerrit Esterhuysen, Talita B Horn, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel

Independence

We are independent of the Authority in accordance with the (*International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B)*) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with this and in accordance with other ethical requirements applicable to performing audits in Namibia.

Material uncertainty related to going concern

The Authority incurred a net loss of N\$ (9,952,971) for the year ended 31 March 2017 and generated negative cash flow from operating activities amounting to N\$ 18,498,653. As stated in note 27, these events or conditions, along with other matters as set forth in note 27, indicate that a material uncertainty exists that may cast significant doubt on the authority's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The members are responsible for the other information. The other information comprises the information included in the Communications Regulatory Authority of Namibia's Annual Financial Statements for the year ended 31 March 2017. 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 International Financial Reporting Standards and the requirements of the Communications Act (No. 8 of 2009), 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 Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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Hans F Hashagen, Johannes P Nel



- 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 Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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

Date: 22/06/2018

PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T:+ 264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na

Country Senior Partner: R Nangula Uaandja
Partners: Carl P van der Merwe, Louis van der Riet, Anna EJ Rossouw, Chantell N Husselmann, Gerrit Esterhuysen, Talita B Horn, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel





MEMBERS' REPORT

The Board of Directors have pleasure in submitting their report on the annual financial statements of the Communications Regulatory Authority of Namibia for the year ended 31 March 2017.

1. INCORPORATION

The Authority is established in terms of section 4 of the Communications Act (No. 8 of 2009) and came into effect on 18 May 2011.

2. NATURE OF BUSINESS

The Communications Regulatory Authority of Namibia was established to regulate, supervise, and promote the provision of telecommunication services and networks, broadcasting, postal services, the use and allocation of radio spectrum in Namibia and regulate type approval and technical standards for telecommunications equipment in Namibia.

There have been no material changes to the nature of the Authority's business from the prior year.

3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

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

4. BOARD OF DIRECTORS

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

Members	Nationality	Changes
Ms. Frieda Kishi	Namibian	
Ms. Anne-Doris Hans-Kaumbi	Namibian	
Ms. Beverley Gawanas –Vugs	Namibian	
Mr. Moses Molatendi Moses	Namibian	
Mr. Mipasi Haingura	Namibian	
Mr. Andreas Nekongo	Namibian	

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

5. MEMBERS' INTERESTS IN CONTRACTS

During the financial year, no contracts were entered into which members of the Board of Directors or officers of the Authority had an interest and which significantly affected the business of the Authority.

6. EVENTS AFTER THE REPORTING PERIOD

The members are not aware of any material event which occurred after the reporting date and up to the date of this report.

MEMBERS' REPORT (CONTINUED)

7. GOING CONCERN

The Authority incurred a net loss of N\$ (9,952,971) for the year ended 31 March 2017 and generated negative cash flow from operating activities amounting to N\$ 18,498,653 mainly due to the non-payment of the disputed revenue from the telecommunication administrative levy that was declared by the Namibia High court to be unconstitutional and invalid. Refer to note 26 for more details regarding the status of the case.

This, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the company 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 the business.

The board members believe that they will be in a position to turn around the Regulator's financial situation after the Supreme Court decision for the following reasons:

1) CRAN has asked the Supreme Court to specifically address the following issues in its judgement or final ruling:

- a. The fate of the regulatory levies invoiced and not paid and those invoiced and paid.
- b. The need for the Regulator to defray its operating expenses and the nature of those operating expenses.

On Monday 11th June 2018 the Supreme Court returned judgement on the Appeal Case and ruled as follows;

- i. They Upheld the High Court decision that Section 23(2)(a) of the Communications Act of 2009 and Section 6 of Regulation No. 311 of Government Gazette no. 5037 of 13 September 2012 were unconstitutional.
- ii. CRAN will not be required to charge/raise regulatory levies based on these provisions from Judgement day onwards.
- iii. There was no order of costs meaning each entity is to carry its own legal costs (High & Supreme Court).
- iv. CRAN was entitled to collect regulatory levies that were applicable from the period 13 September 2012 up to judgement day (11 June 2018), meaning that the first invoice of 2013 should be prorated to reflect levies for only the last 17 days of Telecom Namibia's financial year 2011-2012.
- v. Finally, CRAN would have to amend the relevant provisions of the Communications Act and the applicable Regulations to review the method(s) of calculating the regulatory levies and bring it in line with the Supreme Court judgement.

8. AUDITOR

PricewaterhouseCoopers (Namibia) continued in office as auditor for the Authority for the year 2017.

9. INCOME TAX STATUS

The Authority is exempt from income taxes in terms of the provisions of section 16(1)(e) of the Income Tax Act, No. 24 of 1981. A written confirmation to this effect was received from the Ministry of Finance on 9 September 2012.

10. SECRETARY

The Authority secretary is Mr Tanswell Davies.

Postal address

Private Bag 13309
Windhoek
Namibia

Business address

Communications House
56 Robert Mugabe Avenue
Windhoek
Namibia



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note(s)	2017 N\$	2016 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	4	4,335,069	6,440,212
Intangible assets	5	1,740,718	2,436,131
		6,075,787	8,876,343
Current Assets			
Trade and other receivables	6	16,992,377	7,057,272
Other financial assets	7	54,000,000	82,500,000
Cash and cash equivalents	8	55,118,403	46,356,281
		126,110,780	135,913,553
		132,186,567	144,789,896
Total Assets			
Equity and Liabilities			
Equity			
Retained income		87,919,519	97,872,490
Liabilities			
Non-Current Liabilities			
Deferred capital	10	37,035,281	37,035,281
Current Liabilities			
Trade and other payables	11	1,369,171	5,225,186
Provisions	12	5,862,596	4,622,997
Bank overdraft	8	-	33,942
		7,231,767	9,882,125
		44,267,048	46,917,406
Total Liabilities			
Total Equity and Liabilities			
		132,186,567	144,789,896

STATEMENT OF **COMPREHENSIVE INCOME**

	Note(s)	2017 N\$	2016 N\$
Revenue	14	95,167,552	82,265,136
Other operating income	15	294,666	350,000
Other operating gains (losses)	16	(148,658)	106,803
Administrative expenses		(36,410,593)	(34,131,775)
Other operating expenses		(77,233,089)	(50,299,134)
Operating loss	17	(18,330,122)	(1,708,970)
Investment income	18	8,377,151	7,097,655
Finance costs	19	-	(255)
(Loss) profit for the year		(9,952,971)	5,388,430
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(9,952,971)	5,388,430



STATEMENT OF CHANGES IN EQUITY

	Retained income N\$	Total equity N\$
Balance at 01 April 2015	92,484,060	92,484,060
Profit for the year	5,388,430	5,388,430
Other comprehensive income	-	-
Total comprehensive income for the year	5,388,430	5,388,430
Balance at 01 April 2016	97,872,490	97,872,490
Loss for the year	(9,952,971)	(9,952,971)
Other comprehensive income	-	-
Total comprehensive loss for the year	(9,952,971)	(9,952,971)
Balance at 31 March 2017	87,919,519	87,919,519

STATEMENT OF CASH FLOWS

	Note(s)	2017 N\$	2016 N\$
Cash flows from operating activities			
Cash used in operations	20	(25,537,364)	1,982,728
Interest income	18	7,038,711	6,551,681
Finance costs	19	-	(255)
Net cash from operating activities		(18,498,653)	8,534,154
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(642,906)	(1,384,710)
(Disposal)/sale of property, plant and equipment	4	5,680	35,826
Purchase of intangible assets	5	(568,057)	(1,602,919)
Sale of other intangible assets	5	-	2,225
Movement in other financial assets	7	28,500,000	(22,500,000)
Net cash from investing activities		27,294,717	(25,449,578)
Cash flows from financing activities			
Total cash, cash equivalents and bank overdrafts movement for the year		8,796,064	(16,915,424)
Cash, cash equivalents and bank overdrafts at the beginning of the year		46,322,339	63,237,763
Total cash, cash equivalents and bank overdrafts at end of the year	8	55,118,403	46,322,339



ACCOUNTING POLICIES

1. Significant accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Communications Act (No. 8 of 2009).

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 Dollars, which is the Authority's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS 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.

Key sources of estimation uncertainty

Trade receivables

The Authority assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Authority makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

ACCOUNTING POLICIES

1.2 Significant judgements and sources of estimation uncertainty (Continued)

Impairment testing

The Authority reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including significant changes in the manner of use of the assets or the strategy for the Authority's overall business, significant underperformance relative to expectations, based on historical or projected future operating results, together with economic factors such as significant negative industry or economic trends.

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

Management assess the appropriateness of the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. The useful lives of carports and cubicles, furniture and fixtures, motor vehicles, office equipment, IT equipment, spectrum tools and spectrum monitoring system and computer software are determined based on Authority 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 of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation or amortisation charge.

The residual values of each asset are reviewed and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in estimate.

Provisions

Provisions were raised and management determined an estimate based on the best information available. Additional disclosure of these estimates of provisions are included in note 12.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Authority holds for its own use or for rental to others and 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 company, 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 or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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 company. 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
Carports and cubicles	Straight line	25 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Spectrum tools	Straight line	3 years
Spectrum monitoring system	Straight line	3-7 years

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

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

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

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

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

1.4 Intangible assets

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 entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets 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

1.4 Intangible assets (Continued)

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

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

Item	Useful life
Computer software	3 years

1.5 Financial instruments

Classification

The Authority classifies financial assets and financial liabilities into the following categories:

- Held-to-maturity investment
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Authority becomes a party to the contractual provisions of the instruments.

The Authority classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.



ACCOUNTING POLICIES

1.5 Financial instruments (Continued)

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Authority establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the Authority assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Authority, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

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

ACCOUNTING POLICIES

1.5 Financial instruments (Continued)

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Authority's accounting policy for borrowing costs.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the company has the positive intention and ability to hold to maturity are classified as held to maturity.

1.6 Tax

Income tax

No provision for tax is required as the Authority is exempt from taxation in terms of section 16(1)(e) of the Income Tax Act, No. 24 of 1981.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.



ACCOUNTING POLICIES

1.8 Impairment of non-financial assets

The Authority 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 Authority estimates the recoverable amount of the asset.

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.

An entity 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.

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

1.9 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The Authority has no further payment obligations once the contributions have been paid.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Authority's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Provisions and contingencies

Provisions are recognised when:

- the Authority 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.

ACCOUNTING POLICIES

1.10 Provisions and contingencies (continued)

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 entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity 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. Contingencies are disclosed in note 26.

1.11 Revenue

Revenue includes amounts charged to the telecommunications and broadcasting operators as turnover fees. These fees are based on a predetermined percentage of the turnover of the operators as certified by them and subsequently by their auditors on an annual basis.

Revenue also includes fees collected from renewal of annual license fees, administration fees relating to service licences, spectrum use licence fees and type approval fees.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Authority;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, 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.

1.13 Deferred capital

The Namibian Communication Commission (NCC), the predecessor of CRAN, ceased to exist on 18 May 2011 and have since been replaced by CRAN as the new regulator. The assets and liabilities of the predecessor regulator, the NCC, were to be transferred to the new regulator, CRAN, after a final audit was concluded. To get started CRAN needed a cash injection to commence its activities and on that basis, an amount of N\$37 million was transferred from the NCC to CRAN during the year ended 31 March 2012.

1.14 Contribution to Universal Service Fund

On 18 May 2011, the Communications Act (No. 8 of 2009) came into effect. The Minister however, has not commenced Part 4 of Chapter V, which deals with Universal services, as at 31 March 2016. The Universal Service Fund can therefore not be established in law, and no contributions can be made to it. The Minister may, as provided in section 136(2), commence this on such date as he determines.



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

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation 	01 January 2016	The impact of the standard is not material.
<ul style="list-style-type: none"> IFRS 14 Regulatory Deferral Accounts 	01 January 2016	The impact of the amendment is not material.
<ul style="list-style-type: none"> Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements 	01 January 2016	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2017 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> IFRIC 22 Foreign Currency Transactions and Advance Consideration 	01 January 2018	Impact is currently being assessed but is not expected to be material
<ul style="list-style-type: none"> IFRS 16 Leases 	01 January 2019	Impact is currently being assessed but is not expected to be material
<ul style="list-style-type: none"> IFRS 9 Financial Instruments 	01 January 2018	Impact is currently being assessed but is not expected to be material
<ul style="list-style-type: none"> IFRS 15 Revenue from Contracts with Customers 	01 January 2018	Impact is currently being assessed but is not expected to be material
<ul style="list-style-type: none"> Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers 	01 January 2018	Impact is currently being assessed but is not expected to be material
<ul style="list-style-type: none"> Amendments to IAS 7: Disclosure initiative 	01 January 2017	Impact is currently being assessed but is not expected to be material
<ul style="list-style-type: none"> Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses 	01 January 2017	Impact is currently being assessed but is not expected to be material

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Risk management

Capital risk management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Authority consists of cash and cash equivalents disclosed in note 8, as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

Financial risk management

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

The Authority's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. Risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Authority's Finance Department maintains flexibility in funding by maintaining availability under committed credit lines.

Cash flow forecasts are prepared annually and reviewed at the end of every quarter.

The table below analyses the Authority's financial liabilities and facilities at the bank into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Comparative information has been restated as permitted by the amendments to IFRS 7 for the liquidity risk disclosures.

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Deferred capital	-	-	-	37,035,281
Trade and other payables	1,369,171	-	-	-
At 31 March 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Deferred capital	-	-	-	37,035,281
Trade and other payables	5,225,186	-	-	-
Bank overdraft	33,942	-	-	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Risk management (continued)

Interest rate risk

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

Further, these call deposits are due on demand and the fixed term deposits are due within a 3 month period. The call account and fixed term deposits amounting to N\$ 109.1 million (2016: N\$ 124.82 million) are exposed to cash flow interest rate risk, however considering the short term maturity of these deposits, these risks are minimised.

The Authority is not exposed to fair value interest rate risk.

Interest rate effect on profit

	Effect on profit 2017		Effect on profit 2016	
	100bp increase in market	100bp decrease in market	100bp increase in market	100bp decrease in market
Cash and cash equivalents and other financial assets	1,091,184	(1,091,184)	1,248,224	(1,248,224)

Cash flow interest rate risk

	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Cash and cash equivalents						
Bank Windhoek Call Account Investments	6.30%	55,105,745	-	-	-	-
Bank Windhoek (Fixed term deposit)	7.91%	18,000,000	-	-	-	-
SME Bank (Fixed term deposit)	7.40%	18,000,000	-	-	-	-
Nedbank Limited (Fixed term deposit)	8.45%	18,000,000	-	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Authority only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis and make adequate provision for doubtful debt.

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

Financial instrument	2017	2016
Cash and cash equivalents	55,118,403	46,356,281
Other financial assets	54,000,000	82,500,000
Trade receivables	16,992,377	7,057,272

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Risk management (continued)

Foreign exchange risk

The Authority does not hedge foreign exchange fluctuations.

The Authority reviews its foreign currency exposure, including commitments on an ongoing basis. The Authority expects its foreign exchange contracts to hedge foreign exchange exposure.

Price risk

The Authority is not exposed to a material price risk.

4. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Carports and cubicles	55,070	(2,203)	52,867	55,070	-	55,070
Furniture and fixtures	3,095,200	(1,129,981)	1,965,219	2,999,137	(825,227)	2,173,910
Motor vehicles	1,305,572	(616,485)	689,087	1,010,906	(371,931)	638,975
Office equipment	697,414	(533,344)	164,070	663,881	(400,102)	263,779
IT equipment	1,914,211	(1,632,999)	281,212	1,704,468	(1,286,505)	417,963
Spectrum tools	44,891	(43,494)	1,397	44,891	(42,716)	2,175
Spectrum monitoring system	11,067,018	(9,885,801)	1,181,217	11,067,018	(8,178,678)	2,888,340
Total	18,179,376	(13,844,307)	4,335,069	17,545,371	(11,105,159)	6,440,212



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Carports and cubicles	55,070	-	-	-	(2,203)	52,867
Furniture and fixtures	2,173,910	96,063	-	-	(304,754)	1,965,219
Motor vehicles	638,975	294,666	-	-	(244,554)	689,087
Office equipment	263,779	42,434	(5,917)	(779)	(135,447)	164,070
IT equipment	417,963	209,743	-	-	(346,494)	281,212
Spectrum tools	2,175	-	-	-	(778)	1,397
Spectrum monitoring system	2,888,340	-	-	-	(1,707,123)	1,181,217
	6,440,212	642,906	(5,917)	(779)	(2,741,353)	4,335,069

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Carports and cubicles	55,070	-	-	55,070
Furniture and fixtures	2,149,321	315,889	(291,300)	2,173,910
Motor vehicles	277,590	499,616	(138,231)	638,975
Office equipment	126,422	248,119	(110,762)	263,779
IT equipment	514,065	321,086	(417,188)	417,963
Spectrum tools	17,064	-	(14,889)	2,175
Spectrum monitoring system	5,614,566	-	(2,726,226)	2,888,340
	8,754,098	1,384,710	(3,698,596)	6,440,212

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Intangible assets

	2017			2016		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software, other	5,118,07	(3,377,356)	1,740,718	4,550,016	(2,113,885)	2,436,131

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software	2,436,131	568,057	(1,263,470)	1,740,718

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	1,847,847	1,602,919	(2,225)	(1,012,410)	2,436,131

6. Trade and other receivables

	2017	2016
Trade receivables	163,706,590	95,030,021
Provisional for doubtful debts	(148,424,473)	(89,155,967)
Subtotal	15,282,117	5,874,054
Prepayments	40,433	171,003
Deposits	111,044	108,065
Interest receivable	1,338,440	545,974
Other receivables	220,343	358,176
	16,992,377	7,057,272

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade receivables

Counterparties without external credit rating

Trade and other receivables	16,992,377	7,057,272
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Fair value of trade and other receivables

Trade and other receivables	16,992,377	7,057,272
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The carrying amount of trade and other receivables approximates fair value.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Trade and other receivables (continued)

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 120 days past due are not considered to be impaired, except for those where management is aware of factors that render the debt doubtful at an earlier date. Trade and other receivables older than 121 days that were recovered subsequent to financial year-end, but prior to the signing of the annual financial statements have not been impaired. At 31 March 2017, N\$ 13,240,240 (2016: N\$ 7,057,272) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:	2017 N\$	2016 N\$
Past due for 61 to 90 days	12,010,780	169,002
Past due for 91 to 120 days	-	2,368,304
Past due for 121 days+	1,229,460	4,648,487

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of N\$ (148,424,473) (2016: N\$ (89,155,967)) were impaired and provided for.

The ageing of these loans is as follows:

Past due for 31-60 days	58,385,095	-
Past due for 61-90 days	-	9,701,623
Past due for 91-120 days	7,749,969	13,386,791
Past due for 121 days+	82,289,409	66,067,553

7. Other financial assets

Fixed deposits

Nedbank Namibia Limited (F1+)	18,000,000	16,500,000
Namibia Post Limited (Savings Bank) (not rated)	-	16,500,000
Bank Windhoek Limited (A1+)	18,000,000	16,500,000
First National Bank Namibia Limited	-	16,500,000
SME Bank	18,000,000	16,500,000
	54,000,000	82,500,000

Current assets

Fixed term deposits	54,000,000	82,500,000
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Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Other financial assets (continued)

Credit quality of other financial assets	2017 N\$	2016 N\$
Credit rating		
Namibia Post Limited (Savings Bank) (not rated)	-	16,500,000
Nedbank Namibia Limited (F1+)	18,000,000	16,500,000
Bank Windhoek Limited (A1+)	18,000,000	16,500,000
First National Bank Namibia Limited (F1+)	-	16,500,000
Small and Medium Enterprises (SME) Bank (not rated)	18,000,000	16,500,000
	54,000,000	82,500,000

Although Namibia Post Limited is not rated, Namibia Post Limited is a reputable state owned entity with no history of default.

SME Bank is not rated, However the financial assets held at SME Bank as at year end were redeemed post year end.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	12,658	1,685
Bank balances	372,203	2,763,174
Short-term deposits	54,733,542	43,591,422
Bank overdraft	-	(33,942)
	55,118,403	46,322,339
Current assets	55,118,403	46,356,281
Current liabilities	-	(33,942)
	55,118,403	46,322,339

Credit quality of cash at bank excluding cash on hand

The credit quality of cash at bank 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

Bank Windhoek Limited (A1+)	55,105,745	46,342,218
First National Bank Namibia Limited (F1+)	-	12,379
	55,105,745	46,354,597



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Loans and receivables	Total
Other financial assets	54,000,000	54,000,000
Trade and other receivables	16,992,377	16,992,377
Cash and cash equivalents	55,118,403	55,118,403
	126,110,780	126,110,780

2016

	Loans and receivables	Total
Other financial assets	82,500,000	82,500,000
Trade and other receivables	7,057,272	7,057,272
Cash and cash equivalents	46,356,281	46,356,281
	135,913,553	135,913,553

10. Deferred capital

The Namibian Communications Commission (NCC), the predecessor of CRAN; ceased to exist on 18 May 2011 and was replaced by CRAN as the new regulator. The assets and liabilities of the predecessor regulator, the NCC, were to be transferred to the new regulator, CRAN, after a final audit is concluded. To get started CRAN needed a cash injection to commence its activities and on that basis, an amount of N\$37 million was transferred from the NCC to CRAN during 2011. This was an advance and the correct amount will be determined and accounted for at a later date, after the completion of the audit of NCC and approval from Cabinet.

	2017 N\$	2016 N\$
Deferred Capital	37,035,281	37,035,281

11. Trade and other payables

Trade payables	1,236,339	4,065,169
Other accrued expenses	8,896	490,832
Other payables	123,936	669,185
	1,369,171	5,225,186

Fair value of trade and other payables

Trade payables	1,369,171	5,225,186
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The carrying amount of trade and other payables approximates fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. Provisions

Reconciliation of provisions - 2017

	Opening balance	Additions	Utilised during the year	Total
Provision - Leave pay	922,462	968,530	(111,226)	1,779,766
Provision - Performance bonus	2,680,401	1,866,906	(1,848,490)	2,698,817
Provision - Severance pay	1,020,134	461,551	(97,672)	1,384,013
	4,622,997	3,296,987	(2,057,388)	5,862,596

Reconciliation of provisions - 2016

	Opening balance	Additions	Utilised during the year	Total
Provision - Leave pay	937,440	922,462	(937,440)	922,462
Provision - Performance bonus	1,621,417	2,680,401	(1,621,417)	2,680,401
Provision - Severance pay	673,318	922,462	(575,646)	1,020,134
	3,232,175	4,525,325	(3,134,503)	4,622,997

13. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Financial liabilities at amortised cost	Total
Trade and other payables	1,369,171	1,369,171

2016

	Financial liabilities at amortised cost	Total
Trade and other payables	5,225,186	5,225,186

14. Revenue

	2017	2016
Telecommunications	70,200,837	55,708,047
Broadcasting	611,000	8,857,900
Spectrum	23,427,865	17,098,689
Type approval	927,850	600,500
	95,167,552	82,265,136



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N\$	2016 N\$
15. Other operating income		
Other income	-	350,000
Donations received	294,666	-
	294,666	350,000
16. Other operating gains (losses)		
<i>Gains (losses) on disposals, scrapings and settlements</i>		
Property, plant and equipment	(237)	35,826
<i>Foreign exchange gains (losses)</i>		
Net foreign exchange loss	(148,421)	-
Total other operating gains (losses)	(148,658)	35,826
17. Operating profit (loss)		
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
<i>Auditor's remuneration - external</i>		
Audit fees	166,104	188,039
<i>Remuneration, other than to employees</i>		
Consulting and professional services	2,788,873	1,652,754
<i>Leases</i>		
<i>Operating lease charges</i>		
Premises	2,058,476	1,492,718
Motor vehicles	54,881	-
Equipment	741,467	636,892
Operating lease other	36,957	32,090
	2,891,781	2,161,700
<i>Depreciation and amortisation</i>		
Depreciation of property, plant and equipment	2,741,353	3,698,596
Amortisation of intangible assets	1,264,248	1,012,408
Total depreciation and amortisation	4,005,601	4,711,004
<i>Other</i>		
Other operating gains (losses)	16	35,826

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. Operating profit (loss) (continued)

Expenses by nature

The total administrative expenses and other operating expenses are analysed by nature as follows:

	2017	2016
Employee costs	27,437,192	25,776,192
Operating lease charges	2,891,781	2,161,700
Depreciation and amortisation	4,005,601	4,711,004
Other expenses	1,707,434	2,197,931
Bad debts	59,268,506	26,684,204
ICT Communications	4,979,028	1,349,478
Legal expenses	1,335,425	925,165
Consulting and professional fees	1,453,448	727,589
Training and development	1,301,065	2,376,561
Projects	540,443	3,474,500
Business related trips	2,468,178	4,522,172
Media and communications	3,396,112	6,377,579
Membership and license fees	949,554	2,167,605
General operating expenditure	1,909,915	979,229
	113,643,682	84,430,909

18. Investment income

Interest income

From investments in financial assets:

Bank and other cash	8,377,151	7,097,655
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19. Finance costs

Late payment of PAYE and Withholding tax	-	255
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N\$	2016 N\$
20. Cash used in operations		
Profit (loss) for the year	(9,952,971)	5,388,430
Adjustments for:		
Depreciation and amortisation	4,005,601	4,711,004
Losses (gains) on disposals, scrappings and settlements of assets and liabilities	237	(35,826)
Losses (gains) on foreign exchange	148,421	(70,977)
Interest income	(7,038,711)	(6,551,681)
Finance costs	-	255
Movements in provisions	1,239,599	1,488,494
Changes in working capital:		
Trade and other receivables	(9,935,105)	(4,055,803)
Trade and other payables	(4,004,435)	1,108,832
	(25,537,364)	1,982,728

21. Commitments

Authorised capital expenditure

Not yet contracted for and authorised by directors	5,291,109	1,923,795
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This committed expenditure relates to capital expenditure and will be financed by existing cash resources.

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	2,020,850	1,805,817
- in second to fifth year inclusive	3,270,259	117,978
	5,291,109	1,923,795

22. Operating lease commitment

The operating lease relates to the rental of office space situated on Erf. 6517, Peter Muller Street, Windhoek, for a period of 36 months. The Authority does not have the right to purchase the office building at the end of the stipulated lease period.

Minimum lease payments

-within one year	2,020,850	1,805,817
-in second to fifth year inclusive	3,270,259	117,978
	5,291,109	1,923,795

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2017

	Opening balance	Cash flows	Closing balance
Deferred capital	37,035,281	-	37,035,281
Other liabilities	669,185	(545,249)	123,936
	37,704,466	(545,249)	37,159,217
Total liabilities from financing activities	37,704,466	(545,249)	37,159,217

Reconciliation of liabilities arising from financing activities - 2016

	Opening balance	Cash flows	Closing balance
Deferred capital	37,035,281	-	37,035,281
Other liabilities	276,729	392,456	669,185
	37,312,010	392,456	37,704,466
Total liabilities from financing activities	37,312,010	392,456	37,704,466



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. Remuneration of Board of Directors

Non-executive

2017

	Members' fees	Total
Ms. Frieda Kishi	96,600	96,600
Mr. Moses Molatendi	103,379	103,379
Ms. Beverly Gawanas-Vugs	140,485	140,485
Ms. Anne-Doris H. Kaumbi	160,977	160,977
Mr. Mpasi Haingura	101,898	101,898
	603,339	603,339

2016

	Members' fees	Total
Mr. Lazarus N Jacobs	76,660	76,660
Dr. Tulimevava K. Mufeti	96,417	96,417
Mr. Edwin D. Beukes	80,280	80,280
Ms. Frieda Kishi	41,334	41,334
Mr. Moses Molatendi	9,662	9,662
Ms. Beverly Gawanas-Vugs	9,662	9,662
Ms. Anne-Doris H. Kaumbi	9,662	9,662
Mr. Mpasi Haingura	9,662	9,662
	333,339	333,339

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

25. Related parties

Relationships	
Line Ministry with significant influence	Ministry of Information and Communication Technology (MICT)
Entities reporting to the MICT	Telecom Namibia Ltd. Mobile Telecommunications Ltd. Namibia Broadcasting Corporation
Members of key management and members of the Board of Directors	F Mbandeka (Chief Executive Officer) J Traut (Chief Operations Officer) J Tjituka (Head: Finance) E Nghikembua (Head: Legal Advice) L Henckert-Louw (Head: Human Resources) R Le Grange (Head: Electronic Communications) H Vosloo (Head: Economics and Sector Research) M Rittman (Head: Internal Audit) K Siken (Head: Corporate Communications and External Relations) M Angula (Head: Universal Access and Services Projects)

Related party balances

Significant amounts included in Trade receivables regarding related parties

Telecom Namibia Ltd.	85,973,045	62,811,715
Mobile Telecommunications Ltd.	38,023,020	-
Namibia Broadcasting Corporation	4,308,014	1,595,954

Related party transactions

Significant transactions with related parties included in revenue

Telecom Namibia Ltd.	27,647,330	4,162,480
Mobile Telecommunications Ltd.	43,038,020	38,348,220
Namibia Broadcasting Corporation	3,212,280	1,497,438

Compensation to key management

Short-term employee benefits	13,377,066	12,175,796
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26. Contingencies

The Authority has been engaged in a legal battle with Telecom Namibia, one of its licensees who was not in agreement with the basis used by the Regulator for calculating the levy on the net revenue of licensees. Telecom sued the Regulator and was granted a High Court ruling in their favor. The High Court judgement in the Telecom/CRAN case stated that “the invoicing of Regulatory Levies in terms of Section 23(2) (a) of the Communications Act 8 of 2009 and Regulation 6 promulgated in the General Notice 311 of 2012 was ruled to be unconstitutional and the Regulator can therefore not issue invoices on these levies.”

CRAN appealed against the High Court ruling to the Supreme Court and the date for the Supreme Court to hear the case was set for 04th April 2018. Subsequently, CRAN applied to the High Court to suspend the implementation of the judgement until such time that the Supreme Court has pronounced itself on the appeal matter. On 7th November 2017, the Court issued a “rule nisi” with a return date of 19th January 2018 which was subsequently extended till 04th April 2018 to coincide with the date of the Appeal hearing in the Supreme Court. The “rule nisi” restores things to what they were before the court case that was brought about by Telecom Namibia. As a result of the rule nisi, CRAN invoiced all licensees for outstanding levies and demanded payment.

On Monday 11th June 2018 the Supreme Court returned judgement on the Appeal Case and ruled as follow;

- i. They Upheld the High Court decision that Section 23(2)(a) of the Communications Act of 2009 and Section 6 of Regulation No. 311 of Government Gazette no. 5037 of 13 September 2012 were unconstitutional.
- ii. CRAN will not be required to charge/raise regulatory levies based on these provisions from Judgement day onwards.
- iii. There was no order of costs meaning each entity is to carry its own legal costs (High & Supreme Court).
- iv. CRAN was entitled to collect regulatory levies that were applicable from the period 13 September 2012 up to judgement day (11 June 2018), meaning that the first invoice of 2013 should be prorated to reflect levies for only the last 17 days of Telecom Namibia’s financial year 2011-2012.
- v. Finally CRAN would have to come up with a new regulations for calculating regulatory levy.

27. Going concern

The Authority incurred a net loss of N\$ (9,952,971) for the year ended 31 March 2017 and generated negative cash flow from operating activities amounting to N\$ 18,498,653 mainly due to the non-payment of the disputed revenue from the telecommunication administrative levy that was declared by the Namibia High court to be unconstitutional and invalid. Refer to note 26 for more details regarding the status of the case. This, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the authority’s ability to continue as a going concern. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the company 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 the business.

The board members believes that they will be in a position to turn around the Regulator’s financial situation after the Supreme Court decision for the following reasons:

- 1) CRAN has asked the Supreme Court to specifically address the following issues in its judgement or final ruling:
 - a) The fate of the regulatory levies invoiced and not paid and those invoiced and paid.
 - b) The need for the Regulator to defray it’s operating expenses and the nature of those operating expenses.

On Monday 11th June 2018 the Supreme Court returned judgement on the Appeal Case and ruled as follow;

- i. They Upheld the High Court decision that Section 23(2)(a) of the Communications Act of 2009 and Section 6 of Regulation No. 311 of Government Gazette no. 5037 of 13 September 2012 were unconstitutional.
- ii. CRAN will not be required to charge/raise regulatory levies based on these provisions from Judgement day onwards.
- iii. There was no order of costs meaning each entity is to carry its own legal costs (High & Supreme Court).
- iv. CRAN was entitled to collect regulatory levies that were applicable from the period 13 September 2012 up to judgement day (11 June 2018), meaning that the first invoice of 2013 should be prorated to reflect levies for only the last 17 days of Telecom Namibia’s financial year 2011-2012.
- v. Finally CRAN would have to come up with a new regulations for calculating regulatory levy.





DETAILED STATEMENT OF COMPREHENSIVE INCOME

		2017	2016
	Note(s)	N\$	N\$
Revenue			
Broadcasting		611,000	8,857,900
Spectrum		23,427,865	17,098,689
Telecommunications		70,200,837	55,708,047
Type approval		927,850	600,500
	14	95,167,552	82,265,136
Other income			
Fines and penalties		-	350,000
Donation received		294,666	-
Gains on disposal of assets		-	35,826
Interest received	18	8,377,151	7,097,655
Profit (loss) on exchange differences		-	70,977
		8,671,817	7,554,458
Expenses (Refer to page 89)		(113,792,340)	(84,430,909)
Operating (loss) profit	17	(9,952,971)	5,388,685
Finance costs	19	-	(255)
(Loss) profit for the year		(9,952,971)	5,388,430

DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

OPERATING EXPENSES

	2017	2016
Note(s)	N\$	N\$
Administrative expenses		
Auditors remuneration	(166,104)	(188,039)
Bank charges	-	(41,859)
Depreciation and amortisation	(4,005,601)	(4,711,004)
Employee costs	(27,437,192)	(25,776,192)
General operating expenditure	(1,909,915)	(979,229)
Lease rentals on operating lease	(2,891,781)	(2,161,700)
Resources and research material	-	(189,793)
Subscriptions	-	(83,959)
	(36,410,593)	(34,131,775)
Other operating expenses		
Bad debts	(59,268,506)	(26,684,204)
Building expenses	(962,948)	(964,739)
Business related trips	(2,468,178)	(4,522,172)
Consulting and professional fees	(1,453,448)	(727,589)
Employee wellness	(460,181)	(416,051)
Entertainment	-	(82,180)
ICT communications	(4,979,028)	(1,349,478)
Legal expenses	(1,335,425)	(925,165)
Loss on disposal of assets	(237)	-
Loss on exchange differences	(148,421)	-
Media and communications	(3,396,112)	(6,377,579)
Membership and license fees	(949,554)	(2,167,605)
Projects	(540,443)	(3,474,500)
Training and development	(1,301,065)	(2,376,561)
Vehicle expenses	(118,201)	(231,311)
	(77,381,747)	(50,299,134)
	(113,792,340)	(84,430,909)







