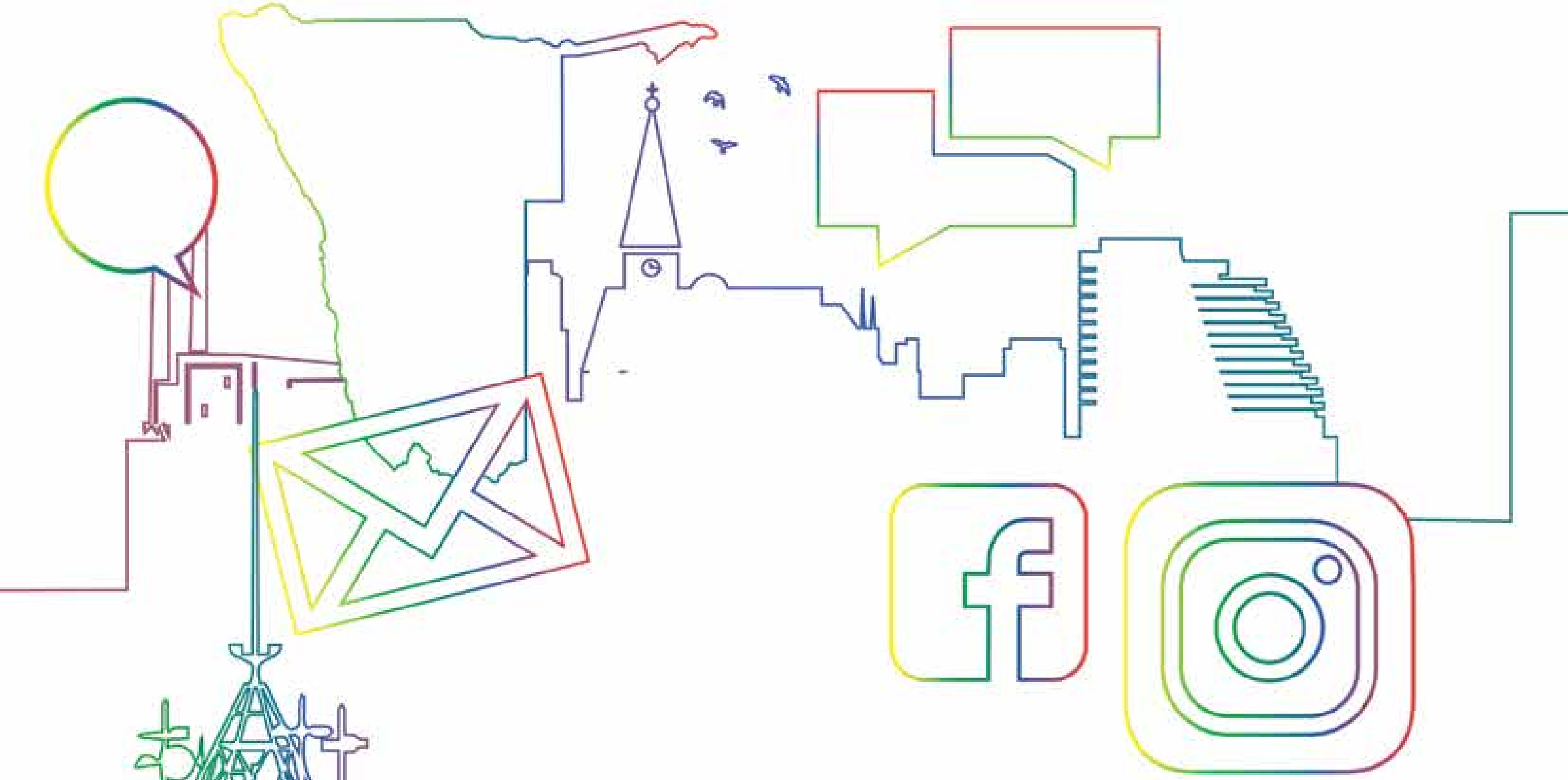
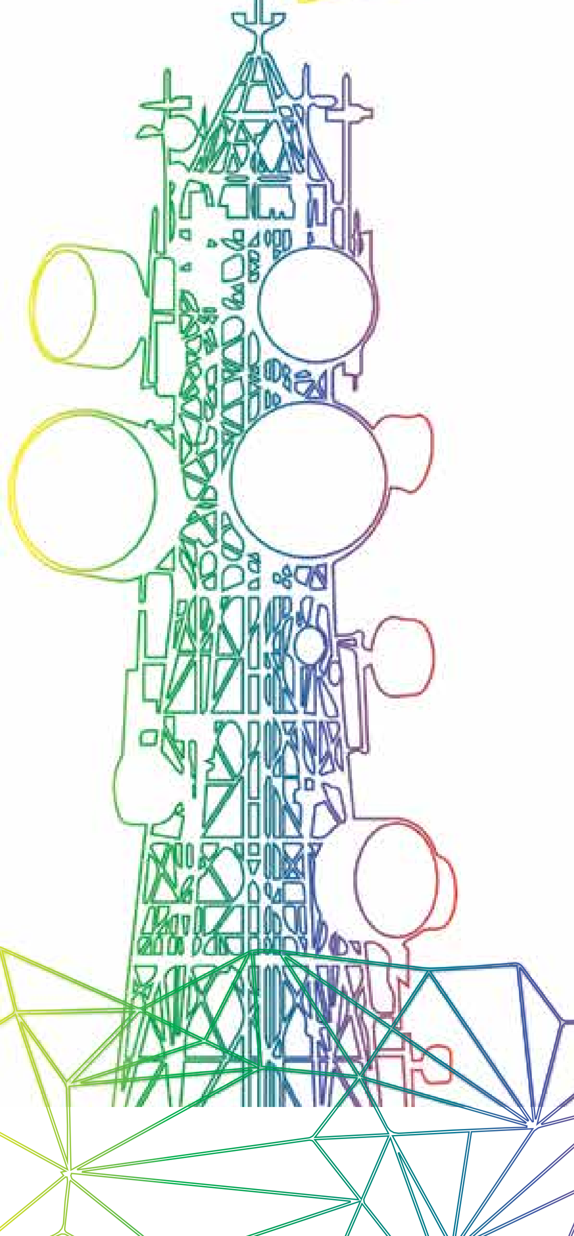
CRAN

Communications Regulatory Authority of Namibia

2019 ANNUAL REPORT

SUSTAINING AN ACCESSIBLE FUTURE





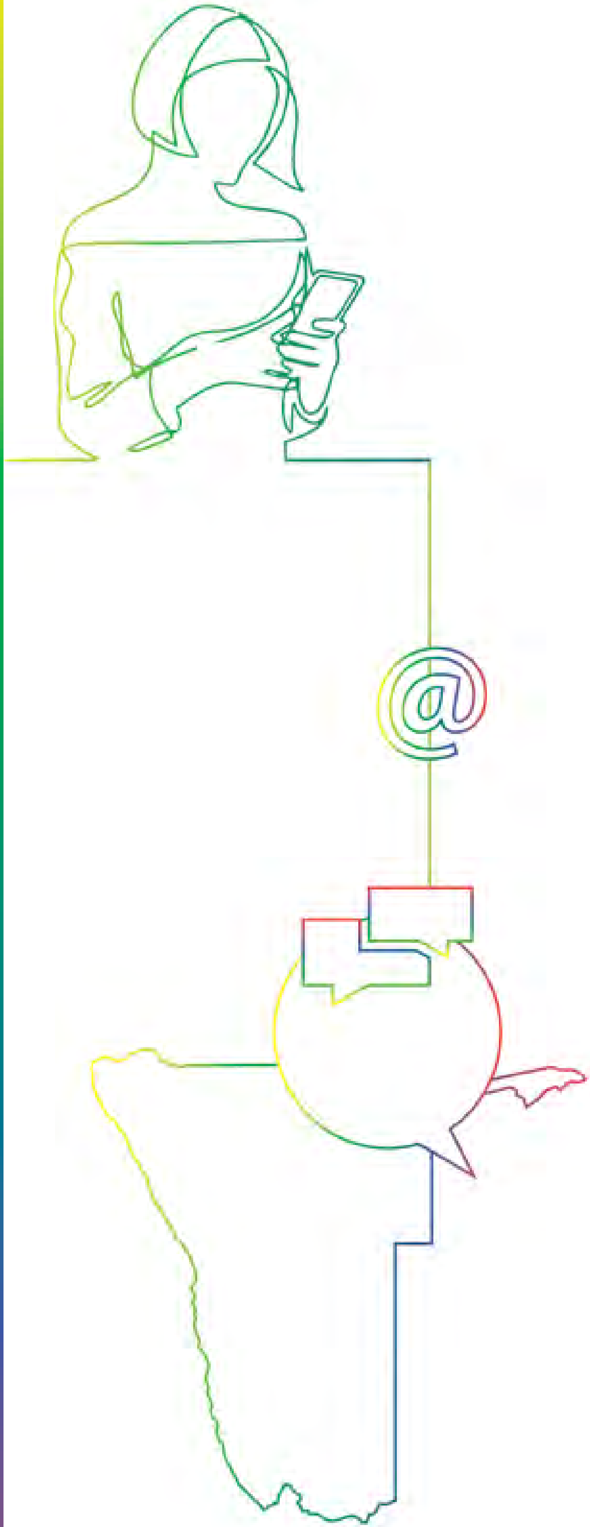
About the Theme *"Sustaining an Accessible Future"*

The central theme for this year's annual report is *"Sustaining an Accessible Future"* and focuses on the effects and the value created by technology on the socio-economic development of the country through broadening connectivity and containing costs.

CRAN acknowledges that access to the available spectrum and making communications services more affordable remain critical consumer needs within Namibia and that delivering new technological advances to all consumers and markets is an essential requirement for a growing economy.

Accessible, high quality and affordable technology for all therefore remains our mantra, which we will pursue with passion and purpose in building an Information and Communications Technology (ICT) sector that is fully responsive to delivering the societal benefits associated with improved connectivity.

CONTENTS



ABOUT US

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

Regulations for these sectors are developed by CRAN, licences are issued to telecommunications and broadcasting service providers, licensee compliance with the rules and regulations in place is monitored, and the radio spectrum is effectively planned and controlled.

Most importantly, we are committed to safeguarding our consumers against unfair business practices and poor-quality services provided by telecommunications, broadcasting, and postal services licensees, and facilitate the process of resolving such complaints in a timely and efficient manner.

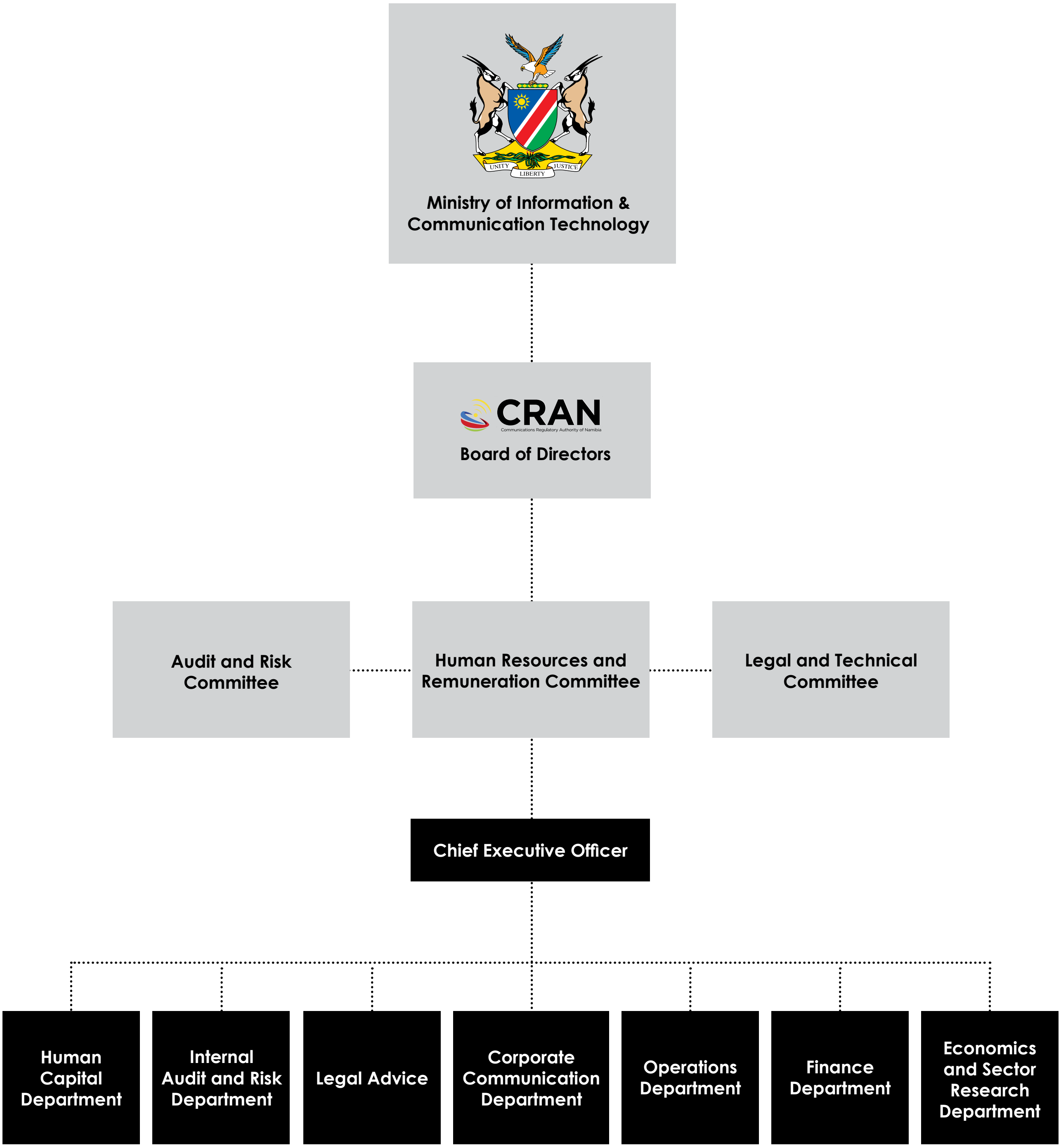
Since its inception, CRAN has awarded 37 broadcasting services licences to date, providing a wide array of services throughout Namibia. CRAN also established a firm regulatory framework for the Digital Terrestrial Television (DTT) switchover process and formulated a comprehensive frequency-channeling plan, which other Southern African Development Community (SADC) regulators are using as a benchmark.

CRAN reached yet another milestone when it ensured that a 120% mobile penetration rate in the country was reached. This was achieved thanks to an established regulatory framework that creates an environment which promotes fair competition. CRAN also facilitated the extension and digitising of ICT infrastructure and the introduction of the 4th generational (LTE) technology in Namibia.

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.

Everything CRAN does is aimed at ensuring that all people in Namibia have access to basic communication services at affordable prices, and through our licence obligations, operators ought to roll out services in under-serviced areas in the country.

OUR CORPORATE STRUCTURE



BOARD MEMBERS AND THEIR PORTFOLIOS (As at 31 March 2019)

FRIEDA KISHI
CHAIRPERSON OF THE BOARD

Frieda Kishi, is a Director at Weder, Kauta & Hoveka Inc, and is a seasoned Legal Practitioner with over 18 years of experience in criminal law, family law and commercial law. She holds a BProc Degree obtained from the University of Potchefstroom in 1995. Frieda is an admitted legal practitioner of the High Court of Namibia and was employed as a State Advocate for several years. Frieda is passionate about transforming Namibia and its people into an active knowledge-based society.

MOSES MOSES
VICE-CHAIRPERSON

Member of the Legal and Technical Committee

Moses Moses is a multifaceted, talented professional with an impressive resume. He holds a Master's Degree (with distinction) in Intellectual Property Studies from the Institute of Peace, Leadership and Governance Africa University in Zimbabwe obtained in 2014; a Bachelor of Arts Degree in Criminal Justice Studies (with distinction) from the Namibia University of Science and Technology (NUST) obtained in 2011; and a Diploma in Intellectual Property Law from the University of South Africa. Moses has more than ten years' experience in the intellectual property and information communications technology industry. He also has a strong legal background and has a wealth of knowledge and skills in the ICT sector.

BEVERLEY VUGS
BOARD MEMBER

Chairperson of the Audit and Risk Committee
Member of the Human Resources and Remuneration Committee

Beverley is a technically well-informed, intelligent and analytical woman, who has broad experience in auditing, finance, taxation, management accounting and project management. Beverley holds a Bachelor of Accounting Degree from the University of Namibia and is currently pursuing a Master's Degree in Business Administration at the Business School of the University of Namibia.

Beverley has over 20 years' experience in accounting, taxation, finance and management accounting. She completed her five-year audit articles with PricewaterhouseCoopers in 2005.

ANDREAS NEKONGO
BOARD MEMBER

Member of the Audit and Risk Committee
Member of the Legal and Technical Committee

Andreas Nekongo is a highly knowledgeable and experienced technical expert with over 20 years' experience in the information communication technology/telecommunications industry.

He holds a National Diploma in Business Computing from the Polytechnic of Namibia and a National Technical Certificate in Electrical Training (N3). Andreas enjoys sports and reading on latest research on technology related matters.

ANNE-DORIS KAUMBI
BOARD MEMBER

Chairperson of the Legal and Technical Committee
Member of Audit and Risk Committee
Member of the Human Resources and Remuneration Committee

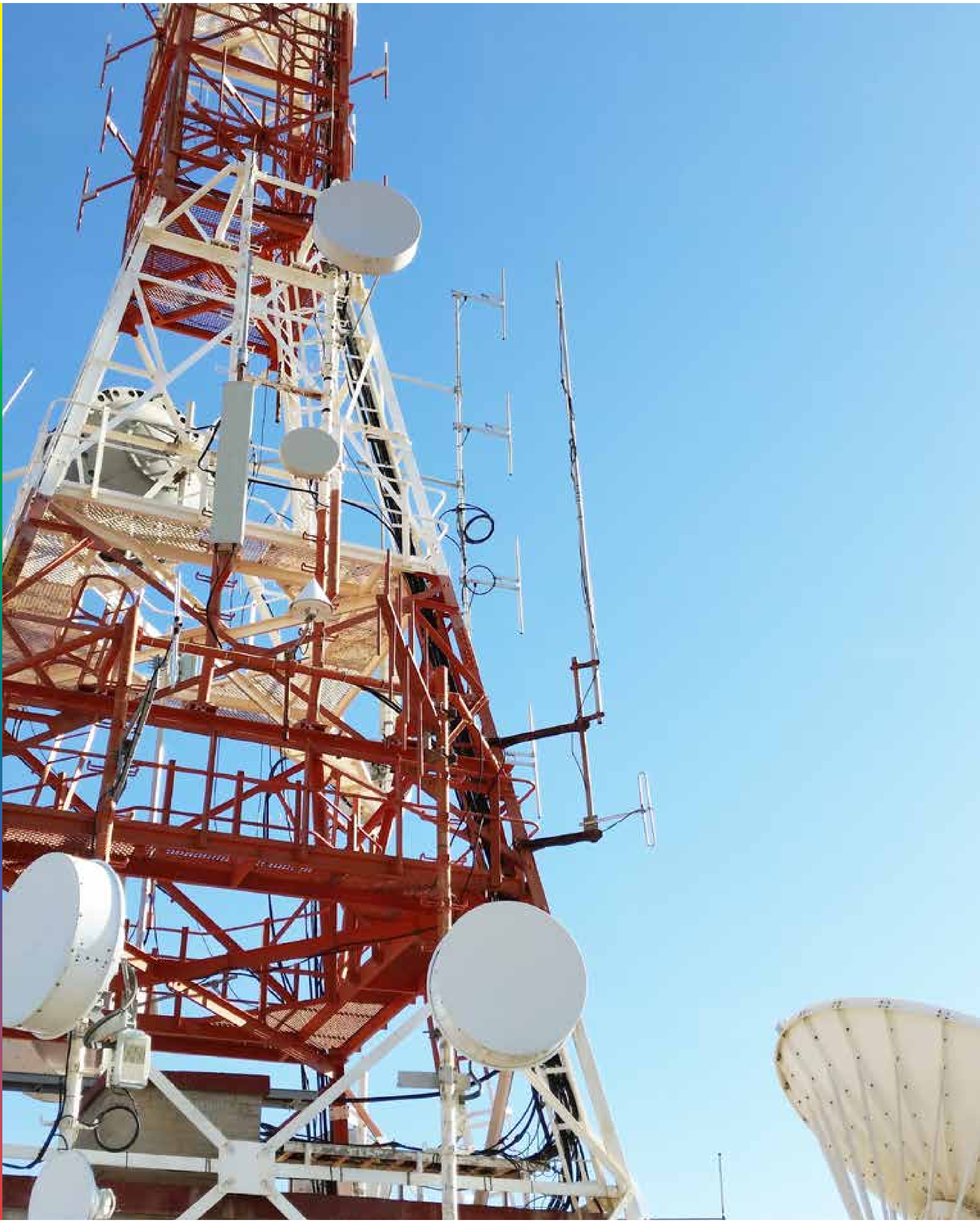
Anne-Doris Kaumbi, a prominent member of the legal fraternity in Namibia, is a seasoned legal professional who is passionate about human rights, especially for the marginalised communities. She has extensive experience in inter alia litigation both at lower and the High Court, administration of wills and estates, criminal law, motor vehicle accident claims, divorce matters, registration of companies and reviewing legislation.

Anne-Doris obtained a B. Juris and LLB Degree from the University of Namibia, during 1999 and 2001 respectively. She is an admitted Legal Practitioner in the High Court of Namibia and received various accolades including, Best Justice Training Centre Student, Best Postgraduate student in the Faculty of Law and the Best Merit Award – Vice Chancellor's Medal to mention but a few.

MPASI HAINGURA
BOARD MEMBER

Chairperson of the Human Resources and Remuneration Committee

Mpasi Haingura has outstanding skills in administration, leadership and labour relations and is the holder of a Bachelor of Administration Degree, obtained from the University of Namibia; a Management Development Programme Certificate obtained from the Namibia Institute for Public Administration and Management; and a Leadership Certificate from the African Leadership Institute. In addition, Mpasi holds a Human Resource Management Certificate from the Corporate Training and Research Institute. Mpasi is an avid sports enthusiast and spends his free time in sport development activities particularly football. Mpasi is keen on following the latest news updates on current affairs at both national and international levels.



OUR STRATEGY

CRAN'S KEY STRATEGIC GOALS

The legislative mandate of the Communications Regulatory Authority of Namibia is to regulate telecommunications services and networks, broadcasting, postal services and the use and allocation of radio spectrum. Viewed cumulatively, the strategic objectives in CRAN's Strategic Plan are not only premised on the legislative mandate, but also on alignment with national and international development agendas and policy directives.

The ultimate aim of CRAN's Strategic Plan (April 2018 to March 2021) is the attainment of an environment where all consumers have equal and equitable access to quality services and products at just and reasonable prices. The critical elements of such an environment include the creation of a comprehensive regulatory framework and increased market development and growth, as characterised by enhanced choices for consumers and expansion of services into underserved and unserved areas.

Given the global nature of regulated markets, CRAN's Strategic Plan focuses on harmonising its regulatory framework with international and regional guidelines of the different sector bodies.

In the same vein, CRAN also aligned its objectives to those of other developmental initiatives such as the sustainable development goals, Vision 2030, the Fifth National Development Plan (NDP5), the Harambee Prosperity Plan (HPP) and other regional and national agendas.

CRAN's Strategic Plan addresses the focus areas, of policy and regulatory environment, economic and social development, consumer advocacy and stakeholder engagement in order to achieve its mandate and articulate its long-term strategic direction and intent through common goals and objectives.

The attainment of the Strategic Plan will enable CRAN to develop and implement a Regulatory Framework that will address the various challenges currently faced by the industry, and ensure robust compliance, enforcement, and sound governance of the ICT Sector in Namibia for the benefit of all.

STRATEGIC OVERVIEW AND KEY STRATEGIC GOALS

VISION
Access, quality and affordability for all

Focus Areas

1 Policy and Regulatory Environment	2 Economic and Social Development	3 Consumer Advocacy and Stakeholder Engagement	4 Enabling Sector Reform	5 Organisational Sustainability
Develop and implement a comprehensive Regulatory Framework for the ICT and Postal Sectors by 2021. Contribute to the achievement of National Development goals through a coordinated Sector-wide approach by 2021.	Facilitate access to quality, reliable and affordable services by 2021. Contribute towards Namibia's Sustainable Socio-Economic Development by 2021.	Create brand awareness and educate consumers on their rights and obligations in order to enhance and maintain a positive image of CRAN by 2021.	Facilitate the adoption of technological innovation by 2021.	Continue to be a self-sustaining effective organisation.

VALUES
ACCOUNTABILITY

PASSION

TEAMWORK

RESPECT

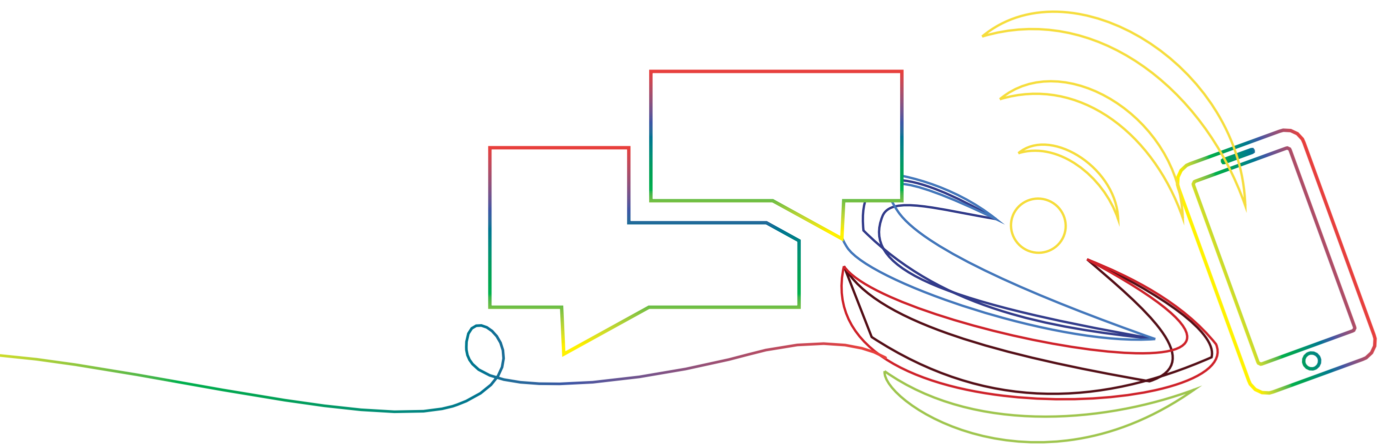
INNOVATION

STRATEGIC GOALS

MISSION
To regulate the ICT and Postal Sector for the socio-economic benefit of all Namibians

IMPLEMENTATION STATUS OF CRAN'S STRATEGIC PLAN AS AT 31 MARCH 2019

FOCUS AREA 1: POLICY AND REGULATORY ENVIRONMENT		
Strategic Goal	**Strategic Objective**	**Comments on current status**
1. Develop and implement a comprehensive Regulatory Framework for the ICT and Postal Sectors by 2021.	1.1 Develop the Regulatory Framework by 2021.	The following regulations are pending approval and implementation: (a) Postal Licencing Procedure Regulations. (b) Spectrum Licencing Procedure Regulations. (c) UAS Licence Obligations Guidelines. (d) Consumer Protection Regulations Code of Conduct for Broadcasting Service Licensees and Regulations Regarding Numbering Administration (Amendment to include Number Portability).
	1.2 Review the existing Regulatory Framework by 2021.	The review process for the following sets of regulations have been completed: (a) Amendment to Regulations Regarding Procedures for Adjudication of Disputes. (b) Amendment to Regulations in Respect of Type Approval and Technical Standards for Telecommunications Equipment, and (c) The review of the Enforcement Provisions has commenced. The Rule Making Process will only commence in the first quarter of 2019.
2. Contribute to the achievement of National Development Goals through a coordinated Sector-wide approach by 2021.	2.1 Implement the objectives of the National Broadband Policy as it relates to CRAN, by 2021.	Broadband Policy finalisation is still pending Cabinet approval. The drafting of the Consumer Protection Regulation has commenced.
	2.2 Implement the objectives of the Postal Sector Legal Framework to ensure that efficient, reliable and good quality Postal Services are made available throughout Namibia by 2021.	No licence issued to NamPost yet. The first hearing on the postal licence categories were held. A Regulatory Impact Assessment is to be conducted in the new financial year regarding the regulation of postal couriers. The Ministry of Information and Communication Technology (MICT) needs to enable the Postal Regulation section of the Communications Act, (Act No. 8 of 2009).
	2.3 Implement the objectives of NDP 5 as it relates to Broadcasting 2021/2022.	CRAN has awarded 37 broadcasting service licences to date. However, none of these entities have rolled out new radio coverage into unserved areas. The review of the FM Analogue Channelling Plan has been completed for the extension of FM Radio coverage.



FOCUS AREA 2: ECONOMIC AND SOCIAL DEVELOPMENT		
Strategic Goal	**Strategic Objective**	**Comments on current status**
1. Facilitate access to quality, reliable and affordable services by 2021.	1.1 Determine the level of access to quality and reliable communications services.	The database of all of the infrastructure information has been developed and linked to the GIS System. A GAP Analysis Report still needs to be done to highlight infrastructure shortcomings and quality information issues.
	1.2 Facilitate the expansion of the Postal Network through UAS obligations.	This objective can only be addressed once a licence has been issued to NamPost.
2. Contribute towards Namibia's Sustainable Socio-Economic Development by 2021.	2.1 Review ICT's contribution to GDP by 2021.	This increase in GDP is mainly due to the increase in activities at border ports (mainly sea borders) and aviation activities and is not due to ICT development.
	2.2 Assess the affordability of ICT and Postal Services by 2021.	Assessment has been completed based on affordability ranking in Africa.
	2.3 Enforce the implementation of Number Portability by 2020.	Final regulations were published on 30 August 2018. An application for reconsideration was lodged by licensees, which is still under consideration. Therefore, the implementation process is on hold pending the reconsideration exercise.
	2.4 Implement the UAS Framework by 2021.	The implementation of the UAS Fund is on hold pending the amendment to the Communications Act, (Act No. 8 of 2009) regarding the collection of regulatory levies from licensees. Guidelines have been developed. These guidelines provide for the imposition of UAS Obligations on licences without any funding from the Authority.

FOCUS AREA 3: CONSUMER ADVOCACY AND STAKEHOLDER ENGAGEMENT		
Strategic Goal	**Strategic Objective**	**Comments on current status**
1. Create brand awareness and education of consumers on their rights and obligations in order to enhance and maintain a positive image of CRAN by 2021.	1.1 Improve CRAN's image as an effective Regulator by 2021.	Stakeholder satisfaction survey commenced in February 2019 and survey results are due in April 2019.
		Implementation has commenced and 70% completion was achieved on 31 March 2019.
		43 Stakeholder engagement initiatives were achieved with various stakeholders inclusive of the annual Licensee Stakeholder event.
		An Awareness Campaign is due to commence in March 2019 and the 1st batch of adverts on the various platforms is due for placement in May 2019.

FOCUS AREA 4: ENABLING SECTOR REFORM		
Strategic Goal	**Strategic Goal**	**Comments on current status**
1. Facilitate the adoption of technological innovation by 2021.	1.1 Facilitate the implementation of Digital Broadcasting technologies by 2021.	The final report received for the development of the Channelling Plan for Digital Sound Broadcasting and the proposed Channelling Plan will be published for comments. The proposed frequency plans provide for 100% geographical coverage for digital radio.
	1.2 Facilitate the availability of Spectrum for provision of services by 2021.	All contributions to the 5th SADC preparatory meeting have been submitted and presented. The 6th SADC preparatory meeting is scheduled for May 2019. The new Frequency Band Plan will be finalised after the WRC-19 November 2019 and the SADC ICT Ministers meeting in September 2020.
	1.3 Strengthen the security of ICT services to build confidence in the use of technologically advanced services and applications by 2021.	CRAN awaits the promulgation of the Electronic Transactions Bill.
	1.4 Assess the impact of emerging technologies and regulatory trends on the ICT sector by 2021.	Research commenced on convergence within ICT and broadcasting. The review of the Commonwealth Telecommunications Organisation report on OTT (over the top content/applications) should be conducted to extract best practices that will be applicable to Namibia.

FOCUS AREA 5: ORGANISATIONAL SUSTAINABILITY		
Strategic Goal	**Strategic Objective**	**Comments on current status**
1. Continue to be a self-sustaining effective organisation.	1.1 Broadening the revenue base.	Postal licencing fees will be a minimal contributor to the finances of CRAN. No new revenue streams were identified to date. However, with the PKI and CIRT responsibilities CRAN might find additional chargeable services in the future.
	1.2 Enhance CRAN's existing Governance Framework by 2019.	Board Committee Terms of Reference were reviewed and are ready for circulation and approval. Management to have an Internal Policy Review Workshop to revise all outdated policies.
	1.3 Review the Business Processes by 2021.	Final assessment and review of Business Processes will be done in the new financial year. Expression of Interest will be issued during June/July 2019.
	1.4 Develop and implement the Human Resources framework fostering a sustainable and satisfied workforce.	A new Employee Survey was designed and sent out to employees for completion. The baseline established is 62.5%.

THE WAY FORWARD

CRAN is in the process of migrating to the Balanced Scorecard performance management system that would give response to both internal and external business processes so that strategic performance can continuously be improved upon. The system will address the four perspectives of the Balanced Scorecard, namely the Financial Perspective, the Customer/Stakeholder Perspective, the Internal Business Processes Perspective and the Organisational Capacity Perspective. This performance management system will also ensure that the organisation's vision, mission and strategic objectives are aligned with the day-to-day operations relating to strategy.

CHAIRPERSON'S STATEMENT

Stakeholder engagement and customer satisfaction remains one of CRAN's main Focus Areas

CHAIRPERSON'S STATEMENT

As of April 2018, CRAN has commenced with the implementation of its latest three-year Strategic Plan for 2018 - 2021. The premise of the Plan is centred on the attainment of a conducive regulatory environment where all consumers have access to quality services and products at fair and reasonable prices and provide operators and investors maximum opportunity for full participation.

The team was guided towards implementing the Strategic Plan and determining the success of value propositions by placing emphasis on creating cordial relations, passion for our purpose, brand innovation, and accountability.

The Plan focuses on the following five key Focus Areas:

- Policy and Regulatory Environment
- Economic and Social Development
- Consumer Advocacy and Stakeholder Engagement
- Enabling Sector Reform
- Organisational Sustainability.

Attaining the Strategic Plan will enable CRAN to develop and implement a Regulatory Framework that will address the various challenges currently faced by the industry, and will ensure robust compliance, enforcement, and sound governance of the ICT Sector in Namibia for the benefit of all.

The 2018/2019 Budget for the year ended 31 March 2019 was also finalised and approved by the Honourable Minister of Information and Communication Technology and the Honourable Minister of Public Enterprises during March 2018. The total Revenue Budget amounted to N$103.5 million, the Operational Expenditure Budget amounted to N$79.2 million, and the Capital Expenditure Budget amounted to N$10.8 million.

The achievements measured towards implementation of the new Strategic plan is reported under the Governance section of this Annual Report.

Furthermore, I would like to report that the labour dispute between CRAN and a group of employees pertaining to, inter alia, "red-circling" of employees' remuneration and the performance bonus payments issue for the 2016/2017 financial year are still ongoing. Most of the issues were resolved and/or overtaken by events save for one issue which is still pending resolution with the Labour Commissioner.

Stakeholder engagement and customer satisfaction remains one of CRAN's main Focus Areas and recognises that stakeholder engagement is about understanding and involving the different licensees, consumers, Memorandum of Understanding (MOU) partners and other key stakeholders who are impacted by the work CRAN performs and the execution of its mandate.

Stakeholder engagement helps align CRAN's mandate with the services and regulations that the industry stakeholders need. CRAN hosted a number of stakeholder engagements during the year under review and used a number of platforms to drive this initiative. These include participation in the Windhoek Agricultural Show, the Erongo Expo, World Radio Day, the 5th National ICT Summit, Universal Access to Information Day and various other consultative stakeholder meetings. These events served as an engagement platform to create awareness on CRAN's mandate, mutual understanding on issues of concerns, and synergise values and interests between CRAN and its stakeholders.

CHALLENGES

One of the significant challenges faced by CRAN during the reporting year relates to the court proceedings between Telecom Namibia Limited and CRAN regarding the constitutionality of Section 23(2) of the Communications Act, (Act No. 8 of 2009). Section 23(2) provides that CRAN may impose a regulatory levy as a percentage of income of service providers, regardless of whether services concerned and income derived is sourced from the business as a whole or a prescribed part of such business. During September 2016 the High Court declared the above provisions unconstitutional, whereupon CRAN appealed the judgement in the Supreme Court. During June 2018, the Supreme Court upheld the High Court decision that Section 23(2)(a) of the Communications Act, (Act No. 8 of 2009) and Section 6 of Regulation 311 of Government Gazette 5037 of 13 September 2012 were unconstitutional. The effect of the judgment is that CRAN will not be entitled to charge or raise regulatory levies based on these provisions as from the date of the Supreme Court judgement. CRAN is however, entitled to collect regulatory levies that were applicable from the period 13 September 2012 up to date of judgment (11 June 2018).

The Ministry of Information and Communication Technology (MICT) in collaboration with CRAN, is currently in the process of amending Section 23(2) of the Act to address the invalidity of the provisions.

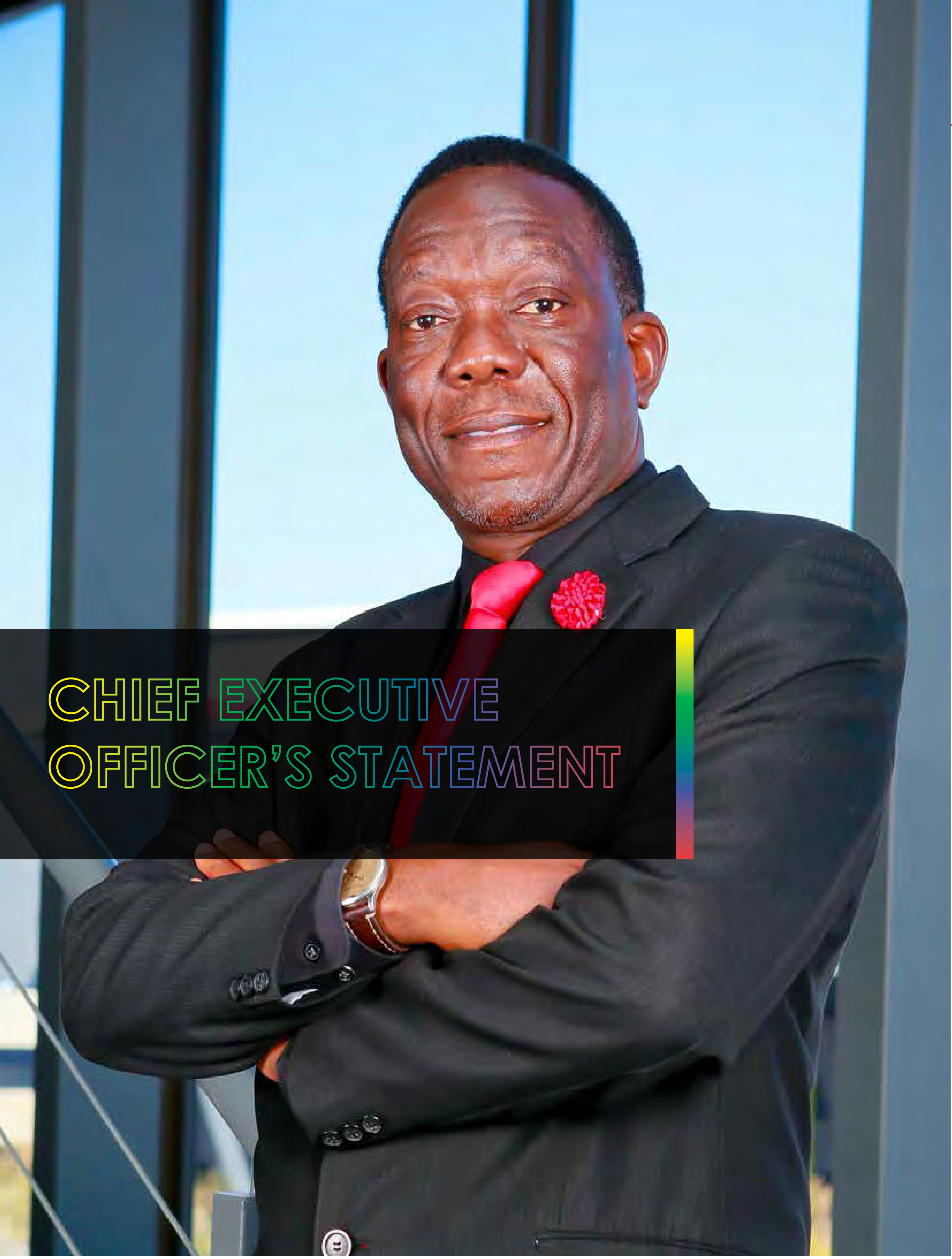
CRAN is currently unable to implement the collection of levies under the above provision as well as for the Universal Service Fund (which was also based on the same provisions) for the provision of universal access and service to underdeveloped communities.

CRAN is classified as a Tier 2 Public Enterprise, in terms of Government Gazette Notice No. 141 dated 31 May 2013, which currently remains a challenge for the organisation in respect of recruiting new employees and retaining current employees. It is mandated with the regulation of telecommunications services and networks, broadcasting, postal services and end users. In order to fulfil this mandate, CRAN must employ highly qualified and specialised employees possessing rare skills in key regulatory fields such as economics, engineering, ICT policy, regulation and law, spectrum management, and more.

In doing so, however, CRAN must compete with private and commercial companies in the communications sector as well as Tier 3 public enterprises for skilled and qualified individuals. As such, it is difficult to pay market related salaries and, as a result, CRAN is unable to reliably attract and retain the best skills and experience in the market.

Despite the challenges, CRAN has been able to make significant strides in rolling out its Strategic Plan, which entails implementing numerous initiatives and legal frames in line with its mandate and core values.

Frieda Kishi
Chairperson of the Board



CHIEF EXECUTIVE OFFICER'S STATEMENT

I AM PLEASED TO NOTE THAT NAMIBIA HAS ACHIEVED 82% COVERAGE IN RESPECT OF 3G TECHNOLOGY AND 37% COVERAGE IN RESPECT OF 4G TECHNOLOGY.

ACHIEVEMENTS, POSITIVE IMPACTS AND STRATEGIC FOCUS

The 2018/2019 financial year marks its 7th birthday, which is an important milestone in the life of the organisation. At the same time, CRAN has launched its 3rd Strategic Plan (2018-2021), which aims to enable CRAN to develop and implement a regulatory framework to address the challenges currently faced by CRAN and the industry as a whole. It also ensures compliance, enforcement and sound governance of the sector. Equally important is the framework expansion to include the Plan premised on the legislative mandate and alignment to key national, regional and international development agendas and policies.

During the year under review, CRAN rolled out various legal and regulatory frameworks, namely:

- Regulations prescribing the Provision of Universal Services by Telecommunications Service Licensees. The purpose of these Regulations is to set out the obligations of telecommunications service licensees in setting and complying with their universal service obligations.

- Regulations to ensure fair Competition in the Telecommunications Sector, Guidelines on the general interpretation and applicability of enforcement, hearing and penalty provisions in the Communications Act, (Act No. 8 of 2009), amendments to the Regulations in respect of Type Approval and Technical standards for telecommunications equipment. This provides for, inter alia, an efficient and cost-effective type approval process and exemption of some equipment from type approval.

- Regulations for Postal Services, which will result in the provision of Namibia Post Ltd (NamPost) with a Public Operator Postal Licence and, eventually, the courier service providers as well. This provides for prescribed postal licence categories, regulates the issuance, amendments, transfers, renewals and the revocation of postal services and determines the fees thereof under the Communications Act.

- Broadcasting Code for Broadcasting Licences Issued in Terms of Section 89 of the Communications Act, Universal Service Obligations Guidelines and the Spectrum Licencing Procedures Regulations, to mention a few.

Another critical framework/initiative developed was the Frequency Channelling Plan for Digital Sound Broadcasting. This Plan would allow for the freeing up of more spectrum, which will result in the expansion of broadcasting services in accordance with the targets set out in the Harambee Prosperity Plan and the ITU GEO6 to which Namibia is a signatory. The proposed plan makes provision for 100% geographical coverage of digital radio services for Namibia. Most importantly, CRAN, in collaboration with the MICT, initiated a major exercise to amend the Communications Act to keep up with the latest developments in the industry.

On the socio-economic development, I am pleased to note that Namibia has achieved 82% coverage in respect of 3G technology and 37% coverage in respect of 4G technology.

This exceeds the HPP targets of 80% 3G network coverage required by 2020. According to Research ICT Africa, Namibia is also rated as the country with the lowest data prices in Africa.

As a custodian of the industry, CRAN continues to strive for an effective brand awareness and consumer education to enhance and cultivate a positive image and reputation for CRAN. During the period under review approximately 35 stakeholder engagement/initiatives were rolled out. This included the annual licensee/stakeholder engagements such as public hearings. The hearings included a Spectrum Assignment hearing, Broadcasting Code hearing, Postal Hearing, Type Approval hearing, Spectrum Use Licence hearing, Universal Access and Service hearing and a Broadcasting Stakeholder meeting. CRAN also participated in 'World Radio Day', and various trade fairs, as well as national and international summits.

One of CRAN's key objectives and strategic focus areas is Stakeholder Engagement which entails consumer education and protection. During the year under review, CRAN conducted a Consumer Complaint Trend Analysis in order to track trends and patterns of complaints and adjudication. These findings help CRAN to make sound strategic considerations towards improving its consumer protection mandate.

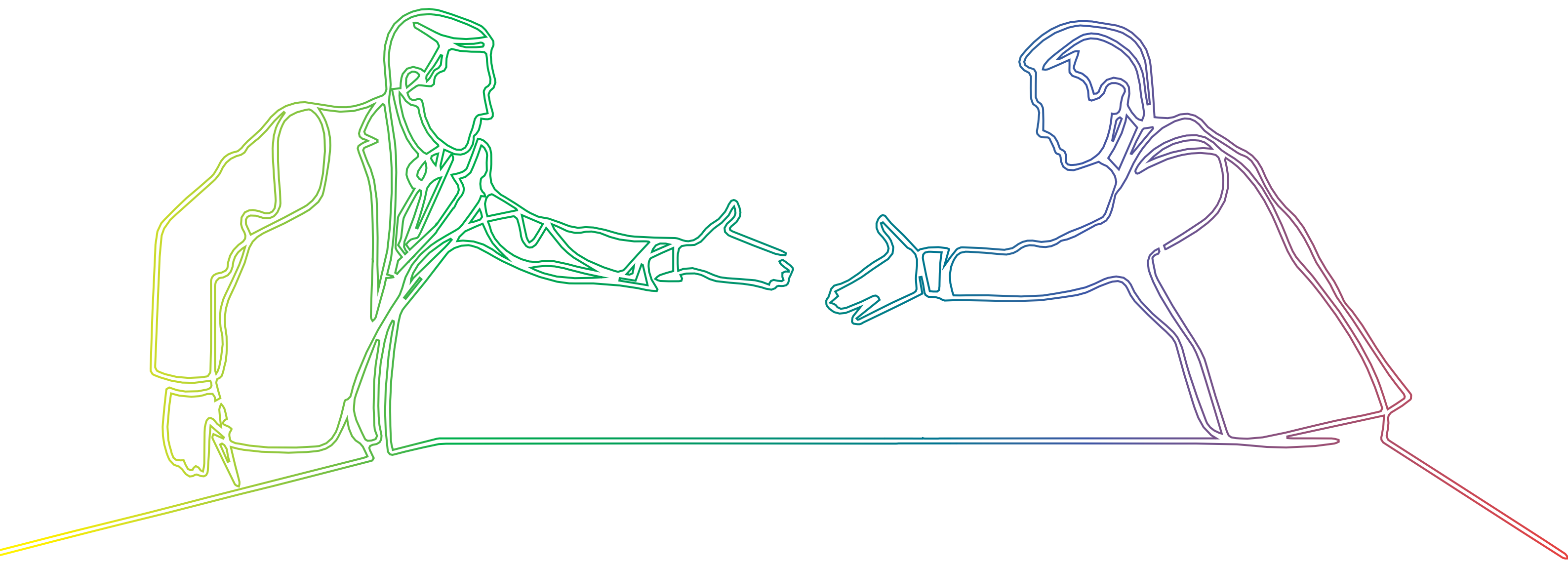
Challenges and Prospects

The state of the economy in the country, has generally affected CRAN as well as other entities. The situation is aggravated by the Supreme Court decision (June 2018) that declared the provisions of Section 23(2) of the Communications Act, unconstitutional, thus making it impossible for CRAN to impose and collect statutory levies, which is a huge percentage of its revenue, until such time as the Act is amended to rectify these provisions. Furthermore, due to the above Court decision, revenue collection remains a challenge pending further Court proceedings and amendment to the Act. The process to amend the Act is underway in order to address the unconstitutionality of Section 23(2) as raised by the Court. This process is key to the financial sustainability of the organisation.

As a responsible entity, CRAN has, amongst others, introduced cost effective measures and further introduced alternative/additional revenue streams to ensure its sustainability. Such revenue streams include spectrum fees, type approval fees, service fees, and numbering fees.

I would like to commend the CRAN team, our shareholder as well as our stakeholders for their commitment and significant contributions towards the execution of our Strategic Plan for purposes of accomplishing our goals and objectives based on our shared mission and vision.

Festus K. Mbandeka
Chief Executive Officer



EXECUTIVE MANAGEMENT AND THEIR PORTFOLIOS

FESTUS K. MBANDEKA
CHIEF EXECUTIVE OFFICER

Festus K. Mbandeka is CRAN's Chief Executive Officer, a position he has held since September 2015. He has a record of exemplary accomplishment spanning more than 23 years' at various large and notable institutions within the public and private sector in Namibia, with a focus on legal practice, (admitted as a legal practitioner of the High Court of Namibia), legal advice both in the public and corporate sector and executive management.

Mbandeka made the transition to the ICT industry in 2008 and successfully immersed himself in the technical and legal aspects of this fast-moving and dynamic sector.

He served (through Cabinet appointments) on various Government negotiations and assignments. These ranged from the Presidential Commission of Enquiry: DBC/AMCOM, Government Negotiation Team on the Sales and Marketing of Diamond Affairs during 2006 - 2008; the Millennium Challenge Account (between the Namibian Government and Millennium Challenge Corporation/USA), and as Head of Delegation of the Namibian Legal team that negotiated the Extradition Treaty with China.

His extensive executive and strategic knowledge, experience and exceptional leadership are highly sought after in the Namibian market and, as a result, he has served on various institutional and charitable Boards. Notably, he serves as the Chairperson and Deputy Chair (on a rotational basis) of the Board of Directors for the Namibian Diamond Trading Company, a position he has held from November 2012 to date. He has furthermore served as member and Chairman of the Gambling and Casino Board of Directors since May 2016.

JOCHEN TRAUT
CHIEF OPERATIONS OFFICER

Jochen joined the ICT regulator in 2011. He is an accomplished technical and strategic planner, implementer, operational and business development professional with a career that has spanned over 39 years in the telecommunications industry.

He has the honour of being a leading figure in the project team that was tasked by the Namibian Government to operationalise the country's first-ever mobile operator Mobile Telecommunications Limited (MTC).

He holds a Masters Diploma in Technology from the Technicon of Pretoria (now Tswane University of Technology), a B Com Degree from UNISA, and a Senior Management Programme Certificate from the University of Stellenbosch Business School, Cape Town.

LUCREZIA HENCKERT-LOUW
HEAD - HUMAN CAPITAL

Lucrezia Henckert-Louw is a seasoned human resource professional and holds a National Diploma in Human Resources and a Bachelor of Technology Degree (B-Tech) in Human Resources, respectively, from the Polytechnic of Namibia. She also holds a Senior Management Development Programme qualification, which she obtained through the University of Stellenbosch Business School, Cape Town.

Before joining CRAN in 2012, Lucrezia was employed by the International Training & Education Centre on Health (I-TECH), where she served as a Senior Manager: Human Resources. Other previous employers include the Polytechnic of Namibia where she worked for more than ten years.

Lucrezia is passionate about the field of human resources and in establishing CRAN as an employer of choice. Her conviction that the human resources function should be an advocate for employees in an organisation drives her on-going effort to strengthen CRAN's HR department to ensure that all employees are treated fairly and equitably and that the needs of the business are balanced with the needs of the employees.

She is quoted saying, "Employers of choice are those companies that receive recognition for the way they treat employees; they are the companies for whom people want to work. Becoming an employer of choice means that human resources balances recruiting the most qualified applicants, selecting the most suitable candidates and retaining the most talented employees."

JUSTUS TJITUKA
HEAD - FINANCE

Justus served as a senior finance executive in numerous private and public sector organisations, including, serving as a banker and lender (project funding), a borrower and business executive. The highly customer-focused Justus has executive management experience of more than 25 years' in corporate financial management, control and reporting, strategic planning (including institutional budgeting and control), general and operational management, investment management, credit risk management, retail banking, relationship banking (key stakeholders), project management with an emphasis on programme management, asset management and information technology management.

That unique multi-industry, multi-sector and multi-function experience gave Justus the confidence to be a proactive, achievement-oriented, methodical and thorough executive with good leadership, interpersonal relationships, effective communication, high-level problem-solving, and decision-making skills.

Justus holds a Masters of Business Administration (MBA) obtained from the City University of Seattle, United States of America with a financial management specialisation, a post-graduate Certificate in Telecommunications Policy, Regulation and Management; an executive training course in Management Control Systems; a Diploma in Project and Programme Financial Investment Decisions; and a Bachelor's Degree with three majors (Accounting, Business Management and Computer Science).

KATRINA SIKENI
HEAD - CORPORATE COMMUNICATION

Katrina Sikeni is the Head of Corporate Communication and the holder of a Bachelor of Arts (Communication Science) Degree (with distinction) and a Bachelor of Arts Honours Degree in Integrated Organisational Communication from the University of South Africa, respectively. In addition, she holds Management Development Programme and Project Management qualifications obtained through the University of Stellenbosch Business School, Cape Town.

With over 20 years' experience in the field of communication, she is a former radio and television producer and presenter and served in numerous portfolios as a Corporate Communication Practitioner in sectors such as broadcasting, higher education, transport and oil and gas. She joined CRAN in March 2015 as Head: Corporate Communication and is pleased to maintain a positive image and reputation for CRAN through the implementation of an integrated and proactive corporate communication and stakeholder engagement strategy.

HELENE VOSLOO
HEAD - ECONOMICS AND SECTOR RESEARCH

Helene holds a Masters of Business Administration (MBA) through the Edinburgh Business School, Heriot-Watt University in the United Kingdom. She also holds an Honours Degree in Statistics from the University of the Free State, South Africa. Helene lectured at the University of the Free State between 1991 and 1992 after which she joined the National Planning Commission, Central Bureau of Statistics in 1992. In 1995, she joined the Ministry of Agriculture in the Directorate of Planning, from where she moved to the Electricity Control Board until she joined CRAN in 2012 as Head Economic Sector Research.

She serves as a director on the Electricity Control Board, has been involved in the mentoring of young businesswomen, and has served as a judge for the Business Woman of the Year Award since 2009.

EMILIA NGHIKEMBUA
HEAD - LEGAL ADVICE

Emilia Nghikembua is the Head of Legal Advice and the holder of a B Juris, Bachelor of Laws and LLM (cum laude) Degrees from the University of Namibia. Emilia is an admitted legal practitioner in the High Court of Namibia and is currently in her final year of a Master of Arts majoring in Information and Communications Technology Policy and Regulation at the Witwatersrand University in South Africa.

Emilia joined CRAN in 2011 as a legal assistant and was appointed as legal advisor, a position she held until she was appointed Head, Legal Advice in April 2015. She previously worked as a lecturer in the Department of Commercial Law at the University of Namibia.

Her ultimate professional goals are to contribute to the formulation of a framework, which enables the utilisation of Information Communication Technologies (ICTs) as tools to narrow the digital divide.

RONEL LE GRANGE
HEAD - ELECTRONIC COMMUNICATIONS

Ronel has been with CRAN for over six years' and is a dedicated and experienced project management and business development professional with over 24 years' experience in the telecommunications industry in Namibia. She is responsible for various high level technical and commercial projects, from the scoping and planning stages through to completion for both mobile operators in Namibia.

She is skilled in completing return on investment assessments, risk assessments, vendor negotiations, resource allocation and project implementation. Ronel is experienced in working with and leading, cross-functional teams from technical, commercial and financial areas within young and established organisations.

DESERY HAIMBODI
ACTING HEAD - INTERNAL AUDIT

Desery Haimbodi was appointed as an Internal Auditor at CRAN on 1 August 2016 and is currently the Acting Head: Internal Audit effective 01 May 2018. Desery Haimbodi holds a Bachelor of Technology Degree (B-Tech) in Accounting and Finance from the Polytechnic of Namibia.

Before joining CRAN, Desery was employed by Ernst & Young (EY) Namibia, where she gained extensive experience in tax matters before moving to the Advisory Department.

TANSWELL DAVIES
GOVERNANCE EXECUTIVE

Tanswell holds a B Juris Degree and a Bachelor of Laws Degree respectively, which he obtained from the University of Namibia. He is currently studying towards a Master's Degree in ICT Policy and Regulation through the University of Witwatersrand.

Between November 2005 and February 2006, Tanswell attended the School of Oriental and African Studies at the University of London, where he completed a special programme of study that focused on the legal systems of Africa and Asia.

He served as a member of the Namibian Rugby Union Disciplinary Committee in 2012. He also served on the Criminal Litigation Committee and as Chairperson of the Bursaries and Sponsorship Committee of the Namibian Law Society. During 2010 to 2018, he lectured at the University of Namibia in the Law Faculty on a part-time basis.

He is an admitted legal practitioner of the Namibian High Court and practised law for four years' with BD Basson Inc. Legal Practitioners, Windhoek. In January 2013, Tanswell joined CRAN as Legal Advisor, a position he held until he was appointed as Company Secretary/ Governance Executive in January 2015, a position he still holds today.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT

The Communications Regulatory Authority of Namibia (CRAN) is mandated to purposefully regulate the Information and Communications Technology (ICT) sector for the purpose of realising socio-economic benefits for all Namibians.

As CRAN celebrated its seventh year of existence on 18 May 2018, stakeholder engagement remained a crucial function that required proactive implementation of various interventions in order to achieve meaningful dialogue with the shareholder and all stakeholders.

A key focus area in terms of CRAN's Strategic Plan is consumer advocacy and stakeholder engagement. This focus area has defined the manner in which stakeholder engagement is to be managed, with the emphasis being on proactive, appropriate and robust dissemination of information, brand awareness and consumer education. This has resulted in increased brand awareness and education of consumers regarding their rights. It is our obligation to ensure that ICT consumers are informed, empowered and engaged. In the process, the department has ensured that stakeholders and ICT consumers not only have the necessary access to information surrounding their aforementioned rights and obligations, but also CRAN's activities in the sector. This has resulted in a positive shift in CRAN's image and reputation.

The following activities were undertaken by the Corporate Communication Department in line with CRAN's Strategic Plan for the period April 2018 to March 2021and specific objectives falling within the Departments' key performance areas.

Trade Fairs, Exhibitions and Event Management
CRAN actively participates in various trade fairs and exhibitions. These platforms provide an opportunity to educate and inform consumers about CRAN's mandate and its responsibilities, to create awareness around "who we are" and "what we do", and to inform the public on consumer complaint procedures, licencing procedures and type approval of telecommunications equipment.

The MICT awarded CRAN with a certificate during the 5th National ICT Summit for being a valuable contributor and long serving sponsor of the National ICT Summits since 2014.

CRAN subsequently received a Silver Certificate for the Best Indoor Stand category at the Windhoek Industrial and Agricultural Show in October 2018.

CRAN further participated in the Ongwediva Annual Trade Fair (OATF) from 24 August to 01 September 2018, the Windhoek Industrial and Agricultural Show from 28 September to 06 October 2018, and the NamPort Erongo Business and Tourism Expo from 31 October to 03 November 2018.

It was for the first time that CRAN also participated in the 6th Annual Swakopmund International Trade Expo (SWAITEX) during October 2018, hosted by the Namibia Chamber of Commerce and Industry (NCCI), under the theme "Local Economic Growth through International Trade."

World Telecommunications Day (WTD) has been celebrated annually on 17 May, since 1969. This year's celebrations were held under the theme "Enabling the positive use of Artificial Intelligence for All". The day focused on the potential of Artificial Intelligence (AI) to accelerate the United Nations' Sustainable Development Goals (SDGs). The Corporate Communication Department celebrated the day by creating an advert for social media platforms, which was aimed at sensitising and creating awareness of the day to all respective stakeholders.

CONSULTATIVE MEETINGS

Regulatory Framework and Spectrum Assignment
CRAN hosted a public consultative meeting on the Regulatory Framework and Spectrum Assignment Strategy on 05 June 2018 at the Namibia Institute of Public Administration and Management (NIPAM).

Broadcasting Code Consultative Meeting
The final Broadcasting Code Consultative Meeting was held at the National Council Building in Windhoek on 30 July 2018. The Broadcasting Code consultations commenced in April 2015, and numerous successful public consultative meetings were held to date.

Public Consultative Meeting on Procedures for Postal Service Licensees
CRAN hosted a public consultative meeting on 08 August 2018 at NIPAM in Windhoek, where

stakeholders gathered were provided insight on the proposed regulations prescribing licence categories and licencing procedures for postal service licensees.

MEMORANDUM OF UNDERSTANDING

CRAN and International University of Management Sign MOU
CRAN signed a Memorandum of Understanding (MoU) with the International University of Management (IUM) on 08 August 2018, in Windhoek. The MoU is focused on cooperation between both parties and exploration of possibilities for the establishment of a regular internship programme for suitable IUM students in any faculty. The MoU also makes provision for CRAN's attendance and participation at the IUM Career Fairs, in order to enhance synergies concerning exchanges between CRAN and IUM Faculty Advisory Board.

CRAN and NAMPOL Sign MoU
CRAN signed a MoU with the Namibian Police Force (NAMPOL) on 29 January 2019. The MoU is aimed at strengthening coordination and harmonisation between the two entities' respective jurisdictions and matters of mutual interest. This is necessary in order to secure the consistent application of respective laws and governing powers for conducting investigations and search and seize exercises. This is executed on the basis of the procedures being subject to all applicable laws and is exercised strictly within the borders of Namibia.

First Consumer Committee Meeting
CRAN is a member of the Communications Regulator of Southern Africa (CRASA) under the auspices of the ICT Regulators of the Southern African Development Community (SADC). The Consumer Issues Committee meets on a regular basis to discuss areas related to the synchronisation and harmonisation of frameworks.

The Instituto Angolano das Communicacoes (INACOM) hosted the first CRASA Consumer Issues Committee (CIC) meeting for the period under review from 06 – 07 August 2018 at the INACOM in Luanda, Angola.

Universal Access to Information Day
CRAN, in conjunction with the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and other stakeholders, hosted the International Day for Universal Access to Information on 27 September 2018. As part of the activities hosted, a Stakeholder Consultative Meeting on Regulatory Compliance Procedures was held in order to raise awareness on CRAN's Regulatory Framework and the latest developments within the organisation.

Consumer Protection Event Hosted by UNAM Law Students
CRAN participated in a Consumer Protection event in September 2018 held in Windhoek, which was organised by final-year University of Namibia (UNAM) law students. The event formed part of the students' obligations for successfully completing their academic requirements. Students presented a topic of their choice to a community they believed required awareness or knowledge in a certain legally motivated area.

CRAN Annual Team Building
Sport Klub Windhoek (SKW) was selected to host CRAN's annual team building session, which allowed for strengthening of relations, camaraderie, and entertainment among fellow colleagues. The event was hosted on 16 November 2018.

5th SADC Preparatory Meeting for WRC-19
The 5th SADC Preparatory Meeting for the World Radio Communication Conference 2019 (WRC-19) was held from 22 to 25 January 2019 at NIPAM.

Postal and Type Approval Consultative Meetings
Two public consultative meetings were hosted by CRAN on Regulations Prescribing Licence Categories and Licencing Application Procedures for Postal Service Licensees and the amendment to the Regulations in respect of Type Approval and Technical Standards for Telecommunications Equipment, respectively, on 30 January 2019 at NIPAM.

UAS and Spectrum Consultative Meetings
Two public consultative meetings were hosted by CRAN on 12 February 2019 at NIPAM with the intention to make Universal Service Obligations Guidelines and Regulations prescribing procedures regarding application for, and amendment, renewal or transfer of Spectrum Licences, respectively.

2nd Stakeholder Engagement Breakfast
CRAN hosted a stakeholder engagement meeting on 12 March 2019 at the Avani Hotel in Windhoek. The aim of the stakeholder engagement event was to provide stakeholders with an overview of CRAN's Strategic Plan (April 2018 to March 2021).

The event further served as an engagement platform between the Authority and stakeholders to foster mutual understanding on concerns, values, and interests, and collaboratively develop solutions whilst focused on the internal regulatory processes, priorities and challenges. Such understanding will enable the Authority to improve its relationship with stakeholders in the long run.

Publications

The Corporate Communication Department issues the external newsletter, namely 'The CRANicles', to external stakeholders in order to inform them on CRAN's policies, events, news and information pertaining to regulations and other ICT related matters. The department published two editions of the CRANicles, during the period under review. For internal stakeholders a publication entitled CRAN Beats is issued on a monthly basis and serves as an internal communication tool.

Challenges

The Corporate Communication Department experienced some challenges, primarily financial constraints, that hindered the department's implementation of various initiatives planned throughout the country for the purpose of ensuring that Namibians in various regions are informed about CRAN and its role in terms of consumer advocacy and its Regulatory framework.

The financial constraints have further impacted negatively on the implementation of corporate social investment initiatives. The department has thus had to strategically prioritise essential projects in order to ensure that the CRAN brand, image and reputation are enhanced and maintained through the use of cost effective yet impactful engagements, which have resulted in positioning the brand in a more positive manner.

THE WAY FORWARD

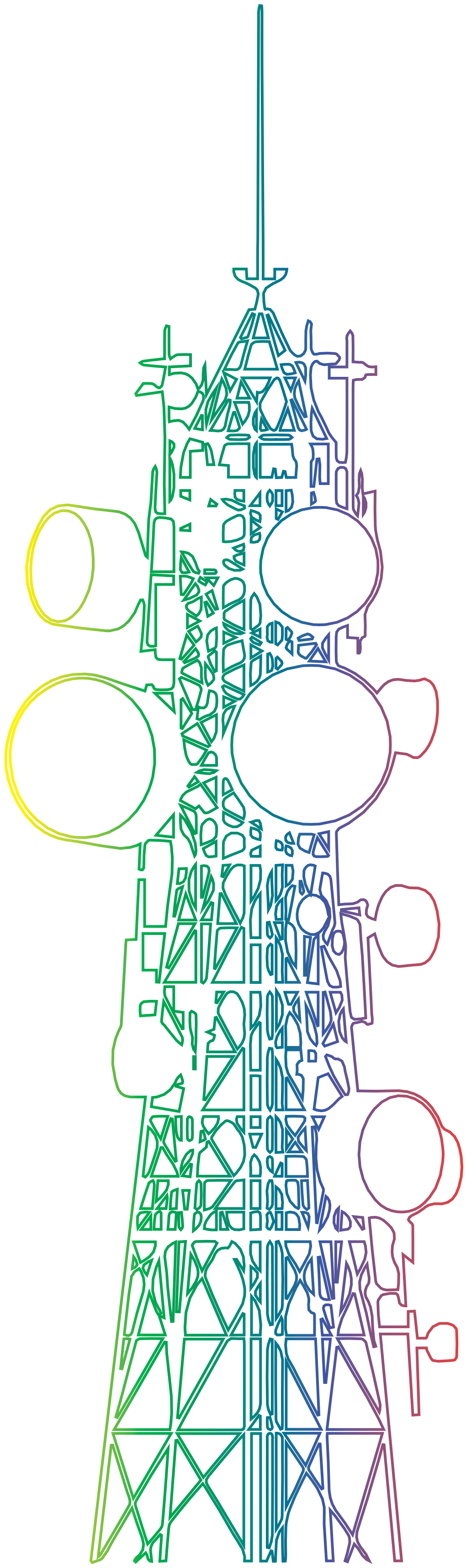
The dissemination of information through stakeholder engagement, brand awareness and consumer education remain high on the agenda for the department as CRAN is mandated to ensure consumer advocacy in respect of price, quality and variety of service, and user equipment. The department will continue to proactively implement various stakeholder engagement initiatives that are aligned to the corporate Strategic Plan to achieve a positive image and reputation and meaningful and beneficial dialogue with all stakeholders.

CORPORATE GOVERNANCE

CRAN's GOVERNANCE FRAMEWORK

CRAN as a Public Enterprise is governed by various legislation inter alia, the Communications Act, (Act No. 8 of 2009), the Public Enterprises Governance Act, (Act No. 2 of 2006 as amended) (including Directives issued by the Ministry of Public Enterprises) and the Public Procurement Act, (Act No. 15 of 2015). CRAN is further governed by a number of internal Policies relating to Finance, Human Resources, Internal Audit, and Electronic communications.

The Board and Board Committees' mandate, functions and responsibilities are governed by the Board Charter and Board Committees' Terms of Reference, which is derived from the relevant legislation governing the organisation. Furthermore, CRAN has a Delegation of Authority Policy in place. This policy delegates certain functions and duties to Management and Management Committees in line with the applicable legislation, policies and governance frameworks.



MANDATE OF THE BOARD OF DIRECTORS

The CRAN Board of Directors is mandated to oversee the regulation of the Communications Industry in the Republic of Namibia in accordance with the provisions of the Communications Act, (Act No. 8 of 2009) in an objective, fair, transparent and ethical manner based on the principles of good corporate governance and administrative justice.

The Board is also the custodian of CRAN's Strategic Plan and shall ensure that the Strategic objectives stipulated in the Plan are effectively managed and implemented.

The Board is a non-executive Board and as such does not perform any management or operational functions or assume any management or operational responsibilities. Therefore, the Board has an objective role to provide strategic leadership and strategic direction to Management for the effective implementation of CRAN's Strategic Plan and the attainment of CRAN's objectives in terms of the Communication Act.

BOARD COMMITTEES, MEMBERS AND TERMS OF REFERENCE

The mandate and operations of CRAN are governed by three Board Committees namely:

- Legal and Technical Committee
- Audit and Risk Committee
- Human Resources and Remuneration Committee.

The Chairperson of the Board does not serve as a member of any of the aforementioned Committees.

The Legal and Technical Committee
Committee members:
Anne-Doris Kaumbi (Chairperson)
Moses M Moses
Andreas Nekongo

The Committee consists of three Board members and is chaired by Ms Anne-Doris Kaumbi. The Committee is advisory in nature and makes recommendations to the Board for approval. The functions and responsibilities of the Committee include, but are not limited to the following:

(a) To consider regulations drafted under the Communications Act, (Act No. 8 of 2009) before final submission to the Board for approval.

(b) To consider licence and spectrum licence applications submitted to the Committee by Management.

(c) To consider all disputes including both consumer complaints and licensee disputes submitted to the Committee by Management prior to final submission to the Board for approval, if so required.

(d) To consider all compliance and enforcement matters as submitted by management relating to the Communications Act and the Regulations issued thereunder prior to final submission to the Board for approval if so required.

(e) To consider and advise on the initiation, opposition, settling, or withdrawing of legal proceedings by or against CRAN prior to final submission to the Board for approval, if so required.

(f) To consider all tariff and rate applications before they are submitted to the Board for approval if so required.

(g) To consider the proposals of management on the outcome of investigations as conducted by CRAN in terms of Section 122 of the Communications Act prior to final submission to the Board for approval is so required.

(h) To consider spectrum management policies and strategies as they may arise prior to final submission to the Board.

The Audit and Risk Committee
Committee members:
Beverley Vugs (Chairperson)
Anne-Doris Kaumbi
Andreas Nekongo

The Committee consists of three Board Members and is chaired by Ms Beverley Vugs. The Committee is advisory in nature and makes recommendations for approval by the Board. The functions and responsibilities of the Committee include, but are not limited to, the following:

(a) To examine CRAN's financial statements including statements of the Universal Service Fund prior to submission and approval by the Board.

(b) To review and recommend the annual budget of CRAN for approval by the Board.

(c) To oversee the Internal Audit function of CRAN.

(d) To recommend the appointment of the external auditor and to oversee the external audit process.

(e) To oversee the development of CRAN's IT governance framework and monitor the implementation thereof.

(f) To make recommendations to the Board concerning CRAN's Risk Management policy and strategy.

(g) To monitor the implementation of the Risk Management policy and strategy by management.

(h) To review the annual financial statements, risk management reports, and other reports and information that fall within the scope of its responsibilities, which could impact on the annual report.

(i) To oversee the implementation of an effective compliance framework and process.

(j) To review CRAN's compliance with applicable laws, regulations, rules, standards, contractual obligations, policies and procedures and report significant matters to the Board.

Human Resources and Remuneration Committee
Committee members:
Mr Mpasi Haingura (Chairperson)
Ms Anne-Doris Kaumbi
Ms Beverley Vugs

The Committee consists of three Board members and is chaired by Mr Mpasi Haingura. The Committee is advisory in nature and makes recommendations for approval by the Board. The functions and responsibilities include, but are not limited to the following:

(a) To advise and make recommendations on policy and strategy for the remuneration and incentivising of CRAN's employees to the Board.

(b) To undertake an annual review of the remuneration packages and to advise the Board on any annual adjustments that may be necessary.

(c) To review any proposed changes to the organisational structure of CRAN and recommend these to the Board where necessary.

(d) To monitor and oversee all transformation and affirmative action issues.

(e) To review all Human Resources Policies and procedures of CRAN and to recommend revisions to the Board as necessary.

(f) To advise the Board on performance related increases for all employees.

(g) To monitor employee training and development programmes.

(h) To monitor and oversee all labour relations issues.

BOARD AND BOARD COMMITTEE MEETINGS (NUMBER OF MEETINGS AND ATTENDANCE)

During the reporting period, CRAN held twelve Board meetings; five Legal and Technical Committee meetings; four Audit and Risk Committee meetings and three Human Resources and Remuneration Committee meetings. All minutes in respect of these meetings were approved and signed off by the Board and Committees.

Below is the attendance schedule for the Committees and Board meetings for the period under review:

Board Meetings

ORDINARY BOARD MEETING	DATE	DATE	DATE	DATE HUMAN RESOURCES POLICY MEETING	DATE
Member	**06/04/2018**	**26/06/2018**	**28/09/2018**	**26/11/2018**	**06/12/2018**
Frieda Kishi Chairperson	✓	✓	✓	✓	✓
Moses Moses	✓	✓	✓	✓	Apology
Andreas Nekongo	✓	✓	Apology	✓	✓
Anne-Doris Kaumbi	✓	✓	✓	✓	✓
Beverley Vugs	Apology	✓	✓	Apology	✓
Mpasi Haingura	✓	✓	✓	Apology	✓

SPECIAL BOARD MEETING	DATE	DATE	DATE	DATE	DATE	DATE	DATE
Member	**09/05/2018**	**19/07/2018**	**02/08/2018**	**21/09/2018**	**16/10/2018**	**19/10/2018**	**28/02/2019**
Frieda Kishi Chairperson	✓	✓	✓	✓	✓	✓	Apology
Moses Moses	✓	✓	✓	✓	✓	✓	✓
Andreas Nekongo	✓	Apology	✓	Apology	✓	✓	Apology
Anne-Doris Kaumbi	✓	✓	Apology	✓	✓	✓	✓
Beverley Vugs	✓	✓	Apology	✓	✓	✓	✓
Mpasi Haingura	✓	✓	✓	✓	✓	✓	✓

LEGAL AND TECHNICAL COMMITTEE	DATE	DATE	DATE SPECIAL MEETING	DATE	DATE
Member	**18/06/2018**	**21/09/2018**	**15/10/2018**	**03/12/2018**	**19/12/2018**
Moses Moses	✓	✓	✓	✓	✓
Andreas Nekongo	✓	Apology	✓	✓	✓
Anne-Doris Kaumbi	✓	✓	✓	✓	✓

AUDIT AND RISK COMMITTEE	DATE	DATE	DATE	DATE SPECIAL MEETING
Committee Member	**26/03/2018**	**20/06/2018**	**24/09/2018**	**30/10/2018**
Beverly Vugs	✓	✓	✓	✓
Anne-Doris Kuambi	✓	✓	✓	✓
Andreas Nekongo	✓	Apology	Apology	✓

HUMAN RESOURCES AND REMUNERATION MEETING	DATE	DATE	DATE
Member	**25/06/2018**	**13/09/2018**	**05/12/2018**
Beverly Vugs	✓	✓	✓
Anne-Doris Kuambi	✓	✓	✓
Andreas Nekongo	✓	✓	✓

GOVERNANCE EXECUTIVE: ROLE AND RESPONSIBILITIES

The Governance Executive reports to the Chief Executive Officer and the Board and is responsible for, amongst others, providing secretarial and administrative support to the Board. The Governance Executive is also responsible for assisting the Chairperson in ensuring the proper conduct of Board and Committee meetings, facilitating all activities related to the Board functions and ensuring that Board discharges its responsibilities effectively.

He is also responsible to the Board for ensuring that Board procedures are followed and that all applicable legal, policy and governance requirements are properly complied with.

CODE OF CONDUCT AND BUSINESS ETHICS

CRAN has a business ethics and code of conduct framework in place to ensure that CRAN and its employees comply with the following:

Live by its Core Values of integrity, Transparency, Innovation, Knowledge and Teamwork in order to achieve its Vision and Mission.

Fulfil its Mission, that is "To purposefully regulate electronic communications services and networks and postal services, and the spectrum so that all Namibians derive the full socio–economic benefits of ICTs."

Achieve its Vision, which is "To be a dynamic regulator of the Information and Communications Technology (ICT) sector that is transforming Namibia and its people into an active knowledge-based society that derives the full socio-economic benefits of ICTs."

The Code calls upon CRAN staff members to continually uphold the highest ethical standards of conduct in the achievement of the objectives of the Communications Act, and to fulfil its Vision, Mission and Values at all times. It promotes ethical behaviour by all stakeholders; ensures legal compliance by all Board members, staff members, suppliers, contractors and other stakeholders of CRAN; builds sound labour relationships and a harmonious work environment; and promotes the practice of good corporate governance and leadership at CRAN.

WAY FORWARD

It is CRAN's strong conviction and belief that the sustainability of the organisation, in addition to financial viability, strongly depends on subscribing to the key elements of good corporate governance to ensure its long-term survival and success.

LEGAL ADVICE

LEGAL ADVICE

The Legal Advice Department is responsible for advising management and staff on legal matters involving the Authority. The Department has three functionary units namely the Corporate Advice, Legislative Drafting and Sector Reform; Regulatory Compliance; and Adjudication, Enforcement and Litigation.

This Department ensures regulatory and statutory compliance with the Communication Act, (Act No. 8 of 2009). It further manages the licencing and tariff process in order to ensure that the decisions are procedurally and substantively correct, in order to ensure legality and compliance with the Communications Act, (Act No. 8 of 2009). The administration and adjudication of consumer complaints and licensee disputes is further managed in this Department, as well as the coordination of all matters under litigation.

Focus Area 1 of the Strategic Plan relates to Policy and Regulatory Framework whereby the Authority appreciates that its legal framework should be aligned with national needs and regional and international ICT trends. The Legal Advice Department is therefore tasked with the development and implementation of a comprehensive Regulatory Framework for the ICT and Postal Sectors by 2021 with the objective of developing the regulatory framework and reviewing the existing ICT regulatory framework. The Department therefore identifies, initiates, recommends, drafts and reviews legislation and regulations.

CONSUMER COMPLAINTS

Consumer protection forms an integral part of CRAN's mandate. CRAN launched Namibia's first ever National Consumer Advocacy and Protection Campaign on 16 May 2013. The Regulator endeavours to ensure that consumers receive the full benefits of competitive electronic communication services and are protected from any exploitation or abuse. CRAN has implemented a streamlined complaints handling system in accordance with the Communications Act, (Act No. 8 of 2009).

The Regulations regarding procedures for the Adjudication of Dispute were published in 2017 and amended in 2019. In terms of those Regulations, consumers are first required to try and resolve the dispute directly with the service provider before contacting CRAN. If the dispute is not resolved within 14 days, the consumer may submit the dispute to CRAN by completing the appropriate form together with supporting evidence. The Table below indicates the status of complaints lodged by consumers and investigations as at 31 March 2019.

CONSUMER COMPLAINTS SUBMITTED

NO.	OPERATOR AND COMPLAINANT	NATURE OF COMPLAINT	OUTCOMES / STATUS / DECISION	NEXT STEPS
1.	Felix Muyoba // Telecom Namibia Limited	Billing	The matter was resolved.	File closed.
2.	Rudolph Rittman // MTC	Service Delivery	The matter was resolved.	File closed.
3.	Nelis Dreyer // MTC	Billing	Economics to prepare an analysis on the response from MTC.	Matter has been analysed and a decision is pending.
4.	Dirk Heinrich // MTC	Billing	The matter was resolved.	File closed.
5.	Michael Gawaseb // Telecom Namibia Limited	Quality of Service	The Authority forwarded the respondent's response to the complainant.	The Authority awaits a response from the com-plainant.
6.	Francois Tromp // MTC	Service Delivery	The Authority forwarded the respondent's response to the complainant.	The Authority awaits a response from the complainant.
7.	Annalize Ras // MTC	Data Roaming	The Authority is busy drafting a Board Submission Paper.	Preparing Board Submission Paper.
8.	Simon Ipinge // Telecom Namibia Limited	Billing	The Authority amended the Board decision of 27 March 2018.	Awaiting the Board's approval of the second amendment.

NO.	OPERATOR AND COMPLAINANT	NATURE OF COMPLAINT	OUTCOMES / STATUS / DECISION	NEXT STEPS
9.	Du Pisani Legal Practitioners// Telecom Limited Namibia	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
10.	Debt Pack // Telecom Namibia Limited	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
11.	Hotel Pension Steiner// Telecom Namibia Limited	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
12.	Waltons Namibia // Telecom Namibia Limited	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
13.	Ikolelela Ekandjo // Telecom Namibia Limited	Contact Dispute	The Authority forwarded the respondent's response to the complainant.	Preparing matter for mediation.
14.	J R Kaumbi // Telecom Namibia Limited	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
15.	J A Voges // Telecom Namibia Limited	Service Delivery	The matter was resolved.	File closed.
16.	Jeano Van Taak // Telecom Namibia Limited	Service Delivery	The Authority forwarded the complainant's response to the respondent.	Awaiting response from respondent.
17.	Waltons Namibia // Telecom Namibia Limited	Quality of Service	The Authority forwarded the complainant's response to the respondent.	Awaiting response from respondent.
18.	IT Choice CC // Telecom Namibia Limited	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
19.	Rene Traut // MTC	Service Delivery	The matter was resolved.	File closed
20.	Nelao Haulyondjaba // MTC	Service Delivery	The matter was resolved.	File closed.
21.	Eros Neighbourhood Watch // Unknown	Interference	The Authority forwarded the complainant's response to the respondent.	Awaiting response from respondent.
22.	Renate Bader // Unknown	Interference	The Authority is busy drafting a Board Submission Paper.	File closed.
23.	Harold Kaune // MTC	Contract Dispute	The matter was resolved.	File closed.
24.	Arthur Tordiff // Telecom Namibia Limited	Service Delivery	The matter was resolved.	File closed.
25.	Engelberth Djami // Telecom Namibia Limited	Billing	The matter was resolved.	File closed.

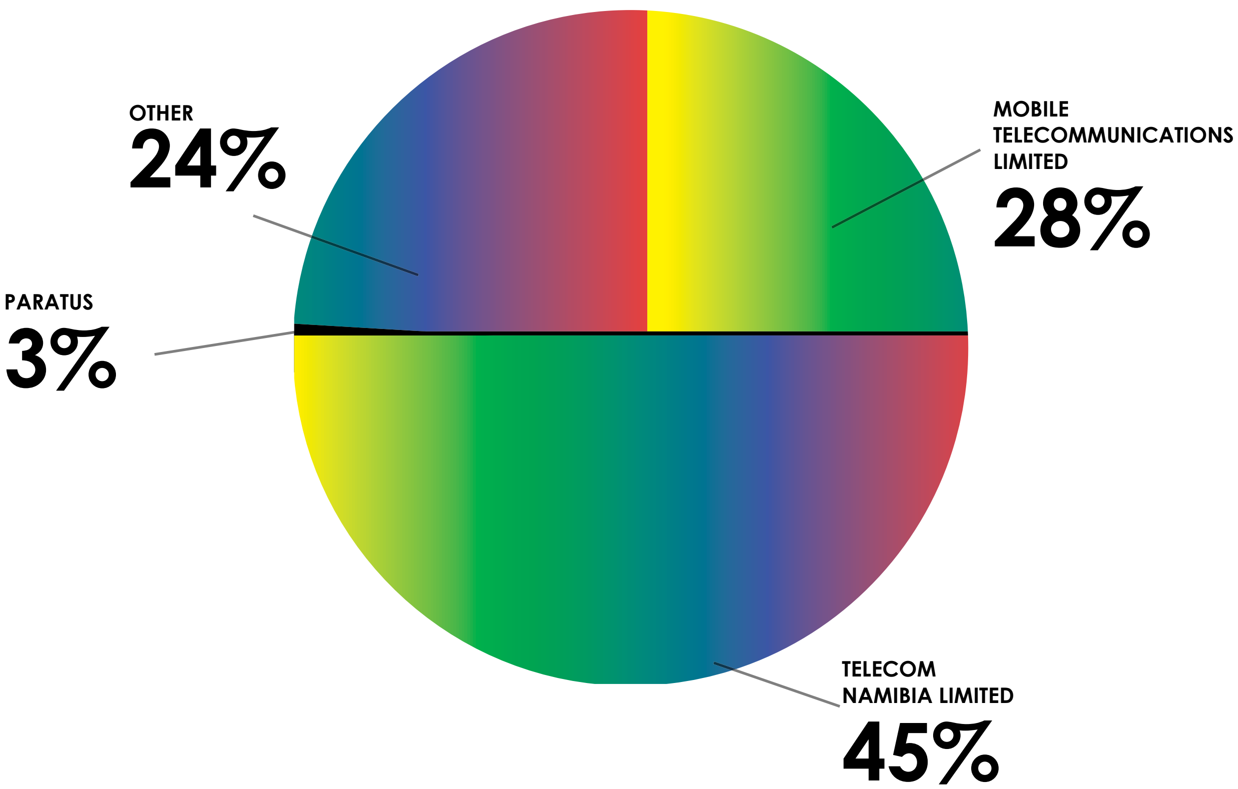
NO.	OPERATOR AND COMPLAINANT	NATURE OF COMPLAINT	OUTCOMES / STATUS / DECISION	NEXT STEPS
26.	Penda Dennis // MTC	Billing	The matter was resolved.	File closed.
27.	Sandveld Radio Club // Unknown	Interference	The matter was resolved.	File closed.
28.	The Law Society of Namibia // Telecom Namibia Limited.	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
29.	//Ae Gams // Telecom Namibia Limited	Contract Dispute	The matter was resolved.	File closed.
30.	Paratus // Unknown	Interference	The matter was resolved.	File closed.
31.	MTC // Telecom Namibia Limited	Interference	The matter was resolved.	File closed.
32.	Al Bell Equipment // Omnitel	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
33.	Komnick and Frank CC // Omnitel	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
34.	Valerie Teek // Telecom Namibia Limited	Alleged non-compliance or breach of contract (PABX Hacking)	The matter was resolved.	File closed.
35.	Abraham Ndeutapo // MTC	Billing	The Authority is drafting a Board Submission Paper.	File closed.
36.	Francois Tromp // MTC	Service Delivery	Matter was referred for mediation.	Preparing matter for mediation.
37.	Ernest Gruber // Telecom Namibia Limited	Service Delivery	The matter was resolved.	File closed.
38.	Ambroceus Mita // Telecom Namibia Limited	Contract dispute	The Authority is busy drafting a Board Submission Paper.	Preparing Board Submission Paper.
39.	NAMPOL // Unknown	Interference	The Legal Advice Department request an investigation from the Operations Department.	Awaiting investigation report from Operations.
40.	Wolfgang Schenck // MTC	Service Delivery	The matter was resolved.	File closed.
41.	NamPower // Unknown	Interference	The matter was resolved.	File closed.
42.	Shamus De Wee // Paratus	Contract Dispute	The matter was resolved.	The matter was resolved.
43.	Gersoline Tjueza // Telecom Namibia Limited	Billing	The Authority is busy drafting a Board Submission Paper.	Preparing Board Submission Paper.
44.	Kempen Claassens // MTC	Contract Dispute	The matter was resolved.	File closed.
45.	MTC // Unknown	Interference	The Operations Department is unable to determine the source of interference.	Operations Department will conduct interval Investigations in this matter to determine source of interference
46.	MTC // Unknown	Interference (Uplink)	The matter was resolved.	File closed.

NO.	OPERATOR AND COMPLAINANT	NATURE OF COMPLAINT	OUTCOMES / STATUS / DECISION	NEXT STEPS
47.	MTC // Telecom Namibia Limited	Usage of word "Unlimited"	The matter was resolved.	File closed.
48.	ProQuest Diagnostic Laboratories // MTC	Contract Dispute	The Authority received application for reconsideration.	Pending consideration.
49.	Innovative Software Solutions // Telecom Limited Namibia	Alleging non-compliance or breach of contract -PABX Hacking	The Matter was resolved.	File closed.
50.	Sergio Quintal // Telecom Namibia Limited	Service Delivery	The matter was resolved.	File closed.
51.	Sergio Quintal // Telecom Namibia Limited	Service Delivery	The matter was resolved.	File closed.
52.	Chante Van Rooi // MTC	Data Roaming	The matter was resolved.	File closed.
53.	Kosmos Radio // Unknown	Interference	The matter was resolved.	File closed.
54.	Telecom Namibia Limited // Paratus	Interference	The matter was resolved.	File closed.

Consumer Complaints adjudicated upon by CRAN

The Chart below indicates the percentage of complaints per licensee as adjudicated upon by the Authority for the period under review:

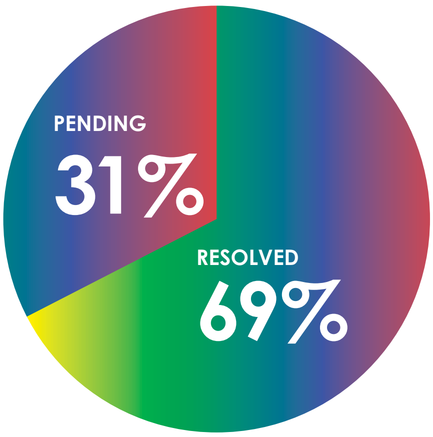
Complaints Adjudicated by Authority



Consumer Complaints received against Mobile Telecommunications Limited (MTC)

COMPLAINTS AGAINST MOBILE TELECOMMUNICATIONS (MTC)

Complaints received against Telecom Namibia Limited



COMPLAINTS AGAINST TELECOM NAMIBIA

PROCEEDINGS BEFORE THE COURT INVOLVING CRAN

PARTIES AND COMPLAINANT	NATURE OF PROCEEDINGS	STATUS
CRAN// Telecom, AG, MICT, MTC, Dimension Data, Media Network for Christ	Action	Postponed to 26 June 2019 to allow the Supreme Court to provide clarity on the matter.
Telecom Namibia//CRAN, Application to Suspend	Application	Postponed to 02 April 2019 allow the Supreme Court to provide clarity on the matter.
Telecom Namibia//CRAN, Appeal Matter, Supreme Court	Application	The matter was resolved.
Mobile Telecommunications Limited//CRAN (Tironnen Kauluma)	Application	The matter was struck from the roll. The applicant submitted an application to have the matter placed back on the Roll on 06 December 2018. Although Telecom Namibia submitted Notice of Intention to oppose the application for re-enrolment on 11 February 2019. Date of hearing for the application is yet to be set.
MTC // CRAN and 2 Others (JP Cleaning and Revenue Solutions	Application	Hearing set for 16 May 2019.

REGULATORY SUMMONS ISSUED BY CRAN

PARTIES AND COMPLAINANT	NATURE OF PROCEEDINGS	OFFENCE COMMITTED	STATUS
CRAN//Dimension Data	11 September 2017	Infrastructure sharing.	Resubmitted a copy of the docket to PG pending tracing of original docket. PG decision is pending.
CRAN//Telecom	11 July 2017	Infrastructure sharing.	PG instructions received, pending further investigation i.e. compliance with PG instructions (matter is with NAMPOL for investigation).
CRAN//Equity Broadcasting	16 September 2015	Broadcasting with lapsed licence.	Matter forwarded to Otjiwarongo NAMPOL i.e. compliance with PG instructions (matter is with NAMPOL for investigation).
CRAN// Telecom	10 September 2015	Implementing unapproved tariffs in respect of Angola Mobile.	PG Instructions received, pending further investigation i.e. compliance with PG instructions (matter is with NAMPOL for investigation).
CRAN//MTN	14 September 2015	Implementing unapproved tariffs in respect of Angola Mobile.	Not yet forwarded to the PG but referred to NAMPOL for further investigation.
Dimension Data	24 March 2017	Contravening Regulation 18(1) and (3) Annual CC internal procedures 2015-2016.	Dimension Data on 20 July 2017 provided an explanation on why they did not submit the required information and asked CRAN to review the summons on said grounds.
Dimension Data	Unknown	Contravening Regulation 18(1) and (3) Annual CC report and CC internal procedures 2016-2017.	Pending meeting with Dimension Data.
Telepassport Communications (Pty) Ltd	24 March 2017	Contravening Regulation 18(1) and (3) Annual CC report and CC Internal Procedures 2015-2016.	Awaiting response from Telepassport.
Carol Ann van der Walt/EFM	15 February 2018	Contravening Section 35(2) failure to obtain consent from the Authority before allowing someone else to utilise her licence.	Matter finalised. Withdrawn.

IMPLEMENTATION STATUS OF LEGISLATIVE DRAFTING PLAN

OBJECTIVE	STATUS ON IMPLEMENTATION	OUTSTANDING
The development of a Broadcasting Code	Finalised, but received reconsideration, which was submitted to the Board meeting of 2 April 2019.	Awaiting Board decision.
Regulations setting out Licence Procedures, Transitional Procedures and Licence Categories for Postal Services	Finalised and submitted for approval to the Board meeting of 2 April 2019.	Awaiting Board decision.
Regulations setting out Consumer Protection and Interconnection for Postal Service Licensees.	Yet to commence.	Yet to commence.
Regulations Regarding the Duty to obtain Information Relating to Customers.	Minister yet to commence enactment of the section of the Act enabling publication of the regulations.	Awaiting further details from the Minister of Information and Communications Technology.
UAS Licence Imposition Guidelines.	Finalised and submitted for approval to the Board meeting of 2 April 2019.	Awaiting Board decision.
Amendment of the Communications Act.	Rule-making process in progress.	Awaiting finalisation of the Rule-making process.
Enforcement Guidelines.	Drafting in progress.	Awaiting final draft from the drafter.
Price Cap Regulations.	Consultations with Telecom Namibia on the cost information underway.	Awaiting publication of final Regulations.
Regulations Regarding Numbering Administration (Amendment to include Number Portability).	Internal preparatory meeting and hearing to take place on 29 April 2019.	Awaiting outcome of the hearing.
Consumer Protection Regulations.	To request for the amendment of Section 79 and finalise the Regulations	Awaiting finalisation of the Regulations.
Regulations on new Spectrum fees (from strategy).	Yet to commence.	Yet to commence.
Review of Regulations setting out Licence Fees and Regulatory Levies for Broadcasting and Telecommunication Service.	Yet to commence.	Yet to commence.
Spectrum Licencing Procedure.	Finalised and submitted for approval to the Board meeting of 2 April 2019.	Awaiting Board decision.
Amendment to Regulations Regarding Procedures for Adjudication of Disputes.	Finalised and submitted for approval to the Board meeting of 2 April 2019.	Awaiting Board decision.
Amendment to Regulations in Respect of Type Approval and Technical Standards for Telecommunications Equipment.	Finalised and submitted for approval to the Board meeting of 2 April 2019.	Awaiting Board decision.

WAY FORWARD

The 2019/2020 Legal Drafting Plan was approved by the Legislative Drafting Committee and implementation thereof shall continue.

AUDIT, RISK AND COMPLIANCE

INTERNAL AUDIT (ASSURANCE)

The Internal Audit Department provides independent and objective assurance on the adequacy and effectiveness of CRAN's control and governance processes. This is demonstrated by the direct functional reporting of the Department and approval of the Annual Audit Plan by the Board Audit Committee.

Various independent and follow-up audits were conducted during the year under review. Certain key matters affecting CRAN have been raised and reported. Appropriate actions were recommended where Management agreed to implement said actions. All reports have been presented to Management and to the Board Audit Committee quarterly for monitoring.

The following activities were undertaken by the Internal Audit Department for the period April 2018 to March 2021 and specific objectives falling within Internal Audit's key performance areas.

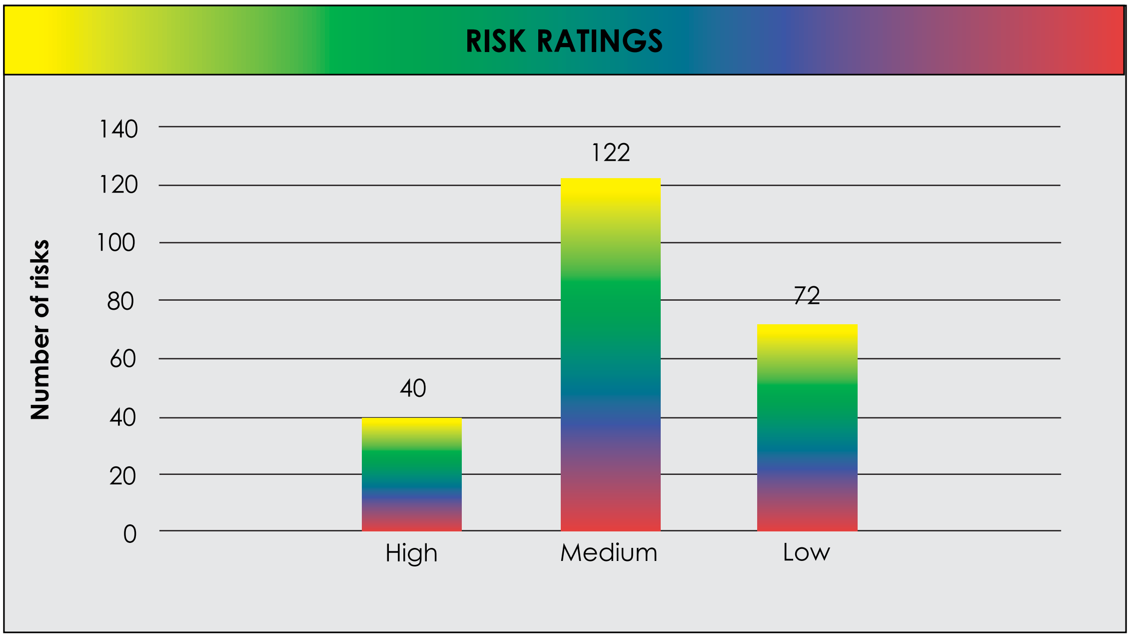
RISK MANAGEMENT

The department recently updated the risk log for the 2018/2019 financial year. The CRAN Strategic Plan and the mandate as per the Communications Act, (Act No. 8 of 2009) was used as the basis for the risk assessment.

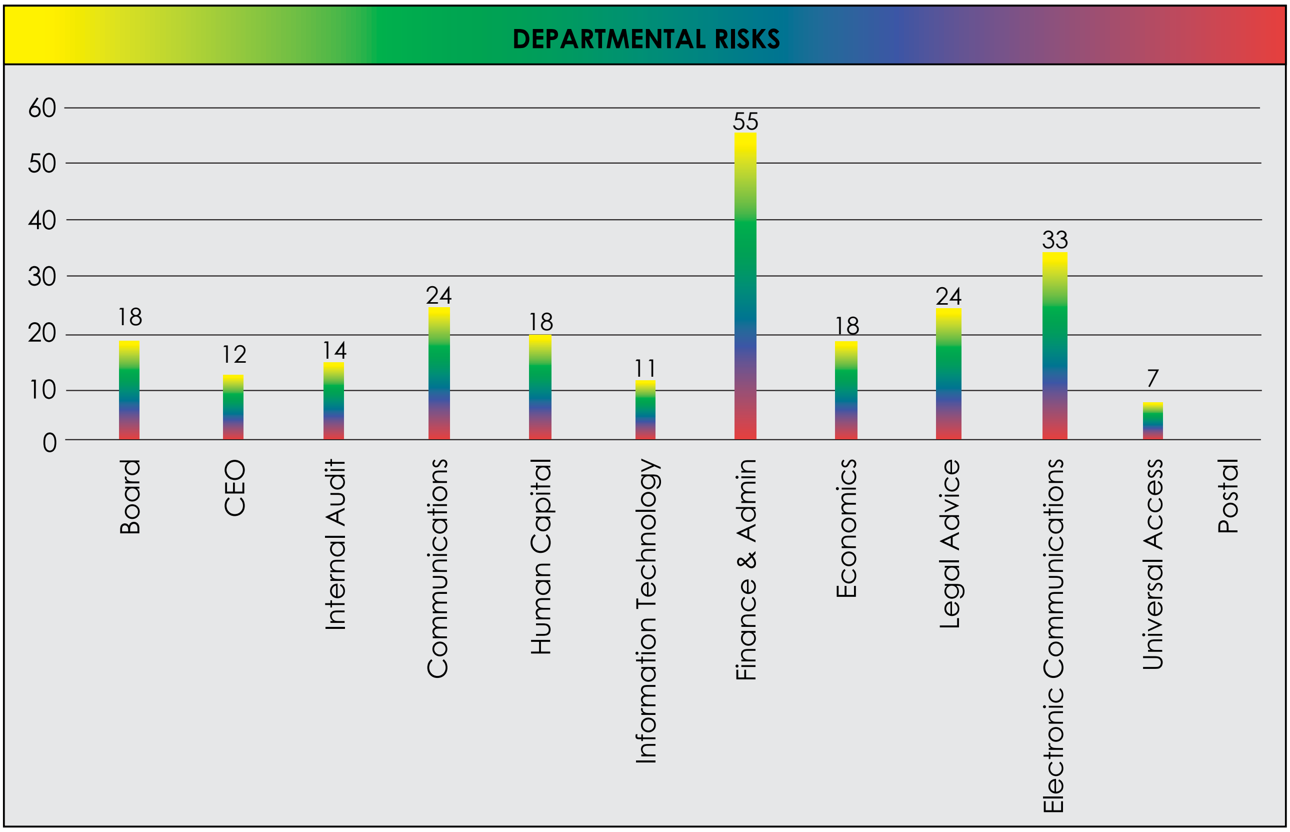
The risk results can be summarised as follows:

i. A total of **234** risks were identified organisation-wide, compared to 222 the previous year.
ii. Risk ratings: The residual risk ratings can be summarised as follows:

- **40** risks were rated High (or critical), compared to 42 the previous year;
- **122** risks were rated Medium (or cautionary), compared to 115 the previous year, and
- **72** risks were rated Low (or acceptable), compared to 65 the previous year. (Refer to Chart below)



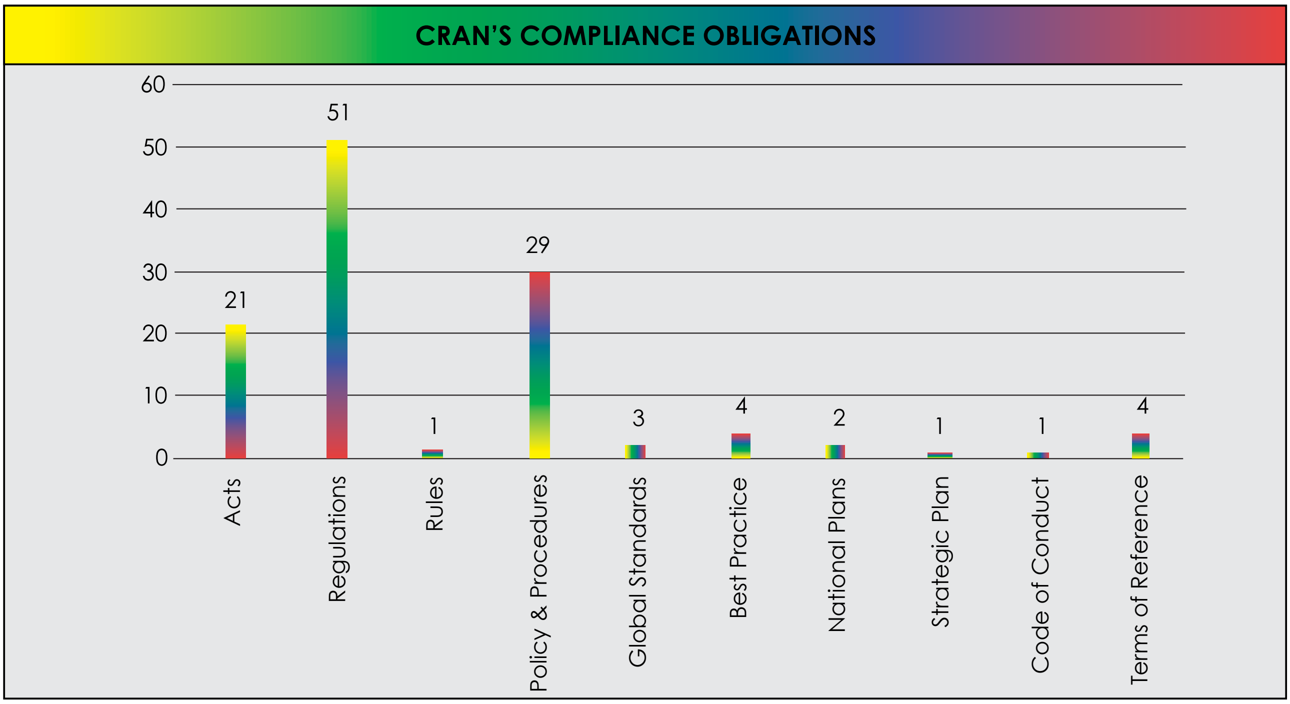
iii. Categorisation: The risks were categorised based on departments. 18 Risks were classified under Board, 12 under CEO, 14 under Internal Audit, 24 under Communications, 18 under Human Capital, 11 under Information Technology, 55 under Finance, 18 under Economics, 24 under Legal Advice, 33 under Electronic Communication, and 7 under Universal Access. (Refer to Chart on the next page)



It is important to note that the number of risks identified is not necessarily an indication of the type or the magnitude of the risk environment of the organisation. These numbers are influenced by factors such as the risk assessment methods used, the experience of the risk workshop participants and facilitator, the type and number of operational activities, the type of organisation, etc. A more accurate assessment of an organisation's risk environment would be to measure risks identified versus risks materialising, over a specific period.

COMPLIANCE MANAGEMENT

A compliance assessment was completed during the year under review, which indicated that the majority of CRAN's external compliance obligations are rated high. This means that any non-compliance will have a potentially significant impact. The Chart on the next page graphically illustrates the universal compliance obligations that the organisation is required to adhere to.



Regulations under the Communications Act, (Act No. 8 of 2009) make up the largest compliance obligations (i.e. 44%).

Based on self-assessment results from the various departments, CRAN achieved a 75% – 99% average level of compliance rating. While this level of compliance can be viewed as "satisfactory", it shows that CRAN is not yet fully compliant with all of its statutory obligations. The results particularly show that CRAN is not fully compliant with some of its own regulations.

BUSINESS CONTINUITY

CRAN operates under a Business Continuity policy and framework. This policy is currently under review, however, as CRAN plays a pivotal role in the Namibian ICT sector and it is important that it maintains comprehensive BCM capabilities and practices, including having Business Continuity Plans (BCP) in place.

The following set of plans, which constitute a comprehensive BCP, will be taken into consideration:

a) Emergency Response Policy and Plan (ERPP) - Procedures that address the initial reaction and activities to ensure the safety of all personnel as well as collaboration with emergency personnel to minimise or contain any adverse situations.

b) Crisis Communication Policy and Plan - Activities aimed at protecting the reputation of the organisation through effective internal and external communication during and after an incident.

c) IT Disaster Recovery Policy and Plan - Activities and programmes designed to return the information technology services, which support the business operations, to an acceptable condition and level of operation both during and after an incident.

d) Succession Policy and Plan - A talent management plan used to identify, assess and develop potential successors for key and technical/specialised positions, in order to achieve the organisations strategic goals and objectives.

THE WAY FORWARD

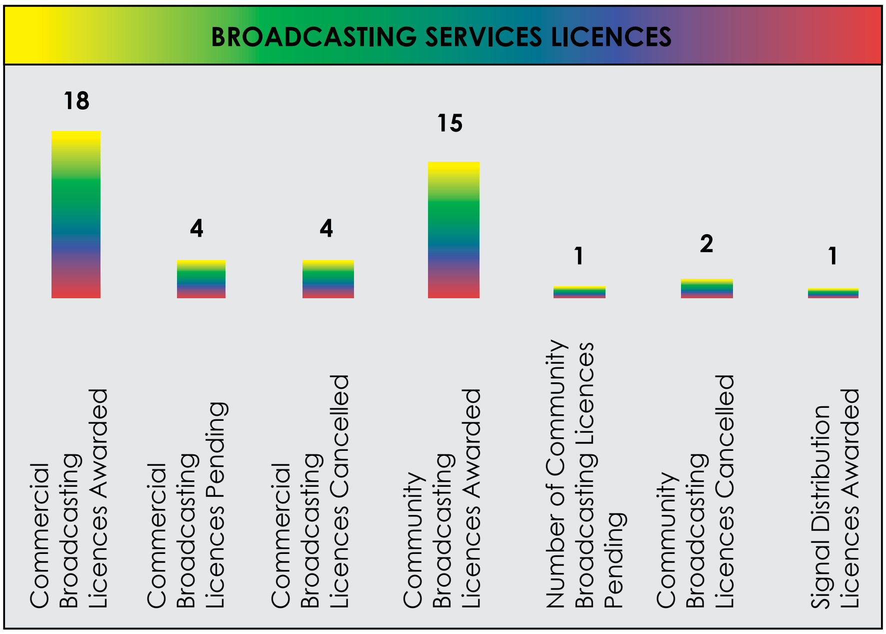
The Internal audit department is committed to providing reasonable assurance regarding CRAN's risk management, control and governance processes. As a function it is our responsibility to provide not only value adding recommendations but to enhance the risk culture at CRAN.

OUR OPERATIONS

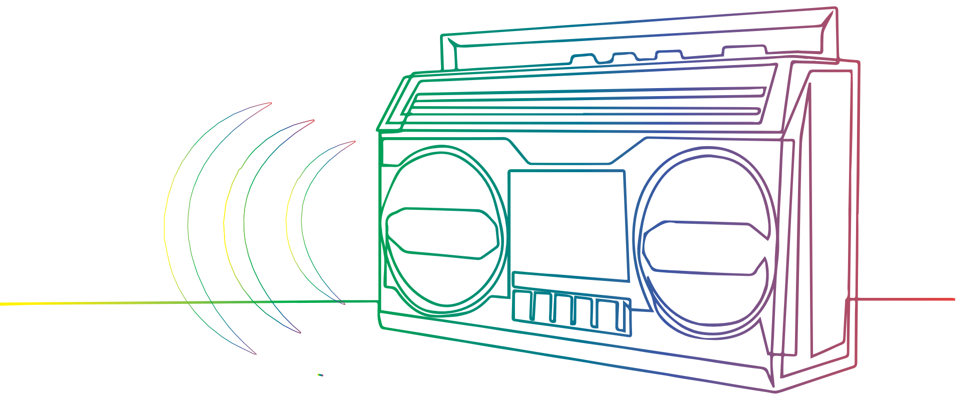
BROADCASTING SERVICE LICENCES

Seven new applications for broadcasting service licences (five commercial and two community) were submitted for consideration to the Authority during the period under review. The Authority awarded one commercial broadcasting service licence and one community broadcasting service licence during this time. It should further be noted that the Authority was unable to complete consideration of five outstanding applications from the previous review period, either due to failure by the applicants to submit required information or a pending decision by the CRAN Board of Directors.

The Authority declined the renewal of one community broadcasting service licence previously awarded to Ohangwena Regional Community Radio whilst one commercial broadcasting service licence lapsed during the period under review. At present time there are 33 broadcasting service licensees providing broadcasting services and one signal distribution service licensee in Namibia.



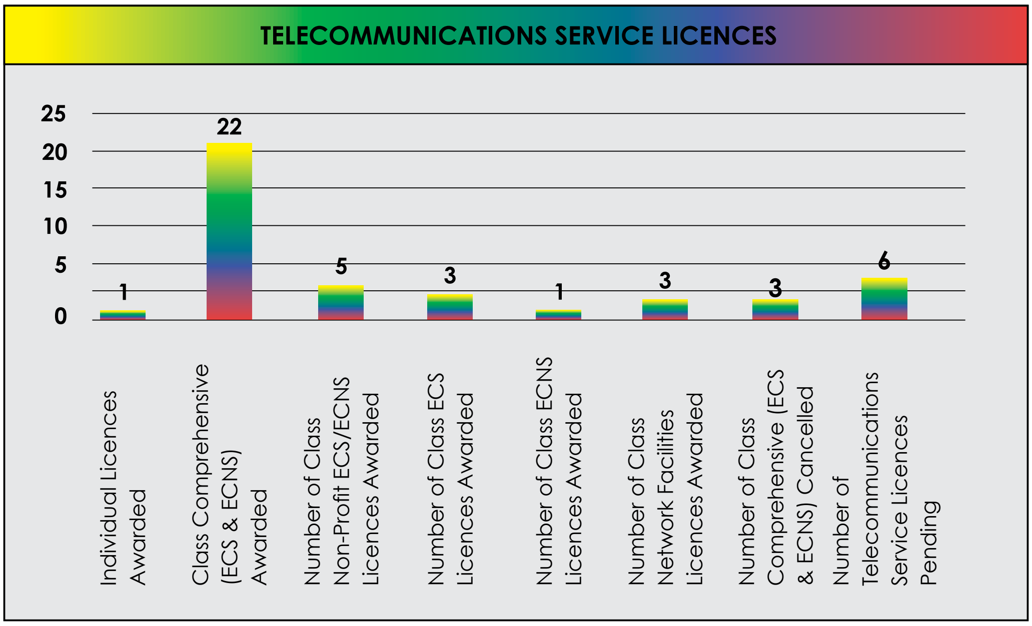
The moratorium on broadcasting service licences for analogue FM radio services came into effect on 22 January 2019. The moratorium will be in place for a period of 18 months to allow the Authority to review the Frequency Channelling Plan for analogue FM Radio and to effect all necessary changes to existing licences.



TELECOMMUNICATIONS SERVICE LICENCES

Fifteen new applications for telecommunications service licences (four Class Comprehensive ECS and ECNS, five Class Non-Profit ECS/ECNS, two Class ECNS, one Class ECS and three Class Network Facilities) were received for consideration during the period under review. The Authority awarded five telecommunications services licences and declined one application. Two applicants submitted applications for reconsideration. It should further be noted that the Authority was unable to complete consideration of seven pending applications carried over from the previous review period due, either to failure by applicants to submit outstanding information, or a pending decision by the CRAN Board of Directors.

To date the Authority has awarded 35 telecommunications service licences as shown in the Graph below.



ACTIVITIES IN RESPECT OF STRATEGIC OBJECTIVES

The following activities were undertaken by the Operations Department in line with CRAN's Strategic Plan for the period April 2018 to March 2021 and specific objectives falling within Operations' key performance areas.

Focus Area 1: Policy and Regulatory Environment

(i) Spectrum Management

The rule-making process has been completed for the Regulations prescribing procedures regarding new Applications and Amendment, Renewal or Transfer of Spectrum Licences. The final draft regulations shall:

a) Amend the Regulations regarding Licencing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences.

b) Repeal the Regulations regarding Licence Exempt Spectrum.

c) Repeal the Regulations Setting Out Licence Conditions for Spectrum Use.

The proposed draft regulation incorporates all three aforementioned regulations into one regulation. It also provides for the introduction of spectrum auctions.

The draft regulations have been submitted to the CRAN Board of Directors for consideration.

(ii) Postal Services

a) The Regulations prescribing Licencing Categories, Fees and Licencing Procedures for Postal Service Licensees have been developed and finalised.

The rulemaking process for the aforementioned regulations has been completed. The draft regulations have been submitted to the CRAN Board of Directors through the Legal and Technical Committee for consideration and approval.

Pursuant to the first public hearing and extensive internal discussions, the Legal Drafting Committee concluded to remove courier services from the current proposed framework and to further conduct a Regulatory Impact Assessment study to determine whether couriers should be included in the regulatory framework and, if affirmative, to what extend the sector will be regulated. The Postal Department has subsequently budgeted for procurement of consultancy services for the study to the amount of N$500,000 in the budget for the 2019/2020 financial year.

b) The postal team, in conjunction with the Legal Department, developed the Universal Postal Service draft licence conditions for the Designated Postal Operator. The draft licence conditions are crafted in line with the recommendations made in the Postal Market Study Report of 2015 and further benchmarks performed alongside ICASA, ZICTA, POTRAZ, MACCRA, TCRA, and LCA. They are under review by the Legal Department for further engagements and discussions with Namibia Post Limited for finalisation prior to implementation.

c) The Postal team has also developed postal service indicators in conjunction with the Economics Department for the development of CRAN's online portal for future data collection by postal licensees. The Indicators cover data on postal access and deliveries, postal financial services, collections, letter post communications products, financial performance, revenue contributions per service, staff, QoS, and internet connectivity.

d) The Postal and UAS Department conducted analysis of the total number of postal outlets countrywide through the use of GPS Coordinates received from NamPost. NamPost has confirmed that 5 out of the total 143 postal outlets countrywide have closed down due to expensive space rentals and limited/lack of space to operate on. The following list reflects the five outlets which are not in use:

- Endola – not yet opened
- Khomas Groove – closed December 2016
- Philately Shop – closed November 2016
- Hochfeld – closed September 2015
- Hosea Kutako Airport – closed November 2018.

NDP5 envisages that by 2022, NamPost must have expanded its network with five more postal outlets into underserved areas. Given the above analysis, the number of outlets is retracting instead of increasing as a result of the aforementioned challenges. No new postal outlet has therefore been opened between the years 2017/2018 to date. This information will assist CRAN to conduct an accurate gap analysis based on the information received and confirmed by NamPost as well as to set accurate targets and parameters for postal services by UAS.

(iii) Type Approval

An amendment of the Type Approval Regulations was developed in conjunction with the Legal department for the purposes of:

(a) Providing for the exemption of specified equipment from type approval.

(b) Removing the provision that a certificate issued for equipment is for the exclusive use of the entity that applied for type approval.

(c) Reviewing the type approval fees with CPI as provided for in Regulation 9 of the existing regulations.

The rulemaking process for the aforementioned regulations was completed. The draft regulations were submitted to the CRAN Board of Directors for consideration.

(iv) Universal Services

Universal Service Guidelines have been developed with the aim of providing insight to the Authority's approach to universal service and access. The public consultative process for the said guidelines has been completed and these draft guidelines have been submitted to the CRAN Board of Directors for consideration.

(v) Analogue FM Broadcasting

The tender for the review of the existing analogue FM broadcasting frequency channelling plan to provide for expansion of broadcasting services as per the targets set out in NDP5 has been awarded to LS Telcom. The review has been completed and the final report was submitted to the Authority on 30 March 2019.

Focus Area 2: Economic and Social Development

(i) Number Portability

The CRAN Board of Directors approved the amendment to the numbering regulations to provide for the implementation of mobile number portability on 28 June 2018. The final notice in this regard was published in Government Gazette 6692, General Notice 500 on 30 August 2018. The amendment to the regulations became effective on the date of publication of the aforementioned Government Gazette.

Mobile Telecommunications Limited, however, submitted an application for reconsideration on 21 December 2018. The said application was published for public comments on 22 January 2019. Telecom Namibia submitted comments on 15 February 2019. The application for reconsideration will be submitted to the CRAN Board of Directors for re-consideration.

In the interim, the entire project is put on hold until such time that a decision has been made in respect of the application for reconsideration.

(ii) Implementation of the UAS Framework

The outcome of the court case with Telecom and MTC has been detrimental to the implementation of the UAS Framework in that it resulted in delays to the establishment of the Universal Service Fund (USF) Fund, which has currently been placed on hold. The Authority will not be able to collect levies for the Fund until such time that the Act has been amended and the relevant regulations has been reviewed.

Focus Area 3: Consumer Advocacy and Stakeholder Engagement falls outside the ambit of the Operations Department.

Focus Area 4: Enabling Sector Reform

(i) Digital Sound Broadcasting

The tender for the development of the frequency channelling plans for digital sound broadcasting to provide for expansion of broadcasting services as per the targets set out in the HPP and provision of the ITU GE06 agreement signed by Namibia, has been awarded to LS Telcom. The development of the frequency channelling plans has been completed and the final report has been submitted to the Authority on 30 March 2019. The proposed frequency plans make provision for 100% geographical coverage of Namibia for the provision of digital radio services.

(ii) Review of National Frequency Plan

The Chief Operations Officer and Head: Electronic Communications are appointed as SADC rapporteurs for the ITU World Radio Conference (WRC-19). The outcomes of WRC-19, published as Final Acts, will determine the required changes to be made to Namibia's National Frequency Plan in 2020. To date the rapporteurs have participated in SADC preparatory meetings and submitted all contributions from Namibia at SADC and African Telecommunications Union (ATU) level in respect of the agenda points assigned to Namibia. Support was furthermore provided to MICT in presenting the status of agenda points to attendees at the Namibian stakeholders meeting, inviting input from licensees and other stakeholders.

Both rapporteurs and one junior staff member also attended the last ITU conference preparatory meeting in February 2019 in preparation for WRC-19, which is scheduled for November 2019.

(iii) Strengthening of Security in ICT services

Namibia is a member of the SADC task team for implementation of Public Key Infrastructure (PKI) and Cyber Incidence Response Centres (CIRTs). The SADC ICT Ministers approved the SADC regional framework. The SADC CIRT guidelines for implementation of the regional CIRT have been approved at the SADC Senior Official's meeting in March 2019. The document will now be recommended for approval by the SADC ICT Ministers in September 2019.

A report has been prepared internally detailing the duties that the Authority will be mandated with regarding the implementation of PKI and CIRT as contained in the Electronic Transactions Bill (to be tabled for approval before November 2019) and the draft Cyber Crime Bill. The aforementioned report also provides for the PKI and CIRT implementation roadmap.

The report has been submitted to the Chief Executive Officer for his consideration.

THE WAY FORWARD

Keeping in mind that the Fourth Industrialisation Revolution (4IR or FIR) is a reality today, the focus areas of the departments reporting to the Chief Operations Officer for the next financial year will be based on various aspects as outlined below.

The commencement of the regulation of the postal sector, including couriers, is an important matter. Quick and efficient transportation and delivery of articles ordered online to both local and remote destinations facilitate an increase in e-Commerce.

The implementation of number portability will further contribute to creating a level playing field for all licensees and will offer consumers the opportunity to move from one service provider to another without losing their current phone numbers. This will enhance competition and lead to better quality of services and price reductions in the long run.

The first ever spectrum auction for Namibia (in the 800 MHz band) will allow both new entrants in the market and licensees with no access to spectrum in the below-1GHz bands equal opportunity to gain access to such an important spectrum. This is another initiative by the Authority to create a level playing field for all licensees.

The implementation of the Authority's mandate via the enactment of the Electronic Transaction Bill (such as the implementation of Public Key Infrastructure (PKI) and accreditation of e-signatures) will help to create a trusted ICT environment for electronic transaction users.

The Authority will have to prepare itself for the implementation of the Cyber Incident Response Team (CIRT) requirements as foreseen by the draft Cyber Security Bill. This will place an additional financial burden on the Authority and requires the creation of a specialized team within the Authority, requiring proactive planning and readiness once the Bill is enacted.

For the Authority to become a fully digital and ISO 9001 certified organisation, the implementation of fully automated Business Processes and centralised Business Intelligence (BI) systems will be a long-term, but highly essential, project, as per the outcome of the planned Balanced Scorecard initiatives.

The Authority needs to strengthen its investigation capabilities to enforce non-compliance to the Act and regulatory frameworks more quickly and efficiently.

It is very important for the Authority to both initiate and provide oversight on research on how to best regulate developments around Over-the-Top services (OTT), Internet-of Things (IoT), 5G and Convergence.

After the ITU World Radio Conference for 2019 (WRC-19) is concluded, the Authority needs to implement these outcomes speedily since it is expected that these new spectrum allocations and ITU radio regulations will enable new services and opportunities, especially for IMT and 5G services.

All aforementioned initiatives will aid in creating a trusted ICT environment where ICT users can use all ICT services confidently in the knowledge that their activities are secure and confidential.

ECONOMICS & SECTOR RESEARCH

ECONOMICS AND SECTOR RESEARCH

CRAN's ultimate objective is to allow for the development and expansion of the ICT sector to offer all Namibians a greater choice of services and providers, expanding further into underserved and unserved areas, and increasing employment, earnings, and public benefits. The communications sector is vital to national socio-economic development.

Effective competition in the sector would lead to better services at lower prices for all Namibians.

COST STUDY

The Public Switched Telephone Network (PSTN)/ Leased Line Cost model has been finalised and two public hearings were held during the period under review. The information was updated, though no agreement could be reached regarding distance charges. This undertaking shall continue into the next reporting period.

However, in the meantime competition from new and existing licensees have led to reduced data prices on wholesale level allowing resellers of service to offer lower prices to the end-consumer.

SADC ROAMING PROJECT

During the CRASA Annual General Meeting (AGM) held from 27- 28 March 2015, a Communications Regulators' Association of Southern Africa (CRASA) Roaming Task Team (CRTT) was established to guide the implementation and oversee the project. Namibia serves as the Vice-Chairperson of this Committee.

The Committee started by collecting information necessary to calculate the new roaming tariffs according to the methodology as approved by the ICT Ministers. A meeting of the ICT Ministers was held in Walvis Bay, Namibia, in June 2015.

Subsequent to this meeting, Namibia took the lead and invited Botswana, Zambia and Zimbabwe to join in on a pilot study analysing the implementation of the roaming glide path as of 1 September 2015. The implementation posed a number of challenges of which most were with the methodology used.

The four countries that met in August 2015 in Windhoek, namely Botswana, Namibia, Zambia and Zimbabwe, initiated the implementation of the pilot study and reduced the roaming charges effective 1 November 2015.

As of 2017 all countries in SADC have joined the initiative except the three island countries (Madagascar, Seychelles and Mauritius) and the Democratic Republic of the Congo. A tender was published for the development of a cost model for roaming services for the region.

The cost model was finalised and a meeting was held in February 2019 to discuss the results. The Regulatory Authorities were sent back to verify the data submitted by the Mobile Network Operators (MNOs). A Roaming Forum will be held in June 2019 with the MNOs to share the final results and start the implementation.

REPORTING AND DATA COLLECTION

The department worked on improving the database to capture collected licensee data in order to perform fact-based ICT industry overviews and to monitor developments with specific, reliable referencing. During this period, the portal on which the database is hosted was updated and improved to serve as a one-stop data collection point for all licensees. The database now allows licensees to submit all technical, financial, tariff, quality of service and indicator data online.

The department continued with the online publication of a quarterly Statistics Newsletter to provide the public with up to data on the ICT industry.

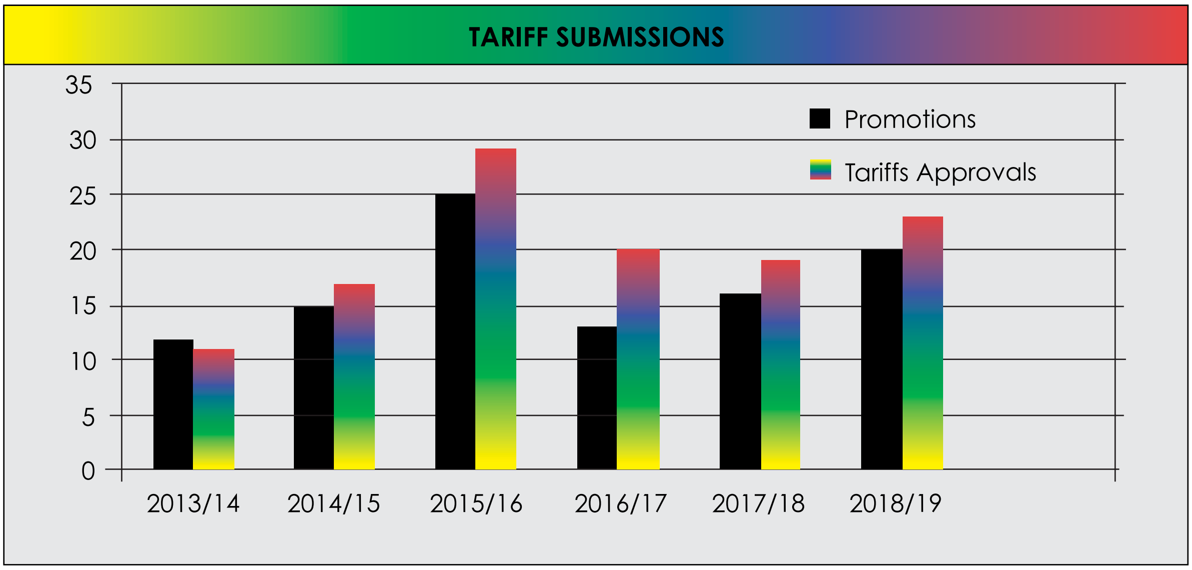
TARIFFS AND FEES

During the 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 new entrants.

TARIFF APPROVALS
TELECOM NAMIBIA LIMITED
Speedlink Long-Term Evolution (LTE) Prepaid Tariffs
Data Links and Express Routes
Speedlink Lite Plus
Jiva Amendment
SpeedLink Prepaid
MOBILE TELECOMMUNICATIONS LIMITED
Prepaid International Rates
Prepaid Extra Data Bundles - Aweh
Postpaid Extra Data Bundles
Aweh O'Yeah - Amendment
MWIRELESS (PTY) LTD t/a AFRICA ONLINE
JOLA Extreme
PARATUS TELECOMMUNICATIONS (PTY) LTD
Big Reveal: *Wimax and Fibre * LTE *Data Bundles on Post-paid Packages
VOIP tariffs
YUR SAT
New Flix Packages
15% Discount for Pensioners
Wimax Supreme
OBLIXX COMMUNICATIONS NETWORKS cc
SOHO Tariffs
MISTY BAY 140cc t/a BITSTREAM
Home and Business Packages
MTN BUSINESS SOLUTIONS NAMIBIA (PTY) LTD
Voice Tariffs
WITEL SERVICE PROVIDER (PTY) LTD
National Fixed Wireless
PROMOTIONS
MOBILE TELECOMMUNICATIONS LIMITED
Prepaid Extra Data Bundles - Aweh
Postpaid Extra Data Bundles
Aweh GIS
PARATUS TELECOMMUNICATIONS (PTY) LTD
Big Reveal: *Wimax and Fibre *LTE *Data Bundles on Postpaid Packages
Big Reveal: Additional Data Bundles

PROMOTIONS
TELECOM NAMIBIA LIMITED
Jiva
Speedlink Upgrade and free installation
Trade Fair Promotions
Father's Day Specials
Speedlink Coast
Apple Mania
Speedlink Upgrade promotion
X-mas Special
Speedlink Upgrade and free installation
Black Friday
Apple Mania
Speedlink Upgrade
Speedlink Lite and Lite plus for Fibre ready areas.
MTN BUSINESS SOLUTIONS NAMIBIA (PTY) LTD
Voice Tariffs
NAWA LTE
DEMSHI INVESTMENTS HOLDINGS (PTY) LTD
Wi-Fi Tariffs

In total, 19 tariff packages and a total of 23 promotional packages were submitted to the Authority during the period under review.



TRANSFER OF LICENCES AND TRANSFER OF CONTROL

During the year under review, the Authority received one application for the transfer of control and four applications for the transfer of licensees' shares.

TRANSFER OF SHARES	TRANSFER OF CONTROL
99 FM informed the Authority that the transaction did not realise and that the shareholding is as originally approved.	Hit Radio cc – 100% shares from Wilfried Hahner to Hartwig Rothkegel and Jessica Rothkegel.
Dimension Data (Pty) Ltd – 2% shares from Dimension Data to Ohlthaver and List Group (ICT Holdings).	
Misty Bay 140 cc t/a Bitstream – 33% of shares transferred to Jacques Serfontein and Leslie Bosman.	
Satelio Television Namibia (Pty) Ltd – 35% shares from Wilfried Hähner to Reinholdt Rothkegel.	

WAY FORWARD

In line with the strategic focus area of economic and social development there would be a focus on the provision of broadband services and the publication of the Universal Access Services (UAS) GAP report. This report aims to identify those areas and communities (as identified in the UAS policy) that need to be provided with services to ensure growth and development.

The aim is also to finalise the PSTN cost study in order to ensure that the prices of wholesale services are reduced, leading to more affordable end-consumer prices.

HUMAN CAPITAL

HUMAN CAPITAL

The following activities were undertaken by the Human Capital Department in line with CRAN's Strategic Plan for the period April 2018 to March 2021 and specific objectives falling within Human Capitals' key performance areas.

- Develop and implement the Human Resources framework, fostering a sustainable and satisfied workforce.

The period under review marked the following with the aim of fulfilling the objectives outlined above:

- Revision of all existing job descriptions
- Organisational wide re-grading exercise
- Implementation of market related re-muneration scales
- Salary alignments to the new remuneration scales
- Development of a new employee engagement survey
- Fulfilling the Employment Equity requirements
- Performance Management
- Professional development of employees
- Promoting employee wellness
- Employee turnover
- In-house training
- Signing of a recognition agreement with Namibia Public Workers Union(NAPWU).

Develop new Employee Engagement Survey

In order to enhance organisational sustainability and to become an employer of choice, CRAN aims to create an environment that develops and retains talent.

An employee survey was conducted in 2018. The survey results indicated that CRAN still has motivated employees, however most employees wanted more engagement with leaders.

The Human Capital Department will thus embark on foundational leadership training of all leaders across the organisation. This will include coaching, mentoring and life coaching skills to ensure that managers are well equipped to handling various human aspects faced by their direct reports work.

Revision of all existing Job Descriptions

In April 2018, the Human Capital Department embarked upon an organisational-wide Job Description Review exercise. All job descriptions in CRAN were revised.

Organisational wide Re-grading Exercise

During June 2018 to April 2019 the Board of Directors approved all the re-grading and grading appeals based on the Job Description Review exercise.

Implemented Market related Remuneration Scale

In April 2018, PricewaterhouseCoopers compiled and finalised a proposal for CRAN to align their current remuneration scales with those of the market. The new market related scales were duly submitted to the Board of Directors for consideration. The Board of Directors approved the new Remuneration Scales in July 2018, on condition that permission for enforcement is obtained from the Minister of Information and Communication Technology. In March 2019, CRAN received the endorsement for implementation from the Minister of Information and Communication Technology.

The re-alignment process was finalised at the end of March 2019, aligning employees job grades A-D4 to the new scale.

Affirmative Action Report

The Authority is an equal opportunity employer and is committed to the requirements as prescribed in the Affirmative Action (Employment) Act. CRAN has complied with the requirements of the Affirmative Action (Employment) Act, (Act No. 29 of 1998), and has received its Affirmative Action Compliance Certificate for the period 1 July 2017 to 30 June 2018. CRAN's 2nd further Affirmative Action Report for the period 1 July 2018 to 30 June 2019 is due for submission to the Employment Equity Commission in June 2019.

Performance Management

The Human Capital Department along with Senior Management are in the process of rolling out the Balanced Scorecard as a management tool to drive performance management.

In September 2018, the Human Capital Department held an executive session on the Balanced Scorecard with all senior and middle management. The training sessions provided an overview of the Balanced Scorecard and how it can be used to:

- Improve organisation-wide performance in an aligned structure
- Develop strategic objectives, strategy maps and strategic initiatives
- Create relevant performance measures at organisational level
- Build accountability throughout the organisation
- Link business processes such as budgeting and operational execution into one holistic system.

STAFF PROFESSIONAL DEVELOPMENT

CRAN recognises that it operates within a dynamic environment, and that this requires continuous professional development and the establishment of a learning culture in the organisation. A number of employees attended training in the following areas:

- Program in Spectrum Management
- Project and Time Management
- Telecommunications Emerging Technologies
- Risk and Compliance Management
- Business Writing
- Consumer Affairs
- Strategic Crisis Communication
- Social Media and Digital Marketing
- Transformational Leadership
- Office Administration
- Legal Practitioners Qualifying Examination
- Supervisory Management
- Customer Care
- Emotional Intelligence
- ICT Regulation Policy and Management
- Hygiene and Office Etiquette
- S.P.I.D.E.R. Programme.

Employee Wellness

Wellness requirements are established on an annual basis. The activities are promoted, conducted and participated in throughout the year. The following activities were scheduled for the period under review:

- NMC Medical Aid Information Session
- Pension Fund Information Session
- FNB Housing Scheme Information Session
- Health Screening
- Winter Soup Fridays
- Spring Day Fruit Treat.

Employee Turnover

The employee turnover rate has decreased to 5.10% for this reporting period compared to 21% recorded during the last reporting period.

Most of the turnover was caused by contract expiry for temporary employees and employees who resigned for growth opportunities. Exit interviews are conducted to mitigate factors that contribute to the turnover rate.

In-house Training

Due to budget cuts, no funds were allocated for in-house training. CRAN received an N$108,942 Vet Training Levy refund from the Namibia Training Authority (NTA) as re-imbursement for training costs spent on staff in the following areas:

- ITC Policy and Regulation
- Inventory Management and Stock Control
- Emotional Intelligence
- Executive Office Administration and Human Resources
- Contracts Management
- Strategic Executive and Personal Assistant Training.

Going forward, CRAN will reinvest refunds received from the Vet Training Levy on training of staff.

Human Resource Interventions

The following interventions were undertaken by the Human Resources Department during the period under review:

- Staff Presentation by Chief Operations Officer (COO) and Chief Executive Officer (CEO) on new Strategic Plan 2018/2021
- General Staff Meeting of 1 June 2018 and 1 February 2019
- Affirmative Action Committee Meetings
- Balanced Scorecard Overview Workshop
- CRASA Human Resource Development Council (HRDC)Meeting
- Performance Engagement Sessions with Departments

- Team Building for all staff members
- Board of Directors and Management team building
- End of Year function and Performance Awards Ceremony
- Christmas Tree lighting and exchange of gifts.

Recognition Agreement

CRAN entered into a recognition agreement with the Union in June 2019, recognising NAPWU as the Exclusive Bargaining Agent for employees' Job Grades A1-D2.

HR Challenges:

The following challenges were experienced during the period under review:

- Revised Remuneration Directive (Management)
- Employee Relations.

Revised Remuneration Directive

The Ministry of Public Enterprises (MPE) embarked on a study to revise the current remuneration directives, though this exercise remains in progress since 2015. The Authority faces various challenges in terms of matching remuneration offers for executives, retaining senior managers and granting of CPI increases to senior managers and red circling, which can only be addressed once the directive has been finalised.

Employee – Employer Relations

A labour dispute was filed by CRAN employees at the Office of the Labour Commissioner during the period under review, in respect of the following disputes:

- Dispute 1: Illegal deduction of alleged wrong bonus pay and unilateral change of employment agreement
- Dispute 2: Red circling of employee's salaries in CRAN
- Dispute 3: Payment of Overtime.

The conciliation meeting took place on 26 and 27 April 2018.

Dispute 2 has been resolved with the implementation of new remuneration scales, while Dispute 3 has been resolved with the implementation of the overtime policy.

The Board of Directors met with employees in hopes to resolve Dispute 1. Negotiations to find an amicable solution are still under way.

Current Staff Complement

The Table below indicates the statistics on the current staff complement as from 1 April 2018 to 31 March 2019.

Staff Complement

DESCRIPTION	STATISTICS
Number of Disadvantaged Males	22
Number of Advantaged Male	1
Number of Disadvantaged Females	32
Number of Advantaged Females	2
Disabled Male (Disadvantaged)	1
Non-Namibians	0
Number of Temporary Employees/ Interns	4
Total Number of Employees	**62**

Recruitments

The Table below indicates the statistics on employees that were recruited as from 1 April 2018 to 31 March 2019.

DESCRIPTION	STATISTICS
Number of Male Employees	3
Number of Female Employees	6
Number of Employees with Disabilities	0
Number of Temporary Employees/Interns	11
Total Number of Employees	**20**

Promotions

The Table below indicates the statistics on employees that were promoted as from 1 April 2018 to 31 March 2019.

DESCRIPTION	STATISTICS
Number of Male Employees	2
Number of Female Employees	5
Number of Employees with Disabilities	0
Number of Temporary Employees/Interns	3
Total Number of Employees	**10**

Resignations

The Table below indicates the statistics on employees that resigned as from 1 April 2018 to 31 March 2019.

DESCRIPTION	STATISTICS
Number of Male Employees	1
Number of Female Employees	2
Number of Employees with Disabilities	0
Number of Temporary Employees/Interns	12
Total Number of Employees	**15**

Employee Training

The Table below indicates the statistics on employees who undertook training for the period 1 April 2018 to 31 March 2019.

Professional Development Training

DESCRIPTION	STATISTICS
Number of Male Employees	8
Number of Female Employees	22
Number of Employees with Disabilities	0
Total Number of Employees	**30**

The Table below indicates the statistics on employees who undertook formal training through staff development programmes from 1 April 2018 to 31 March 2019.

Staff Development

DESCRIPTION	STATISTICS
Number of Male Employees	1
Number of Female Employees	5
Number of Employees with Disabilities	0
Total Number of Employees	**6**

THE WAY FORWARD

The Human Capital Department will roll out the Balanced Scorecard management tool, to enhance organisational performance and ensure that corporate strategy is fully implemented by ensuring that performance drives strategy.

The department aims to commence the succession planning process in order to support business continuity as a strategic objective, and to ensure that coaching and mentoring with the purpose of skills transfer is an ongoing process.

The Human capital department will continue to foster close relations with the various ministerial levels with the aim of finding a solution for the remunerative directive which poses a major challenge on EXCO and senior management level.

We believe that the initiatives outlined in the report, will bring meaningful dialogue and engagement with employees in order to decrease labour relation matters and foster a productive work environment for employees.

CORPORATE SOCIAL INVESTMENT

CORPORATE SOCIAL INVESTMENT

CRAN shares the overall desired outcome of the ICT sector in Namibia as described in the Fifth National Development Plan (NDP5), which states that "By 2022, Namibia has universal access to information, affordable communication and technology infrastructure and services."

The strategic initiatives for achieving this desired outcome are itemised in the NDP5 as follows:

- Improve % of the population covered by broadband infrastructure to 90%
- Improve % of Digital Terrestrial Television coverage to 93%
- Improve FM population coverage to 90%
- Increase the number of Postal Infrastructure outlets to 152
- Improve access to online news (users) to 80%.

These goals form part of our corporate social investment drive in the sense that CRAN is focused on the value created by technology, which supports the NDP5 goal of building a knowledge-based economy. Accomplishing this goal requires the widespread availability, affordability and accessibility of a full range of communication and technology infrastructure services, from fixed and mobile telephone, radio and television broadcasting to high-speed internet services.

Integrating ICT in all sectors of the mainstream economy is a critical success factor for accomplishing the transformation of Namibia into a knowledge economy, and CRAN is committed to exploring every avenue in order to ensure that this vision becomes reality.

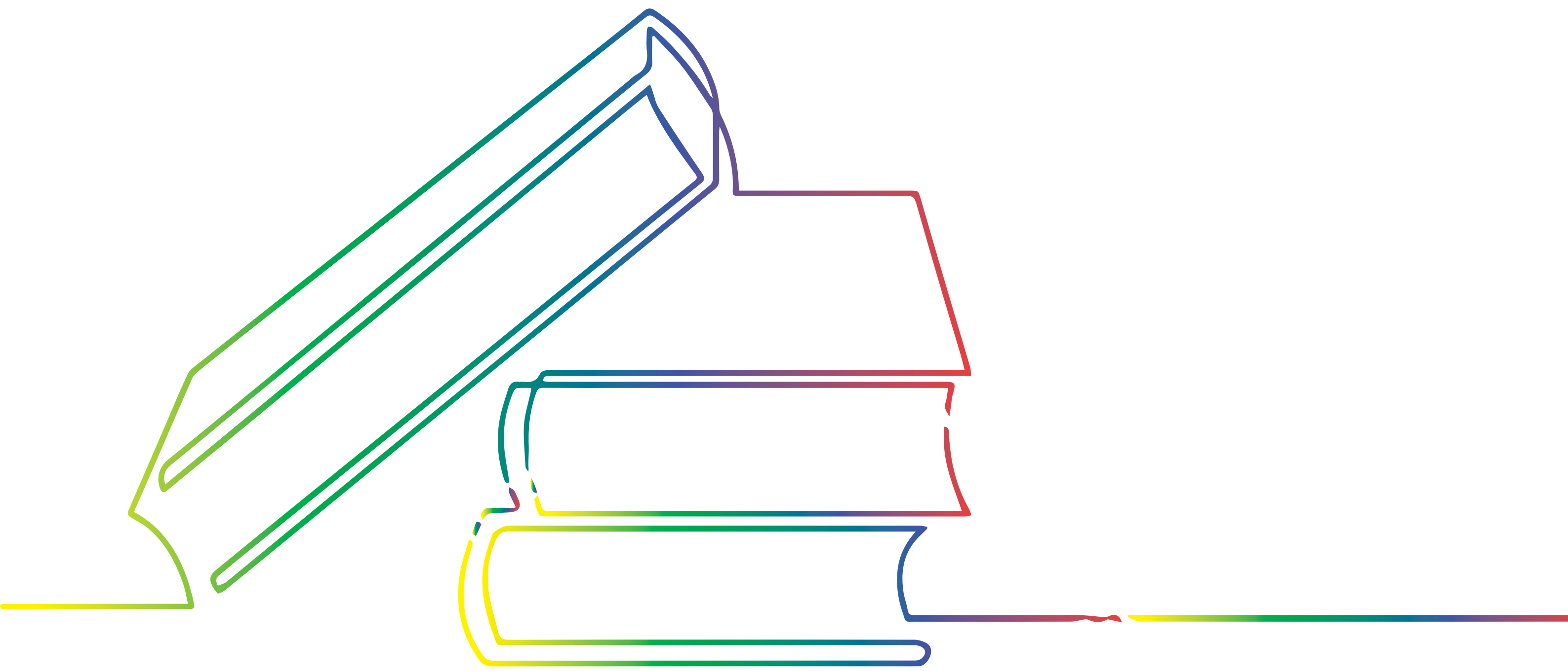
CRAN acknowledges, however, that the availability and access to telecommunication services in rural areas remain a challenge, largely due to uneven access to electricity and the high unit cost of rolling out ICT infrastructure throughout a vast geographic area.

In terms of direct financial investment, CRAN during the period under review participated in the 5th National ICT Summit which was hosted in Windhoek, from 15 to 17 October 2018 under the theme "Digital Transformation for an ICT Smart Namibia."

As a Summit participant CRAN sponsored an amount of N$70,000.00 towards the hosting of the event.

CRAN, in partnership with UNESCO and other stakeholders, celebrated World Radio Day on 13 February 2019 under the theme "Dialogue, Tolerance, Peace". The event was hosted in Windhoek.

An amount of N$6,000.00 was sponsored by CRAN towards the hosting of World Radio Day.



FINANCIAL REVIEW

Budget commentary

Budget implementation within CRAN is closely monitored through monthly variance reports distributed to management, as well as quarterly management accounts distributed to management and the board for their information, review, and action, ultimately ensuring compliance with internal budgetary requirements as well as ensuring financial transparency, accountability and informed decision making.

The total income for the period under review of N$66.1 million was 35.8% (N$36.9 million) lower than the expected income of N$103.5 million. This variance is a result of revenue that had to be written off subsequent to the 11 June 2018 Supreme Court decision. This decision declared Section 23(2)(a) and Regulation 6, which formed the basis on which the Regulator was determining regulatory levy, as unconstitutional, and that the Authority could no longer raise revenue on that basis from that date onwards.

The total incurred expenditure of N$85 million represents a 7% (N$5.8 million) excess over the budgeted amount of N$79.2 million for the period under review. At the same time, the Authority implemented cost savings measures aimed at ensuring financial sustainability. Though these cost-savings measures produced a budget savings of 22% (N$17.4 million), the total savings was nonetheless consumed by the additional write-off of N$23.2 million of Expected Credit Losses (ECL) related to the first-time implementation of IFRS 9.

Financial results

The Authority recorded a total comprehensive loss of N$12.6 million for the period under review, representing an increase of 7.7% from the prior year's loss of N$11.7 million. The decrease is attributed to the N$23.2 million write off of ECL related to the first-time implementation of IFRS 9.

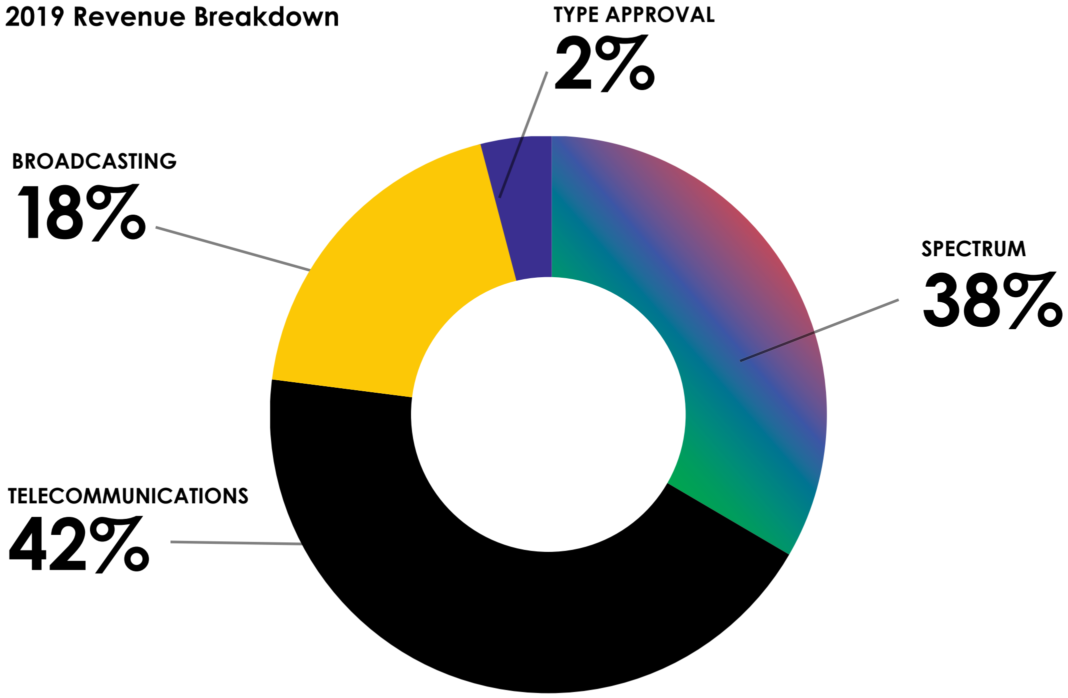
	2019	% CHANGE	2018
	N$'000		N$'000
Revenue	**66,130**	**(25.1%)**	**88,285**
Other income	(192)	(177.1%)	249
Operating expenses	(85,029)	(20.8%)	(107,420)
Operating profit	**(19,091)**	**1.1%**	**(18,886)**
Investment revenue	6,544	(9.5%)	7,234
Finance costs	-	(100.0%)	-
Profit (Loss) for the year	**(12,547)**	**7.7%**	**(1,652)**
Other comprehensive income	**-**		**-**
Total comprehensive income/(loss) for the year	**(12,547)**	**7.7%**	**(11,652)**

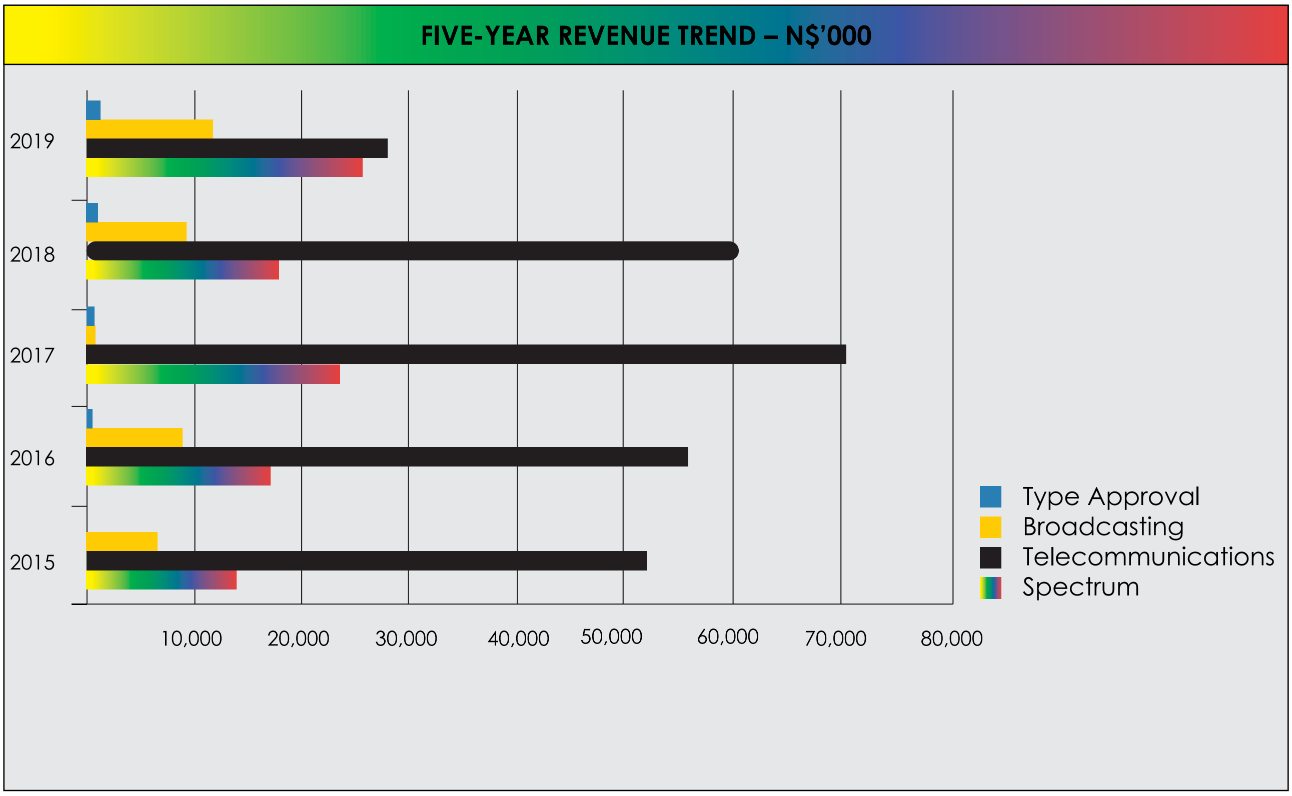
Revenue

Revenue for the period under review decreased by 25.1% from N$88.3 million in 2018 to N$66.1 million in 2019, with regulatory levies i.e. telecommunications and broadcasting fees contributing to 60% of the revenue.

CRAN's revenue is derived from regulatory levies comprising 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 38% of the revenue generated, are derived from radio licences, and these fees vary depending on the type of licence. Type approval fees, which made up 2% of revenue, are derived from charges for the use of telecommunications equipment in Namibia.

2019 Revenue Breakdown

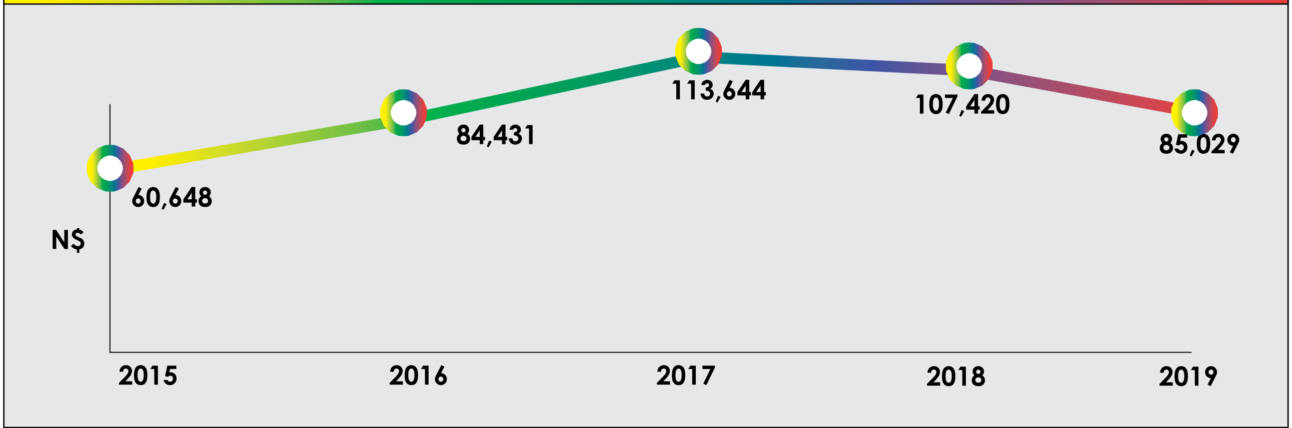




Operating expenses

Operating expenses decreased by 20.8% from N$107.4 million in 2018 to N$85.0 million in 2019. The main reason for the decrease is attributed to cost savings measures implemented by the Authority, aimed at ensuring financial sustainability.

Five-year Operating Expenses Trend - N$'000



Assets

The Authority's assets decreased by N$20.4 million to N$100.1 as at 31 March 2019 (31 March 2018: N$120.5 million). This decrease is the result of the N$23.2 million reduction in Retained Income attributable to a N$12.5 comprehensive loss (2018: N$11.7 million), N$10.8 million prior year ECLs related to the first-time implementation of IFRS 9, and N$2.8 million loss from an increase in liabilities.

FINANCE AND ADMINISTRATION DEPARTMENT

This Department is responsible for controlling the Authority's finances and for providing general administrative support. It is made up of three divisions: Financial accounting, Management accounting, and Procurement and Logistics.

Its key duties include financial accounting, revenue billing, and collections, facilitating external and internal audits, cash flows and investment management, strategic budgeting, costing and budgetary control, financial analysis and reporting, procurement, contract management, logistics, general maintenance and fleet management.

Key activities for the period under review

The department implemented IFRS 9 - Financial Instruments (as revised in July 2014). IFRS 9 replaces IAS 39 - Financial Instruments and introduces new requirements for the classification and measurement of financial assets and financial liabilities; impairment for financial assets; and general hedge accounting. The department also implemented IFRS 15 Revenue from contracts with customers (as revised in April 2016). IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements to the Construction of Real Estate, IFRC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services and introduces a 5-step approach to revenue recognition. The department prioritised the reviewing and implementation of policies and procedures to ensure company-wide compliance with the Public Procurement Act, 2015 (Act No. 15 of 2015) and regulations.

THE WAY FORWARD

The department will, in the coming year and beyond, focus on implementing the interim levy structure; facilitate the upgrading of its Sage X3 ERP system from version 6.5 to version 11, and facilitate the functionality enhancements on the billing and spectrum management on the Automated Spectrum Management System (ASMS). The department also aims to implement IFRS 16 – Leases for the first time, and continuously follow-up and collect outstanding regulatory levies.

CRAN

Communications Regulatory Authority of Namibia

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

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, Act 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.
Members	Mr. Heinrich Mihe Gaomab II Ms Vivienne E. Katjiuongua Ms Dorethy E. Smit Mr Gerhard Coeln Dr Tulimevava Mufeti Mr. Thomas H. Mbome
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
Bankers	Bank Windhoek Limited
Auditors	PricewaterhouseCoopers (Namibia) Registered Auditors Chartered Accountants (Namibia)
Governance Executive	Mr. Tanswell Davies
Lawyers	Dr Weder, Kauta and Hoveka Inc. Sisa Namandje Incorporated Nakamhela Attorneys Kangueehi & Kavendjii Inc.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

CONTENTS

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

CORPORATE GOVERNANCE STATEMENT

The Communications Regulatory Authority of Namibia (The Authority) is committed to the principles of integrity, safety, professionalism, transparency, responsibility and accountability. The member 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.

1. Members of the board

The board 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's attention, and obtains optimum input from the other members. The Chairperson also ensures that all decisions of the board are clearly documented and are likely to advance the Authority's interests.

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

2. Authority secretary and professional advice

All members have access to the advice and services of the Authority's 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.

3. 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 is 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 of 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

Member

Windhoek, Namibia

23 August 2019

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

MEMBERS RESPONSIBILITIES AND APPROVAL

The members are required in terms of the Communication 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 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 2020 and, in light of this review and the current financial position, they are satisfied that the company 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 79 to 81.

The Annual Financial Statements set out on pages 82 to 127, which have been prepared on the going concern basis, were approved by the members of the board on August 22, 2019 and were signed on their behalf by:

Approval of financial statements

Member | **Member**

Windhoek, Namibia

23 August 2019

INDEPENDENT AUDITOR'S REPORT

To the Minister of Information and Communication Technology

OUR OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Communications Regulatory Authority of Namibia (the Authority) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Communications Act, Act 8 of 2009.

What we have audited

Communications Regulatory Authority of Namibia's financial statements set out on pages 82 to 125 comprise:

- the members' report for the year ended 31 March 2019;
- the statement of financial position as at 31 March 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

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

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

Independence

We are independent of the Authority in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Revised July 2016)*, parts 1 and 3 of the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independent Standards) (Revised July 2018)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to Note 24 in the financial statements, which indicates that the Authority incurred a net loss of N$ 12 546 571 (2018: loss of N$ 11 652 142) during the year ended 31 March 2019 and generated negative cash flow from operating activities amounting to N$ 8 157 234 (2018: N$ 6 440 674). As stated

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 Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Tromifus Shapange, Nelson Lucas

INDEPENDENT AUDITOR'S REPORT (continued)

in Note 24, these events or conditions, along with other matters as set forth in Note 24, indicate that a material uncertainty exist that my 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 directors are responsible for the other information. The other information comprises the information included in the document titled "Communications Regulatory Authority of Namibia's Annual Financial Statements for the year ended 31 March 2019". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we did 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 and other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors 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, Act 8 of 2009, and for such internal control as the directors 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 directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

INDEPENDENT AUDITOR'S REPORT (continued)

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

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo

Partner
Windhoek

09 September 2019

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 Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Tromifus Shapange, Nelson Lucas

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

MEMBERS' REPORT

The board members have pleasure in submitting their report on the annual financial statements of Communications Regulatory Authority of Namibia for the year ended March 31, 2019.

1. Incorporation

The Authority is established in terms of section 4 of the Communications Act, and came into effect on 18 May 2011.

2. Nature of business

The Communications Regulatory Authority of Namibia (CRAN) 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 the 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 Members

The members in office at the financial year-end and date of this report are as follows:

Members	Nationality	Changes
Ms. Frieda Kishi	Namibian	Term ended, June 22, 2019
Ms. Anne-Doris Hans-Kaumbi	Namibian	Term ended, June 22, 2019
Ms. Beverley Gawanas –Vugs	Namibian	Term ended, June 22, 2019
Mr. Moses Molatendi Moses	Namibian	Term ended, June 22, 2019
Mr. Mpasi Haingura	Namibian	Term ended, June 22, 2019
Mr. Andreas Nekongo	Namibian	Term ended, June 22, 2019
Mr. Heinrich Mihe Gaomab II	Namibian	Appointed, July 1, 2019
Ms Vivienne E. Katjiuongua	Namibian	Appointed, July 1, 2019
Ms Dorethy E. Smit	Namibian	Appointed, July 1, 2019
Mr Gerhard Coeln	Namibian	Appointed, July 1, 2019
Dr Tulimevava Mufeti	Namibian	Appointed, July 1, 2019
Mr. Thomas H. Mbome	Namibian	Appointed, July 1, 2019

5. Members' interests in contracts

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

MEMBERS' REPORT (continued)

6. Events after the reporting period

As per the Cabinet decision no. 8 (1) and (2) of 23rd July 2019, Cabinet granted approval for the transfer of the Namibian Communication Commission's (NCC) moveable and immovable assets as well as the liabilities to CRAN; and Cabinet also approved that CRAN takes over the liabilities for the monitoring sites and enter into lease agreements with the concerned institutions. Further details are contained in the note on Going concern.

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

7. Going concern

The Authority incurred a net loss of N$ (12 546 572) (2018: loss of N$11 652 142) for the year ended 31 March 2019 and generated negative cash flow from operating activities amounting to N$8 157 234 (N$2018: N$6 440 674) 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 23 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 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.

On the 11th of June 2018, the Supreme Court ruled as follows:

- Section 23 (2) (a) of the Communications Act 8 of 2009 is declared unconstitutional and is hereby struck down;
- Subject to para (c) below, the order of invalidity in paragraph (a) will take effect from the date of this judgement and shall have no retrospective effect in respect of anything done pursuant thereto prior to the said date;
- Telecom shall not be liable to pay any levy imposed covering a period before the coming into force of item 6 of the Regulations Regarding Administrative and License Fees for Service Licenses, published as GN 311 in GG 5037 on 13 September 2012.

Management strongly believes that they are in a position to turn around the Regulator's financial fortunes for the following reasons:

- CRAN proposed a draft interim amendment to the Ministry of Information and Communication Technology to amend Section 23 of the Communications Act, which amendment is currently under Cabinet consideration for approval;
- CRAN has already drafted the Regulations in line with the proposed amendments to Section 23 to the Communications Act as per the Supreme Court ruling, and is therefore waiting for the promulgation of the amendment to the Communications Act before commencing with the Rule Making procedures;

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

MEMBERS' REPORT (continued)

- Once implemented, the new regulatory levy regime will secure CRAN's future sustainability in that CRAN would first determine the cost for regulation and then determine the levy to be imposed to defray that cost;
- In light of the Supreme Court judgement, CRAN is pursuing a legal process against Telecom Namibia Limited, and Mobile Telecommunications Limited for purposes of recovering payment of outstanding levies, interest and penalties;
- Furthermore, CRAN will soon boost its revenue by an additional N$5 - N$7 million revenue per year from number licenses due to the fact that the transition of number licenses have now been completed;
- Finally, CRAN received confirmation from the Ministry of ICT that the Cabinet submission regarding the transfer of the rest of The Namibian Communication Commission (NCC) assets and liabilities, including the bank balance of N$74 million, has been approved by Cabinet on the 23rd of July 2019.
- The official confirmation on the respective asset values (Spectrum Monitoring System) and determination of the liabilities (Monitoring sites) are still pending with the Ministry of Information and Communication Technology.

8. Secretary

The company secretary is Mr Tanswell Davies.

Postal address:
Private Bag 13309
Windhoek
Namibia

Business address:
Communications House
56 Robert Mugabe Avenue
Windhoek
Namibia

9. Auditors

PricewaterhouseCoopers (Namibia) continued in office as auditor for the Authority for the year 2019.

10. 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.

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note(s)	2019 N$	2018 N$
Assets			
Non-Current Assets			
Property, plant and equipment	5	4,975,062	4,684,146
Intangible assets	6	1,351,336	1,215,929
		6,326,398	**5,900,075**
Current Assets			
Trade and other receivables	7	3,167,706	13,662,916
Other financial assets	8	80,000,000	11,175,523
Cash and cash equivalents	9	10,610,842	89,750,317
		93,778,548	**114,588,756**
Total Assets		**100,104,946**	**120,488,831**
Equity and Liabilities			
Equity			
Retained income		53,049,988	76,267,377
Liabilities			
Non-Current Liabilities			
Deferred capital	10	37,035,281	37,035,281
Current Liabilities			
Trade and other payables	11	9,496,705	6,866,082
Provisions	12	522,972	320,091
		10,019,677	**7,186,173**
Total Liabilities		**47,054,958**	**44,221,454**
Total Equity and Liabilities		**100,104,946**	**120,488,831**

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2019 N$	2018 N$
Revenue from contracts with customers	13	66,129,885	88,285,308
Other operating gains (losses)	14	(191,784)	248,881
Administrative expenses		(42,089,944)	(33,239,808)
Other operating expenses		(42,938,543)	(74,179,991)
Operating loss	**15**	**(19,090,386)**	**(18,885,610)**
Investment income	16	6,543,814	7,233,468
Loss for the year		**(12,546,572)**	**(11,652,142)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(12,546,572)**	**(11,652,142)**

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

STATEMENT OF CHANGES IN EQUITY

	Note(s)	Retained Income N$	Total Equity N$
Balance at April 1, 2017		**87,919,519**	**87,919,519**
Loss for the year		(11,652,142)	(11,652,142)
Other comprehensive income		-	-
Total comprehensive Loss for the year		**(11,652,142)**	**(11,652,142)**
Opening balance as previously reported		76,267,377	76,267,377
Adjustments			
Prior year adjustment - IFRS 9		(10,670,821)	(10,670,821)
Balance at April 1, 2018 as restated		**65,596,560**	**65,596,560**
Loss for the year		(12,546,572)	(12,546,572)
Other comprehensive income		-	-
Total comprehensive Loss for the year		**(12,546,572)**	**(12,546,572)**
Balance at March 31, 2019		**53,049,988**	**53,049,988**

Note(s)

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

STATEMENT OF CASH FLOWS

	Note(s)	2019 N$	2018 N$
Cash flows from operating activities			
Cash used in operations	17	(14,701,048)	(13,674,142)
Interest income		6,543,814	7,233,468
Net cash from operating activities		**(8,157,234)**	**(6,440,674)**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,427,377)	(1,415,685)
Sale of property, plant and equipment	5	13,800	-
Purchase of other intangible assets	6	(744,187)	(336,204)
Acquisition of other financial assets		(80,000,000)	(11,175,523)
Disposal of other financial assets		11,175,523	54,000,000
Net cash from investing activities		**(70,982,241)**	**41,072,588**
Total cash movement for the year		**(79,139,475)**	**34,631,914**
Cash at the beginning of the year		89,750,317	55,118,403
Total cash at end of the year	9	**10,610,842**	**89,750,317**

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, Act 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 company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

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

Impairment of financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

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 value 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 established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are

ACCOUNTING POLICIES (continued)

1.2 Significant judgements and sources of estimation uncertainty (continued)

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 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. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment
Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of carports and cubicles, motor vehicles, furniture and fixtures, 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 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 are inherently based on assumptions and estimates using 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 Authority, 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.

ACCOUNTING POLICIES (continued)

1.3 Property, plant and equipment (continued)

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 Authority. 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.

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	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.

ACCOUNTING POLICIES (continued)

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.

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

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

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

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

ACCOUNTING POLICIES (continued)

1.5 Financial instruments (continued)

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Financial liabilities:
- Amortised cost; or

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

Trade and other receivables

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

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement
Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment
The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses
The Authority makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience,

ACCOUNTING POLICIES (continued)

1.5 Financial instruments (continued)

adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 15).

Write off policy
The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk
Details of credit risk are included in the trade and other receivables note (note 7) and the financial instruments and risk management note (note 4).

Trade and other payables

Classification
Trade and other payables (note 11), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the Authority becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the Authority to liquidity risk and possibly to interest rate risk. Refer to note 4 for details of risk exposure and management thereof.

ACCOUNTING POLICIES (continued)

1.5 Financial instruments (continued)

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

1.6 Financial instruments: IAS 39 Comparatives

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 (continued)

1.6 Financial instruments: IAS 39 Comparatives (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.

ACCOUNTING POLICIES (continued)

1.6 Financial instruments: IAS 39 Comparatives (continued)

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.

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 Authority has the positive intention and ability to hold to maturity are classified as held to maturity.

1.7 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.

1.8 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.

ACCOUNTING POLICIES (continued)

1.8 Leases (continued)

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.

1.9 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.

1.10 Employee benefits

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

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

ACCOUNTING POLICIES (continued)

1.10 Employee benefits (continued)

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 company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 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.

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 23.

1.12 Revenue from contracts with customers

The Authority recognises revenue from the following major sources:

- Regulatory levies
- Spectrum
- Type approval fees
- Numbering plan

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ACCOUNTING POLICIES (continued)

1.12 Revenue from contracts with customers (continued)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Authority recognises revenue when it transfers control of a product or service to a customer.

The 5 Step Revenue Method:
- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Regulatory levies
Section 23 of the Communications Act, 2009 provides that CRAN may, after a rule making procedure, impose a regulatory levy on providers of communication services. Section 38(10)(f) provides that CRAN may impose on licensees the fees payable for the grant, management and control of a license. Section 85(1) of the Communications Act, 2009 provides that CRAN may determine prescribed fees in respect of broadcasting licenses. Accordingly, CRAN has made application and license fees applicable to telecommunications and broadcasting service licences. The levies are based on a predetermined percentage of the turnover of the operators as certified by them and subsequently by their auditor on an annual basis. Revenue is recognised when the audited financial statements of the telecommunications and broadcasting operators are submitted to the Authority, which is at a point in time.

Spectrum fees
Any person intending to provide a class telecommunications and broadcasting service as contemplated in the Act and Regulations Setting out Broadcasting and Telecommunications Service License Categories, must submit, in writing to the Authority, an application for a class telecommunications or broadcasting service license. Any person intending to use spectrum, where the Authority, in its sole discretion, determines that spectrum use license applications will be processed on a first come, first served basis, must submit, in writing an application. Once approved the license will be awarded. The fees are set out in the relevant Gazette. The Authority collects fees from the renewal of annual license fees, administration fees relating to service licences and spectrum use license fees.

Revenue is recognised when the fees becomes due annually for Spectrum, at a point in time.

Type approval fees
Any person or entity who intends to connect telecommunications equipment to an electronic communication network in Namibia for purposes of electronic communications and use, sell or offer for sale telecommunications equipment within the Republic of Namibia must apply for type approval to the Authority in respect of telecommunications equipment prior to the use, connection, sale for re-sale thereof within the Republic of Namibia. All fees are payable in advance and are non-refundable. The fees are set out in the relevant Gazette.

Revenue is recognised when the application fee is received, at a point in time.

ACCOUNTING POLICIES (continued)

1.12 Revenue from contracts with customers (continued)

Numbering plan
This applies to the application for and use of Namibian numbering resources by telecommunications services licensees. The Authority shall notify each licensee annually of the chargeable fee that they must pay to the Authority for the use of the numbering resources allocated to them. The prices are set out in the relevant Gazette,

Revenue is recognised when the audited figures of the utilisation of numbering resources are provided, at a point in time.

1.13 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.

1.14 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 The Namibian Communication Commission (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, and amount of N$37 million was transferred from the The Namibian Communication Commission (NCC) to CRAN during the year ended 31 March 2012.

1.15 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 if 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.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments
In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the company's financial statements are described below.

The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets
The date of initial application (i.e. the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is April 1, 2018. Accordingly, the Authority has applied the requirements of IFRS 9 to instruments that have not been derecognised as at April 1, 2018 and has not applied the requirements to instruments that have already been derecognised as at April 1, 2018. Comparatives in relation to instruments that have not been derecognised as at April 1, 2018 have not been restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at April 1, 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.

All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts the incurred loss model of IAS 39.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

2. Changes in accounting policy (continued)

The members reviewed and assessed the Authority's existing financial assets as at April 1, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Authority's financial assets as regards to their classification and measurement:

Debt instruments
Debt instruments classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Impairment of financial assets
In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Authority to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Authority to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Authority to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Authority is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

As at April 1, 2018, the members reviewed and assessed the Authority's existing financial assets, amounts due from customers for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at April 1, 2017 and April 1, 2018.The result of the assessment is as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

2. Changes in accounting policy (continued)

			Cumulative additional loss allowance recognised on:
Items existing on April 1, 2018 that are subject to the impairment provisions of IFRS 9:	**Note**	**Credit risk attributes at April 1, 2017 and April 1, 2018**	April 1, 2018
Trade and other receivables	7	The Authority applies the simplified approach and recognises lifetime expected credit losses for these assets.	10,670,821

The additional loss allowance is charged against the respective asset, except for the investments at fair value through other comprehensive income, the loss allowance for which is recognised against the reserve in equity. The application of the IFRS 9 impairment requirements has resulted in additional loss allowance of N$ 23,172,439 to be recognised in the current year (2018: N$ 10,670,821).

Application of IFRS 15 Revenue from contracts with customers
In the current year, the Authority has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRSs. IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services.

IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the Authority financial statements are described below. Refer to the revenue accounting policy for additional details.

The company has applied IFRS 15 with an initial date of application of April 1, 2018 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at April 1, 2018. The comparative information has therefore not been restated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the Authority 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:
• IFRS 9 Financial Instruments	January 1, 2018	The impact of the standard is set out in note 2 Changes in accounting policy.
• IFRS 15 Revenue from Contracts with Customers	January 1, 2018	The adoption of this standard has not had a material impact on the results of the authority, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	January 1, 2018	The adoption of this standard has not had a material impact on the results of the authority, but has resulted in more disclosure than would have previously been provided in the financial statements

3.2 Standards and interpretations not yet effective

The Authority has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Authority's accounting periods beginning on or after April 1, 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2099	The impact of the standard is not material.
• IFRS 17 Insurance Contracts	January 1, 2021	Unlikely there will be a material impact
• Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	January 1, 2019	Unlikely there will be a material impact
• Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28	January 1, 2019	Unlikely there will be a material impact
• Prepayment Features with Negative Compensation - Amendment to IFRS 9	January 1, 2019	Unlikely there will be a material impact
• Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle	January 1, 2019	Unlikely there will be a material impact
• Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle	January 1, 2019	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

3.2 Standards and interpretations not yet effective (continued)

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	January 1, 2019	Unlikely there will be a material impact
• Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle	January 1, 2019	Unlikely there will be a material impact
• Uncertainty over Income Tax Treatments	January 1, 2019	Unlikely there will be a material impact
• IFRS 16 Leases	January 1, 2019	Refer below

The Authority has not yet assessed what other adjustments, if any, are necessary because of the change in the definition of the lease term, the different treatment of variable lease payments and of extension and termination options. The treatment of the use of the buildings and machines will be significantly impacted by the adoption of the new standard. At this stage, it is not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Authorities profit or loss and classification of cash flows going forward.

4. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2019	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	2,920,663	2,920,663	2,920,663
Cash and cash equivalents	9	10,610,842	10,610,842	10,610,842
		13,531,505	**13,531,505**	**13,531,505**

2018	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	13,622,915	13,622,915	13,622,915
Cash and cash equivalents	9	89,750,317	89,750,317	-
		103,373,232	**103,373,232**	**13,622,915**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

4. Financial instruments and risk management (continued)

Categories of financial liabilities

2019	**Note(s)**	Amortised cost	Total	Fair value
Trade and other payables	11	8,303,763	8,303,763	-

2018	**Note(s)**	Amortised cost	Total	Fair value
Trade and other payables	11	6,866,082	6,866,082	-

Capital risk management
The Authority's objective 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 9, as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

Trade and other payables	11	8,303,763	6,866,082
Cash and cash equivalents	9	(10,610,842)	(89,750,317)
Net borrowings		**(2,307,079)**	**(82,884,235)**

Financial risk management

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

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

The 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. The board 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.

Credit risk
Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

4. Financial instruments and risk management (continued)

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.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

4. Financial instruments and risk management (continued)

accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

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

		2019			2018		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	225,599,785	(222,679,122)	2,920,663	202,274,346	(188,835,861)	13,438,485
Cash and cash equivalents	9	10,610,842	-	10,610,842	89,750,317	-	89,750,317
		236,210,627	**(222,679,122)**	**13,531,505**	**292,024,663**	**(188,835,861)**	**103,188,802**

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

The forward-looking is analysed as follows:
Telecommunications - Telecom Namibia's financial performance raises serious concerns. Its foreign failed investments and the takeover of Powercom (Pty) Ltd T/A Leo have left its domestic operations vulnerable and limits its capacity to invest and innovate. Telecom Namibia's revenue increased by 0.81% between 2016 and 2018 (2016: N$ 1,517,558 to 2018: N$ 1,529,717) with losses increasing by 51.22% (2016: N$ 41,022.000 to 2018: N$ 84,112.000). Telecom Namibia's mobile operation failed to pose serious competition to MTC in 2016. MTC's investment levels and high ROEs indicate that it does not see the need to compete and innovate and instead focusses on excess profits for its shareholders. MTC's revenue increased by 7.51% between 2016 and 2018 (2016: N$ 2,323,533 to 2018: N$ 2,498,160) with an increase in profits of 32.80% (2016: N$ 579,487.000 to 2018: N$ 862,355.000). Based on the information above, we can conclude that MTC's ability to pay CRAN for the Regulatory Levies is much higher than that of Telecom Namibia's. In the Broadcasting world, Kosmos Radio's revenue increased by 27% between 2016 and 2018 (2016: N$ 658,451 to 2018: N$ 915,232) with profits increasing by 35.60% (2016: N$ 747,317 to 2018: N$ 481,246). West Coast FM's revenue increased by 10.9% between 2016 and 2018 (2016: N$ 12,633,973 to 2018: N$ 14,183,140) with profits only increasing by 1.5% (2016: -N$ 533,310 to 2018: N$ 8,133). This is however not a true reflection of the broadcasting sector with only few innovative broadcasters being able to enjoy positive financial outcomes. A number of small or medium sized radio stations are either merging with others to keep afloat or are being sold to create investment and innovation. The most recent merger is the acquisition of Radio Kudu (Pty) Ltd, Radio Fresh (Pty) Ltd, Omulunga Radio (Pty) Ltd and Radio Wave CC by Namibia Future

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

4. Financial instruments and risk management (continued)

Media Holdings (Pty) Ltd. Based on the information above, some broadcaster would be in a position to pay the regulatory fees while most would be struggling to pay in the near future.

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

The Authority manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations.

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

2019		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	8,030,763	8,030,763	8,303,763

2018		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	6,866,082	6,866,082	6,866,082

Foreign currency risk
The Authority does not hedge foreign exchange fluctuations.

The Authority reviews its foreign currency exposure, including commitments on an ongoing basis.

Interest rate sensitivity analysis
The following information presents the sensitivity of the Authority to an increase or decrease in the respective interest rates it is exposed to. The sensitivity rate is the rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The sensitivity analysis includes only outstanding interest rate amounts at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

4. Financial instruments and risk management (continued)

	2019	2019	2018	2018
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Change in one basis point	906,108	(906,108)	1,009,258	(1,009,258)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to 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 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$90.6 million (2018: N$100.9 million) are exposed to cash flow interest rate risk, however considering the short term maturity of these deposits, these risks are minimized.

Details of interest rate risk exposure are contained in the relevant notes throughout these financial statements.

5. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Carports and cubicles	55,070	(6,608)	48,462	55,070	(4,405)	50,665
Furniture and fixtures	3,561,829	(1,792,079)	1,769,750	3,363,913	(1,450,270)	1,913,643
Motor vehicles	1,305,572	(1,042,802)	262,770	1,305,572	(844,232)	461,340
Office equipment	779,167	(741,023)	38,144	732,520	(668,266)	64,254
IT equipment	2,936,919	(2,019,473)	917,446	2,108,328	(1,921,717)	186,611
Spectrum tools	44,891	(43,494)	1,397	44,891	(43,494)	1,397
Spectrum monitoring system	12,130,743	(10,193,650)	1,937,093	11,970,644	(9,964,408)	2,006,236
Total	**20,814,191**	**(15,839,129)**	**4,975,062**	**19,580,938**	**(14,896,792)**	**4,684,146**

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Carports and cubicles	50,665	-	-	(2,203)	48,462
Furniture and fixtures	1,913,643	197,916	-	(341,809)	1,769,750
Motor vehicles	461,340	-	-	(198,570)	262,770
Office equipment	64,254	46,647	-	(72,757)	38,144
IT equipment	186,611	1,022,715	(17)	(291,863)	917,446
Spectrum tools	1,397	-	-	-	1,397
Spectrum monitoring system	2,006,236	160,099	-	(229,242)	1,937,093
	4,684,146	**1,427,377**	**(17)**	**(1,136,444)**	**4,975,062**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Carports and cubicles	52,867	-	-	(2,202)	50,665
Furniture and fixtures	1,965,219	268,713	-	(320,289)	1,913,643
Motor vehicles	689,087	-	-	(227,747)	461,340
Office equipment	164,070	35,106	-	(134,922)	64,254
IT equipment	281,212	208,240	(3,924)	(298,917)	186,611
Spectrum tools	1,397	-	-	-	1,397
Spectrum monitoring system	1,181,217	903,626	-	(78,607)	2,006,236
	4,335,069	**1,415,685**	**(3,924)**	**(1,062,684)**	**4,684,146**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

6. Intangible assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	6,198,464	(4,847,128)	1,351,336	5,454,277	(4,238,348)	1,215,929

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	1,215,929	744,187	(608,780)	1,351,336

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	1,740,718	336,204	(860,993)	1,215,929

7. Trade and other receivables

Financial instruments:		
Trade receivables	224,721,943	202,121,569
Loss allowance	(222,679,122)	(188,835,861)
Trade receivables at amortised cost	2,042,821	13,285,708
Interest receivables	660,515	60,761
Other receivables	217,327	92,016
Non-financial instruments:		
Deposits	187,966	183,998
Prepayments (if immaterial)	59,077	40,433
Total trade and other receivables	**3,167,706**	**13,662,916**

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

7. Trade and other receivables (continued)

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	2,920,663	13,438,485
Non-financial instruments	247,043	224,431
	3,167,706	**13,662,916**

Exposure to credit risk

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

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

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

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

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

7. Trade and other receivables (continued)

The Authority's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Expected credit loss rate:	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)	2018 Estimated gross carrying amount at default	2018 Loss allowance (Lifetime expected credit loss)
Less than 30 days past due: 68% (2018: 96%)	26,500,970	(26,364,707)	54,828,765	(53,840,687)
31 - 60 days past due: 68% (2018: 96%)	1,177,842	(801,286)	(7,765)	5,282
61 - 90 days past due: 42% (2018: 100%)	63,479	(26,562)	(187,360)	78,397
91 - 120 days past due: 96% (2018: 89%)	28,124,308	(27,880,316)	70,244,375	(69,793,447)
More than 120 days past due: 94% (2018: 86%)	168,855,344	(167,606,251)	77,243,553	(75,956,227)
Total	**224,721,943**	**(222,679,122)**	**202,121,568**	**(199,506,682)**

	Note(s)	2019 N$	2018 N$
8. Other financial assets - Comparative information as per IAS 39			
Loans and receivables			
Nedbank Namibia Limited (AA - Global Credit Ratings)		16,000,000	-
Namibia Post Limited (Savings Bank) (not rated)		16,000,000	-
Bank Windhoek Limited (A1+ - Global Credit Ratings)		16,000,000	11,175,523
First National Bank Namibia Limited (A1+ - Global Credit Ratings)		16,000,000	-
Standard Bank Namibia (AA - Global Credit Ratings)		16,000,000	-
		80,000,000	**11,175,523**
Current assets			
Fixed-term deposits		80,000,000	11,175,523

Fair value hierarchy of financial assets at fair value through profit or loss
For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Note(s)	2019 N$	2018 N$

8. Other financial assets - Comparative information as per IAS 39 (continued)

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 2		
Nedbank Namibia Limited (AA - Global Credit Ratings)	16,000,000	-
Namibia Post Limited (Savings Bank) (not rated)	16,000,000	-
Bank Windhoek Limited (A1+ - Global Credt Ratings)	16,000,000	11,175,523
First National Bank Namibia Limited (A1+ - Global Credit Ratings)	16,000,000	-
Standard Bank Namibia (AA - Global Credit Ratings)	16,000,000	-
	80,000,000	**11,175,523**

Although Namibia Post Limited is not rated it has no history of default.

The company has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

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.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	10,866	10,720
Bank balances	1,738,934	624,762
Short-term deposits	8,861,042	89,114,835
	10,610,842	**89,750,317**

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

Credit rating		
Bank Windhoek Limited (A1+ - Global Credit Ratings)	10,599,976	89,739,597

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Note(s)	2019 N$	2018 N$

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 The Namibian Communication Commission (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 The Namibian Communication Commission (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 The Namibian Communication Commission (NCC) and approval from Cabinet

	2019	2018
Deferred capital	37,035,281	37,035,281

11. Trade and other payables

	2019	2018
Financial instruments:		
Trade payables	2,845,112	2,763,672
Provisions for leave pay and bonusses	4,003,981	3,068,449
Other accrued expenses	48,547	13,048
Deposits received	-	396,075
Other payables	2,599,065	624,838
	9,496,705	**6,866,082**

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

12. Provisions

Reconciliation of provisions - 2019

	Opening balance	Utilised during the year	Reversed during the year	Total
Provision - Severance pay	320,091	242,109	(39,228)	522,972

Reconciliation of provisions - 2018

	Opening balance	Utilised during the year	Reversed during the year	Total
Provision - Severance pay	1,384,013	11,031	(1,074,953)	320,091

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Note(s)	2019 N$	2018 N$
13. Revenue			
Revenue from contracts with customers at a point in time			
Broadcasting		11,822,536	9,146,307
Telecommunications		27,771,954	60,158,161
Spectrum		25,288,795	17,804,240
Type Approval		1,246,600	1,176,600
		66,129,885	**88,285,308**
14. Other operating gains (losses)			
Gains (losses) on disposals, scrapings and settlements			
Property, plant and equipment	5	13,783	(3,924)
Foreign exchange gains (losses)			
Net foreign exchange (losses) gains		(205,567)	252,805
Total other operating gains (losses)		**(191,784)**	**248,881**

15. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

		2019 N$	2018 N$
Auditor's remuneration - external			
Audit fees		718,498	-
Remuneration, other than to employees			
Consulting and professional services		4,076,335	2,835,627
Leases			
Operating lease charges			
Premises		3,364,269	2,956,574
Motor vehicles		32,069	49,951
Equipment		879,936	828,173
Operating lease other		14,415	2,940
		4,290,689	**3,837,638**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Note(s)	2019 N$	2018 N$
15. Operating profit (loss) (continued)			
Depreciation and amortisation			
Depreciation of property, plant and equipment		1,136,444	1,062,684
Amortisation of intangible assets		608,780	860,993
Total depreciation and amortisation		**1,745,224**	**1,923,677**
Other			
Other operating gains (losses)	14	(191,784)	248,881

Expenses by nature

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

		2019 N$	2018 N$
Employee costs		33,862,263	25,964,361
Operating lease charges		4,290,689	3,837,638
Depreciation, amortisation and impairment		1,745,224	1,923,677
Other expenses		2,111,177	2,315,869
Bad debts		23,172,439	57,901,621
ICT Communications		3,754,010	2,881,263
Legal expenses		1,994,250	611,223
Consulting and professional fees		2,393,055	1,443,404
Training and development		500,450	1,649,546
Projects		1,520,860	1,105,785
Business related trips		3,752,285	2,444,251
Media and communications		2,747,902	2,734,289
Membership and license fees		1,710,613	1,113,892
General operating expenditure		1,473,270	1,492,980
		85,028,487	**107,419,799**

16. Investment income

		2019 N$	2018 N$
Interest income			
Investments in financial assets:			
Bank and other cash		6,543,814	7,233,468

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Note(s)	2019 N$	2018 N$

17. Cash used in operations

		2019 N$	2018 N$
Loss for the year		(12,546,572)	(11,652,142)
Adjustments for:			
Depreciation and amortisation		1,745,224	1,923,677
(Gains) losses on disposals, scrapings and settlements of assets and liabilities		(13,783)	3,924
Losses (gains) on foreign exchange		205,567	(252,805)
Interest income		(6,543,814)	(7,233,468)
Movements in provisions		202,881	(5,542,505)
Prior year adjustment		(10,670,822)	-
Changes in working capital:			
Trade and other receivables		10,495,210	3,289,631
Trade and other payables		2,425,061	5,789,546
		(14,701,048)	**(13,674,142)**

18. Commitments

		2019 N$	2018 N$
Authorised capital expenditure			
Not yet contracted for and authorised by members		8,802,560	3,091,461

This committed expenditure relates to capital expenditure that was authorised, but not contracted for.

19. 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.

		2019 N$	2018 N$
Minimum lease payments			
-within one year		3,517,871	2,985,736
-in second to fifth year inclusive		1,073,584	2,707,052
		4,591,455	**5,692,788**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

20. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2019

	Opening balance	Closing balance
Deferred capital	37,035,281	37,035,281
	37,035,281	**37,035,281**
Total liabilities from financing activities	**37,035,281**	**37,035,281**

Reconciliation of liabilities arising from financing activities - 2018

	Opening balance	Closing balance
Deferred capital	37,035,281	37,035,281
	37,035,281	**37,035,281**
Total liabilities from financing activities	**37,035,281**	**37,035,281**

21. Remuneration of board members

Executive
Non-executive

2019	Members' fees	Total
Ms. Frieda Kishi	120,812	120,812
Ms. Anne-Doris Hans-Kaumbi	213,584	213,584
Ms. Beverley Gawanas –Vugs	163,079	163,079
Mr. Moses Molatendi Moses	128,075	128,075
Mr. Mpasi Haingura	132,273	132,273
	757,823	**757,823**

2018	Members' fees	Total
Ms. Frieda Kishi	132,864	132,864
Ms. Anne-Doris Hans-Kaumbi	199,894	199,894
Ms. Beverley Gawanas –Vugs	151,779	151,779
Mr. Moses Molatendi Moses	133,714	133,714
Mr. Mpasi Haingura	131,614	131,614
	749,865	**749,865**

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Note(s)	2019 N$	2018 N$

22. Related parties

Relationships

Line Ministry with significance influence	Ministry of Information and Communications Technology (MICT)
	Telecom Namibia Limited
Entities reporting to the MICT	Mobile Telecommunications Limited
	Namibia Broadcasting Corporation
Members of Key Management	FK Mbandeka (Chief Executive Officer)
	J Traut (Chief Operations Officer)
	J Tjituka (Head: Finance)
	E Nghikembua (Head: Legal Advice)
	L Henckert-Louw (Head: Human Capital)
	R Le Grange (Head: Electronic Communications)
	H Vosloo (Head: Economics & Sector Research)
	K Sikeni (Head: Corporate Communication)
	T Davies (Governance Executive)

	2019 N$	2018 N$
Related party balances		
Significant amounts included in Trade receivables regarding related parties		
Telecom Namibia Limited	107,553,653	86,258,063
Mobile Telecommunications Limited	97,269,144	77,027,100
Namibia Broadcasting Corporation	2,633,407	3,541,978
Related party transactions		
Significant transactions with related parties included in revenue		
Telecom Namibia Limited	5,055,813	47,610,495
Mobile Telecommunications Limited	32,239,644	73,883,100
Namibia Broadcasting Corporation	1,155,420	119,100
Compensation to directors and other key management		
Short-term employee benefits	10,497,574	14,054,843

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

23. 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 favour. 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 (No.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 4 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 7 November 2017, the Court issued a "rule-nisi" with a return date of 19 January 2018 which was subsequently extended until 4 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 11 June 2018 the Supreme Court returned judgement on the Appeal Case and ruled as follow;

- They Upheld the High Court decision that Section 23(2)(a) of the Communications Act (No.8 of 2009) and Section 6 of Regulation No. 311 of Government Gazette no. 5037 of 13 September 2012 were unconstitutional.
- CRAN will not be required to charge/raise regulatory levies based on these provisions from Judgement day onwards.
- There was no order of costs meaning each entity is to carry its own legal costs (High & Supreme Court).
- 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 pro-rated to reflect levies for only the last 17 days of Telecom Namibia's financial year 2011-2012.
- CRAN would have to come up with new regulations for calculating regulatory levy.

While the process to amend the Communications Act is in progress, CRAN Board of Directors approved a management draft interim amendment Section 23 of the Communications Act, which amendment was subsequently approved by Cabinet and is awaiting promulgation by the Cabinet Committee on Legislation which is scheduled to meet on 19th August 2019. Given the above approval, CRAN has begun procuring the services of a legal consultant to draft regulations in terms of Section 23(2)(a) as amended, of the Communications Act. Once implemented, the new regulatory levy regime will secure CRAN's future sustainability in that CRAN would first determine the cost for regulation and then determine the levy to be imposed to defray that cost.

On the other hand, MTC is of the opinion that the Supreme Court order must be interpreted to be effective from 29 September 2016 and not 11 June 2018. While the Authority does not agree with this interpretation, we engaged MTC on the application of its interpretation, which we believe give us a solution for the invoice of the 2015/2016 financial year. In light of their own interpretation, MTC is liable to pay the Authority pro-rated fees for the period 1 October 2015 to 28 September 2016. This is owing to the fact that this period is before 29 September 2016. The pro-rated invoice for this period, would amount to N$34 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

23. Contingencies (continued)

The Authority is amendable to consider settling the issue of the period 1 October 2015 to 28 September 2016 on this principle and find another solution for the period 29 September 2016 to 30 September 2016 and 1 October 2016 to 30 September 2017, respectively.

Unfortunately, MTC did not assent to the proposal of settlement by the Authority and as a result a settlement is being persued through the court system.

The Authority also approached the Supreme Court to provide clarity on the interpretation of its judgement of 11 June 2018 and to advise for which invoicing periods the judgement is applicable and effective. The Office of the Judiciary informed the parties, however, that the Supreme Court, in exercising its inherent jurisdiction, declined to entertain the application as there is pending litigation matters in the High Court based on invoices issued on outstanding regulatory levies and which could well be subject to an appeal to the Supreme Court. The Authority and MTC have approached the High Court on a pending litigation matter - with the view of obtaining an order, in principle, on the interpretation of the Supreme Court judgment which will assist the parties to resolve the current pending litigation matters before court.

Although Telecom Namibia is not a party to the application, the order that will be made by the High Court in this regard will be equally applicable to them.

24. Going concern

We draw attention to the fact that at March 31, 2019, the Authority incurred a net loss of N$ (12 546 572) (2018: loss of N$11 652 142) for the year ended 31 March 2019 and generated negative cash flow from operating activities amounting to N$ 8 157 234 (N$2018: N$6 440 674) 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 23 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 going concern. This basis presumes that the Authority 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.

On the 11th of June 2018, the Supreme Court ruled as follows:
- Section 23 (2) (a) of the Communications Act 8 of 2009 is declared unconstitutional and is hereby struck down;
- Subject to para (c) below, the order of invalidity in paragraph (a) will take effect from the date of this judgement and shall have no retrospective effect in respect of anything done pursuant thereto prior to the said date;

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Going concern (continued)

- Telecom shall not be liable to pay any levy imposed covering a period before the coming into force of item 6 of the Regulations Regarding Administrative and License Fees for Service Licenses, published as GN 311 in GG 5037 on 13 September 2012.

Management strongly believes that they are in a position to turn around the Regulator's financial fortunes for the following reasons:

- CRAN Board of Directors approved a management draft interim amendment Section 23 of the Communications Act, which amendment was subsequently approved by Cabinet and is awaiting promulgation by the Cabinet Committee on Legislation which is scheduled to meet on 19th August 2019;
- Given the above approval, CRAN has begun procuring the services of a legal consultant to draft regulations in terms of Section 23(2)(a) of the Communications Act as amended by the Supreme Court ruling, and is therefore waiting for the promulgation of the amendment to the Communications Act before commencing with the Rule Making procedures;
- Once implemented, the new regulatory levy regime will secure CRAN's future sustainability in that CRAN would first determine the cost for regulation and then determine the levy to be imposed to defray that cost;
- In light of the Supreme Court judgement, CRAN is pursuing a legal process against Telecom Namibia Limited, and Mobile Telecommunications Company for purposes of recovering payment of outstanding levies, interest and penalties;
- Furthermore, CRAN will soon boost its revenue by an additional N$4.5-N$7 million revenue per year from number licenses due to the fact that the transition of number licenses have now been completed;
- Finally, CRAN received confirmation from the Ministry of Information and Communications Technology (MICT) that cabinet at its meeting of 23 July 2019 granted approval for the transfer of The Namibian Communication Commission's (NCC) moveable and immovable assets as well as the liabilities to CRAN. Cabinet also approved that CRAN takes over the liabilities for the monitoring sites and enter into lease agreements with concerned institutions. It should be noted that the transfer of assets and liabilities include the bank balance of N$74 million.
- The official confirmation on the respective assets value (Spectrum Monitoring System) and determination of the liabilities (Monitoring sites) are still pending with the Ministry of Information and Communicaiton Technology.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

DETAILED STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2019 N$	2018 N$
Revenue			
Broadcasting		11,822,536	9,146,307
Spectrum		25,288,795	17,804,240
Telecommunications		27,771,954	60,158,161
Type approval		1,246,600	1,176,600
	13	**66,129,885**	**88,285,308**
Other operating gains (losses)			
Gains (losses) on disposal of assets or settlement of liabilities		13,783	(3,924)
Foreign exchange (losses) gains		(205,567)	252,805
	14	**(191,784)**	**248,881**
Expenses (Refer to page 127)		**(85,028,487)**	**(107,419,799)**
Operating loss	15	**(19,090,386)**	**(18,885,610)**
Investment income	16	6,543,814	7,233,468
Loss for the year		**(12,546,572)**	**(11,652,142)**

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

DETAILED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Note(s)	2019 N$	2018 N$
Other operating expenses			
Administrative expenses			
Auditors remuneration	15	(718,498)	-
Amortisation		(608,780)	(860,993)
Computer expenses		-	(21,152)
Depreciation		(1,136,444)	(1,062,684
Employee costs		(33,862,263)	(25,964,361)
General operating expenditure		(1,473,270)	(1,492,980)
Lease rentals on operating lease		(4,290,689)	(3,837,638)
		(42,089,944)	**(33,239,808)**
Other operating expenses			
Bad debts		(23,172,439)	(57,901,621)
Building expenses		(1,161,089)	(1,202,435)
Business related trips		(3,752,286)	(2,444,251)
Consulting and professional fees		(1,674,557)	(1,443,404)
Employee wellness		(301,421)	(200,220)
ICT communications		(3,859,235)	(2,881,263)
Legal expenses		(2,401,778)	(1,392,223)
Media and communications		(2,747,902)	(2,734,289)
Membership and license fees		(1,710,613)	(1,113,891)
Projects		(1,478,091)	(1,105,785)
Training and development		(543,220)	(1,649,547)
Vehicle expenses		(135,912)	(111,062)
		(42,938,543)	(74,179,991)
		(85,028,487)	**(107,419,799)**

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

ABBREVIATIONS

AGM	Annual General Meeting
ASMS	Automated Spectrum Management System
ATU	African Telecommunications Union
BCP	Business Continuity Plan
BI	Business Intelligence
CEO	Chief Executive Officer
CIRT	Cyber Incident Response Team
COMESA	Common Market for Eastern and Southern Africa
COO	Chief Operations Officer
COS	Child Online Safety
CRAN	Communications Regulatory Authority of Namibia
CRASA	Communications Regulator's Association of Southern Africa
CRTT	CRASA Roaming Task Team
DTT	Digital Terrestrial Television
ECL	Expected Credit Loss
ERPP	Emergency Response Policy and Plan
FIR	Fourth Industrialisation Revolution
HPP	Harambee Prosperity Plan
HC	Human Capital
HRDC	Human Resource Development Council
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IMT	International Mobile Telecommunication
INACOM	Instituto Angolano das Communicacoes
IoT	Internet-of-Things
ISO	International Standards Organisation
ITU	International Telecommunications Union
IUM	International University of Management
LTE	Long-term Evolution - This is standard for high speed wireless Communication
MACRA	Malawi Communications Regulatory Authority
MICT	Ministry of Information and Communications Technology
MPE	Ministry of Public Enterprises
MNO	Mobile Network Operators
MOU	Memorandum of Understanding
MTC	Mobile Telecommunications Limited
NAMPOL	Namibian Police Force
NCC	Namibian Communication Commision
NCCI	Namibia Chamber of Commerce and Industry
NDP5	Fifth National Development Plan
NIPAM	Namibia Institute of Public Administration and Management
NAPWU	Namibia Public Workers Union
NSA	Namibia Statisitcs Agency
NTA	Namibia Training Authority
NUST	Namibia University of Science and Technology
OATF	Ongwediva Annual Trade Fair
OTT	Over-The-Top
PM	Performance Management
PKI	Public Key Infrastructure
PPDR	Public Protection and Disaster Relief
PSTN	Public Switched Telephone Network
ROI	Return On Investment
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SKW	Sport Klub Windhoek
SWAITEX	Swakopmund International Trade Expo
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 Radio Communication Conference 2015
WTDC-17	World Telecommunication Development Conference 2017

Notes

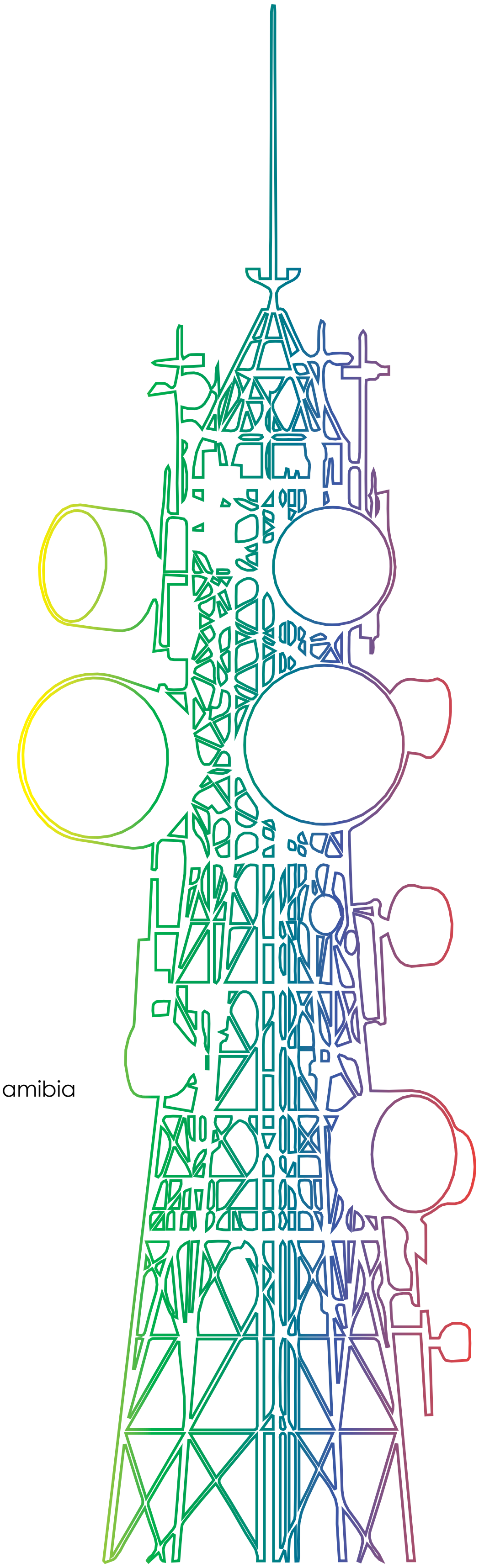
Notes

2019

ANNUAL REPORT

CRAN

Communications Regulatory Authority of Namibia



Communications House | 56 Robert Mugabe Avenue | Windhoek, Namibia
Moth Centre | Unit 3 - 5 | Peter Müller Street | Windhoek, Namibia
Private Bag 13309 | Windhoek, Namibia | 9000
Tel +264 61 222 666 | **Fax** +264 61 222 790
Email Communications@cran.na
Website www.cran.na

@CRANAMIBIA

CRANAMIBIA

Communications Regulatory Authority of Namibia (CRAN)