NSi

NAMIBIAN STANDARDS INSTITUTION

STANDARDS THAT STRENGTHEN THE NATION

INTEGRATED ANNUAL REPORT 2024/2025

NAMIBIAN STANDARDS INSTITUTION

INTEGRATED ANNUAL REPORT 2024/2025

Published by The Namibian Standards Institution
37 Sir Seretse Khama Street
P.O. Box 26364, Windhoek

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

Enquiries: query@nsi.com.na
Facebook: NSI_Namibia
Web address: www.nsi.com.na


ISHIDA
WELCOME !!
uni-3
TARE kg MASS kg R/kg R AMOUNT

Table of Contents

ABBREVIATIONS AND 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
HRRC	Human Resources and Remuneration Committee
IEC	International Electrotechnical Commission
ISO	International Organisation for Standardisation
IT	Information Technology
LIMS	Laboratory Information Management System
LMA	Legal Metrology Authority
MIT	Ministry of Industrialisation and Trade
N$	Namibia 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)
SADCAS	Southern African Development Community Accreditation Service
TBT	Technical Barriers to Trade
TC	Technical Committee
UNSDGs	United Nations Sustainable Development Goals
WTO	World Trade Organisation

1

INTRODUCTION

The Namibian Standards Institution (NSI) proudly presents its Integrated Annual Report for the 2024/2025 financial year, offering a comprehensive overview of its activities.

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 as outlined in the Corporate Governance Code for Namibia (NamCode) and contributes to achieving the United Nations Sustainable Development Goals (UNSDGs). Our financial statements received an unqualified audit opinion from Grand Namibia Chartered Accountants and Auditors. The audit was certified by the Auditor General in accordance with section 19(1) of the Standards Act, 2005 (Act No 18 of 2005).

Scope and Boundary

This integrated report covers our strategy and performance from 1 April 2024 to 31 March 2025. It includes our strategies, governance activities, operational and financial performance, outcomes and risks. Our report considers the perspectives of key stakeholders with significant influence or interest in the NSI. We strive to engage strategically with a diverse range of stakeholders as we implement key programmes and services aligned with our legislative mandate, enhancing our credibility through transparent reporting practices. This annual report details the 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-approved risk management process, the NSI's management identifies key risks, implements internal controls and develops 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)

Forward-Looking Information

In preparing this report, NSI's Senior Management provided its perspectives on the organisation's future outlook and anticipated performance, based on forecasts of local and global economic and political conditions. These forward-looking statements were informed by NSI's Integrated Strategic Business Plan (ISBP) for 2024 to 2028 and are subject to risks and uncertainties. As such, they are unaudited and should not be relied upon for investment decisions. We welcome your feedback, queries, and comments at 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 it considers the content to be accurate, reliable and complete.

Mr. Paul Kalenga
Chairperson of the Namibian Standards Council

Dr. Eino Mvula
Chief Executive Officer


ISHIDA
uni-3
NET
TARE kg
ZERO
MASS kg
SAVE
R/kg
AUTO
R AMOUNT

Mr. Paul Kalenga
Chairperson

Chairperson's Foreword

As the Chairperson of the Namibian Standards Council (NSC), I am pleased to present the Integrated Annual Report for the financial year 2024/2025. This report highlights our achievements, challenges, and strategic direction while emphasising our commitment to sound governance and accountability, as the governing board of the Namibian Standards Institution (NSI). This year has seen remarkable progress for the NSI, characterised by our unwavering commitment to elevating quality and compliance standards throughout Namibia. Our operational performance was guided by our Integrated Strategic Business Plan (ISBP) for the period 2024/2025-2028/2029, in its first year of implementation, strategically aligning our efforts with the critical needs of our stakeholders. The ISBP articulates our strategic objectives and serves as a roadmap for navigating the evolving landscape of standardisation, ensuring we remain responsive to the needs of industry, government, and the community.

> ***"Our strategic focus remains anchored in our commitment to human capital excellence, financial sustainability, strategic partnerships, Quality Assurance and Standardisation Excellence."***

Performance overview

The NSI made significant strides in various areas of our operations, evidenced by our enhanced capabilities in standardisation and conformity assessment. Key initiatives undertaken this year include expanding our metrology services, enhancing our testing and inspection capacities, ensuring we meet and exceed both national and international standards. Noteworthy is our operational efficiency, as we have maintained accreditation across several service areas, including certification, inspection, testing and metrology, thereby reinforcing our credibility as a trusted service provider, regulator and adviser to industry stakeholders. Although we have achieved significant milestones, we recognise the necessity for continuous improvement, particularly in areas requiring urgent attention.

Challenges faced by the NSC

While we celebrate our achievements, we have also faced formidable challenges. Notably, we encountered resource limitations that highlighted our over-reliance on shareholder funding. This necessitated a strategic recalibration, focusing on diversifying income through enhanced regulatory and commercial services, in line with our strategic objective to increase own-generated income. Our human capital remains our greatest asset, yet the execution of essential human resource strategies requires focused attention. The development and implementation of a comprehensive talent management and retention strategy are critical to ensuring we cultivate a high-performance culture rooted in our core values.

Going forward

Our strategic focus remains anchored in our commitment to human capital excellence, financial sustainability, strategic partnerships, Quality Assurance and Standardisation Excellence. The strategic objectives outlined in our ISBP aim to address key challenges, while delivering measurable results that contribute to Namibia's economic landscape. We aim to enhance our corporate image and branding, ensuring that our marks of conformity are widely recognised to increase our brand equity. A more focused approach to developing strategic partnerships will enable us to expand collaborations with other national standards bodies and regulators to enhance Namibia's reputation for quality solutions in both local and international markets. This alignment with our strategic goals is expected to enhance credibility, improve financial sustainability, and reduce overreliance on government funding.

Acknowledgments and appreciation

I wish to express my deepest gratitude to our line Ministry, all stakeholders, partners, and members of the NSC for their unwavering commitment and collaborative spirit. As we strive to achieve the strategic objectives outlined in our ISBP, the support has been vital in driving our initiatives and facilitating meaningful change within our institution. I would also like to recognise the exceptional contributions of the staff, whose dedication and expertise have been instrumental in advancing our goals and enhancing our service delivery.

Together, as we continue this journey of improvement and excellence, I am optimistic that we will build a sustainable future for the Namibian economy, fostering quality standards that benefit all citizens. Thank you for your continued support as we navigate the path forward.

P Kalenga

Mr. Paul Kalenga
Chairperson of the Namibian Standards Council

DR. EINO MVULA
Chief Executive Officer

CEO's Statement

Esteemed stakeholders, it is both a privilege and an honour to present to you our Integrated Annual Report for the Namibian Standards Institution (NSI) for the 2024/2025 financial year. This year has been one of transformation, resilience, and strategic alignment as we continue to solidify our position as the cornerstone of Namibia's socio-economic development through enhanced standardisation and quality assurance. As Namibia navigates through the challenges of economic recovery and growth, our institution is ideally positioned to spearhead initiatives that foster a culture of quality, competitiveness, and compliance among businesses operating within our borders.

Overview of performance for the year

The year under review proved to be particularly fruitful across our strategic themes, especially in the four key areas that emphasise our dedication to our mission and vision.

Human capital excellence

Our pursuit of excellence in human capital has seen significant progress this year. We achieved a remarkable milestone by filling 100% of our critical positions, ensuring we have the right people to drive our initiatives effectively. Employee engagement metrics show a positive trajectory, with engagement levels exceeding the target. However, while we celebrate these achievements, the implementation of our training programmes fell short of expectations due to unforeseen coordination challenges. This shortfall highlighted the need for a more effective training-delivery strategy, which we are addressing proactively. We will continue to dedicate effort to equip our staff with cutting-edge knowledge and skills, fostering a continuous learning environment.

Financial sustainability

In terms of financial sustainability, we are proud to report that the NSI generated N$54.86 million in revenue, exceeding our annual target and last year's revenue of N$51.93 million by N$2.93 million, representing a 5.6% improvement over our previous year's performance. Our income generation strategies have proven effective, yet we faced challenges in debt collection, resulting in debtor days increasing to 120,30 days; shy of our target. This issue, primarily stemming from aged receivables of N$25.1 million, represents 36.6% of total receivables overdue by 120 days. This necessitates a focused engagement with our top 10 customers, who represent a staggering 58.96% of this figure. The proactive revision of our credit policy; the strengthening of collection efforts will be pivotal in managing these risks going forward and more senior management involvement in collection. Moreover we have successfully improved our profit, achieving N$6.57 million against a target of N$6 million, a significant improvement from a loss of N$3.83 million in 2023/2024. This considerable achievement is attributable to rigorous financial management and strategic resource allocation.

Strategic partnerships

Our commitment to enhancing corporate branding and stakeholder relations resulted in a commendably high achievement in brand equity of 69%, outperforming our target of 60% by 9%. This progress signifies that our stakeholders are increasingly recognising the crucial role of the NSI in their businesses and the economy at large. We entered into four mutual recognition agreements (MRAs) with key trading partners, which are instrumental in facilitating compliance and quality assurance of traded products with our trading partners. However, in light of recent regulatory changes, reviewing these agreements is imperative to ensure their continued relevance and effectiveness. We continue engaging in constructive dialogue with relevant authorities to ensure the smooth operation and oversight of these agreements. Our stakeholder satisfaction survey revealed an encouraging overall satisfaction rate of 84%, exceeding our target of 78%. This commendable result serves as a testament to our ongoing efforts to meet stakeholder needs and improve service delivery.

Standardisation and Quality Assurance Excellence

In the realm of standardisation and quality assurance, the NSI developed 84% of our planned standards, surpassing

> ***In the realm of standardisation and quality assurance, the NSI developed 84% of our planned standards, surpassing last year's baseline performance. This achievement reaffirms our commitment to providing stakeholders with effective and applicable standards.***

last year's baseline performance. This achievement reaffirms our commitment to providing stakeholders with effective and applicable standards. However, we faced delays in implementing compulsory standards and metrology regulations, which remain a priority in our strategic initiatives. While we administered only 2% of the targeted compulsory standards this year, we see this as an opportunity to enhance our engagement and collaboration with the Ministry of Justice and our line Ministry. We aim to expedite the approval process for compulsory standards and technical regulations, ultimately leading to their successful gazetting under the Standards Act, 2005, and the Metrology Act, 2022, respectively.

Looking ahead

As we look to the future, the NSI is poised to embark on several strategic projects to fortify our operational frameworks and align with national priorities. Key initiatives for the coming year include the enforcement of the Metrology Act of 2022, further development of our petrochemical laboratory for the fuel integrity programme, the full implementation of a National Standardisation Strategy (NSS) and the review of the Standards Act Regulations to include the provisions for the administration of compulsory standards. This will facilitate the implementation of the import inspection and market surveillance programme. We are confident that these projects will significantly strengthen our efforts to elevate industry standards in Namibia and support sustainable economic growth.

Acknowledgement and appreciation

I would like to extend my heartfelt gratitude to the Honourable Minister and our line ministry for their unwavering support and guidance throughout the year. The Namibian Standards Council, our esteemed governing body, deserves sincere thanks for its strategic oversight, which ensures we remain aligned with national priorities and development goals. To the dedicated staff at the NSI, your efforts, enthusiasm, and unwavering commitment to excellence have propelled us to new heights this year. It is your dedication that allows us to deliver on our promises and foster a sustainable quality culture in Namibia.

Lastly, I wish to thank our stakeholders and customers. Your continued trust and collaboration with the NSI underscore the importance of the NSI to the economy and together we can build a safer, more compliant environment for all Namibians.

> ***"I am proud of our accomplishments this year and eagerly anticipate the journey ahead. Through collective commitment and collaboration, the NSI will continue to be a driving force for quality and standardisation, enhancing the quality of life for all Namibians."***

I am proud of our accomplishments this year and eagerly anticipate the journey ahead. Through collective commitment and collaboration, the NSI will continue to be a driving force for quality and standardisation, enhancing the quality of life for all Namibians. Let us stride forward together, building on our achievements to address the challenges and opportunities that lie ahead.

Dr. Eino Mvula
Chief Executive Officer

2

ORGANISATIONAL OVERVIEW

2.1 About the Namibian Standards Institution

The legislative framework that informs the NSI's mandate comprises the Standards Act, 2005 (Act No 18 of 2005), and the Trade Metrology Act, 1973 (Act No 77 of 1973), as amended and soon to be repealed by the Metrology Act, 2022 (Act No 5 of 2022).

To fully appreciate the mandate of the NSI, it is important to provide an overview of the National Quality Infrastructure (NQI) globally. A National Quality Infrastructure (NQI) is a system comprising organisations (public and private), along with the policies, relevant legal and regulatory frameworks, and practices needed to support and enhance the quality, safety, and environmental soundness of goods, services, and processes. A quality infrastructure is required for the effective operation of domestic markets, and its international recognition is important for enabling access to foreign markets. It is a critical element in promoting and sustaining economic development and environmental and social well-being. The NQI relies on the four elements, namely; metrology, standards, accreditation, and conformity assessment (certification, testing and inspection). Compliance with standards in general is voluntary; however, a mechanism exists as provided for under the World Trade Organisation (WTO) Agreement on Technical Barriers to Trade (TBT Agreement), through which a standard is referenced to describe the technical requirements of the technical regulations, with which compliance is mandatory. The NSI's mandate in terms of key services that it provides is based on relevant provisions of both the Standards Act and the Metrology Act.

Vision

To be the leader in the provision of standardisation and quality assurance services.

Mission

Providing standardisation and conformity assessment services with the aim of safeguarding the health and safety of consumers, protection of the environment and promotion of trade in Namibia.

Brand Promise

Creating peace of mind!

Core Values

The NSI's core values are tabulated below.

CORE VALUES	DEFINITIONS
Stakeholder focus	We are stakeholder centric in the provision of value adding services.
Quality	We uphold excellence in our operations.
Accountability	We are resposible for our actions and the consequences that result from same.
Integrity	We are ethical, transparent, and impartial in our operations.
Agility	Proactive in developing innovative solutions for the betterment of our society.

2.2 Governance Structure

The NSI exists as a public enterprise in terms of the Standards Act, under the Executive Authority of the Ministry of Industrialisation and Trade and is classified as a non-commercial enterprise in terms of the Public Enterprises Governance Act. In accordance with section 6 of the Standards Act, read with section 8 of the Public Enterprises Governance Act, the Minister of Industrialisation and Trade is responsible for the appointment of the Namibian (this ministry does not exist any more) Standards Council (NSC), which is the governing board of the NSI. The Standards Act also makes provision for the appointment of the Chief Executive Officer, as well as the employees of the NSI.

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 established the following committees, each with the delegated functions outlined in their terms of reference: the Technical Committee (NSC-TC), the Human Resources and Remuneration Committee (HRRC), and the Finance, Risk Management and Audit Committee (FRAC).

Namibian Standards Council

Mr. Paul Natangwe Kalenga
Chairperson

Ms. Matilda Jankie
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

Ms. Tabitha Mbome
Legal Advisor and Company Secretary

Organisational Structure

The NSC delegated various matters to the CEO and the 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 a General Manager. These are: 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.

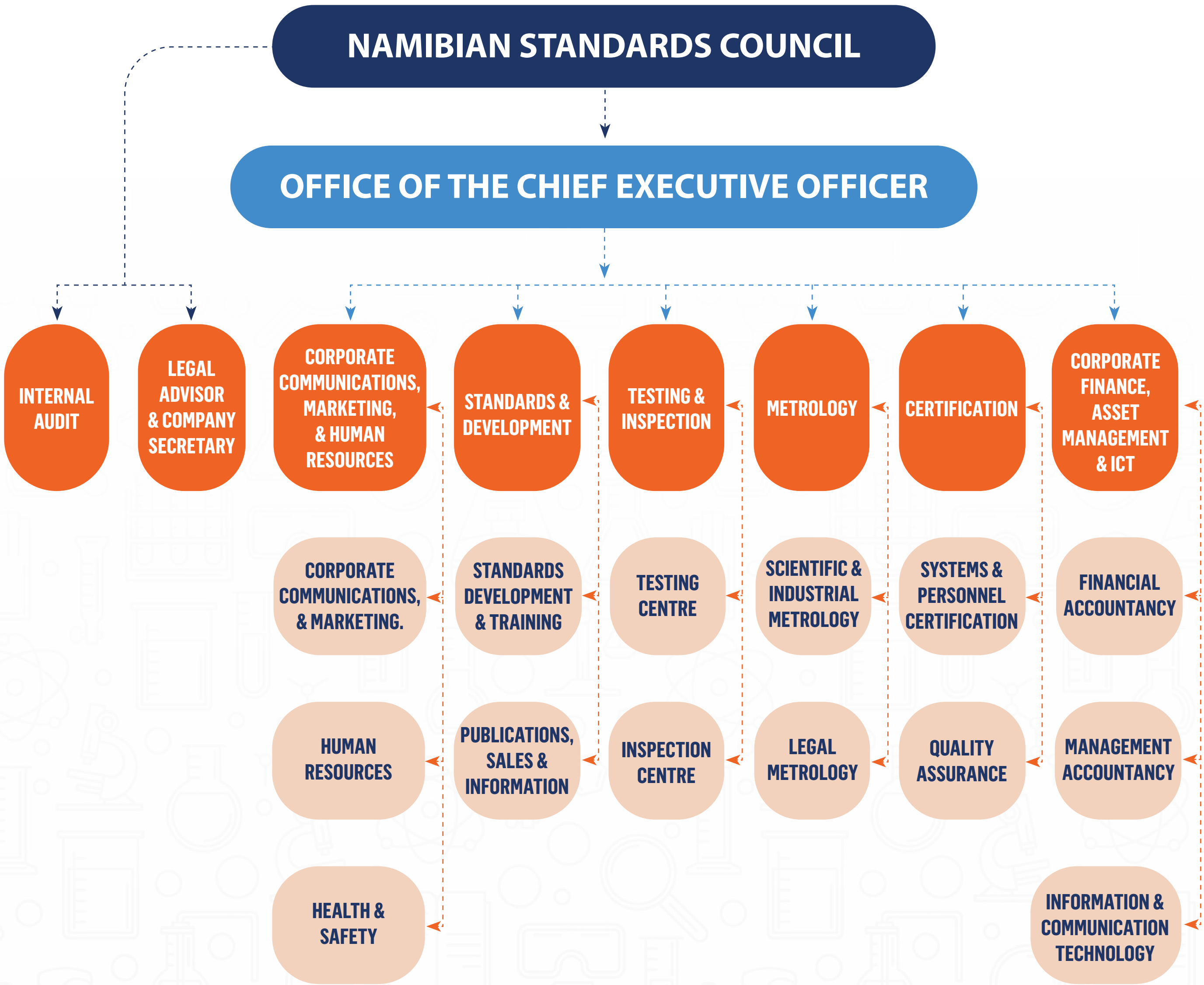

Figure 1: NSI current Organisation Structure

Executive Committee

Dr. Eino Mvula
Chief Executive Officer

Ms. Paloma Ellitson
GM: Testing and Inspection

Ms. Shiimwakondjera Kledura Iipinge
Acting Chief Financial Officer

Ms. Etuukata Nashima
Acting GM: Certification

Mr. Heinrich Amadhila
Acting GM: CCM & HR

Ms. Tabitha Mbome
Legal Advisor and Company Secretary

Mr. Simasiku Matali
Head: Metrology

Ms. Millicent Kapitako
Internal Auditor

Ms. Rosina Shiimbashike
Acting GM: Standards Development

3

STAKEHOLDER ENGAGEMENT

The NSI provides a framework that coordinates and leads stakeholder engagement, which underpins the development, promotion, maintenance, and dissemination of Namibian standards. Our key stakeholders include employees, clients, shareholders, regulators, 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 1.

Table 1: 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.	Strengthen of the NSI resources. Capacity building
Consumer (Society)	Safeguarding the health and safety of consumers	Consumer 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.

4

STRATEGIC CONTEXT

4.1 External Environment Analysis

The macro external environment is influenced by factors related to Political, Economic, Social, Technological, Legal and Environmental (PESTLE) developments and trends. A PESTLE analysis was conducted to understand the macroeconomic environment in which the NSI operates, spot trends, and enable the NSI to position itself to take appropriate tactical and strategic actions. The outcome of the macroeconomic environment analysis, covering the forces and their strategic implications, is reflected in Table 2.

Table 2: PESTLE Analysis for NSI

PESTLE	INFLUENCES/FORCES	STRATEGIC IMPLICATIONS
Political	Good relationship between NSI, OMAS and other regulators.	Support for NSI (a trusted provider for specialised conformity assessment and metrology services)
Economic	Economic growth and new market (e.g. Energy sector)	Impact NSI revenue and sustainability
Social	Consumer behaviour trends and awareness	Brings a demand for conformity assessment services
Technological	Digital transformation and technological advancement	Data analytics, full automation of processes and operational efficiency
Legal	Regulatory and policy framework	Risk management, governance and conformity to by laws.
Environmental	Environmental sustainability and climate change	Sustainability opportunities and new regulatory framework penetration

4.2 Market Trends

The recent and emerging trends shaping the standardisation and quality assurance industry in Namibia include, amongst others:

a) New entrants in the market
A number of conformity assessment service providers - Certification, Standards Training, Testing & Inspection as well as Industrial Metrology - are operating in Namibia.

b) Energy sector
Opportunities are expected to arise with developments in the oil and gas sector, as well as the focus on the green hydrogen and ammonia sector.

c) Regulatory environment
The enactment of the Metrology Act is expected to provide for a broader coverage of metrology functions from trade to measurements in health, safety and the environment, to enhance a secure technical foundation for wider agreements related to international trade, commerce and regulatory affairs for good governance and consumer protection. In addition, discussions are at an advanced stage regarding the drafting of the Food Safety Bill, spearheaded by the Ministry of Health and Social Services. Furthermore, the Water Resources Management Act (Act No. 11 of 2013) came into force in 2023, together with the water quality regulations, which create an opportunity for the referencing of National Standards in Technical Regulations.

d) Technological trends
The trend towards digitalisation, characterised by the ever-increasing integration of people, technology, and industry, is changing the way quality infrastructure and conformity assessment are undertaken. The variety of technologies now available for this purpose makes conformity assessment activities very dynamic.

e) Consumer behavior trends
Consumers are becoming more environmentally aware and more empowered. Studies show that around 65% of consumers are willing to pay more for products/services that are environmentally friendly and socially responsible, and they also increasingly expect companies to pay attention to the environment and be transparent about their behaviours. This increase in market awareness by regulators, the MSME sector, & Consumers regarding the need for standards and conformity assessment is expected to continue, thus creating opportunities in standardisation and quality assurance.

4.3 SWOT Analysis

The identified Internal strengths and weaknesses are listed in Table 3.

Table 3: Internal strengths and weaknesses

INTERNAL ANALYSIS	
STRENGTHS	**WEAKNESSES**
• NSI is the regulator and competent authority for regulated commodities and services under Standard Act and Metrology Act. • Shareholder support in place. • High intellectual capital in standardisation and conformity assessment arena. • Well maintained management systems and accreditation (business systems such as LIMS & ERP). • Strategically positioned in both of Namibia's key fisheries harbour towns, equipped with fit-for- purpose infrastructure that supports comprehensive testing and inspection services. • The ability to establish partnership with international and regional partners that further advance the NSI mandate. • Dynamic work force and visionary leadership	• Non-implementation of key HR strategies (staff development, succession, talent management policy and organisational culture). • Lack of implementation of an effective sales, marketing and stakeholder engagement plan. • Inadequate standardisation and conformity assessment regulatory framework to enable key strategic objectives including the standardisation levy. • Financial dependency on shareholder. • Inadequate organisational integrated approach to service provision.

The identified external threats and opportunities are listed in Table 4.

Table 4: External threats and opportunities

EXTERNAL ANALYSIS	
OPPORTUNITIES	**THREATS**
• Adopt a total cost recovery business model. • Leverage on new emerging services arising from economic diversification National Quality Policy (NQP), new trade agreement and new regulatory framework. • Leverage on development cooperation projects to advance NSI strategy. • Strengthen marketing of NSI service at various avenues. • Increase standardisation awareness (increase demand for NSI services). • Improving business relations through Service Level Agreements (SLA) with service recipients. • Adoption of New machinery, emerging technologies and digitalisation resulting in improved business re-engineering. • Embracing research, innovation and continuous improvement. • Leverage on local, regional and international partnerships. Market research to inform projects and income generating initiatives continuously. • Implementation of the National Standardisation Strategy – (National Standards Plan).	• Fragmented regulatory framework • Increased competition through the entry of new players into the market • Changes in the fishing industry and quota allocations. • Resistance from regulated industries. • Cyber threats.

4.4 NSI Strategy 2024-2028

This ISBP is focused on the Strategic Objectives for the period, the challenges each objective is anticipated to address and the intended results as shown in Table 5.

Table 5: Strategic objectives and their descriptions

CODE	STRATEGIC THEME		SO CODE	STRATEGIC OBJECTIVES (SO)	STRATEGIC OBJECTIVES DESCRIPTION
ST1	Human capital excellence	Our staff are highly skilled, and their collective expertise remains our greatest asset. We actively contribute to community discussions and sector dialogues and are known for our insights in the area of standardisation and quality assurance.	**SO1**	Enhanced human capital and competency to achieve strategic objectives.	This objectives aims at ensuring that a fit-for-purpose organisational structure is designed, critical positions are filled, and staff competence is enhanced through a targeted training and development programmes, coupled with a talent management and retention strategy.
			SO2	Entrenched core values and performance culture.	The NSI aims at becoming one of the public enterprises with a culture driven by its values and performance through the development and implementation of the culture change programme, as well as a robust performance management system
ST2	Financial sustainability	Our function as a national standards body is supported by prudent financial management and income generating business activities that support our role in the economy. We invest in equipment and technology to provide a wide range of services to meet our stakeholders' expectations. Our stakeholders understand the value of our work, which they use to generate greater public and private value across the economy.	**SO3**	Increased own income.	Increased owned generated income remains a key strategic focus area for the NSI as the organisation strives towards attaining financial self-sufficiency. The implementation of this ISBP requires sufficient funds for operational and capital expenditure, therefore there is a need to diversify its income through provision of regulatory and commercial services, supported by a stringent debt management strategy.
			SO4	Improved resource utilisation.	Prudent financial management remains a key strategic focus area for the NSI towards realising efficiency in terms of Return on Assets. This will be achieved through the development and implementation of an asset management strategy.
			SO5	Improved financial gearing of the Institution.	The institution shall strive to reduce its debt relative to its assets by reviewing its financial management policy.
ST3	Strategic partnership	We are recognised for the value we bring to industry, government, and communities. As a trusted regulator and adviser to policymakers and industry leaders, we continue to strengthen our reputation as a credible and influential brand within the community.	**SO6**	Enhanced corporate image and branding.	Increased brand equity is key for the NSI's recognition and acceptance of its marks of conformity. This is realised through the development and implementation of a branding management plan.
			S07	Enhanced strategic partnership and collaboration with other NSBs and regulators.	The NSI shall strive to ensure that Namibia gains required recognition for its quality solutions to support industry to access local, regional and international markets, while pursuing public policy objectives. This will require the NSI to enter into Mutual Recognition Agreements with National Standards Bodies (NSBs) and/or Regulators with Namibia's key trading partners.
			S08	Improved stakeholder relations.	Effective stakeholder engagement increases confidence and satisfaction. This in turn leads to the growth of market share for commercial services and consumer confidence in the NSI relating to its regulatory function. The NSI will develop a marketing plan aimed at increasing uptake of NSI services and a stakeholder management plan aimed at mobilising the participation and ensuring the satisfaction of its stakeholders.

ST4	Standardisation and quality assurance excellence	More Namibians use our trusted solutions to safeguard our people, build economic value, sustain communities and foster development. Our solutions are trusted, compelling and easy to use. Our regional and international influence is strong, connecting Namibia to the world.	**SO9**	Improved standards development to meet stakeholder's needs.	Develop, promote, and maintain Namibian standards, including services aligned to Government's industrialisation strategies or plans. This will be achieved through the development and implementation of the National Standardisation Strategy (NSS) that is informed by the needs of the industry and regulators.
			SO10	Improved regulatory and commercial services provision.	The NSI will ensure increased coverage of regulated products and entities by fully implementing its regulatory mandate as provided for in the Standards Act and Metrology Act. Additionally,, diversification of commercial service offerings will be achieved based on their commercial viability.
			SO11	Improved infrastructure capability.	Under this objective, the NSI will improve equipment availability by increasing uptime relative to total available time, through the development of an asset maintenance plan based on international standards.
			SO12	Improved operational efficiency and effectiveness.	The NSI will ensure a robust and effective management of its operational activities, through the development of fit-for-purpose digital platforms.

5

VALUE CREATION MODEL

The NSI operates a comprehensive value creation model that integrates its primary services with a broad array of stakeholders to ensure the development and maintenance of high standards across Namibia. The value creation model emphasises the interconnectedness of the NSI's activities, stakeholders, and outcomes, ensuring sustainable growth and impact. The NSI's value proposition is that it promotes consumers' health and safety, environmental protection and trade accessibility through standardisation, regulatory services, and quality assurance/conformity assessment services. The NSI thus provides the following services as outlined in Table 6.

Table 6: List of the NSI current and future services, their descriptions and value proposition.

NQI Element	Services	Value Created
Standards	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.
Metrology	Serves the functions of both National Metrology Institute (NMI) and that of a National Legal Metrology Authority (NLA), with the function of realising, declaring of calibration and measurement capabilities, dissemination of measurement traceability and the administration of legal metrology.	Ensuring accuracy and reliability of measurements, fostering trust in trade and scientific research.
Certification	Offering product, management system, and personnel certification services.	Assurance of compliance with national and international standards, enhancing market access and consumer confidence.
Inspection	Conducting inspections to establish compliance with compulsory specifications for establishments, products and processes. Performing the function of a competent authority for fishery products intended to the European market.	Ensuring continued access of Namibian fishery products to the European and other markets through inspection of establishments, processes and product compliance against compulsory specifications, thereby ensuring safety and quality for consumers and industry.
Inspection	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 its value creation efforts, the NSI deployed its Financial, Human, Intellectual, Social, Manufacturing and Relational Capital, as highlighted in Table 7:

Table 7: Our value creation input

Financial capital Our source of financial capital includes own revenue (from the provision of the above listed services and government grant.	• **Revenue:** N$54.86 million, up 5.6% from N$51.93 million in FY 2023/2024. • **Grant:** N$45.10 million, up 42.1% from N$31.74 million in FY 2023/2024. • **Assets:** N$148.11 million, up 20.3% from N$130.95 million in FY 2023/2024. • **Liabilities:** N$179.71 million, up 4.4% from N$170.14 million in FY 2023/2024. • **Profit for the year:** N$6.57 million, compared to a loss of N$3.83 million in FY 2023/2024.
Human capital Our people and their collective capabilities remain our greatest asset in achieving our vision and delivering on our mandate.	• **Workforce:** 106 employees, up 16% from 91 employees in FY 2023/2024. • **Graduate trainees:** 16, up 128.6% from 7 in FY 2023/2024.
Intellectual capital Our intangible assets, which include our brand reputation, knowledge and experience help us to deliver on our mandate.	• More than 16 years of standards development, metrology, testing, inspection, certification and promoting a culture of quality in Namibia.

Social & relationship capital Our relationship with stakeholders includes clients, partners, regulators, technical committees, other public enterprises and Government.	• Implemented stakeholder engagement activities including industry meetings. • Provided platform for effective management of TCs and their programme of work.
Natural Capital Our natural capital represents the natural resources that are used by the NSI and by its clients in their operations.	• Offered training on ISO 14001. • Finalisation of the launch of ISO 14001 certification scheme. • Standardisation services to support fisheries and agricultural sector. • Technical committee (TC 24) on hydrogen technology established.
Manufacturing capital Our manufacturing capital represents our business structure, physical infrastructure, equipment and digital infrastructure.	• The NSI maintains a presence in key industrial hubs across Namibia, including Windhoek, Walvis Bay, and Lüderitz. • Laboratory equipment is continuously upgraded to support high-quality testing and inspection services. • New information technology platforms have been acquired, including the Laboratory Information Management System (LIMS) and the SAP ERP system.

6

GOVERNANCE AND RISK MANAGEMENT

6.1 Framework for Governance

The NSI was established through the Standards Act, Act 18 of 2005, as a juristic person and as a national institution for the promotion, issuance and maintenance of standards in Namibia. The Public Enterprises Governance Act of 2019 applies to the NSI, which requires the NSI to provide regular feedback in compliance with the Public Enterprises Governance Act to the Minister of Finance and Public Enterprises and the Minister of Industrialisation and Trade. All NSC Members over the year under review signed performance agreements with the shareholder in terms of section 12 of the Public Enterprises Governance Act. The NSI must, no later than six (6) months after the end of each financial year, submit its annual report to the Minister of Industrialisation and Trade, upon which the Minister must submit the annual report to National Assembly.

Internal governance

The NSI has a Board of Directors, known as the Namibia Standards Council (NSC) and Management Charters, which outlines the different limits of authority, as well as the roles and responsibilities of the various NSC Committees, NSC Members and Management. The Corporate Governance Code for Namibia (NamCode) and King report on governance provide the establishment of structures and processes, with appropriate checks and balances that enable NSC Members, together with Management, to discharge their legal responsibilities and oversee compliance with legislation. The NSI voluntarily subscribes to the NamCode.

Separation of powers and responsibilities

The NSI's Code of Conduct and Ethics and Delegation of Authority require all employees and persons acting on behalf of the NSI to always act ethically and professionally, upholding the NSI's core values, standards, and principles. These documents clarify what is deemed acceptable business behaviour for any NSI employee, to ensure the long-term sustainability of NSI's business.

Roles and function of the NSC

The NSC is primarily mandated to ensure the sustainability and successful continuation of the NSI's business activities by providing strategic direction to the Executive Management. The NSC provides effective corporate governance, which involves monitoring its relationships with the NSI's Management. The NSC provides decisive leadership on key strategic matters to create value by supporting the NSI's purpose and vision.

The NSC is mandated to ultimately be responsible for the business strategy and financial soundness of the NSI. The NSC is further mandated to ensure that key personnel positions/decisions are filled and that internal organisational and governance structures/practices, risk management, and compliance obligations are met and adhered to. The shareholder (Minister of Industrialisation and Trade) is responsible for appointing the NSC Members, who should have knowledge, experience and skills in commercial standards, commerce, industry, consumer, and labour matters.

NSC composition

As of 31 March 2025, the NSC comprises seven (7) members, of whom the majority are non-executive and independent, including the Chairperson and one Executive Member, the Chief Executive Officer (CEO). The independent, non-executive members have diverse skills, experience and backgrounds, and all have a comprehensive understanding of the industry and the mandate of the NSI. The NSC delegated some of its functions, though not its responsibilities, to the NSC Committees, to increase efficiency and focus on areas of expertise. The committees are created and mandated fully by the NSC, through section 13 of the Standards Act, together with the approved Terms of Reference.

The committees are the NSC-Technical Committee (NSC-TC), Finance, Risk Management and Audit Committee (FRAC) and Human Resources and Remuneration Committee (HRRC). Under the direction and oversight of the NSC, Exco carries out and manages the activities of the NSI in a manner consistent with the NSI's ISBP, risk appetite and other policies/procedures approved by the NSC.

Namibia Standards Council (NSC)

During the period under review, the NSC in its second year of the implementation of the 2024/2025-2028/2029 Integrated Strategic Business Plan (ISBP), reviewed and approved the Delegation of Authority to ensure alignment with current best practices in good corporate governance and the terms of reference for the different NSC committees. The various committees' ToRs assigned roles and responsibilities to the NSC, and demarcated matters reserved for the NSC's decision, mostly on recommendations made by NSC committees.

The NSC also approved the Performance Management Policy and Procedure, which provides oversight for the attainment of the strategy goals as set out in the ISBP. Keeping true to its mandate, the NSC approved the National Standardisation Strategy (NSS), a document that provides a national overview of the medium-term standardisation priorities for government over three (3) years. The NSC approved the 2025/2026 Annual Business Plan.

The benchmark exercise on the regulation of bulk oil storage for the United Republic of Tanzania, which Management attended with the support of the NSC, led to the approval of the NSI as the designated competent authority for monitoring petroleum fuel quality and quantity within Namibia. This will assist the Ministry of Mines and Energy in implementing Namibia's bulk petroleum import coordination (BPIC) system, managing the National Oil Storage Facility (NOSF), and overseeing the National Fuel Quality and Quantity Integrity programmes in the petroleum midstream and downstream sectors. The NSC ensures that the mandate of the NSI is fulfilled, as evidenced by the approval of the ISO 45001 Mark of Conformity.

The NSC's focus during the period under review was to strengthen operational efficiencies and compliance by the approval of various policies/procedures, such as the Whistleblower Policy, Risk Management Policy, ICT Security Management Policy and ICT Management and Usage Policy, among others.

NSC effectiveness

An evaluation of the NSC was conducted during the period under review, where it received an overall performance rating of 95% in an evaluation conducted by PwC.

Embedding ethical conduct

NSC Members, executives, employees, and suppliers are expected to sign and comply with the NSI's Code of Conduct annually and at each meeting declare their interests, should there be any. This includes formal processes for declaring interests that may constitute a conflict of interest.

Attendance at NSC meeting and NSC Committee meetings

The NSC achieved 100% attendance in 2024. This reflected the commitment of members to understand, engage with, and provide informed leadership on the challenges faced by the NSI during the period under review and to address them to ensure sustainability and long-term performance.

During the period under review, the NSC constituted the following Members and held four (4) meetings as indicated in Table 8.

Table 8: Attendance of NSC meetings by members during the year under review

Name	(Q1)	(Q2)	(Q3)	(Q4)	Attendance
Mr. P Kalenga (Chairperson)	✓	✓	✓	✓	100%
Ms. M Jankie-Shakwa	✓	✓	✓	✓	100%
Mr. V Nowaseb	✓	✓	✓	✓	100%
Mr. T Shigwedha	✓	✓	✓	✓	100%
Mr. L Londt	✓	✓	✓	✓	100%
Dr. M Nehemia	✓	✓	✓	✓	100%
Dr. E Mvula (CEO)	✓	✓	✓	✓	100%

NSC committees

The NSC delegated its responsibilities to its committees to assist it in meeting specific governance oversight responsibilities. Each committee comprises a minimum of three (3) members, of whom the majority are Independent Non-executive Directors. Each committee is satisfied that it fulfilled its responsibilities in accordance with its terms of reference for the financial year. The NSC established the following committees to assist in its oversight function.

Human Resource and Remuneration Committee (HRRC)

During the period under review, the committee held four (4) meetings under the leadership of Ms. Jankie-Shakwa, with ordinary members being Mr. Nowaseb, Mr. Shigwedha and Dr. Mvula (CEO) as shown in Table 9. The role of the HRRC Committee, as per its Terms of Reference, is to determine and recommend the company's remuneration strategy, HR policies, and framework. The committee further oversees the succession planning for the Executive and Senior Management. During the period under review, the Committee recommended for approval to the NSC the following policies and procedures: Recruitment and Selection Policy, Leave Management Policy, and Performance Management Policy.

During the period under review, guidance was provided to Management on the implementation of a salary increase proposal for senior managers after a comprehensive benchmarking exercise, incorporating various remuneration options and the filling of twenty-one (21) critical vacant positions based on the approved structure, which supports the fulfilment of the NSI's mandate and ISBP.

The committee provided oversight to Management to ensure that overtime spending does not become a financial burden on the NSI and that Management implements a leave plan within the organisation to reduce the slightly high leave balance for comfort. The committee resolved to recommend to the NSC the establishment and appointment of three critical positions for the implementation of the Fuel Integrity Programme.

Table 9: Attendance of HRRC meetings by members during the year under review

Name	(Q1)	(Q2)	(Q3)	(Q4)	Attendance
Ms. M. Jankie-Shakwa (Chairperson)	✓	✓	✓	✓	100%
Mr. V. Nowaseb	✓	✓	✓	✓	100%
Mr. T. Shigwedha	✓	✓	✓	✓	100%
Dr. E. Mvula	✓	✓	✓	✓	100%

Finance, Risk Management and Audit Committee (FRAC)

The role of the committee is to assist the NSC in discharging its duties related to the oversight of the assurance and integrity of the NSI's assets, oversight of IT governance, financial reporting and IT strategy, which support the business and are integrated into the business strategy and the information security management system that was developed and implemented. Furthermore, under the leadership of Mr. L Londt, the committee is comprised of ordinary members, Dr. Nehemia, Mr. Shigwedha and Dr Mvula (CEO). During the period under review, the committee recommended to the NSC for the approval of its terms of reference.

Internal Audit is integral to the NSI's governance structure, operating under policies established by the NSC and monitored by this committee. The committee engaged in matters related to the development of various ICT policies, such as the ICT Security Management Policy and the ICT Management and Usage Policy, which aim to outline the NSI's principal position on the governance, management, operation, maintenance, and development of its ICT infrastructure. The committee ensured that these ICT policies and procedures received approval from the NSC, with the primary goal of protecting the NSI from unauthorised access and ensuring compliance with governing the use of ICT assets and services.

During the period under review, the committee held four (4) meetings. It recommended the Whistleblower Policy, the Annual Price Increase for NSI's Services for FY2024/2025, and the disposal or write-off of obsolete assets to the NSC for approval. The committee was instrumental in ensuring the implementation of effective strategies to improve debt collection processes, manage credit terms better and ensure the timely completion of the external audit. Additionally, it recommended the 2025/2026 NSI Annual Business Plan, and the 2025/2026 budget, to the NSC for approval before the commencement of the new financial year. The attendance of members at the meeting is listed in Table 10.

Table 10: Attendance of FRAC meetings by members during the year under review

Name	(Q1)	(Q2)	Ordinary Meeting)	(Q3)	(Q4)	Attendance
Mr. L. Londt (Chairperson)	✓	✓	✓	✓	✓	100%
Dr. M. Nehemia	✓	✓	✓	✗	✓	80%
Mr. T. Shigwedha	✓	✓	✓	✓	✓	100%
Dr. E. Mvula	✓	✓	✓	✓	✓	100%

NSC- Technical Committee (NSC-TC)

During the period under review, the committee held four (4) meetings under the Chairpersonship of Mr. V. Nowaseb, with ordinary members being Ms. M. Jankie-Shakwa, Dr. M. Nehemia and Dr. Mvula (CEO) as listed in Table 11. This Committee advises the NSI on overall compliance with the requirements of the World Trade Organisation (WTO), Technical Barriers to Trade (TBT) and relevant Trade Agreements, including, but not limited to, SADC, at the national level. The committee, in its role as the technical advisory committee to the NSC, provided advice during one of the most important activities: the development of the National Standardisation Strategy for Namibia (NSS). The strategy provides an overview of the priorities for standardisation, which will impact the Government's priorities, as envisaged in the national development plans, the mineral beneficiation strategy, the national trade policy, the Namibia Industrial Policy 2012/2013 and the Growth at Home strategies.

Furthermore, the committee was instrumental in ensuring the appointment of the NSI as a the designated competent authority for monitoring petroleum fuel quality and quantity within Namibia, which will assist the Ministry of Mines and Energy to implement Namibia's Bulk Petroleum Import Coordination (BPIC) system, management of National Oil Storage Facility (NOSF) and National Fuel Quality and Quantity Integrity programmes in the petroleum midstream and downstream sector. Under the direction of the committee, the NSI's mandate to develop and implement ISO 45001:2018, the Occupational Health and Safety Management System certification scheme, led to the approval of the ISO 45001 Mark of Conformity by the NSC. This certification scheme aims to provide an industry conformity assessment tool to demonstrate compliance with health and safety requirements.

During the period under review, the committee was instrumental in ensuring that the NSI maintained its accreditation on the ISO/IEC 17020 and ISO/IEC 17025. Under the guidance of the committee, accreditation was granted by SADCAS on the Scientific and Industrial Division, concentrated on strengthening the capacity of the Pressure Metrology Laboratory and phase three (3) of the NSI-Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), resulting in the publishing of the Roadmap for Developing and Implementing GH2 National Standards and establishing the NSI's role in the GH2 Value Chain of project. The committee was very instrumental in ensuring that the Joint Declaration of Intent and the initiation of the Quality Infrastructure for the Green Hydrogen project valued at €750,000.00, were forwarded to the Office of the Attorney-General and the Ministry of International Relations and Cooperation for signature on the NSI-PTB project.

As a technical advisory committee, it played a role in ensuring that certain Namibian establishments were on the approved list for exporting fishery products to the European Union.

Table 11: Attendance of NSC-TC meetings by members during the year under review

Name	13 August 2024 (Q1)	30 October 2024 (Q2)	17 February 2025 (Q3)	13 May 2025 (Q4)	Attendance
Mr. V. Nowaseb (Chairperson)	✓	✓	✓	✓	100%
Ms. M. Jankie-Shakwa	✓	✗	✓	✓	75%
Dr. M. Nehemia	✓	✓	✓	✓	100%
Dr. E. Mvula (CEO)	✓	✓	✓	✓	100%

6.2 Risk Management Strategy and Internal Audit

The NSI adopted an enterprise-wide risk management approach, ensuring that all material risks are addressed within a structured, systematic framework. Oversight is vested in the NSC through the Finance, Risk and Audit Committee, which governs risk in line with the Enterprise Risk Management Framework (ERMF). This framework encompasses the risk strategy, policies, procedures, and defined risk appetite and tolerance levels.

The NSI's comprehensive risk management process entails identifying, assessing, mitigating, monitoring, and reporting enterprise, business continuity, and fraud risks. This process provides reasonable assurance that NSI's value-creation strategy and strategic objectives are achieved. By balancing opportunities with associated risks, the NSI safeguards stakeholder interests while ensuring sustainable value creation over the short, medium, and long term.

Risk appetite and tolerance thresholds are central to our ERMF. These measures align with the NSI's overall strategy and objectives, while taking into account stakeholder expectations and other strategic priorities.

Overall risk movement – top risks
The top risks register is a compilation of the key risks identified as detrimental to the operations and existence of the NSI. The top risks are compiled by analysing all risks identified institutionally, after which management will determine, based on operations, which are suitable for classification as a priority. During this period, five risks were classified as priorities.

At the beginning of the financial year 2024/25, Internal Audit and Management reviewed the entire strategic risk register, and the priority (top) risks were identified and, together with their mitigating actions, are listed in Table 12 below:

Name	Risk	Mitigation Action
Risk 1	Going concern of the NSI (risk of not being able to operate) in part due to inability to service debts.	Management entered into repayment agreements with major debtors. Management also tracks expenditure to ensure that it is within budgetary allocations.
Risk 2	Lack of legal basis for market surveillance and import inspection services to be rendered.	Management concluded the review of the Standards Act Regulations, Import Inspection, and Market Surveillance and will be followed by a review and validation process by an external legal expert.
Risk 3	NSI not being appointed as inspection authority of fish and fisheries product, canned fish and canned meat products.	Commencement of the review of the Compulsory Specifications, which are now with the Ministry of Justice and the NSI is awaiting feedback.
Risk 4	Critical shortage of staff (as per the FY2021/22 structure) to carry out current operations due to lack of funds for recruitment, which is affecting the performance of current existing operations.	Filling of vacancies as per the approved Workforce Plan for 21 positions.
Risk 5	Inability to attract new customers due to delays in implementation of the Marketing Plan.	The recruitment for marketing personnel to action the marketing plan.

Table 12: NSI top 5 Strategic Risks

Internal Control System

The Internal Audit Department provides independent and objective assurance through a risk-based methodology. It evaluates the effectiveness of internal controls, risk management, compliance, and governance processes, offering reasonable assurance on their adequacy.

The responsibility for NSI's Internal Control System lies with the NSC, which reviews its effectiveness under the oversight of the Finance, Risk and Audit Committee (FRAC). The system is supported by a strong control environment, proactive risk management, and clearly defined policies and procedures. Together, these ensure that risks are effectively addressed and NSI's objectives are achieved.

Internal Audit further contributes by providing assurance and advisory services, applying a systematic and disciplined approach to improve the effectiveness of governance, risk management, and control processes.

Internal Audit Charter

The Internal Audit Charter, approved by FRAC, defines the purpose, scope, authority, responsibilities, and status of the Internal Audit function. It provides a framework for its activities, which are guided by the Internal Audit Procedure Manual, the Institute of Internal Auditors (IIA) Mandatory Guidance, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The Internal Audit Service (IAS) department operates in full conformity with IIA standards. The Chief Audit Executive reports administratively to the Chief Executive Officer and functionally to FRAC, thereby preserving independence and objectivity. Internal auditors maintain professional membership with the IIA in both Namibia and South Africa, which are affiliated with the global body.

During the year, risk-based audits focused on the following key areas fundamental to the NSI's operations:
- Information technology systems environment.
- Reliability and integrity of financial and operational performance information.
- Safeguarding of NSI assets and compliance with relevant laws and regulations.

Fraud and corruption

The FRAC oversees fraud and corruption prevention measures within the NSI. Key mechanisms include:
- Logging and monitoring risk incidents in the operational risk register.
- Implementation of a whistle-blowing policy that encourages employees to report suspected corrupt, fraudulent, criminal, or unethical practices.

All reported incidents of fraud and corruption during the year were investigated by the Internal Auditor, in line with the NSI's governance standards.

7

STRATEGIC OBJECTIVES AND OUTCOMES

The NSI's ISPB is anchored on four strategic themes, 12 strategic objectives and 22 KPIs. A traffic light system (green, amber, red) is used, with green being 100% achievement, and amber being 50% achievement or if the target was set to be the same as the baseline, red being less than 50% (not achieved or could not be determined).

The detailed performance results are provided below, which reveal that the following are outlined in Table 12, shows that 56% of the KPIs are green; 9% are amber, and 35% are red, giving an overall corporate performance of amber to green.

The performance results reveal an overall amber-to-green performance against NSI's corporate objectives, with 56% of Key Performance Indicators (KPIs) achieving full targets (green), 9% meeting the monitoring threshold (amber), and 35% requiring urgent attention (red).

Strengths observed within the NSI include robust relationships with regulatory bodies, substantial intellectual capital and strategic infrastructure. Conversely, the challenges highlighted comprise the non-implementation of essential HR strategies and an over-reliance on shareholder funding. Externally, the organisation faces increased competition and legislative hurdles. Still, it also presents opportunities, such as a newly established total cost recovery model and heightened awareness of standardisation services. The NSI's performance achievements against set targets are detailed in Table 14.

Table 13: Summary of Performance results per strategic themes

Strategic Theme	# of KPI with 100% achievement	# of KPI with 50% and above achievement	# of KPI with less than 50% achievement	Total
ST1: Human capital Excellence	2	1	2	**5**
ST2: Financial sustainability	3	1	1	**5**
ST3: Strategic partnership	3	0	2	**5**
ST4: Standardisation and quality assurance excellence	5	0	3	**8**
Total	**13**	**2**	**8**	**23**
Percentage (%)	**56%**	**9%**	**35%**	**100%**

Strategic Theme 1: Human Capital Excellence

Strategic Objective	Measure / Performance Indicator	Baseline	Annual Target for 2024/2025	Actual Achievements 2024/2025	Deviation Actual vs Target	Reason for Deviation and Corrective Actions (if applicable)
SO1: Enhanced human capital and competency to achieve strategic objective	% of Critical positions filled.	0%	60%	100%	+40%	Target exceeded. All 21 positions identified for the NSI Workforce Plan 2024/2025 filled.
	% Staff trained in line with the approved training and development plans.	50%	100%	0%	-100%	Lack of proper coordination prevented the implementation of Training and Development Plan. For the new financial year, a plan is developed with new operational procedures for implementation.
SO2: Entrenched core values and performance culture	Employee Net Promoter (ENPs) score/ rating.	TBD	8	-48 {Scale: -100 to 100] or -4.8 [Scale -10 to 10	-4.8	The ENPs target of five (5) initially set on a scale of (1-10) was unrealistic. Since a score of 5 is midpoint on a scale of (1-10), a realistic score of zero (0) on a scale of (-10 to 10) is adopted. As corrective action, emphasis will be placed on implementation of the recommendation from the Survey Report as part of Culture Transformation and Change Management Project.
	Employee engagement level (%)	TBD	50%	52.5%	+2.5%	Target Exceeded, however, implementation of the recommendation from the Survey Report will be prioritised.
	Overall organisational performance score / rating.	50%	80%	70%	-10%	Performance within acceptable Threshold.

Strategic Theme 2: Financial Sustainability

Strategic Objective	Measure / Performance Indicator	Baseline	Annual Target for 2024/2025	Actual Achievements 2024/2025	Deviation Actual vs Target	Reason for Deviation and Corrective Actions (if applicable)
SO3: Increased own income	Increase in own income (N$)	N$51.9 mil	N$53.40 million	N$54.86 million	+N$1.46 million	The actual revenue is 3% above target.
	Number of Debtors days	120 days	90 days	120 days	30 days short of target	As of 31 March 2024, the aging of customer receivables totals N$25.1 million with a significant N$9.1 million (47.41%) due in the 120-day aging category. The top 10 customers represent 58.96% of this figure, warranting focused engagement to recover outstanding debts. Strategic initiatives, such as revising the credit policy and increasing collections efforts, have been prioritised to mitigate these risks
SO4: Improved resource utilisation	Own income to Cost ratio	63%	60%	62%	+2%	This is within acceptable threshold. Own income is 57,320,229, while total expenditure adjusted for ECL and Bonus Provision is 92,667,088.
	Profit for the FY (EBIT) (N$)	-N$3.83 mil	N$2.76 million	N$ 6.57 milion	+N$3.81 million	The target was set to N$ 6 mil which implies a +N$2.76 million above target before ECL and Bonus. The actual profit for the year is 138% above target.
SO6: Improved financial gearing of the Institution	Decrease in tax liability - NAMRA debts (N$)	N$ 26 million	N$26 million	N$ 21.4 million	Reduction by N$ 4.6 million	This target was exceeded, as remains focused on timely payments the NamRA current payment and also utilising any excess amount available to pay NAMRA's legacy debt.

Strategic Theme 3: Strategic Partnership

Strategic Objective	Measure / Performance Indicator	Baseline	Annual Target for 2024/2025	Actual Achievements 2024/2025	Deviation Actual vs Target	Reason for Deviation and Corrective Actions (if applicable)
SO6: Enhanced corporate image and branding	Percentage in brand equity	TBD	60%	69%	+9%	The actual brand equity is 9% above target.
SO7: Enhanced strategic partnership and collaboration with other NSBs and regulators	Number of Mutual Recognition Agreement (MRA) entered into with key trading partnership.	4	4	4	Agreements are in place, however, they are due for review.	The NSI has 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 Inspecção do Pescado (INIP) of Mozambique. These agreements facilitate the recognition of inspection services for products destined for these countries from Namibia. The agreements are due for review; however, the delay is necessary to allow for the amendment of Standards Act regulations (which is currently underway) for the administration of compulsory standards and implementation of the import inspection and market surveillance programme.
	Percentage MRAs yielding indented results.	50%	50%	50%	Agreements are in place, however, they are due for review.	Only NRCS and BOBS agreements are being implemented, however, their scopes need to be reviewed to cover all regulated products traded between Namibia and the respective trading partners.
SO8: Improved stakeholder relations	Percentage increase market share for commercial services.	TBD	30%	Not Measured	Not Determined.	TORs for market research are drafted and consultants to be appointed during Q1 of 2025/2026.
	Percentage stakeholder satisfaction.	75%	78%	84% (88% Certification, 91% Testing & Inspection 83% Metrology; 75% Standards)	3%	The target was achieved based on the average stakeholder satisfaction from the department. A stakeholder satisfaction survey at NSI corporate level will be conducted during Q1 of 2025/2026.

Strategic Theme 4: Standardisation and Quality Assurance Excellence

Strategic Objective	Measure / Performance Indicator	Baseline	Annual Target for 2024/2025	Actual Achievements 2024/2025	Deviation Actual vs Target	Reason for Deviation and Corrective Actions (if applicable)
SO9: Improved standards development to meet stakeholders' needs.	Percentage of standards developed against annual work programme.	70%	80%	84%	+4%	Target exceeded.
	Number of standards referenced in regulations	15	35	24	-11	It was established that only 21 Namibian standards have been referenced in legislation, namely; 19 under the Road Traffic and Transport Act 22 of 1999 and two (2) under the standards Act 18 of 2005. The NSI prioritises the referencing of Standards under the Standards Act, as well as under the Metrology Act, 2022. A list of priority standards was drawn and a project for the review of Standards Act regulations to include provisions for the administration of compulsory standards and introduction of a levy system for the regulated products. NSI will intensify its engagement with MIT to address policies and operational matters related to the NSI's regulatory functions under the Standards Act, 2005
SO10: Improved regulatory and commercial services provision	Percentage of targeted compulsory standards administered	2%	from 2% to 20%	2%	-12%	Three (3) Compulsory standard specifications (canned fish, canned meat, frozen fish) are currently with the Ministry of Justice's legal drafters. Delay was experienced in the finalisation of these compulsory standards. The fourth compulsory specification (frozen crab) on hold pending conclusion of three (3) currently in progress to ensure harmonised format. The NSI continues to work closely with the Ministry of Justice to expedite the development of Compulsory Standards to have them ready to be declared by the Minister under section 20(6) of the Standards Act, 2005).

SO10: Improved regulatory and commercial services provision	Percentage of technical targeted regulations under the Metrology Act administered	0%	30%	0%	-30%	The commencement of the Metrology Act (Act No 5 of 2022) was placed on hold pending a workshop to be held between the NSI and MIT to provide clarification on the readiness of the implementation. Standards development completed and pending Gazetting under (1) Sale of Goods Labelling (2) Sale of Goods Tolerance (3) Net Quantity ready to be declared as Technical Regulations under section 13 of the Metrology Act, 2022. As corrective action, the NSI continues to engage MIT for the matter to be addressed.
	Percentage of new commercial services offerings against planned.	0%	20%	44% (comprising of 50% testing, 33% metrology; 50% certification)	+24%	Target Exceeded. • Testing: diversification – 4/8 accredited in Sept 2024, rolled out to customers, namely: Lipophilic, Mercury-Backup, Quantitative Vibrio, Quantitative Listeria monocytogenes. • Metrology: One (1) (Pressure) introduced to customer out: Three (3) (humidity, pressure, electrical). • Certification: One (1) (ISO 45001 Certification Scheme) introduced to customers out of two (ISO 45001 and ISO 14001 Certification Scheme)
SO11: Improved infrastructure capability	Percentage of equipment availability	TBD	85%	90%	+5%	Achievement is within acceptable threshold as a number of equipment was acquired through the EU-EPA project. This KPI is expected to improve with the NSI Capex equipment tender, which was awarded in February 2025.

SO12: Improved operational efficiency and effectiveness	Percentage of Business process re-engineered.	30%	60%	65%	+5%	Our commitment to the continuous improvement of operations is evident as we maintain accreditation 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. The NSI embarked on rolling out the development and implementation of a management system that meets the ISO 9001 requirements, allowing the organisation to deliver results that meet and exceed international service quality and efficiency standards. The implementation of
	Percentage implementation of identified digitalisation solutions.	50%	60%	50%	+5%	Microsoft 365 - 100% complete C- Suite for ISBP monitoring and PMS: 100% Complete. Laptop Replacement 100% Complete. Network upgrade - 60%. A review of the ICT Strategy is necessary in order to give impetus to the implementations of these solutions: Business Intelligence Software; SAP Ledger for Inspection; GPS enabled solution for the management field work i.e legal metrology, as well as the import inspection and market surveillance.

8

OPERATIONAL PERFORMANCE

8.1 Standards Development and Coordination

(a) Departmental mandate

The main function of the Standards Development and Coordination (SDC) is to facilitate, prepare and develop Namibian standards (NAMS) in accordance with International Code of Good Practice, as specified by Annex 3 to the World Trade Organisation agreements and International Organisation for Standardisation directives. The NSI recognises the vital role that stakeholders play in the management of technical committees and appreciates their roles in standards development. The department promotes standards through training and sales of national, regional and international standards, to address Namibia's socio-economic needs through stakeholder engagement.

(b) Key achievements

Standards development
A total of 26 standards were developed during the year under review, compared to 20 standards in the 2023/2024 financial year and this was the highest over the past four years, as depicted in Figure 2.

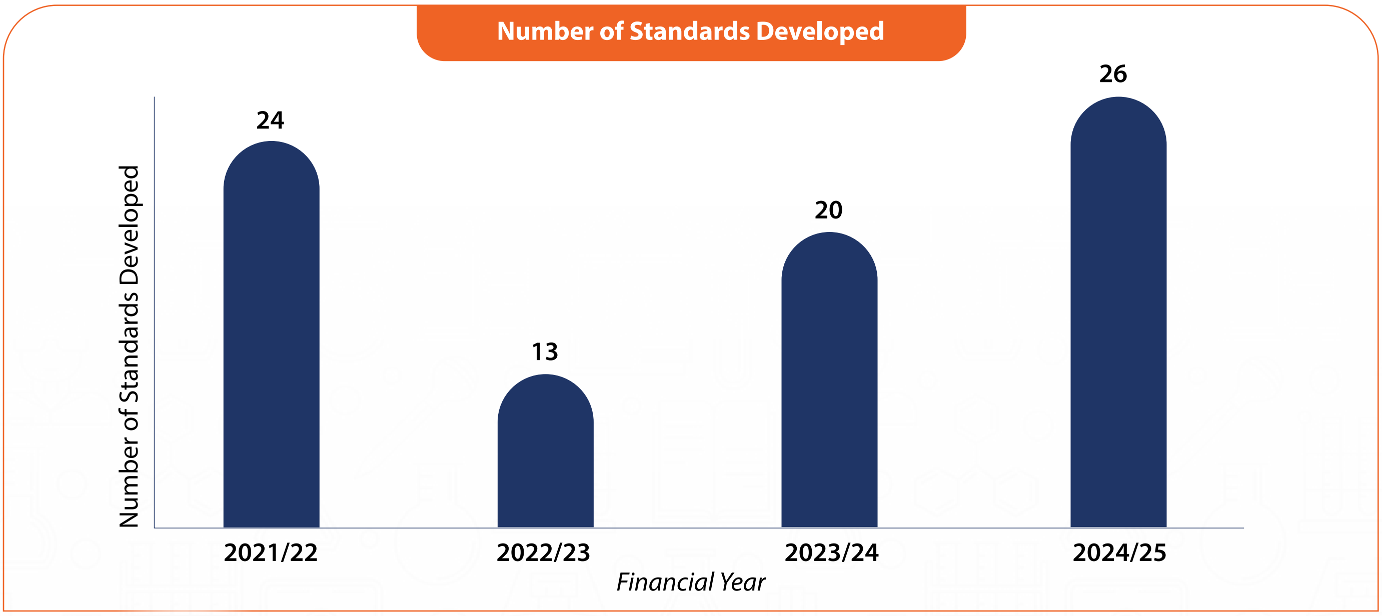

Figure 2: Number of standards developed per financial year.

Standards training

A total of 36 standards training sessions were offered during the year under review, compared to 19 in the 2023/2024 financial year. This represents the highest number over the past four years, as depicted in Figure 3.

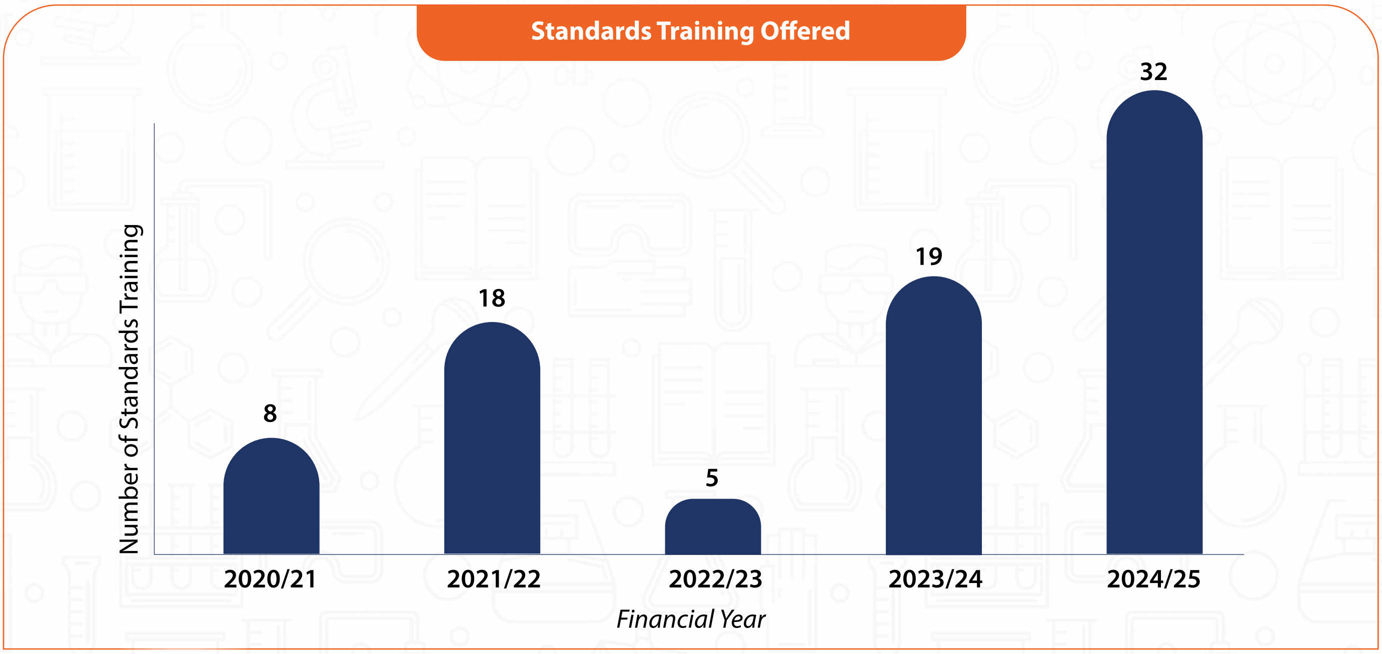

Figure 3: Number of standards trainings offered per financial year.

Standards sales

The Standards Publication, Sales and Information Division is tasked with publishing the NAMS and disseminating information on standards. During the year under review, 344 standards were sold, compared to only 113 in the 2023/2024 financial year. This year's sales are lower than those recorded in 2021/2022, which stood at 452 standards sold, as depicted in Figure 4.

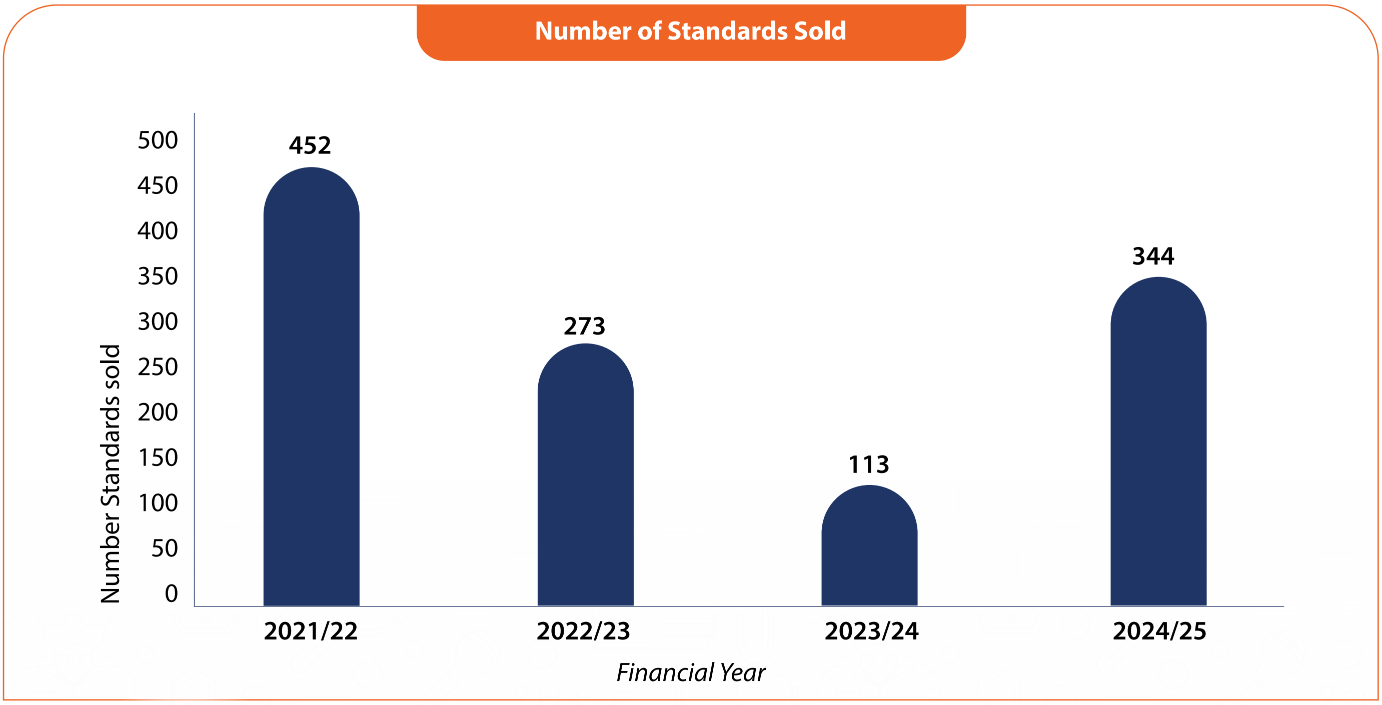

Figure 4: Number of standards sold per financial year.

Strategic projects for the department

The department worked on the following strategic projects during the year under review:

- Development of National Standardisation Strategy and Plan (NSS) 2025-2027, which was finalised and will be launched in the next financial year, and;
- NSI's Compulsory Standards Regulation Development, which is underway and is expected to be completed in October 2025.

(c) Operational challenges and solutions

- Stakeholder Relations: Challenges include the voluntary application of standards and the unavailability of a Technical Regulatory Framework and a Coordinating Office, which lead to low participation in standards development and low sales. The department conducted online/physical presentations, sent sensitisation letters to stakeholders to encourage participation, and utilised the NQP Technical Regulatory sub-committee to execute activities in preparation for the Technical Regulatory Framework and the Coordination Office request. There is a need to develop a robust stakeholder engagement plan, particularly for technical committee members and policymakers.

- Financial: Challenges included Income leakage due to low gazetted prices and low marketing and standards awareness. Interventions made in relation to low income include suspending South African standards sales whilst awaiting the finalisation of the standards regulation review to enable an effective standards sales pricing structure. The department requested marketing interventions for its services from the Corporate Communication and Marketing division. There is a need for a robust marketing plan implementation, accompanied by effective monitoring activities.

- Organisational Capacity: Challenges experienced included team capacitation on identified IDPs (ISO 45001 & ISO 14001) and Auditing Training needs. The Procurement Committee submitted and completed submissions and requests for proposals, with zero bids from potential service providers. There is a need to review the qualification criteria, as they were set too high, and to explore direct training with potential service providers based on their calendar-year training.

(d) Innovations and best practices

Overhaul of standards development procedures based on ISO Good Standardisation Practices aimed at enhancing effectiveness and efficiency.

8.2 Testing and Inspection

(a) Departmental mandate

The Testing and Inspection Department has twin responsibilities: the provision of inspection services to the Namibian fishing industry, as well as the canned foods industry, which is provided by the division's Inspection

Centre. Its second function is the provision of testing services to regulators and commercially to various customers, as provided by the Testing Centre.

The department's services are categorised as follows:
- Regulatory services - covering the administration of compulsory standards.
- Commercial services - testing services, which include testing services to support compulsory standards administration by various regulators.

Inspection centre

The Inspection Centre conducts inspections to ensure compliance with specifications for fish, fishery products, canned fish, and canned meat products. To ensure international recognition of its services, the Inspection Centre continued to uphold its accreditation by the Southern African Accreditation System (SADCAS) to ISO/IEC 17020: 2012, the international standard that specifies requirements for the competence of bodies performing inspection, through annual assessments, with the latest having been in September 2024. The Inspection Centre is classified as a Type A Inspection body, as it provides third-party inspections and is not involved in the manufacturing or design of the products it inspects, thereby cementing its fulfilment of the requirements for impartiality, independence and consistency in the execution of its inspection activities.

Testing centre

The Testing Centre provides analytical testing services for food, water and environmental samples through microbiology and chemistry testing. Testing services are provided to government and private institutions and clients. The test results provide an independent assessment and evidence of compliance with regulations and market requirements for products and services. The laboratory serves the fishing industry, various food manufacturing industries, regional authorities in the Erongo region, the hospitality industry, water bottling companies, mines and any other customer.

SADCAS accredits the Testing Centre and continues to maintain its accreditation status, as demonstrated by the latest surveillance assessment held in July 2024. Accreditation is to ISO/IEC 17025:2017, the international standard for quality management systems for testing and calibration laboratories. Maintenance and continuous improvement are achieved through ongoing Quality Management Systems' integrity assurances. This ensures that each measurement issued is both accurate and reliable.

(b) Key achievements:

The department maintained 100% accreditation for both divisions: the Inspection Centre to ISO/IEC 17020 and the Testing Centre to ISO/IEC 17025, through the Southern African Development Community's Accreditation Service (SADCAS), the regional ILAC-recognised accreditation body.

The Testing Centre successfully developed four new services and made them available to regulators and clients. Accreditation for these services was awarded to the Testing Centre division by SADCAS in September 2024.

Clients provided positive feedback through an online survey, reporting an average departmental performance of 91.5%, which is above the target of 78%.

Overall, growth was observed in the department's service volumes, summarised by division below.

Inspection centre division

The Inspection Centre offers three (3) main categories of services: product inspection, product certification, and inspection of food safety systems for facilities and vessels.

Product inspection

The Inspection Centre completed a total of 12,049 product inspection activities during the year under review, an increase of 1,223 from the previous financial year. Figure 5 illustrates changes in the type of inspections conducted compared to prior years. Figure 6 illustrates the growth in volume of inspection activities for frozen, chilled and canned products.

Frozen fish inspection continued to contribute the most significant portion of inspection work (10,181 inspections, which make up 83% for FY 2024/25), followed by chilled fish inspections (1,548 inspections, which make up 13% for FY 2024/25). Canned fish product inspections remained on the decrease due to the moratorium on pilchard fishing in the Namibian fishing industry, while growth was observed in the number of pouched meat product inspections as compared to the prior financial year.

Cooperation on the implementation of poultry pouched meat inspection and the development of a testing method for canned meat sterility contributed to the increase in the volume of pouched meat inspections over the year under review.

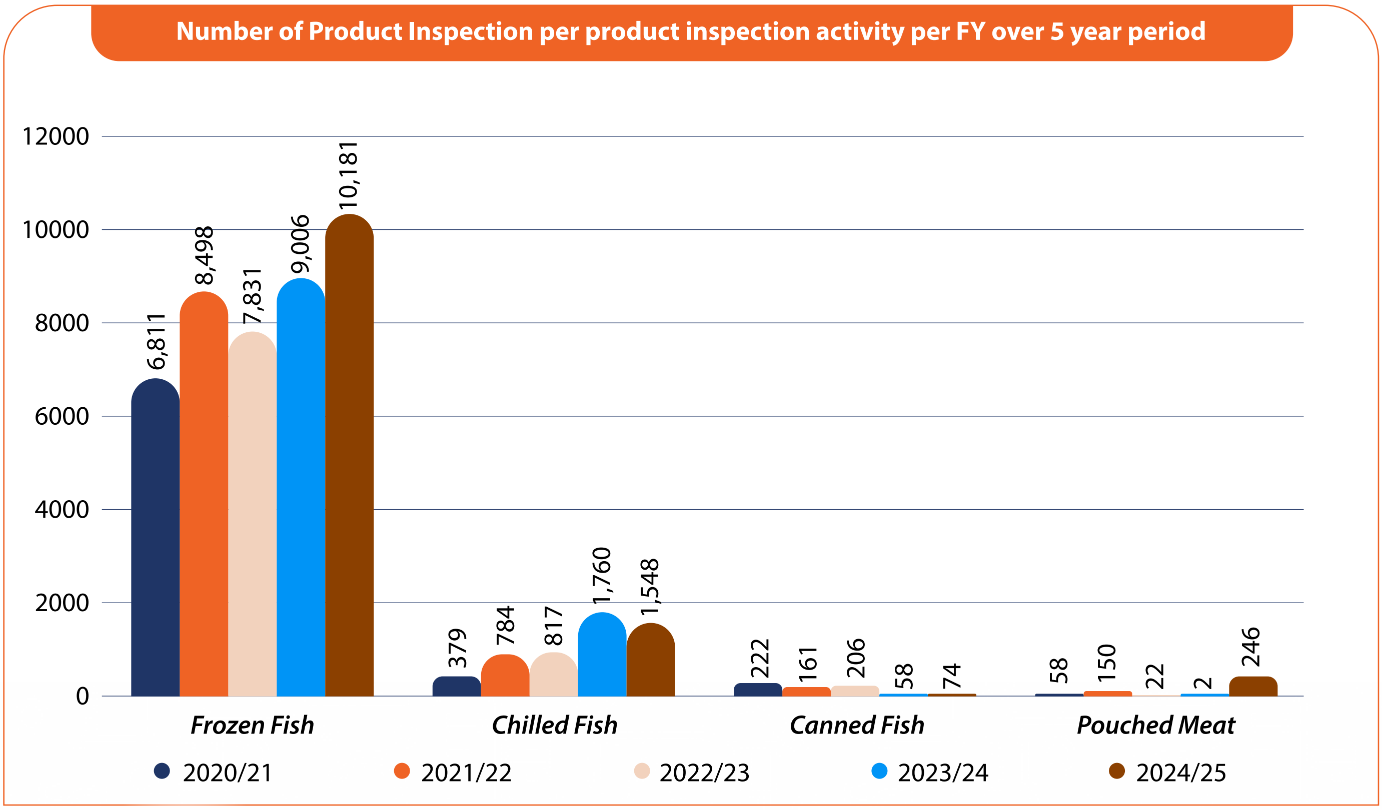

Figure 5: Changes in the type and volume of product inspection activities per product category per financial year.

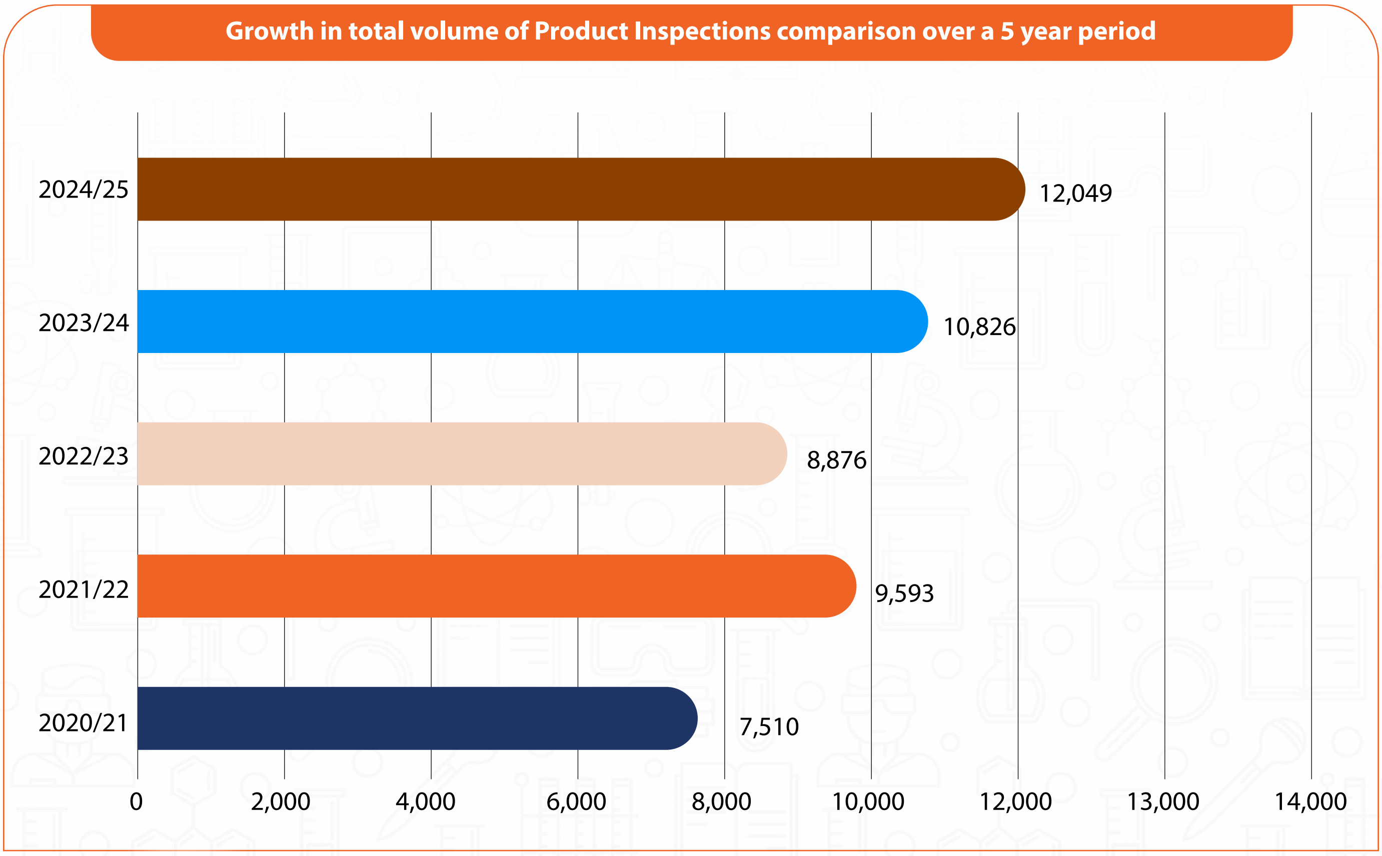

Figure 6: Growth in volume of work reflected as the total number of inspections per financial year.

Product certification

During the financial year 2024/25, the division provided a total of 19,906 product certifications, an increase of 1,750 from the prior financial year. Figure 7 illustrates the number of product certifications conducted over the past four (4) year period.

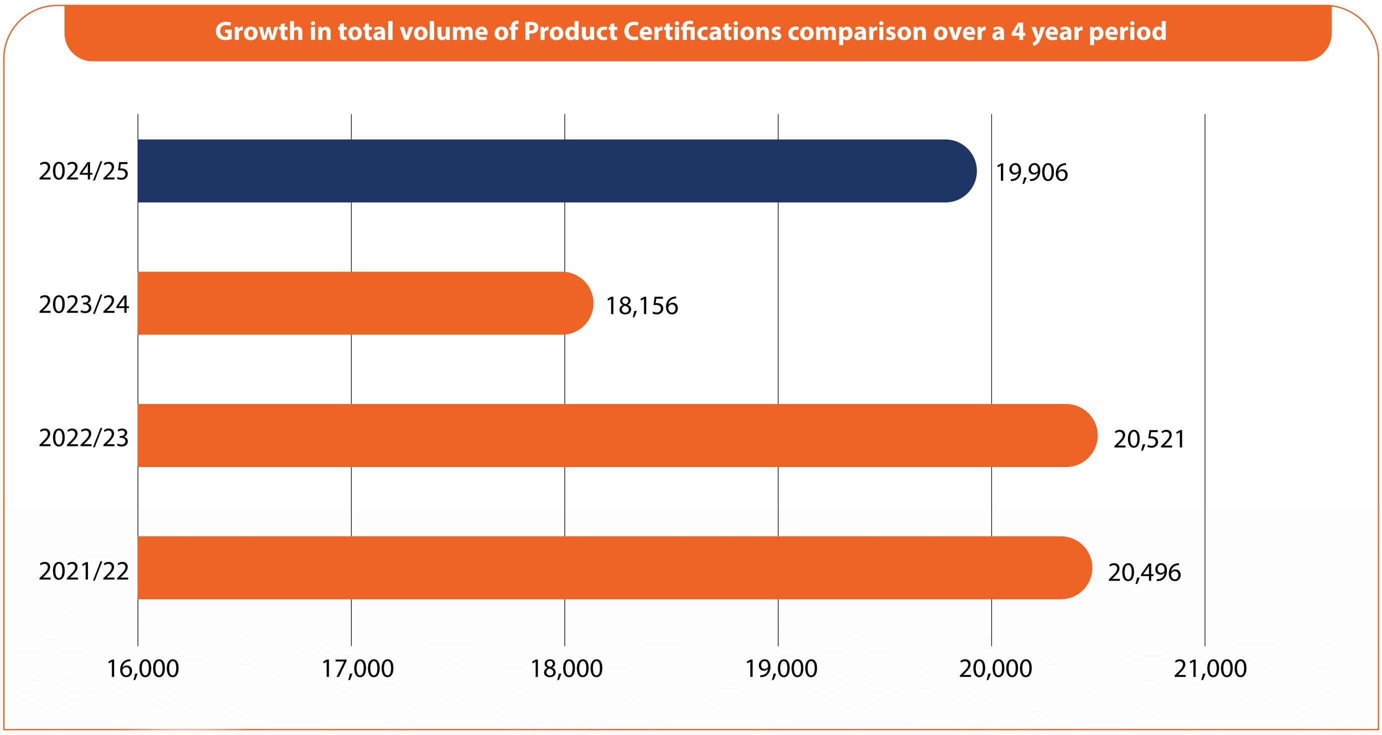

Figure 7: Growth in volume change of product certification work per financial year.

Inspection of the food safety system of facilities & vessels

During the financial year 2024/25, the division conducted 37 additional inspections of food safety systems for facilities and vessels, compared to the prior financial year.

Figure 8 illustrates the number of land-based facilities and vessel inspections conducted over past four (4) year period.

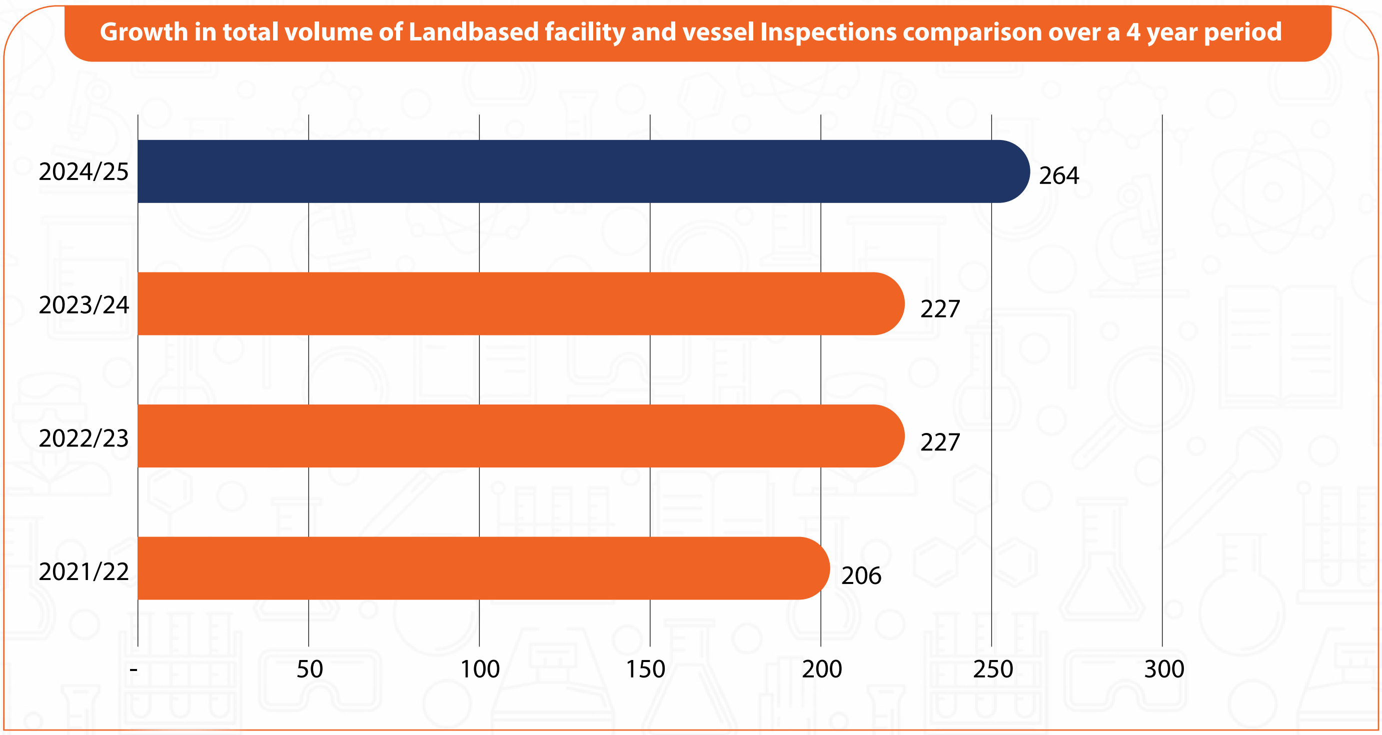

Figure 8: Growth in volume of food safety system inspection per financial year

Testing Centre Division

The microbiology laboratory analysed a total of 32,595 tests for 9,943 samples during the financial year 2024/25, which represents an increase of 5.2% for the tests analysed and a 3.4% increase for the samples processed compared to the volume of work handled in the FY 2023/24, as illustrated in Figure 9.

The chemistry laboratory analysed a total of 1,787 tests for 845 samples during the 2024/25 financial year, representing a decrease of 7.67% in the tests analysed compared to the volume of work handled in the 2023/24 financial year, as illustrated in Figure 10.

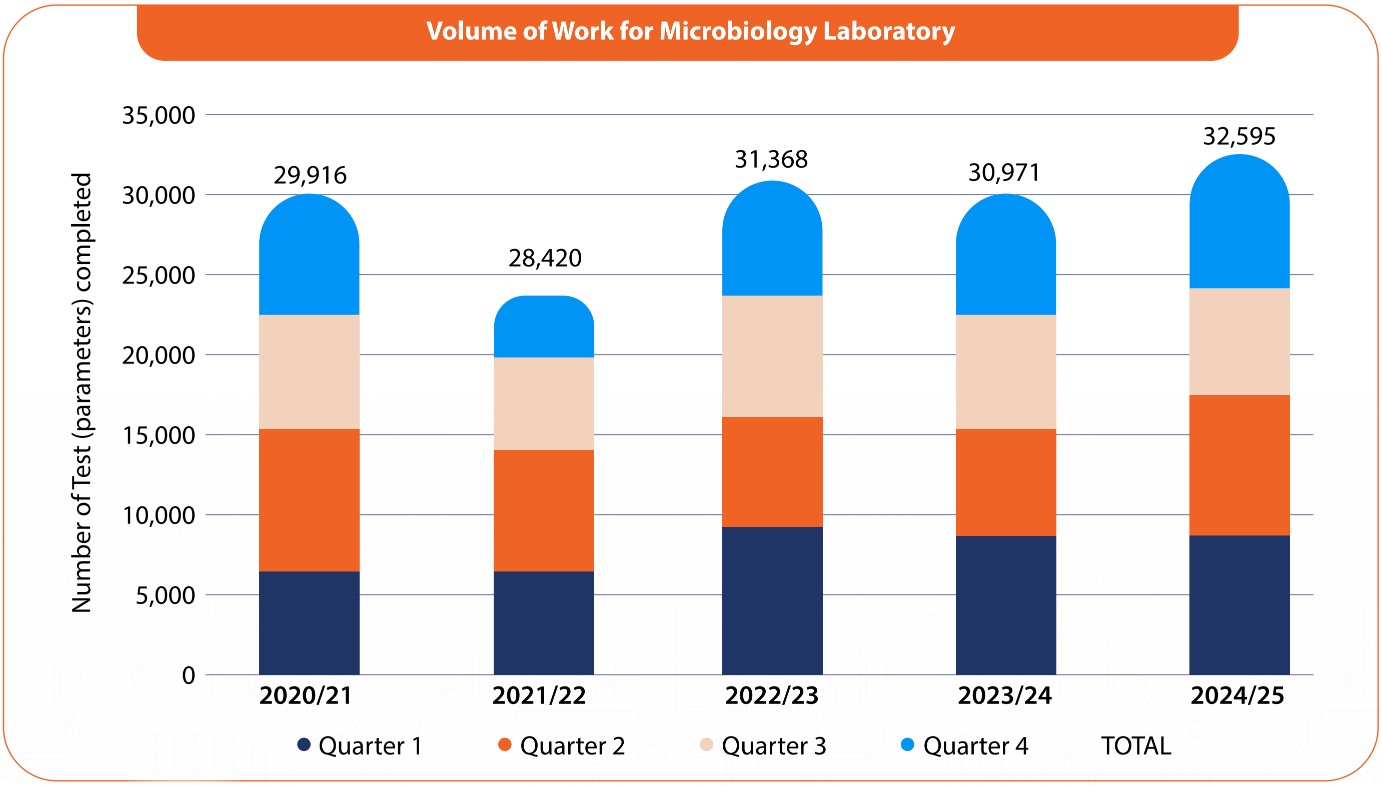

Figure 9: Graphical representation of changes in the volume of test work over time (5-year period) based on the number of test parameters completed during a financial year for the Testing Centre's microbiology laboratory.

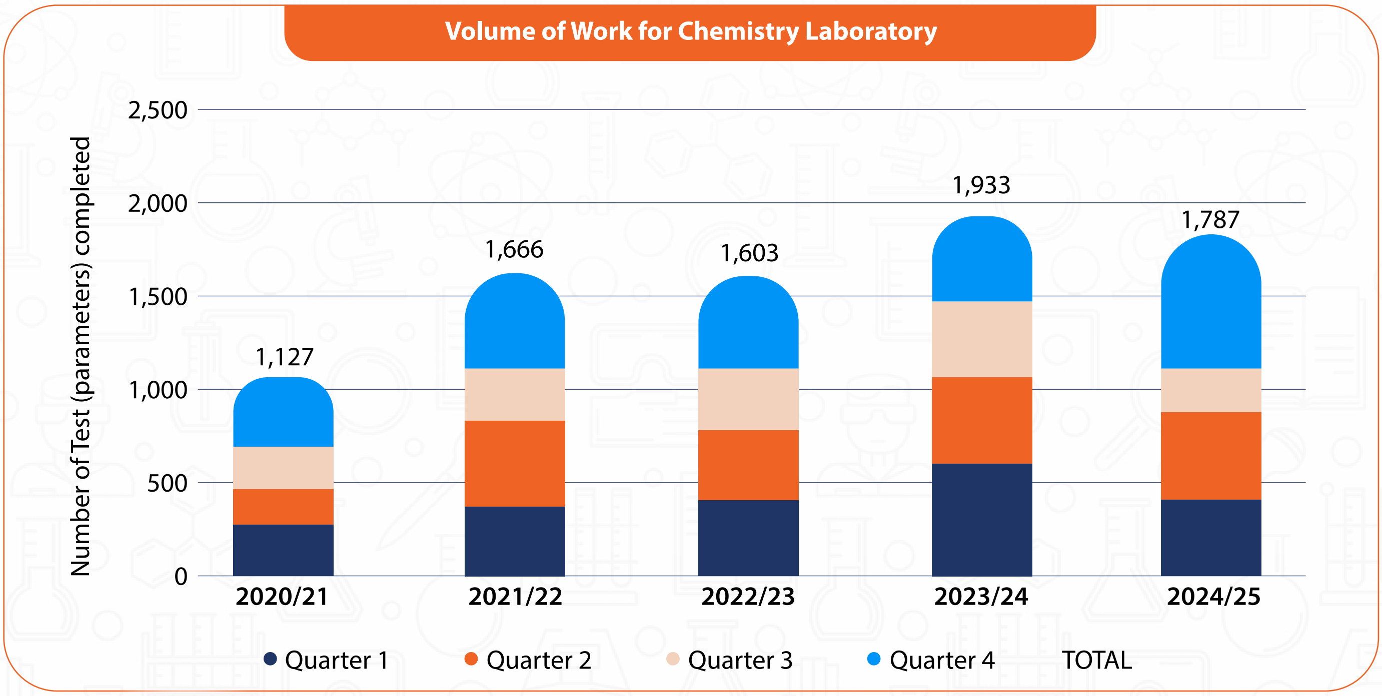

Figure 10: Graphical representation of changes in volume of test work over time (5-year period) based on the number of test parameters completed during a Financial Year for the Testing Centre's chemistry laboratory.

Turnaround time

The Testing and Inspection department monitors turnaround time (TAT) as a critical indicator of its quality policy, to ensure that sampling, testing and certification services to the customers are provided within the agreed period. Turnaround time is discussed per division.

Inspection Centre Division Turnaround Time

With the set target of 90%, the Inspection Centre achieved an overall sampling turnaround time of 91% in the financial years 2023/2024 and 2024/2025. Figure 11 below depicts the monthly comparison between the two years.

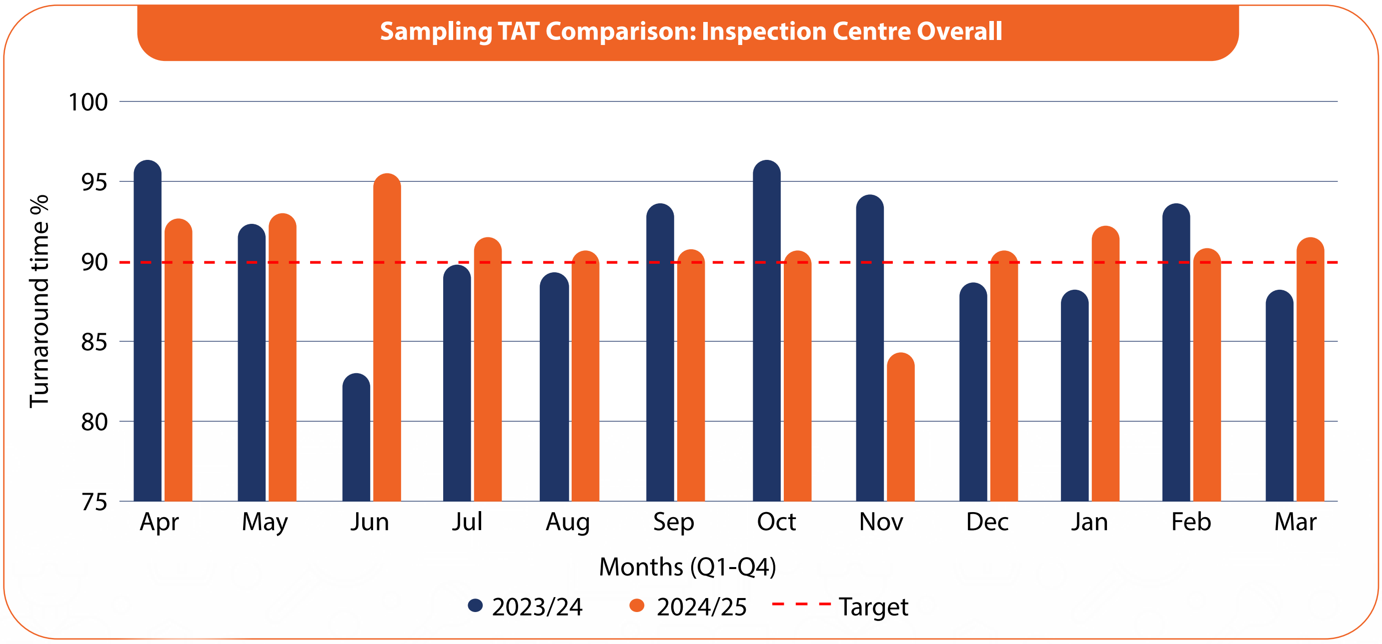

Figure 11: Sampling turnaround time comparison between FY 2023/24 and FY 2024/25 for the Division: Inspection Centre.

The Inspection Centre's overall achieved certification turnaround time in FY2023/2024 was 99%, and was slightly lower at 96% in FY2024/2025. The monthly comparison of the two years is illustrated in Figure 12.

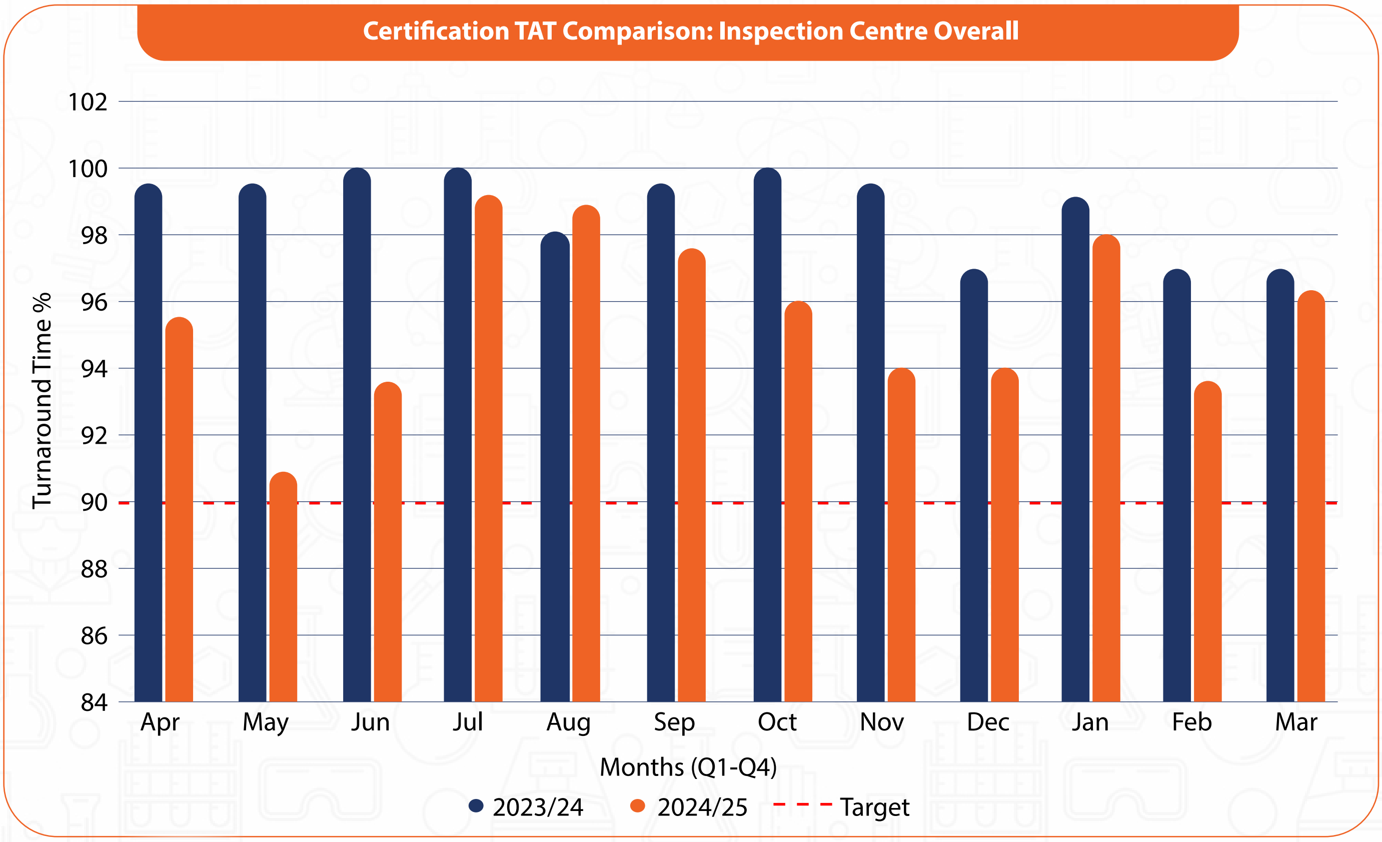

Figure 12: Certification turnaround time comparison between 2023/24 and 2024/25 financial years for the Division: Inspection Centre.

Testing Centre Division turnaround time

The Testing Centre Division has experienced improvements in turnaround time over the past two years. An overall turnaround time of 88% was achieved in the 2023/2024 financial year and 93% in the 2024/2025 financial year, marking an improvement in the turnaround time for services offered. Improvements are attributed to improved human resources available to the department and to the implementation of the Laboratory Information Management system, implemented in 2023. The monthly comparison of the two years is illustrated in Figure 13.

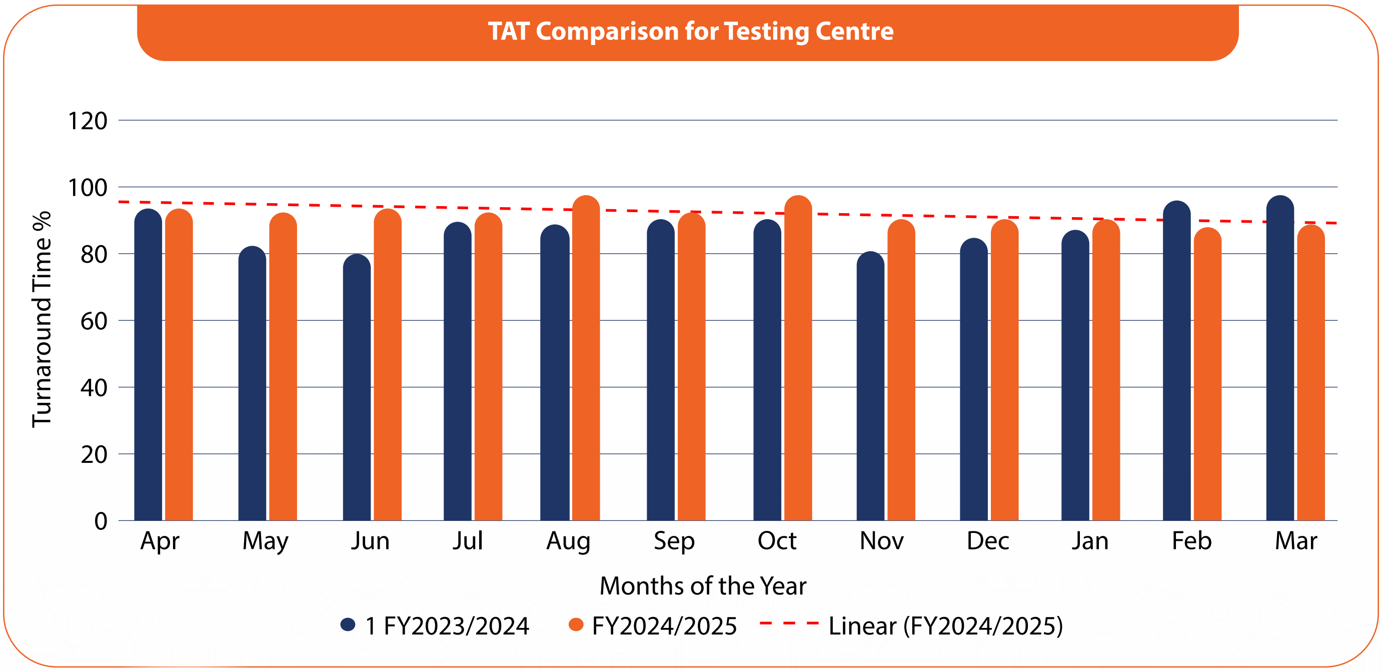

Figure 13: Graphical representation for turnaround time for the services offered by the Testing Centre in the FY 2023/2024 and FY 2024/2025.

(c) Operational challenges and mitigation strategies

Notable challenges encountered during the reporting year, and a summary of the strategies employed to overcome these challenges, are detailed below.

- The department experienced staff shortages, with 12 positions vacant at the start of the year. Mitigation strategies included the prioritised efforts towards staff recruitment to fill the positions in the 2024/25 financial year's approved workforce plan. This intervention also addressed concerns raised by the fishing industry about turnaround time.
- The delegation as Inspection Body and Competent Authority for fishery products was given to the NSI by the Ministry of Industrialisation and Trade in 2010. However, the risk of aged compulsory specifications, coupled with changes in Codex Code of Practice for fishery products, developments at both SADCSTAN and ARSO on work on harmonised fishery products standards and technical regulations, necessitated the inspection centre to prioritise the development of Namibian Standards on fishery products, and to have these standards declared as compulsory standards under the Standards Act, No 18 of 2005. Work on this project remained in progress, with three (3) draft compulsory standards under legal review with the Ministry of Justice legal drafters, and four (4) standards being adopted as Namibian standards as per the Mandatory Standards Plan. In contrast, a project was submitted to the FAO, and approved in September 2024 to provide technical assistance to develop an import inspection procedure for fishery products.
- Equipment shortages due to limited CAPEX funding in prior years resulted in delayed service delivery and extended service downtimes. The department committed human resources towards the completion of procurement activities for identified equipment for replacement under the EPA project and CAPEX made available by the line ministry. Although the department made available human resources to attend to the procurement process, the process proved to take longer to reach a conclusion. Considering the time commitment for large-scale equipment tender evaluations, it is recommended that such future activities be apportioned into several/multiple procurement batches instead of lumping all equipment procurement needs into one whole comprehensive batch.

(d) Innovations and best practices

The inspection centre undertook to implement the use of an eSeal provided by the EU Commission for use on TRACES during the financial year 2024/25. eSeal is an electronic signature to sign off on all export health certificates to the European Union. The use of eSeal will provide legal certainty regarding the origin and integrity of electronic documents and data issued by the inspection centre as the appointed competent authority for fish and fishery products exported to the EU market. The seal, deemed as the digital equivalent of a company stamp and inspector signature, will serve to guarantee authenticity, ensure integrity, enhance trust and facilitate digitalisation towards paperless processes, streamlining workflows and reducing administrative burdens. A digital signature policy was developed during the reporting period and once approved by the NSC, the application for eSeal will be embarked upon.

8.3 Certification

(a) Departmental mandate

The NSI's Certification Department, operating as a certification body, was established in line with Section 23 of the Standards Act, 2005. (Act No. 18 of 2005) and operates as a Certification Body, in accordance with the requirements of the ISO/IEC 17021-1, ISO/IEC 17021-3, ISO/TS 22003, ISO/IEC 17067 and ISO/IEC 17065 Standards. It provides independent third-party certification services relating to whether an organisation's management system meets the requirements specified by applicable management system standards (e.g. ISO 9001, ISO 22000, NAMS/SANS 10330, ISO 45001, ISO 14001), or whether products meet the requirements of specific product standards, such as NAMS/EN 197.

Certification is voluntary by nature. However, compliance with the NSI Standard Mark may be compulsory through declaration of mandatory product standards under consideration of public interest, safety of the environment, protection of human, animal or plant health, national security and unfair trade practices. The relevant regulator empowers the use of the Standard Mark, approval and licensing of the Standards Mark.

(b) Key achievements

During the period under review, the department successfully implemented the ISO 45001 certification scheme.

Product certification

The certification department provides product certification in recognition of the Standards Mark of Conformity for the cement regulation and alcohol-based hand sanitiser. The department certified and approved seven (7) common cement products from two (2) manufacturers. The monitoring of the approved cement products through the surveillance programme indicated a 100% compliance for all the approved products.

Management System Certification

During the period under review, the department certified 10 companies on the management systems certification. Three (3) certificates were issued during the period under review, against a target of four (4). The certification included two (2) ISO 9001 Quality Management System Certifications and one (1) NAMS/SANS 10330 HACCP certification. As shown in Figure 14, the number of companies on management system certification increased from seven (7) in 2023/2024 to ten (10) in 2024/2025.

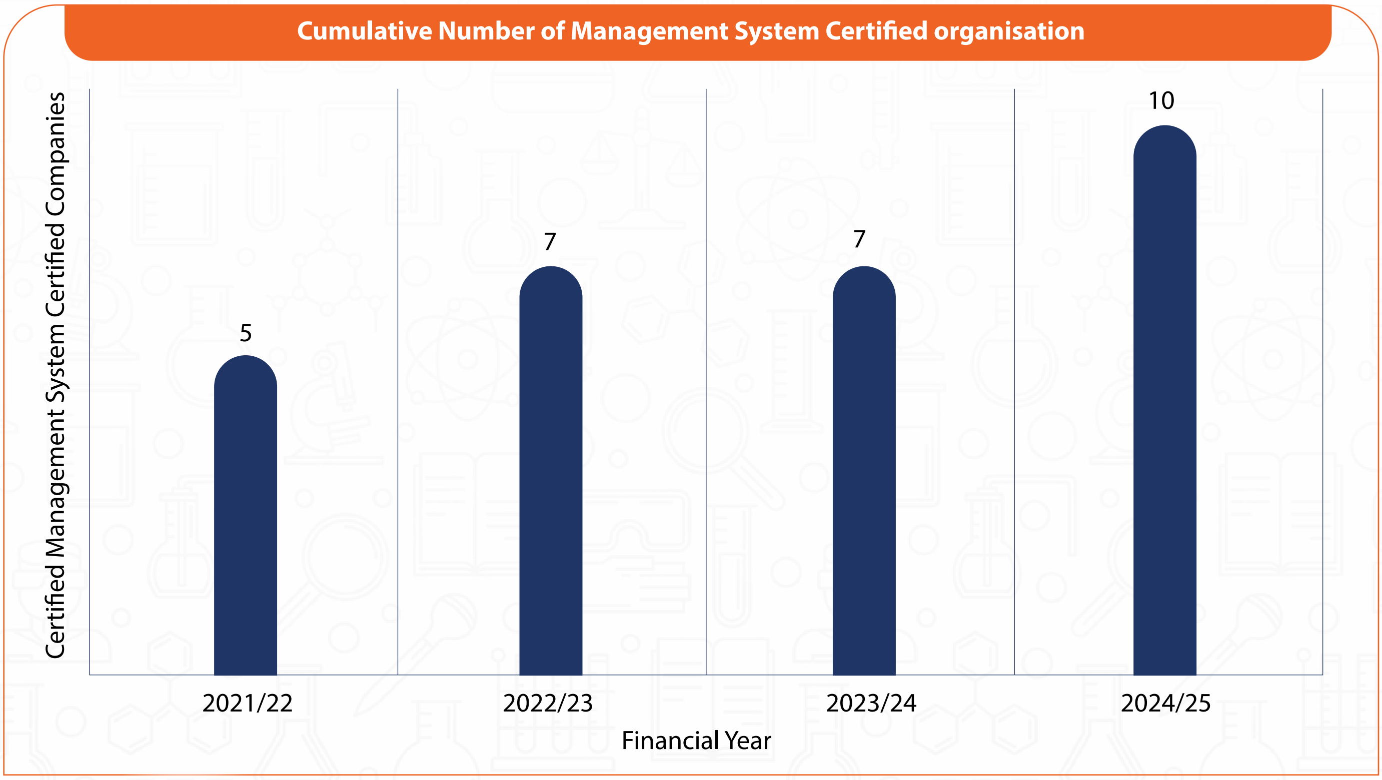

Figure 14: Cumulative number of management system in certified organisation at the end of each financial year.

Accreditation of certification

The department maintained its accreditation status from the Southern African Development Community Accreditation Services (SADCAS) in accordance with the ISO/IEC 17021-1:2015. The accreditation was for ISO 9001:2015 Quality Management System for the scope of printing rubber, plastics, paper and pulp. The Certification Department applied for and witnessed the extension of the Quality Management System accreditation for the scope of Agriculture/Manufacturing. Additionally, the Certification Department commenced the process of extending the scope of accreditation to include ISO 45001 and HACCP.

New schemes implemented

The department developed and implemented the ISO 45001 certification scheme. ISO 45001, which will enhance worker health, safety, and well-being, and will promote a culture of prevention and worker participation, reducing accidents and improving morale.

(e) Operational challenges and mitigation strategies

During the period under review, the Certification Department faced several challenges that impacted its operational and strategic objectives. However, through continuous improvement strategies, the department derived valuable lessons that will inform future performance.

- Lack of technical regulatory framework: The lack of a technical regulatory framework hinders the implementation of technical regulations and delays the implementation of fair mutual recognition agreements to facilitate fair trade. Strategies employed include the initiated process of engaging a legal expert to review and establish compulsory standards regulations, as well as initiated engagements with other National Standards Bodies to benchmark their enabling laws.
- Financial performance shortfalls: The department did not reach its financial target of N$1.4 million due to no significant increase in clientele voluntary services and a decrease in certification rates. Strategies employed include the strengthening of client engagements through targeted marketing to attract new applicants and enhance the auditors and technical experts' register, ensuring the availability of auditors to service clients promptly. The department will focus on more diverse income, retention of clients and a collaborative approach towards SME funded projects and regular market analysis.
- Loss of competent staff: The loss of competent staff due to resignation. Strategies employed include the enhancement of the pool of external auditors and technical experts to ensure the timely availability of auditors and also initiate the process of cross-training of NSI internal staff to build a greater pool of internal staff members. Furthermore, other interventions will include cross-training staff to enhance flexibility and early identification of skills gaps to prevent the over-reliance on a small group of experienced individuals.

(c) Innovations and best practices:

The Certification Department strives for continual improvement; therefore, through its monitoring measures, it continues to evolve and review its processes to enhance effectiveness.

8.4 Metrology

(a) Departmental mandate

The Metrology Department of Namibia plays a pivotal role in establishing and maintaining a credible, internationally aligned, and nationally coherent measurement system. This function is critical to the effective operation of the country's National Quality Infrastructure (NQI), which facilitates trade, economic development, consumer protection, industrial growth, and public welfare.

The department serves dual mandates as both the National Metrology Institute (NMI) and the National Legal Metrology Authority (LMA). In this capacity, it provides for the administrative and enforcement of the Trade Metrology Act, 1973 (Act No. 77 of 1973), as amended. Its core mandate is to establish, maintain, and promote a robust national measurement infrastructure that supports fair trade, regulatory compliance, fosters economic competitiveness, enhances consumer and environmental protection, supports industrial innovation, and promotes public health and safety through accurate and reliable measurements. Through this combined mandate, the Metrology Department upholds the integrity of measurements across the country to facilitate Namibia's integration into regional and global markets, and strengthens national governance in quality-related matters.

(b) Key achievements

Scientific and Industrial Metrology

Currently, the services offered by the Metrology Department are accredited by the Southern African Development Community Accreditation Services (SADCAS) to ISO/IEC 17025, 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 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, 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;
- Volume Metrology: Calibration of micropipettes/syringes, glassware, and metal measures;
- Temperature Metrology: Calibration of digital thermometry, liquid-in-glass thermometry, isothermal media (single point and mapping), and infrared thermometry; and,
- Dimension Metrology: dial/digimatic indicators, micrometres, and vernier callipers.

As illustrated in Figure 15 for the 2024/2025 financial year, the mass field dominates the calibration workload, representing 45 % of total activities, followed closely by temperature at 44%, indicating a growing industrial significance. Volume calibrations constitute 9%, while dimension calibrations make up only 2% of the total. This distribution reflects the operational prioritisation of mass and temperature metrology instruments.

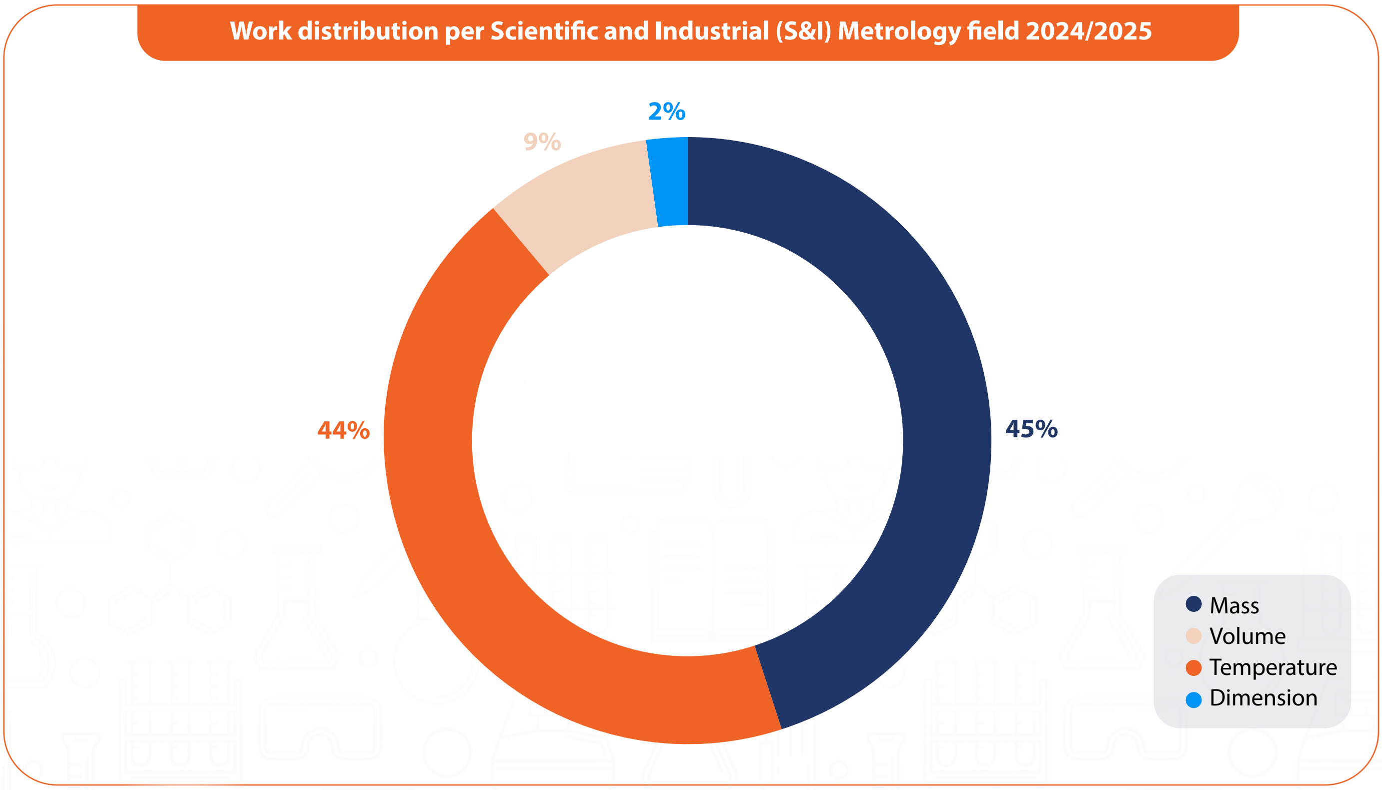

Figure 15: Work distribution per Scientific and Industrial (S&I) Metrology field 2024-2025 FY.

The year-on-year analysis, as depicted in Figure 16, shows a consistently high demand for mass and temperature calibrations over the past five years. Volume calibrations display low steady growth, with a notable rise in the year under review, and a gradual uptake of dimension metrology.

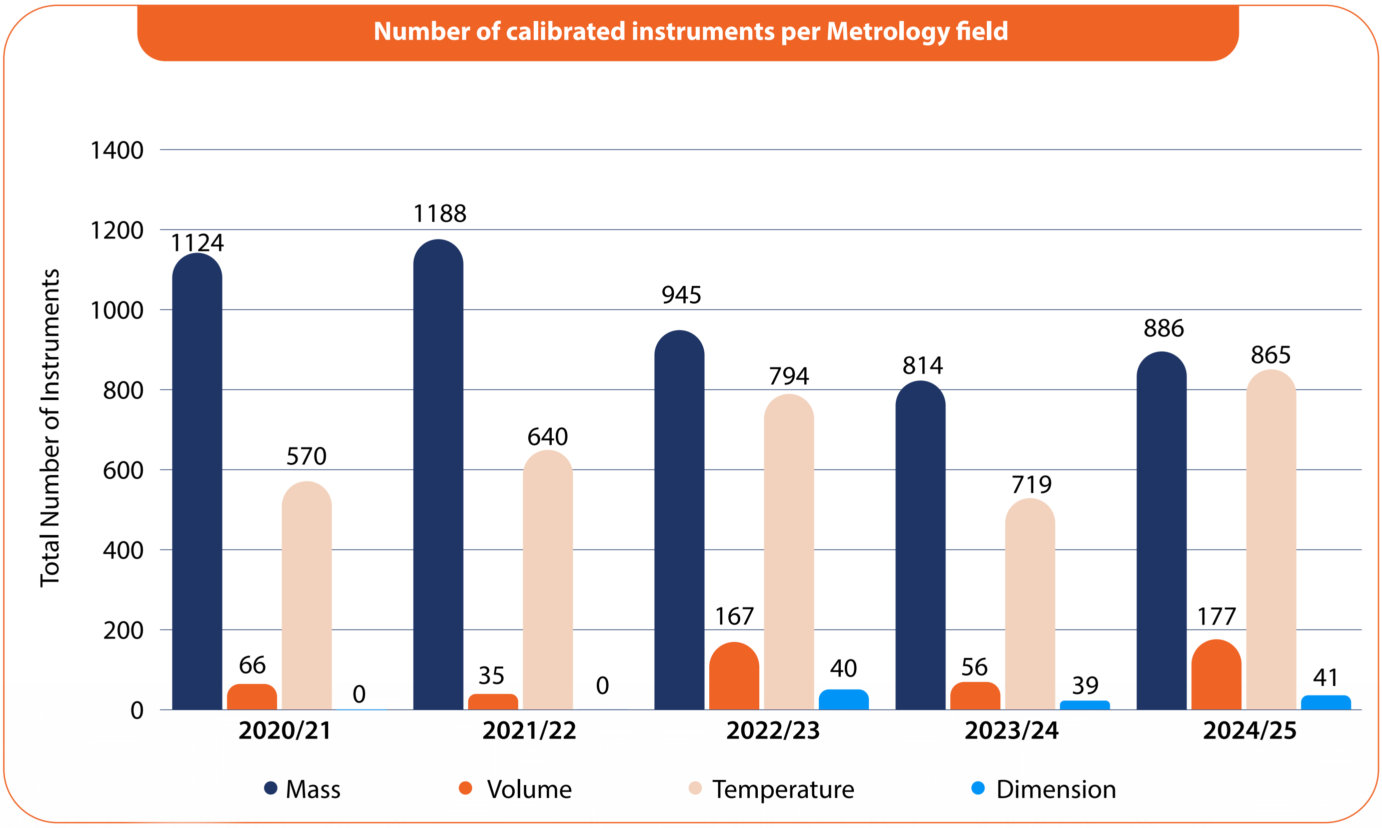

Figure 16: Number of calibrated instruments per metrology field

Figure 17 depicts substantial growth in the total number of calibrations since the inception of metrology services, increasing from 1863 in 2020/2021 FY to a peak of 2,669 in 2021/2022. Although a decline is observed in 2023/2024, a growth trajectory is noted in 2024/2025.

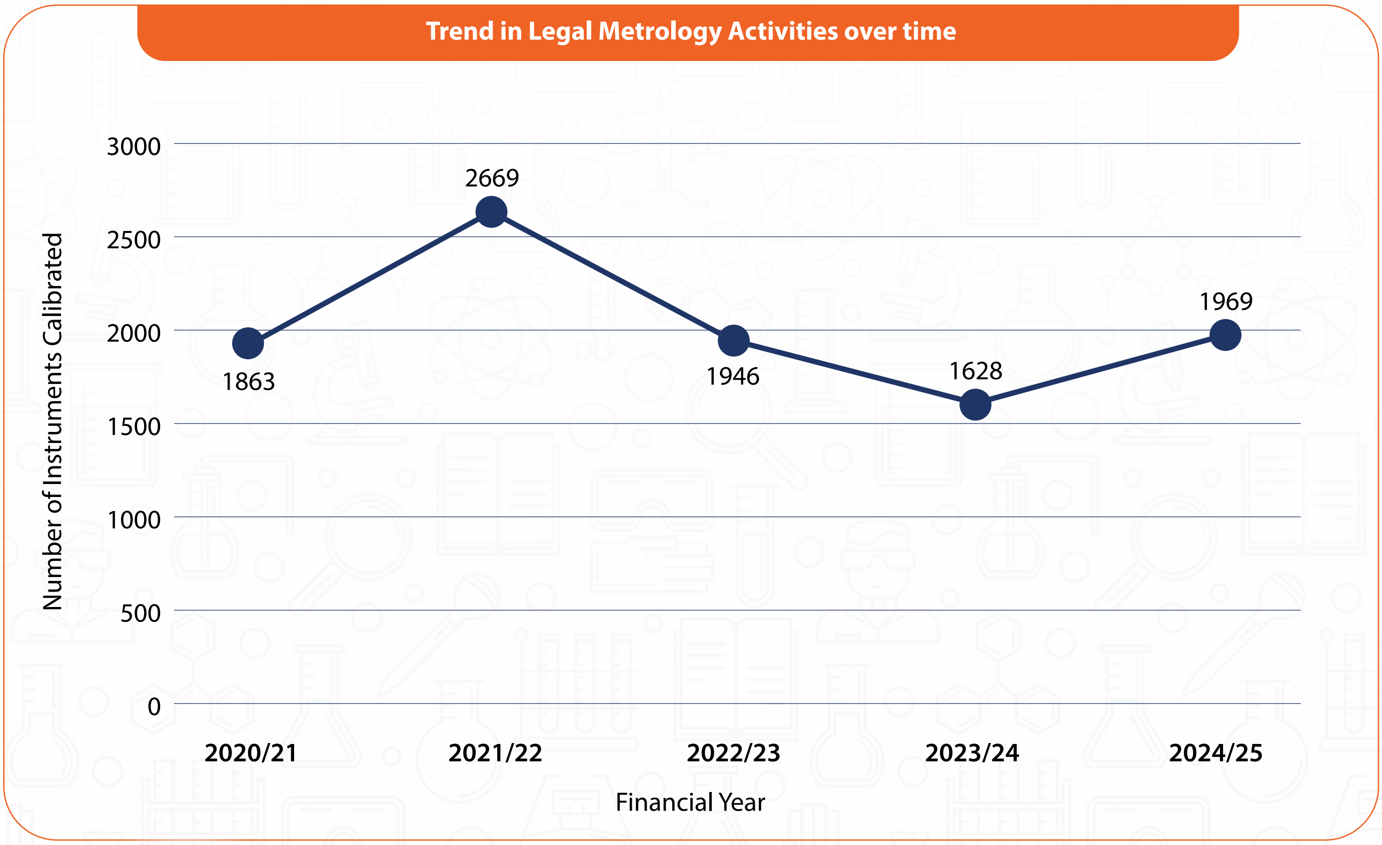

Figure 17: S&I Metrology work volume.

Legal Metrology

On the regulatory front, legal metrology services are administered in line with the provisions of the Trade Metrology Act, 1973 (Act No. 77 of 1973), as amended. These services encompass a range of functions, including ensuring compliance with metrological requirements and technical regulations, granting national type approvals for prescribed measuring instruments, and verifying such instruments to ascertain their accuracy and regulatory compliance. Additionally, the Department conducts inspections of pre-packaged goods available for sale to safeguard fairness and accuracy in consumer transactions. It also oversees the registration and supervision of trade mechanics, and implements a Quality Control Scheme for pre-packaged products.

The 2024-2025 financial year Legal Metrology service distribution shows liquid fuel dispensers leading with 5,424 verifications, followed by mass pieces (785) and scales (686). Other regulatory activities, including weighbridges, volume measures, law enforcement equipment, and prepackaged goods inspections, total 533 units, as depicted in Figure 18.

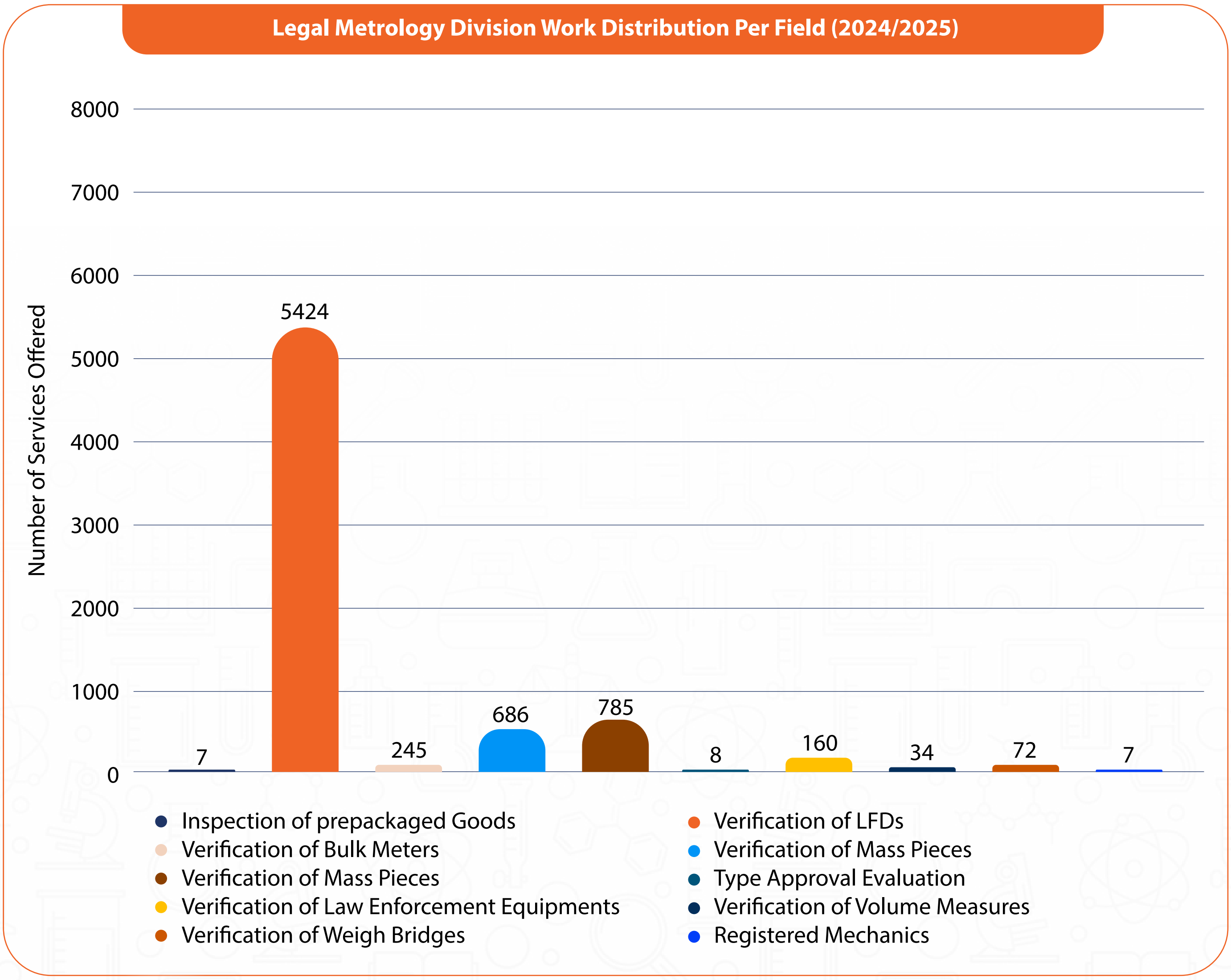

Figure 18: Legal Metrology Division Work Distribution Per Field 2024-2025 FY

A five-year trend shows a steady rise in instruments verified by the Legal Metrology Division, from 2,788 in 2018–2019 FY to 7,428 in 2024–2025 FY, as depicted in Figure 19. A steady increase in verifications highlights expanded coverage, stronger enforcement of compliance, and growing public awareness.

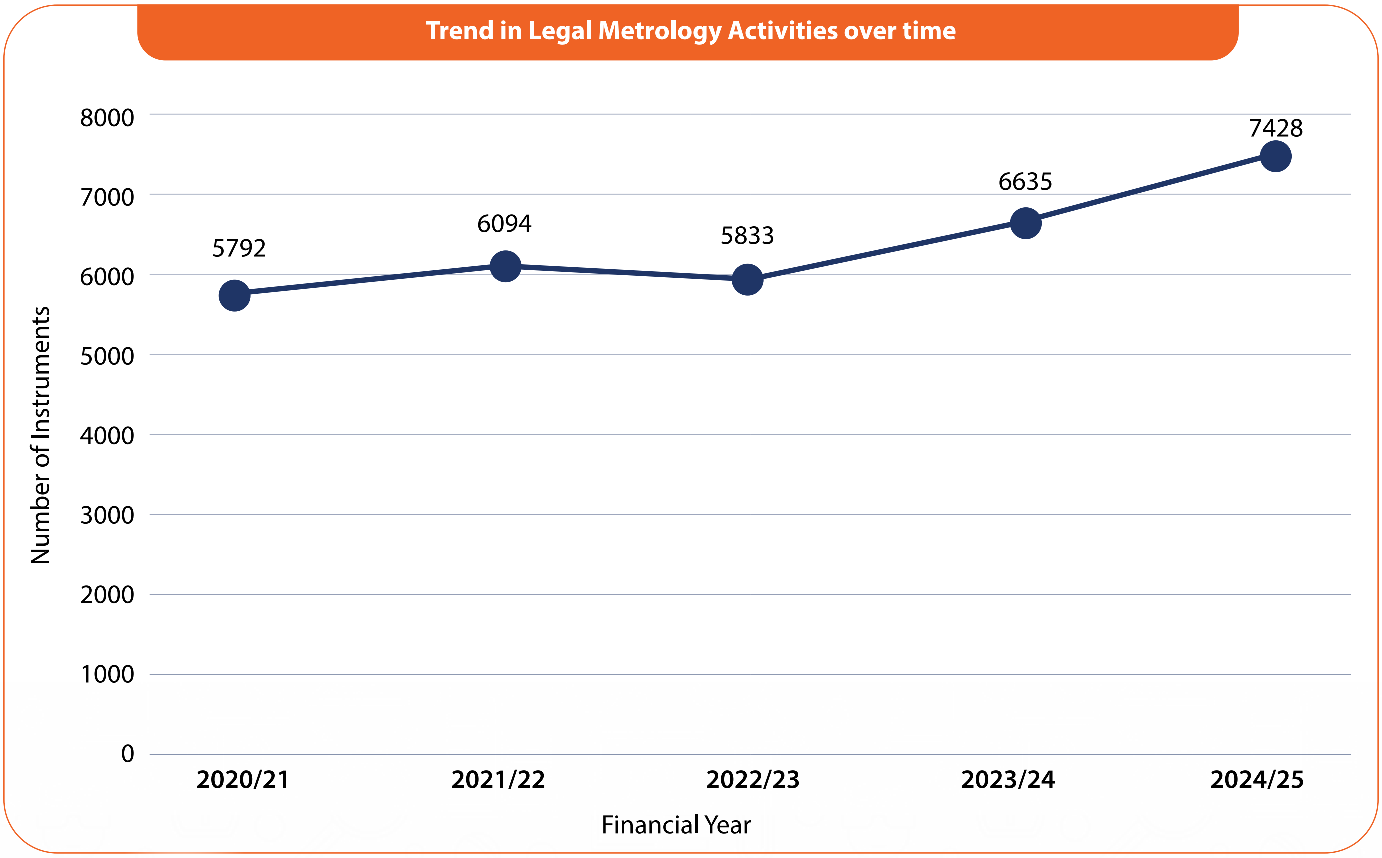

Figure 19: Number of Instruments Verified By Legal Metrology Division.

Figure 20 shows a steady increase in verification services, with liquid fuel dispensers rising from 4115 units in 2020/2021 to 5,424 units in 2024/2025. Mass pieces and scales showed a moderate, consistent growth, while other regulatory functions, though lower in volume, have gained momentum.

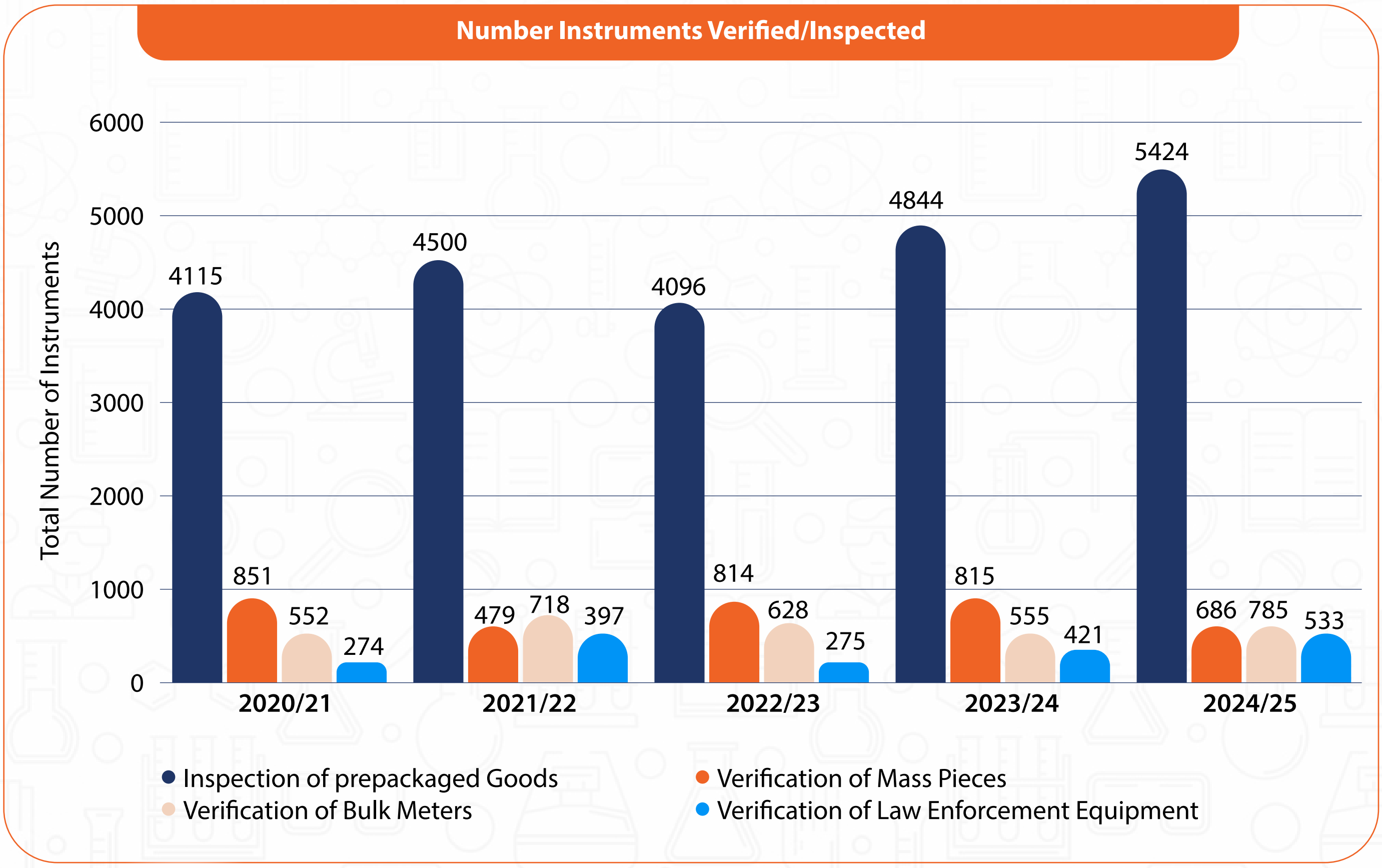

Figure 20: Number of Instruments verified/Inspected by Legal Metrology Division

Departmental Strategic Projects

The department worked on the following strategic projects during the year under review:

- Implementation of the Metrology Act, 5 of 2022: The Ministry of Industrialisation and Trade (MIT) delayed its commencement pending the delivery of a scheduled commencement workshop. It is, however, pleasing to note that progress was made to improve the metrology regulatory arena, including the development of standards for the sale of goods and the quantity control of prepackaged products. Significant progress was made during the reporting period. The following key standards were finalised, approved, and gazetted as official Namibian standards to advance this cause:
  - NAMS Document 1:2022 – Labelling Requirements for Prepacked Products and General Requirements for the Sale of Goods.
  - NAMS Document 4:2022 – Permitted Tolerances for Measurement Accuracy under Legal Metrology, including Inspection Procedures for Prepackaged Goods and Goods Sold by Measure.
  - NAMS 1841:2024 – Control of Quantity of Contents in Prepacked Packages under Legal Metrology Legislation (Net Quantity Scheme: NAMS SANS 1841).

- Expansion of Scope: During the reporting period, significant progress was made in diversifying and expanding the scope of metrology services. This included broadening the legal metrology scope to incorporate verification and certification protocols for Non-Automatic Weighing Instruments (NAWIs) and Environmental Protection. In parallel, the scope of scientific and industrial metrology was expanded to include humidity, pressure, and electrical measurements.

(c) Operational Challenges and Mitigation Strategies

During the reporting period, the delivery of the Metrology Department's mandate pivoted on two key strategic milestones: the commencement of the Metrology Act, 2022 (Act No. 5 of 2022), and the procurement and delivery of critical laboratory equipment required for the roll-out of new metrology methods. These initiatives were central to enhancing the metrology department's regulatory mandate and broadening the commercial service offering of the scientific and industrial metrology division.

Implementation progress was affected by transitional challenges related to the operationalisation of the Metrology Act, 2022, and the alignment of internal processes with emerging regulatory requirements, which impacted the timely expansion of the metrology regulatory scope to health, safety and environment, as well as the roll-out of new metrology technical regulations. Additionally, delays in the delivery and installation of procured laboratory equipment delayed the rollout of new metrology methods in the reporting period.

The NSI initiated the holding of a Consultative Workshop with key stakeholders on the Development of the Compulsory Standards Regulatory Framework and the NSI Readiness Report on the Commencement of the Metrology Act, 2022 to address these challenges. The workshop was scheduled from 3 to 7 July 2025. This three-day engagement was proposed as a strategic intervention to resolve policy, institutional, and operational issues linked to the implementation of the Metrology Act and related regulatory frameworks jointly with representatives of the Ministry of Industries, Mine and Energy, The Ministry of Justice and Labour Relations, and members of Metrology Advisory Board. Additionally, the workshop further aimed to strengthen collaboration among key stakeholders and laid the groundwork for advancing both the Compulsory Standards Regulations and the Metrology Regulatory Framework. In parallel, the department strategically shifted focus towards capacity building, the development of operational protocols, and the refinement of technical procedures for the upcoming metrology scopes, while awaiting the delivery and commissioning of the new laboratory equipment. These preparatory actions ensured institutional readiness and continuity of progress, safeguarding momentum toward full operationalisation, once the laboratory infrastructure becomes fully functional. Additionally, the department continued to contribute to the national standardisation agenda through active participation in Metrology Technical Committee 9 (TC 9), ensuring alignment with broader regulatory reforms and the required expansion of the new metrology mandate.

(d) Innovations and best practices

During the reporting period, the department introduced several innovative approaches and best practices to enhance project delivery and regulatory effectiveness. Early procurement planning, strengthened interdepartmental coordination, and proactive stakeholder engagement proved critical in mitigating implementation delays and improving overall execution efficiency.

A key innovation was the adoption of integrated implementation readiness assessments that aligned policy, infrastructure preparedness, and human capital capacity to ensure smooth regulatory transitions. This innovative practice was institutionalised through strengthened project planning frameworks, enhanced stakeholder involvement, and structured risk-mitigation strategies to secure the timely and effective delivery of regulatory and infrastructure objectives.

8.5 Corporate Communication, Marketing and Human Resources (CCMHR)

(a) Departmental mandate

CCMHR is mandated to (i) attract, develop, and retain a competent workforce; (ii) cultivate a high-performance culture anchored on NSI's core values; (iii) position the Institution positively through corporate communications and branding; and (iv) safeguard employee health, safety and wellbeing.

(b) Key achievements

Corporate Communications and Marketing (CCM)

Marketing Plan Implementation

During the 2024/25 financial year, the NSI achieved significant progress in the implementation of its Marketing Plan, strengthening its brand visibility, stakeholder engagement, and institutional communication efforts.

Notably, the corporate brochure was successfully designed and printed, while departmental brochures were developed and reproduced in-house, contributing to enhanced information dissemination across business units. Visibility materials were also prioritised, with pull-up and wall banners procured and promotional items acquired, ensuring readiness for corporate events and outreach activities.

The NSI actively represented the institution at various national trade fairs, including the Ondangwa Trade & Industrial Exhibition, Swakopmund International Trade Expo, Namibia Mining Expo & Conference, Ongwediva Annual Trade Fair, and Windhoek Industrial & Agricultural Show, demonstrating strong commitment to market presence and industry engagement, arising from increased participation at key exhibitions such as the oil and gas Expo. Additionally, stakeholder consultation and standards communications processes were maintained, while media engagement continued through established channels. The overall progress reflects momentum in brand development, visibility, and stakeholder engagement, laying a strong foundation for the continuation of outstanding initiatives and strategic communications activities in the new financial year.

Brand management

Notable strides were made in strengthening NSI's brand management and institutional visibility. A comprehensive set of promotional and corporate identity materials, including pull-up banners, wall banners, and branded collateral, was procured and deployed, ensuring a consistent, professional corporate image across all NSI platforms and events.

Internal brand alignment also advanced across divisions, a critical step in fostering consistent brand culture and ownership within the organisation. Brand audit processes were initiated, signalling progress toward evidence-based monitoring of brand perception and reputation. Furthermore, media engagement systems were strengthened, with established media contact lists used to ensure coverage and publicity for NSI activities. These efforts, combined with ongoing subscription arrangements for creative digital design tools and continued execution of promotional campaigns through trade fair visibility, underscore a deliberate, structured approach to building a strong, unified, and recognisable NSI brand across all stakeholder touchpoints.

Human Resources Development

Employment overview

As of 31 March 2025, the NSI maintained a workforce of ninety-eight (98) employees and a fair gender representation, with female employees representing 60.2% of the workforce and male employees representing 39.8%, as depicted in Figure 21.

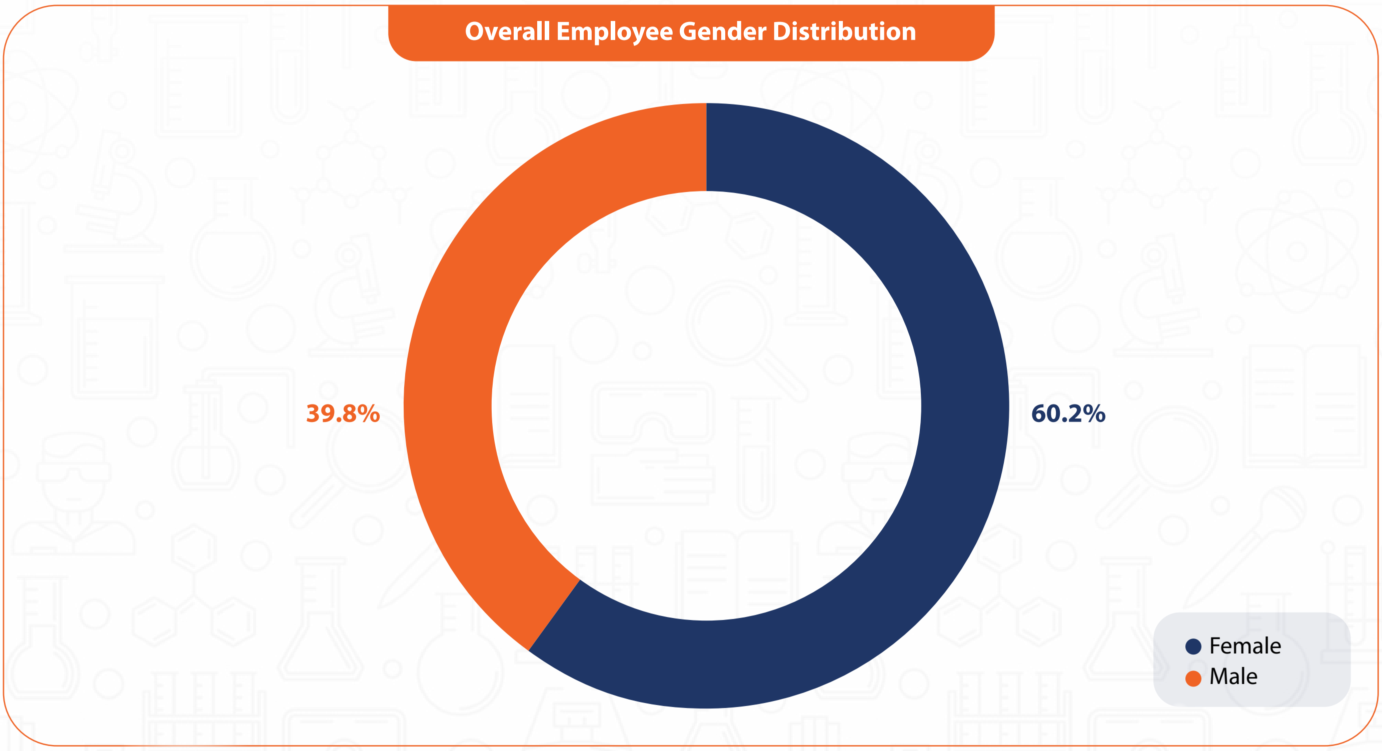

Figure 21: Employee gender ratio.

The NSI workforce is relatively young, with 43% in the 30-39 age group, followed by 39% in the 40-49 age group, as depicted in Figure 22.

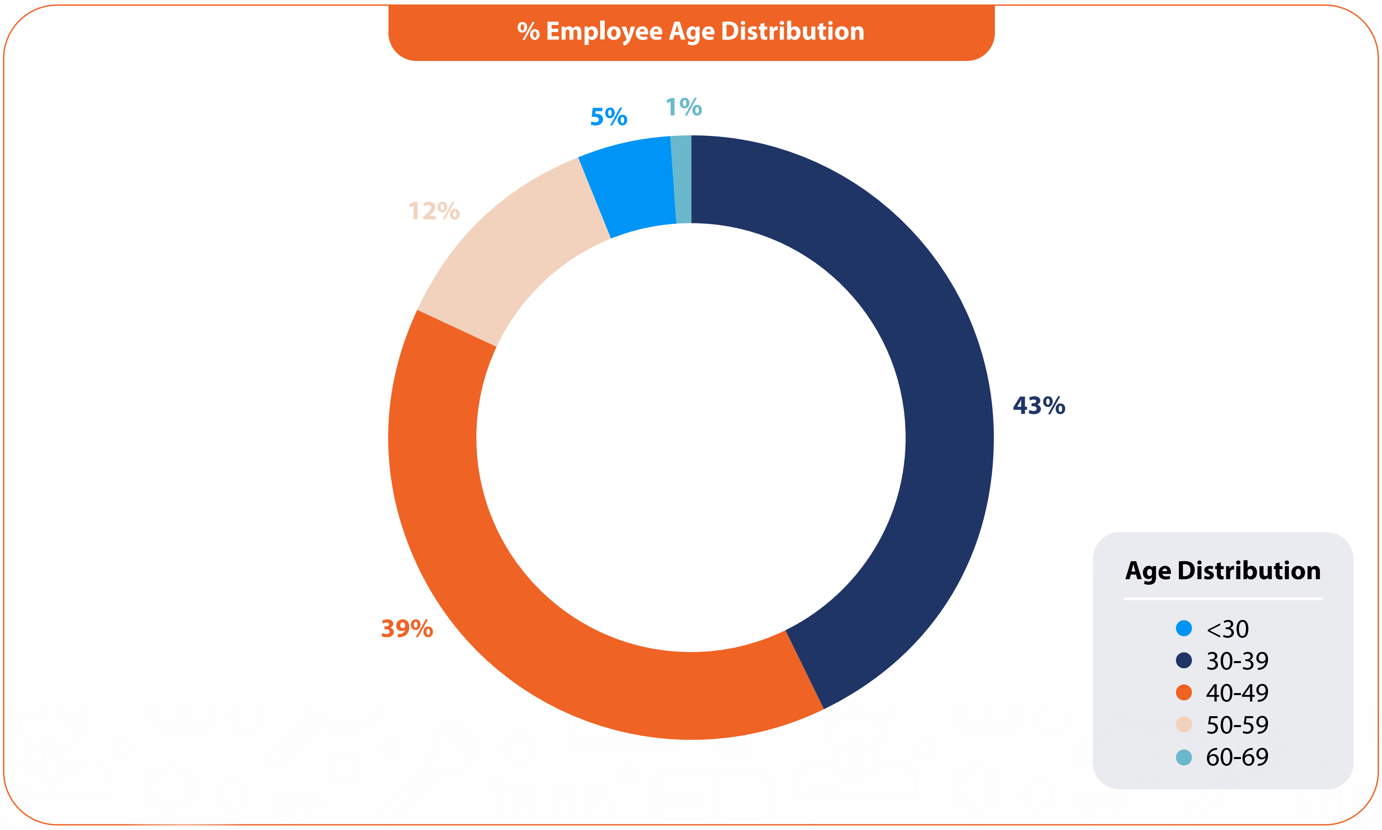

Figure 22: Employee age distribution

Graduate Trainee Programme

The NSI's Graduate Trainee Programme successfully onboarded nine (9) talented individuals in different departments. This programme aims to nurture and develop young professionals, providing them with valuable experience and contributing to the NSI's mission of ensuring quality assurance and standardisation across various sectors.

Results of the culture change programme implementation and employee engagement survey.

The NSI's culture change programme was steadily implemented through key organisational, departmental, and individual-level interventions designed to drive collaboration, accountability, innovation, and leadership excellence. Organisationally, major milestones include policy revisions aligned to the preferred culture and improved performance management frameworks, while culture change remains a standing agenda item at EXCO level.

Complementing these initiatives, the employee engagement survey revealed a moderate engagement rate, with employees acknowledging strengths in teamwork, exposure to professional growth, and a shared sense of purpose. However, it also highlighted areas requiring urgent attention, including inconsistent communication, limited career mobility, workload pressures, and concerns about workplace culture and recognition systems.

Overall, the results demonstrate clear progress in culture transformation efforts, while reinforcing the need for accelerated leadership development, structured career pathways, enhanced employee wellness, and improved transparency to strengthen engagement and sustain a positive organisational culture.

Policy Review

The following policies were reviewed:

- Performance Management Policy.
- Recruitment and Selection Policy.
- Anti-Harassment Policy.
- Industrial Relations Policy.

(a) Operational challenges and mitigation strategies

The Institution experienced internal-culture constraints, reflected through a negative Net Promoter Score (NPS), signalling lingering concerns around communication and employee trust. These challenges stem from ongoing change fatigue and perceived gaps in role modelling of desired behaviours, which have influenced advocacy levels and staff morale. To mitigate this, a structured Values Reinforcement and Leadership Development Plan will be implemented going forward, strengthening ethical leadership, accountability, coaching culture, and communication practices, to embed the preferred culture across all levels.

(b) Innovations and best practices

The organisation accelerated its digital transformation and modernised human resources practices to enhance efficiency, transparency, and the employee experience. A key milestone was the successful implementation of a self-service recruitment portal within the Namibia Integrated Employment Information System (NIEIS), replacing manual submissions and enabling candidates to apply for and track vacancies online, thereby improving accessibility and streamlining recruitment workflows.

Additionally, the HR function adopted an integrated performance scorecard embedded within the C-Suite system, enabling real-time visibility of KPIs, automated performance tracking, and informed decision-making across all levels of the organisation.

The institution piloted a virtual staff engagement platform titled "Coffee with HR", creating an open, interactive space where employees connect and discuss key workplace topics such as culture change, relationship management, mental health in the workplace, and other relevant themes to promote continuous engagement, learning, and culture building.

These initiatives not only demonstrate commitment to modern, people-centred HR practices but also reinforce a culture of transparency, inclusivity, and innovation.

8.6 Finance, ICT and Administration

(a) Departmental mandate

The department is mandated to provide integrated support services to the NSI in the following areas:

- **Finance:** Budget planning, financial management, statutory reporting, and audit compliance.
- **Asset Management:** Procurement, inventory control, asset registration, and maintenance of physical resources.
- **ICT:** Provision of secure, stable, and innovative digital systems to support the NSI's objectives.

(b) Key achievements:

For the financial year ended 31 March 2025, the Institution recorded a profit of N$6.6 million, marking a substantial recovery compared to the net loss of (N$3.8) million reported in 2023/24. This turnaround reflects enhanced income generation and improved cost management across key operational areas.

Total income, inclusive of government grants, increased by N$17.5 million, rising from N$87.9 million in 2023/24 to N$105.4 million in 2024/25, demonstrating steady growth in both core ser-vice revenue and government support.

Operating expenditure also rose during the period, increasing by N$7 million, from N$87.4 million in 2023/24 to N$94.7 million. Despite this increase, the Institution achieved a total comprehensive income of N$7.6 million, a significant improvement from the total comprehensive loss of N$2.3 in the previous year, largely driven by remeasurement gains on the net defined benefit liability.

While these results are encouraging, the overall financial position remains constrained. Accumu-lated losses reduced from N$39.2 million in 2023/24 to N$31.6 million in 2024/25, reflecting in-cremental progress. The Institution's total liabilities continued to exceed total assets by N$31.6 million, and current liabilities surpassed current assets by N$5 million, indicating ongoing liquidity and solvency pressures.

These financial indicators underscore the importance of sustained strategic intervention to re-store long-term financial sustainability.

The External Auditor's report confirmed that the NSC has formally assessed the Institution's abil-ity to continue as a going concern. The outcome highlighted that the NSI's continued operation is heavily dependent on securing ongoing government funding. Importantly, the Government of the Republic of Namibia (GRN), through the Ministry of Industries, Mines and Energy, has reiterated its commitment to supporting the NSI's mandate and ensuring business continuity. The NSC has also affirmed that there are no intentions to discontinue the Institution's operations in the foresee-able future.

Strategic recovery measures

To improve the financial outlook and ensure long-term viability, the Institution has implemented several key initiatives:

- The Integrated Strategic Business Plan (ISBP) (2025/26 – 2026/27) projects strong profitabil-ity, with a projected profit of N$14.8 million in 2025/26 and N$15.8 million in 2026/27, driven by anticipated new business opportunities.
- The NSI is actively engaging with the Ministry of Industries, Mines and Energy to establish a petrochemical laboratory, expected to contribute significantly to revenue generation.
- A successful liability payment plan was negotiated with NAMRA, and a formal payment ar-rangement for outstanding PAYE and VAT obligations and thereafter the waiver of penalties and interest under the tax incentive program.

These actions reflect a deliberate strategy to stabilize the financial position, improve liquidity, and reinforce the Institution's operational resilience.

Figure 23 below provides a comparative analysis of total income and expenditure, highlighting the Institution's financial trajectory and strategic emphasis on sustainability.

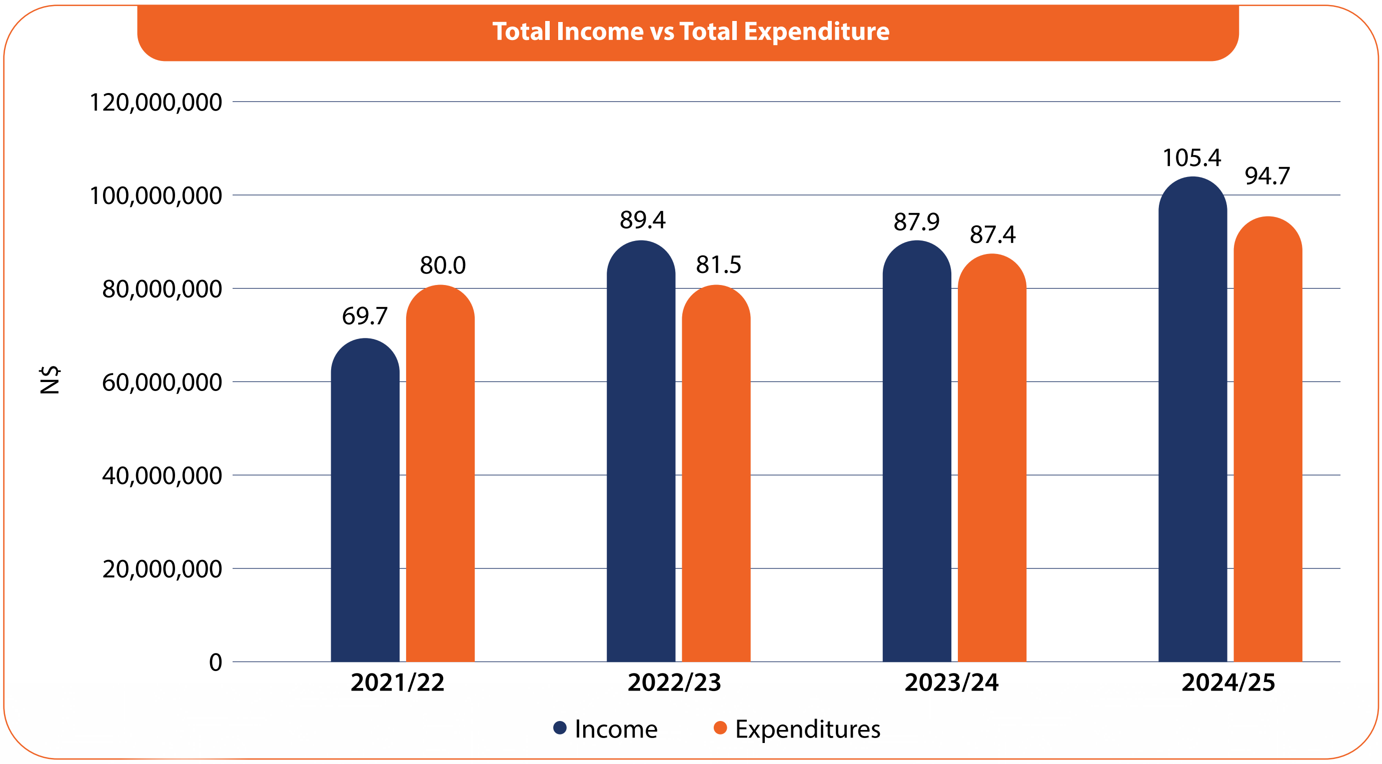

Figure 23: Total Income vs Total Expenditure.

Income Sources

Government grant

During the reporting period, the Institution received a government grant totaling N$45.1 million, reflecting a 42% increase compared to the N$31.7 million allocated in the 2023/24 financial year. This increase demonstrates continued and strengthened support from government towards funding the operational activities of the NSI as per Figure 24 below, year on year own revenue vs government grant.

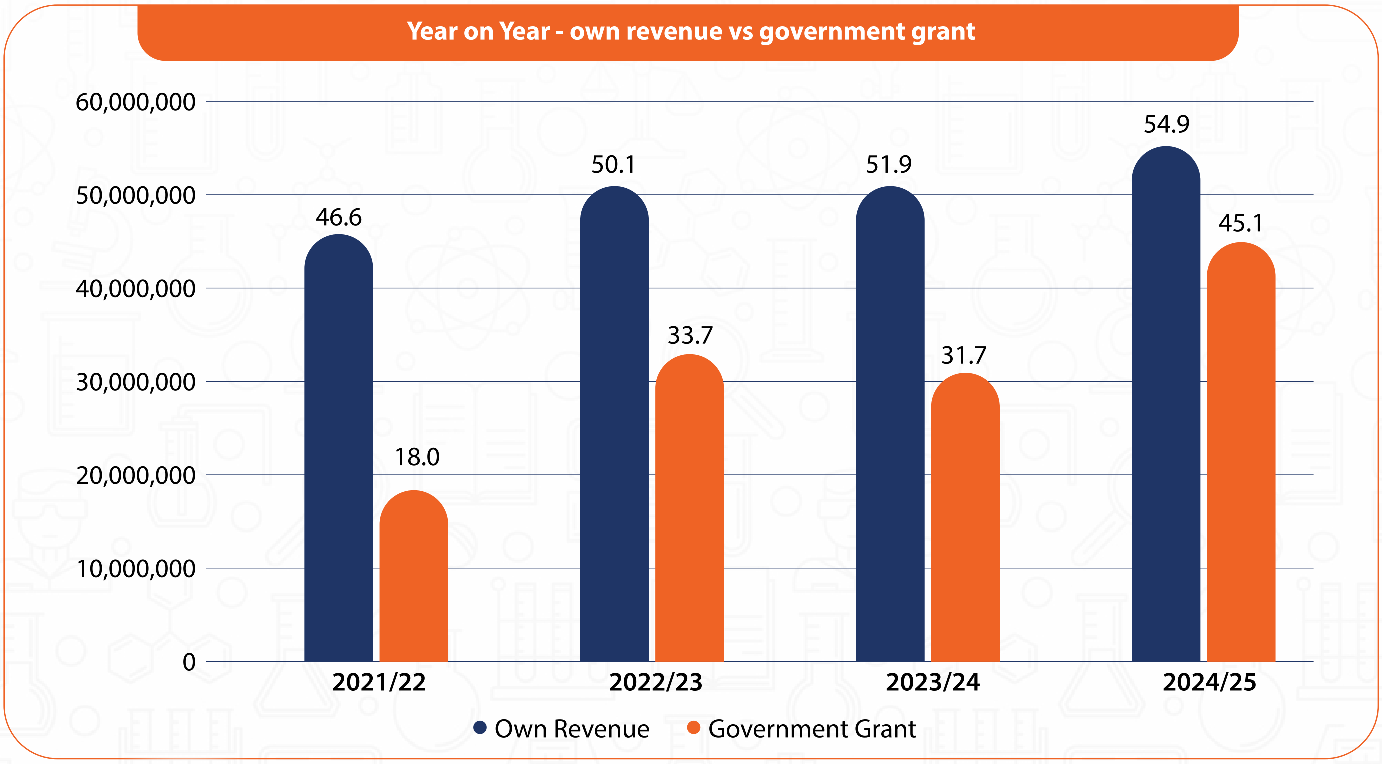

Figure 24: Own revenue vs GRN Grant.

Own Income

The Institution generates own income through services of testing and inspection, certification, training, metrology, and the sale of standards. As shown in Figure 24 below, own income recorded a moderate increase from N$51.9 million in 2023/24 to N$54.9 million in the 2024/25 financial year, indicating steady demand for core service offerings as per Figure 25 below, own revenue composition.

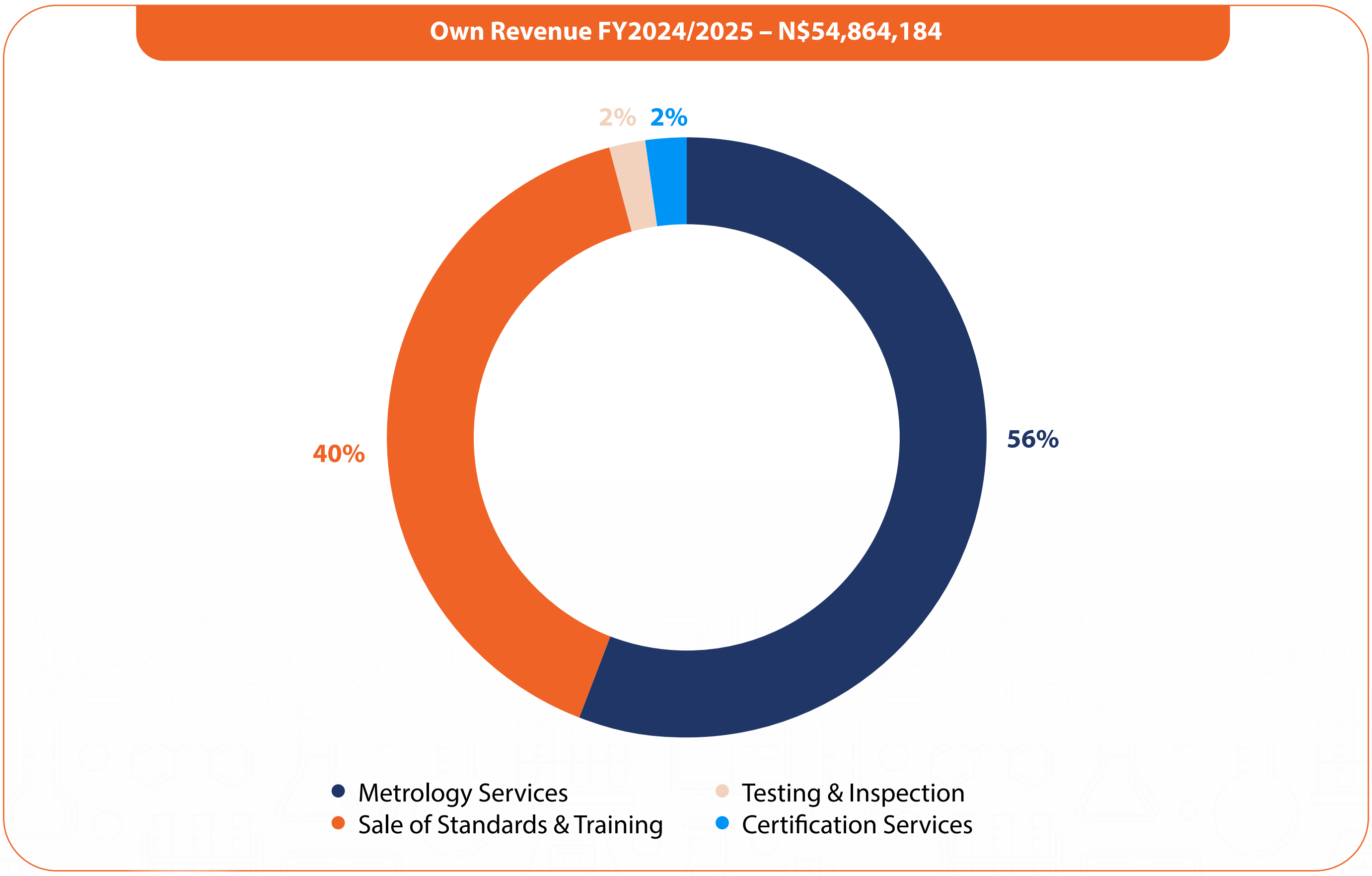

Figure 25: Own Generated Revenue from services provision

Key revenue Streams

In the 2024/25 financial year, the Institution continued to strengthen its revenue generation capacity through its core service offerings with an overall increase in own revenue by 6%, as detailed below:

- **Metrology Services:** Revenue from metrology services increased by 2% to N$21.9 million, from N$21.4 million in 2023/24. This growth is largely driven by an uptick in Legal Metrology (LFD) verifications across the country and the expansion of the customer base.
- **Sales of Standards and Training:** Income from the sale of standards and related training services recorded a slight decline of 1%, primarily due to reduced market demand during the reporting period.
- **Testing and Inspection Services:** Inspection services recorded an 8% increase, with income rising to N$30.7 million from N$28.4 million in the previous year. This reflects improved service uptake and operational efficiencies.
- **Certification Services:** Certification income showed a marked improvement of 13%, with a significant increase in certification fees, underscoring enhanced stakeholder engagement and growing confidence in the Institution's certification programmes.

These outcomes reflect the Institution's strategic focus on broadening and diversifying its revenue streams, thereby enhancing financial sustainability and reducing reliance on government funding. Figure 26 below provides a visual year on year breakdown of own revenue performance.

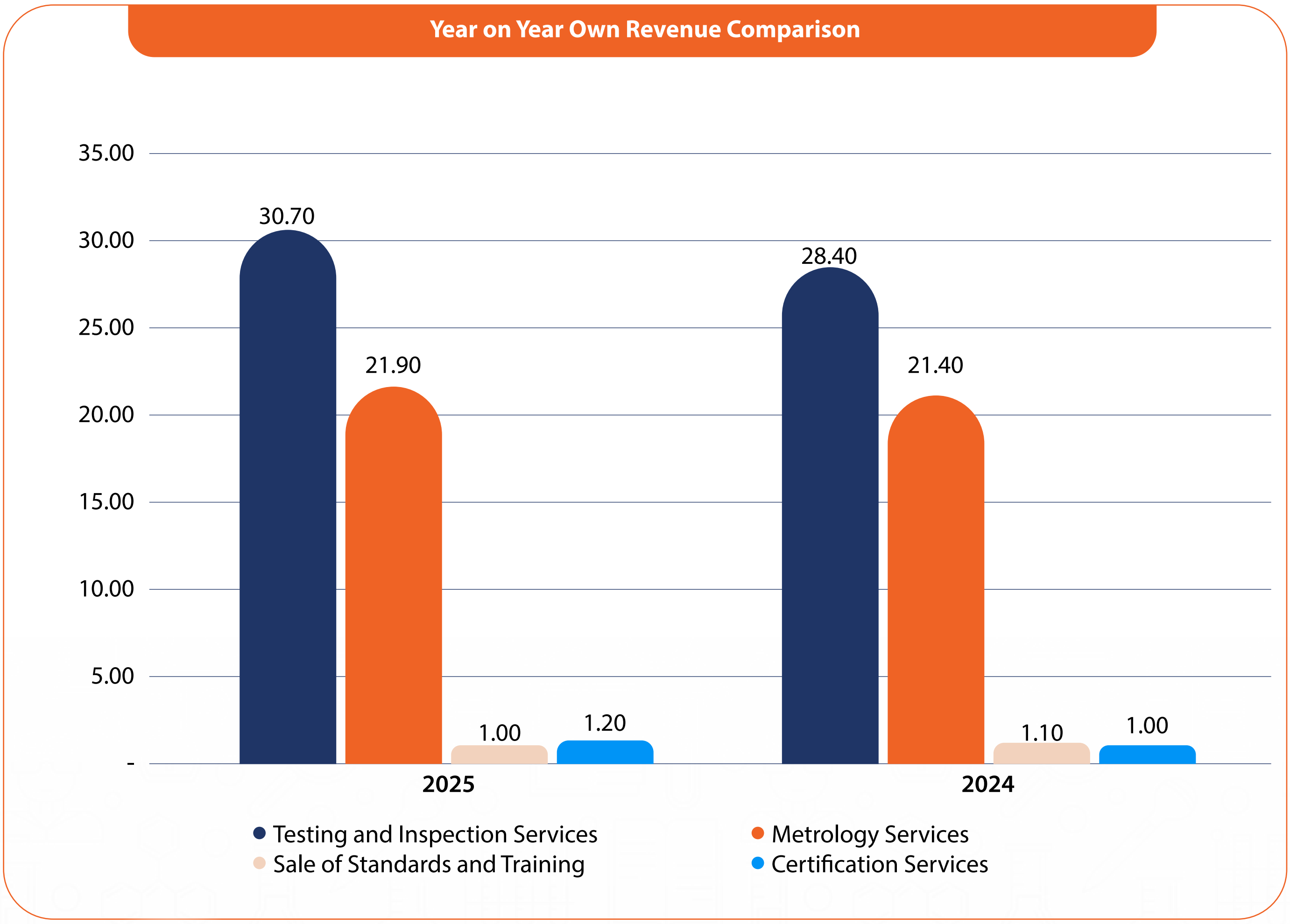

Figure 26: Year on Year Own Revenue from services provision

(c) Operational Challenges and Mitigation Strategies

During the 2024/25 financial year, the Department of Finance, Asset Management, and ICT encountered several operational and strategic challenges. While these challenges posed risks to performance and service delivery, mitigation measures have been developed and/or implemented to ensure continued progress and institutional resilience.

- Aged ICT Hardware Infrastructure: The Institution's ICT operations were impacted by an ageing hardware environment, leading to decreased system performance, increased maintenance costs, and operational inefficiencies. This outdated infrastructure also posed risks to data security and system availability. Mitigation Strategy includes: hardware replacement plan has been developed and prioritised for implementation in the 2025/26 financial year. This plan includes the phased procurement and deployment of modern IT equipment to ensure alignment with current technology standards, improve user productivity, and enhance overall system reliability.
- Heightened Cybersecurity Threats: The worldwide increase in cybersecurity threats and attempted attacks presented a critical risk to the integrity of the NSI's digital environment. The evolving nature of these threats demanded proactive action to safeguard sensitive information and ensure continuity of service. Mitigation Strategy: In response, the Institution strengthened its cybersecurity framework by upgrading firewall protection, enhancing endpoint security, and implementing updated anti-virus solutions. In addition, network infrastructure upgrades and further cyber resilience initiatives are scheduled for rollout in the 2025/26 financial year, including staff training and the adoption of advanced threat detection systems.
- Limited Funding and Financial Constraints: Despite efforts to optimise resource use and provide effective financial support across the Institution, limited funding continued to constrain the Department's ability to fully meet strategic and operational demands. This challenge has had a direct impact on capital expenditure and service delivery expansion. Mitigation Strategy: The Department remains committed to provide support to the Business Units into pursuing a diversified revenue strategy, and identification of alternative funding opportunities. Engagement with the Government of the Republic of Namibia remains ongoing to secure sustained public operational funding.

These mitigation efforts aim to address current operational risks while positioning the Institution for greater resilience and service excellence in the upcoming financial year and beyond.

(d) Innovations and Best Practices

During the 2024/25 financial year, the Institution implemented several critical ICT initiatives aimed at enhancing operational efficiency, data security, and digital resilience including the migration to Microsoft 365. These efforts form part of the broader digital transformation strategy and support the organisation's strategic objectives.

Enhancement of Cloud-Based Data Backup Solutions was prioritised to ensure business continuity and disaster recovery capabilities; the Institution transitioned to a cloud-based data backup infrastructure. This shift has reduced the risk of data loss, improved the speed of data recovery in the event of system failures, and ensured greater resilience against operational disruptions. The solution also offers scalability, aligning with the Institution's growing digital needs.

The institution recognised the increasing threat of cyber-attacks and launched a series of cybersecurity awareness campaigns targeting all staff and these efforts focused on basic digital hygiene, phishing prevention, and secure usage of digital platforms. The initiative has contributed to a more informed and security-conscious workforce, thereby strengthening the Institution's cybersecurity posture.

9

FUTURE OUTLOOK

9.1 Strategic Objectives for the Upcoming Year

In the upcoming year, the NSI will focus on implementing the following strategic projects. These are vital game-changers to the NSI's transformation and growth trajectory.

No	Project Name	Scope
1	Implementation Metrology Act of 2022 Implementation.	This would focus on the enforcement of the Metrology Act of 2022 enforced on 15 September 2025.
2	Fuel Integrity Project.	This project includes the development and setting up of capacity for a petrochemical laboratory to provide services to the Ministry of Industries, Mines and Energy (MIME) to ensure quality and quantity.
3	National Standardisation Strategy (NSS) development.	Implement NSS to establish the national standards needs through standards development plan and increase the number of Namibian standards from the current 275 to 1 267 over the next three years.
4	Develop the Technical Regulations (TR) Framework under the Standards Act 2005.	Development of the regulatory framework for the administration of compulsory standards for import inspection and market surveillance programme to ensure that products traded and manufactured by local enterprises comply with the set standards.

9.2 Alignment with National Goals

The NSI's strategic projects will support national development objectives under the Sixth (6th) National Development Plan (NDP6) and align with the National Quality Policy. The realisation of NDP6 goals requires greater emphasis on better regulation, market operations and trade as an enabler for development and regional and global integration under regional and multilateral trading arrangements to which Namibia is a member. This includes the African Continental Free Trade Area (AfCFTA).

Furthermore, the National Quality Policy emphasises the establishment and strengthening of the National Quality infrastructure through the implementation of the following broad-based activities:

- The development of the National Standardisation Strategy (NSS) as per ISO methodology;
- The review of NQP-related legislations such as Metrology (SI System and National Measurement Standards and Legal Metrology (Weights and Measures) and;
- Strengthening of product and system certification in NSI, incorporating the implementation of the Import Inspection and Market Surveillance Programme.

The National Standardisation Strategy and Plan would serve as a key guiding tool in ensuring standardisation in the key priority areas of the national economy, targeting the development of over 900 priority standards over the next three years and increasing the number of published Namibian Standards from the current stock of 275 to 1,267.

Furthermore, the implementation of the new metrology legislation provides a framework for trust, safety, and competitiveness. It will safeguard consumers, guide industries toward best practices, and ensure that Namibia can participate fully in regional and international trade.

The Import Inspection and Market Surveillance Programme is a key deliverable under the NQP, as directed by Cabinet Decision No. 12/25.08.20/007, and will ensure that products traded and manufactured by local enterprises comply with the set standards. All imports should be subjected to quality compliance tests to reduce the number of sub-standard products entering the Namibian market.

Namibian Standards Institution

Annual Financial Statements for the year ended 31 March 2025

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 2025

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 2025 has been carried out to my satisfaction.

WINDHOEK, April 2026

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

AUDITOR-GENERAL
REPUBLIC OF NAMIBIA

CONTENTS

General Information

Country of Incorporation and Domicile	Namibia
Nature of Business and Principal Activities	Promotion of standardisation and quality assurance in the industry, commerce and public sector in Namibia with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general.
Members	Dr. Eino Mvula Mr. Lloyd Londt Ms. Matilda Jankie-Shakwa Mr. Paul Kalenga Mr. Vincent Nowaseb Dr. Monica Nehemia Mr. Thaddeus Shigwedha
Business Address	37 Sir Seretse Khama Street Windhoek Namibia
Postal Address	P.O. Box 26364 Windhoek Namibia
Bankers	First National Bank of Namibia Limited Bank Windhoek Namibia
Auditors	Grand Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)
Company Secretary	Ms. Tabitha Mbome

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 set standards for internal control aimed at reducing the risk of error or loss in a cost- effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 audit report is presented on pages 79 to 81.

The members' report set out on pages 82 to 84 and the annual financial statements set out on pages 85 to 121, which have been prepared on the going concern basis, were approved by the members and were signed on _______________ on their behalf by:

Dr. Eino Mvula
(Chief Executive Officer)

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

Kledura Iipinge
(Acting: Chief Financial Officer)

Mr. Paul Kalenga
(Chairperson: NSC)

Independent Auditor's Report

GRAND NAMIBIA
Chartered Accountants & Auditors

To the Namibian Standards Council (NS() members of the Namibian Standards Institution

Opinion

We have audited the annual financial statements of Namibian Standards Institution ("the Institution") set out on pages 7 to 44 which comprise the statement of financial position as at 31 March 2025, 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 the Institution as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with in accordance with IFRS® Accounting Standards as issued by the IASB 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 Institution 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.

Material Irregularity

We draw attention to Note 28 of the financial statements, which describes the effects of a material irregularity on the financial statements of the institution. The effects of the financial losses suffered through the material irregularity were adequately accounted for and disclosed in the financial statements. The material irregularity was reported to the relevant parties in line with the Public Accountants and Auditors Amendment Act, No.51of 1951-Duty to report on irregularities as well as the International Code of Ethics for Professional Accountants (Code of Ethics). Our opinion is not modified in respect of this matter.

Other Information

The NSC members are responsible for the other information. The other information comprises the Members' Responsibilities and Approval, 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, e ar iz reeeb Street to report that fact. We have nothing to report in this regard.

9 Axali Doëseb Street
PO Box 24304
Windhoek, Namibia
Tel: +264 61 220 423
+264 61 255 263/4
Fax: +264 61 227 078
info@grandnamibia.com
www.grandnamibia.com

Resident Partners: Ronald N Beukes (Managing) | Richard Theron | Petrus T Nghipandulwa

Independent Auditor's Report

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 in accordance with IFRS Accounting Standards as issued by the IASB 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

....

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Petrus Nghipandulwa
Partner
Windhoek
03 March 2026

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 2025.

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
Dr. Eino Mvula	Chief Executive Officer (Member Ex-Officio)	Namibian
Mr. Paul Kalenga	Chairperson	Namibian
Mr. Lloyd Londt	Chairperson of Finance, Risk and Audit Committee (FRAC)	Namibian
Ms. Matilda Jankie-Shakwa	Member	Namibian
Mr. Vincent Nowaseb	Member	Namibian
Dr. Monica Nehemia	Member	Namibian
Mr. Thaddeus Shigwedha	Member	Namibian

4. Property, plant and equipment

There were no changes in the nature of the Institution's property, plant and equipment, nor in the policies governing their use during the reporting period. However, following a reassessment, the Institution revised the estimated useful lives and residual values of certain assets. These changes have been accounted for prospectively as a change in accounting estimate in accordance with the applicable financial reporting framework.

At 31 March 2025 the NSI's investment in property, plant and equipment amounted to N$ 99,802,213 2024: N$ 98,775,952), of which N$ 4,426,141 (2024: N$ 451,057) was added in the current year through additions.

5. Events after the reporting period

The General Manager: Standards Development and Coordination (Mr. Jekonia Haufiku) resigned, effective 04 April 2025. 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 2025, the NSI has accumulated losses of N$ 31,592,312 (2024: N$ 39,191,730) and its total liabilities exceed its assets by N$ 31,592,312 (2024: N$ 39,191,730) and its total current liabilities exceed its current assets by N$ 4,996,998 (2024: N$ 29,787,543). Furthermore, we draw attention to Note 12 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$ 19,415,501 (2024: N$ 25,348,492) and N$ 12,558,765 (2024: N$ 9,672,778) respectively (excluding interest and penalties) as at 31 March 2025 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N$ 16,964,238 (2024: N$ 11,929,754) and penalties of N$ 31,222,159 (2024: N$ 28,483,081) relating to PAYE and interest of N$ 4,695,974.96 (2024: N$ 3,216,119) and penalties of N$ 13,519,113 (2024: N$ 9,250,156) relating to VAT as liabilities in its accounting records because NSI will make use of the amnesty program which has been extended to October 2026. A further payment of N$ 2,483,578 for PAYE was made between May and October 2024.

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 Industrialisation, Mines and Energy.

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 profit of N$26.37m for 2025/2026 and N$34.38m for 2026/2027 with the contributing factor mainly being new businessprojected for 2025/2026 and 2026/2027 financial years.
- Successfully negotiated with the Ministry of Industries, Mines and Energy for the implementation of the Fuel Integrity
- Programme;
- Successfully negotiated to the payment plan and as agreed with NAMRA on PAYE and VAT debt and the subsequent waiving of the interest and penalties as per the tax incentive program.

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.

Members' Report

5. Events after the reporting period

The General Manager: Standards Development and Coordination (Mr. Jekonia Haufiku) resigned, effective 04 April 2025. 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

7. Secretary
The Institution's Secretary is Ms. Tabitha Mbome.

8. Terms of appointment of the auditors

Grand Namibia are the NSI's auditors for financial year 2024/25.

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$ 19,415,501 (2024: N$ 25,348,492) and N$ 12,558,765 (2024: N$ 9,672,778) respectively (excluding interest and penalties) as at 31 March 2025 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N$ 16,964,238 (2024: N$ 11,929,754) and penalties of N$ 31,222,159 (2024: N$ 28,483,081) relating to PAYE and interest of N$ 4,695,974 (2024: N$ 3,216,119) and penalties of N$ 13,519,113(2024: N$ 9,250,156) relating to VAT as liabilities in its accounting records because NSI will make use of the amnesty program which has been extended to October 2026.

Statement of Financial Position

Figures in N$	Notes	2025	2024 As Restated	2023 As Restated
Assets				
Non-current assets				
Property, plant and equipment	4	99,802,213	98,775,952	103,495,670
Right-of-use assets	5	4,603,725	6,017,381	288,486
Total non-current assets		**104,405,938**	**104,793,333**	**103,784,156**
Current assets				
Inventories	6	2,879,539	3,910,433	3,001,931
Trade and other receivables	7	21,739,353	21,917,121	18,775,672
Cash and cash equivalents	8	19,094,037	326,654	3,573,754
Total current assets		**43,712,929**	**26,154,208**	**25,351,357**
Total assets		**148,118,867**	**130,947,541**	**129,135,513**
Equity and liabilities				
Equity				
Accumulated loss		(31,592,312)	(39,191,730)	(36,900,314)
Liabilities				
Non-current liabilities				
Borrowings	9	15,713,908	16,219,113	17,073,262
Lease liabilities	5	4,317,981	5,336,084	-
Deferred income	11	91,604,363	75,892,323	77,359,008
Retirement benefit obligations	10	19,365,000	16,750,000	15,066,000
Total non-current liabilities		**131,001,252**	**114,197,520**	**109,498,270**
Current liabilities				
Provisions	13	6,751,965	4,482,903	4,508,283
Trade and other payables	12	36,974,469	45,602,678	46,084,058
Borrowings	9	834,044	799,607	1,129,500
Lease liabilities	5	1,281,556	1,248,789	440,232
Deferred income	11	2,867,893	3,807,774	4,375,484
Total current liabilities		**48,709,927**	**55,941,751**	**56,537,557**
Total liabilities		**179,711,179**	**170,139,271**	**166,035,827**
Total equity and liabilities		**148,118,867**	**130,947,541**	**129,135,513**

Statement of Profit or Loss and Other Comprehensive Income

Figures in N$	Notes	2025	2024 As Restated
Revenue	14	54,864,185	51,929,465
Other operating income	15	50,555,645	36,040,953
Other operating expenses	16	(94,685,825)	(87,440,979)
Other operating gains and (losses)	17	38,212	(86,878)
Operating profit	**18**	**10,772,217**	**442,561**
Interest income	19	1,074,038	820,176
Finance costs	20	(5,276,837)	(5,097,153)
Profit / (loss) for the year		**6,569,418**	**(3,834,416)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements on net defined benefit liability		1,030,000	1,543,000
Other comprehensive income for the year		**1,030,000**	**1,543,000**
Total comprehensive income for the year		**7,599,418**	**(2,291,416)**

Statement of Changes in Equity

Figures in N$	Accumulated loss	Total equity
Balance at 1 April 2023 as previously reported	(59,240,337)	(59,240,337)
Increase (decrease) due to corrections of prior period errors	22,340,029	22,340,029
Balance at 1 April 2023 as restated	(36,900,308)	(36,900,308)
Changes in equity		
Loss for the year	(3,834,416)	(3,834,416)
Other comprehensive income	1,543,000	1,543,000
Total comprehensive income for the year	(2,291,416)	(2,291,416)
Balance at 31 March 2024 - as restated	**(39,191,730)**	**(39,191,730)**
Balance at 1 April 2024	(39,191,730)	(39,191,730)
Changes in equity		
Profit for the year	6,569,418	6,569,418
Other comprehensive income	1,030,000	1,030,000
Total comprehensive income for the year	7,599,418	7,599,418
Balance at 31 March 2025	**(31,592,312)**	**(31,592,312)**

Statement of Cash Flows

Figures in N$	Notes	2025	2024 As Restated
Net cash flows from operations	22	**31,564,867**	**5,242,047**
Interest paid	20	(5,276,837)	(5,097,153)
Interest received	19	1,074,038	820,176
Net cash flows from operating activities		**27,362,068**	**965,070**
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment	4	33,288	185,125
Purchase of property, plant and equipment	4	(4,426,141)	(451,057)
Cash flows used in investing activities		**(4,392,853)**	**(265,932)**
Cash flows used in financing activities			
Repayment of borrowings	9	(2,524,368)	(3,011,346)
Cash repayments on lease liabilities	5	(1,677,464)	(934,892)
Cash flows used in financing activities		(4,201,832)	(3,946,238)
Net increase / (decrease) in cash and cash equivalents		**18,767,383**	**(3,247,100)**
Cash and cash equivalents at beginning of the year		326,654	3,573,754
Cash and cash equivalents at end of the year	**8**	**19,094,037**	**326,654**

Accounting Policies

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, IFRS Accounting Standards and International Financial Reporting Interpretations Committee (IFRIC) 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 institution's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

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

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.

Accounting Policies

Material accounting policy information continued...

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 medical aid contribution inflation rate of 3.66% (2024: 3.76%). This is based on the assumption that future medical aid contribution will increase by 9.03% (2024: 10.86%).

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	15 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years
Laboratory equipment	Straight line	6 years

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

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

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

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

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

1.4 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

Amortised cost

- 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:

Accounting Policies

Material accounting policy information continued...

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 collec 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 7.

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

Accounting Policies

Material accounting policy information continued...

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 17).

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.

Material accounting policy information continued...

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 5 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 rightof-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

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.

Accounting Policies

Material accounting policy information continued...

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.

Accounting Policies

Material accounting policy information continued...

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.

Accounting Policies

Material accounting policy information continued...

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.

Material accounting policy information continued...

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.

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

3. New standards and interpretations

3.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	01 January 2024	The impact of the amendment is not material.
Non-current Liabilities with Covenants (Amendments to IAS 1	01 January 2024	The impact of the amendment is not material.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01 January 2024	The impact of the amendment is not material.

3.2 Standards and interpretations not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Lack of Exchangeability (Amendments to IAS 21)	01 January 2025	Unlikely there will be a material impact
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026	Unlikely there will be a material impact
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026	Unlikely there will be a material impact
Presentation and Disclosures in Financial Statements - IFRS 18	01 January 2027	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.

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated

4. Property, plant and equipment

	2025			2024		
	At cost	Accumulated depreciation	Carrying amount	At cost	Accumulated depreciation	Carrying amount
Land	1,776,252		1,776,252	1,776,252	-	1,776,252
Buildings	113,762,306	(21,299,452)	92,462,854	113,301,806	(19,030,593)	94,271,213
Motor vehicles	4,695,533	(4,695,533)	-	5,181,845	(5,118,819)	63,026
Furniture and fixtures	4,019,582	(3,190,497)	829,085	4,320,644	(3,412,314)	908,330
Office equipment	909,913	(884,417)	25,496	942,088	(916,788)	25,300
IT equipment	10,415,862	(9,019,812)	1,396,050	10,466,692	(9,204,139)	1,262,553
Laboratory Equipment	16,186,048	(12,873,572)	3,312,476	13,419,044	(12,949,766)	469,278
	151,765,496	**(51,963,283)**	**99,802,213**	**149,408,371**	**(50,632,419)**	**98,775,952**

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Disposals	Depreciation	Depreciation	Total
Land	1,776,252	-	-	-	-	1,776,252
Buildings	94,271,213	460,500	-	(2,268,859)	-	92,462,854
Motor vehicles	63,026	-	(486,312)	(63,026)	486,312	-
Furniture and fixtures	908,330	16,210	(317,271)	(88,909)	310,725	829,085
Office equipment	25,300	6,570	(46,235)	(6,374)	46,235	25,496
IT equipment	1,262,553	476,449	(519,638)	(323,384)	500,070	1,396,050
Laboratory Equipment	469,278	3,466,412	(695,756)	(616,040)	688,582	3,312,476
	98,775,952	**4,426,141**	**(2,065,212)**	**(3,366,592)**	**2,031,924**	**99,802,213**

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Depreciation	Total
Land	1,776,252	-	-	-	-	1,776,252
Buildings	96,404,405	120,074	-	(2,253,266)	-	94,271,213
Motor vehicles	905,809	-	-	(842,783)	-	63,026
Furniture and fixtures	1,019,449	130,111	(56,927)	(184,303)	-	908,330
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
	103,495,670	**451,057**	**(179,641)**	**(4,991,134)**	**-**	**98,775,952**

Figures in N$	2025	2024 As Restated

Property, plant and equipment continued...

Additional disclosures

Register of Properties

The Institution owns the following properties which are included under Land and Buildings:

- NSI Head Office situated at Erf 37, 37 Sir Seretse Khama Street, Windhoek.
- NSI Testing and Inspection Centre situated at Erf 4466, Langer Heinrich Crescent, New Light Industrial Area, Walvis Bay.
- NSI Old Inspection Centre situated at Erf 3624, 1st Street, East 220, Walvis Bay.
- NSI Luderitz Inspection Centre situated at Erf 796, Industrial Area, Luderitz.

5. 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:

	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings and office equipment	7,068,282	(2,464,557)	4,603,725	8,284,445	(2,267,064)	6,017,381

Net carrying amounts of right-of-use assets

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

	2025	2024
Buildings and office equipment	4,603,725	6,017,381

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.

	2025	2024
Office equipment and buildings	1,413,656	1,113,119

Other disclosures

	2025	2024
Interest expense on lease liabilities	692,128	901,122
Short-term leases on property*	920,347	590,179

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated

Leases (NSI as lessee) continued...

*These relate to lease agreements with terms of 12 months or less and no purchase option. In accordance with IFRS 16, the Group applies the short-term lease exemption, and lease payments are recognised as an expense on a straight-line basis over the lease term.

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

	2025	2024 As Restated
Lease liabilities	5,599,537	6,584,873

The maturity analysis of lease liabilities is as follows:

	2025	2024 As Restated
Within one year	1,811,661	1,677,464
One to five years	4,569,796	6,789,884
	6,381,457	8,467,348
Less finance charges component	(1,062,588)	(1,882,475)
	5,318,869	6,584,873
Non-current liabilities	4,317,981	5,336,084
Current liabilities	1,281,556	1,248,789
	5,599,537	**6,584,873**

6. Inventories

	2025	2024 As Restated
Consumable goods	2,879,539	3,910,433

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 (2024: N$ nil).

Figures in N$	2025	2024 As Restated
Leases (NSI as lessee) continued...		

7. Trade and other receivables

Financial instruments:		
Trade receivables	25,521,103	24,482,225
Accrued income	-	2,541
Loss allowance	(5,852,523)	(3,107,184)
Trade receivables at amortised cost	19,668,580	21,377,582
GRN Accrual Account	21,986	-
Deposits	161,237	161,237
Employee costs in advance	77,043	-
Staff loans	817,132	378,302
Non-financial instruments		
Prepayments	993,375	-
Total trade and other receivables	**21,739,353**	**21,917,121**

Split between non-current and current portions

Current assets	21,739,353	21,917,121

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	20,745,978	21,917,121
Non-financial instruments	993,375	
	21,739,353	21,917,121

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 date.

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated

	2025	2025	2024	2024
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0% (2024: 25%)	9,121,455		7,296,618	1,849,310
Less than 30 days past due: 0% (2024: 0%)	3,121,577	-	4,846,850	-
31 - 60 days past due: 0% (2024: 0%)	1,216,050	-	(81,093)	-
61 - 90 days past due: 0% (2024 56%)	147,126	-	398,978	224,828
91 - 120 days past due: 48% (2024: 8.6%)	11,914,896	5,852,523	12,020,872	1,033,046
	25,521,103	5,852,523	24,482,225	3,107,184

Reconciliation of loss allowances

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

	2025	2024 As Restated
Opening balance	(3,107,184)	(3,595,593)
Remeasurement of loss allowance	(2,745,340)	488,409
Closing balance	**(5,852,524)**	**(3,107,184)**

8. Cash and cash equivalents

Cash and cash equivalents included in current assets:

	2025	2024 As Restated
Cash		
Cash on hand	15,010	17,000
Balances with banks	19,079,027	309,654
	19,094,037	**326,654**

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

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated
9. Borrowings		
Held at amortised cost		
Bank Windhoek Limited	16,547,952	17,004,611
The loan bears interest at 11.75% (2024: 11.75%) and is repayable in 130 (2024: 142) monthly installments of N$ 225,083 (2024: 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
The loan bears interest at 11.75% (2024: 11.75%) and has been repaid in the current year- end.		
The loan was used to purchase the NSI's motor vehicles.		
	16,547,952	**17,018,720**
Non-current portion of borrowings	15,713,908	16,219,113
Current portion of borrowings	834,044	799,607
	16,547,952	**17,018,720**

Exposure to liquidity risk

Refer to note 24 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Figures in N$	2025	2024 As Restated

10. Post retirement medical aid benefit liability

Carrying value

Present value of the defined benefit obligation-wholly unfunded	16,750,000	15,066,000
Current service cost	1,258,000	1,319,000
Interest cost	2,517,000	2,027,000
Subsidies paid	(130,000)	(119,000)
Remeasurements on net defined benefit liability	(1,030,000)	(1,543,000)
	19,365,000	16,750,000

Movements for the year

Opening balance	16,750,000	15,066,000
Remeasurements on net defined benefit liability	(1,030,000)	(1,543,000)
Net expense recognised in profit or loss	3,645,000	3,227,000
	19,365,000	16,750,000

Net expense recognised in profit or loss

Current service cost	1,258,000	1,319,000
Interest cost	2,517,000	2,027,000
Subsidies paid	(130,000)	(119,000)
	3,645,000	3,227,000

Key assumptions used

Assumptions used on last valuation on Monday, 31 March 2025.

Discount rates used	13.02%	15.03%
Expected rate of return on assets	7.53%	9.36%
Expected rate of return on reimbursement rights	9.03%	10.86%
Net discount and medical aid contribution inflation rate	3.66%	3.76%
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$19,365,000 to N$ 21,440,000.

Figures in N$	2025	2024 As Restated

The change in the liability for a 0.5% increase medical aid inflation would decrease the total accrued liability from N$19,365,000 to N$ 17,541,000.

11. Deferred income

Government grants	94,472,256	79,700,097
Split between non-current and current portions		
Non-current liabilities	91,604,363	75,892,323
Current liabilities	2,867,893	3,807,774
	94,472,256	**79,700,097**

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.

The comparative figures for 2024 have been restated to correct a prior-year error. Further details of the nature and impact of this restatement are provided in Note 29.

There are no other conditions attached to the government grant.

12. Trade and other payables

Financial Instruments:		
Trade payables	3,564,825	8,139,256
Accrued liabilities	377,202	-
GRN Accrual Account	-	36,086
Suspense account/ Unallocated receipts	129,074	21,247
Total trade and other payables	**4,071,101**	**8,196,589**
Non-financial Instruments:		
Income received in advance	929,102	2,384,819
Value added tax	12,558,765	9,672,778
PAYE	19,415,501	25,348,492
	32,903,368	**37,406,089**

Figures in N$	2025	2024 As Restated
Financial instrument and non-financial instrument components of trade and other payables		
At amortised cost	4,071,101	8,196,589
Non-financial instruments	32,903,368	37,406,089
	36,974,469	**45,602,678**

NSI owes Namibia Revenue Agency (NAMRA) PAYE to the total of N$ 19,415,501 (2024: N$ 25,348,492) (excluding interest and penalties) as at 31 March 2025 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/ recognised for both interest of N$ 16,964,238 (2023: N$ 11,929,754) and penalties of N$ 31,222,159 (2024: N$ 28,483,081) as liabilities in its accounting records.

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

13. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Total
13th Cheque	383,054	4,294	387,348	
Leave	3,116,525	-	(7,618)	3,108,907
Salary	983,324	-	(968,817)	14,507
Performance bonus	-	3,241,203	-	3,241,203
	4,482,903	**3,245,497**	**(976,435)**	**6,751,965**

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
	4,508,283	**983,324**	**(1,008,704)**	**4,482,903**

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.

Figures in N$	2025	2024 As Restated

14. Revenue

Revenue comprises:

Certification services	1,175,917	1,043,698
HACCP Audits	1,304,918	1,220,211
Inspection	9,590,318	9,152,737
Levies	11,086,845	9,376,426
Metrology Services	21,941,270	21,407,450
Sale of standards	310,313	236,710
Standards training fee	737,667	827,063
Testing	8,716,937	8,665,170
Total revenue	**54,864,185**	**51,929,465**

15. Other operating income

Fees earned	5,450,755	4,132,458
Donation received	2,722	173,495
Discount received	2,168	-
Government grants received	45,100,000	31,735,000
Total other income	**50,555,645**	**36,040,953**

*A government grant is assistance provided by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the entity's operating activities.

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.

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.

Figures in N$	2025	2024 As Restated
16. Other expenses		
Other expenses comprise:		
Accreditation	1,075,026	988,071
Advertising	1,260,147	631,162
Auditor`s remuneration - external audit	273,952	468,734
Bank charges	106,361	69,160
Certification direct expense	221,844	494,775
Cleaning	647,049	556,555
Computer expenses	1,797,519	3,839,235
Consulting fees	1,937,991	2,422,370
Consumables	3,571,025	3,695,462
Depreciation	4,780,245	6,104,253
Electricity and water	2,055,957	2,448,013
Employee costs - performance bonus	3,241,203	
Employee costs - salaries	52,314,105	52,931,279
Financial Loss / Operating Expenses	1,382,803	190,691
Fines and penalties	28,288	158,736
Heavy metal	565,787	281,674
Impairment	2,745,340	(488,409)
Insurance	1,147,003	946,610
Legal expenses	611,116	-
Metrology cost	1,544,491	39,372
Micro biology services	339,703	843,139
Motor vehicle expenses	1,008,229	854,316
Office refreshments	265,990	238,073
Operating lease expenses	920,347	590,179
Postage	498,341	359,089
Printing and stationery	865,226	621,792
Promotions	95,268	-
Protective clothing	108,076	88,986
Recruitment and relocation expenses	157,164	-
Repairs and maintenance	2,747,258	1,330,263
Safety kits	6,128	-
Security	298,226	354,471
Sitting Allowances and Retainer Fees	598,712	136,343
Standards for resale - ISO/SABS	-	509
Subscriptions	1,110,157	1,541,044
Sundry expenses	455,913	191,917
Telephone and fax	1,253,793	1,058,012
Training	249,894	511,459
Transport	276,143	382,269
Travel - Local	2,124,005	2,493,448
World Metrology Day expense	-	67,927
Total other expenses	**94,685,825**	**87,440,979**

Figures in N$	2025	2024 As Restated
17. Other operating gains and losses		
Gain or (loss) on disposal - Property, plant and equipment	(21,998)	5,484
Gain or (loss) on foreign exchange	60,210	(92,362)
Total other gains and (losses)	**38,212**	**(86,878)**

18. Operating (loss)/profit

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

	2025	2024 As Restated
Auditor's remuneration - external	(273,952)	(468,734)
Audit fees		
Remuneration, other than to employees		
Consulting and professional services	(1,937,991)	(2,422,370)
Employee costs		
Salaries, wages, bonuses and other benefits	(52,314,105)	(52,931,279)
Employee costs - performance bonus	(3,241,203)	
Total employee costs	**(55,555,308)**	**(52,931,279)**
Leases		
Leases of low value assets	(920,347)	(590,179)
Total lease expenses	**(920,347)**	**(590,179)**
Depreciation and amortisation		
Depreciation of property, plant and equipment	3,366,592	4,991,134
Depreciation of right-of-use assets	1,413,656	1,113,119
Total depreciation and amortisation	**4,780,248**	**6,104,253**

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated
19. Investment income		
Interest income		
Bank	197,930	117,489
Interest received	876,108	702,687
Total finance income	**1,074,038**	**820,176**
20. Finance costs		
Lease liabilities	692,128	901,122
Borrowings	2,067,709	2,169,031
Interest paid - post retirement benefit	2,517,000	2,027,000
Total finance costs	**5,276,837**	**5,097,153**

21. Taxation

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.

22. Cash flows from operating activities

Figures in N$	2025	2024 As Restated
Profit / (loss) for the year	6,569,418	(3,834,416)
Adjustments for:		
Finance income	(1,074,038)	(820,176)
Finance costs	5,276,837	5,097,153
Depreciation and amortisation expense	4,780,245	6,104,253
Other non-cash items - note 10	3,645,000	3,227,000
Movements in retirement benefit assets and liabilities	2,615,000	1,684,000
Gains and losses on foreign exchange realised in profit or loss	(60,210)	92,362
Gains and losses on disposal of non-current assets	21,998	(5,484)
Change in operating assets and liabilities:		
Adjustments for decrease / (increase) in inventories	1,030,894	(908,502)
Adjustments for decrease / (increase) in trade accounts receivable	177,768	(3,141,450)

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated
Cash flows from operating activities continued...		
Adjustments for decrease in trade accounts payable	(8,628,209)	(481,383)
Other non-cash items	168,943	288,465
Adjustments for increase / (decrease) in deferred income	14,772,159	(2,034,395)
Adjustments for provisions	2,269,062	(25,380)
Net cash flows from operations	**31,564,867**	**5,242,047**

23. Related parties

Relationships	
Shareholder	The Government of the Republic of Namibia.
NSC members	Dr. Eino Mvula
	Mr. Lloyd Londt
	Ms. Matilda Jankie-Shakwa
	Mr. Paul Kalenga
	Mr. Vincent Nowaseb
	Dr. Monica Nehemia
	Mr. Thaddeus Shigwedha

Related party transactions

	2025	2024 As Restated
Grant		
The Government of the Republic of Namibia (Operational grants)	45,100,000	31,735,000
Government grant realised from deferred income	14,772,159	(2,034,395)
Compensation to directors and other key management		
Short-term employee benefits	6,586,686	6,087,367

Figures in N$	2025	2024 As Restated

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Total
Trade and other receivables	7	21,739,353	21,739,353
Cash and cash equivalents	8	19,094,037	19,094,037
		40,833,390	**40,833,390**

The carrying amounts approximate the fair values.

2024

	Note(s)	Amortised cost	Total
Trade and other receivables	7	21,917,121	21,917,121
Cash and cash equivalents	8	326,654	326,654
		22,243,775	**22,243,775**

The carrying amounts approximate the fair values.

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	4,071,101	-	4,071,101
Borrowings	9	16,547,952	-	16,547,952
Finance lease obligations	5	-	5,599,537	5,599,537
		20,619,053	**5,599,537**	**26,218,590**

The carrying amounts approximate the fair values.

Figures in N$	2025	2024 As Restated

Financial instruments and risk managemen continued...

2024

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	8,196,589	-	8,196,589
Borrowings	9	17,018,720	-	17,018,720
Finance lease obligations	5	-	6,584,873	6,584,873
		25,215,309	**6,584,873**	**31,800,182**

The carrying amounts approximate the fair values.

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	9	16,547,952	17,018,720
Lease liabilities	5	5,599,537	6,584,873
Trade and other payables	12	36,974,469	45,602,678
Total borrowings		**59,121,958**	**69,206,271**
Cash and cash equivalents	8	(19,094,037)	(326,654)
Net borrowings		**40,027,921**	**68,879,617**
Equity		(31,592,312)	(39,191,730)
Gearing ratio		-127%	-176%

Figures in N$	2025	2024 As Restated

Financial instruments and risk managemen continued...

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.

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 credit worthiness 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.

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated

Financial instruments and risk managemen continued...

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

		2025		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	26,499,472	(5,852,523)	20,646,949
Cash and cash equivalents	8	19,094,037		19,094,037
		45,593,509	**(5,852,523)**	**39,740,986**

		2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	25,024,305	(3,107,184)	21,917,121
Cash and cash equivalents	8	326,654		326,654
		25,350,959	**(3,107,184)**	**22,243,775**

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.

2025

		Less than1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities							
Borrowings	9	-	5,415,889	8,123,834	12,401,147	25,940,871	15,713,908
Lease liabilities	5	-	4,069,715	500,081	-	4,569,796	4,317,981
Current liabilities							
Trade and other payables	12	4,071,101	-	-	-	4,071,101	4,071,101
Borrowings	9	2,707,945	-	-	-	2,707,945	834,044
Lease liabilities	5	1,811,661	-	-	-	1,811,661	1,281,556
		8,590,707	**9,485,605**	**8,623,915**	**12,401,147**	**39,101,374**	**26,218,590**

Notes to the Annual Financial Statements

Figures in N$						2025	2024 As Restated
Financial instruments and risk managemen continued...							
Current assets							
Trade and other receivables	7	21,739,353	-	-	-	21,739,353	21,739,353
Cash and cash equivalents	8	19,094,037	-	-	-	19,094,037	19,094,037
		40,833,390	**-**	**-**	**-**	**40,833,390**	**40,833,390**
		32,242,683	**(9,485,605)**	**(8,623,915)**	**(12,401,147)**	**1,732,016**	**14,614,800**
Non-current liabilities							
Borrowings	9	-	5,402,001	13,505,003	10,353,836	29,260,840	16,219,113
Lease liabilities	5	-	3,768,255	3,021,629	-	6,789,884	5,336,084
						-	
Current liabilities						-	
Trade and other payables	12	8,196,589	-	-	-	8,196,589	8,196,589
Borrowings	9	2,701,001	-	-	-	2,701,001	799,607
Lease liabilities	5	1,677,464	-	-	-	1,677,464	1,248,789
		12,575,054	**9,170,256**	**16,526,632**	**10,353,836**	**48,625,778**	**31,800,182**
Current assets							
Trade and other receivables	7	21,917,121	-	-	-	21,917,121	21,917,121
Cash and cash equivalents	8	326,654	-	-	-	326,654	326,654
		22,243,775	**-**	**-**	**-**	**22,243,775**	**22,243,775**
		9,668,721	**(9,170,256)**	**(16,526,632)**	**(10,353,836)**	**(26,382,003)**	**(9,556,407)**

Professional indemnity

As part of its risk management, the NSI has a professional idemnity cover of N$ 10 million (2024: N$ 10 million).

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 2025 as broadly anticipated by the market would increase the NSI's profit by N$ 6,021 (2024: N$ 9,236). 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.

Notes to the Annual Financial Statements

Figures in N$	2025	2024 As Restated

Financial instruments and risk management continued...

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 2025 and 2024, 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 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 (2024: N$ 21,690). The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

25. Going concern

We draw attention to the fact that at 31 March 2025, the NSI has accumulated losses of N$ 31,592,312 (2024: N$ 39,191,730) and its total liabilities exceed its assets by N$ 31,592,312 (2024: N$ 39,191,730) and its total current liabilities exceed its current assets by N$ 4,996,998 (2024: N$ 29,787,543). Furthermore, we draw attention to Note 12 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$ 19,415,501 (2024: N$ 25,348,492) and N$ 12,558,765 (2024: N$ 9,672,778) respectively (excluding interest and penalties) as at 31 March 2025 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N$ 16,964,238 (2024: N$ 11,929,754) and penalties of N$ 31,222,159 (2024: N$ 28,483,081) relating to PAYE and interest of N$ 4,695,974.96 (2024: N$ 3,216,119) and penalties of N$ 13,519,113) (2024: N$ 9,250,156) relating to VAT as liabilities in its accounting records because NSI will make use of the amnesty program which has been extended to October 2026. A further payment of N$ 2,483,578 for PAYE was made between May and October 2024.

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.

Figures in N$	2025	2024 As Restated

Going concern continued...

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 Industrialisation, Mines and Energy.

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$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 negotiated with the Ministry of Industries, Mines and Energy for the implementation of the Fuel Integrity Programme;
- Successfully negotiated to the payment plan and as agreed with NAMRA on PAYE and VAT debt and the subsequent waiving of the interest and penalties as per the tax incentive program.

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.

26. Events after the reporting date

The General Manager: Standards Development and Coordination (Mr. Jekonia Haufiku) resigned, effective 04 April 2025.

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

27. 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$ 19,415,501 (2024: N$ 25,348,492) and N$ 12,558,765 (2024: N$ 9,672,778) respectively (excluding interest and penalties) as at 31 March 2025 that accumulated since 2019 due to cashflow constraints. NSI has not accounted/recognised for both interest of N$ 16,964,238 (2024: N$11,929,754) and penalties of N$ 31,222,159 (2024: N$ 28,483,081) relating to PAYE and interest of N$ 4,695,974 (2024: N$ 3,216,119) and penalties of N$ 13,519,113 (2024: N$ 9,250,156) relating to VAT as liabilities in its accounting records because NSI will make use of the amnesty program which has been extended to October 2026.

28. Financial Irregularity Under Investigation

During the financial year, management identified a financial irregularity resulting in a loss of N$ 2,271,140.79. The matter was reported to the relevant authorities in line with the Public Enterprises Governance Act, 2019 and is under investigation.

The amount has been recognised as an expense under Other Operating Expenses (refer to Note 16). Recovery actions are in progress, and internal controls have been strengthened. The incident has no impact on the Institution's ability to continue as a going concern (refer to Note 25).

Figures in N$	2025	2024 As Restated

29. Prior period errors

The management of Institution noted during the year under review, 31 March 2025, that they have not released adequate deferred income to the income statement from the deferred income liability account. It was noted that the carrying amount ofthe donated assets by Government and the capital expenditures received by the Government was not approximately equal to the deferred income balance as reflected in the financial records. The above constitutes a prior period error, that needs to be corrected in terms of IAS 8, as the error relates to periods before the 31 March 2023 financial year.

In addition to the above, management engaged PWC for a forensic investigation on the possible irregular payments made by the former Acting CFO and the conclusions of the reports noted that there was a misappropriation of the Institution funds/irregular payments of N$ 888,337. The N$ 697,646 of the irregular payments were already reflected in the Retained Income as it was recorded as fictitious expenses. The N$190,691 was never recognised through profit or loss; therefore, a restatement is required and the PAYE payable must be reinstated, as the balance was reduced without any corresponding payment to the Receiver of Revenue. Other prior-period errors included in accumulated funds comprise N$486,558 relating to the correction of the PAYE liability by reversing payments erroneously recorded to the liability account in prior years, and N$100,700 relating to the adjustment required to correct positive balances in the creditor age analysis arising from unrecorded prior-year invoices.

The effect on the opening balances as a result of the correction of the prior period error is summarised below:

	2024 N$	2024 N$
Effect on the statement of profit or loss		
Increase/(Decrease) in other operating expenses (Financial losses/ Consumable costs)	(195,167)	-
(Increase)/decrease in Other Operating Income	2,465,198	(22,340,029)
(Increase)/decrease in Profit/Loss for the year	(2,270,031)	22,340,029
Effect on the statement of financial position	-	-
Decrease/(Increase) in Trade and other payables	195,167	-
Decrease/(Increase) in Deferred Income	19,874,830 2	2,340,029
Decrease/(Increase) in Accumulated Loss	(20,069,998)	(22,340,029)
	-	-


NSi

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
www.nsi.com.na
NSI_Namibia