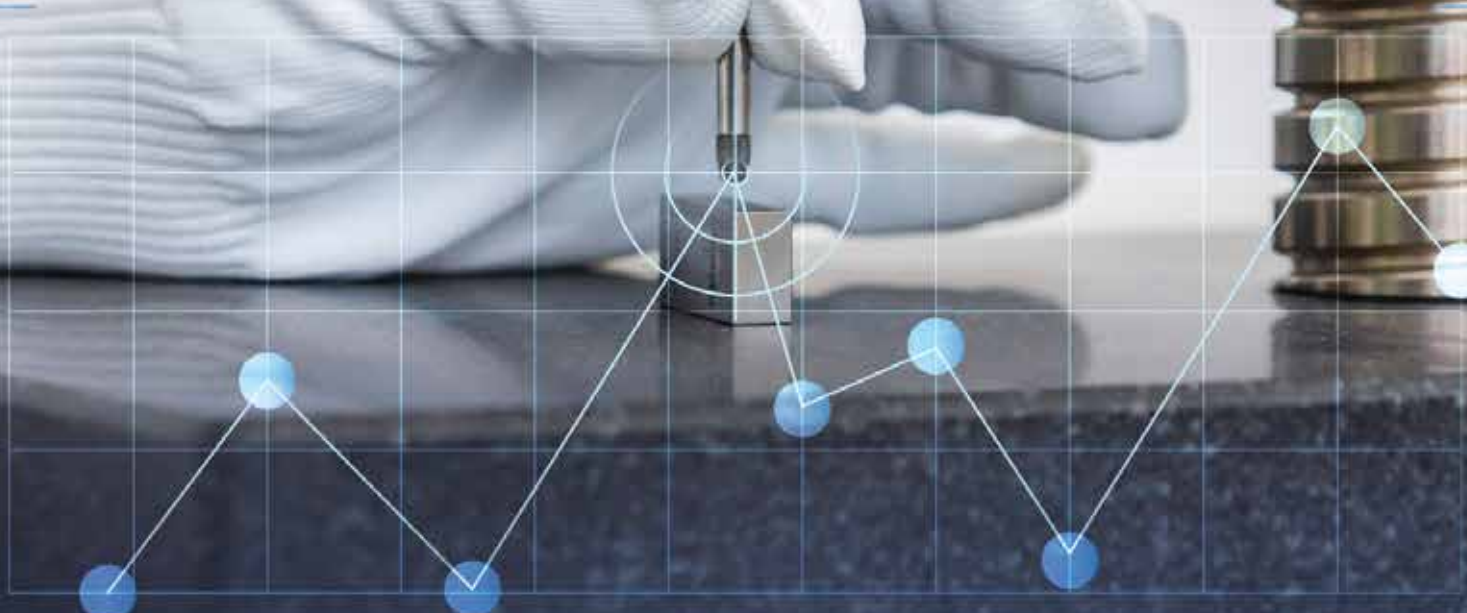




NAMIBIAN STANDARDS INSTITUTION



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade



# INTERGRATED ANNUAL REPORT 2023/24



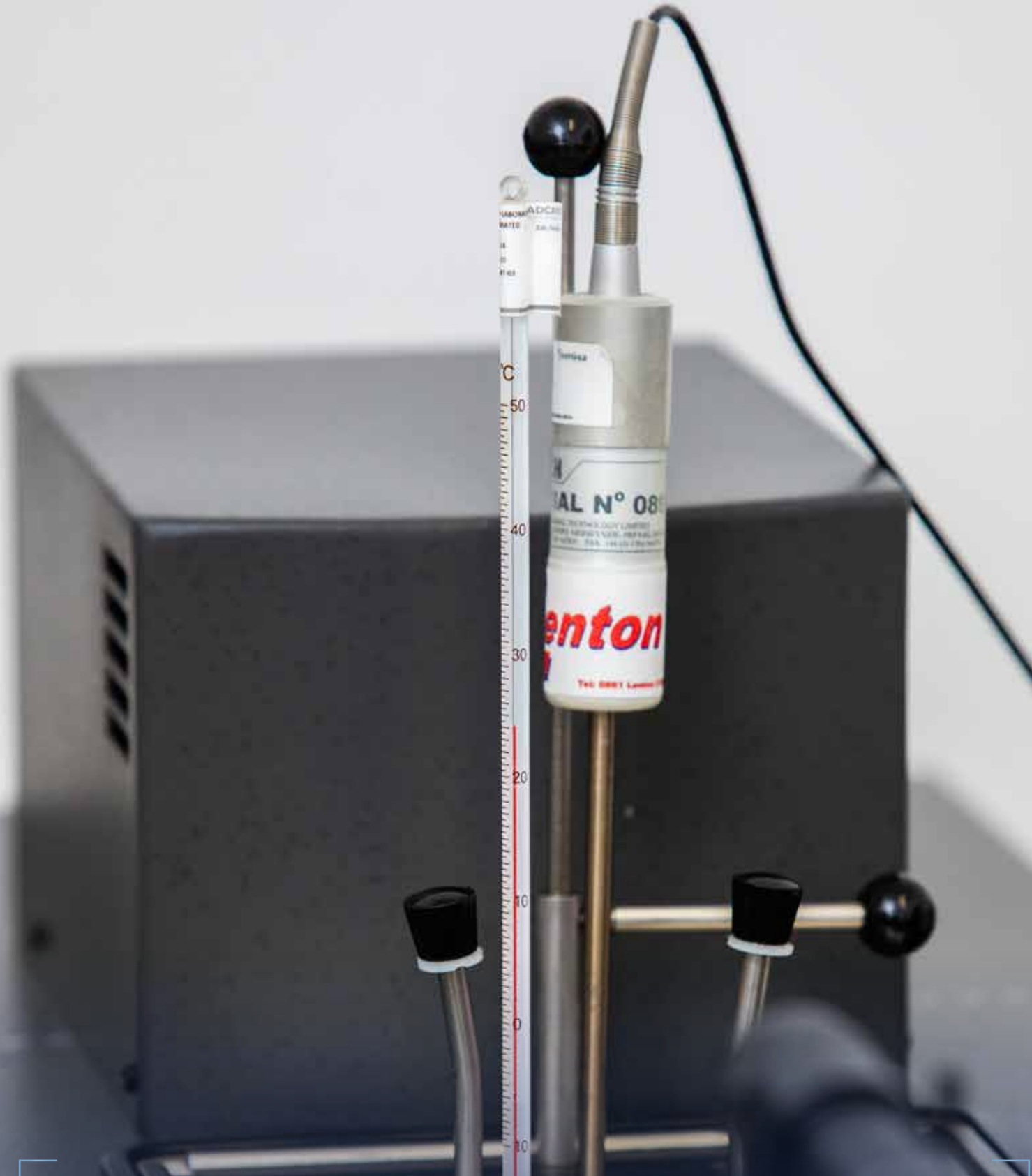
## INTEGRATED ANNUAL REPORT 2023/2024

All rights reserved. No part of this publication may be reproduced, copied or transmitted in any form or by any means, including photocopying, plagiarising, recording and storing, without the written permission of the copyright holder. The contents of this publication are intended for general information only and are not intended to serve as financial or other advice. While every precaution is taken to ensure the accuracy of information, the Namibian Standards Institution (NSI) is neither liable to any person for inaccurate information nor for any opinion contained in this publication.

Published by The Namibian Standards Institution  
37 Feld Street  
P.O. Box 26364, Windhoek

Tel: +264 61 386 400  
Fax: +264 61 386 454

Enquiries: [query@nsi.com.na](mailto:query@nsi.com.na)  
Facebook: [NSI\\_Namibia](https://www.facebook.com/NSI_Namibia)  
Web address: [www.nsi.com.na](http://www.nsi.com.na)



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005

2024





Serial No: 11025000

NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade



# TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>9</b>
About This Report	10
Chairperson's Statement	13
Chief Executive Officer's Report	15
<b>ABOUT THE NSI</b>	<b>17</b>
Background: Founding & History	18
General	19
Vision, Mission and Core Values	20
Operations	20
Namibian Standards Council	21
Organisational Structure	24
<b>OUR BUSINESS MODEL</b>	<b>29</b>
Value Creation Model	30
Value Creation Input	31
NSI Stakeholders	32
NSI Strategic Achievements	33
<b>OPERATING ENVIRONMENT</b>	<b>35</b>
External Environment	36
Risk Management	37
<b>GOVERNANCE</b>	<b>39</b>
Governance and Legal Compliance	40
Internal Audit	43
<b>OPERATIONAL REPORTS, PERFORMANCE AND OUTLOOK</b>	<b>45</b>
Standards Development and Coordination	46
Certification	50
Testing and Inspection	52
Metrology	56
Corporate Communications, Marketing and Human Resources	64
Corporate Finance, Asset Management and ICT	68
<b>ANNUAL FINANCIAL STATEMENTS</b>	<b>76</b>

## Table of Figures

Figure 1	NSI current organisational structure	25
Figure 2	Growth in volume of work reflected as total number of inspections per financial year over a five-year period	54
Figure 3	Changes in the types and volumes of inspection activities by product category for each financial year over a five-year period	54
Figure 4	Graphical representation of changes in volume of test work based on the number of test parameters completed during a financial year for microbiology laboratory	55
Figure 5	Graphical representation of changes in volume of test work over a period of time, based on the number of test parameters completed during a financial year for the chemistry laboratory	55
Figure 6	Legal Metrology Division Work Distribution Per Field 2023/2024 Financial Year	60
Figure 7	Number of instruments verified by the Legal Metrology Division (2018/2019 to 2023/2024)	61
Figure 8	Number of instruments verified/inspected by the Legal Metrology Division (2018/2019 to 2023/2024)	61
Figure 9	Distribution of work across the Scientific and Industrial (S&I) Metrology Field for 2023/2024 financial year	62
Figure 10	Number of Calibrated Instruments Per Metrology Field per year during the period 2015/2016 to 2023/2024	62
Figure 11	Number of calibrated instruments per metrology field (2015/2016 to 2023/2024)	63
Figure 12	Financial performance	70
Figure 13	Own income vs GRN grant	73
Figure 14	Own income from services	74

## List of Tables

Table 1	Current and future NSI services, their descriptions and value propositions	31
Table 2	Our value creation input	31
Table 3	List of NSI stakeholders, their expectations, and vice versa	32
Table 4	Corporate performance in 2023/2024 under the pillars as contained in the ISBP	33
Table 5	NSI Risks together with rating and their mitigating measures	38
Table 6	Attendance of NSC meetings by the members during the year under review	42
Table 7	Attendance of FRAC meetings by members during the year under review	42
Table 8	Attendance of HRRC meetings by members during the year under review	43
Table 9	Attendance of NSC-TC meetings by members during the year under review	43
Table 10	List of standards developed during the 2023/2024 financial year	47
Table 11	List of training offered during 2023/2024	49
Table 12	Mass Metrology	58
Table 13	Volume Metrology	58
Table 14	Temperature Metrology	59
Table 15	Dimension Metrology	59

# Abbreviations & Acronyms

ARSO	African Organisation for Standardisation
BIPM	International Bureau of Weights and Measures
CEO	Chief Executive Officer
CB	Certification Body
DCP	Development Cooperation Partner
ERP	Enterprise Resource Planning
ERMF	Enterprise Risk Management Framework
EXCO	Executive Committee
EU	European Union
FRAC	Finance, Risk and Audit Committee
GRN	Government of Republic of Namibia
HRRC	Human Resources and Remuneration Committee
IEC	International Electro-technical Commission
ISO	International Organisation for Standardisation
ICT	Information and Communication Technology (ICT)
IT	Information Technology
LIMS	Laboratory Information Management System
LMA	Legal Metrology Authority
MIT	Ministry of Industrialisation and Trade
N\$	Namibian Dollar
NamCode	The Corporate Governance Code for Namibia
NAMS	Namibian Standard
LMA	National Legal Metrology Authority
NMI	National Metrology Institute
NMISA	National Metrology Institute of South Africa
NSC	Namibian Standards Council
NSC-TC	Namibian Standards Council Technical Committee
NSI	Namibia Standards Institution
OIML	International Organisation for Legal Metrology
PEGA	Public Enterprise Governance Act, 2019 (Act No. 1 of 2019)
QMS	Quality Management Systems
SDGs	Sustainable Development Goals
TBT	Technical Barriers to Trade
WTO	World Trade Organization

## List of Acts of Parliament

- Standards Act, 2005 (Act No 18 of 2005)
- Companies Act; 2004 (Act No 28 of 2004)
- Public Enterprises Governance Act, 2019 (Act No 1 of 2019) (PEGA)
- Trade Metrology Act, 1973 (Act No. 77 of 1973) as amended by the Metrology Amendment Act, 2005 (Act No. 17 of 2005)



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005

2024





# INTRODUCTION



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade



# ABOUT THIS REPORT



The Namibian Standards Institution (NSI) proudly presents its Integrated Annual Report for the financial year 2023/2024. This report offers a comprehensive overview of the institution's activities throughout the 2023/2024 financial year. The report has been prepared in accordance with the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework. Its structure and content align with international standards and frameworks.

Our financial reporting adheres to the International Financial Reporting Standards (IFRS) and the Public Enterprises Governance Act, 2019 (Act No 1 of 2019) (PEGA). The NSI follows the principles of good governance outlined in the Corporate Governance Code for Namibia (NamCode) and contributes to achieving the United Nations Sustainable Development Goals (UNSDGs). Our financial statements have been audited, and Grand Namibia Chartered Accountants and Auditors issued an unqualified audit opinion. The audit has been certified by the Auditor General in terms of Section 19(1) of the Standards Act, 2005 (Act No 18 of 2005).

## Scope and Boundary

This integrated report outlines our strategy and performance from 1 April 2023 to 31 March 2024. It includes our strategies, activities, operational and financial performance, outcomes, and risks. Our report considers the perspectives of key stakeholders who have significant influence or interest in the NSI.

We strive to strategically engage with diverse stakeholders as we implement key programmes and services aligned with our legislative mandate, enhancing our credibility through transparent reporting practices. This annual report details NSI's performance and activities across various service portfolios and locations.

## Disclosures

The Namibian Standards Council (NSC), supported by the Finance, Risk Management and Audit Committee (FRAC) oversees governance, including internal controls that identify, evaluate, and manage risks, providing reasonable assurance on the Annual Financial Statements of the NSI. Our combined assurance model aims to optimise assurance from management and internal and external assurance providers, while embedding strong ethics and ensuring good governance.

Using the NSC's approved risk management process, NSI management identifies key risks and implements internal controls and mitigation plans to achieve strategic objectives. The Internal Audit Department provides independent and objective assurance to the NSC regarding governance processes, risk management, and internal control systems, ensuring they are adequate and effective in mitigating risks.

All content in this report is gathered from various sources throughout the institution.

## Governing Principles and Standards

The report is aligned with the following:

- Standards Act, 2005 (Act No 18 of 2005)
- Public Enterprises Governance Act, 2019 (Act No. 1 of 2019)
- Trade Metrology Act, 1973 (Act No. 77 of 1973) as amended by the Metrology Amendment Act, 2005 (Act No. 17 of 2005)
- International Integrated Reporting Council's (IIRC) Integrated Reporting Framework
- The Corporate Governance Code for Namibia (NamCode)

## Forward-Looking Information

In preparing this report, NSI Senior Management provided their perspectives on the organisation's future outlook and anticipated performance based on local and global economic and political conditions forecasts. These forward-looking statements were informed by the NSI Integrated Strategic Business Plan (ISBP) for 2024/2025 to 2028/2029 and are subject to risks and uncertainties. Consequently, they are unaudited and should not be relied upon for investment decisions. We welcome your feedback, queries, and comments at [query@nsi.com.na](mailto:query@nsi.com.na).

## Namibian Standards Council (NSC) Approval

The NSC, supported by its committees, accepts responsibility for the integrity and completeness of this integrated report. The NSC believes that this report addresses the key issues affecting the organisation's ability to create value and considers the content accurate, reliable, complete, and prepared in line with the Integrated Reporting Framework.

The NSC approved this report on

  
**Dr. Eino Mvula**  
Chief Executive Officer

  
**Mr. Paul Kalenga**  
Chairperson of the Namibian Standards Council



**Paul Kalenga**  
Chairperson

# CHAIRPERSON'S STATEMENT

## Introduction

As Chairperson of the Namibian Standards Council (NSC), I am delighted to present our Integrated Annual Report for the 2023/2024 financial year. This report encapsulates the NSI's significant activities and achievements, reflecting our unwavering commitment to fulfilling our mandates.

## Performance Overview

During the year under review, the NSI demonstrated remarkable performance across various sectors. Our strategic initiatives have yielded positive outcomes, reinforcing our position as a key facilitator of national standards. The successful implementation of our services has aligned with our mandate and significantly enhanced the country's operational framework in various industries.

## Challenges Faced by the NSC

Despite our achievements, we encountered several challenges that tested our resilience and adaptability. Key challenges included navigating complex regulatory landscapes, managing resource constraints, and responding to external pressures such as the economic fluctuations prompted by global events. These challenges required us to redefine our strategies and ensure our governance frameworks remained robust and effective.

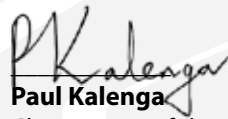
## Strategic Focus Over the Medium to Long-Term

Looking ahead, the NSI is deeply committed to a strategic focus outlined in the Integrated Strategic Business Plan

(ISBP) for 2024/2025 to 2028/2029, which anticipates local and global economic developments. Our medium—to long-term vision includes enhancing stakeholder engagement, expanding service provisions, and leveraging technology to optimise operational efficiency. These strategic priorities will guide our actions and reinforce our commitment to continuous improvement and value creation for all stakeholders.

## Acknowledgement and Appreciation

I want to extend my heartfelt appreciation to the Hon. Lucia Ipumbu, Minister of Industrialisation and Trade; Hon. Ipumbu Shiimi, Minister of Finance and Public Enterprises; the staff members of both Ministries; my fellow NSC Members; our dedicated staff; and our esteemed stakeholders for their unwavering support throughout the year. Your contributions have been invaluable in enabling us to achieve our objectives. A special thank you goes to our partners and stakeholders, whose collaboration has fostered a supportive environment for our initiatives. Together, we are building a stronger foundation for the NSI and contributing to Namibia's economic development.



Paul Kalenga

Chairperson of the Namibian Standards Council

A professional portrait of Dr. Eino Mvula, a Black man with a shaved head and a goatee, wearing glasses, a dark blue suit, a white shirt, and a dark blue tie. He is standing with his arms crossed against a plain grey background. At the bottom of the image, there is a dark blue banner with white text. The banner is decorated with a blue diagonal line on the left and an orange diagonal line on the right.

**DR. EINO MVULA**  
Chief Executive Officer

# CHIEF EXECUTIVE OFFICER'S REPORT

## Introduction

As we unveil the Namibian Standards Institution's (NSI) Integrated Annual Report for the financial year 2023/2024, I am proud to reflect on the significant strides we have made in promoting quality assurance and standardisation across various sectors. The year under review has been defined by our commitment to excellence, innovation, and responsiveness to stakeholder needs, collectively contributing to Namibia's socio-economic development.

## Overview of our performance for the year

In the face of numerous challenges during the 2023/2024 financial year, we showcased remarkable progress across our strategic themes, as outlined below:

### Financial Sustainability

Financial sustainability remains a cornerstone of our strategic objectives. The NSI is proud to report income improvements, with a modest increase of N\$1.0 million, from N\$89.4 million in 2022/2023 to N\$90.4 million in the 2023/2024 financial year.

The operational expenditure for the institution increased by N\$6.1 million, increasing from N\$81.5 million in the 2022/2023 financial year to N\$87.6 million in 2023/2024. This increase in expenditure resulted in a net loss of N\$1.3 million for the year. However, after accounting for the re-measurements of the net defined benefit liability, the institution's total comprehensive income for the year amounted to N\$256,287 in 2023/2024, representing a significant decline compared to N\$10,998,044 in 2022/2023.

As a result, the overall financial position remains challenging, with accumulated losses having marginally decreased from N\$59.2 million in the previous financial year to N\$59.0 million in 2023/2024, reflecting the ongoing financial challenges faced by the institution.

### Operational Capacity and Excellence

The NSI has invested in enhancing its operational capacity to meet the growing demands of stakeholders. Our commitment to the continuous improvement of operations is evident as we maintain accreditation during the year under review as follows: Testing Services are accredited to ISO/IEC 17025, Inspection Services to ISO/IEC 17020, Metrology Services to ISO/IEC 17025, and Certification Services to ISO/IEC 17021. We have embarked on rolling out the development and implementation of a management system that meets the ISO 9001 - Quality Management Systems (QMS) requirements, allowing us to deliver results that meet and exceed international service quality and efficiency standards.

## Stakeholder Management

Understanding and managing our stakeholders' expectations has been pivotal this year. We conducted multiple stakeholder engagement sessions, fostering dialogues that informed our strategic direction and service offerings. Strengthening our relationships with government entities, industry partners, and the public has improved our transparency and responsiveness. Our robust stakeholder management framework reflects our dedication to inclusivity and collaboration, which ultimately reinforces our quality assurance mandate.

### Service Delivery

Our commitment to exceptional service delivery has been evident throughout the year. We introduced initiatives to enhance customer satisfaction, which yielded an average customer satisfaction rating of 87%.

This was derived from our conformity assessment services as follows:

- 80% for Metrology,
- 94% for Inspection,
- 90% for Testing, and
- 83% for Certification.

Continually refining our testing and certification processes has established NSI as a trusted partner in ensuring that products and services meet the requisite quality standards, positively impacting consumer safety and market integrity.

### Human Capital & Performance Management

The strength of NSI lies in its dedicated workforce. This year, we rolled out several performance management initiatives that align individual objectives with institutional goals, enhancing accountability and motivation among our staff. Comprehensive training programmes have been pivotal in enhancing our skills, and equipping our team to adapt to evolving industry demands.

## Looking Ahead

During 2023/2024, we formulated our Integrated Strategic Business Plan (ISBP), which serves as our roadmap from 2024 to 2028. This plan has also received approval from the Minister of Finance and Public Enterprises and the Minister of Industrialisation and Trade in line with PEGA. Our new ISBP is anchored on four strategic themes, as outlined below:

### Human Capital Excellence

Our first strategic theme is Human Capital Excellence. We recognise that our greatest asset is our people. Our goal is to fill 100% of critical positions and ensure that every team member is trained in accordance with our Development

Plan. By fostering an environment of continuous learning and professional growth, we aim to significantly enhance our workforce's competencies.

### **Financial Sustainability**

The second theme we will focus on is Financial Sustainability. Our key objective is to increase our income from N\$54 million to N\$114 million by 2028/29. This increase will diversify our revenue streams and reinforce our financial resilience. We will explore new revenue-generating avenues while maintaining a keen eye on prudent financial management.

### **Strategic Partnership**

The third theme revolves around Strategic Partnership. We aim to bolster our corporate image and enhance brand equity to 90%. Effective stakeholder engagement will be paramount, ensuring that our services meet and exceed market expectations. We will work diligently to solidify these partnerships and establish ourselves as a trusted contributor across various sectors.

### **Standardisation and Quality Assurance Excellence**

Finally, we will emphasise standardisation and excellence in Quality Assurance. We will develop industry standards that cater to our stakeholders' needs, while enhancing our regulatory functions and diversifying our commercial service offerings. This focus will raise the integrity of our services and strengthen public trust in our organisation.

### **Acknowledgment and Appreciation**

In conclusion, I would like to express my sincere gratitude to the Namibian Standards Council (NSC), our dedicated staff, valued stakeholders, and partners for their unwavering support and belief in our mission. The past year's achievements stand as a testament to our collective efforts and commitment to fostering quality standards across Namibia. As we move forward, I am confident that our continued dedication to quality, integrity, accountability, agility, and stakeholder focus will propel the NSI to even greater heights. Thank you for your ongoing support.



**Eino Mvula**  
Chief Executive Officer



# ABOUT THE NSI

NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005 2024

# BACKGROUND: FOUNDING & HISTORY



The Standards Act of 2005 was passed, establishing the NSI as the National Standards Body (NSB) for Namibia. Pending the entry into force of the Standards Act of 2005, Cabinet authorised the incorporation of the NSI as a not-for-gain association in terms of Section 21 of the Companies Act, 1973 (Act No. 61 of 1973). This enabled the NSI to commence operations from 1 January 2008.

Upon its establishment in 2008, the NSI assumed the functions that were previously part of what was then the Ministry of Trade and Industry (MTI), now known as the Ministry of Industrialisation and Trade (MIT), under the Directorate of Commerce in the Department of Trade.

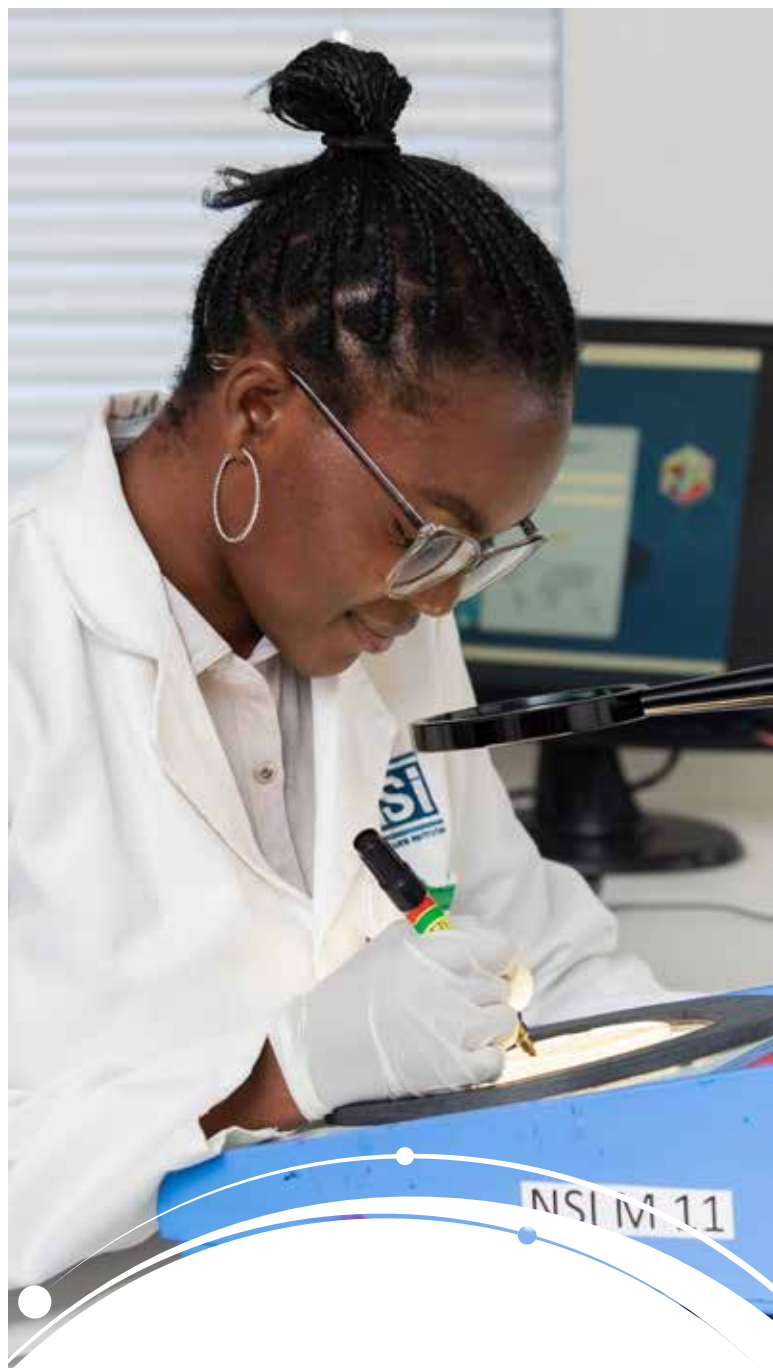
The administration of the Trade Metrology Act 1973 (Act No. 77 of 1973), as amended by the Metrology Amendment Act 2005 (Act No. 17 of 2005), was transferred to the NSI in 2010, along with the associated equipment and staff. Consequently, the NSI was appointed by the Minister, in terms of Section 7, as the Metrology Agency to perform, subject to conditions and requirements determined by the Minister, the functions under this Act relating to (a) the examination, approval, verification, calibration, or certification of any measuring instrument; or (b) the maintenance, comparison, adjustment, establishment, or value of any national measuring standard as deemed necessary and specified by the Minister in the agreement.

The Standards Act came into force on 20 September 2013, following the finalisation of regulations under Section 34. This allowed the NSI to fulfil its responsibilities under Section 5 of the Act as the National Standards Body. In this role, the NSI oversees the development, adoption, and publication of Namibian standards. Additionally, it serves as the administrator of compulsory standards, which may be declared mandatory by the Minister through regulation, as outlined in Section 20(6) of the Standards Act.

The Metrology Amendment Act came into operation on 20 June 2022, in accordance with Section 22(1) of the Act. Additionally, the Minister appointed the Metrology Advisory Board on 15 June 2022 for a period of three years, as stipulated in subsection (3) of Section 6 of the Metrology Act, in conjunction with subsection (2) (c) of that section.

## General

The NSI exists as a public enterprise in terms of the Standards Act and is governed by the Ministry of Industrialisation and Trade Executive Authority. It is classified as a non-commercial enterprise in terms of the Public Enterprises Governance Act. In accordance with Section 6 of the Standards Act, in conjunction with Section 8 of the Public Enterprises Governance Act, the Minister of Industrialisation and Trade is entrusted with the appointment of the Namibian Standards Council (NSC), which serves as the governing Council of the NSI. The Standards Act also makes provision for the appointment of the Chief Executive Officer and the NSI employees.



***The NSI exists as a public enterprise in terms of the Standards Act and is governed by the Ministry of Industrialisation and Trade Executive Authority. It is classified as a non-commercial enterprise in terms of the Public Enterprises Governance Act.***



## Vision

To be a reliable service provider of standards-based solutions that create confidence and improve the quality of life.



## Mission

Providing standardisation and conformity assessment services to ensure the health and safety of consumers, protection of the environment and promotion of trade.



## Core Values

- Stakeholder Focused
- Responsiveness & Efficiency
- Accountability & Performance
- Respect for People
- Excellence & Quality
- Integrity & Ethics



## Brand Promise

Creating Peace of Mind



## Operations

- NSI Head Office (Windhoek)
- NSI Testing Centre (Walvis Bay)
- NSI Inspection Centre (Walvis Bay & Lüderitz)
- NSI Metrology Laboratory (Windhoek & Walvis Bay)

# NAMIBIAN STANDARDS COUNCIL

The composition of the NSC is outlined in Section 6(3) of the Standards Act, with members serving a term of three (3) years and being eligible for reappointment. The role of the NSC is detailed in Section 7 of the Standards Act. In terms of Section 13 of the Standards Act, the NSC may establish advisory and technical committees to assist it in fulfilling its functions as

deemed necessary. The NSC has established the following committees with the delegated functions contained in their terms of reference: the Technical Committee (NSC-TC); the Human Resources and Remunerations Committee (HRRC); and the Finance, Risk Management and Audit Committee (FRAC).

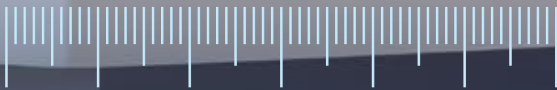


# NAMIBIAN STANDARDS COUNCIL

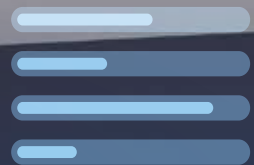


NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005



2024





**Mr. Paul Natangwe Kalenga**  
*Chairperson*



**Ms. Matilda Jankie-Shakwa**  
*Vice Chairperson*



**Dr. Monica Nehemia**  
*Member*



**Mr. Thaddeus Shigwedha**  
*Member*



**Mr. Lloyd Londt**  
*Member*



**Mr. Vincent Nowaseb**  
*Member*



**Dr. Eino Mvula**  
*Chief Executive Officer, Ex-Officio Member*



**Mr. Mukuo Kaune**  
*Acting Legal Advisor and Company Secretary*

# ORGANISATIONAL STRUCTURE



The NSC has delegated various matters to the CEO and Executive Committee, including governance, financial, operational, risk, and functional issues. The Executive Committee (EXCO) supports the Chief Executive Officer with the organisation's day-to-day operations. The NSC approved the current NSI organisational structure in 2018/19. Under the current structure, the company has two divisions under the Office of the CEO: Legal Advisor and Company

Secretary, and Internal Audit. This structure comprises six departments, each headed by General Managers: Certification; Metrology; Testing and Inspection; Standards Development and Coordination; Corporate Communication, Marketing and Human Resources; and Corporate Finance, Asset Management, and ICT. The current NSI organisational structure is illustrated in Figure 1.



**Figure 1: NSI Current Organisation Structure**

# SENIOR MANAGEMENT



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005

2024





**Dr. Eino Mvula**  
*Chief Executive Officer*



**Ms. Paloma Ellitson**  
*GM: Testing and Inspection*



**Mr. Josef Alweendo**  
*Acting Chief Financial Officer*



**Ms. Etuukata Nashima**  
*Acting GM: Certification*



**Ms. Abena Tambrescu**  
*GM: Corporate Communications,  
Marketing and Human Resources*



**Mr. Mukuao Kaune**  
*Acting Legal Advisor and  
Company Secretary*



**Mr. Simasiku Matali**  
*Head: Metrology*



**Mr. Jekonia Haufiku**  
*GM: Standards Development and Coordination*



**Ms. Millicent Kapitako**  
*Internal Auditor*



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005

2024



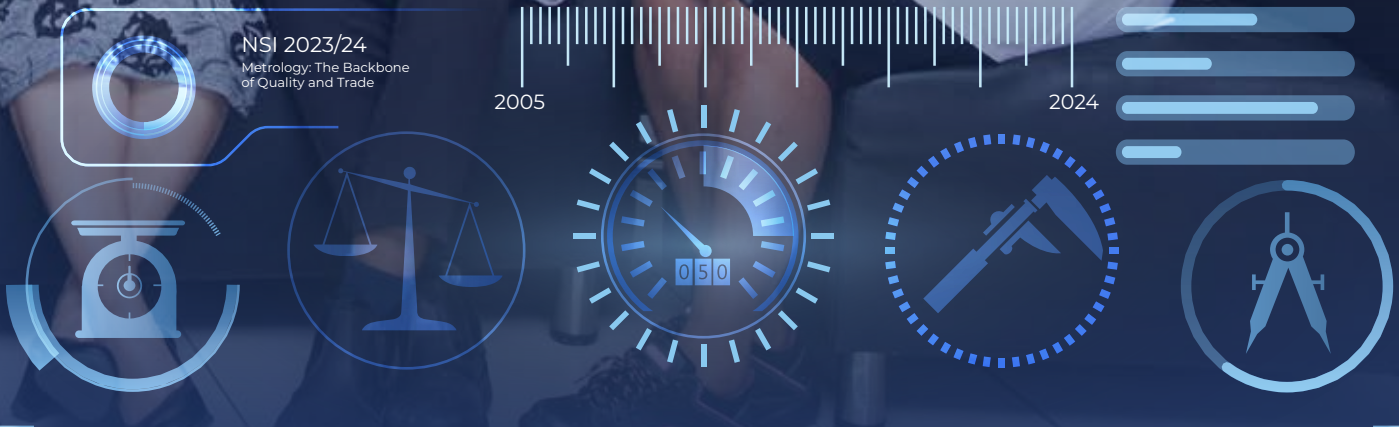
# OUR BUSINESS MODEL



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005

2024



# VALUE CREATION MODEL



The NSI operates a comprehensive value creation model that integrates its main services with a broad array of stakeholders to ensure the development and maintenance of high standards across Namibia. This value creation model emphasises the interconnectedness of the NSI's activities, stakeholders, and outcomes, facilitating sustainable growth

and impact. The NSI's value proposition promotes consumer health and safety, environmental protection, and trade accessibility through standardisation, regulatory services, and quality assurance/conformity assessment services. Consequently, the NSI provides the following services as outlined in Table 1.

**Table 1: Current and future NSI services, their descriptions and value propositions.**

NQI Element	Services	Value Created
<b>Standards</b>	Standards development, review, maintenance, publication, promotion, training and sales of standards	Enhanced quality and safety of products and services, knowledge transfer, and increased awareness of standards and best practices
<b>Metrology</b>	Serves both the National Metrology Institute (NMI) and the National Legal Metrology Authority (NLA) with responsibilities that include the realisation, declaration of calibration and measurement capabilities, dissemination of measurement traceability and administration of legal metrology	Ensuring accuracy and reliability of measurements, fostering trust in trade and scientific research
<b>Certification</b>	Offering product, management system, and personnel certification services	Assurance of compliance with national and international standards, enhancing market access and consumer confidence
<b>Inspection</b>	Conducting inspections to establish compliance with compulsory specifications for establishments, products and processes. Performing the function of the competent authority for fishery products intended for the European market	Ensuring continued access of Namibian fishery products to the European market and other markets through inspection of establishment, process and product compliance against compulsory specifications, thereby ensuring safety and quality for consumers and industry
<b>Testing</b>	Conducting laboratory testing to establish compliance of products and processes to established industry, standards and regulatory requirements	Test results provide objective evidence for decision-makers when ensuring compliance to industry, market, standard and regulatory requirements

## Value Creation Input

In creating value, the NSI has utilised its Financial, Human, Intellectual, Social, Relational, and Manufacturing Capital, as highlighted in Table 2:

**Table 2: Our value creation input**

<p><b>Financial Capital</b></p> <p>Our financial capital sources include revenue generated from the provision of the above-listed services and government grants</p>	<ul style="list-style-type: none"> <li>• Revenue: N\$ 51.9 million (financial year 2022/2023: N\$ 50.1 million)</li> <li>• Grant: N\$ 31.7million (financial year 2022/2023: N\$ 33.7 million)</li> <li>• Assets: N\$ 130.9 million (financial year 2022/2023: N\$ 129.1 million)</li> <li>• Liabilities: N\$ 189.9 million (financial year 2022/2023: N\$ 188.4 million)</li> <li>• Total comprehensive income for the year: N\$ 0.26 million (financial year 2022/2023: N\$ 11 million)</li> </ul>
<p><b>Human Capital</b></p> <p>Our people and their collective capabilities are our greatest asset in achieving our vision and delivering on our mandate</p>	<ul style="list-style-type: none"> <li>• Workforce: 91 (financial year 2022/2023: 92)</li> <li>• 80% of staff holding a university qualification</li> <li>• Graduate trainees: 7 (financial year 2022/2023: none)</li> <li>• Training offered through the Twinning Fiche project enhanced capacity by pairing NSI with European Union institutions in the area of standards development, testing inspection, metrology and certification</li> </ul>
<p><b>Intellectual Capital</b></p> <p>Our intangible assets, including brand reputation, knowledge and experience, enable us to effectively deliver on our mandate</p>	<ul style="list-style-type: none"> <li>• More than 15 years of standards development, metrology, testing, inspection and certification and promoting quality culture in Namibia</li> </ul>

<p><b>Social &amp; Relationship Capital</b> Our relationship with stakeholders includes clients, partners, regulators, technical committees, other public enterprises and government</p>	<ul style="list-style-type: none"> <li>• Implemented stakeholder engagement activities including industries meetings</li> <li>• Established a platform for the effective management of technical committees (TCs) and their programmes of work</li> <li>• Partnerships, Twinning agreements, MOU's</li> </ul>
<p><b>Natural Capital</b> Our natural capital represents the natural resources that are used by the NSI and its clients in their operations</p>	<ul style="list-style-type: none"> <li>• Offered training on ISO 14001</li> <li>• Finalisation of the launch of ISO 14001 certification scheme.</li> <li>• Standardisation services to support fisheries and agricultural sector</li> </ul>
<p><b>Manufacturing Capital</b> Our manufacturing capital represent our business structure, physical infrastructure, equipment and digital infrastructure</p>	<ul style="list-style-type: none"> <li>• NSI has presence in key industrial hubs across Namibia including, Windhoek, Walvis Bay and Lüderitz</li> <li>• Our laboratories are equipped with advanced equipment and we continue to upgrade them</li> <li>• New information technology platforms have been acquired (i.e. Laboratory Information Management System (LIMS), SAPs ERP system)</li> </ul>

## NSI Stakeholders

The NSI provides a framework that coordinates and leads stakeholder engagement that underpin the development, promotion, maintenance, and dissemination of Namibian standards. Our key stakeholders include employees, clients,

shareholder, regulator, other public enterprises, communities and the government of the Republic of Namibia, all of whom contributed to our value creation efforts. A detailed list of our stakeholders and their expectations is presented in Table 3.

**Table 3: List of NSI stakeholders, their expectations, and vice versa**

Category of stakeholder	Need(s) and Expectation(s) of Stakeholders/ Strategic Factor from NSI	Need(s) and Expectation(s) of NSI from Stakeholders
MIT (Shareholder Representative)	Long term sustainability and good governance and high ethical conduct and dividends	Financial support and enabling regulations
Other Government Ministries	Standards and Accredited services	Enabling regulations and Policy makers involvement
Local Government	Standards and Accredited services	Enabling regulations and Policy makers involvement
Regulators	Standards and Accredited services	Enabling regulations and Policy makers involvement
International and Regional Standards Bodies	Compliance to International Best Standardisation Practices Adoption and Participation in Standardisation Activities Payment of membership fees Recognition of MRA on Certificates of Conformity	To avail standards for development purposes To provide support on any standardisation and conformity assessments services related needs/queries/capacity building
Industry Associations	Provision of standards and accredited conformity services	Support the uptake of the National conformity assessment services
Export Council	Provision of standards and accredited conformity services	Support the uptake of the National conformity assessment services
Regulated Industry (manufacturers, importers, wholesalers and Retailers)	Provision of standards and accredited conformity services	Support the uptake of the National conformity assessment services
NSC	Long term sustainability and good governance and high ethical conduct	Ethical leadership and Strategic focus

NSI Employees	Employees wellbeing/ Rewards and recognitions	Performance
Key suppliers	Honouring Service Level Agreement	Quality products and services
Development Cooperation Partners (DCPs)	Implement projects for support to the NSI to meet the agreed projects objectives.	Strengthening of the NSI resources Capacity building
Consumer (Society)	Safeguarding the health and safety of consumers	Consumers to be aware and submit their complaint to the NSI in case of non-complying products
Technical Committee Experts	Provision of resources to facilitate Effective Technical Committees Meetings Rewards and Recognition	Active expert participation
Institutions of Higher Learning	Provision of standards/ conformity assessment services/ opportunities for internships for student. MoUs	Addition of the standard and quality assurance to the learning curriculum

## NSI Strategic Achievements

Over the past year, the Namibian Standards Institution (NSI) achieved significant milestones by focusing on five strategic pillars: financial sustainability, operational excellence,

stakeholder management, service delivery, human capital and performance management.

Table 4 reflects corporate performance under these pillars, as outlined in the ISBP, which served as the roadmap during 2023/2024.

**Table 4: Corporate performance in 2023/2024 according to the pillars outlined in the ISBP.**

Pillar	Achievements in 2023/2024
<b>Financial Sustainability</b>	Own income Increased from N\$ 50.1 mil in 2022/2023 to 51.9 mil in 2023/2024
<b>Operational Capacity and Excellence</b>	Attainment and maintenance of accreditation as follows: <ul style="list-style-type: none"> <li>• ISO/IEC 17025 for Testing Laboratory</li> <li>• ISO/IEC 17025 for Metrology Laboratory</li> <li>• ISO/IEC 17020 for Inspection Bodies</li> <li>• ISO/IEC 17021 for Management System Certification bodies</li> </ul>
<b>Stakeholder Management</b>	Stakeholder's satisfaction level of an average of 87% was achieved as follows: <ul style="list-style-type: none"> <li>• 80% Metrology</li> <li>• 83% Certification</li> <li>• 90% Testing</li> <li>• 94% Inspection</li> </ul>
<b>Service Delivery</b>	Provision of services as follows: <ul style="list-style-type: none"> <li>• Standards: Standards development, sales and training</li> <li>• Testing: Food, water and environmental samples</li> <li>• Certification: Management system and a few products (cement)</li> <li>• Scientific and Industrial Metrology: Calibration</li> <li>• Legal Metrology: Measuring instruments used for trade (liquid fuel dispensers, weighing scales)</li> <li>• Inspection: Fish and fishery products; and processed products</li> </ul>
<b>Human Capital &amp; Performance Management</b>	<ul style="list-style-type: none"> <li>• 80% of staff holding a university qualification</li> <li>• No employee satisfaction survey was conducted in 2023/2024</li> </ul>

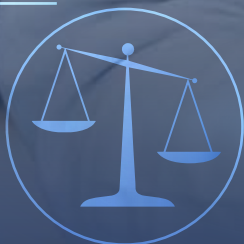


NSI  
NATIONAL BUREAU OF STANDARDS

NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005

2024



# OPERATING ENVIRONMENT



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005

2024



# EXTERNAL ENVIRONMENT



The NSI operates within a complex and dynamic environment influenced by political, economic, social, technological, ecological and legal factors. Understanding and navigating these factors is crucial for the NSI to effectively fulfill its mandate and promote national development.

## Political Environment

Namibia's political environment is characterised by a stable government committed to industrialisation and economic growth. The NSI operates under the auspices of the Ministry of Industrialisation and Trade, which provides strategic direction and support. This alignment with government priorities ensures that the activities of the NSI are well-coordinated with national policies and developmental goals.

Additionally, political stability facilitates long-term planning and the execution of standards development and implementation, enabling the NSI to contribute to regulatory frameworks and national standards that promote public health, safety, and economic growth.

## Economic Environment

Namibia's economy is diverse, encompassing sectors such as mining, agriculture, manufacturing, and services. The NSI supports economic development by ensuring that industries comply with international standards, which is crucial for export competitiveness and attracting foreign investment.

The institution's certification and testing services provide assurance to both local and international markets regarding the quality and safety of Namibian products. By promoting standardisation, the NSI assists businesses in reducing costs, improving efficiency, and enhancing their marketability. Furthermore, economic fluctuations and global market trends require adaptive strategies and continuous improvement in the NSI's operations to maintain relevance and support economic resilience.

## Social Environment

Namibia's socio-economic landscape presents both opportunities and challenges for the NSI. The country is striving to reduce inequality and enhance the quality of life for its citizens.

The NSI plays a pivotal role in this by ensuring that products and services uphold high standards of quality and safety, which, in turn, protects consumers and promotes social well-being. The institution also supports local industries by providing training and certification services that enhance competitiveness and market access. By fostering a culture of quality and compliance, the NSI helps bridge socio-economic gaps and drive inclusive growth.

## Technological Environment

Technological advancements are rapidly transforming the landscape of standards and quality assurance. NSI leverages modern technologies to enhance its service delivery, including advanced testing equipment, digital certification platforms, and online training modules. These technological innovations enable NSI to provide more efficient, accurate, and accessible services to its stakeholders.

Furthermore, staying abreast of technological trends allows NSI to update standards and testing methodologies in line with global best practices. This proactive approach ensures that Namibian products and services remain competitive in an increasingly technology-driven global market.

## Legal Environment

The legal framework within which NSI operates includes national laws, regulations, and international standards and quality assurance agreements. Compliance with the Standards Act, Metrology Act, and the Public Enterprises Governance Act ensures that NSI's operations are transparent, accountable, and aligned with legal requirements.

Furthermore, adherence to international standards and agreements, such as those established by the International Organisation for Standardisation (ISO), positions NSI as a credible and authoritative body within the global standards community. The legal environment necessitates a robust governance framework within NSI, ensuring that all activities are conducted ethically and in accordance with statutory obligations.

## Ecological Environment

The ecological environment is becoming increasingly important as global awareness of environmental sustainability grows. NSI is committed to promoting eco-friendly standards and practices across industries in Namibia.

By developing and enforcing environmental standards, NSI assists industries in minimising their ecological footprint, reducing waste, and adopting sustainable resource management practices. The institution also supports green technologies and innovations that contribute to environmental conservation. Through its certification and training programmes, NSI encourages businesses to implement environmentally sustainable practices, thereby contributing to national and global efforts to combat climate change and protect natural resources.

In summary, NSI's operating model is intricately shaped by the political, socio-economic, technological, legal, and ecological environments. By effectively navigating these factors, NSI can continue to uphold its mandate of promoting standardisation and quality assurance, thereby contributing to Namibia's overall development and competitiveness on the global stage.

# RISK MANAGEMENT

To ensure effective risk management within the organisation, the NSI has adopted a Risk Management Policy aligned to the principles detailed in ISO 31000:2018. NSI's Strategic Risk Register is aligned to its core mandate and objectives.

A high-level risk assessment was conducted, and the risks, together with their ratings and mitigating measures, are listed in Table 5.

**Table 5: NSI Risks together with rating and their mitigating measures.**

Risk Description	Risk Level	Prevention and/or Mitigation measures	Residual Risk
Intensified competition from neighbouring countries that may tap into NSI target market	Moderate	<ul style="list-style-type: none"> <li>• Sign service level agreements with key customers to secure services</li> <li>• Annual timely revision of pricing structure to ensure competitive pricing</li> </ul>	Low
Changes and delays in fish quota allocations which may result in decline revenues	Moderate	<ul style="list-style-type: none"> <li>• Diversification of substantive income sources across departments</li> </ul>	Low
Lack of innovation that may result in non-performing services	Moderate	<ul style="list-style-type: none"> <li>• Draft technical regulations for proposed products</li> <li>• Develop new product certification schemes</li> </ul>	Low
Failure to adapt to new technologies in the industry, which may affect efficiency and effectiveness in the provision of services	Minor	<ul style="list-style-type: none"> <li>• Participation in global activities involving national quality infrastructure to be kept abreast of the latest technology</li> </ul>	Low
Declining revenues, which might affect the viability and concern of the institution	Critical	<ul style="list-style-type: none"> <li>• Continuously lobby for the Government grant through the line ministry</li> <li>• Introduce new revenue streams to complement the current revenues from existing services</li> </ul>	High
Insufficient funding to implement capital projects and programmes, which may affect fulfilment of NSI's mandate	Critical	<ul style="list-style-type: none"> <li>• Continuous consultation with line ministry to lobby for funding from Government</li> <li>• Invest in a project that increases revenue to reduce reliance on Government</li> </ul>	High
Loss of customers due to poor service	Moderate	<ul style="list-style-type: none"> <li>• Invest in business process reengineering to ensure timeous service delivery</li> <li>• Procure an Enterprise Resource Planning (ERP) solution to streamline business workflows and processes</li> </ul>	Low
Loss of technical and specialised skills to competition	Moderate	<ul style="list-style-type: none"> <li>• Implement staff retention strategies to ensure staff with technical and specialised skills are not lost to competitors</li> </ul>	High
Downtime on infrastructure such as laboratory equipment affecting the operation of the business	Moderate	<ul style="list-style-type: none"> <li>• Ensure SLA is in place for equipment vendors and ensure funding is in place</li> <li>• Keep spare parts for laboratory equipment</li> </ul>	Medium
Failure to secure Service Level Agreement with Government	High	<ul style="list-style-type: none"> <li>• Charge gazetted prices and collect cost based pricing on end users</li> <li>• Stop performing unfunded regulatory activities</li> </ul>	Medium
Failure to secure capex funding for instruments and equipment	High	<ul style="list-style-type: none"> <li>• Use of own resources to operate limited scopes of activities</li> </ul>	Medium

# GOVERNANCE



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade



# GOVERNANCE AND LEGAL COMPLIANCE

---



Effective corporate governance practices are important for delivering long-term sustainable value to shareholders. One fundamental principle of corporate governance is its ability to generate long-term value, which will assist the NSI in managing risks. The NSI is a public entity established in terms of Section 2 of the Standards Act 2005 (Act No. 18 of 2005) as the national institution for promoting, issuing, and maintaining standards in Namibia, alongside the Public Enterprises Governance Act 2019 (Act No. 1 of 2019) and its accompanying regulations.

The NSI prides itself on implementing robust corporate governance structures, which include governance codes, an ethical culture, and a risk management framework. As the Executive Authority of the NSI, the Minister of Industrialisation and Trade appoints the Namibian Standards Council (NSC) in accordance with Section 6 of the Standards Act, designating it as the governing body. In fulfilling its legal obligations, the NSC must comply with the Corporate Governance Code for Namibia (Namcode), the King IV Report, the Standards Act, and the Meteorology Act, all of which establish structures and processes with appropriate checks and balances.

The NSC provides strategic direction to the NSI and establishes the tone for ethical and effective leadership. This includes executing the NSI's statutory mandate. The council and its various committees ensure effective corporate governance, which involves monitoring the relationships between the NSC and NSI Management.

The NSC provided decisive leadership on key strategic matters during the period under review, creating value by driving outcomes that support the NSI's purpose and vision. The following key activities during financial year 2023/2024 are as follows:

- The annual financial statements received an unqualified audit opinion
- The recruitment of a Chief Executive Officer was completed
- Salary increases will be implemented across the NSI for all employees
- The Integrated Strategic Business Plan for the financial year 2024/2025 to 2028/2029 has been approved and submitted to the line minister.
- The sub-committees' terms of reference were approved
- The Technical Committee was set up to deal with technical matters

The NSC is responsible for the NSI's strategy and financial stability. In line with this theme, the shareholder representative has approved the five-year Strategic Plan for 2024/2025 to 2028/2029 (the Minister of Trade and Industrialisation). This ISBP will ultimately support the NSC in its duty to ensure that key personnel decisions, internal organisation, governance structure and practices, risk management, and compliance obligations of the NSI are met by cascading into more detailed annual business and financial plans, which the shareholder representative has also approved.

The NSI has a Delegation of Authority Policy that delegates certain functions and duties to the Executive Committee, in line with the applicable legislation, policies, and governance frameworks.

## Composition of the NSC

As of 31 March 2024, the NSC consists of seven members, the majority of whom are independent and non-executive, with one executive member (the CEO) by virtue of their position. All members are appointed by the shareholder representatives (the Minister of Industrialisation and Trade in terms of the Standards Act and the Public Enterprises Governance Act) for a period of three years, from 1 September 2022 to 31 July 2025. The Council's independent, non-executive members have diverse skills, experience, and a comprehensive understanding of standards development, the metrology industry, and the NSI mandate.

The NSC has delegated some of its functions, but not its responsibilities, to various committees, which has increased efficiency and permitted more focus on specific areas. The NSC created and mandated these committees under Section 13 of the Standard Act. The committees are the NSC Technical Committee (NSC-TC), Human Resources and Remuneration Committee (HRRC), and Finance, Risk Management and Audit Committee (FRAC).

During the period under review, Exco, under the leadership and oversight of the NSC, carried out the NSI activities in a manner aligned with the ISBP, risk appetite, remuneration, and other policies approved by the NSC. The Legal Advisor and Company Secretary provide the NSC with quarterly reports on compliance with applicable legislation.

## NSC Effectiveness

No evaluation by the NSC was conducted during the period under review due to budgetary constraints. An evaluation of the NSC will be completed in the 2025/2026 financial year.

## Embedding Ethical Conduct

The NSC members, executives, employees, and suppliers are required to sign and comply with the NSI Code of Conduct annually and declare any interests at each meeting. This encompasses formal procedures for declaring interests that could represent a conflict of interest. The NSC reviewed, approved, and amended the various terms of reference for the committees.

## Attendance at NSC and NSC Committee Meetings

The NSC achieved a 95% attendance rate in 2023, which reflects its members' commitment to understanding, engaging with, and providing informed leadership on the challenges successfully faced by the NSI during the period under review.

During the period under review, the NSC held four ordinary meetings, alongside three special meetings. These special meetings addressed various topics, including the recruitment of a CEO. Table 6 illustrates the attendance of NSC members at the meetings during the year under review.

**Table 6: Attendance of NSC meetings by members during the year under review.**

	31/05/2023	23/06/2023 (Special meeting)	20/07/2023	20/08/2023 (Special meeting)	29/11/2023	27/02/2024	27/03/2024 (Special meeting)
Mr. P. Kalenga (Chairperson of the NSC)	X	X	Apologise	X	X	X	X
Ms. M. Jankie-Shakwa (Vice Chairperson of the NSC)	X	Apologise	X	X	X	X	X
Mr. L. Londt	X	Apologise	X	X	X	Apologise	X
Mr. V. Nowaseb	X	X	X	X	X	X	X
Mr. T. Shigwedha	X	X	X	X	X	X	X
Dr. M. Nehemia	X	X	X	X	X	Apologise	X
Mr. M. Simasiku (Acting CEO from April 2023 until 2 July 2023)	X	X	-	-	-	-	-
Dr. E. Mvula (Commenced employment with NSI on the 2 July 2023)	-	-	X	X	X	X	X

### NSC Finance, Risk Management and Audit Committee (FRAC)

The committee's role is to assist the NSC in fulfilling its responsibilities regarding overseeing the assurance and integrity of the NSI technical environment, which safeguards NSI's assets. This oversight includes IT governance, financial reporting, IT strategy, and implementing systems that support these activities. The terms of reference cover monitoring the integrity of integrated reporting systems and internal controls, including financial reporting and sustainability matters. They also ensure that the IT strategy aligns with the business and is integrated into the overall business strategy and activities. Additionally, they guarantee developing and implementing an information security management system.

Internal Audit is a crucial component of NSI's governance structures and operates under policies established by the NSC. It is an independent, objective assurance and consulting activity that promotes a systematic, disciplined approach within NSI to assess and enhance the effectiveness of risk management, internal controls, and governance processes. The NSC has approved the committee's terms of reference, which outline the review of financial statements in accordance with legal and regulatory requirements and accounting standards.

During the period under review, the committee held four quarterly meetings and one special meeting in the financial year to discuss the matters delegated to them. Table 7 illustrates the attendance of the FRAC meetings by the members throughout the year under review.

**Table 7: Attendance of FRAC meetings by members during the year under review.**

	12/05/2023	21/08/2023	08/11/2023	08/02/2024	20/03/2024 (Special Meeting)
Mr. L Londt (FRAC Chairperson)	X	X	X	X	X
Dr. M Nehemia	X	X	X	X	X
Mr. M. Simasiku (Acting CEO April 2023 to July 2023)	X	-	-	-	-
Mr. T. Shigwedha	X	X	X	X	X
Dr. E. Mvula (CEO)	-	X	X	X	X

## NSC's Human Resources and Remuneration Committee (HRRC)

The NSC's Human Resources and Remuneration Committee is required to meet quarterly to advise the NSC on human resources policy matters such as remuneration, succession

planning, performance management, and affirmative action policy compliance.

During the financial year, the committee held four quarterly meetings and one special meeting to deliberate on the matters delegated to them. Table 8 reflects the members' attendance at the HRRC meetings during the year under review.

**Table 8: Attendance of HRRC meetings by members during the year under review.**

	09/05/2023	07/08/2023	17/08/2023	7/02/2024	12/03/2024 (Special Meeting)
Ms. M Jankie-Shakwa (Chairperson of HRRC)	X	X	X	X	X
Mr. V. Nowaseb	X	X	X	X	X
Mr. T. Shigwedha	X	X	X	X	X
Mr. M. Simasiku (Acting CEO from April 2023 to July 2023)	X	-	-	-	-
Dr. E. Mvula (CEO)	-	X	X	X	X

## NSC's Technical Committee (TC)

The TC advises the NSC on the NSI's technical operations, which constitute the organisation's core functions. The committee also deals with capital projects, the outlay required to complete them, and ICT-related matters and

makes appropriate recommendations to the NSC. During the financial year under review, the committee held three (3) quarterly meetings to deliberate on its delegated matters.

Table 9 shows the members' attendance at the TC meetings during the year under review.

**Table 9: Attendance of NSC-TC meetings by members during the year under review.**

	10/08/2023	2/11/2023	05/02/2024
Mr. V Nowaseb (TC Chairperson)	X	X	X
Ms. M. Jankie-Shakwa	X	X	X
Dr. M. Nehemia	X	X	X
Dr. E. Mvula (CEO)	X	X	X

# INTERNAL AUDIT

The NSI has adopted a comprehensive approach to risk management that covers all identified material risks within a structured and systematic process. Oversight of risk management is entrusted to the Namibian Standards Council (NSC), specifically through the Finance, Risk and Audit Committee (FRAC), which governs risk in line with the NSI's Enterprise Risk Management Framework (ERMF). This framework includes risk strategies, policies, procedures, risk appetite, and tolerance.

NSI's comprehensive risk assessment and management process encompasses the identification, assessment, mitigation, monitoring, and reporting of enterprise risks, business continuity risks, and fraud risks. This process effectively identifies, assesses, quantifies, and mitigates risks, providing reasonable assurance that the institution's value creation strategy and strategic objectives are achieved. It balances capitalising on opportunities with managing associated risks, without compromising the interests of our stakeholders, which is fundamental to effective risk management. This approach ensures the consistent delivery of sustained value to the NSI's stakeholders in the short, medium, and long term.

Risk appetite and tolerance measures are essential elements of our enterprise risk management framework and strategy. They align with the institution's overall strategy and organisational objectives, considering stakeholder expectations and other strategic aspects of our business.

## Internal Control System

The Internal Audit Department is an independent and objective assurance provider. It delivers on its mandate through a risk-based approach methodology, offering reasonable assurance on the effectiveness of internal controls, risk management, compliance management, and governance.

The NSC is responsible for NSI's Internal Control System and is accountable for reviewing its effectiveness. As part of its oversight function, the Finance, Risk, and Audit Committee outlines its responsibilities. The NSI's internal control system is supported by a robust control environment, a dynamic risk management process, and control activities guided by policies and procedures. These measures ensure that necessary actions are taken to address risks and facilitate the achievement of NSI's objectives.

The Internal Audit provides objective assurance and consulting services that support NSI in accomplishing its objectives through a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

## Internal Audit Charter

The NSI Internal Audit Charter is approved by FRAC and outlines the purpose, scope, authority, responsibilities, and status of the Internal Audit function within the NSI. It provides all relevant stakeholders with a comprehensive overview and framework for the Internal Audit function. In fulfilling its responsibilities, the Internal Audit function is guided by the NSI Internal Audit Procedure Manual, the Institute of Internal Auditors Mandatory Guidance, the Definition of Internal Auditing, the Code of Ethics, and the Standards for the Professional Practice of Internal Auditing (standards).

All audit activities comply with international standards for the professional practice of internal auditing as established by the Institute of Internal Auditors (IIA). The internal audit department operates in accordance with its charter, approved by the Finance, Risk and Audit Committee. The internal audit team has adequate skills and receives support from those responsible for governance to fulfil its mandate. To ensure its objectivity and independence as an assurance provider, the Chief Audit Executive reports to the Chief Executive Officer and functionally to the Finance, Risk and Audit Committee.

The internal auditor in the IAS department retains their membership in the Institute of Internal Auditors of both Namibia and South Africa, which is affiliated with the international body.

The risk-based internal audits focused on the following focal points, which are fundamental to the NSI.

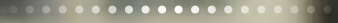
- The information technology system environment
- The reliability and integrity of financial and operational performance information
- The safeguarding of NSI assets in compliance with relevant laws and regulations
- Due diligence assessments to confirm compliance with internal policies and applicable laws and regulations.

## Fraud and corruption

The FRAC oversees the fraud and corruption prevention controls and mechanisms within NSI's operating environment. To this end:

- Risk incidents are logged in an operational risk register and monitored
- NSI has implemented a whistle-blowing policy, where employees are encouraged to report any suspected corrupt, fraudulent, criminal, or unethical practices. All incidents of fraud or corruption reported to the Chief Audit Executive during the year were investigated, and appropriate action was taken where necessary.

# OPERATIONAL REPORTS, PERFORMANCE AND OUTLOOK



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade



# STANDARDS DEVELOPMENT AND COORDINATION

---



The primary function of the Standards Development and Coordination (SDC) is to facilitate, prepare, and develop Namibian Standards (NAMS) in accordance with the International Code of Good Practice as outlined in Annex 3 of the World Trade Organisation agreements and directives from the International Organisation for Standardisation. The NSI acknowledges the vital role of stakeholders in managing technical committees and appreciates their contributions to standards development.

The department promotes standards through training and the sale of national, regional, and international standards to address Namibia's socioeconomic needs by engaging stakeholders.

## National Quality Policy Implementation

Cabinet reviewed and approved the National Quality Policy (NQP) document in September 2020, which was developed and approved on 1 June 1999, as the official government statement outlining the strategic intent and position on all issues related to quality enhancement and advancement across all sectors of the economy to facilitate access to the global market, among other things. The NQP was officially launched in April 2021, and the Inter-Ministerial Core Group and the Technical Committee Members were appointed. The implementation process is progressing over the period between 2020 and 2025. The following sub-committees have been established and are executing the NQP implementation plan.

- National Standardisation Strategy Task Force (NSS TF)
- Technical Regulatory Framework (TRF)
- Quality Assurance (QA)

## Objective

The policy aims to ensure that goods and services emanating from or traded in Namibia meet customer needs and protect the health and safety of people, fauna, flora, and the environment. The two main elements of this policy are

the National Quality Infrastructure (NQI) and the Technical Regulatory Framework (TRF).

## Commemoration of World Standards Day and National Quality Awards

World Standards Day pays tribute to the collaborative efforts of thousands of experts worldwide, who develop voluntary international standards used in all spheres of life. These standards form the basis for compulsory specifications and technical regulations.

The 2023 World Standards Day was celebrated under the theme "Shared Vision for a Better World" by promoting daily Sustainable Development Goals (SDGs) messages via social media platforms, including the countdown.

Some of the targeted SDGs were:

- SDG 3: Good Health and Well-Being
- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable and Clean Energy
- SDG 9: Industry, Innovation and Infrastructure
- SDG 10: Reduced Inequalities
- SDG 11: Sustainable Cities and Communities
- SDG 13: Climate Action

The NSI celebrates the annual National Quality Awards, which recognise esteemed companies and individuals who excel in quality advancement in Namibia.

The competition rewards excellence in various aspects of quality improvement, such as quality assurance, quality management, and quality control. Due to financial constraints, no quality awards ceremony was held during the current and previous financial year.

## Standards Development Division

As listed in Table 10, 20 standards were developed for the financial year 2023/2024.

**Table 10: List of Standards Developed during the 2023/2024 financial year**

No	Designation	Description	Date of Publication	Gazette NO.
1.	NAMS 1172:2023 SANS 1172:2021	Files and rasps	01/09/2023	No. 8203
2.	NAMS 1191:2023 SANS 1191:2013	High penetration-resistant laminated safety glass for vehicles	01/09/2023	No. 8203
3.	NAMS 1192:2023 SANS 1192:2011	Laminated safety glass for vehicles	01/09/2023	No. 8203
4.	NAMS 1193:2023 SANS 1193:2019	Toughened safety glass for vehicles	01/09/2023	No. 8203
5.	NAMS 1327:2023 SANS 1327:2020	Electrical connectors for towing and towed vehicles (7-pole connectors)	01/09/2023	No. 8203
6.	NAMS 1329-1:2023 SANS 1329-1:2019	Retro-reflective and fluorescent warning signs for road vehicles - Part 1: Triangles	01/09/2023	No. 8203
7.	NAMS 1477-1:2023 SANS 1477-1:2008	Pneumatic braking system connections between drawing and drawn vehicles - Part 1: Contact type couplings	01/09/2023	No. 8203

8.	NAMS 1477-2:2023 SANS 1477-2:2005	Pneumatic braking system connections between drawing and drawn vehicles - Part 2 Palm type couplings	01/09/2023	No. 8203
9.	NAMS 1477-3:2023 SANS 1477-3:2005	Pneumatic braking system connections between drawing and drawn vehicles - Part 3: The arrangement of connections on vehicles, using contact type or palm type couplings	01/09/2023	No. 8203
10.	NAMS 20090:2023 SANS 20090:2010	Replacement brake lining assemblies and drum-brake linings for power-driven vehicles and their trailers	01/09/2023	No. 8203
11.	NAMS 1519-1:2023 SANS 1519-1:2018	Road signs - Part 1: Retro-reflective sheeting material	01/09/2023	No. 8203
12.	NAMS 12098:2023 ISO 12098:2020	Road vehicles - Connectors for the electrical connection of towing and towed vehicles -15-pole connector for vehicles with 24 V nominal supply voltage	01/09/2023	No. 8203
13.	NAMS 11446-1:2023 ISO 11446-1:2012	Road vehicles - Connectors for the electrical connection of towing and towed vehicles - Part 1: 13-pole connectors for vehicles with 12 V nominal supply voltage intended to cross water fords	01/09/2023	No. 8203
14.	NAMS 11446-2:2023 ISO 11446-2:2012	Road vehicles - Connectors for the electrical connection of towing and towed vehicles - Part 2: 13-pole connectors for vehicles with 12 V nominal supply voltage intended to cross water fords	01/09/2023	No. 8203
15.	NAMS 0024: 2023	Marketing and commercial quality control of Gem squash	13/10/2023	No. 8232
16.	NAMS 0025: 2023	Marketing and commercial quality control of Sweet Melons	13/10/2023	No. 8232
17.	NAMS 0026: 2023	Marketing and commercial quality control of Sweetcorn	13/10/2023	No. 8232
18.	NAMS 0027: 2023	Marketing and commercial quality control of Pumpkin	13/10/2023	No. 8232
19.	NAMS 780:2023 SANS 780:2021	Distribution Transformers	19/12/2023	No. 8277
20.	NAMS IEC TS 60076-20:2023	Power Transformers Part 20: Energy efficiency	19/12/2023	No. 8277

## Standards Publication, Sales and Information

The Standards Publication, Sales and Information division has been assigned the responsibility of publishing the NAMS and disseminating information on standards.

## WTO/TBT Notifications and Enquiry Point

The NSI, according to the World Trade Organization's (WTO) Technical Barriers to Trade (TBT) Agreement requirements, submitted the biannual standards work development programme for the previous six months, covering March 2023 to August 2023 and September 2023 to February 2024, to the WTO Secretariat for publication to other WTO members.

Furthermore, five standards were notified to the WTO Secretariat and circulated to members during the 2023/2024

financial year. The WTO TBT Secretariat distributed notifications regarding technical regulations, standards, and conformity assessment procedures through the WTO's online platform for notifications under the Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Agreements, ePing, which were shared with stakeholders on a monthly basis.

Moreover, the National Notification and Enquiry Point team attended the WTO TBT Committee meetings in Geneva and presented during the ePing session on 19 June 2023. The session focused on how WTO TBT Enquiry Points are using ePing to improve stakeholders' awareness of TBT matters.

The TBT stakeholder engagement training courses were completed in different towns. The sessions focused on the WTO TBT Agreement requirements, Notification Procedures, Good Regulatory Practices (GRP), and Regulatory Impact Assessments (RIA).

The above-mentioned interventions resulted in an increase in the number of national ePing users from 48 to 110 registered users. The ePing notification platform enables registered users to facilitate and track TBT measures circulated by the WTO secretariat. To this end, the NSI created the WTO TBT online page on the NSI website ([www.nsi.com.na](http://www.nsi.com.na)). Stakeholders are encouraged to visit the website and

register to receive the technical regulations published and notified by other WTO members.

## Standards Training

The standards training sessions conducted for various clients during the year under review are outlined in Table 11.

**Table 11: List of training offered in 2023/2024**

Institution	Standard Training courses
Westmed	NAMS/ISO 9001: 2015 Development and Implementation of Quality Management System
Erongomed	NAMS/ISO 9001: 2015 Awareness and Introduction of Quality Management System
	NAMS/ISO 9001: 2015 Development and Implementation of Quality Management System
	NAMS/ISO 9001: 2015 Internal Auditing of Quality Management System
Newmed	NAMS/ISO 9001: 2015 Awareness and Introduction of Quality Management System
	NAMS/ISO 9001: 2015 Development and Implementation of Quality Management System
	NAMS/ISO 9001: 2015 Internal Auditing of Quality Management System
Namibia Training Authority (NTA)	NAMS/ISO 45001:2018 Awareness and Introduction of Occupational Health and Safety Management Systems
	NAMS/ISO 45001: 2018 Development and Implementation of Occupational Health and Safety Management System
	NAMS/ISO 45001: 2018 Internal Auditing of Occupational Health and Safety Management System
MEATCO	NAMS/SANS 10330 Development and Implementation of Hazard Analysis Critical and Control Points (HACCP)
Central Procurement Board of Namibia (CPBN)	NAMS/ISO 9001: 2015 Executive Briefing of Quality Management System
	NAMS/ISO 9001: 2015 Awareness and Introduction of Quality Management System
	NAMS/ISO 9001: 2015 Development and Implementation of Quality Management System
	NAMS/ISO 9001: 2015 Internal Auditing of Quality Management System
African Personnel Services (APS)	NAMS/ISO 9001: 2015 Development and Implementation of Quality Management System
Medipark	NAMS/ISO 9001: 2015 Awareness and Introduction of Quality Management System
Maritime and Industrial Training Centre (OMITC)	NAMS/ISO 9001: 2015 Awareness and Introduction of Quality Management System
	NAMS/ISO 45001:2018 Awareness and Introduction of Occupational Health and Safety Management Systems
Namibian Agronomic Board (NAB)	NAMS/ISO 45001: 2018 Awareness and Introduction of Occupational Health and Safety Management Systems
	NAMS/ISO 45001: 2018 Internal Auditing of Occupational Health and Safety Management System
NamPower	NAMS/ISO 45001: 2018 Development and Implementation of Occupational Health and Safety Management System

# CERTIFICATION



The certification department provides independent third-party assurance that a product or service meets the requirements specified by applicable standards (e.g. NAMAS/ISO 9001, NAMS/ISO 22000, NAMS/SANS 10330, NAMS/EN 197). Certification establishes credibility and trust among consumers, clients, and other business partners.

Additionally, certification helps optimise business practices and inspires confidence in interested parties. The Certification Body (CB) offers a platform to enhance the quality of Namibian products and services, which, in turn, facilitates trade and ensures the competitiveness of products and services both locally and internationally.

Certification is, by nature, voluntary; however, compliance with a standard can be mandated by declaring it compulsory. Regulators enforce standards for cement and alcohol-based hand sanitiser products based on various factors, including public interest, the protection of human, animal, or plant health, the prevention of unfair trade practices, and environmental safety. The NSI Standard Mark of Conformity is awarded to products that adhere to these standards.

In this highly competitive environment, the Certification Body will continue to focus its activities on enhancing compliance with national and international standards. In the financial year 2024/2025, the CB will launch new certification schemes that ensure business efforts towards employee health and safety, as well as environmental protection through the certification of ISO 45001 and ISO 14001. Reengineering the existing GMP for FHO will be an exciting project that will enhance the SME's ability to access both local and global markets.

Namibian goods and services that comply with the relevant Namibian and/or international standards are issued a Certificate of Conformity and granted the license to use the NSI Standard Mark of Conformity. This mark indicates to consumers that a product or service has been evaluated by the NSI and determined to meet the criteria set out in the applicable standards.

## Products and services

- Management system certification for ISO 9001:2015, ISO 22000 & NAMS/SANS 10330
- Standard Mark Certification Scheme
- Administration and enforcement of the regulations concerning cement and alcohol-based hand sanitisers

- Import product verification scheme
- Good Manufacturing Practices (GMP) for Food Handling Organisation (FHO)

## Performance highlights

- The Certification Body has maintained its accreditation scope for Quality Management Systems according to ISO/IEC 17021-1:2005 and ISO/IEC 17021-3:2017, along with assessments for certification to ISO 9001:2015
- The Accreditation Approvals Committee has approved accreditation of the following sub-scope:
  - a) Paper products (IAF Code 7)
  - b) Printing companies (IAF Code 9)
  - c) Rubber and plastic products (IAF Code 14)
- Achieved an average customer satisfaction rating of 83%, exceeding the target of 75%
- Complete 100% of the ISO 45001 and ISO 14001 training on implementation and comprehension
- 100% qualification of certified cement products under surveillance monitoring activities

## Opportunities

- Enhancing stakeholder engagement, fostering a growing quality culture, and the emergence of new industries in Namibia present an opportunity for the NSI to broaden its clientele and service scope
- Enhancing the NSI regulatory framework to support the implementation of compulsory standards
- Strengthening the stakeholder engagement and management
- Increasing the CB's ability to achieve financial targets through improved marketing and business research that is informed by demand

## New Initiatives for the New Year

- Launch of the ISO 45001 Certification Scheme by the first quarter of the 2024/2025 financial year
- Launch of the ISO 14001 Certification Scheme by the first quarter of the 2024/2025 Financial year
- Launch of the revised Good Manufacturing Practice (GMP) for Food Handling Organisations (FHO) by the third quarter of the 2024/2025 financial year
- The launch of the GMP for cosmetics is scheduled for the third quarter of the 2024/2025 financial year

# TESTING AND INSPECTION

---



The Testing and Inspection Department has two key responsibilities: providing inspection services to the Namibian fishing and canned foods industries, delivered through the Inspection Centre, and offering testing services to regulators and various commercial customers, as facilitated by the Testing Centre.

Formal engagement with the fishing industry and other clients took place during 15-16 June 2023 at Walvis Bay

## International co-operation

The department continued to fulfil its obligations under the technical cooperation agreement signed with the South African National Regulator for Compulsory Specifications (NRCS), the Standards Import Inspection Regulations (SIIR) scheme signed with the Botswana Bureau of Standards (BOBS), and the memorandums of agreement signed with the Instituto Nacional de Inspeção do Pescado (INIP) of Mozambique. These agreements facilitate the recognition of inspection services for products destined for these countries from Namibia.

In terms of standardisation, the NSI Testing and Inspection department engaged in regional standardisation efforts regarding fishery products within the SADCSTAN Sub-Committee on Fish and Fish Products and the ARSO technical committee (ARSO TC-03) for fisheries and aquaculture products during the 2023/24 financial year. These activities are ongoing and aim to enhance market access under the African Continental Free Trade Agreement. Furthermore, in 2023, the department contributed to drafting harmonised regional regulations for fishery products within the SADCTRLC committee.

Technical capacity-building initiatives aimed at ensuring effective and credible conformity assessment services were successfully completed through staff training and workshops provided by developmental cooperation programmes under the Better Training for Safer Food (BTSF) initiative of the European Commission and the International Atomic Energy Agency (IAEA) concerning national project NAM2020002 and the Twinning Fiche project. In the EPA project, the NSI benefited from the procurement of laboratory and inspection equipment, scheduled for delivery in 2024, which will enhance the existing frozen fish laboratory, the newly established canning inspection laboratory, and the NSI's testing laboratory. The IAEA national project, Twinning Fiche, and EPA projects concluded at the end of 2023.

The Twinning Fiche project enhanced capacity by pairing NSI Departments with European Union institutions with related mandates. It also contributed to capacity building within the Inspection Centre for risk-based inspections of establishments and vessels, reviewing the draft technical regulation on fishery products, and developing technical methodologies. The Testing Centre staff undertook study tours to laboratories in Germany as part of the capacity-building activities.

The IAEA NAMS 2020002 project enhanced capacity by providing technical training to the Testing Centre staff and procuring laboratory equipment and consumables. In 2023, the Testing Centre laboratory hosted a fellowship

for two international technical officers due to its technical competency in heavy metal analysis.

## Inspection Centre

The Inspection Centre conducts inspections to ensure compliance with specifications for fish, fishery products, and canned fish and meat products. To secure international recognition of its services, the Inspection Centre has maintained its accreditation to ISO/IEC 17020:2012, the international standard outlining requirements for the competence of bodies performing inspections, along with the impartiality and consistency of their inspection activities. The Inspection Centre is classified as a Type A Inspection body, as it provides third-party inspections and does not engage in the manufacture or design of the products it inspects.

During financial year 2022/23, the Inspection Centre continued to perform its delegated function as the Competent Authority (CA) and Inspection Agency for fishery products on the European market.

The Inspection Centre's accreditation status relies on a quality management system that upholds impartiality, integrity, confidentiality, and staff competency as the fundamental cornerstones of the NSI. This accreditation status was maintained and confirmed in September 2023 by the regional accreditation body, the Southern African Development Community Accreditation Services (SADCAS).

As of March 2024, the NSI's approved establishment list included 153 establishments, comprising five cold stores, 18 freezer vessels, 21 land-based establishments, 35 factory vessels, 57 ice vessels, 11 snoek vessels, 5 pelagic vessels, and one ski boat. During financial year 2023/24, the NSI Inspection Centre approved seven establishments for inclusion on the list.

Lists of food-producing establishments from non-European Union countries are proposed by approved (listed) non-EU countries and maintained by the European Commission, in accordance with the legislation. Among the new establishments, three were proposed by the NSI, in its role as the Competent Authority for fishery products for Namibia. They were approved for listing by the European Commission.

Inspection activities during the year under review concentrated on frozen finfish, marine molluscs, and frozen crustaceans (such as lobster, langoustines, and crabs); chilled fresh finfish intended for export; pouched meat products; and canned fish. These activities comprised the physical and organoleptic examination of fishery products, canned meat, and canned fish, as well as hygiene monitoring of processing establishments and fishing vessels to ensure consumer safety, facilitate trade, and protect the market.

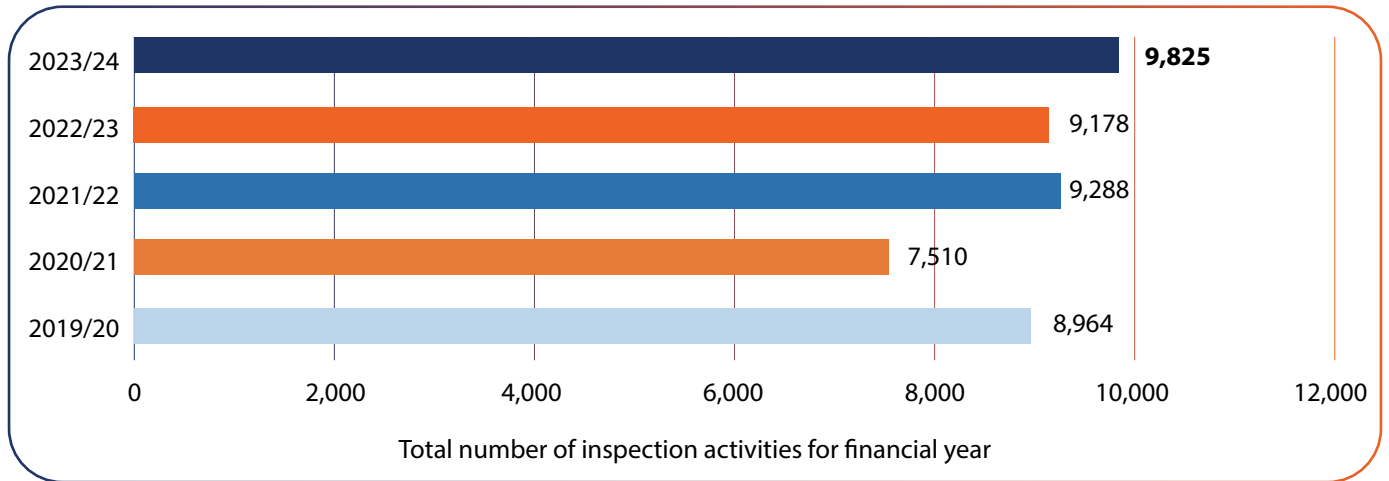
## Marine Aquaculture

The department continued supporting the Ministry of Fisheries and Marine Resources (MFMR) in implementing the Shellfish Sanitation Programme by regularly sampling seawater and shellfish products for laboratory testing to detect chemical and microbiological contamination.

Furthermore, an evaluation of test results was conducted to ensure compliance with regulatory and international market requirements. A workshop was held in May 2023 to review the monitoring data for financial year 2023/24, culminating in the formalisation of the financial year 2023/24 Namibian Shellfish Sanitation Sampling Programme.

## Changes in nature and volume of work

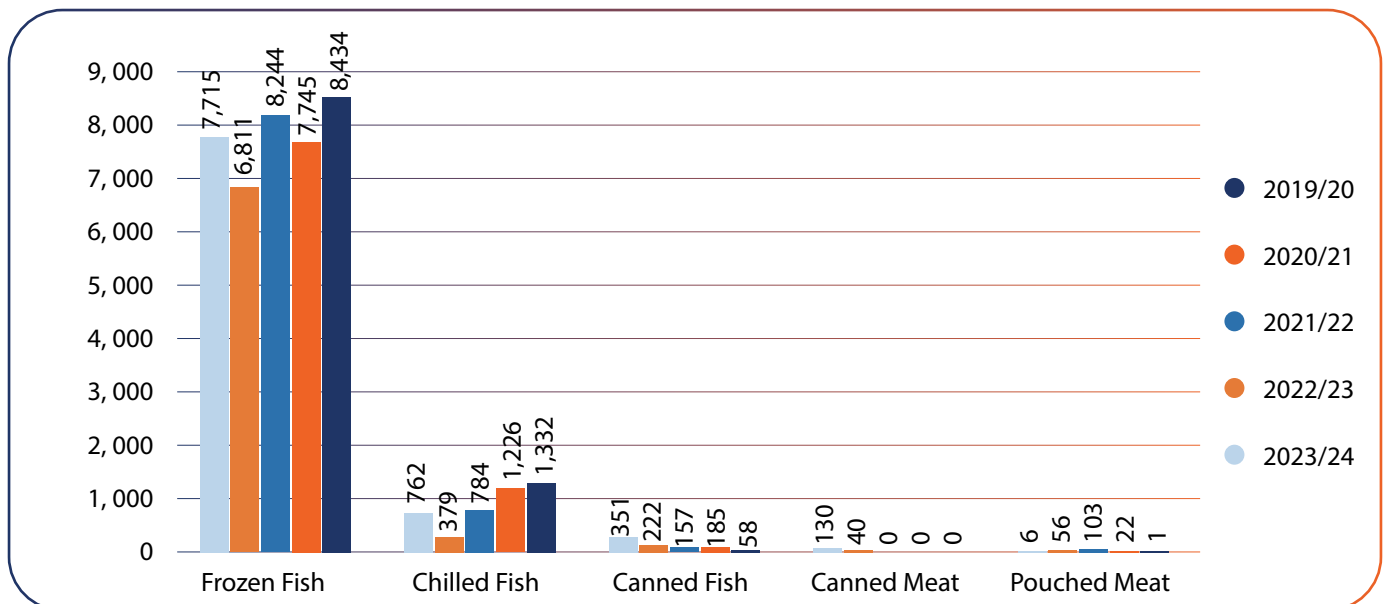
The Inspection Centre conducted 9,825 inspection activities during financial year 2023/24, representing a 7% increase compared to the previous financial year and the highest number recorded in the centre's history. Figure 2: Growth in the volume of work, indicated by the total number of inspections per financial year over a five-year period.



**Figure 2: Growth in the volume of work, indicated by the total number of inspections per financial year over a five-year period.**

Figure 3 illustrates the changes in the types of inspections conducted compared to previous years. Inspections of frozen fish continued to contribute the most significant portion of inspection work, closely followed by those of

chilled fish. During financial year 2023/24, the volumes of both frozen and chilled fish inspections increased by 8%, reaching 8,434 and 1,332 inspection activities, respectively.



**Figure 3: Changes in the types and volumes of inspection activities by product category over a five-year period.**

## Testing Centre

The Testing Centre is in the harbour town of Walvis Bay and provides analytical testing services for food, water, and environmental samples through microbiological and chemical testing. These services are accessible to both government and private institutions. The test results offer independent assessments and evidence of compliance with regulations and conformity to market requirements

for products and services. The laboratory serves the fishing industry, various food manufacturing sectors, regional authorities in the Erongo region, the hospitality industry, water bottling companies, mines, and numerous clients.

## Maintenance of Accreditation

The Testing Centre is accredited by SADCAS and continues to uphold its accreditation status, as demonstrated by the

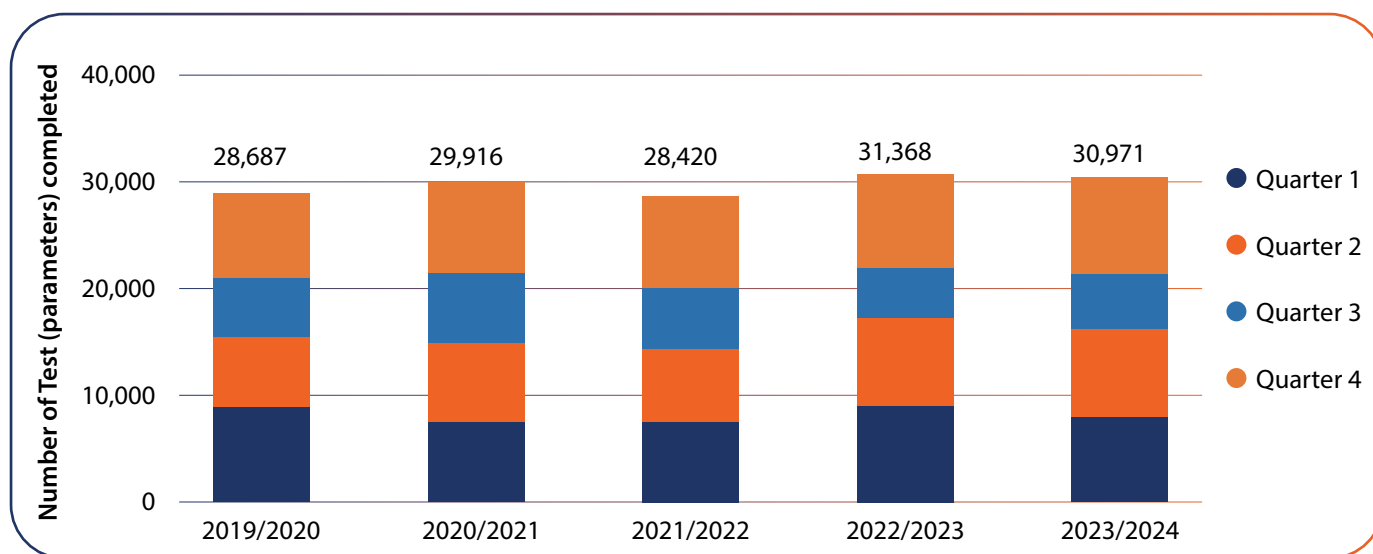
annual surveillance assessment conducted in November 2023. Accreditation is in accordance with ISO/IEC 17025:2017, the international standard for quality management systems pertaining to testing and calibration laboratories. Through a continual Quality Management System, the centre focuses on integrity assurances, maintenance, and continuous improvement based on the five pillars of competency: competent staff, competent methods, competent equipment, competent environment, and traceability to international units of measurement. This ensures that every measurement issued is both accurate and reliable.

The Testing Centre remains committed to maintaining international competitiveness in the quality of its services. It participates annually in inter-laboratory comparisons through proficiency testing schemes, providing an

independent assessment of laboratory result quality. The laboratory engages in proficiency testing schemes with Public Health England (PHE), the National Laboratory Association of South Africa (NLA-SA), the Laboratory of the Government Chemist (LGC), the Food Analysis Performance Assessment Scheme (FAPAS), the Quality Assurance of Information for Marine Environmental Monitoring in Europe (Quasimeme), and the South African Bureau of Standards (SABS) for water analysis.

### Changes in work volume

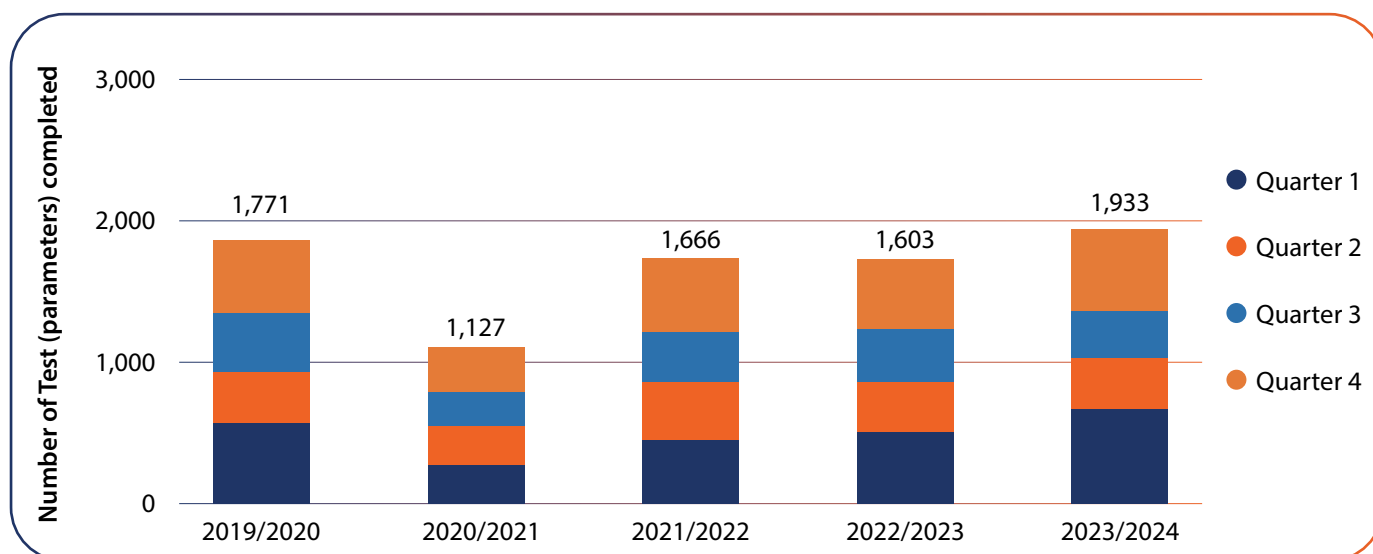
The microbiology laboratory analysed 30,971 tests on 9,616 samples during the financial year 2023/24. The number of samples tested remained consistent with previous years, as illustrated in Figure 4.



**Figure 4: Graphical representation of changes in the volume of test work over a period based on the number of test parameters completed during a financial year for the Microbiology laboratory.**

The chemistry laboratory analysed 1,933 tests on 801 samples during financial year 2023/24, reflecting a 21% increase in the number of tests analysed and a 15% increase in the samples processed compared to the workload managed in

the 2022/23 financial year.. This marks the highest number of samples processed in history, as illustrated in Figure 5.



**Figure 5: Graphical representation of changes in the volume of test work over time, based on the number of test parameters completed during a financial year for the chemistry laboratory.**

# METROLOGY

---



The Metrology Department operates with a dual mandate, fulfilling the roles of both a National Metrology Institute (NMI) and a National Legal Metrology Authority (LMA). Metrology, the science of measurement, plays an integral role within the broader National Quality Infrastructure (NQI), which is essential for overcoming technical trade barriers associated with measurements and ensuring the seamless operation of domestic and international trade. In this regard, the Metrology Department is responsible for establishing a comprehensive and precise measurement framework that not only facilitates economic transactions, but also maintains the accuracy of measurements essential for protecting public health, safety, and environmental welfare.

The importance of metrology in Namibia cannot be overstated, as a well-established metrology system provides the foundation for fair and equitable trade by ensuring that all parties involved in economic transactions can rely on the accuracy and consistency of measurements. This reliability is particularly crucial in areas where human health, safety, and environmental concerns are at stake, such as in medical diagnostics, industrial production, environmental monitoring, and consumer goods. By ensuring the precision of these measurements, the Metrology Department actively strengthens consumer protection efforts and promotes effective conformity assessment activities, which are essential for maintaining public trust and safety across a wide range of products and services.

The absence of a robust metrology infrastructure in Namibia could lead to economic transactions being vulnerable to exploitation and market inefficiencies. Measurement discrepancies, inaccuracies, and a lack of appropriate controls could undermine trust in the measurement system, creating opportunities for fraudulent practices and posing significant risks to public health and safety. Moreover, the absence of a reliable measurement system would hinder the ability to meet international technical regulations and standards, as compliance with these requirements depends heavily on the availability of accurate and traceable measurements. Therefore, establishing a national measurement system is crucial for ensuring fair trade and serves as a cornerstone for developing a robust and responsive National Quality Infrastructure.

## Scientific and Industrial Metrology

In fulfilling its mandate, the Metrology Department is responsible for establishing and declaring calibration and measurement capabilities, as well as disseminating measurement knowledge throughout the country. Additionally, the department plays a crucial role in administering and enforcing legal metrology, particularly when regulatory requirements for measurements or measuring instruments are in place. These regulations

are designed to protect public health, safety, and the environment, covering a range of critical areas, including the specification of measurement units, the design and use of measuring instruments and systems, and the methodologies employed in the measurement process.

A significant milestone for the Metrology Department was marked by the successful completion of a national stakeholder engagement campaign regarding the new Metrology Act (Act No. 5 of 2022) and the accreditation of the Dimension Metrology Laboratory. The impending implementation of the Act will coincide with the 2024 World Metrology commemoration of sustainability. This thematic focus highlights the critical role that accurate and reliable measurement plays in fostering a sustainable global economy and environment. The new Act introduces an expanded metrology legal framework that will ensure Namibia's metrology system is aligned with global trends and best practices in sustainability, while continuing to support national economic development and public welfare.

The services currently offered by the Metrology Department are accredited by the Southern African Development Community Accreditation Services (SADCAS) to ISO/IEC 17025, which is the internationally recognised standard for quality management in testing and calibration laboratories. This accreditation attests to the Department's commitment to maintaining the highest standards of quality, precision, and reliability in its operations.

Furthermore, the department continues to maintain and publish its calibration and measurement capabilities in the field of Mass Metrology, as recognised by the International Bureau of Weights and Measures (BIPM). This ensures that Namibia's metrology system is fully integrated into the global measurement community and adheres to the highest international standards, thereby enhancing its credibility and competitiveness in both regional and global markets. To date, the Scientific and Industrial Metrology Division operates fully accredited laboratories, offering services across various metrology fields such as:

- Mass Metrology: Calibration of mass pieces and weighing instruments, including digital self-indicating devices as listed in Table 12
- Volume Metrology: Calibration of micropipettes/syringes, glassware, and metal measures as listed in Table 13
- Temperature Metrology: Calibration of digital thermometry, liquid-in-glass thermometry, isothermal media (single point and mapping), and infrared thermometry as listed in Table 14
- Dimension Metrology: dial/digimatic indicators, micrometres, and vernier calipers as listed in Table 14

**Table 12: Mass Metrology**

ITEM	MEASURED QUANTITY OR TYPE OF GAUGE OR INSTRUMENT	METHOD	RANGE OF MEASURED QUANTITY	CALIBRATION AND MEASUREMENT CAPABILITY EXPRESSED AS AN UNCERTAINTY (±)
<b>At NSI</b>				
1	Mass pieces	Internal: MTPI 002  Reference: OIML R111-1	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
<b>At NSI and On-site</b>				
2	Weighing Instruments  Digital – self - indicating	Internal: MTPI 003  Reference: OIML R76,  EURAMET cg 18	0 g to 50 g  50 g to 200 g  200 g to 3000 g  3,0 kg to 1500 kg	0,00002 g  0,0006 g  0,00015 % + 0,000 g  0,001%

**Table 13: Volume Metrology**

ITEM	MEASURED QUANTITY OR TYPE OF GAUGE OR INSTRUMENT	METHOD	RANGE OF MEASURED QUANTITY	CALIBRATION AND MEASUREMENT CAPABILITY EXPRESSED AS AN UNCERTAINTY (±)
<b>At NSI</b>				
1	Micropipettes / Syringes	Internal: MTPI 009  Reference: ISO 8655-6	1 µl to 10 µl 10 µl to 100 µl 100 µl to 200 µl 200 µl to 500 µl 500 µl to 1000 µl	0,2 µl 0,8 µl 0,9 µl 1,6 µl 8,2 µl
<b>At NSI</b>				
2	Glassware	Internal: MTPI 010 & MTPI 011 Reference: ISO 4787	10 ml to 5 l	0,02 %
<b>At NSI</b>				
3	Metal Measures	Internal: MTPI 010 & MTPI 014 Reference: : ISO 4787 OIML R120	1000 ml to 20 l	0,04 %

**Table 14: Temperature Metrology**

ITEM	MEASURED QUANTITY OR TYPE OF GAUGE OR INSTRUMENT	METHOD	RANGE OF MEASURED QUANTITY	CALIBRATION AND MEASUREMENT CAPABILITY EXPRESSED AS AN UNCERTAINTY (±)	
				At NSI	On-Site
1	Digital Thermometry	Internal: MTPI 006 Reference: SANAS TR 19	-30°C to 125°C	0.1°C	0.3°C
			125°C to 450°C	0.1°C	0.3°C
				<b>At NSI</b>	
2	Liquid in Glass Thermometry	Internal: MTPI 007 Reference: OIML R 133, SANAS TR 19	-40°C to 0°C	0.25°C	
			0°C to 150°C	0.2°C	
3	Temperature Installations (Single Location)	Internal: MTPI 016 Reference: SANAS TR 19	-30°C to 0°C	2°C	
			0°C to 10°C	1°C	
			10°C to 40°C	0.4°C	
			40 °C to 80 °C	0.8°C	
			80°C to 450°C	1°C	
				<b>At NSI &amp; On-site</b>	
4	Isothermal Media (Multi-location Mapping)	Internal: MTPI 016 Reference: SANAS TR 19	-30 °C to 0°C	2 °C	
			0 °C to 10°C	1 °C	
			10 °C to 40 °C	0.4°C	
			40°C to 80 °C	0.8°C	
			80°C to 450°C	1°C	

**Table 15: Dimension Metrology**

ITEM	MEASURED QUANTITY OR TYPE OF GAUGE OR INSTRUMENT	METHOD	RANGE OF MEASURED QUANTITY	CALIBRATION AND MEASUREMENT CAPABILITY EXPRESSED AS AN UNCERTAINTY (±)	
				At NSI	On-Site
6.1	Hand Instruments			<b>At NSI</b>	
6.1.1	External Micrometers	Internal: MTPI 022 Reference: SADCAS TR20	0 to 25 mm	0.001 mm	
6.1.2	Caliper	Internal: MTPI 023 Reference: SADCAS TR20	0 to 150 mm	0.02 mm	
6.1.3	Dial Indicator	Internal: MTPI 021 Reference: SADCAS TR20	0 to 25 mm	0.001 mm	

## Legal Metrology

In contrast, the Legal Metrology Division has evolved to encompass a range of regulatory functions designed to ensure compliance and standardisation in metrological practices. These functions include:

- National type approval for prescribed measuring instruments
- Verification of prescribed measuring instruments to ascertain their accuracy and compliance with regulatory standards, including traffic law enforcement instruments and those utilised for safety measures at sea

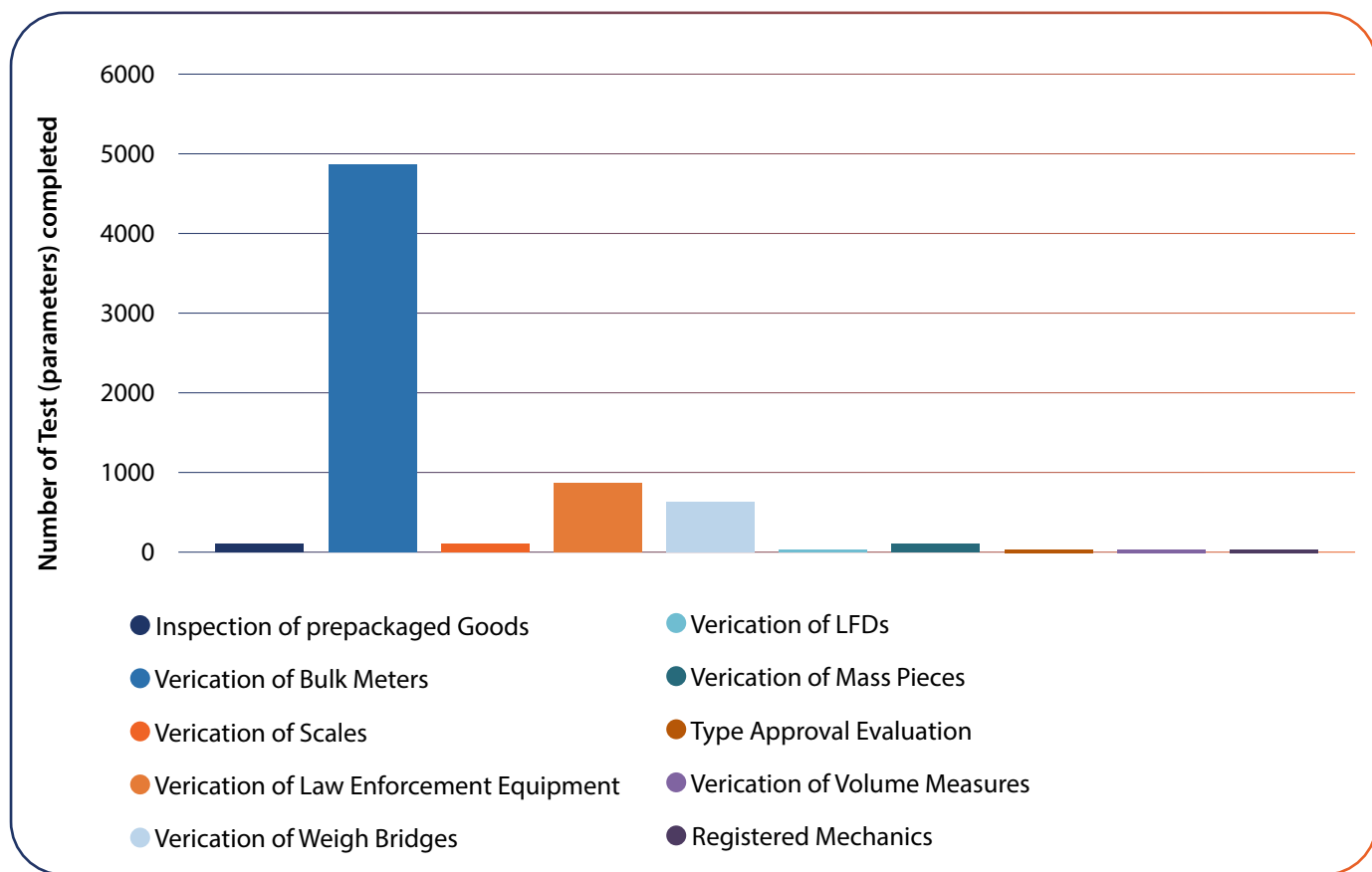
- Inspection services for pre-packaged goods on sale, ensuring fairness and accuracy in consumer transactions
- Registration, certification, and supervision of mechanics or technicians involved in metrological activities
- Implementation of Quality Control Scheme for pre-packaged products, referred to as the E-Marking Scheme, to maintain consistency and accuracy in product labelling and quantity

Through this comprehensive mandate, the Metrology Department plays a crucial role in maintaining standards, protecting consumer interests, and providing a transparent

and credible framework for regulations and enforcement. Additionally, it ensures the reliability and integrity of measurements and measuring instruments across diverse sectors.

verification of Liquid Fuel Dispensers (LFDs) represents the highest volume, with 4,844 units verified. This is followed by mass piece verifications, totalling 815 units, and scale verifications, amounting to 555 units. Other sectors within legal metrology exhibited comparatively lower work volumes during the reviewed period.

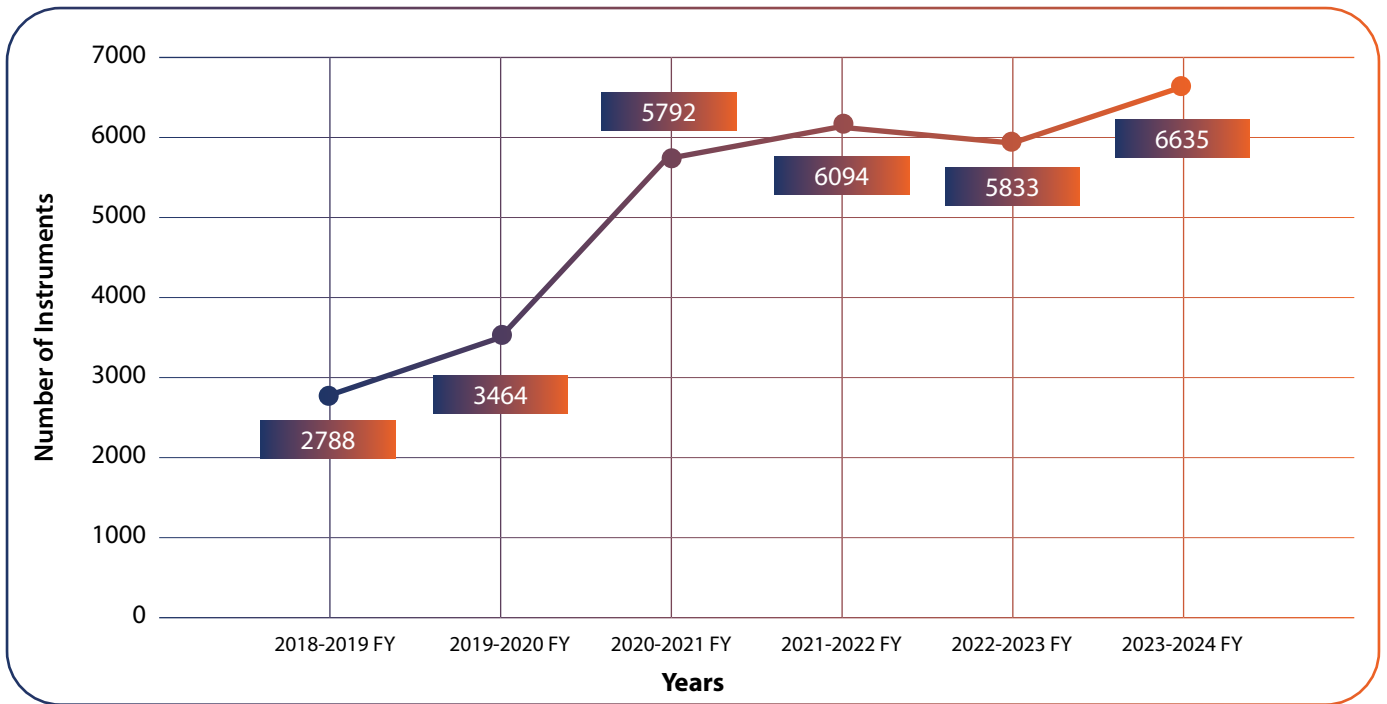
Figure 6 illustrates the distribution of work volume across various fields within the Legal Metrology Division. The



**Figure 6: Legal Metrology Division Work Distribution Per Field 2023/2024 Financial Year**

A comprehensive analysis of the number of instruments verified from the 2018/2019 to the 2023/2024 financial years indicates that the Legal Metrology Division experienced a

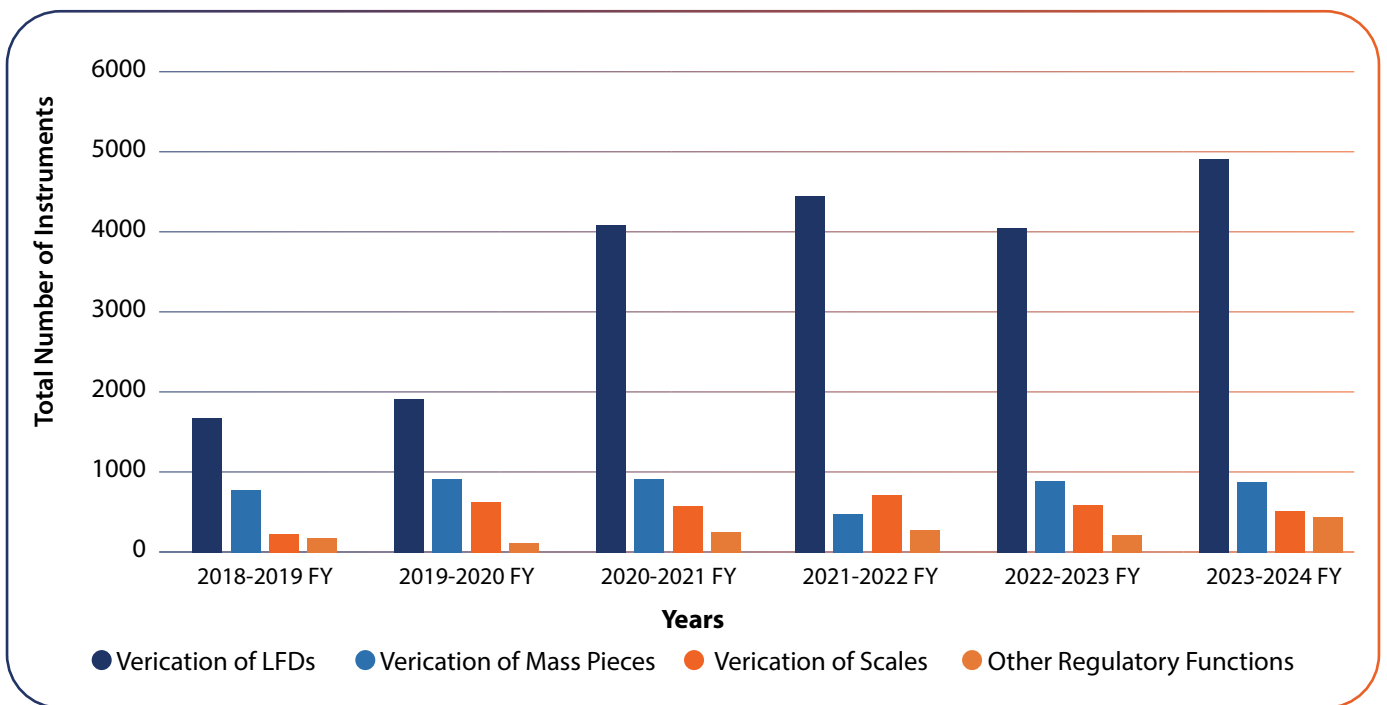
consistent increase in verified instruments, with a notable rise of 802 instruments compared to the previous year, as illustrated in Figure 7.



**Figure 7: Number of instruments verified by the Legal Metrology Division (2018/2019 to 2023/2024)**

An analysis of Figure 8 illustrates the distribution of verified instruments across different fields of legal metrology. This highlights the consistent dominance of LFDs, mass

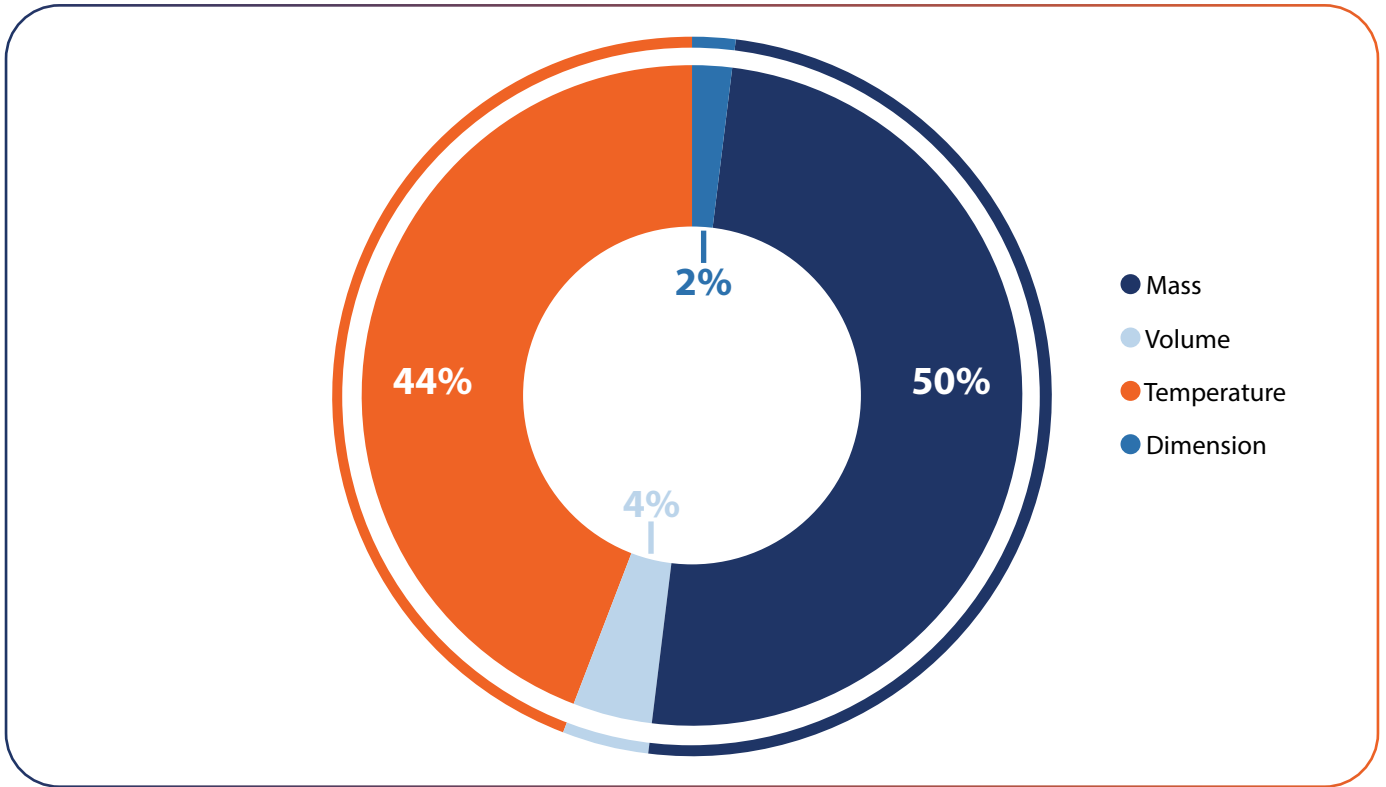
pieces, and scales, whereas other regulatory functions have remained relatively low.



**Figure 8: Number of Instruments Verified and Inspected by the Legal Metrology Division (2018/2019 to 2023/2024)**

Work volumes across various metrology fields within the Scientific and Industrial Metrology domains demonstrated distinct patterns, as illustrated in Figure 9. Mass metrology is depicted as the dominant field, accounting for 50% of the total workload. In contrast, dimension metrology comprised

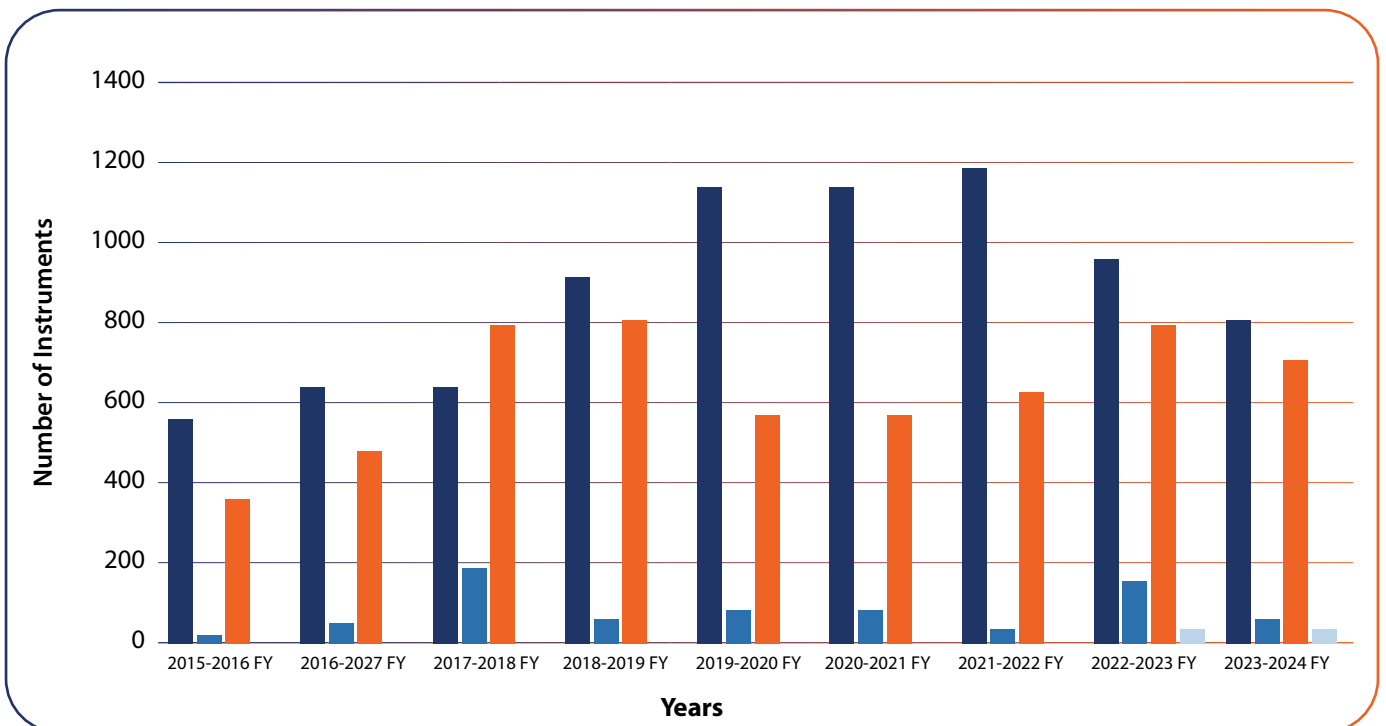
only 2% of the overall workload. Temperature metrology held the second largest share, at 44%, while volume metrology contributed 4% to the total workload during the review period.



**Figure 9: Work distribution across the Scientific and Industrial (S&I) Metrology field for the 2023/2024 Financial year.**

Over the financial period from 2021/2022 to 2023/2024, the Scientific and Industrial Metrology Division observed a sustained decline in the number of instruments undergoing

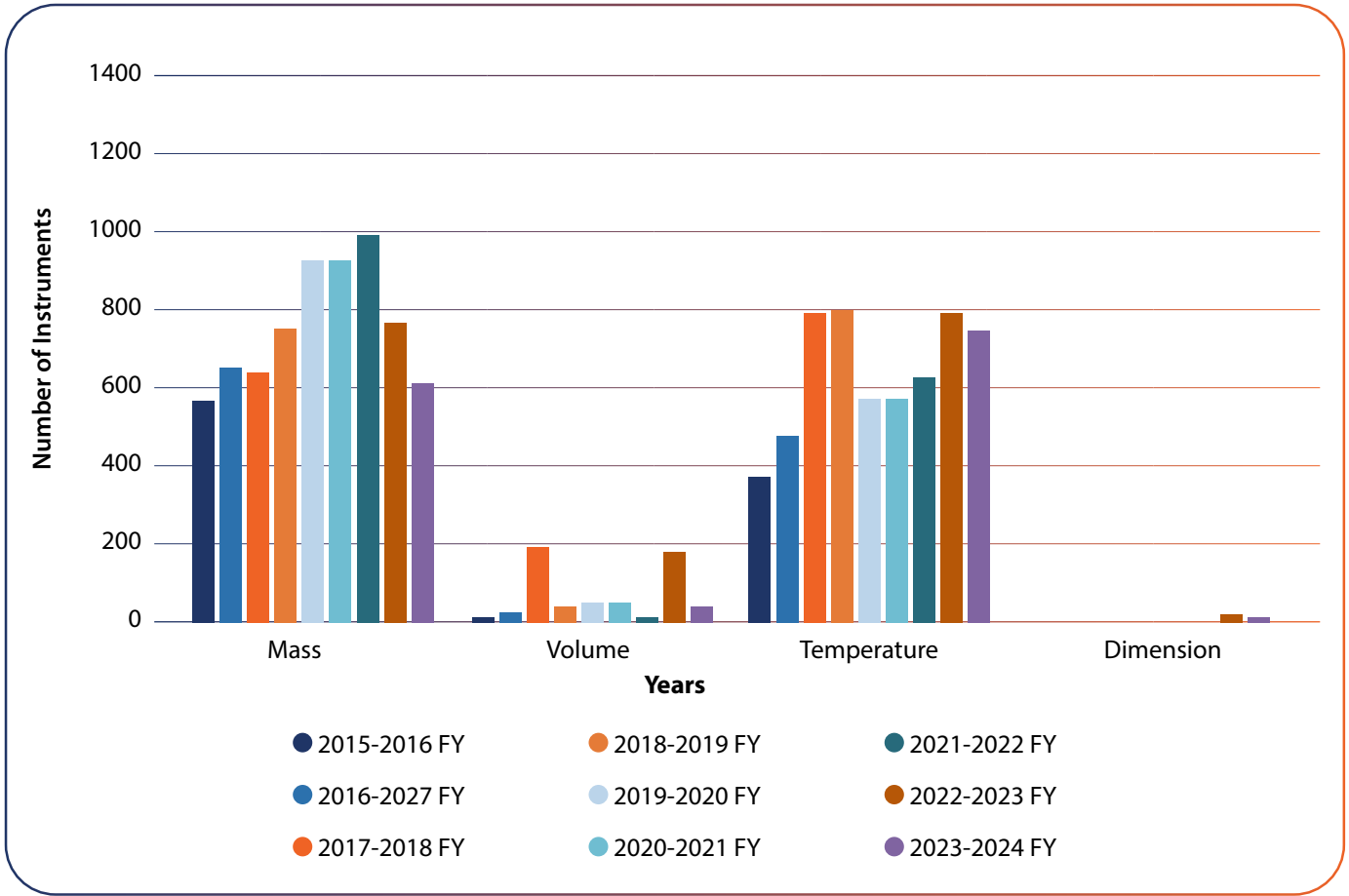
calibration, as illustrated in Figure 10. This trend may be attributed to various factors, including shifts in market dynamics and changes in industry requirements.



**Figure 10: Number of Calibrated Instruments Per Metrology Field Per Year During the Period 2015/2016 to 2023/2024.**

Between the financial years 2015/2016 and 2023/2024, the Scientific and Industrial Metrology Division experienced a consistent increase in the number of calibrated instruments, sustaining this upward trend until the 2021/2022 fiscal year. However, a significant decline was observed in the subsequent fiscal years, particularly in 2022/2023 and

2023/2024. In these years, the total number of calibrated instruments decreased sharply, with figures dropping to 723 and 318, respectively. This trend is clearly illustrated in Figure 11, which provides a visual representation of the changes in calibration volumes over this period.



**Figure 11: Number of Calibrated Instruments Per Metrology Field (2015/2016 to 2023/2024)**

# CORPORATE COMMUNICATIONS, MARKETING AND HUMAN RESOURCES

---



As we reflect on the 2023/2024 financial year, the Corporate Communications, Marketing, and Human Resources (CCMHR) Department is proud to share a narrative that captures our journey, achievements, and contributions to the institution's mission of promoting standardisation and quality assurance in Namibia.

## Functions of the CCMHR Department

The CCMHR Department serves as the backbone of the institution's internal and external engagement strategies. The department's primary functions encompass a broad spectrum of responsibilities, including enhancing the NSI's visibility, promoting a positive organisational culture, and ensuring the effective management and development of the NSI's human resources.

- **Corporate Communications:** The NSI's communication strategy is pivotal in maintaining a transparent, informed relationship with stakeholders. This includes disseminating information through press releases, social media, and the institution's annual report.

Additionally, the department is tasked with managing media relations, ensuring that the public perception of NSI aligns with our values and objectives.

- **Marketing:** The marketing function plays a crucial role in promoting NSI's services to both the public and industry stakeholders. This includes developing and executing marketing campaigns, participating in trade shows and exhibitions, and creating promotional materials.



- **Human Resources (HR):** HR plays a crucial role in the institution's success, focusing on recruitment, employee development, performance management, and staff welfare. The HR team works tirelessly to ensure that NSI attracts, retains, and cultivates the talent that propels its mission forward.

## Achievements of the CCMHR Department

The 2023/2024 financial year has been marked by significant milestones and achievements for the CCMHR department, reflecting our commitment to excellence and innovation. Over the past year, the CCMHR department has reached several significant milestones:

- **Corporate Communications and Marketing (CCM)**

- Metrology Act Awareness Campaign:** The department successfully launched a comprehensive national awareness campaign regarding the Metrology Act. This initiative aimed to educate stakeholders about the importance of metrology and compliance, significantly enhancing public and industry understanding.
- Keetmanshoop Agricultural, Industrial and Trade Expo:** CCMHR actively participated in the Keetmanshoop Expo, engaging with various industry representatives. The event served as an excellent platform for promoting the department's initiatives and nurturing relationships with key agricultural and industrial stakeholders.
- Walvis Bay Industry Meeting:** The department attended an industry meeting in Walvis Bay, where it discussed critical issues and opportunities with local businesses. This meeting strengthened ties with the fisheries and marine sector, and gathered valuable insights for future initiatives.
- Collaboration with the Namibian Chamber of Commerce and Industry (NCCI):** In partnership with the NCCI, CCMHR hosted a workshop on standardisation and certification for SMEs. This workshop aimed to assist small and medium-sized enterprises in understanding and achieving the necessary standards and certifications, thereby enhancing their competitiveness and market access.

These activities underscore CCM's dedication to advancing metrology standards, nurturing industry relationships, and assisting SMEs in Namibia.

- **Human Resources Development:**

- Employment Overview**

As of 31 March 2024, the NSI employed 98 staff members:

- 5 x Senior Management (five-year contracts)
- 86 x Permanent Employees
- 7 x Graduate Trainees

During this period, the organisation did not undertake any promotions or new appointments, as all recruitment processes were suspended until further notice.

- Graduate Trainee Programme**

The NSI's Graduate Trainee Programme successfully onboarded seven talented individuals across various departments: One in the Metrology Department, One at the Inspection Centre, three at the Testing Centre and two in the Corporate Finance Division.

This programme seeks to nurture and develop young professionals by offering them valuable experience, while contributing to the NSI's mission of ensuring quality assurance and standardisation across various sectors.

### c) Policy Review

No policy reviews were conducted during the financial year under review. However, the NSI upholds essential Human Resources policies, including:

- Human Resources Policies and Procedures Manual
- Medical Aid Policy
- Training and Development Policy
- Code of Conduct and Ethics

### d) Training and Development

Although training initiatives were suspended due to budget constraints, the NSI enhanced staff competence through training supported by development partners. This excluded training sponsored under the European Union Twinning Project, which adhered to the Project Implementation Plan.





NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005 2024

The bottom section of the image features a dark blue background with several white and light blue icons. From left to right, these include: a scale, a balance scale, a clock face with the number '050' in the center, a caliper, and a compass. Above the icons, there is a horizontal timeline with vertical tick marks, labeled '2005' and '2024'. To the right of the timeline are four horizontal bars of varying lengths, resembling a progress indicator or data visualization. The entire graphic is framed by white corner brackets.

# CORPORATE FINANCE, ASSET MANAGEMENT AND ICT

---



The Corporate Finance, Asset Management, and Information and Communication Technology (ICT) Department is strategically essential to the effective functioning of the NSI. This department underpins the institution's core operations by providing essential resources and services in financial management, procurement, asset management, and ICT.

By ensuring the availability of essential financial resources, the department facilitates smooth daily operations, allowing for precise forecasting, and delivers timely progress reports throughout the financial year. Consequently, it enhances the NSI's overall operational efficiency and long-term strategic objectives.

## Finance and Procurement Division

The Finance and Procurement Division plays a pivotal role in the NSI's overall financial health and operational efficiency. Its primary responsibility is to oversee comprehensive financial management, ensuring that all financial activities align with the NSI's strategic objectives. The unit also provides accurate, timely, and reliable financial reporting, enabling senior leadership and key stakeholders to make informed, data-driven decisions that promote the organisation's long-term financial sustainability and growth.

In addition to financial reporting, the division is responsible for effectively managing working capital, optimising liquidity, and ensuring the efficient allocation of resources to support daily operations and future strategic initiatives. This is achieved through careful planning, forecasting, and monitoring of cash flow and other financial metrics.

The division also plays a crucial role in implementing and continually improving robust internal control systems. These controls are designed to safeguard organisational assets, mitigate financial risk, and ensure compliance with regulatory requirements, thereby protecting the organisation from potential financial and operational vulnerabilities.

Furthermore, the Finance and Procurement Division manages procurement services, ensuring that goods and services are acquired cost-effectively, transparently, and efficiently. This includes overseeing supplier relationships, negotiating favourable terms, and ensuring that procurement activities align with the organisation's broader financial strategy and operational needs.

The Finance and Procurement Division is a cornerstone of the NSI's financial framework. It provides critical support for decision-making, risk management, and operational efficiency. Its contributions are integral to achieving both short-term goals and long-term strategic objectives.

## Finance Overview

For the financial year ending 31 March 2024, the institution reported a loss of N\$1.3 million, down from the N\$4.6 million profit achieved in the 2022/23 financial year.

Total income for the 2023/24 financial year, which includes the Government grant, saw a modest increase of N\$1.0

million, rising from N\$89.4 million in 2022/23 to N\$90.4 million in the 2023/24 financial year.

The operational expenditure for the institution increased by N\$6.1 million, increasing from N\$81.5 million in the 2022/2023 financial year to N\$87.6 million in 2023/2024. This increase in expenditure resulted in a net loss of N\$1.3 million for the year. However, after accounting for the re-measurements of the net defined benefit liability, the institution's total comprehensive income for the year amounted to N\$259,287 in 2023/2024, representing a significant decline compared to N\$10,998,044 in 2022/2023.

As a result, the overall financial position remains challenging, with accumulated losses having marginally decreased from N\$59.2 million in the previous financial year to N\$59.0 million in 2023/2024, reflecting the ongoing financial challenges faced by the institution. During this period, the Institution's total liabilities exceeded its total assets by N\$59.0 million (2023: N\$59.2 million). Additionally, current liabilities exceeded current assets by N\$29.7 million (2023: N\$31.1 million). These financial metrics highlight ongoing challenges in managing the balance between liabilities and assets, further underscoring the need for strategic measures to address the institution's financial sustainability in the future.

The External Auditor's report observed that the NSC has formally reviewed the NSI's results and its ability to continue trading as a going concern in the foreseeable future. They concluded that the NSI's going concern is heavily concerned with securing future government funding to sustain its operations and meet its obligations normally.

The NSC has also concluded that the Government does not intend to cease the NSI's operations in the near future. The Government of the Republic of Namibia (GRN) is committed to supporting the NSI's functions. To further this commitment, the Ministry of Industrialisation and Trade will continue to provide support.

### Some of the action plans implemented by management include the following:

- The NSI, in its Integrated Strategic Plan for 2024/25 – 2026/27, is projected to be profitable, with a budgeted profit of N\$16.53 million for 2024/25, N\$26.37 million for 2025/26, and N\$34.38 million for 2026/27. This profitability is primarily attributed to new business anticipated in the 2025/26 and 2026/27 financial years
- Successfully negotiates with the Ministry of Mines and Energy regarding the establishment of the petrochemical laboratory
- Successfully adhering to the payment plan negotiated and agreed upon with NAMRA regarding PAYE and VAT debt, as well as the subsequent waiving of interest and penalties in accordance with the tax incentive programme

These initiatives aim to enhance the institution's financial outlook and ensure its operational resilience in the years ahead. Figure 12 illustrates the financial overview.

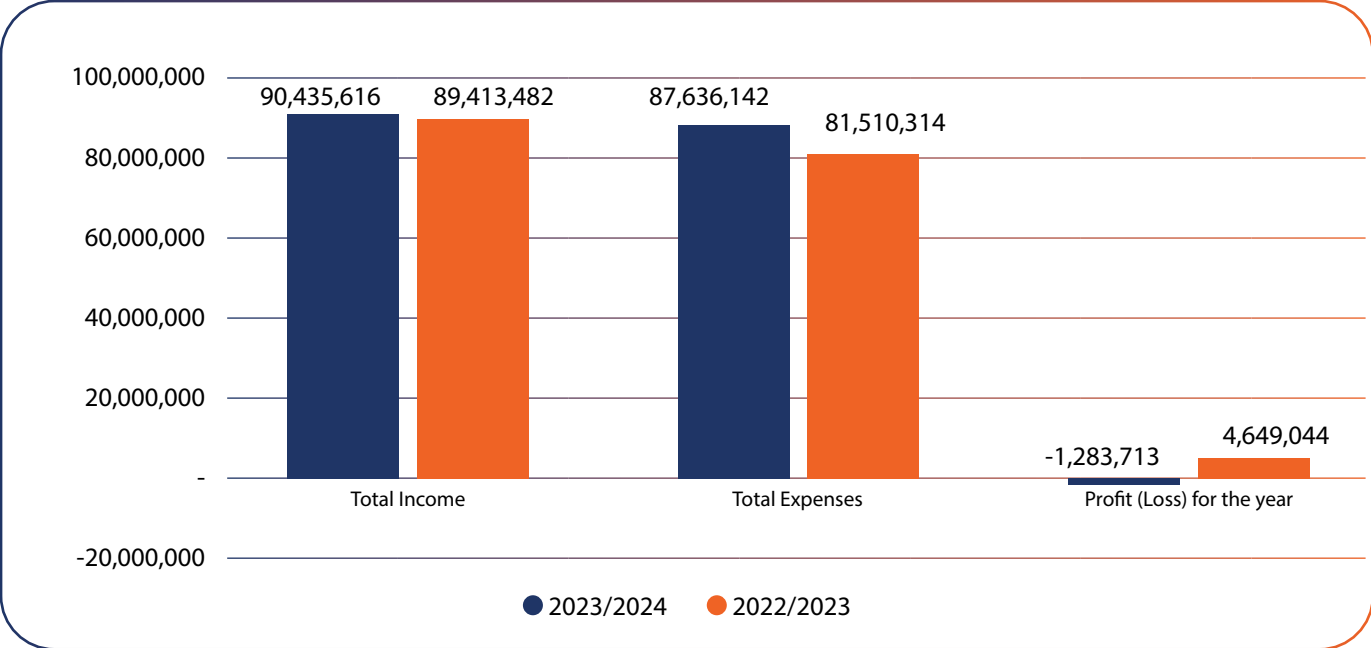


Figure 12: Financial Performance





NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade



# INCOME SOURCES

---



## Government grant

During the reporting period, the institution received a government grant of N\$31.7 million, representing a decrease of 5.65% compared to N\$33.6 million in the 2022/23 financial year. This reduction in government funding reflects a persistent downward trend over recent years, while rising operational and administrative costs have contributed to accumulating losses. The increase in costs can be attributed to factors such as inflationary pressures, socio-economic

challenges, global monetary tightening, and the high costs of essential imported goods.

## Own Income

The institution's income sources include testing and inspection, certification, training, and the sale of standards and metrology services. As illustrated in Figure 13, its income increased modestly, rising from N\$50 million in the 2022/23 financial year to N\$51.9 million in the 2023/24 financial year.

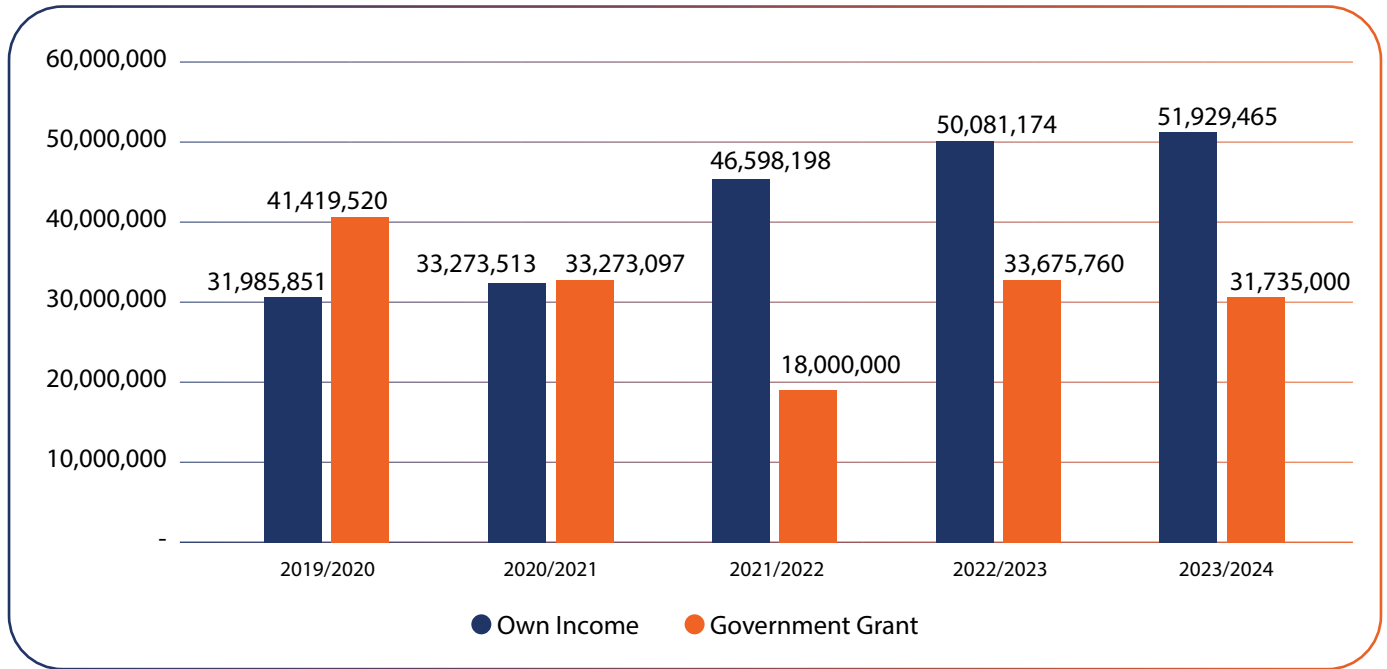


Figure 13: Own Income vs GRN Grant

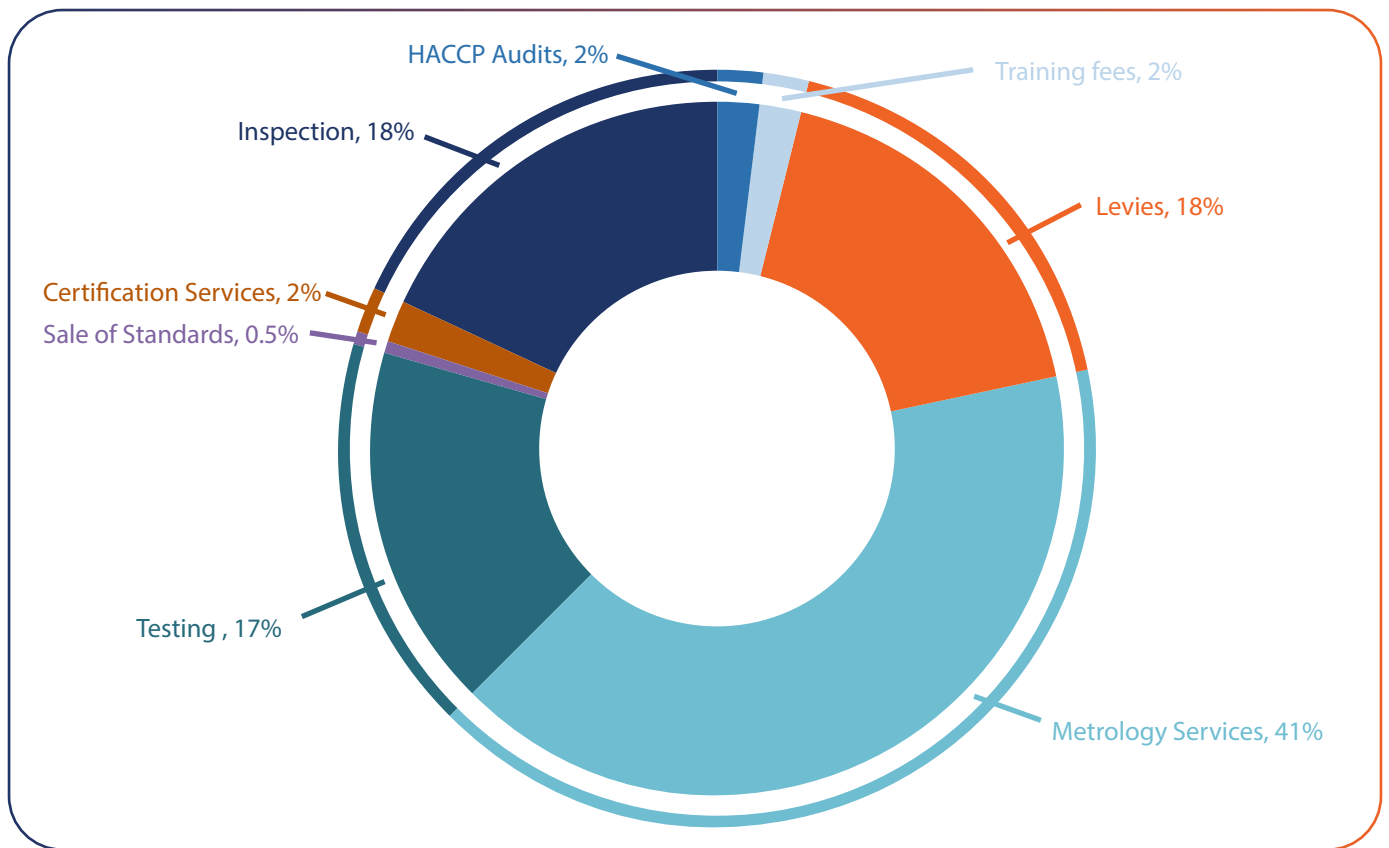
## Key Income Streams:

- **Metrology Services:** Income from metrology services grew to N\$21.4 million in 2024, an increase from N\$19 million in 2023. This growth is attributed to a higher volume of LFD verifications nationwide and a widening customer base
- **Sales of Standards:** Income from the sale of standards significantly increased, rising from N\$83,128 to N\$236,710. This increase reflects the growing demand for standards
- **Standards Training Services:** This newly introduced service generated N\$827,063 in income during the

year under review, contributing to the overall increase in own income

- **Inspection Services:** Inspection services experienced a 7.4% increase, amounting to N\$9.1 million, up from N\$8.5 million in 2022/2023. This increase is primarily attributed to the revised pricing model and structure implemented during the year

These results demonstrate a strategic effort to diversify and enhance revenue streams, mitigating the impact of reduced government funding and positioning the institution for greater financial resilience. Figure 14 illustrates the analysis of the income services presented below.



**Figure 14: Own Income From Services**

## Financial Sustainability

The NSI focuses on financial prudence and operational efficiency to achieve favourable financial outcomes and ensure long-term sustainability. By carefully managing its financial resources, the institution addresses current operational needs, while strategically planning for future growth and goals.

The NSI has developed and implemented a comprehensive revenue generation strategy and cost optimisation plan to support this. These initiatives aim to eliminate inefficiencies, reduce non-value-added expenses, identify new revenue streams, and address potential revenue leaks.

Management remains confident in the Institution's ability to promote growth, fulfil its mission of "providing standardisation and conformity assessment services to ensure the health and safety of consumers, protect the environment, and promote trade," and maintain financial sustainability in the years ahead.

## Property, Plant and Equipment

The value of the NSI's property, plant, and equipment decreased by N\$4.7 million, bringing the total to N\$98.7 million for the year under review, compared to N\$103.5 million in the 2022/23 Financial year. In response, NSI management has implemented a strategy to acquire property in order to purchase the rented premises, aiming to reduce rental expenses and lower the institution's gearing ratio. Additionally, this strategy involves replacing outdated and worn-out property, plant, and equipment. These acquisition and replacement processes are currently

underway and are expected to be completed during the 2025/2026 Financial year.

## Outlook

The Integrated Strategic Business Plan (ISBP) for 2024/25 to 2028/29 outlines the institution's strategic commitment to enhancing its capacity to provide standardisation and quality assurance services throughout Namibia. This plan aims to support the overarching goals of safeguarding consumer health and safety, protecting the environment, and facilitating both domestic and international trade. The government's strategic focus on investing in key sectors, such as renewable energy, oil, and gas, presents significant opportunities to expand standardisation and conformity assessment services, positioning the organisation to meet the evolving demands of these critical industries.

The industry outlook remains generally positive, aligning with global trends of growth and innovation. However, Namibia's economy is expected to experience moderate growth in the coming years. The government's focus on diversification, particularly in mining, agriculture, renewable energy, and tourism sectors, is anticipated to yield positive results. However, growth may stay subdued due to global economic uncertainties, including fluctuations in commodity prices, supply chain disruptions, and the effects of international trade dynamics.

Despite these challenges, the institution remains focused on strategic adaptation, ensuring that its services align with the evolving needs of the Namibian economy and global market demands. By proactively addressing these risks, the NSI is dedicated to supporting the sustainable growth of key



industries, thereby contributing to the country's economic resilience and international competitiveness.

## ICT Division

The Information and Communication Technology (ICT) Department is critical in driving the institution's strategic objectives by ensuring the effective and cost-efficient implementation of information technology platforms. The efforts of the ICT Department are essential to the NSI's operational success, particularly in enhancing service delivery, supporting decision-making, and fostering innovation. To guide these efforts, the NSI has developed a robust and forward-thinking Information Technology (IT) Strategy for the period 2022 to 2023, aimed at aligning with the broader organisational goals.

### Key benefits of the IT Strategy include:

- **Alignment with Corporate Strategy:** This strategy strengthens the institution's corporate objectives by utilising IT as a crucial enabler for impactful service delivery. By effectively integrating technology into core operations, the strategy guarantees that IT is not merely a support function, but a catalyst for the NSI's mandate to promote standardisation and quality assurance.
- **Adoption of Best Practices:** The IT Strategy emphasises adopting industry-leading best practices in processes, technology implementation, and governance. This ensures that the institution remains at the forefront of technological advancements and operational efficiencies, promoting a culture of continuous improvement and innovation
- **Operational Efficiency and Agility:** The strategy aims to streamline operations, improve productivity, and enhance overall service delivery by efficiently using IT. By making the NSI more adaptable to the dynamic and fast-evolving IT landscape, the strategy will enable the organisation to respond swiftly to emerging opportunities and challenges in a rapidly changing technological environment
- **Strategic Acquisition of Technology:** The strategy ensures that the appropriate hardware and software resources are acquired to support the successful execution of the NSI's strategic initiatives. This will allow the institution to enhance its technological capabilities, improve operational performance, and foster long-term sustainability

Overall, the IT Strategy is designed to ensure that the NSI meets its current operational needs and positions itself for future growth, innovation, and enhanced service delivery in the evolving global landscape of information technology.

# ANNUAL FINANCIAL STATEMENTS



NSI 2023/24  
Metrology: The Backbone  
of Quality and Trade

2005 2024

050

The footer area features a dark blue background with white icons and text. It includes a circular icon with a scale, a balance scale icon, a clock icon with the number 050, a microscope icon, and a compass icon. A ruler is positioned above the clock icon, with the years 2005 and 2024 marked. To the right, there are three horizontal bars of varying lengths. The entire footer area is framed by white corner brackets.



*Republic of Namibia*



---

## OFFICE OF THE AUDITOR-GENERAL

---

Tel: (264) (061) 2858000

Fax: (264) (061) 224301

Private Bag  
13299  
WINDHOEK  
9000

**AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS  
OF THE NAMIBIAN STANDARDS INSTITUTION  
FOR THE YEAR ENDED 31 MARCH 2024**

The documentation as compiled by the firm Grand Namibia Chartered Accountants & Auditors which is registered in terms of the Public Accountant's and Auditor's Act, 1951, who was appointed by the Board Members of 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 2024 has been carried out to my satisfaction.

WINDHOEK, January 2025

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



**GENERAL INFORMATION**

<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	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.
<b>NSC Members</b>	Dr. Eino Mvula Mr. Paul Kalenga Ms. Matilda Jankie-Shakwa Mr. Vincent Nowaseb Mr. Lloyd Londt Dr. Monica Nehemia Mr. Thaddeus Shigwedha
<b>Business address</b>	37 Feld Street Windhoek Namibia
<b>Postal address</b>	P.O. Box 26364 Windhoek Namibia
<b>Bankers</b>	First National Bank of Namibia Limited Bank Windhoek Namibia
<b>Auditors</b>	Grand Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)
<b>Secretary</b>	Mr. Mukuao Kaune

**CONTENTS**

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

Members' Responsibilities and Approval	80
Independent Auditor's Report	81 -82
Members' Report	83 - 85
Statement of Financial Position	86
Statement of Profit or Loss and Other Comprehensive Income	87
Statement of Changes in Equity	88
Statement of Cash Flows	89
Accounting Policy Information	90 - 96
Notes to the Annual Financial Statements	97 - 113
The following supplementary information does not form part of the annual financial statements and is unaudited: Detailed Statement of Profit or Loss and Other Comprehensive Income	114 - 115

**MEMBERS' RESPONSIBILITIES AND  
APPROVAL**

The Namibian Standards Council (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 Namibian Standards Institution (NSI) 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 (IFRS). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

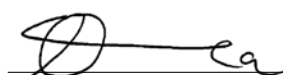
The NSC members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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

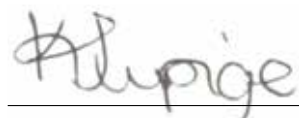
The external auditors are responsible for independently auditing and reporting on the NSI's annual financial statements. The annual financial statements have been examined by the NSI's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 39, which have been prepared on the going concern basis, were approved by the NSC members on 13 December 2024 and were signed on their behalf by:

Approval of financial statements



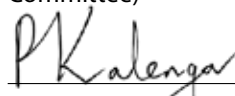
Dr. Eino Mvula  
(Chief Executive Officer)



Kledura lipinge  
(Acting: Chief Financial Officer)



Mr. Lloyd Londt  
(Chairperson of Finance, Risk Management and Audit  
Committee)



Mr. Paul Kalenga  
(Chairperson: NSC)

**INDEPENDENT AUDITOR'S REPORT**



To the Namibian Standards Council (NSC) members of the Namibian Standards Institution (NSI)

**Opinion**

We have audited the annual financial statements of Namibian Standards Institution ("the NSI") set out on pages 83 to 113 which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the annual financial statements, which include a summary of material accounting policies and the member's report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of NSI as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Standards Act, No 18 of 2005.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our report. We are independent of the NSI in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The NSC members are responsible for the other information. The other information comprises the detailed statement of profit or loss and other comprehensive income, which we obtained prior to the date of this auditor's report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

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

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

**Responsibilities of the NSC members for the Annual Financial Statements**

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

In preparing the annual financial statements, the NSC members are responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the NSC members either intend to liquidate the Institution or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the NSC members.
- Conclude on the appropriateness of the NSC members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the NSC members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
.....

**Grand Namibia**  
**Registered Accountants and Auditors**  
**Chartered Accountants (Namibia)**  
**Per: Petrus Nghipandulwa**  
**Partner**  
**Windhoek**  
**13 December 2024**

## MEMBERS' REPORT

The NSC members have pleasure in submitting their report on the annual financial statements of Namibian Standards Institution for the year ended 31 March 2024.

### 1. Nature of business

Namibian Standards Institution is engaged in the promotion of standardisation and quality assurance to 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.

The mandate of the NSI is stipulated in the Standards Act (Act No.18 of 2005) as well as in the Trade Metrology Act (Act No.77 of 1973 as amended).

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

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Standards Act, No 18 of 2005. The accounting policies have been applied consistently compared to the prior year.

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

### 3. Members

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

Directors	Office	Nationality	Changes
Dr. Eino Mvula	Chief Executive Officer (Member Ex - Officio)	Namibian	Appointed Saturday, 1 July 2023
Mr. Paul Kalenga	Chairperson	Namibian	
Ms. Matilda Jankie-Shakwa	Member	Namibian	
Mr. Vincent Nowaseb	Member	Namibian	
Mr. Lloyd Londt	Chairperson of Finance, Risk Management and Audit Committee	Namibian	
Dr. Monica Nehemia	Member	Namibian	
Mr. Thaddeus Shigwedha	Member	Namibian	

### 4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Institution or in the policy regarding their use.

At 31 March 2024 the NSI's investment in property, plant and equipment amounted to N\$98,775,952 (2023: N\$ 103,495,670), of which N\$451,057 (2023: N\$ 761,858) was added in the current year through additions.

### 5. Events after the reporting period

The Institution has settled PAYE liability of N\$ 2,483,578. These payments are part of the payment arrangement in place and relate to the liability at the end of current financial year.

The Acting CFO (Mr. Josef Alweendo) resigned, effective 25 September 2024.

Acting Institution Secretary (Mr. Mukua Kaune) acting period ended on 23 September 2024.

Ms. Tabitha Mbome was appointed as the Institution Secretary effective from 24 September 2024.

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

## 6. Going concern

We draw attention to the fact that at 31 March 2024, the NSI has accumulated losses of N\$ 58,981,050 (2023: N\$ (59,240,337)) and its total liabilities exceed its assets by N\$ 58,981,050 (2023: N\$ 59,240,337) and its total current liabilities exceed its current assets by N\$ 29,702,033 (2023: N\$ 31,186,194). Furthermore, we draw attention to Note 11 of the annual financial statements which states that NSI owes Namibia Revenue Agency (NAMRA) Pay As You Earn ("PAYE") and Value Added Tax ("VAT") to the total of N\$ 25,644,360 (2023: N\$ 29,949,277) and N\$ 9,672,778 (2023: N\$ 8,165,163) respectively (excluding interest and penalties) as at 31 March 2024 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N\$ 11,929,754 (2023: N\$ 11,267,453) and penalties of N\$ 28,483,081 (2023: N\$ 30,056,286) relating to PAYE and interest of N\$ 3,216,119 (2023: N\$ Nil) and penalties of N\$ 9,250,156 (2023: N\$ Nil) relating to VAT as liabilities in its accounting records because NSI will make use of the amnesty programme which has been extended to October 2026. A further payment of N\$ 2,483,578 for PAYE was made between May and October 2024.

The NSI, on the 24 September 2024 requested the Ministry of Industrialisation and Trade and Ministry of Finance and Public Enterprises with NamRA for their intervention in resolving the NSI tax liabilities matter as follows and of which the request is receiving their attention:

- a. Total write off in full of the NSI's employee tax debt (capital, interest and penalties);
- b. Resources be made available to pay NamRA debt before the stated amnesty deadline;
- c. NSI to be considered for the once off legacy tax write off.

In view of the above conditions, the board has performed a formal review of the NSI's results and its ability to continue trading as a going concern in the foreseeable future and have concluded that the going concern of NSI is highly dependent on the following factors:

1. Securing future Government funding for the continuation of NSI's operations and settlement of NSI's obligations in the normal course of business.

The Standards Act, No. 18 of 2005 outlines the critical legislated functions of the NSI with respect to the development, promotion and maintenance of Namibian Standards and the rendering of conformity assessment services.

It is the view of the board that since these are legislated functions, there is no intention by Government to cease the operations of the NSI in the near future. The Government of the Republic of Namibia (GRN) is committed to supporting the functions of the NSI and in furtherance to this commitment the Ministry of Industrialization and Trade.

2. Successful implementation of the following action plans:
  - The NSI in its Integrated Strategic Plan of 2024/2025 – 2026/2027, projected to be profitable with a budgeted profits of N\$16.53m for 2024/2025, N\$26.37m for 2025/2026 and N\$34.38m for 2026/2027 with the contributing factor mainly being new business projected for 2025/2026 and 2026/2027 financial years.
  - Successfully negotiate with the Ministry of Mines and Energy for the implementation of the petrochemical laboratory;
  - Successfully adhere to the payment plan as negotiated and agreed with NAMRA on PAYE and VAT debt and the subsequent waiving of the interest and penalties as per the tax incentive programme.
  - 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.

## 7. Secretary

The Institution's Secretary is Mr. Mukua Kaune.

## 8. Terms of appointment of the auditors

Grand Namibia Chartered Accountants and Auditors are the NSI's auditors for financial year 2023/24.

## 9. Outstanding taxes and contingent liabilities

NSI owes Namibia Revenue Agency (NAMRA) Pay As You Earn (PAYE) and Value Added Tax (VAT) to the total of N\$ 25,644,360 (2023: N\$ 29,949,277) and N\$ 9,672,778 (2023: N\$ 8,165,163) respectively (excluding interest and penalties) as at 31 March 2024 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N\$ 11,929,754 (2023: N\$ 11,267,453) and penalties of N\$ 28,483,081 (2023: N\$ 30,056,286) relating to PAYE and interest of N\$ 3,216,119 (2023: N\$ Nil) and penalties of N\$ 9,250,156 (2023: N\$ Nil) relating to VAT as liabilities in its accounting records because NSI will make use of the amnesty programme which has been extended to October 2026. A further payment of N\$ 2,483,578 for PAYE was made between May and October 2024.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Note(s)	2024 N\$	2023 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	98,775,952	103,495,670
Right-of-use assets	4	6,017,381	288,486
		104,793,333	103,784,156
<b>Current Assets</b>			
Inventories	5	3,910,433	3,001,931
Trade and other receivables	6	21,917,121	18,775,671
Cash and cash equivalents	7	326,654	3,573,754
		26,154,208	25,351,356
<b>Total Assets</b>		130,947,541	129,135,512
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated loss		(58,981,050)	(59,240,337)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	8	16,219,113	17,073,262
Lease liabilities	4	5,336,084	-
Post retirement medical aid benefit liability	9	16,750,000	15,066,000
Deferred income	10	95,767,153	99,699,037
		134,072,350	131,838,299
<b>Current Liabilities</b>			
Trade and other payables	11	45,797,836	46,084,051
Borrowings	8	799,607	1,129,500
Lease liabilities	4	968,121	440,232
Deferred income	10	3,807,774	4,375,484
Provisions	12	4,482,903	4,508,283
		55,856,241	56,537,550
<b>Total Liabilities</b>		189,928,591	188,375,849
<b>Total Equity and Liabilities</b>		130,947,541	129,135,512

**STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Note(s)	2024	2023
Revenue	13	51,929,465	50,081,174
Other operating income	14	38,506,151	39,332,308
Total income		90,435,616	89,413,482
Other operating gains	15	(86,878)	(174,706)
Other operating expenses		(87,636,142)	(81,510,314)
Operating profit	16	2,712,596	7,728,462
Interest income	17	820,176	1,033,477
Finance costs	18	(4,816,485)	(4,112,895)
(Loss) /profit for the year		(1,283,713)	4,649,044
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements on net defined benefit liability		1,543,000	6,349,000
Other comprehensive income for the year		1,543,000	6,349,000
Total comprehensive income for the year		259,287	10,998,044

**STATEMENT OF CHANGES IN EQUITY**

	Accumulated loss	Total equity
Balance at 1 April 2022	(70,238,381)	(70,238,381)
Profit for the year	4,649,044	4,649,044
Other comprehensive income	6,349,000	6,349,000
Total comprehensive income for the year	10,998,044	10,998,044
Balance at 1 April 2023	(59,240,337)	(59,240,337)
Loss for the year	(1,283,713)	(1,283,713)
Other comprehensive income	1,543,000	1,543,000
Total comprehensive Loss for the year	259,287	259,287
Balance at 31 March 2024	(58,981,050)	(58,981,050)

### STATEMENT OF CASH FLOWS

Figures in Namibian Dollar	Note(s)	2024	2023
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	4,961,379	8,590,839
Interest income	17	820,176	1,033,477
Finance costs	18	(4,816,485)	(4,112,895)
Net cash from operating activities		965,070	5,511,421
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(451,057)	(761,858)
Proceeds from sale of property, plant and equipment	3	185,125	73,989
Net cash from investing activities		(265,932)	(687,869)
<b>Cash flows from financing activities</b>			
Repayments of borrowings	8	(3,011,346)	(1,143,912)
Cash repayments on lease liabilities	4	(934,892)	(351,146)
Net cash from financing activities		(3,946,238)	(1,495,058)
Total cash movement for the year		(3,247,100)	3,328,494
Cash and cash equivalents at the beginning of the year		3,573,754	245,260
Cash and cash equivalents at the end of the year	7	326,654	3,573,754

## ACCOUNTING POLICY INFORMATION

### 1. Material accounting policy information

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

#### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations issued and effective at the time of preparing these annual financial statements and the Standards Act, No 18 of 2005 as amended.

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

These accounting policy information are consistent with the previous period.

#### 1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### Critical judgements in applying accounting policy information

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

##### Key sources of estimation uncertainty

###### Impairment of financial assets

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

###### Impairment testing of non-financial assets

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

###### Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

###### Post retirement medical aid liability benefit

The Institution provides post-employment benefits by way of a medical aid scheme to all employees who joined the Institution. 65% of total contributions are paid by the Institution towards the medical scheme when certain qualifying employees become redundant, disabled or when an employee retires at the age of 60.

Payments to retirement benefit plans are charged as an expense as they fall due.

The valuation of the post-retirement medical aid liability is based on the net discount and and medical aid contribution inflation rate of 3.76% (2023: 3.33%). This is based on the assumption that future medical aid contribution will increase by 10.86% (2023: 9.80%).

### 1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the NSI holds for its own use or for rental to others and which are expected to be used for more than one (1) year.

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the NSI. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	2 years
IT equipment	Straight line	3 years
Laboratory equipment	Straight line	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

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

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

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

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

### 1.4 Financial instruments

Financial instruments held by the NSI are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the NSI, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost

Financial liabilities:

- Amortised cost

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

### **Trade and other receivables**

#### **Classification**

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

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

#### **Recognition and measurement**

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

They are subsequently measured at amortised cost.

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

#### **Impairment - Expected credit losses and write offs**

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

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

#### **Measurement and recognition of expected credit losses**

The NSI makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

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

### **Trade and other payables**

#### **Classification**

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

#### **Recognition and measurement**

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

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

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future

cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the NSI to liquidity risk and possibly to interest rate risk. Trade and other payables denominated in foreign currencies

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

### **Cash and cash equivalents**

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

## **1.5 Leases**

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

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

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

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

### **NSI as lessee**

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the NSI is a lessee, except for short-term leases of twelve (12) months or less, or leases of low value assets. For these leases, the NSI recognises the lease payments as an operating expense (note 16) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

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

### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the NSI uses its incremental borrowing rate.

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

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the NSI under residual value guarantees;
- the exercise price of purchase options, if the NSI is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the NSI is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

### **Right-of-use assets**

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

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

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the NSI incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

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

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

## **1.6 Inventories**

Inventories comprise of the consumable materials used in the operations of the NSI. Inventories are measured at the lower of cost and on the Weighted Average Cost (WAC) basis.

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are used, the carrying amount of those inventories are recognised as an expense in the period in which the item was used. The inventory is not written-down to net realisable value as it is not held for sale. Impairment due to damage and/or expiry of inventories are recognised as an expense in the period the write-down or loss occurs. Inventory is not revalued.

## **1.7 Impairment of non-financial assets**

The NSI 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 NSI estimates the recoverable amount of the asset.

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

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

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

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

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

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

The NSI 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 is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## 1.8 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.

### Defined contribution plans

Payments are charged as an expense as they fall due.

### Defined benefit plans

For defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the NSI is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

## 1.9 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating losses.

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

### **1.10 Government grants**

Government grants are recognised when there is reasonable assurance that:

- the NSI 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 NSI with no future related costs is recognised as income of the period in which it becomes receivable.

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

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

### **1.11 Revenue from contracts with customers**

The NSI recognises revenue from the following major sources:

- Sales of Standards;
- Inspection and certification;
- Testing services;
- Metrology services;
- Levies;
- Training fees.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties such as Value Added Tax (VAT). The NSI recognises revenue when it transfers control of a service to a customer.

### **1.12 Borrowing costs**

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

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

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	The impact of the amendment is not material.
• Definition of accounting estimates: Amendments to IAS 8	1 January 2023	The impact of the amendment is not material.
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	The impact of the amendment is not material.

#### 2.2 Standards and interpretations not yet effective

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

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Lack of exchangeability - amendments to IAS 21	1 January 2025	Unlikely there will be a material impact
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	1 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	1 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact
• Presentation and Disclosures in Financial Statements - IFRS 18	1 January 2024	The adoption of this standard will have no material impact on the results of the Institution, but will provide more accurate and transparent reporting of revenue and associated costs.

### 3. Property, plant and equipment

	Figures in Namibian Dollars					
	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	1,776,252	-	1,776,252	1,776,252	-	1,776,252
Buildings	113,301,806	(19,030,593)	94,271,213	113,181,732	(16,777,327)	96,404,405
Furniture and fixtures	4,320,644	(3,412,314)	908,330	4,190,533	(3,171,084)	1,019,449
Motor vehicles	5,181,845	(5,118,819)	63,026	5,181,845	(4,276,036)	905,809
Office equipment	942,088	(916,788)	25,300	912,230	(858,138)	54,092
IT equipment	10,466,692	(9,204,139)	1,262,553	10,336,502	(7,431,940)	2,904,562
Laboratory equipment	13,419,044	(12,949,766)	469,278	11,984,875	(11,553,774)	431,101
<b>Total</b>	<b>149,408,371</b>	<b>(50,632,419)</b>	<b>98,775,952</b>	<b>147,563,969</b>	<b>(44,068,299)</b>	<b>103,495,670</b>

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1,776,252	-	-	-	1,776,252
Buildings	96,404,405	120,074	-	(2,253,266)	94,271,213
Furniture and fixtures	1,019,449	130,111	(56,927)	(184,303)	908,330
Motor vehicles	905,809	-	-	(842,783)	63,026
Office equipment	54,092	37,348	(52,841)	(13,299)	25,300
IT equipment	2,904,562	136,582	-	(1,778,591)	1,262,553
Laboratory equipment	431,101	26,942	(69,873)	81,108	469,278
	<b>103,495,670</b>	<b>451,057</b>	<b>(179,641)</b>	<b>(4,991,134)</b>	<b>98,775,952</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	1,776,252	-	-	-	-	1,776,252
Buildings	99,347,740	152,673	-	(834,409)	(2,261,599)	96,404,405
Furniture and fixtures	1,185,856	18,256	-	-	(184,663)	1,019,449
Motor vehicles	937,323	-	-	-	(31,514)	905,809
Office equipment	64,720	-	-	-	(10,628)	54,092
IT equipment	4,286,394	292,594	-	-	(1,674,426)	2,904,562
Laboratory equipment	381,538	298,335	(36,116)	-	(212,656)	431,101
	<b>107,979,823</b>	<b>761,858</b>	<b>(36,116)</b>	<b>(834,409)</b>	<b>(4,375,486)</b>	<b>103,495,670</b>

### 4. Leases (NSI as lessee)

The NSI leases various buildings and equipment from NASHUA Namibia (Pty) Ltd. The contract is entered into for a fixed period of 5 years, but may be extended. Lease terms are negotiated on an individual basis with their respective terms and conditions. The lease agreement do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings and office equipment	8,284,445	(2,267,064)	6,017,381	1,442,431	(1,153,945)	288,486

**4. Leases (NSI as lessee)****Net carrying amounts of right-of-use assets**

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

Buildings and office equipment	6,017,381	288,486
--------------------------------	-----------	---------

**Depreciation recognised on right-of-use assets**

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 16), as well as depreciation which has been capitalised to the cost of other assets.

Office equipment and buildings	1,113,119	288,486
--------------------------------	-----------	---------

**Other disclosures**

Interest expense on lease liabilities	620,454	110,062
Short-term leases on property*	590,178	1,441,082

\* The council made a resolution in 2021 to purchase the property which they are renting. The rental payments were considered to be short-term, therefore not included in IFRS 16 Right of Use calculation

**Lease liabilities****The maturity analysis of lease liabilities is as follows:**

Within one year	1,677,464	474,350
One to five years	6,789,884	-
	8,467,348	474,350
Less finance charges component	(2,163,143)	(34,118)
	6,304,205	440,232
Non-current liabilities	5,336,084	-
Current liabilities	968,121	440,232
	6,304,205	440,232

**5. Inventories**

Consumable goods	3,910,433	3,001,931
------------------	-----------	-----------

Inventories are measured at the lower of cost and on the Weighted Average Cost (WAC) basis. There were no inventory write offs during the current year (2023: N\$ nil).

Figures in Namibian Dollars

	2024	2023
<b>6. Trade and other receivables</b>		
Financial instruments:		
Trade receivables	24,482,225	20,826,070
Accrued income	2,541	-
Loss allowance	(3,107,184)	(3,595,593)
Trade receivables at amortised cost	21,377,582	17,230,477
Deposits	161,237	171,244
Staff loan	378,302	-
Non-financial instruments:		
Prepayments	-	1,373,950
Total trade and other receivables	21,917,121	18,775,671
Split between non-current and current portions		
Current assets	21,917,121	18,775,671
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	21,917,121	17,401,721
Non-financial instruments	-	1,373,950
	21,917,121	18,775,671

Exposure to credit risk

Trade receivables inherently expose the institution to credit risk, being the risk that the institution will incur financial loss if customers fail to make payments as they fall due. The NSI measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. This matrix has been developed by analysing historical default data, specifically focusing on the proportion of receipts relative to the total debt outstanding in the prior year. Additionally, the provision matrix incorporates forward-looking information, including anticipated industry trends, economic conditions, and other factors that may influence credit risk. These forward-looking considerations ensure that the ECL estimation reflects not only past debtor behaviour but also potential shifts in the broader economic landscape and the creditworthiness of customers as of the reporting

	2024	2024	2023	2023
<b>Expected credit loss rate:</b>	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 25% (2023: 28.60%)	7,296,618	1,849,310	5,957,341	922,196
Less than 30 days past due: 0% (2023: 7.20%)	4,846,850	-	1,500,247	350,042
31 - 60 days past due: 0% (2023: 13.30%)	(81,093)	-	2,770,059	263,285
61 - 90 days past due: 56% (2023: 4.94%)	398,978	224,828	1,028,003	95,892
91 - 120 days past due: 8.6% (2023: 45.95%)	12,020,872	1,033,046	9,570,420	1,964,178
<b>Total</b>	<b>24,482,225</b>	<b>3,107,184</b>	<b>20,826,070</b>	<b>3,595,593</b>

## 6. Trade and other receivables

### Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(3,595,593)	(1,969,107)
Remeasurement of loss allowance	488,409	(1,626,486)
<b>Closing balance</b>	<b>(3,107,184)</b>	<b>(3,595,593)</b>

## 7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	17,000	11,310
Bank balances	309,654	3,562,444
	<b>326,654</b>	<b>3,573,754</b>

The carrying amount of cash and cash equivalents approximates the fair value.

## 8. Borrowings

### Held at amortised cost

Bank Windhoek Limited	17,004,611	17,710,995
-----------------------	------------	------------

The loan bears interest at 11.75% (2023: 11.75%) and is repayable in 142 (2023: 154) monthly installments of N\$ 225,083 (2023: N\$225,083) per month. The loan is secured by 1st CMB over Erf 1053 Windhoek.

The Bank Windhoek loan was used to purchase the NSI head offices property.

Installment sale agreement	14,109	491,767
----------------------------	--------	---------

The loan bears interest at 11.75% (2023: 11.75%) and is repaid after year-end (2023: repayable over 10 monthly installments of N\$51,812) per month).

The loan was used to purchase the NSI's motor vehicles.

	17,018,720	18,202,762
--	------------	------------

### Split between non-current and current portions

Non-current liabilities	16,219,113	17,073,262
Current liabilities	799,607	1,129,500
	<b>17,018,720</b>	<b>18,202,762</b>

Exposure to liquidity risk

Refer to note 22 Financial instruments and financial risk management for details of liquidity risk exposure and management.

	2024	2023
<b>9. Post retirement medical aid benefit liability</b>		
<b>Carrying value</b>		
Present value of the defined benefit obligation-wholly unfunded	15,066,000	17,780,000
Current service cost	1,319,000	1,680,000
Interest cost	2,027,000	2,107,000
Subsidies paid	(119,000)	(152,000)
Remeasurements on net defined benefit liability	(1,543,000)	(6,349,000)
	<b>16,750,000</b>	<b>15,066,000</b>
<b>Movements for the year</b>		
Opening balance	15,066,000	17,780,000
Remeasurements on net defined benefit liability	(1,543,000)	(6,349,000)
Net expense recognised in profit or loss	3,227,000	3,635,000
	<b>16,750,000</b>	<b>15,066,000</b>
Net expense recognised in profit or loss		
Current service cost	1,319,000	1,680,000
Interest cost	2,027,000	2,107,000
Subsidies paid	(119,000)	(152,000)
	<b>3,227,000</b>	<b>3,635,000</b>
Key assumptions used		
Assumptions used on last valuation on Sunday, 31 March 2024.		
Discount rates used	15.03 %	13.45 %
Expected rate of return on assets	9.36 %	8.30 %
Expected rate of return on reimbursement rights	10.86 %	9.80 %
Net discount and medical aid contribution inflation rate	3.76 %	3.33 %
Other assumptions.		
Expected average retirement age (years)	60	60
Normal retirement age (years)	60	60
Sensitivity Analysis		
The value of the liability is dependent on the assumptions made to calculate the liability. The change in the liability for a 0.5% decrease in the discount rate would increase the total accrued liability from N\$16,750,000 to N\$17 823 000.		
The change in the liability for a 0.5% increase medical aid inflation would decrease the total accrued liability from N\$16,750,000 to N\$ 14 525 000.		
<b>10. Deferred income</b>		
Government grants	99,574,927	104,074,521
Split between non-current and current portions		
Non-current liabilities	95,767,153	99,699,037
Current liabilities	3,807,774	4,375,484
	<b>99,574,927</b>	<b>104,074,521</b>

## 10. Deferred income (continued)

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the NSI has directly benefited; and unfulfilled conditions and other contingencies attached to government assistance that has been recognised. The funds are treated as deferred income, over the useful life. There are no any other unfulfilled conditions or contingencies attached to these grants.

Deferred income relates to properties constructed using government funding. The liability is systematically written to the statement of profit or loss and other comprehensive income as the properties are being depreciated.

There are no other conditions attached to the government grant.

## 11. Trade and other payables

### Financial instruments:

Trade payables	8,038,546	5,439,404
PAYE	25,644,360	29,949,277
Suspense account/ Unallocated receipts	21,247	128,398
GRN Accrual account	36,086	-
	<b>33,740,239</b>	<b>35,517,079</b>

### Non-financial instruments:

Amounts received in advance	2,384,819	2,401,809
Value Added Tax	9,672,778	8,165,163
	<b>45,797,836</b>	<b>46,084,051</b>

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

At amortised cost	33,740,239	35,517,079
Non-financial instruments	12,057,597	10,566,972
	<b>45,797,836</b>	<b>46,084,051</b>

NSI owes Namibia Revenue Agency (NAMRA) PAYE to the total of N\$ 25,644,360 (2023: N\$ 29,949,277) (excluding interest and penalties) as at 31 March 2024 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/ recognised for both interest of N\$ 11,929,754 (2023: N\$ 11,267,453) and penalties of N\$ 28,483,081 (2023: N\$ 30,056,286) as liabilities in its accounting records. A further payment of N\$ 2,483,578 for PAYE was made between May and October 2024.

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

## 12. Provisions

### Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
13th Cheque	386,864	-	(3,810)	383,054
Leave	4,121,419	-	(1,004,894)	3,116,525
Salary	-	983,324	-	983,324
	<b>4,508,283</b>	<b>983,324</b>	<b>(1,008,704)</b>	<b>4,482,903</b>

	2024 N\$	2023 N\$	
<b>12. Provisions (continued)</b>			
<b>Reconciliation of provisions - 2023</b>			
	Opening balance	Utilised during the year	Total
13th Cheque	407,170	(20,306)	386,864
Leave	4,781,644	(660,225)	4,121,419
	<b>5,188,814</b>	<b>(680,531)</b>	<b>4,508,283</b>

#### 13th Cheque Provision

Provision for the 13th cheque was calculated at 33.33% of the total 13th cheque payable in December for staff members who structured their packages to include a 13th cheque. The bonus liability is anticipated to be paid within the next twelve months. There are no uncertainties envisaged.

#### Leave Provision

Leave is only paid out when an employee resigns. Leave pay is based on the leave days accumulated to a maximum of twenty five working days (25) for management and twenty working days (20) for staff. An employee's leave days is only limited to 25 or 20 working days.

### 13. Revenue

Disaggregation of revenue from contracts with customers

The NSI derives its revenue from contracts with customers for rendering various services as per below.

The NSI disaggregates revenue from customers as follows:

#### Rendering of services

Levies	9,376,426	9,494,720
Metrology services	21,407,450	19,040,368
Testing	8,665,170	10,709,281
Sale of standards	236,710	83,128
Certification services	1,043,698	1,134,154
Inspection	9,152,737	8,520,361
HACCP audits	1,220,211	1,099,162
Training fees	827,063	-
	<b>51,929,465</b>	<b>50,081,174</b>

Disaggregation of revenue is from services transferred to customers at a point in time.

### 14. Other operating income

Other operating income	6,597,656	5,656,548
Donation received	173,495	-
Government grants*	31,735,000	33,675,760
	<b>38,506,151</b>	<b>39,332,308</b>

\* 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 NSI with no future related costs is recognised as income of the period in which it becomes receivable.

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

**14. Other operating income (continued)**

Grants that imposed specified future performance conditions are recognised in income only when the performance conditions are met.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants are initially recognized as deferred income and are recognized to income at the same time that depreciation is recognized.

Grants are measured at the fair value of the asset received or receivable. Grants related to income are presented as a credit in the income statement.

**15. Other operating gains and losses**

**Gains on disposals**

Property, plant and equipment	3	5,484	37,872
Foreign exchange losses			
Net foreign exchange loss		(92,362)	(212,578)
<b>Total other operating losses</b>		<b>(86,878)</b>	<b>(174,706)</b>

**16. Operating (loss)/profit**

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

**Auditor's remuneration - external**

Audit fees*		468,734	353,098
-------------	--	---------	---------

**Remuneration, other than to employees**

Consulting and professional services		2,422,370	458,926
--------------------------------------	--	-----------	---------

**Employee costs**

Salaries, wages, bonuses and other benefits		51,731,277	49,650,773
Other short-term costs		(119,000)	(152,000)
Retirement benefit plans: defined contribution expense		1,319,000	1,680,000
<b>Total employee costs</b>		<b>52,931,277</b>	<b>51,178,773</b>

**Leases**

Leases of low value assets		590,178	1,441,082
<b>Total lease expenses</b>		<b>590,178</b>	<b>1,441,082</b>

**Depreciation and amortisation**

Depreciation of property, plant and equipment		4,991,134	4,375,485
Depreciation of right-of-use assets		1,113,119	288,486
<b>Total depreciation and amortisation</b>		<b>6,104,253</b>	<b>4,663,971</b>

	2024	2023
<b>16. Operating (loss)/profit (continued)</b>		
Expenses by nature		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
<b>Employee costs</b>	52,931,277	51,178,773
Lease expenses	590,178	1,441,082
Depreciation	6,104,253	4,663,971
Other expenses	8,441,999	7,286,907
Computer expenses	3,839,236	2,774,680
Consulting fees	2,422,370	458,926
Cost of consumables recognised as an expense	4,182,020	2,427,467
Micro biology services	843,139	2,415,397
Movement in credit loss allowances	(488,409)	1,626,486
Municipal expenses	2,448,013	1,910,222
Repairs and maintenance	1,229,563	1,712,653
Subscriptions	1,541,044	1,759,063
Telephone and fax	1,058,011	1,099,715
Travel expenses	2,493,448	754,972
	<b>87,636,142</b>	<b>81,510,314</b>
* Auditor's remuneration costs increased in comparison to prior year due to increased scope of work.		
<b>17. Investment income</b>		
Interest income		
Investments in financial assets:		
Bank	117,489	-
Overdue accounts	702,687	1,033,477
Total interest income	<b>820,176</b>	<b>1,033,477</b>
<b>18. Finance costs</b>		
Borrowings	2,169,031	1,895,833
Lease liabilities	620,454	110,062
Interest paid - post retirement benefit	2,027,000	2,107,000
Total finance costs	<b>4,816,485</b>	<b>4,112,895</b>
<b>19. Taxation</b>		
The NSI is exempt from Income tax in terms of Section 16 (1) (e) of the Income Tax Act of Namibia, as amended. Therefore, no current and deferred tax is recognised in the accounting records.		

	2024	2023
<b>20. Cash generated from operations</b>		
(Loss) /profit for the year	(1,283,713)	4,649,044
<b>Adjustments for non-cash items:</b>		
Depreciation	6,104,253	4,663,971
Gains on sale of assets	(5,484)	(37,872)
Losses on exchange differences	92,362	212,578
Movements in provisions	(25,380)	(680,531)
Loss on exchange differences - non-cash adjustment	-	(212,578)
Movements in retirement benefit assets and liabilities	3,227,000	3,635,000
Other non-cash items - PPE transfers	-	834,409
Other non-cash items - note 9	1,684,000	-
<b>Adjust for items which are presented separately:</b>		
Interest income	(820,176)	(1,033,477)
Other non-cash items	357,309	-
Finance costs	4,816,485	4,112,895
<b>Changes in working capital:</b>		
Increase) / decrease in inventories	(908,502)	(1,713,938)
(Increase) / decrease in trade and other receivables	(3,141,450)	(5,554,849)
(Decrease) / Increase in trade and other payables	(286,215)	4,091,671
(Decrease) /Increase in deferred income	(4,849,110)	(4,375,484)
	<b>4,961,379</b>	<b>8,590,839</b>

## 21. Related parties

Relationships

Shareholder

NSC members

The Government of the Republic of Namibia

Dr. Eino Mvula

Mr. Paul Kalenga

Ms. Matilda Jankie-Shakwa

Mr. Vincent Nowaseb

Mr. Lloyd Londt

Dr. Monica Nehemia

Mr. Thaddeus Shigwedha

### Related party transactions

#### Grant

The Government of the Republic of Namibia (Operational grants)	31,735,000	33,675,760
Government grant realised from deferred income	4,849,110	4,375,484

#### Compensation to directors and other key management

Short-term employee benefits	6,087,367	5,847,984
------------------------------	-----------	-----------

Figures in Namibian Dollars

Note(s) 2024 2023

**22. Financial instruments and risk management**

**Categories of financial instruments**

**Categories of financial assets**

**2024**

		Amortised cost	Total
Trade and other receivables	6	21,917,121	21,917,121
Cash and cash equivalents	7	326,654	326,654
		<b>22,243,775</b>	<b>22,243,775</b>

The carrying amounts approximate the fair values.

**2023**

		Amortised cost	Total
Trade and other receivables	6	17,401,721	17,401,721
Cash and cash equivalents	7	3,573,754	3,573,754
		<b>20,975,475</b>	<b>20,975,475</b>

2024 2023

The carrying amounts approximate the fair values.

**Categories of financial liabilities**

**2024**

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	11	33,740,239	-	33,740,239
Borrowings	8	17,018,720	-	17,018,720
Finance lease obligations	4	-	6,304,205	6,304,205
		<b>50,758,959</b>	<b>6,304,205</b>	<b>57,063,164</b>

The carrying amounts approximate the fair values.

**2023**

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	11	35,517,078	-	35,517,078
Borrowings	8	18,202,762	-	18,202,762
Finance lease obligations	4	-	440,232	440,232
		<b>53,719,840</b>	<b>440,232</b>	<b>54,160,072</b>

The carrying amounts approximate the fair values.

## 22. Financial instruments and risk management (continued)

### Capital risk management

The NSI's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the NSI's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The NSI manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, it may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The NSI is not subject to any externally imposed capital requirements.

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

Borrowings	8	17,018,720	18,202,762
Lease liabilities	4	6,304,205	440,232
Trade and other payables	11	45,797,836	46,084,050
<b>Total borrowings</b>		<b>69,120,761</b>	<b>64,727,044</b>
Cash and cash equivalents	7	(326,654)	(3,573,754)
<b>Net borrowings</b>		<b>68,794,107</b>	<b>61,153,290</b>
Equity		(58,981,050)	(59,240,337)
Gearing ratio		(117)%	(103)%

### Financial risk management

#### Overview

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

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

#### Credit risk

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

The NSI is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The NSI only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

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

## 22. Financial instruments and risk management (continued)

The nature of the NSI's debtors is that, most of the debtors are to renew their licence after a year. Therefore once the testing has been done and issued an invoice, the debtors will only pay the invoice when their license is due for renewal. From that, we conclude that the debtors that are long outstanding stand a higher chance of being recovered because the debtors will be forced to pay the outstanding amount for them to get a licence renewal.

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

Credit risk arising on receivables and cash and cash equivalents is managed by evaluating customers creditworthiness to determine the likelihood of defaulting. Credit risk also considers payment history and financial stability of each customer to assist in making informed decisions about credit terms, limits and collection strategies.

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

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost/fair value	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Trade and other receivables	6	25,024,305	(3,107,184)	21,917,121	22,371,264	(3,595,593)	18,775,671
Cash and cash equivalents	7	326,654	-	326,654	3,573,754	-	3,573,754
		25,350,959	(3,107,184)	22,243,775	25,945,018	(3,595,593)	22,349,425

### Liquidity risk

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

The NSI manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

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

						2024	2023
<b>22. Financial instruments and risk management (continued)</b>							
		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
<b>2024</b>							
<b>Non-current liabilities</b>							
Borrowings	8	-	5,402,001	13,505,003	10,353,836	29,260,840	16,219,113
Lease liabilities	4	-	3,768,255	3,021,629	-	6,789,884	5,336,084
<b>Current liabilities</b>							
Trade and other payables	11	33,740,239	-	-	-	33,740,239	33,740,239
Borrowings	8	2,701,001	-	-	-	2,701,001	799,607
Lease liabilities	4	1,677,464	-	-	-	1,677,464	968,121
		<b>38,118,704</b>	<b>9,170,256</b>	<b>16,526,632</b>	<b>10,353,836</b>	<b>74,169,428</b>	<b>57,063,164</b>
<b>Current assets</b>							
Trade and other receivables	6	21,917,121	-	-	-	21,917,121	21,917,121
Cash and cash equivalents	7	326,654	-	-	-	326,654	326,654
		<b>22,243,775</b>	-	-	-	<b>22,243,775</b>	<b>22,243,775</b>
		<b>(15,874,929)</b>	<b>(9,170,256)</b>	<b>(16,526,632)</b>	<b>(10,353,836)</b>	<b>(51,925,653)</b>	<b>(34,819,389)</b>
<b>2023</b>							
		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
<b>Non-current liabilities</b>							
Borrowings	8	-	5,402,001	8,103,002	18,456,838	31,961,841	17,073,262
<b>Current liabilities</b>							
Trade and other payables	11	35,517,078	-	-	-	35,517,078	35,517,078
Borrowings	8	2,701,001	-	-	-	2,701,001	1,129,500
Lease liabilities	4	491,767	-	-	-	491,767	440,232
		<b>38,709,846</b>	<b>5,402,001</b>	<b>8,103,002</b>	<b>18,456,838</b>	<b>70,671,687</b>	<b>54,160,072</b>
<b>Current assets</b>							
Trade and other receivables	6	18,775,671	-	-	-	18,775,671	18,775,671
Cash and cash equivalents	7	3,573,754	-	-	-	3,573,754	3,573,754
		<b>22,349,425</b>	-	-	-	<b>22,349,425</b>	<b>22,349,425</b>
		<b>(16,360,421)</b>	<b>(5,402,001)</b>	<b>(8,103,002)</b>	<b>(18,456,838)</b>	<b>(43,322,262)</b>	<b>(31,810,647)</b>

Professional Idemnity

As part of its risk maangeemmnt, the NSI has a professional idemnity cover of N\$ 10 million (2023: N\$ 10 million).

## 22. Financial instruments and risk management (continued)

### Foreign currency risk

The NSI is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

Foreign currency sensitivity analysis

A 10% weakening of the Namibian Dollar exchange rate versus the world currencies at 31 March 2024 as broadly anticipated by the market would decrease the NSI's profit by N\$ 9,236 (2023: N\$ 21,258). The analysis assumes that all other variables remain consistent.

The NSI does not hedge foreign exchange fluctuations.

### Interest rate risk

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

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

The NSI's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the NSI to cash flow interest rate risk. Borrowings issued at fixed rates expose it to fair value interest rate risk. During 2024 and 2023, its borrowings at variable rate were denominated in the Namibia Dollar.

The NSI analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, it calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

### Interest rate profile

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

### Interest rate sensitivity analysis

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

The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax profit of a 1% shift in interest rates on borrowings would be a maximum increase or decrease of N\$ 21,690 (2023: N\$ 39,719). The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

## 23. Going concern

We draw attention to the fact that at 31 March 2024, the NSI had accumulated losses of N\$ 58,981,050 (2023: N\$ 59,240,337) and that its total liabilities exceed its total assets by N\$ 58,981,050 (2023: N\$ 59,240,337) and its total current liabilities exceed its current assets by N\$ 29,702,033 (2023: N\$ 31,186,194). Furthermore, we draw attention to Note 11 of the annual financial statements which states that NSI owes Namibia Revenue Agency (NAMRA) Pay As You Earn ("PAYE") and Value Added Tax ("VAT") to the total of N\$ 25,644,360 (2023: N\$ 29,949,277) and N\$ 9,672,778 (2023: N\$ 8,165,163) respectively (excluding interest and penalties) as at 31 March 2024 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N\$ 11,929,754 (2023: N\$ 11,267,453) and penalties of N\$ 28,483,081 (2023: N\$ 30,056,286) relating to PAYE and interest of N\$ 3,216,119 (2023: N\$ Nil) and penalties of N\$ 9,250,156 (2023: N\$ Nil) relating VAT as liabilities in its accounting records because NSI will make use of the amnesty programme which has been extended to October 2026. A further payment of N\$ 2,483,578 for PAYE was made between May and October 2024.

The NSI, on the 24 September 2024 requested the Ministry of Industrialisation and Trade and Ministry of Finance and Public Enterprises with NamRA for their intervention in resolving the NSI tax liabilities matter as follows and of which the request is receiving their attention:

- (a) Total write off in full of the NSI debt (capital, interest and penalties);
- (b) Resources be made available to pay NamRA debt before the stated amnesty deadline;
- (c) NSI to be considered for the once off legacy tax write off.

In view of the above conditions, the board has performed a formal review of the NSI's results and its ability to continue trading as a going concern in the foreseeable future and have concluded that the going concern of NSI is highly dependent on the following factors:

1. Securing future Government funding for the continuation of NSI's operations and settlement of NSI's obligations in the normal course of business.

The Standards Act, No. 18 of 2005 outlines the critical legislated functions of the NSI with respect to the development, promotion and maintenance of Namibian Standards and the rendering of conformity assessment services.

It is the view of the board that since these are legislated functions, there is no intention by Government to cease the operations of the NSI in the near future. The Government of the Republic of Namibia (GRN) is committed to supporting the functions of the NSI and in furtherance to this commitment the Ministry of Industrialization and Trade.

2. Successful implementation of the following action plans:

- The NSI in its Integrated Strategic Plan of 2024/2025 – 2026/2027, projected to be profitable with a budgeted profits of N\$16.53m for 2024/2025, N\$26.37m for 2025/2026 and N\$34.38m for 2026/2027 with the contributing factor mainly being new business projected for 2025/2026 and 2026/2027 financial years.
- Successfully negotiate with the Ministry of Mines and Energy for the implementation of the petrochemical laboratory;
- Successfully adhere to the payment plan as negotiated and agreed with NAMRA on PAYE and VAT debt and the subsequent waiving of the interest and penalties as per the tax incentive programme.

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.

#### **24. Events after the reporting period**

The Institution has settled PAYE liability of N\$ 2,483,578. These payments are part of the payment arrangement in place and relate to the liability at the end of current financial year.

The Acting CFO (Mr. Josef Alweendo) resigned effective 25 September 2024.

The Acting Institution Secretary (Mr. Mukuao Kaune) acting period ended on 23 September 2024.

Ms. Tabitha Mbome was appointed as the Institution Secretary effective from 24 September 2024.

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

#### **25. Outstanding taxes and contingent liabilities**

NSI owes Namibia Revenue Agency (NAMRA) Pay As You Earn (PAYE) and Value Added Tax (VAT) to the total of N\$ 25,644,360 (2023: N\$ 29,949,277) and N\$ 9,672,778 (2023: N\$ 8,165,163) respectively (excluding interest and penalties) as at 31 March 2024 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N\$ 11,929,754 (2023: N\$ 11,267,453) and penalties of N\$ 28,483,081 (2023: N\$ 30,056,286) relating to PAYE and interest of N\$ 3,216,119 (2023: N\$ Nil) and penalties of N\$ 9,250,156 (2023: N\$ Nil) relating to VAT as liabilities in its accounting records because NSI will make use of the amnesty programme which has been extended to October 2026. A further payment of N\$ 2,483,578 for PAYE was made between May and October 2024.

**DETAILED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

Figures in Namibian Dollars

	Note(s)	2024	2023
<b>Revenue</b>			
Levies		9,376,426	9,494,720
Metrology services		21,407,450	19,040,368
Testing		8,665,170	10,709,281
HACCP Audits		1,220,211	1,099,162
Sales of standards		236,710	83,128
Certification Services		1,043,698	1,134,154
Inspection		9,152,737	8,520,361
Standards training fees		827,063	-
	13	<b>51,929,465</b>	<b>50,081,174</b>
<b>Other operating income</b>			
Fees earned		6,597,656	5,656,548
Donation received		173,495	-
Government grants		31,735,000	33,675,760
	14	<b>38,506,151</b>	<b>39,332,308</b>
<b>Other operating losses</b>			
Gains on disposal of assets		5,484	37,872
Foreign exchange losses		(92,362)	(212,578)
	15	<b>(86,878)</b>	<b>(174,706)</b>
<b>Expenses (Refer to page 115)</b>			
		(87,636,142)	(81,510,314)
<b>Operating profit</b>	16	<b>2,712,596</b>	<b>7,728,462</b>
Investment income	17	820,176	1,033,477
Finance costs	18	(4,816,485)	(4,112,895)
<b>(Loss) /profit for the year</b>		<b>(1,283,713)</b>	<b>4,649,044</b>

**Namibia Standards Institution**  
Annual Financial Statements for the year ended 31 March 2024

**DETAILED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

	Note(s)	2024(N\$)	2023(N\$)
<b>Other operating expenses</b>		(988,071)	(528,825)
Accreditation		(988,071)	(528,825)
Advertising		(631,162)	(492,440)
Auditor's remuneration - external audit	16	(468,734)	(353,098)
Bank charges		(69,160)	(107,026)
Certification direct expenses		(494,775)	(211,890)
Cleaning		(556,555)	(526,243)
Computer expenses		(3,839,236)	(2,774,680)
Consulting fees		(2,422,370)	(458,926)
Consumables		(4,182,020)	(2,427,467)
Depreciation		(6,104,253)	(4,663,971)
Employee costs		(52,931,277)	(51,178,773)
Fines and penalties		(158,736)	(80,229)
Heavy metal		(281,674)	(563,080)
Insurance		(946,610)	(893,489)
Leases of low value assets		(590,178)	(1,441,082)
Metrology Cost		(39,372)	-
Micro biology services		(843,139)	(2,415,397)
Motor vehicle expenses		(854,316)	(542,587)
Movement in Credit Loss Allowances		488,409	(1,626,486)
Municipal expenses		(2,448,013)	(1,910,222)
Office refreshments		(238,073)	(294,931)
Postage		(359,090)	(492,226)
Printing and stationery		(621,791)	(552,174)
Promotions		-	(3,870)
Protective clothing		(88,987)	(26,185)
Recruitment and relocation expenses		-	3,762
Repairs and maintenance		(1,229,563)	(1,712,653)
Safety kits		-	(9,324)
Security		(354,471)	(361,271)
Sitting Allowances and Retainer Fees		(136,343)	-
Standard For resale - ISO/ SABS		(509)	-
Subscriptions		(1,541,044)	(1,759,063)
Sundry expenses		(191,917)	(551,855)
Telephone and fax		(1,058,011)	(1,099,715)
Training		(511,458)	(396,834)
Transport and freight		(382,268)	(303,092)
Travel - local		(2,493,448)	(754,972)
World Metrology Day expenses		(67,927)	-
		<u>(87,636,142)</u>	<u>(81,510,314)</u>











NAMIBIAN STANDARDS INSTITUTION

 37 Feld Street, Windhoek, Namibia

 P.O. Box 26364, Windhoek, Namibia

 Tel: +264 61 386 400

 Fax: +264 61 386 454

 [query@nsi.com.na](mailto:query@nsi.com.na)

 [NSI\\_Namibia](https://www.facebook.com/NSI_Namibia)

 [www.nsi.com.na](http://www.nsi.com.na)