

ANNUAL REPORT 2014 – 2015



NSI CORE IDEOLOGY

The NSI Core Ideology consists of its Vision, Mission, Core Values and Brand Promise.

Vision

To be the National Standards Body, contributing to a prosperous economy in Namibia and to be known for its excellence.

Mission

Promoting standardisation of products for the safety of consumers, the protection of the environment and improved access to global markets.

- Meeting or exceeding stakeholder expectations.
- Creating an enabling environment for innovation and learning.
- Developing and maintaining operational capability and efficiency.
- Ensuring long-term financial sustainability.

Brand Promise

Creating Peace of Mind

Core Values

- **Focused on performance but fair on people**
As a knowledge-based agency the competence, commitment and empowerment of its people is paramount to its success. People are its core asset. High performance is expected at all times.
- **Standardised excellence**
The NSI lives by the standards it expects from others.
- **Streamlined efficiency**
Simplifying and continuously improving NSI processes.
- **Stakeholder and customer-centric service**
The NSI is designed to seamlessly service its stakeholder expectations and satisfy customer needs.

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NAMIBIAN STANDARDS COUNCIL (NSC)



**Dr. Martha Kandawa-Schulz,
Chairperson.**



Mr. Edwin Beukus



Dr. Moses Maurihungirire



Mrs. Phortune D. Tjivikua



Mr. Thomas S. Nashixwa



Mr. Michael Gawaseb



Mr. Tileinge S. Andima



Mrs. Asteria Nasheya



ZAMBEZI

1656

1522

STATEMENT BY THE NSC CHAIRPERSON

The Namibian Standards Institution in its short life span since its inception in 2008, has during the past years, and specifically during the period under review, come of age by fully meeting the requirements of the Standards Act 18, of 2005, its mandate and increasingly contributing towards the Namibian economy the realization of Vision 2030.

It has improved its engagement with its stakeholders tremendously, expanded its services to customers according to international standards and their needs, and taken up a committed and contributory role in the international arena towards implementation and upholding international standards.

The NSI is one of the key performance indicators (KPI) of the country's national quality infrastructure. The first is the National Quality Policy (NQP) adopted by Cabinet. The other KPI is the Legal Infrastructure consisting of the Standards Act No 18 of 2005, the Metrology Amendment Act No 17 of 2005 and the Accreditation Board of Namibia Act No 8 of 2005.

The NSI's role and contribution to Namibia's economy is clearly stated by its Core Ideology, consisting of its Mission, Vision, Brand Promise and Core Values. It is, however, not that simple to quantify the NSI's direct contribution towards the national economy as it plays a supportive role in upholding the country's national quality infrastructure.

To give some measure of understanding to this one has to refer to those sectors that benefit the most from the services of the NSI, not to mention the benefits the public at large derives from its services.

To put the NSI in some perspective one could focus on Namibian products being manufactured locally as well as exported, which need to comply with various international standards.

Namibia has one of the leading fisheries sectors in the world with annual marine landings of about 550 000 tonnes worth about N\$7 billion. The country's fisheries sector ranks third in Africa and 30th globally. The industry is the third largest contributor of the na-



**Dr. Martha Kandawa-Schulz,
Chairperson.**

tion's GDP. The NSI plays a very important role in ensuring that the fish being exported to the European Union and Mozambique comply with the required international standards.

Furthermore, Namibia's Industrial Policy is underpinning Namibia's Vision 2030 with the intention that the country should become " a prosperous and industrialized country, developed by her human resources, enjoying peace, harmony and political stability".

The Ministry firmly believes industrialization will be based on the principles of smart partnerships. Partnerships are recognized as a major prerequisite for

STATEMENT BY THE NSC CHAIRPERSON

the achievement of dynamic, efficient and sustainable development in the country. They involve cooperation between government, communities, civil society, the private sector, non-governmental and community based organizations as well as the international community.

The Namibian Standards Institution can play a meaningful role in industrialization especially in the area of standardization and quality assurance.

Despite the many challenges the NSI has faced during this financial year, I am happy to report some notable highlights:

- The successful commemoration of World Metrology Day and World Standards Day to create the necessary awareness on the importance of measurement science and standardisations in society;
- The honouring of local manufacturers, producers and organisations at the National Quality Awards in October;
- The National Electro Technical Committee's (NaEC) Chairperson, Mr. Rojas Manyame, elected as the first Vice President of the African Electro Technical Standardisation Commission (AFSEC);
- The granting of ISO 9001:2008 Quality Management systems to four Namibian companies;
- The acquiring of the Vitek MS, an automated microbial identification system to provide bacterial and fungal identification results in minutes. This reduced the testing time from ten days to three days, which improved turnaround time to provide results to our valued clients;
- The Chemistry Section expanded its scope of accreditation, to include the analysis of mercury for the benefit of the fishing industry;
- The Testing Laboratory expanded its customer base and increased the number of samples tested with the accreditation for the testing of the three heavy metals;
- The South African National Accreditation System (SANAS) assessed the Testing labora-

tory in December 2014 and the full scope of accreditation was re-instated in February 2015; and

- The continuous capacity building of NSI staff to meet the necessary regional and international standards.

The Namibian Standards Council provides strategic leadership to the NSI and consists of eight members, who are all non-executive, independent Directors, while the CEO serves as an ex officio member of the NSC. The NSC is supported by four sub-committees: Finance, Risk Management and Audit Committee (FRAC); the Tender Committee; and the Human Resources and Remuneration Committee (HRRC) and the Nominations Committee.

The NSI continues to comply with the International Financial Reporting Standards (IFRS), the King III Report on Corporate Governance as well as with the requirements of the State Owned Enterprise Act No. 2 of 2006, and the Labour Act No. 11 of 2007.

This year marks the end of an era, with Mr. Riundjua Kaakunga retiring as the CEO of the NSI. The NSC thanks him for his commitment to the NSI and wishes him all the best for his future endeavours.

Thank you,

**Dr. Martha Kandawa-Schulz,
Chairperson.**

SENIOR MANAGEMENT



Riundja Ali Kaakunga (Othy)
Chief Executive Officer



Rosy Jacobs
General Manager:
Corporate Services



Adv. Notemba Tjipueja
Legal Advisor &
Company Secretary



Ueritjua Kauaria
General Manager: Standards
Development & Coordination



Cecilia Hinda
General Manager: Regulatory
& Consumer Protection



Lorna Shikongo-Kuvare
General Manager: Certification



Millicent Kapitako
Internal Auditor



Michael Mbamba
Chief Financial
Officer

REPORT BY THE CHIEF EXECUTIVE OFFICER

The commissioning of the NSI's new Testing Centre at Walvis Bay during the latter half of 2014 marked another important step in the institution's quest to fulfil its Core Ideology and Mandate. The Testing Centre, as part of the NSI's Testing Services in the Department of Regulatory and Consumer Protection, was assessed in December 2014 and its full scope of accreditation has been re-instated in February 2015.

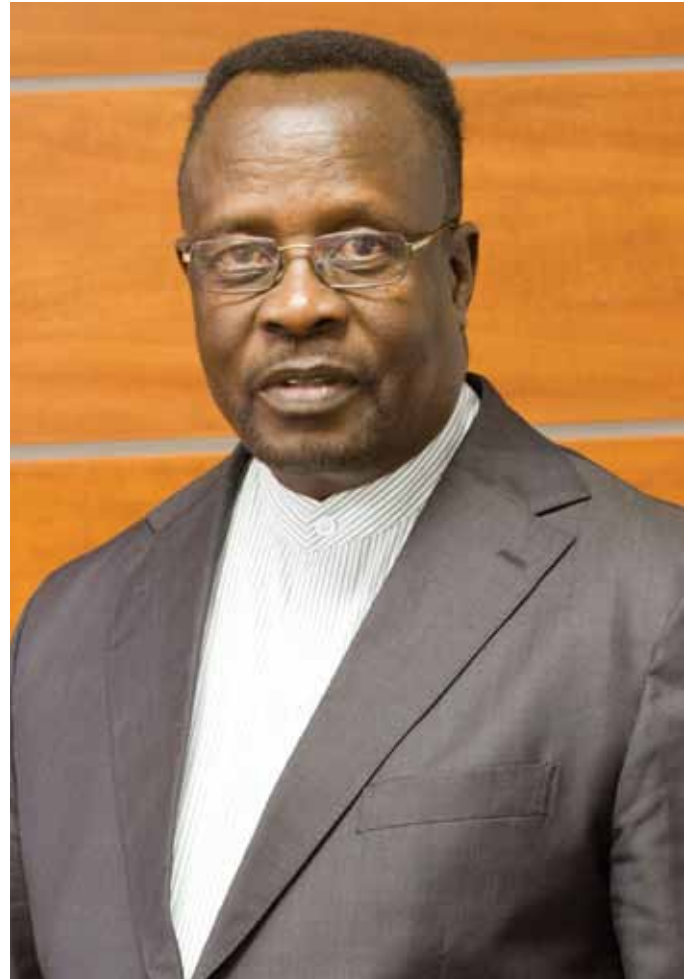
The Minister of Trade and Industry, Hon. Calle Schlettwein, inaugurated the NSI Testing Centre at Walvis Bay on 17 October 2014 on behalf of the President of the Republic of Namibia, His Excellency, Hifikepunye Pohamba.

The Testing Centre provides quality analytical services to its internal and external clients, thereby maintaining its regulatory programmes, the meeting of export requirements and the attainment of NSI's strategic objectives. The NSI can now boast about its new state-of-art facility and newly installed modern equipment, which is on par with the best one can find internationally.

To further improve and expand its services to the Namibian Fishing Industry, the NSI's Inspection Services, currently accommodated in an inadequate facility at the harbour town, will be move into a new building on the same premises of the Testing Centre towards the end of 2016. These business services under one roof will strengthen our capabilities and contributions to the Namibian economy even more.

With the above developments, amongst others, the 2014/2015 Financial Year provided the necessary and further impetus towards fulfilling its Core Ideology/ Mandate:

- Meeting or Exceeding Stakeholder Expectations;
- Creating an Enabling Environment for Innovation and Learning;



Riundja Ali Kaakunga (Othy)
Chief Executive Officer

- Developing and Maintaining Operational Capabilities and Efficiency; and
- Ensuring Long-term Financial Sustainability.

I am happy to report that each of the institution's core business units with the assistance from all the support functions within the NSI were carried out according to the key operational initiatives and key performance indicators of the Strategic Plan FY2013/2018 during the period under review.

The NSI is fulfilling its mandate as the national standards body, facilitating access for local products into lucrative global markets, taking into account Namibia's Vision 2030 and the Fourth National Development

Plan, while also being faced with serious financial constraints.

The NSI has been implementing projects aimed at developing and maintaining operational capabilities and efficiencies for the better of its stakeholders. Among various other projects business processes graphically so that staff members, old and new, can easily associate with the various functions within the institution. Capacity building will remain a strategic priority of the NSI.

Our customers will constantly scrutinize the competency of our technical staff. With especially the fishing industry, which heavily relies on the services of the NSI for their exports, the institution continually exposes its technical staff to training programmes that ensure that they are equipped with the required skills and knowledge for global markets.

The 2014-2015 Financial Year has also marked the end of my tenure as CEO of the NSI, as I am going into retirement. I wish to use this opportunity to express my heartfelt appreciation and thanks to the NSI Council, Management and staff for their support and efforts during my tenure. Also, the Honourable Minister and Deputy Minister, Permanent Secretary of our parent Ministry of Industrialisation, Trade and SME Development need to be thanked for their role, support and assistance. Lastly, we work for our customers and the Namibian economy at large. Also to them I wish to convey my appreciation.

I wish the new CEO and the NSI the best of fortunes and lots of success with their endeavours.

Thank you,

Riundja Ali Kaakunga (Othy).



The NSI's new Testing Centre at Walvis Bay that was commissioned during the latter half of 2014.

GOVERNANCE AND LEGAL COMPLIANCE

LEGAL AFFAIRS DIVISION

The aims of the Legal Affairs Division are to ensure that NSI follows Good Governance Practices and remains compliant with all applicable laws. The division provides company secretarial services to the Namibian Standards Council (NSC).

It is responsible for governance and legal compliance of the NSI and the NSC. In ensuring compliance with the Standards Act 18 of 2005 and implementing Good Governance Practices, the King III Report is an important guide, whilst the State-Owned Enterprises Act 6 of 2004 is applicable to the NSI as a Namibia State-Owned Enterprise.

The Legal Affairs Division consists of the Legal Advisor/Company Secretary and an Executive Assistant. The main functions of the division are to provide legal services to the NSI and legal and company secretarial services to the NSC.

The NSC is supported by four sub-committees: Finance, Risk Management and Audit Committee (FRAC); Tender Committee; Human Resources and Remuneration Committee (HRRC) and Nominations Committee.

The Legal Advisor and Company Secretary has to arrange and facilitate all Council meetings. All minutes of meetings are compiled, circulated and filed in accordance with Good Corporate Governance requirements. The NSC met in the period under review as indicated in the table on the next page.

NSC quarterly meetings

During the period under review, the NSC convened 15 meetings, of which 11 were Special NSC Meetings. NSC Finance, Risk Management and Audit Committee (FRAC) meetings

During the period under review, the FRAC met six times to assist the NSC relating to budget preparation, expenditure control and financial reporting, risk

management, compliance with established policies, plans and procedures, safeguarding assets and maintenance of sound and adequate internal control systems and ethical conduct.

NSC Human Resources and Remuneration Committee (HRRC) meetings

During the period under review, the HRRC met three times to assist the NSC with regard to policy matters related to human resources, remuneration matters, succession planning, performance management and policy aspects relating to affirmative action.

NSC Tender Committee meetings

During the period under review, the Tender Committee met twice to assist the NSC with the assessment of all tender related expenditure in excess of N\$400,000 and to make appropriate recommendations to the NSC on the purchase and/or disposal of NSI assets.

Highlights

The responsibilities of the NSC are guided by the NSC Governance Charter and in terms of this Charter the NSC is required to conduct a self-assessment of its functions. The Legal Affairs Division facilitated the development of an assessment questionnaire by PWC. The NSC approved the questionnaire, which will be used as a guide for self-assessment. This is a Good Governance Practice by the NSC, not only in terms of the NSC Governance Charter but which is also a statutory requirement in terms of the SOE Act. The Legal Affairs Division is also responsible for implementing aspects of the NSI Governance Action Plan.

The Legal Affairs Division facilitated training for the NSC to gain insight into aspects of the interpretation of Financial Statements and Good Corporate Governance Practices, with emphasis on the King III Report. The Legal Advisor attended this training intervention, while the Executive Assistant attended the Corporate Governance Training and underwent secretarial training.

The Legal Affairs Division continues to represent NSI, and indeed Namibia, at SADC TR LC meetings held annually by SADC SQAM during March of every year.

Challenges

During the implementation of the Standards Act, which came into force on the 20 September 2013, the Legal Affairs Division identified various provisions in the

Act that may require amendments. This process of identification will continue in conjunction with General Managers and present these to the NSC for consideration and approval.

Record of attendance of NSC meetings during the 2014/2015 Financial Year

MEETING DATES

Names	Status	NSC Quarterly NSC Meetings	Special NSC Meetings	Finance, Risk Management & Audit Committee	Human Resources & Remune- ration Committee	NSC Tender Committee
Dates		28.04.2014	09.06.2014	24.04.2014	16.07.2014	10.04.2014
		29.07.2014	16.06.2014	22.07.2014	13.10.2014	10.06.2014
		23.10.2014	09.07.2014	24.07.2014	26.03.2015	
		12.02.2015	06.09.2014		15.10.2014	
			03.11.2014	26.01.2015		
			24.11.2014	23.02.2015		
			31.03.2014			
			19.01.2015			
			18.02.2015			
			24.02.2015			
			13.03.2015			
Meetings convened		4	11	6	3	2
Dr. Martha Kandawa-Schulz,	Chairperson of NSC Non-Executive Member	4	11	-	-	2
Mr. Tileinge Andima	Non-Executive Member	4	7	-	1	-
Mr. Edwin Beukes	Chairperson of FRAC Non-Executive Member	3	8	6	-	-
Mr. Michael Gaweseb	Non-Executive Member	4	10	5	-	2
Dr. Moses Maurihungirire	Non-Executive Member	1	4	3	-	-
Mrs. Asteria Nasheya	Non-Executive Member	1	9	-	2	1
Mr. Thomas Nashixwa	Chairperson of Tender Committee Non-Executive Member	4	11	-	3	2
Mrs. Phortune Tjvikua	Chairperson of HRRC Non-Executive Member	4	11	6	3	-
Mr. Riundja Ali Kaakunga (Othy),	CEO Executive Member	4	6	6	3	2

RISK MANAGEMENT, PROCEDURAL AND POLICY COMPLIANCE

The NSI Internal Auditor is tasked to evaluate and contribute to the improvement of Governance, Risk Management and Internal Control Processes.

The three-year Risk Based Internal Audit Plan was reviewed in March 2013, to align the audit risk priorities with the four strategic themes of the Strategic Plan for

period of FY2013 - 2018. The plan was implemented during Financial Year 2013/2014.

Numerous risk-based audits were conducted, which continue to maintain and improve the governance, risk management and internal control processes of the NSI.



STANDARDS DEVELOPMENT AND COORDINATION

The main functions of the Namibian Standards Institution (NSI) are to develop or adopt standards in accordance with the World Trade Organization Agreement requirements.

The following events should be highlighted during the year under review:

- Thirty international standards were adopted as Namibian Standards;
- New members were recruited to the Technical Committees (TCs) since some TC members have resigned or otherwise vacated their membership. Recruitment and retaining TC members remain challenges;
- The National Electro-technical Committee's (NaEC) Chairperson, Mr. Rojas Manyame, was

elected as the first Vice President of the African Electro-technical Standardisation Commission (AFSEC);

- Nine members of the National Electro-technical Committee were nominated to take part in AFSEC Technical Committee meetings;
- Good progress was made in adopting over 70 International Electro-technical Commission (IEC) standards as Namibian Standards. The process of adopting these IEC Standards started in 2012, but could not be completed because of certain IEC requirements and the fact that some of the standards proposed for adoption were already earmarked for revision. The adoption process is being anticipated to be completed during the 2015-2016 Financial Year.

Current active Technical Committees and Subcommittees

NSC TECHNICAL COMMITTEE	NAME OF COMMITTEE
NSI TC 1	Renewable Energy
NSI TC 2	Quality Management Systems (QMS)
NSI TC 3	Food Safety Management Systems (FSMS)
NSI TC 4	National Electro-technical Committee (NaEC)
NSI TC 5	Environmental Management Systems (EMS)
NSI TC 6	Construction, Cement and Concrete Technologies (CCCT)
NSI TC 7	Halaal Products (HAL)
NSI TC 8	Occupational Health and Safety Management (OHSAS)
NSI TC 9	Metrology
NSI TC 10	Roads Construction, Vehicle and Road Safety (RCVRS)
NSI TC 11	Hospitality Infrastructure and Tourism (HIT)
NSI TC 12	Design of Dry Sanitation Facilities and Systems in Rural Areas and Informal Settlements
Subcommittee No 1	Development and Adoption of Namibian Standards on the Requirements for Above Fuel Storage Tanks
Subcommittee No 2	Meat and Agricultural Products



Namibian Standards adopted by the NSI during the Financial Year 2014/2015

	NAMIBIAN STANDARDS (NAMS)	PARTICULARS AND DESCRIPTION OF THE NAMIBIAN STANDARDS
1.	NAMS/ISO 9000:2014	Quality Management Systems – Fundamentals and Vocabulary.
2.	NAMS/ISO 9001:2014	Quality Management Systems – Requirements.
3.	NAMS/ISO 9004:2014	Managing for the sustained success of an organization – A Quality Management Approach.
4.	NAMS/ISO 22000:2014	Food Safety Management Systems – Requirements for any organization in the food chain .
5.	NAMS/ISO 14001:2014	Environmental Management Systems – Requirements with guidance for use.
6.	NAMS/ISO 19011:2014	Guidelines for auditing management systems.
7.	NAMS/IEC/TS 62257-1:2014	Recommendations for small renewable energy and hybrid systems for rural electrification Part 1: General introduction to rural electrification.
8.	NAMS/IEC/TS 62257-5:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 5: Protection against electrical hazards.
9.	NAMS/IEC/TS 62257-6:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 6: Acceptance, operation, maintenance and replacement.
10.	NAMS/IEC/TS 62257-7-1:2014	Recommendations for small renewable energy and hybrid systems for rural electrification , Part 7-1: Generators – Photo voltaic arrays.
11.	NAMS/IEC/TS 62257-8-1:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 8-1: Selection of batteries and battery management systems for stand-alone elec- trification systems – Specific case of automotive flooded lead-acid batteries available in developing countries.
12.	NAMS/ IEC/TS 62257-9-1:2014	Recommendations for small renewable energy and hybrid systems for rural electri- fication, Part 9-1: Micropower systems.
13.	NAMS/ IEC/TS 62257-9-2:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 9-2: Microgrids.
14.	NAMS/ IEC/TS 62257-9-3:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 9-3: Integrated system-user interface.
15.	NAMS/ IEC/TS 62257-9-4:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 9-4: Integrated system-user installation.
16.	NAMS/IEC/TS 62257-9-5:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 9-5: Integrated system – Selection of portable PV lanterns for rural electrification projects.
17.	NAMS/IEC/TS 62257-9-6:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 9-6: Integrated system – Selection of Photo voltaic Individual Electrification Systems - (PV-IES).
18.	NAMS/IEC/TS 62257-12-1:2014	Recommendations for small renewable energy and hybrid systems for rural electrification, Part 12-1: Selection of self-ballasted lamps (CFL) for rural electrification systems and recommendations for household lighting equipment.
19.	NAMS/SANS 1307-4:2014	Domestic solar water heaters.
20.	NAMS/SANS 10106-3:2014	The installation, maintenance, repair and replacement of domestic solar water heating systems.
21.	NAMS/NRS 052-1:2014	Photo voltaic systems for use in individual homes. Part-1 Standards requirements applicable to individual homes remote from electricity grid.
22.	NAMS/ISO 50001:2014	Energy Management Systems- Requirements with guidance for use.
23.	NAMS/ISO 22002-1:2014	Prerequisite programmes on food safety – Food Manufacturing.
24.	NAMS/ISO 22005:2014	Traceability in the feed and food chain – general principal and basic requirements for systems and implementation.
25.	NAMS/SADCSTAN/SANS 10142-1:2014	The wiring of premises Part 1: Low Voltage installations.
26.	NAMS/BS OHSAS 18001:2014	Occupational Health and Safety Management Systems – Requirements.
27.	NAMS/OIML R-76:2014	Non-automatic weighing instruments; Part 1 – Metrological and Technical Requirements – Tests.
28.	NAMS/EN 197-1:2014	Composition, specifications and conformity criteria for common cements.
29.	NAMS/EN 197-2:2014	Conformity evaluation.
30.	NAMS/OIML R126:2015	Evidential Breath Analyzer.

Namibia WTO/TBT Enquiry and Notification Point

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

Namibia a member of the WTO member since 1 January 1995 has an obligation to fulfil the requirements under the Technical Barriers to Trade (TBT) agreement.

This agreement aims among other things to ensure that laws and regulations prepared, adopted or applied in Namibia do not create unnecessary barriers to trade. The full texts of the agreement can be accessed on the WTO website - www.wto.org.

Article 10 of the TBT agreement requires Namibia to ensure that an enquiry point exists, where all reasonable enquiries from other members, companies, institutions or other interested parties in other member states could be attended to. It should provide relevant documents regarding any technical regulations, any standard or any conformity assessment adopted or proposed.

All enquiries received during the period under review were forwarded to responsible Ministries.

Geo Pollution Technologies (Pty) Ltd. sent an enquiry on the Handling of Hazardous Chemical and it was forwarded to the Ministry of Environment and Tourism's Department of Environmental Affairs to respond.

National Quality Policy (NQP)

During the Annual Project Steering Committee, the Ministry of Industrialization, Trade and SME Development approved the recommendation of revising the current NQP document of 1999 as it is outdated and does not address many changes which came about in standardization since the adoption of the Policy.

The constraints Namibia experiences in implementing the NQP were identified as:

- Lack of awareness in both the public and private sectors;
- General lack of resources, especially finances and knowledgeable personnel;
- Absence of monitoring/evaluation systems;
- High transaction costs in the local market prejudices an international approach; and
- Overlapping of responsibilities amongst Ministries is not easy to sort out.

Proposed approved implementation activities

The Ministry of Trade, Industrialization and SME Development together with UNIDO (United Industrial Development Organization) and the NSI team approved the following actions to be taken to undertake a national revision of the NQP with consultative workshop in all 14 region to include all stakeholders in the review exercise:

- Appointment of a consultant to be paid by UNIDO – to come up with a zero draft. This was done and Mr. Martin Kellerman was appointed as the expert to carry out the revision exercise; and
- Undertaking national NQP revision consultative workshops in all 14 political regions to include all stakeholders in the review exercise.

World Standards Day celebrated

The World Standards Day introduced by International Organisation for Standardization (ISO) on 14 October 1970 commemorates the formation of the ISO in 1947. The International Electro-technical Commission (IEC) joined the celebration of World Standards Day in 1988 and the International Telecommunication Union (ITU) in 1993.

The aim of World Standards Day is to raise awareness of the importance of global standardization within the world economy and to promote its role in helping meet the needs of business, industry, government and consumers worldwide.

World Standards Day was commemorated on 14 October 2014 under the theme: *Standards level the playing field*. In Namibia the event started with an observation of National Quality Week followed by Standards Day commemoration march on 14 October and other activities such as interviews with the NBC TV's Good Morn-

ing Namibia and Business Today as well as the NBC Afrikaans Radio Service.

Hon. Tjekero Tweya, MP Deputy Minister of the Ministry of Trade and Industry, officiated on behalf of his Minister, Hon. Calle Schlettwein, at the National Quality Week. He thanked the NSI for utilizing the languages services of the NBC Radio, NBC TV and several other radio stations to inform the public on the importance of National Quality Week, standardization around the world and the NSI's role in helping to meet the needs of business, industry, government and consumers.

The National Quality Awards on 16 October 2014, part of promoting National Quality Week, recognized the contributions of members of the different NSI Standards Development Technical Committees with the handing over of certificates of appreciation.

Division: Publications, Marketing, Sales and Information

The Publications, Marketing, Sales and Information Division, within the Standards Development and Co-ordination Department, is tasked with the publishing of the Namibian Standards (NAMS), other adopted standards as well as the marketing, selling and sharing of information on standards.

This division is guided by the NSI's Mission to promote the standardization of products for the safety of consumers, protection of the environment and improved access to global markets.

Approximately 1 030 copies of the NSI Newsletter, Issue 4, Volume 1/2014, were distributed to International, Regional Organizations, National Standards Bodies (NSBs), Government Ministries, State-Owned Enterprises and the private sector between July and August 2014.

Codex standards

Codex Standards are still under discussion and the NSI is awaiting a response from the Codex Alimentarius collection of food standards.

The division sold 179 standards, amounting to N\$166,208.25, of which 131 are South African National Standards (SANS) and 47 from the International Organization for Standardization (ISO). One British standard was sold during the period under review.

Capacity Building

Two staff members were attached to Kenya Bureau of Standards (KEBS) during the period under review to widen their knowledge and skills.

Planned activities

The division is planning to promote Namibian standards (NAMS) and international standards addressing Namibian needs in the country by participating in various local events such as seminars, workshops, breakfast meetings, trade and careers fairs, as well as disseminating the NSI Quarterly Newsletter to raise awareness on standardization.

The NSI will continue with consultations on the development of a National Technical Regulatory Framework.

Challenges

The biggest challenge the Department faces is the lack of national understanding and appreciation of standards. The failure to distinguish between standards and technical regulations, amplifies this problem.

In addition, there is a dire need to identify, list and promote regulators of different commodities and activities as prescribed by the different Acts of Government.

Participation in International Standardization Organizations (ISO)

The Department is tasked to deal with ISO issues. The department handles all information between NSI and the ISO Central Secretariat and respond to ISO queries as well as attending to its committees such as ISO/DEVCO, ISO/CASCO and ISO/COPOLCO.

It accesses, downloads and distributes information and responses internally as well as externally on requests or queries from other ISO members.

CERTIFICATION

The NSI offers, both Product Certification (Standard and Premium Mark) and System and Persons Certification to the Namibian business community according to the requirements of ISO/IEC 17065, ISO/IEC 17021 and ISO/IEC 17024 respectively.

Certification by the NSI provides organizations with the assurance that their products and services consistently comply with certain predefined standards, customer requirements and applicable legislation.

System Certification involves an assessment of the management systems of an organization/business and certifies that these are sufficiently controlled to assure that the organization's/business' Quality Management System (ISO 9001) objectives are met.

Namibian goods and services, that meet the requirements of the applicable Namibian and International standards, are awarded a Certificate of Conformity, bearing a specific and applicable NSI Certification Mark of Conformity. This mark tells the market place that a product has been found to meet all the requirements of the standards concerned and that the process used in making the product has been assessed to meet the requirements.

Preparation for the accreditation of ISO/IEC 17021 – Conformity assessment: Requirements for bodies providing audit and certification of management systems, is at an advanced stage. Activities to meet accreditation requirements will be carried out as per the activity plan for 2015/2016. They are:

- Certification audits for QMS to demonstrate competence and records for accreditation assessment;
- Completion of the competency evaluation process of our auditors by Kenya Bureau of Standards (KEBS) for possible registration as FSMS and QMS auditors; and
- Internal audits and management review meetings

Highlights

During the period under review, the Certification Approvals Committee (CAC) approved the granting of ISO 9001:2008 certification to the following organizations:

- Heat Exchange Products Cc;
- Meatco Windhoek Factory;
- Plastic Packaging (Pty) Ltd.; and
- Polyoak Packaging Namibia (Pty) Ltd.

Achievements

The following successes were achieved during the period under review:

- Successful implementation of MoU/Agreements were signed between NSI and various organizations for the provision of certification services, with the purpose of accumulating records for accreditation assessment;
- Execution of Certification Audits as per audit programme, processes and turn-around time, from the initial planning stages until the granting of the certification to the organizations;
- Development of Product Certification Schemes in line with the MoU signed between NSI and Botswana Bureau of Standards (BOBS), to facilitate trade between the two countries;
- Execution of a nation-wide survey aimed at establishing the certification needs in Namibia, to guide the department in strengthening its certification services for the benefit of the Namibian industry, and at the same time promote the NSI amongst the public;
- Conduct a pre-assessment visit for possible product certification and propose training interventions;
- Operationalisation of a National Mirror Committee for ISO/CASCO Working Groups (WG). This committee will be responsible for following up international standardization work in their field of activity, participating actively in that work by consulting national stakeholders



(such as manufacturers, users, professionals and government officials), and formulating the national viewpoint and voting on Draft International Standards (DIS); and

- Liaison and cooperation with other regional certification bodies like SABS, KEBS, SAZ and BOBS.

Capacity Building

During the year under review, two certification personnel participated in auditing attachments at the Kenya Bureau of Standards (KEBS) for a ten-day period.

The attachments were aimed at equipping NSI certification personnel with knowledge and skill of conducting audits, and subject them to a competence evaluation process to determine their ability to apply required knowledge and skills during audits in line with Clause 7.1.3 and 7.2.4 of the ISO/IEC 17021:2011.

This exercise provided them with an opportunity to be registered as Food Safety and Quality Management System auditors. NSI, however, will complete the competency evaluation of the remaining six (6) auditors during the FY 2015/16.

Staff Development

To attain the skills and knowledge requirement to meet the certification developmental goals and objectives, the following initiative have been identified to build the necessary technical competency required by NSI Certification.

- Robust mentorship programme for auditors as part their continuous professional development in order to qualify and register with a registering authority.

All staff are encouraged to participate in Continuous Professional Development activities, which helps to identify skills gaps and select the appropriate training needed to achieve long-term professional objectives.

Challenges

The operating environment remained tight for Certification due to the struggling economy and increasing competition in the certification services market. During the period under review, the following were observed as challenges:

- Lack of accredited certification service offered by the NSI;
- Lack of readiness by industry to take up certification services with the NSI Certification Body, as they are already certified by other certification bodies;
- Unavailability of Namibian Standards for use in Product Certification;
- Process of standards development (lengthy); and
- Small and Medium Enterprises (SME) lack understanding of quality assurance, they are unable to afford certification services and their products are normally not based on standards.

Planning

In the year ahead, the focus will be placed on:

- Provision of management systems certification services in a competent, consistent and impartial manner;
- Development of new Product Certification Schemes, as a means to provide assurance of conformity and as a contribution to trade facilitation of Namibian products and services;
- Strengthening of internal capacity in preparation for accreditation; and
- Support to SMEs to establish and maintain quality principles for business sustainability, as identified by our Ministry, through the execution of pre-assessment visits and provision of recommendations for improvement.



REGULATORY AND CONSUMER PROTECTION

NSI Testing Services

During the period under review the Testing Laboratory in the NSI's Testing and Inspection Services Centre at Walvis Bay continued to provide quality analytical services to its internal and external clients, thereby maintaining its regulatory programmes, the meeting of export requirements and the attainment of NSI's strategic objectives.

The Testing Laboratory has the technical resources and expertise to provide analytical services over a wide range of sample types to its clients and according to their requirements. These services include microbiological and chemical analyses on fish and fishery products, dairy products, shellfish, environmental surveillance samples, such as swabs and air quality plates, potable water, sea water, ice and effluent water.

During the period under review Microbiology Section expanded scope of testing to include various other foodstuffs, such as milk, chicken, soup, meat, soups and instant foods.

Also the laboratory's Microbiology Section has put into operation its Maldi-Tof Mass Spectrophotometer (VITEK MS), procured in 2013. It is routinely used to perform confirmations for *Vibrio* spp. and *Clostridium perfringens*. The laboratory is working towards validating the remaining pathogen methods on the VITEK MS to realize the reduced turnover time for Microbiology samples.

The VITEK MS is an automated microbial identification system that uses innovative mass spectrometry technology with Matrix Assisted Laser Desorption Ionisation Time-of-Flight, or MALDI-TOF in short, to provide bacterial and fungal identification results in minutes. This reduces the testing time for pathogen methods from ten to three days.

The Chemistry Section expanded its scope of accreditation, to include the analysis of mercury for the ben-

efit of the fishing industry. The trio of heavy metals, mercury, lead and cadmium, can now be fully analysed locally, necessary for the testing of regulatory samples for the fishing industry.

The Hydra C instrument is used to test for mercury (Hg) content in solid samples of fish and fish products. Mercury pollution of seawater, and thus of fish stocks, is a matter of global concern because of its impact on our oceans' ecosystems and the potential adverse effects on human health.

Unlike most other pollutants, mercury is mobile, non-biodegradable, and bio-accumulative. It should therefore be monitored particularly in larger fish such as tuna.

The Chemistry Section started with the development of the LCMS/MS method for lipophilic toxins during the period under review.

The European Commission Regulation 15/2011, amending Commission Regulation 2074/2005 with regards to the detection method for lipophilic toxins (DSP and other lipophilic toxins), established EU-RL LCMS/MS as reference method and required laboratories to implement this method by 31 December 2014. The NSI henceforth acquired advanced analytical equipment, the LCMS/MS instrument, for the Chemistry Section.

Due to the relocation to the new laboratory in Walvis Bay during 2014, the development of the lipophilic methods has been delayed and only started in September 2014. Method development is currently ongoing to allow the Testing and Inspection Centre to meet this regulatory requirement. The LCMS/MS will be used to test for lipophilic toxins in shellfish as well as histamine in fish and fishery products.

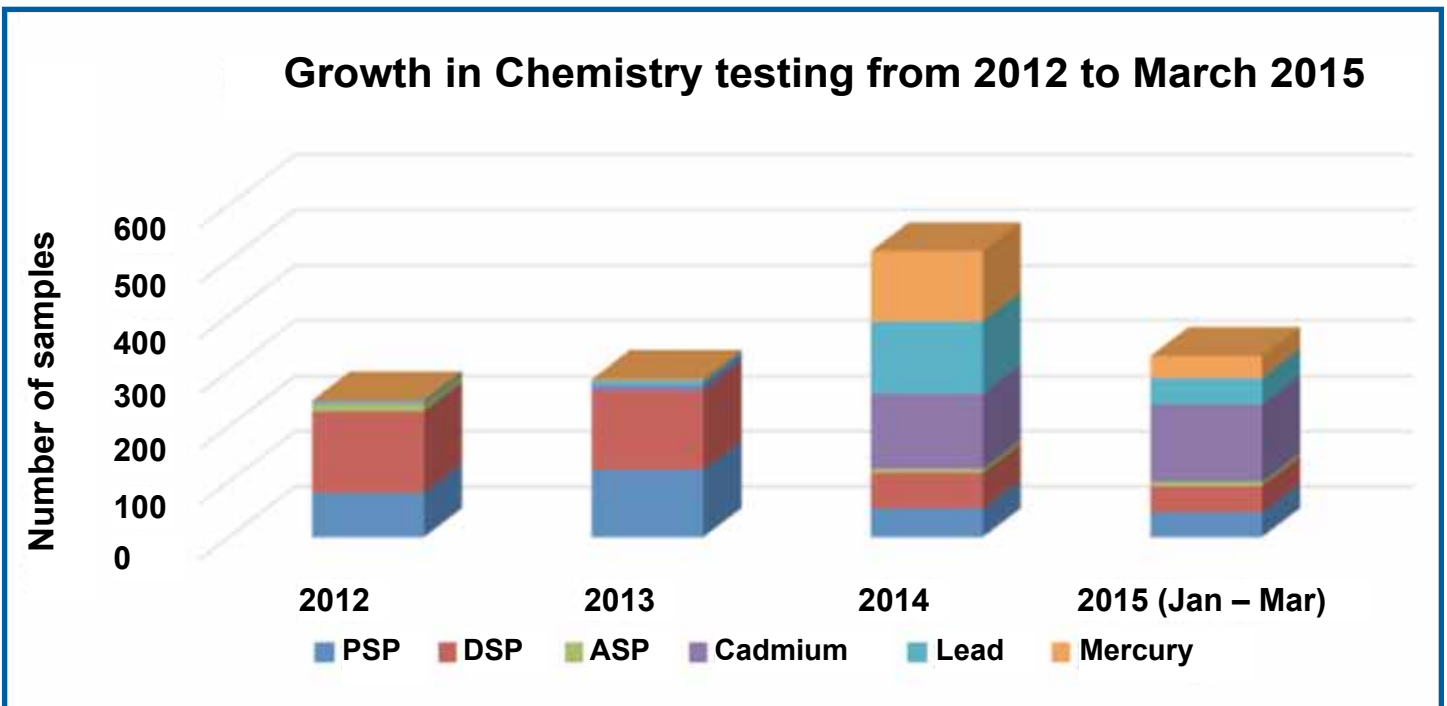


New business

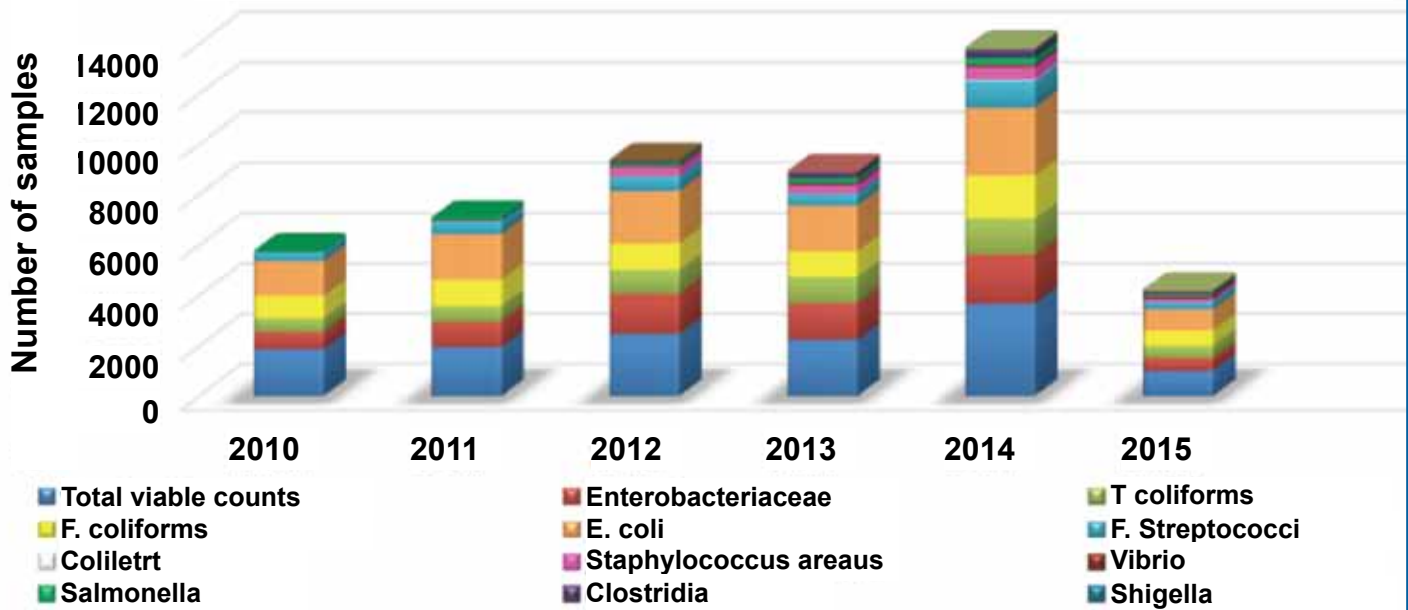
The Testing Laboratory expanded its customer base and increased the number of samples tested with the accreditation for the testing of the three heavy metals. Heavy metal testing services are now routinely

provided to the fishing industry as well as the NSI Inspectorate.

The graph below depicts the growth in the number of tests completed during the term under review, for both internal and external customers of the NSI Testing Centre Chemistry Laboratory.



Growth in Microbiology tests done from 2010 to March 2015



The Microbiology Section experienced growth in both the previously accredited and newly accredited methods, as can be observed from the graph above. The laboratory steadily increased its customer base, with the expansion of its accreditation scope to include new food matrixes such as milk and milk products, meat and meat products and ready-to-eat foods.

External Scrutiny

The NSI Testing Centre continues to operate in accordance with a documented Quality Management

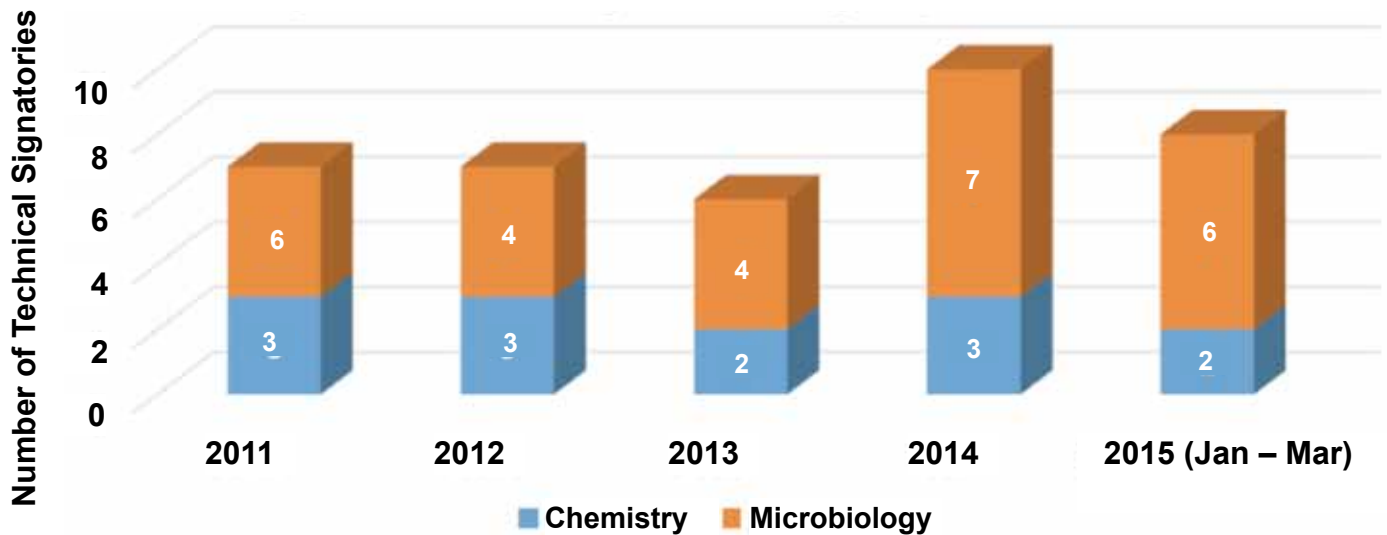
System, based on an international standard for competence of testing laboratories (ISO/IEC 17025). It is accredited by the South African National Accreditation Services (SANAS) as being in compliance with this standard for key analytical procedures since May 2011 (facility number T04409). Therefore the laboratory's results enjoy international acceptability. Maintenance of this accreditation status requires an annual surveillance visit by SANAS, the accreditation body. To ensure continued accredited services to clients, the laboratory has since 2010 continuously developed its staff to attain technical proficiency as technical signa-





NSIM 11

NSI Testing Centre Signatories during the period from 2011 to March 2015



tories (personnel declared by SANAS as technically competent to issue results). Continued development of technical signatory capacity ensures efficient processing of sample results, in line with the growth of the testing scope as well as the increase in sample volumes processed by the laboratory.

The graph on this page depicts the number of technical signatories at the Testing Centre during the period 2011 to 2015.

During the period under review, the European Union (EU) DG SANCO's Food and Veterinary Office (FVO) conducted an audit to assess the progress made by the NSI in implementing the Model Namibian Shellfish Sanitation Monitoring programme.

Some operators in the Mariculture business intend to export shellfish to the European Union once all requirements are met. The FVO audits third-party countries prior to listing, to assure that the responsible authority of a country has effective control systems in place and complies with the export requirements of the EU for the trade in shellfish products with EU member states.

The March 2014 audit focused on the test methods relevant to the Namibian Shellfish Sanitation Monitoring Programme. The NSI Testing Centre implemented the audit team's preliminary recommendations for compliance.

Accredited Methods

When accredited facilities undergo major changes, such as the relocation to a new building, the facility has to apply for suspension of its accreditation status until it has sufficiently demonstrated to the Accreditation body that the new facility meets all requirements of ISO /IEC 17025, the International Standard for Laboratory Quality Management Systems.

During June 2014 the NSI Testing laboratory initiated the voluntary suspension of its accreditation status for the relocation to its new premises. The South African National Accreditation System (SANAS) assessed the laboratory in December 2014 and the full scope of accreditation was re-instated in February 2015.

The table on page 28 reflects the schedule of accreditation of the NSI Testing Laboratory for the period 2011 to 2015.

Ever since the initial SANAS assessment, the NSI Laboratory staff has been hard at work to steadily expand the scope of accreditation in an effort to meet the growing needs of our customers.

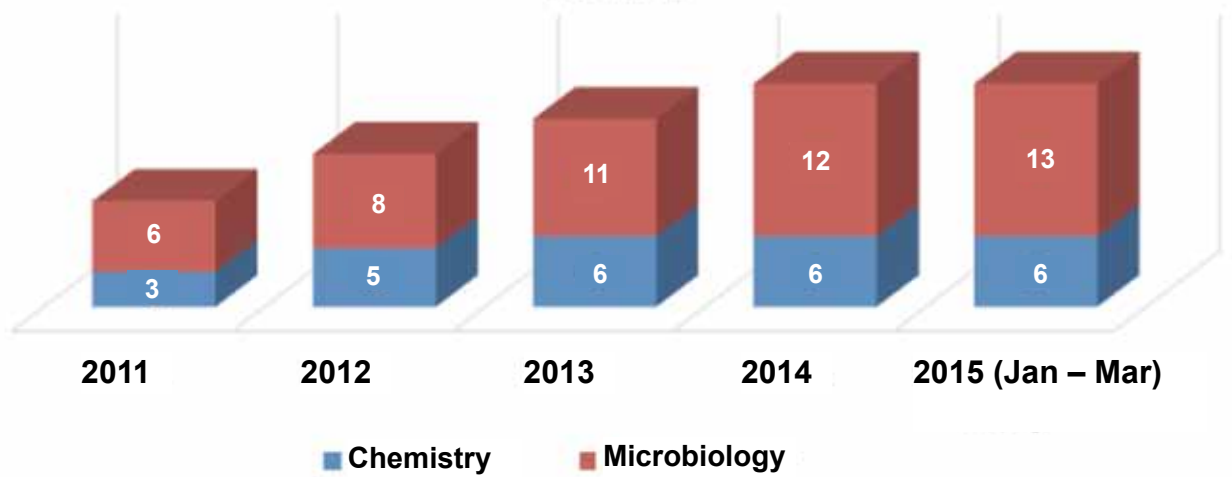
The NSI Testing Centre has, since the initial accreditation, continually grown its scope of accreditation each year. The graph on page 29 illustrates the continued growth since 2011.

Accreditation Schedule for the NSI Testing Centre

Sample Type(s)		Types of Tests/Properties Measured	Test Method/Technical
Chemistry Section			
1.	Shellfish	Amnesic Shellfish Poisoning (ASP) toxicity	TM/B/01 by High Performance Liquid Chromatography (HPLC)
2.		Diarrhetic Shellfish Poisoning (DSP) toxicity	TM/B/02 by Mouse Bioassay
3.		Paralytic Shellfish Poisoning (PSP) toxicity	TM/B/03 by Mouse Bioassay
4.	Fish and Fishery products	Lead and Cadmium	TM/B/07 Atomic Absorption Spectrometry (AAS)
5.		Mercury	TM/B/06 Direct Mercury Analyzer (DMA) Hydra C (new method)
Microbiology Section			
1.	Fish	Enumeration of Total Viable (TVC) Colony Count	TM/M/01
2.		Enumeration of Enterobacteriaceae	TM/M/02
3.	Food products (incl. fish and fishery products)	Enumeration of Total coliforms	TM/M/03 (new method)
4.	Fish and Fishery Products	Enumeration of Escherichia coli (E. coli)	TM/M/04
5.	Food products (incl. fish and fishery products)	Enumeration of Coagulase positive staphylococci (S. aureus)	TM/M/05 (new method)
6.		Detection of Salmonella spp.	TM/M/08 (new method)
7.		Detection of Listeria monocytogenes	TM/M/10 (new method)
8.	Shellfish	Enumeration of E. coli by MPN method	TM/M/11
9.	Potable water, Seawater and effluent water	Enumeration of Total Viable (TVC) Colony Count	TM/M/14
10.	Potable water, Seawater	Enumeration of Total coliforms by Membrane filtration	TM/M/15
11.		Enumeration of Faecal coliforms and Escherichia coli (E. coli) by Membrane filtration	TM/M/16
12.		Enumeration of Faecal streptococci by Membrane filtration	TM/M/17
13.	Potable water	Enumeration of Total coliforms and Escherichia coli (E. coli) by Colilert	TM/M/18

Number of Accredited Methods

NSI Testing Centre Accreditation Scope (Methods) from 2011 to 2015



Staff Development

The NSI Testing Centre prefers to recruit young graduates from the country's tertiary institutions. Therefore the NSI invests heavily in the development of its human capital. The laboratory has achieved its goals through rigorous on-the-job training to develop skills, utilizing experts to conduct in-house training, building of technical capacity through specialized training and practical attachment at external institutions.

The NSI Testing Centre has positioned itself as a laboratory of repute by means of its professional staff, the commissioning of advanced analytical and highly sensitive equipment and the use of competent operators. The NSI Testing Laboratory staff compliment consists of a laboratory manager, 19 technical personnel as well as administrative and support staff. Staff numbers have grown continuously to meet the increasing demand for testing services from industry and regulatory authorities.

To effectively implement the Laboratories Quality Management System, all the Testing Centre staff members during January 2015 received training on ISO/IEC 17025, the international standard for general requirements for the competence of testing and calibration laboratories. Two staff members attended a training course in India on Quality Systems Management, exposing them to experience QMS implementation on an international level. One staff member received training on the Laboratory Safety Management System.

Through a capacity building project between the NSI and the international donor organization, UNIDO, two senior staff members were trained in Root Cause Analyses Techniques while four staff members were trained in Method Validation and Uncertainty of Measurement Procedures.

The NSI participated in the regional African IAEA project, which sponsored the attendance of one senior staff member at the International IAEA Food Safety Conference held in Vienna, Austria, during November 2014. One staff member attended a training course on Food Safety Systems in Addis Ababa, Ethiopia, in October 2014.

Chemistry staff received in-house training on operating and maintaining the LCMS/MS instrument from AB Sciex during 2014. To assist with development of the new LCMS/MS and HPLC toxin methods, Dr. Pablo

de la Iglesia and Ms. Vanessa Del Rio Sanchez, biotoxin method specialists from the Spanish organization IRTA, taught staff members the implementation of lipophilic toxin methods in November 2014.

Since January 2013 the NSI Testing Centre grants university graduates internships for a period of one year in support of national capacity building. This programme continued during 2014 with the laboratory hosting of four graduate interns. The objective is to contribute towards the development of graduate students and allow them to gain valuable practical experience in the workplace.

One intern was placed in the Microbiology Section, one in the Chemistry Section, while two interns joined the Administration Section. Interns receive induction training in the same way as permanent NSI staff and follow rigorous training programmes to prepare them for working in the laboratory. Upon the achievement of required of competency levles, interns proceed to participate in the daily routine functions of the laboratory, thus adding value to the operations.

Other projects

The NSI Laboratory participates in international projects to supplement training initiatives and facilitate knowledge transfer in line with international practices. During 2014 it participated in the UNIDO Project, Trade Capacity Building for Exports in Namibia SAP ID: 100204. This project assisted the NSI to strengthen its capacity by obtaining equipment for new methods as well as training in related technical and management fields. The Laboratory also participated in the IAEA Project RAF 5067: Establishing a Food Safety Network through the Application of Nuclear and Related Technologies. Participation in this project contributed to capacity building within the Testing Centre.

Accommodation and Environment

During the period under review the Laboratory relocated from the Yanni Savva building to the new NSI Laboratory and Inspection Centre in Walvis Bay. Construction of the new facility started in November 2010 and was completed during June 2014. It is well designed and has adequate space allowing for the expansion of testing. From 2016 it will include molecular based testing for the presence of the Norovirus and Hepatitis A virus in shellfish products, using the Polymerase Chain Reaction (PCR) technique.



Challenges

During 2014, the laboratory continued to provide quality service amid shortage of financial resources and staff due to transfers and resignations. Staff turnover remained a critical issue during 2014, with a large component of technical staff being new recruits.

Staff turnover drains resources as it takes considerable financial resources and analyst time to train new recruits to ensure their competency prior to working independently in the laboratory. As a result of rigorous on-the-job training, specialized training on technical methodology and intensive ISO/IEC 17025 quality management system training new recruits were prepared well for quality service delivery.

Service to the Customer

Despite the challenging environment, the NSI Testing Centre has maintained its ability to continuously serve the requirements of its clients. A customer survey was conducted during the annual industry meeting in January 2015 to assess the needs and satisfaction level of the Testing Centre's customers.

The Laboratory implemented the request and suggestions of the survey thereby improving its processes and service to clients. The targets of the survey included turnaround times and selection of appropriate international methods for laboratory expansion.



NSI Inspectorate Services

The NSI Inspectorate as a division of the Department Consumer and Regulatory Services delivers the following regulatory services for the sake of food safety to fishing factories in Walvis Bay, Lüderitz and to Meatco's canning factory in Windhoek.

It regulates the following processing activities:

- Inspection and surveillance of land based factories and fishing vessels and the evaluation of food processing systems for compliance to statutory requirements;
- Sampling as well as physical and sensory examination of raw and final products, e.g. chilled fish, frozen fish and canned fish and meat products. The Inspectorate issues health guarantees/certificates on consignments destined for export upon inspection for compliance to compulsory specifications; and
- Monitoring and implementation of the Namibian Model Shellfish Sanitation Monitoring Programme.

The NSI Fishery Inspectorate Quality Management System is guided by the following quality policy objectives:

- Maintain a sufficient number of competent staff to perform the duties in line with the scope of the Fishery Inspectorate operations;
- Strive for continuous improvement of the Management System, through regular internal audits and Management Review Meetings; and
- Ensure that the provision of required services to its customers is done in an efficient manner.

The main products controlled are:

- Fresh/chilled fish – Hake (*Merluccius* spp) & Longfin Tuna (*Thunnus alalunga*);
- Frozen fish - Hake, Tuna (Long fin, Yellow fin, Skipjack, Big eye Tuna), Sword fish, Marlin, Shark (Blue & Mako), Monk (*Lophius* spp), Kingklip (*Genypterus* spp), Squid (*Loligo* & *Todarodes* spp), Rock Lobsters, Crabs;
- Canned fish – Sardines in tomato source, Sardines in chili sauce, pickled Hake, curried

Hake, Horse Mackerel in vegetable oil, Horse Mackerel in tomato source and Horse Mackerel in chili sauce; and

- Canned meat, mainly corned meat.

NSI remains committed to the implementation of the Namibian Model Shellfish Sanitation Monitoring Programme, as well as gaining access to the EU market for its bivalve Mollusks.

The NSI in collaboration with the Ministry of Fisheries and Marine Resources prepared the draft Shellfish Sanitation Monitoring Regulations, under the Aquaculture Act. The Inspectorate continues with shellfish monitoring to ensure compliance with the Namibian Model Shellfish Sanitation Monitoring Programme, which includes the following tests:

- ASP, twice a year per farm;
- DSP, every second week per farm;
- PSP, once a month per farm; and
- Heavy metals (Lead, Cadmium and Mercury), PCBs and Benzo Payrene PAH are all tested once a year.

The Ministry of Fisheries and Marine Resources continues to monitor the prevalence of phytoplankton as an early warning system for possible blooming of harmful algae associated with Biotoxin.

Accommodation

Due to continued expansion of services and growing staff, the current facility of the NSI Fisheries Inspectorate has reached its limit by accommodating 16 staff members. Six of the company cars are also parked outside due to lack of lockup garages at this facility, which is exposing the vehicles to harsh weather conditions.

The Namibian Standards Council has considered the erection of a new Inspection Facility in Walvis Bay including new garages and the planning is at an advanced stage. Construction is expected to commence early in 2016.

NSI Inspectorate's Technical Inspections

Field of Inspection	Type and Range of Inspection	Standards and Specifications	Number of Signatories
WINDHOEK (Canned Meat Products)			
Regulatory: The supply of services as an Inspection Body for the Inspection of canned meat products.	Compulsory specification for the manufacture, production, processing and treatment of canned meat products	VC 8019 GN No. R 791 – 9 July 2004	1 1 Recommended
WALVIS BAY			
Regulatory: The supply of services as an Inspection Body for the Inspection of fish and fishery products.	Compulsory specification for frozen fish, frozen marine molluscs and frozen products derived therefrom	VC 8017 GN No. R 979 – 4 July 2003	6 3 Recommended
	Procedure for inspection of chilled fish for export	Proc. 005 – 01 April 2013 (New procedure number)	6 3 Recommended
	Compulsory specification for the manufacture, production, processing and treatment of canned fish, canned marine molluscs and canned crustaceans	VC 8014 GN No. R 790 – 9 July 2004	1 1 Recommended
LÜDERITZ			
Regulatory: The supply of services as an Inspection Body for the Inspection of fish and fishery products.	Compulsory specification for frozen fish, frozen marine molluscs and frozen products derived therefrom	VC 8017 GN No. R 979 – 4 July 2003	3
	Procedure for inspection of chilled fish for export	Proc. 005 – 01 April 2013	3





Capacity Building

For Inspectorate to continue offering a professional service complying with the requirements of the customers, ISO/IEC 17020, and those of the Accreditation Body (SASNAS).

The NSI Fisheries Inspectorate continues to offer capacity building opportunities for inspectors in order for them to conduct audits for Hazard Analysis of Critical Control Point (HACCP), food safety system audits for both land-based facilities and vessels.

These audits/inspections on fish processing plants and fishing vessels need to verify compliance with EU regulations, EC 852/2004, 853/2004, EC 854/2004 & 178/2002. Hence, training was arranged with and conducted by Anelich Consulting, a South African consultancy specialising in food safety related training.

The NSI Fishery Inspectorate conducts technical inspections as per the table below, and continues to uphold its accreditation, thus remaining competitive and recognized internationally.

Cooperation between NSI and INIP

The Namibian Standards Institution signed a Memorandum of Understanding (MoU) with the National Fish Inspection Institute of the Republic of Mozambique (INIP), under Protocol No. 5 on co-operation concerning the inspection and certification of fish and fishery products.

In accordance with this agreement the NSI is the only Competent Authority (recognised authority) to certify fishery products destined for the Mozambican market and it came into force on 1 March 2015. This happened after a grace period of almost two years, which allowed exporters to complete their export requirements.

NSI Metrology Laboratory

The NSI Metrology Division is responsible for the Maintenance of the National Measurement System and the Administration of the Trade Metrology Act (Act No. 77 of 1973), as amended.

The Scientific and Industrial Metrology Section and the Legal Metrology Section perform these two responsibilities.

Scientific and Industrial Metrology Section

This section is responsible for:

- Organizing and development of National Measurement Standards;
- Ensuring the accuracy and measurement traceability of national measurement systems to international system of Units (SI);
- Implementation of the International Committee of Weights and Measures Mutual Recognition Agreement (CIPM-MRA); and
- Provision of calibration services for trade fac-

ilitation, consumer protection and measurement quality assurance. Calibration services are offered on a cost-recovery basis as a means of disseminating measurement traceability to the Namibian industry. Clients range from the fishing industry, other food industries, testing and calibration laboratories and equipment suppliers. During the period under review, the Scientific and Industrial Section calibrated a total of 1,020 measuring instruments.

Legal Metrology Section

This section is responsible for:

- Pattern approval of trade and legal measuring instruments;
- Initial and periodic verification of measuring instruments used for prescribed purposes including trading, collections tolls, fines, rates and taxes;
- Evaluation, registration and control of instrument mechanics; and
- Inspection of pre-packaged goods for labelling and tolerances.



Scientific and Industrial Metrology: Calibration Services

The Mass and Volume Metrology Laboratories are accredited by SADCAS in accordance to the following schedules of accreditation:

MASS			
Item	Measured Quantity/ Type of Gauge or Instrument	Nominal Range	Calibration and Measurement Capability Expressed as an Uncertainty (\pm)
1.	Mass Pieces	1 mg to 5 g 10 g 20 g to 50 g 100 g 200 g 500 g 1 kg to 2 kg 5 kg 10 kg 20 kg	0,02 mg 0,03 mg 0,04 mg 0,1 mg 0,2 mg 0,001 g 0,002 g 0,005 g 0,03 g 0,03 g
2.	Weighing instruments digital self-indicating	0 g to 50 g 50 g to 200 g 200 g to 3000 g 3,0 kg to 1500 kg	0,0003 g 0,0006 g 0,0003 % + 0,001 g 0,01% + d
3.	On-site calibration for items 1 & 2 above		

VOLUME			
Item	Measured Quantity/ Type of Gauge or Instrument	Nominal Range	Calibration and Measurement Capability Expressed as an Uncertainty (\pm)
1.	Micro Pipettes / Syringes (Gravimetric)	1 μ l to 10 μ l 10 μ l to 100 μ l 100 μ l to 200 μ l 200 μ l to 500 μ l 500 μ l to 1 000 μ l	0.2 μ l 0.8 μ l 0,9 μ l 1.6 μ l 8.2 μ l
2.	Glassware (gravimetric)	10 mL to 5L	0.02%
3.	Metal Measures (Gravimetric & Volumetric)	1000 ml -20L	0.04%

Apart from the mass and volume metrology, the laboratory offers calibration services in the field of Temperature Metrology as well, though this service still remains unaccredited.

TEMPERATURE		
Item	Measured Quantity or Type of Gauge or Instrument	Range OF Measured Quantity
1.	Thermocouples Noble Metals Base Metals	-30 °C to 250 °C -30 °C to 250 °C
2.	Ice Point Reference	0.0 °C
3.	Platinum Resistance Thermometers	-30 °C to 250 °C
4.	Thermometers Liquid in glass Digital Thermometers Mechanical Dial Thermometers	-30 °C to 250 °C
5.	Temperature Installations Ovens, Incubators Autoclaves Furnaces	-30 °C to 250 °C



World Metrology Day Commemoration

Namibia joined the international community by celebrating World Metrology Day on 20 May 2014. This day commemorates the signing of the Metre Convention in 1875, a treaty, which provides the basis for a coherent global measurement system.

Namibia signed the International Committee of Weights and Measures – Mutual Recognition Agreement (CIPM–MRA) in October 2012 and as an Associate Member of the Meter Convention attends the General Conference of Weights and Measures (CGPM).

The objectives of the CIPM-MRA are to establish the degree of equivalence of national measurement standards maintained by National Metrology Institutes (NMIs); to provide for the mutual recognition of calibration and measurement certificates issued by NMIs; and thereby to provide governments and other parties with a secure technical foundation for wider agreements related to international trade, commerce and regulatory affairs.

Each year the World Metrology Day is commemorated to raise awareness about the importance of accurate, reliable and internationally accepted measurements. The theme for 2014 was “Measurements and the global energy challenge”.

As a contribution to the commemoration of the World Metrology Day on behalf of Namibia, the NSI arranged the following programme:

- Parade from the NamPower Convention Centre to City of Windhoek Car Park, Independence Street. Stakeholders in the energy sector participated with motor vehicles of their organisations marked with logos or banners that depicted their role in the energy sector;
- Permanent Secretary, Mr. K. Kahuure, officiated on behalf of the Minister of Mines and Energy, Hon. Isak Katali, at the main event and lunch at the NSI Metrology Laboratory.
- The Chairperson of the NSC, Dr. Martha Kandawa-Schulz, and the Chief Executive Officer, Mr. Othy Kaakunga, spoke on the importance of the World Metrology Day and the services offered by the NSI;
- A technical paper on The role of Measurements in Energy Research and Innovation was delivered by Mr. John Sifani, the General

Manager: Innovation and Technology Development, on behalf of the Chief Executive Officer of the National Commission on Research Science and Technology, Dr. Eino Mvula;

- Awards ceremony for the handing over of the Certificate of Conformity to Namibia Dairies (Pty) Ltd in accordance with the requirements of ISO 9001:2008 – Quality Management Systems Requirements;
- Exhibition of services and products by stakeholders at the NSI Metrology Laboratory; and
- Performances by Big Mama and the Shafishuna cultural groups.

Implementation of the International Committee of Weights and Measures Mutual Recognition Agreement (CIPM-MRA)

The CIPM-MRA provides for international mutual recognition of National Measurement Standards and Calibration, and Measurement Certificates issued by signatory member states.

The NSI Metrology Division substantiates its technical competence through participation in inter-laboratory comparisons that are linked to the BIPM key comparisons. It subsequently prepares for the peer review of its Calibration Measurement Capabilities (CMCs) and quality system by the Intra-Africa Metrology System (AFRIMETS); and the Joint Committee of the Regional Metrology Organizations and the BIPM (JCRB), in order for CMCs to be recognized and published by the BIPM.

During the period under review, the NSI participated in the mass inter-comparison at AFRIMETS level (AFRIMETS.M.M-S6 ILC for OIML class F1 stainless steel standards) and other sub-regional multilateral inter-comparisons for volume measures, weights, balances and micropipettes. NSI Metrology technical staff are active members of the various AFRIMETS Technical Committees: Legal, Temperature, Mass and related (including Volume) and Length Metrology.

This rigorous process provides a reliable technical basis for the acceptance of results provided through conformity assessment activities (and certificates issued) in Namibia for the purpose of international trade with other countries, particularly those that are signatory to the CIPM-MRA. This is a significant contribution towards eliminating technical barriers to trade as obligated under the World Trade Organization Technical Barriers to Trade (WTO/TBT) Agreement and the TBT Annex of the SADC Protocol on Trade.

Verification of prescribed measuring instruments

Instrument Description	Liquid Fuel Dispensers	Scales	Volume Measures	Mass pieces	Weighbridges
Quantity Verified	494	3	23	58	34

Legal Metrology: Verification Services

The Trade Metrology Act (Act No. 77 of 1973) and its regulations provide for the verification of measuring instruments used for trade to protect consumers. Verification services continued to be offered by the Legal Metrology Section of the Metrology Division. Please see the table above.

Compliant instruments were sealed and issued with verification certificates. Non-compliant instruments were issued with rejection certificates and the owners and their respective contracted mechanics were notified that the instruments were not suitable for use in the

trade. The instruments were re-verified and deemed fit for trade after repairs were completed. Due to budgetary constraints verification services were only being provided to customers in Windhoek and surrounding areas. Customers far from Windhoek, who were able to afford and cover the travel expenses of NSI staff, also received these services.

Registration of Mechanics

Mechanics regulated by the Trade Metrology Act should be registered before they can undertake repairs, calibration and maintenance of measuring instruments used for trade. The Metrology Division



successfully conducted training on the verification of Liquid Fuel Dispensers (LFDs) to mechanics who applied for registration.

Inspection of prepackaged goods

The programme of inspection of prepackaged goods began during the period under review. Inspectors performed a total of 48 inspections at a number of supermarkets. Packers had to address findings to the satisfaction of NSI Metrology inspectors on several prepackaged products that did not conform with the requirements. One prevalent problem is that the scales are neither approved nor verified, as required by the Trade Metrology Act Regulations.

Metrology Technical Committee (TC 9)

Technical Committee on Metrology (TC9) was established to develop/adopt Namibian Standards. The standards are published in the Technical Regulations for use by the public and also for referencing purposes. The Metrology Division provides technical inputs and chairs meetings of TC9.

During the period under review TC9 has been expanded and its mode of operation revised to cater for the different fields of Legal Metrology (and the location of technical expertise) that require standards for development into legal metrology technical regulations.

The following working groups (WGs) were active during the period under review:

- WG 06 - OIML R117-1: Dynamic measuring systems for liquids other than water; and
- WG 07 – OIML R 126: Evidential Breath Analyzers. This TC has now evolved to a new TC that looks at developing other Namibian Standards required for Road Traffic and Safety.

Other working groups will be established in due course to respond to stakeholder needs for further standards or metrology technical regulations.

UNIDO Trade Capacity Building Project for exports in Namibia

The Metrology Division on behalf of the NSI is a major beneficiary of the UNIDO Trade Capacity Building Project for Namibian exports. During the year under review

the project plan was implemented to a satisfactory extent. The Metrology Division benefited from:

- Technical support to the NSI Metrology Laboratory (equipment and accessories procured, installed and training delivered);
- Support for accreditation of the NSI Metrology laboratory in two additional scopes of volume and temperature;
- Feasibility study for establishment of a Metrology Laboratory in Walvis Bay;
- Equipment for the new satellite Calibration Laboratory in Walvis Bay;
- Capacity building of the technical staff; and
- Legal metrology national survey on verification equipment conducted

Challenges

The drafting of the new Metrology Bill was completed during FY2013/2014, however it has yet to be finalized. The current Act of 1973 and its set of regulations are not aligned with international best practices, using SADC Cooperation on Legal Metrology (SADCMEL) and International Organization for Legal Metrology (OIML) recommendations as technical regulations. This is in spite of the fact that Namibia became a corresponding member of the OIML in October 2012.

The Metrology Division is operating from a rented facility, not specifically built as a metrology laboratory. The space is insufficient and the environmental conditions are not ideal.

The Metrology Division is expected to deliver large volumes of work, including at sites other than the NSI. This causes a strain on the limited human and equipment resources. Travel costs makes these services unsustainable.

Quality Management

The Metrology Division maintains a Quality Management System for both of its sections to meet international, regional and the accreditation body requirements. A Quality Assurance Officer was appointed on 2 March 2015. Implemented during the period under review were:

- The management review as per ISO 17025;
- A management system for Legal Metrology;
- Maintenance of accreditation of mass and volume laboratory; and
- Initiated the CMCs publication process for mass metrology.



CORPORATE SERVICES

The Corporate Services Department is responsible for: Human Resources Management; ICT Management; Corporate Communications and Strategic Partnerships.

Human Resources

Human Resource Management (HRM) is a function that is designed to maximize employee performance in accordance with the NSI's strategic objectives. HRM is primarily concerned with how people are managed within the organization, focusing on policies and systems. It is responsible for a number of activities, including employee recruitment, training and development, performance management, and remuneration (e.g. pay and benefit systems). It also deals with industrial relations, balancing organisational practices with the respective labour and government acts and matters arising from collective bargaining.

Affirmative Action and Employment Equity

The NSI complies with the requirements of the Affirmative Action (Employment) Act of 1998, as set out in the Affirmative Action report. Achievements that can be highlighted in terms of employment equity are:

- A total of 62 percent of the NSI Senior Management are female, GM: Corporate Services, GM: RC&P, GM: Certification, Internal Auditor, and the Legal and the Company Secretary;

- Two understudies were appointed for the Manager: Metrology ,who is a foreign national; and
- Of the eight staff members seven percent have been recruited in 2014 are racially disadvantaged females. The other 33 percent are racially disadvantaged males.

Challenges

The NSI took part in the Delloitte best company to work for survey in 2013. Three negatives were identified, which always comes out at exit interviews and at staff meetings. They are:

- Financial rewards and benefits received as an employee does not measure the importance and worth of the employees;
- The NSI does not support staff in their ambitions for themselves to progress and advance in their careers; and
- Performance is not appropriately recognised and well managed.

Achievements

In response to the recommendations made in various exit interviews the NSI has outsourced an independent firm PWC to carry out a market survey on the NSI remuneration structure. This survey is expected to be available during the second quarter of 2015.

Levels of Employment

Executive Directors	Chief Executive Officer (F)
Senior Management:	Four General Managers, Legal and Company Secretary (LACS), Chief Financial Officer
Middle Management	All D1 section heads- D3
Specialized/Skilled/ Senior Supervisors	C4 – D1
Skilled staff	C1- C3
Semi-Skilled staff	B
Unskilled staff	Cleaners

Information and Communication Technology

The Information and Communication Technology (ICT) Division is responsible for the effective and efficient use of ICT within the NSI and to assist the business units in harnessing ICT to implement the mandate of the institution.

The mission of the ICT Division is to provide state-of-the-art ICT facilities and applications through appropriate research and procurement procedures, with the capacity and flexibility to satisfy the current and future ICT service needs of the NSI.

The Division hosts the following systems for the NSI:

- Virtual Environment (Hyper-V Platform);
- Active Directory;
- Microsoft Exchange 2013;
- SharePoint 2013;
- Microsoft SQL server;
- NSI Inspectorate Ledger Application; and
- The NSI Intranet (SharePoint Portal).

Challenges

A major challenge in ensuring a modern ICT environment, is the lack of funds required.

Corporate Communications

This division is responsible for the NSI's corporate communication, public and media relations, special events and promotions. It develops, manages and executes the NSI's communication, branding and promotional strategies and activities. Furthermore, it establishes and maintains effective channels of communication, mutual understanding, acceptance and co-operation between the NSI and its internal and external stakeholders.

Planned Activities

World Standards Day is one the NSI's largest annual events. During the period under review the NSI staff, accompanied by students, marched through Windhoek's Independence Avenue to raise awareness about the importance of standards for business, government and the general public. The march was the major event in the commemoration of World Standards Day 2014, themed: *Standards level the playing field*.

The Corporate Communications Division successfully involved Namibian print and electronic media in the World Standards Day activities. The NSI granted television interviews on NBC's popular breakfast show, Good Morning Namibia, and on the prime time evening business programme, Business Today. NSI staff were also interviewed by the NBC's radio services such as Afrikaans, Otjherero, Silozi and Damara/Nama service.



FINANCIAL ADMINISTRATION

The Department of Financial Administration is responsible for the management of the NSI's cash flow and to ensure enough funds are available to meet the day-to-day payments, prepare forecasts on a regular basis to systematically calculate the ongoing cash need.

The department is also responsible for the preparation of the NSI's budget and forecasts, and to report back on the progress throughout the year. This information is used to proactively plan for staffing levels, asset purchases, expansions and cash needs.

Financial Review

The NSI recorded a loss of N\$6,955,827 in the 2015 financial year compared to the N\$943,300 profit in the previous year. The loss is a result of the 20 percent reduction in Government Grants (2015: N\$37.3 million; 2014 N\$44.6 million).

Furthermore, the NSI cost-to-income ratio deteriorated to 126 percent from 105 percent in the 2014 financial year

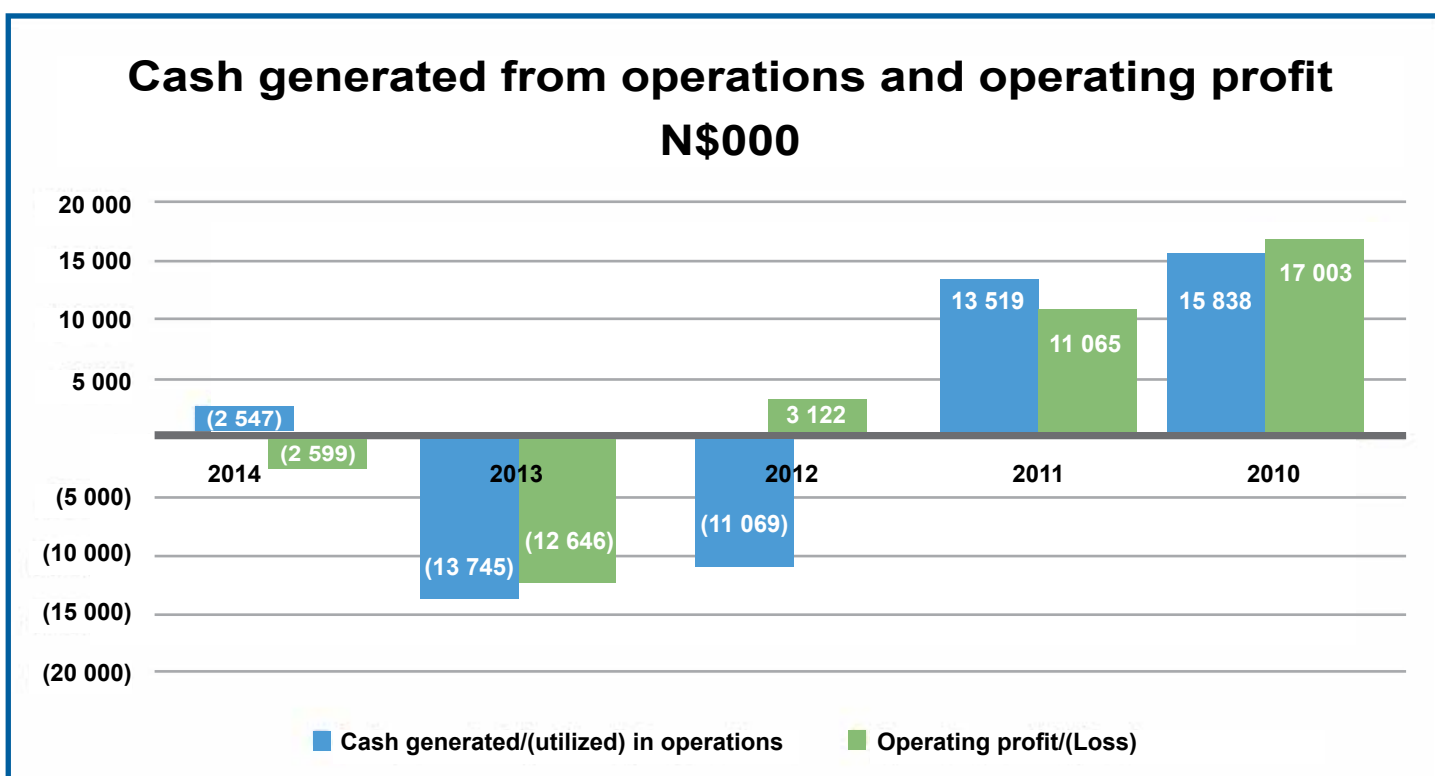
as the institution continues to invest in staff to provide customer service and deliver on its strategic objectives.

Financial Performance

Own generated revenue increased by 24 percent from N\$9.6 million to N\$11.9 million during the year under review. This can be mainly attributed to the good results of HACCP Audits (246 percent increase) and Testing (60 percent increase).

Statement of Comprehensive Income Analysis

During the year under review operating expenses increased by 9 percent to N\$62.7 million from N\$57.5 million in 2014 with the main contributor to this increase being staff cost, which grew by 12 percent during the year due to annual salary increases together with inflationary increases in other salary related cost; 90 percent increase in depreciation and amortization due to the new Testing and Inspection Centre that is now being depreciated.



Ratios and Other Financial Information

Ratio Analysis	2015	2014	2013	2012	2011
PROFITABILITY AND ASSET MANAGEMENT					
Asset Turnover	18%	15%	22%	23%	20%
Return on Assets	-19%	-4%	-27%	-13%	25%
Return on Equity	-215%	-20%	-105%	-13%	25%
Current Ratio	1:1	1.3:1	4:1	5:1	9:1
Operating Margin %	-107%	-27%	-125%	-58%	124%
PERFORMANCE					
Cost to Income	126%	105%	132%	112%	77%
Remuneration as a % of Total Expenditure	59%	57%	55%	57%	56%

Ratio definitions

Asset turn over:	Revenue divided by net assets
Return on assets:	Operating profit as a percentage of net assets
Return on equity:	Net income divided by shareholders' equity
Current ratio:	Current assets to current liabilities

Statement of Financial Position Analysis

Property, plant and equipment increased by 13 percent to N\$55.4 million from N\$48.9 million in 2014. The main reason for the increase is because the cost of the con-

struction of Phase 1 of the Walvis Bay Testing Centre that was paid during the 2015 financial year.

Trade and other receivables were down by 65 percent to N\$3.2 million (2014: N\$9.3 million). The decrease relates to VAT refunds that was paid out in 2015.

Cash and cash equivalents increased by 51 percent to N\$8 million (2014: N\$5.3 million) due to a cash injection that was done by the Ministry of Industrialization, Trade and SME Development in March 2015.

Challenges

The Department of Financial Administration is responsible for financial planning and control and thus the biggest challenge is limited financial resources.





**AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS
OF THE NAMIBIAN STANDARDS INSTITUTION
FOR THE YEAR ENDED
31 MARCH 2015**

The documentation as compiled by the auditor registered in terms of the Public Accountant's and Auditor's Act, 1951, who was appointed by the Namibian Standards Institution, has been examined by officials of the Office of the Auditor-General.

In terms of Section 19 (1) of the Standards Act, 2005 (Act 18 of 2005), I certify that the above-mentioned audit of the annual financial statements for the year ended 31 March 2015 has been carried out to my satisfaction.

WINDHOEK, November 2015



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**



Namibian Standards Institution
Established by Section 2
of the Standards Act 2005,
(Act no. 18 of 2005)
Annual Financial Statements
for the year ended 31 March 2015

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Promotion of standardisation and quality assurance in the industry, commerce and public sector in Namibia with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general.
NSC Members	<ul style="list-style-type: none">*Dr. Martha Kandawa-Schulz (Chairperson)*Dr. Moses Maurihungirire, Member*Mrs. Asteria Nasheya, Member*Mr. Edwin Beukes (Chairperson of the Finance, Risk Management and Audit Committee)*Ms. Phortune Dina Tjivikua, (Chairperson of the Human Resources and Remuneration Committee)*Mr. Thomas Shikondjeleni Nashixwa (Chairperson of the Tender Committee)*Mr. Michael Gaweseb, Member*Mr. Tileinge Sagarias Andima, MemberMr. Riundja Ali Kaakinga (Chief Executive Officer), Member ex-officio <p>*Re-appointed on 31 October 2013</p>
Registered Office	The Forum Building First Floor, Suite 115 11-17 Dr. Frans Indongo Street Windhoek Namibia
Auditors	Grand Namibia Registered Accountants and Auditors
Bankers	First National Bank of Namibia
Secretary	Adv. Notemba Tjipueja

Index

The reports and statements set out below comprise the annual financial statements presented to the members:

Index	Page
NSC Members' Responsibilities and Approval	53
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NSC Members' Report	56
Statement of Financial Position as at 31 March 2015	57
Statement of Comprehensive Income	58
Statement of Changes in Equity	59
Statement of Cash Flows	60
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Notes to the Annual Financial Statements	67 - 77
Detailed Statement of Comprehensive Income	78 - 79

NSC Members' Responsibilities and Approval

The NSC members are required in terms of the Standards Act No.18 of 2005 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 Institution 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 judgments and estimates.

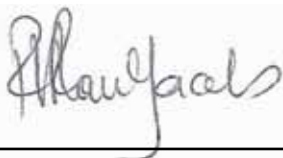
The members acknowledge that they are ultimately responsible for the system of internal financial control established by the Institution and place considerable importance on maintaining a strong control environment. To enable the NSC members to meet these responsibilities, the NSC members set standards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

The NSC 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.

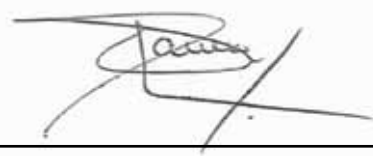
The NSC members have reviewed the Institution's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the Institution has or has access to adequate resources to continue in operational existence for the foreseeable future. Government is committed to continuously support the NSI operations.

The external auditors are responsible for independently reviewing and reporting on the Institution's annual financial statements. The annual financial statements have been examined by the Institution's external auditors and their report is presented on page 54.

The annual financial statements set out on pages 54 to 79, which have been prepared on the going concern basis, were approved by management and the NSC members on 8 October 2015 and were signed on its behalf by:



Mrs. Rosy Jacobs (Acting Chief Executive Officer)



Mr. Michael Mbamba (Chief Financial Officer)



Dr. Martha Kandawa-Schulz (Chairperson)



Mr. Edwin Beukes (Chairperson of the Finance, Risk Management and Audit Committee)

Independent Auditor's Report

To the NSC members of Namibian Standards Institution

We have audited the annual financial statements of Namibian Standards Institution, as set out on pages 56 to 79, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

NSC Members' Responsibility for the Financial Statements

The Institution's members are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Standards Act, Act No.18 of 2005 and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

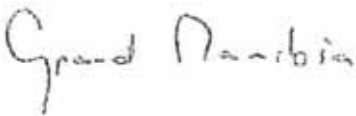
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibian Standards Institution as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and requirements of the Standards Act, Act No.18 of 2005.

Grand Namibia
Registered Accountants & Auditors
Chartered Accountants (Namibia)



Per: R. N. Beukes
38 Church Street
P O Box 24304
Windhoek
Namibia
8 October 2015

NSC Members' Report

The NSC members submit their report for the year ended 31 March 2015.

1. Review of activities

Main business and operations

The Institution is engaged in promotion of standardisation and quality assurance in the industry, commerce and the public sector in Namibia with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general.

The operating results and the state of affairs of the Institution are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. We however draw your attention to the fact that the ability of the Institution, to continue as a going concern depends on funding from the Government of the Republic of Namibia. Government is committed to supporting the core functions of the NSI.

3. Events after the reporting period

The NSC members are not aware of any matter or circumstance arising since the end of the financial year.

4. Members

The NSC members of the Institution during the year and to the date of this report are as follows:

Name

Dr. Martha Kandawa - Schulz (Chairperson)

Dr. Moses Maurihungirire, Member

Mrs. Asteria Nasheya, Member

Mr. Edwin Beukes (Chairperson of Finance, Risk Management and Audit Committee)

Ms. Phortune Dina Tjivikua (Chairperson Human Resources and Remuneration Committee),

Mr. Thomas Shikondjeleni Nashixwa (Chairperson Tender Committee),

Mr. Tileinge Sagarias Andima, Member

Mr. Michael Gaweseb, Member

Mr. Riundja Ali Kaakunga (Chief Executive officer), Member ex-officio.

5. Secretary

The secretary of the company is Adv. Notemba Tjipueja of:

Business address

The Forum Building, First Floor, Suite 115

11 - 117 Dr. Frans Indongo street, Windhoek, Namibia

Statement of Financial Position as at 31 March 2015

	Notes	2015 N\$	2014 N\$
ASSETS			
Non-current assets			
Property and equipment	3	55,403,076	48,881,060
Current assets			
Inventories	6	651,426	300,165
Trade and other receivables	7	3,245,236	9,315,141
Cash and cash equivalent	8	8,011,045	5,281,669
		11,907,707	14,896,975
Total assets		67,310,783	63,778,035
Equity and Liabilities			
Equity			
Accumulated Funds		5,992,526	12,948,353
Liabilities			
Non-current liabilities			
Deferred income	10	49,386,594	35,257,985
Current liabilities			
Trade and other payables	12	5,176,432	8,478,612
Deferred Income - Short term potion	10	3,879,149	3,879,149
Provisions	11	2,876,081	3,213,936
		11,931,663	15,571,697
Total liabilities		61,318,257	50,829,682
Total Equity and Liabilities		67,310,783	63,778,035

Statement of Comprehensive Income

	Notes	2015 N\$	2014 N\$
Revenue	14	11,989,091	9,694,001
Other income	15	37,788,140	45,166,824
Operating expenses		(62,664,614)	(57,458,670)
Operating (loss)	16	(12,887,382)	(2,597,845)
Investment revenue	17	389,732	625,742
Transfer from deferred income	10	5,541,823	2,915,403
Finance costs	18	-	-
Profit/(loss) for the year		(6,955,827)	943,300
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(6,955,827)	943,300

Statement of Changes in Equity

	2015	2014
	N\$	N\$
Opening balance 01 April 2013	12,005,053	12,005,053
Profit for the year	943,300	943,300
Other comprehensive income	-	-
Total comprehensive income for the year	12,948,353	12,948,353
Balance 31 March 2014	12,948,353	12,948,353
Opening balance 01 April 2014	12,948,353	12,948,353
Loss for the year	(6,955,827)	(6,955,827)
Other comprehensive income	-	-
Total comprehensive income for the year	5,992,526	5,992,526
Balance 31 March 2015	5,992,526	5,992,526

Statement of Cash Flows

	Notes	2015 N\$	2014 N\$
Cash flow from operating activities			
Cash received from Government and customers		49,255,273	43,638,354
Cash paid to suppliers and employees		(53,320,976)	(41,064,419)
Cash generated from (used in) operations	21	(4,065,703)	2,573,935
Interest income		389,732	625,742
Finance costs		-	-
Net cash from operating activities		(3,675,971)	3,199,677
Cash flow from investing activities			
Purchase of property, plant and equipment		(12,061,401)	(27,762,534)
Sale of property, plant and equipment		54,135	78,376
Net cash from investing activities		(12,007,266)	(27,684,158)
Cash flow from financing activities			
Capital Government Grants	9	18,412,613	7,488,065
Total cash movement for the year		2,729,376	(16,996,416)
Cash at the beginning of the year		5,281,669	22,278,085
Total cash at the end of the year	8	8,011,045	5,281,669

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Standards Act, Act No.18 of 2005. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

1.1 Property, plant and equipment

Property, plant and equipment is initially measured at cost

The cost of 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 Institution; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	Average useful life
Buildings	25 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	2 years
IT equipment	3 years
Laboratory Equipment	4 years

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

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

Classification

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

- Financial assets at fair value through profit or loss;
- Loans and receivables; and
- 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 measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss dividends and interest.

Loans and receivables 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 Institution has transferred substantially all risks and rewards of ownership.

Trade and other receivables

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

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

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 Institution's accounting policy for borrowing costs.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

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

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

1.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

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

1.5 Impairment of assets

The Institution 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 Institution estimates the recoverable amount of the asset.

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

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period; and
- tests goodwill acquired in a business combination for impairment annually. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, there coverable 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.

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

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

1.6 Employee benefits

Short-term employee benefits

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

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

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

1.7 Provisions and contingencies

Provisions are recognised when:

- the Institution has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying; 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.

1.8 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Institution will comply with the conditions attaching to them; and
- the grants will be received.

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

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

Grants related to income are presented as a credit in the profit and loss statement (separately).

1.9 Revenue

Revenue from the sale of standards and provision of quality assurance services is recognised when all the following conditions have been satisfied:

- the Institution has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Institution retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Institution; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings; and
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and

- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The Institution has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the institution's accounting periods beginning on or after 01 April 2013 or later periods:

IFRS 9 Classification and Measurement of Financial Instruments

Incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. Entities may still choose to apply IFRS 9 immediately.

IAS 16 Property, plant and equipment

Amendments to the revaluation method - proportionate restatement of accumulated depreciation.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The institution expects to adopt the standard for the first time in the 2016 annual financial statements.

IAS 19 Employee benefits

Amendments to Defined Benefit Plans: Employee Contributions whereby the requirements in IAS19 for contributions from employees or third parties that are linked to service have been amended.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The institution expects to adopt the standard for the first time in the 2016 annual financial statements.

IAS 24 Related Party Disclosure

Amendments to the definitions and disclosure requirements for key management personnel.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The institution expects to adopt the standard for the first time in the 2016 annual financial statements.

IAS 36 Impairment of Assets

Amendments to the revaluation method - proportionate restatement of accumulated depreciation.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The institution expects to adopt the standard for the first time in the 2016 annual financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards

Amendments to the Basis of Conclusion clarifying the meaning of "effective IFRSs".

The effective date of the amendment is for years beginning on or after 01 July 2014.

The institution expects to adopt the standard for the first time in the 2016 annual financial statements.

IFRS 9 Financial Instruments

Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The institution expects to adopt the standard for the first time in the 2016 annual financial statements.

IFRS 13 Fair Value Measurement

Amendments to clarify the measurement requirements for those short-term receivables and payables. Amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with IAS39 or IFRS9.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The institution expects to adopt the amendment for the first time in the 2016 annual financial statements.

IFRIC 21 Levies

The Interpretation provides guidance on when to recognise a liability for a levy imposed by a government, both

for levies that are accounted for in accordance with IAS37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The institution expects to adopt the amendment for the first time in the 2016 annual financial statements.

Board members anticipate that the adoption of the recent standards and interpretations will have no material impact on the financial statements in future periods.

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	296,003	-	296,003	296,003	-	296,003
Buildings	47,760,585	(1,950,846)	45,809,739	40,530,092	(424,343)	40,105,749
Furniture and fixtures	3,337,360	(2,417,803)	919,556	3,334,130	(2,174,588)	1,159,542
Motor vehicles	2,976,164	(2,330,482)	645,682	3,043,120	(2,126,191)	916,929
Office equipment	424,513	(374,476)	50,036	379,773	(306,735)	73,038
IT equipment	3,310,167	(2,170,198)	1,139,969	2,277,251	(1,957,510)	319,741
Lab equipment	16,547,546	(10,005,457)	6,542,090	12,816,086	(6,806,028)	6,010,058
Assets Under Construction	-	-	-	-	-	-
Total	74,652,338	(19,249,262)	55,403,076	62,676,455	(13,795,395)	48,881,060

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land	296,003	-	-	-	296,003
Buildings	40,105,749	9,546,121	-	(1,526,503)	48,125,367
Furniture and fixtures	1,159,542	795	-	(268,200)	892,137
Motor vehicles	916,929	-	(66,957)	(271,248)	578,724
Office equipment	73,038	44,739	-	(67,741)	50,036
IT equipment	319,741	1,053,915	(20,999)	(233,687)	1,118,970
Lab equipment	6,010,058	1,531,210	-	(3,199,429)	4,341,839
Assets Under Construction	-	-	-	-	-
	48,881,060	12,176,780	(87,956)	(5,566,809)	55,403,076

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Land	296,003	-	-	-	296,003
Buildings	10,432,005	185,334	(8,776)	(424,343)	10,184,220
Furniture and fixtures	1,296,462	123,826	-	(260,746)	1,159,542
Motor vehicles	721,700	391,521	-	(196,292)	916,929
Office equipment	45,402	89,265	-	(61,629)	73,038
IT equipment	159,684	364,851	(69,600)	(135,194)	319,741
Lab equipment	2,991,570	4,855,686	-	(1,837,198)	6,010,058
Assets Under Construction	2,907,543	27,013,986	-	-	29,921,529
	18,850,369	33,024,469	(78,376)	(2,915,402)	48,881,060

- Erf 1034, situated in the municipal area of Walvis Bay.
- Erf 796, situated in the municipal area of Lüderitz..
- Erf 3625, situated in the municipal area of Walvis Bay.
- Erf 1755, situated in the municipal area of Windhoek.

There were no assets that were pledged as security and the only contractual commitments are the retention fees as stated in note 12. A register of land and buildings is available for inspection at the registered office of the NSI.

Notes to the Annual Financial Statements

4. Financial assets

	2015	2014
	N\$	N\$
Cash and cash equivalents	8,011,045	5,281,669
Trade and other receivables	3,063,045	2,849,945
	11,074,091	8,131,614

The Institution 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.

5. Financial assets by category

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

2015

	Loans & receivable	Total
Cash and cash equivalents	8,011,045	8,011,045
Trade and other receivables	3,063,045	3,063,045
	11,074,091	11,074,091

2014

	Loans receivable	Total
Cash and cash equivalents	5,281,669	5,281,669
Trade and other receivables	2,849,945	2,849,945
	8,131,614	8,131,614

6. Inventories

	2015	2014
	N\$	N\$
Consumables	651,426	300,165

There were no inventories that were pledged as security and there are no contractual commitments.

Notes to the Annual Financial Statements

7. Trade and other receivables

	2015	2014
	N\$	N\$
Trade receivables	2,043,197	2,421,358
Accrued Income	905,245	418,212
Deposits	86,437	10,375
Staff Cellphone Usage	28,166	-
VAT	182,191	6,465,195
	3,245,236	9,315,141

Trade and other receivables pledged as security

No Trade and other receivables were pledged as security for overdraft facilities and the entity does not hold any collateral as security.

Fair value of trade and other receivables

Trade and other receivables	3,245,236	9,315,141
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The current value equates the fair value as the trade and other receivables are all recoverable within twelve months, and are not interest bearing.

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

30 days	557,053	782,700
60 days	83,402	389,906
90 days	14,500	19,755
120 days	473,777	552,390

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	8,000	6,500
Bank balances	8,003,045	5,275,169
	8,011,045	5,281,669

There are no restrictions placed on the realisation or usability of cash balances.

Notes to the Annual Financial Statements

9. Unspent conditional grants and receipts

	2015	2014
	N\$	N\$
Unspent conditional grants and receipts consist of:		
Unspent capital grants	3,964	1,141,353
	3,964	1,141,353
Movement during the year		
Balance at the beginning of the year	1,141,353	21,415,822
Additions during the year - Capital expenses	18,412,613	7,488,065
Capital expenses recognised during the year	(11,137,389)	(27,762,534)
	8,416,577	1,141,353

There unspent grant relates to government grants received for capital projects that were unused.

10. Deferred income

Opening Balance	39,137,134	29,302,537
Recognise in statement of comprehensive income	(5,541,823)	(2,915,403)
Grants received to be recognised in future accounting periods	22,101,967	12,750,000
Closing balance	55,697,278	39,137,134
Less: deferred grant to be recognised in the following year	(6,310,684)	(3,879,149)
	49,386,594	35,257,985
Non-current portion	49,386,594	35,257,985
Current liabilities	3,879,149	3,879,149
	53,265,743	39,137,134

The nature and extent of government grants recognised in the annual financial statements are an indication of other forms of government assistance from which the entity has directly benefited. The funds are treated as deferred income over the useful life of the assets. The useful life of the relevant assets are: Buildings 25 years, furniture and fittings 10 years, motor vehicles 5 years, office equipment 2 years, IT equipment 3 years and laboratory equipment 4 years.

Notes to the Annual Financial Statements

11. Provisions

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Utilised during the year	Total
Bonus	463,593	46,928	-	510,521
Provision for doubtful debts	126,874	-	-	126,874
Provision for restoration costs	827,890	-	(827,890)	-
Leave	1,795,579	443,107	-	2,238,686
	3,213,936	490,035	(827,890)	2,876,081

Reconciliation of provisions - 2014

	Opening balance	Additions	Utilised during the year	Total
Bonus	532,203	-	(68,610)	463,593
Provision for doubtful debts	126,874	-	-	126,874
Provision for restoration costs	-	827,890	-	827,890
Leave	1,899,046	331,674	(435,141)	1,795,579
	2,558,123	1,159,564	(503,751)	3,213,936

Leave Provision

Leave pay is only paid out when an employee resigns. Leave pay is based on the leave days accumulating to a maximum of thirty seven and a half (37.5) days for management and thirty day (30) for staff.

Provision for Doubtful debt

The provision for doubtful debt relates to the debtor, Etale Fishing Company (Pty) Ltd., that experienced difficulties during the financial year and had informed the Institution that they are unable to pay the full amounts.

Notes to the Annual Financial Statements

12. Trade and other payables

	2015	2014
	N\$	N\$
Trade payables	2,672,210	3,773,749
VAT - Penalties and Interest	-	1,730,331
Retention- Asset Under Construction	1,542,642	1,542,642
Operating Lease Accruals	148,072	-
UIDO Project Account	376,393	-
GRN Accrual Account	7,001	-
Sundry payables (outstanding cheque payments)	430,114	1,431,890
	5,176,432	8,478,612
Fair value of trade and other payables		
Trade payables	5,176,432	8,478,612

13. Financial liabilities by category

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

2015

	Financial liabilities at amortised cost	Total
Trade and other payables	2,672,210	2,672,210
Retention-Asset Under Construction	1,542,642	1,542,642
Sundry payables (outstanding cheque payments)	430,114	430,114
	4,644,967	4,644,967

2014

	Financial liabilities at amortised cost	Total
Trade and other payables	3,773,749	3,773,749
Retention-Asset Under Construction	1,542,642	1,542,642
Sundry payables (outstanding cheque payments)	1,431,890	1,431,890
	6,748,281	6,748,281

Notes to the Annual Financial Statements

14. Revenue

	2015	2014
	N\$	N\$
Certification	75,517	34,913
HACCP Audits	1,446,883	418,212
Inspection	3,178,897	3,131,955
Levies	5,006,592	4,500,218
Metrology Services	126,152	254,874
Sale of Standards	182,578	122,515
Testing	1,972,472	1,231,314
	11,989,091	9,694,001

15. Other Income

Government grants	37,266,182	44,645,588
Rental Income	80,079	454,027
Profit on sale of PPE	54,135	-
Foreign Exchange Gain	4,862	-
Inventory Adjustment	265,321	-
Sundry Income	113,733	61,247
Discount received	-	3,870
Insurance proceeds	3,828	2,092
	37,788,140	45,166,824

16. Operating profit/(loss)

Operating profit/(loss) for the year is stated after accounting for the following:

Operating lease charges

Premises		
• Contractual amounts	3,107,429	3,907,664
Depreciation on property, plant and equipment	5,541,823	2,915,403
Employee costs	36,925,979	32,331,109

17. Investment revenue

Interest revenue

Bank	389,732	625,742
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Notes to the Annual Financial Statements

18. Finance costs

	2015 N\$	2014 N\$
Bank	-	-
	-	-

19. Taxation

The Institution is exempt from income tax in terms of section 16(1)(e) of the Income Tax Act of Namibia, as amended.

20. Auditors' remuneration

	2015	2014
Fees	105,610	70,000

21. Cash generated from (used in) operations

Profit/(loss) before taxation	(6,955,827)	943,300
Adjustments for:		
Depreciation and amortisation	5,541,823	2,915,402
Interest received	(389,732)	(625,742)
Finance costs	-	-
Movements in Deferred Income (current portion)	(6,310,684)	(2,915,403)
Movements in provisions	337,855	-
Profit on sale of Property Plant and Equipment	54,135	-
Changes in working capital:		
Inventories	(351,261)	(105,798)
Trade and other receivables	7,310,167	(3,392,399)
Trade and other payables	(3,302,180)	-
	(4,065,703)	(3,180,640)

Notes to the Annual Financial Statements

22. Commitments

	2015	2014
	N\$	N\$
Operating leases – as lessee (expense)		
Minimum lease payments due		
- Within one year	3,146,776	1,291,848
- In second to fifth year inclusive	3,254,110	6,898,846
	6,400,886	8,190,694

23. Related parties

Related party transactions

Grants

- The Government of the Republic of Namibia (Operational grants)	37,266,182	44,645,588
- Government grants realised from Deferred Income	5,541,823	2,915,403
- The Government of The Republic of Namibia (Capital grants)	18,412,613	7,488,065

Compensation to key management (executive management)

Short-term employee benefits	3,831,004	4,290,201
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Notes to the Annual Financial Statements

24. NSC members' emoluments

	Salary fees	Other	Total
Executive			
2015			
Travel and accommodation	-	285,669	285,669
Salaries	1,646,803	-	1,646,803
	1,646,803	285,669	1,932,471

	Salary fees	Other	Total
2014			
Travel and accommodation	-	485,505	485,505
Salaries	1,187,606	-	1,187,606
	1,187,606	485,505	1,673,111

	NSC members' fees	Total
Non-Executive		
2015		
Travel and accommodation	185,489	185,489
For Service as NSC members	960,193	960,193
	1,145,682	1,145,682

	NSC members' fees	Total
2014		
Travel and accommodation	114,490	114,490
For Service as NSC members	983,842	983,842
	1,098,332	1,098,332

Notes to the Annual Financial Statements

Liquidity risk

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

Interest rate risk

As the Institution has no significant interest-bearing assets, the Institution's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Institution only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial instruments

	2015	2014
Cash and Cash equivalents	8,011,045	5,281,669
Trade and other receivables	3,245,236	9,315,141
Trade and other payables	4,644,967	8,478,612

26. Going concern

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

ANNUAL FINANCIAL STATEMENTS: 31 MARCH 2015

	Notes	2015 N\$	2014 N\$
Revenue	14	11,989,091	9,694,001
Other income			
Discount received		-	3,870
Insurance Proceeds		3,828	2,092
Government grants	15	37,266,182	44,645,588
Transfer from deferred income	10	5,541,823	2,915,403
Interest received		389,732	625,742
Foreign Exchange Gain		4,862	-
Profit on sale of PPE		54,135	-
Rental income		80,079	454,027
Sundry Income		113,818	61,247
		43,454,459	48,707,969
Operating expenses			
Accreditation		(498,100)	(98,175)
Advertising		(295,140)	(302,028)
Auditors remuneration		(105,610)	(70,000)
Bad Debts		-	-
Bank charges		(129,643)	(93,859)
Cleaning		(204,383)	(139,360)
Computer expenses		(758,997)	(381,097)
Consulting fees		(648,995)	(935,507)
Courier and Postage		(475,006)	(453,232)
Depreciation, amortisation and impairments		(5,541,823)	(2,915,403)
Employee costs		(36,925,979)	(32,982,038)
Entertainment and Official functions		(63,154)	(23,962)
Fuel and oil		(265,190)	(232,587)
Functions		(221,713)	(126,313)
General Expenses		(152,751)	(114,028)
Inventory adjustment		265,236	(422,059)
Implementation of NQP		(168,352)	(26,411)
Insurance		(369,026)	(315,059)
Interest and penalties on VAT		(853,362)	(1,798,400)
Laboratory consumables		(1,113,162)	(636,472)
Marketing and corporate communication		(668,035)	(378,412)
Members' emoluments		(960,193)	(983,842)
Micro biology services		(376,087)	(665,131)
Motor vehicle expenses		(67,365)	(66,652)
Parking fees		(362,871)	(302,313)
Printing and stationery		(269,018)	(348,782)
Protective clothing		(26,082)	(26,227)
Reallocation expenses		-	(11,655)
Rental Expenses		(3,107,429)	(4,869,727)
Repairs and maintenance		(634,088)	(995,885)
Security		(124,204)	(76,587)
Staff welfare		(91,860)	-
Standards TCs and NSI		(52,789)	(71,639)
Subscriptions		(620,264)	(682,605)
Subsistence and travelling allowance		(3,308,499)	(3,169,688)

ANNUAL FINANCIAL STATEMENTS: 31 MARCH 2015

	Notes	2015 N\$	2014 N\$
Telephone and fax		(1,165,728)	(1,268,073)
Training		(737,675)	(537,007)
Transport costs		(239,804)	(318,954)
Water and electricity		(967,892)	(530,562)
Workshops and meetings		(90,473)	(88,939)
		(62,395,507)	(57,458,670)
Operating profit/(loss)	16	(6,951,957)	943,300
Finance costs	18	-	-
Profit/(loss) for the year		(6,951,957)	943,300
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(6,951,957)	943,300

