

ROADS AUTHORITY

2014/2015

ANNUAL REPORT



SAFE ROADS TO PROSPERITY

VISION, MISSION AND VALUES

VISION

A sustainable road sector, which is ahead of national and regional socio-economic needs in pursuit of Namibia Vision 2030.

MISSION

Manage a safe and efficient national road network to support economic growth.

VALUES

Service Excellence

In managing our national road network, we strive to become a customer-centric organisation. We value our road users first and offer excellent and passionate customer care. We are committed to a culture of being friendly to the environment, protecting the health and safety of our employees and impacting positively on the communities where we operate. We guarantee our stakeholders our dedication to manage, to their advantage, the road network in accordance with the national principles entrenched in our distinctive legislation.

Open Communication

By adhering to ethical standards and legal requirements in all the operations of the RA, we shall be honest, fair, open and equitable in whatever we do.

Innovation

We shall continuously innovate by encouraging staff to keep a constructive and optimistic mind-set in pursuit of freedom for creativity, respect for each other and celebrate diversity so that everyone can give their best.

Quality

We promote a culture of performing tasks and assignments right the first time in accordance with the best practices and standards to compete with the best in the world.

Teamwork

In sharing the RA Vision we shall rely on the team to get results.

Good Governance

By being honest in all our dealings on behalf of the organisation internally and externally, we shall demonstrate zero tolerance for corruption.

Commitment

By being passionate in what we do, we commit to follow-through and participate with the highest enthusiasm and energy levels.

BRAND PROMISE

SAFE ROADS TO PROSPERITY

CONTENTS

03

Vision, Mission and Values

06

Board of Directors

08

Chairperson's Report

12

Corporate Governance

14

Executive Committee

16

Chief Executive Officer's
Statement

20

Maintenance of the
Road Network

22

The Road
Management System

30

Transport Information and
Regulatory Services

46

Road Traffic and Transport
Enforcement

50

Network Planning
and Consultation

54

Road Construction
and Rehabilitation

58

Corporate Services

60

Audit Certificate on
the Accounts

62

Annual Financial
Statements

BOARD OF DIRECTORS



From left to right:

MS HILENI KAIFANUA

Chairperson

MR BRIAN KATJAERUA

Director

MS MARIETTE HANEKOM

Deputy Chairperson

MR LENNOX LIKANDO

Director

MS ELINA HAIPINGE

Director

CHAIRPERSON'S REPORT

For the Roads Authority (RA) to achieve the targets outlined in Namibia's Vision 2030, construction projects are geared towards the expansion and maintenance of road infrastructure, especially in addressing the imbalances of the past.

To date, we have completed major road construction and rehabilitation projects such as the Rundu-Elundu Road linking the northern part of our country to the north-eastern SADC countries such as Zambia, Zimbabwe, Botswana and DRC via the Trans-Caprivi Highway; the rehabilitation of the Okahandja-Karibib Trunk Road, which forms part of the Walvis Bay Trans-Kalahari Corridor which links the Port of Walvis Bay to the Gauteng Province in South Africa; Phase 1 of the Gobabis-Grootfontein Road Upgrade Project, the Omakange-litananga Road in Omusati Region; the Tsumeb-Tsintsabis-Katwitwi Road linking Namibia to Angola via Katwitwi; the Kongola-Linyati-Liselo Road Upgrade and the Ruacana-Omakange Road Upgrade which connects the Omusati and Kunene Regions.

The Government's Rural Access Roads Development Programme to enhance rural accessibility and connect the rural population to the economic belt of our country, requires tangible implementations from the RA. Thus, the construction of the following gravel roads were completed during the reporting period under this programme:

- **DR3649:** Onalulago – Epembe
- **DR3670:** Oshandi – Eembahu – Oshiweda
- **DR3427:** Kamupupu – Mbururu
- **DR3674:** Onayena – Omahenge
- **DR3673:** Omuthiya – Onanke

In the same spirit of implementations, I am happy to report that work is progressing well on the following capital projects which were started during the previous financial year and are envisaged for completion in the next financial year:

- **TR 1/6:** Section 3 Windhoek-Okahandja Road upgrade to dual carriageway;
- **TR 14/2:** Otjinene-Grootfontein Road upgrade to bitumen standard;
- **MR 118:** Rosh Pinah-Oranjemund Road upgrade to bitumen standard;
- **MR 91:** Gobabis-Aminius-Aranos Road upgrade to bitumen standard;
- **MR 67:** Omakange-Ruacana Road upgrade to bitumen standard;
- **DR 3608:** Omafo-Ongenga Road upgrade to bitumen standard.
- **MR 121:** Eenhana-Oshigambo road upgrade to bitumen standard.

The major reseal works that have been taking place along the national road network have yielded positive results. The surfacing condition of the road network have improved from 17% of the previous financial year to 12% by 31 March 2015.

Board of Directors

The Board continued to ensure that the principles of good governance, ethical conduct, accountability, risk management and compliance remain embedded throughout the organisation.

In this regard, I am also pleased to announce the appointment of three new directors to the RA Board of Directors, namely Mr Brian Katjaerua, Ms Elina Haipinga and Mr Lennox Likando. Our warm congratulations are herewith extended to the new Board members. We trust that the RA will continue to go from strength to strength under your capable leadership.

Financial Performance

The five-year budget for the period 2014/15 to 2018/19 was prepared and finalised during the reporting period. This budget covers the assigned functions, management of the road network and the administration costs of the RA.

The 2014/15 financial year budget, as a component of the five year budget, was prepared on the basis of the Medium to Long Term Roads Master Plan (MLTRMP), in line with the Strategic Plan, NDP 4 targets and in response to the Board Key Performance Indicators (KPIs).

During the period under review, the RA spent a total of N\$2 782 085 093, which is 92% of the allocated budget on programme and capital development from a total budget of N\$3 024 244 096. The amount of N\$1 695 980 096 (56.1% of the approved budget) was funded by the Road Fund Administration (RFA), while the remainder which is N\$1 328 264 000 (43.9%) was provided by our Government for road development, construction and upgrading of vehicle and driver testing centers.

Even though the RA has achieved successes in many of its operations, mainstream revenue for the preservation of the road infrastructure remains a cause for concern. Nonetheless, the RA remains optimistic in the hope that the necessary funds required will be allocated and the RA will continue to perform its assigned functions.

Operational Performance

It is pleasing to note that Namibia was accorded the top position for having the best roads in Africa by the World Economic Forum. I would like to applaud and thank the Chief Executive Officer, Management and Staff for their continued efforts to ensure that we execute our mandate successfully.

I would also like to congratulate the Chief Executive Officer on his appointment as President of the Association of Southern Africa National Road Agencies (ASANRA). The ASANRA Presidency will enable Namibia to influence changes in the regional road transport system to ensure that other countries recognise what Namibia has to offer. The harmonisation of the SADC Region transport system has reached an advanced stage, however, a lot still needs to be done to ensure full integration amongst all the 14 member states.

The RA has successfully implemented a performance management system which requires all staff members to enter into performance agreements every year. These agreements are assessed and reviewed on a bi-annual basis. During the period under review, the Board signed a performance agreement with the Chief Executive Officer. Similarly, the Chief Executive Officer signed performance agreements with the Executive Committee members and it was cascaded to all staff members.

To ensure an effective succession within the RA, the organisational structure was reviewed and approved. As a result, three executive officers in the corporate services, engineering and transportation arms of the business were appointed during the reporting period. The Chief Executive Officer and Executive Officers form part of the newly established Executive Committee.

Corporate Social Responsibility

The RA continues to ensure the empowerment, promotion and transformation of small and medium enterprises (SME) by ensuring that they are exposed to roadwork contracts in the form of labour-based construction and road maintenance works. During the period under review, we contracted 44 SME's with a combined contract value N\$144 578 720.17. This initiative created 1209 jobs during the period under review, an increase in comparison to the previous financial year.

Our bursary programme continues to attract learners who excel academically. We have granted 10 bursaries for studies in the fields of engineering, transport economics and information communication technology.

The RA makes every effort to fund projects or initiatives that are primarily aimed at poverty alleviation, job creation, income generation, education and skills development. During the reporting period, we donated an amount of N\$255 000 to schools and non-profit making organisations through our Corporate Social Responsibility Programme.

Concluding Remarks

On behalf of the Board, I would like to extend a warm welcome to our new Portfolio Minister, Honourable Alpheus G !Naruseb. We are looking forward to a productive partnership in order to ensure that the national road network is maintained and upgraded as per the RA mandate. I also wish to express my sincere gratitude to the former Minister of Works and Transport, Honourable Erkki Nghimtina, for his steadfast support in all the projects that have enhanced the RA's developmental and transformational role.

Lastly, the Board would like to express its appreciation to the Chief Executive Officer, Management and staff of the RA for their continued hard work, dedication and achievement in all our stated objectives.



MS HILENI KAIFANUA
Chairperson

CORPORATE GOVERNANCE

The Roads Authority is an organisation that procures all its goods and services through public tendering, where it is essential to operate with high ethical standards and transparency. Corporate governance, management of risks through internal auditing among others, will assist the Roads Authority in ensuring high ethical standards and transparency.

Board Composition

The Board of Directors is appointed by the Minister of Works and Transport. The Board is comprised of five independent non-executive directors, including the Chairperson of the Board. The Minister of Works and Transport appointed a new Board of Directors for the Roads Authority for the period 15 July 2014 – 15 July 2017:

1. Ms H. Kaifanua (Chairperson)
2. Ms M. Hanekom (Deputy Chairperson)
3. Mr L. Likando (Director)
4. Mr B. Katjaerua (Director)
5. Ms E. Haipinge (Director)

The Roads Authority has a governance structure comprised of the Board of Directors, with three sub-committees that assist the directors in the execution of their mandate. The subcommittees are: the Audit Committee, the Board Tender Committee and the Human Resources Board Committee. Each committee has four scheduled annual meetings, however, the frequency may vary depending on the task at hand. The Board is guided by the Board Charter and its Committees by Terms of Reference, which are renewed annually.

Schedule of Attendance of Board Meetings during the 2014/2015 Financial Year:

Director	25/07/14	08/08/14	19/09/14	10/10/14	27/02/15
Ms. H. Kaifanua	P	P	P	P	P
Ms. M. Hanekom	P	P	P	A	P
Mr. B. Katjaerua	P	A	P	P	P
Mr. L. Likando	P	P	P	P	A
Ms. E. Haipinge	P	P	P	P	A

* Meetings depicted above are only the meetings held with the new Board of Directors.

*P – Present Member *A – Absent Member

Audit Committee

The Audit Committee assists the Board in discharging its duties by ensuring that there are adequate controls and systems in place for the reliability of the financial results and accountability for the

organisation's assets. The Committee is tasked to deal with risk management, internal controls, financial reporting processes, auditing processes, anti-corruption, fraud and theft.

The Committee comprises of Mr B. Katjaerua as the Chairperson, Ms E. Haipinge and Mr L. Likando as members; and Mr G. Itembu as co-opted member.

Board Tender Committee

The Board Tender Committee is responsible for reviewing tenders, expressions of interest and other procurement matters in excess of N\$20 million, upon recommendation from the Management Tender Committee. The Committee was mainly established to assist the Board in the execution of its duties in terms of the Tender Rules and Procedures.

The Committee is comprised of Ms H. Kaifanua as the Chairperson, Mr B. Katjaerua, Ms E. Haipinge, Mr L. Likando and Ms M. Hanekom as members.

Human Resources Committee

The Human Resources Board Committee is mandated by the Board to create an organisational culture, structure and process that supports the development of employees and actualisation of potential performance. The Committee is comprised of Ms M. Hanekom as the Chairperson, Ms E. Haipinge and Mr B. Katjaerua as members.

Disclosure of interests

The Roads Authority considers it important that the Board must make all its decisions independently and transparently, without any conflict of interest which could affect judgment or decisions. Disclosure of interest is a standard agenda item at every Board and Committee meeting. In the event that there is a conflict of interest, the director must recuse himself from the deliberations and decisions, after providing all the relevant information at his/her disposal.

Board Remuneration

The Board Remuneration is paid as per the directives issued for the annual fees and sitting allowances for Board Members: State-owned Enterprises Governance Act, 2006.

Board Evaluation

A Board evaluation is conducted every second year in order to ensure that the Board is effective and that members execute their duties accordingly.

EXECUTIVE COMMITTEE



From left to right:

MR CONRAD LUTOMBI

Chief Executive Officer

MR WILFRIED BROCK

*Executive Officer - Transport
Regulatory and Inspectorate*

MS RAUNA HANGHUWO

Executive Officer - Engineering

MS ROSALINDE NAKALE

Executive Officer - Corporate Services



CHIEF EXECUTIVE OFFICER'S STATEMENT



It is indeed a privilege to report on the activities of the Roads Authority (RA) for the 2014/15 Financial Year. This report reflects on the progress and successes of the organisation during the reporting period.

Capacity Building

Capacity building is a central aspect in all RA activities as we aim to make a contribution to Namibia's social and economic development.

The organisation continued to develop a high performing workforce by promoting and encouraging staff development through job-specific training and development interventions and initiatives. To build capacity in the engineering sector, we launched an Engineering Graduate Development Programme. This programme is done in partnership with the Engineering Council of Namibia and it enables graduates to undergo mentorship and get practical exposure to enable them to obtain professional registration.

I am happy to report that the RA has entered into a Memorandum of Understanding (MOU) with the Lesotho Roads Directorate as part of our capacity building. This MOU will enable suitably-qualified Civil Engineers and engineers-in-training who are employed by the two institutions to attend training and skills development and exchange programmes. This initiative will also complement our efforts in improving the human resource base in the field of Civil Engineering.

Mr Ismael Nehadi, an engineer-in-training at the RA, is currently undergoing on-the job-training at the construction project of the Bethel Bridge over the Senqu River in the Quthing District in Lesotho as part of this programme.

Road Transport Sustainability Plan for Namibia

The RA is committed to the notion of sustainability in helping us advance our mission and vision. By making sustainability a part of what we do, we can address environmental, economic, and social objectives in a holistic manner and meet the needs of the present and the future.

Namibia's first Road Transportation Sustainability Plan was launched during the reporting period. In accordance with this Plan, we believe that the RA and the Transportation Sector as a whole can play a key role in achieving a prosperous and sustainable future. This Plan was done through a Collaborative Research Project between Texas A&M Transportation Institute and our Technology Transfer Centre.

Stakeholder Engagement and International Associations

We actively engaged regional governors and councillors with the aim of enhancing strategic partnering. The organisation also participated in several regional forums aimed at enhancing human capital and networking. In addition, we integrated into the world community through our high-level representation on the boards of international organisations such as the World Road Association (PIARC) and the Association of Southern African National Roads Agencies (ASANRA).

The Annual Customer Communication Strategy was carried out successfully to aggressively educate our customers about our operations and services.

Road Safety Measures

The RA makes continuous efforts to create a conducive environment and to ensure a safe and reliable road infrastructure. We completed the construction of an arrestor bed, the first of its kind in Namibia, on the B2 road between Usakos and Swakopmund during the reporting period. An arrestor bed is a traffic device that enables vehicles with braking problems to stop safely. The construction of this arrestor bed is one of the many road safety action plans the Government of Namibia has initiated to promote road safety and save lives.

The organisation introduced speed flashers to curb the over-speeding problem by calming the traffic travelling between Otjiwarongo and Otavi in the northern part of the country. The number of speeding vehicles has been reduced by more than 70% after the device was installed. The organisation also contributed to a road safety campaign by assisting the Motor Vehicle Accident Fund of Namibia and the Road Safety Council with the development of the Accident Management System.

The RA endeavours to continue its full participation in national road safety initiatives and also to continue supporting the decade of action for road safety by focusing on infrastructure safety, safer vehicles and drivers, enhance road user behaviour and contribute to post-crash response through research initiatives.

Challenges

In spite of the numerous milestones that we have achieved during the period under review, we also experienced setbacks due to budgetary cuts that forced some of our planned projects to be postponed, especially with regard to road maintenance and preservation. Although the need for road maintenance and preservation is widely recognised, it is still not getting adequately executed due to an overall insufficient funding shortage.

The Future

Going forward, we have crafted a new three-year Strategic Plan which focuses on addressing the challenges that we experienced in the previous years. Our aim is to continue to build on our successes through continuous improvement of our internal processes.

Our approach will be to enhance internal processes such as core operational processes, customer management processes, innovation processes, project and contract management processes, so that these processes can create and maximise value to our stakeholders. It is also imperative that we create a competent workforce to carry out our mandate successfully.

In the same way, we will undertake financial and technical auditing of both maintenance and new construction/rehabilitation/upgrading projects at all stages of the project cycle. We shall continue to explore and seek technological advances or innovations that form the basis for providing a safe and engineered road at less cost, thereby strengthening the value proposition for road users and the Government when it comes to road pricing.

Acknowledgements

My sincere appreciation goes to our Board of Directors for their leadership and guidance. A warm word of thanks also goes out to my fellow EXCO Members, Management and staff for their diligent efforts and commitment to meet the expectations of those whom we serve.

To our industry counterparts, thank you for assisting us in making a difference; and to our road users, thank you for your support and valuable feedback. We remain committed to providing you with the services you have come to expect of us.

MR CONRAD M. LUTOMBI

Chief Executive Officer



MAINTENANCE OF THE ROAD NETWORK



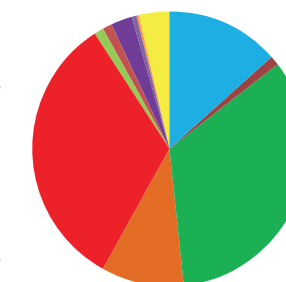
The RA's main objectives with regards to road maintenance are:

- To maintain the paved road network by carrying out routine and timeous works, and periodically applying rejuvenation and/or bituminous seals and road markings.
- To maintain the unpaved road network by managing routine blading works and periodic graveling, re-gravelling, or re-compaction operations.
- To maintain the road reserve by managing grass-mowing and de-bushing operations, cleaning of rest places and other miscellaneous works on the national road network as required.
- To manage minor improvement work on roads, including marginal widening of the surface seal, protecting seal edges (concrete edging), and constructing concrete drifts and other small drainage structures.
- To temporarily upgrade highly-trafficked gravel roads by means of a bituminous dust palliative seal.
- To erect and maintain appropriate road signage.
- To attend to any emergency works such as washouts, scouring and pothole repairs.
- To perform other road maintenance functions assigned to the RA; for example those related to the Roads Ordinance (1972), which include access application, fencing application and road crossings would be good examples.

During the period under review, the RA carried out the following maintenance activities:

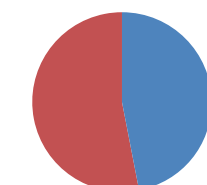
- Re-graveling of a total distance of 264 kilometres of roads. This was achieved with three Gravel Re-surface Units (GRUs) across Namibia over a four-month period.
- Treatment of 285 kilometres of salt roads.
- Routine maintenance of 7165 km of paved roads, for which the RA spent 9.7% of its budget (i.e. N\$11,696.86 per kilometre). The amount spent for routine maintenance on paved bitumen reduced due to the resealing project taking place at the time.
- Since 2011, the RA focused on resealing the surfaced road network, which had been in a critical condition following the good rains received over the past few years. With two main contractors working simultaneously in all four maintenance regions, close to a third of the bitumen paved roads of Namibia were resealed and/or rejuvenated by the end of March 2015.
- For miscellaneous road maintenance activities – which includes the maintenance of road reserves, road signs, concrete and steel works for drainage structures, sand removal on TR 4/2 between Luderitz and Aus, emergency works and special projects like clearing of drainage facilities with heavy equipment – 8.9% of the expenditure was utilised. This amounted to N\$76.9 million.

Expenditure Distribution: Total N\$864 Million



13,5%	Gravelling (periodic)
1,0%	Clearing and Forming (periodic)
34,1%	Blading (routine)
9,7%	Bitumen Road (routine)
32,8%	Resealing of Bitumen Roads (periodic)
0,0%	Road Marking (periodic)
1,1%	Road Signs and Guard Rails (routine)
1,0%	Concrete and Steel Works (routine)
2,6%	Specialized Maintenance (routine)
0,4%	Sand Removal (routine)
0,1%	Consulting Services (routine)
0,1%	Contingencies (routine)
3,6%	Road Reserve Maintenance (routine)

Distribution between Periodic and Routine Maintenance Distribution Routine and Periodic Maintenance

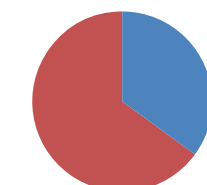


47%	Periodic Maintenance
53%	Routine Maintenance

Participation of SME Contractors

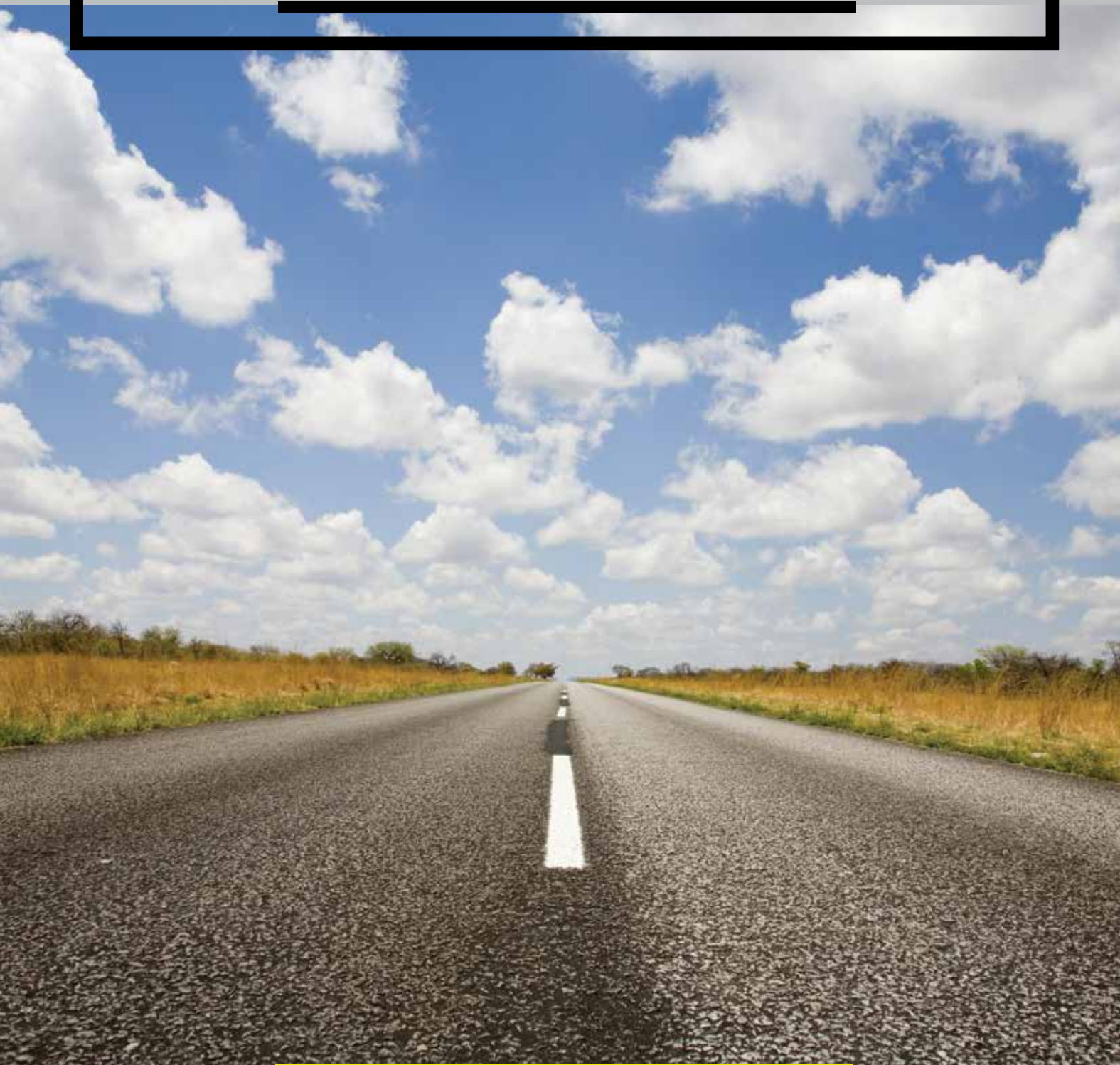
A total of N\$302 million out of N\$864 million was allocated to SME contractors.

SME Participation



35%	SME Contractors
65%	Main Contractors

THE ROAD MANAGEMENT SYSTEM



The Road Management System (RMS) enables the organisation to develop and operate coordinated and integrated support tools or systems to facilitate the efficient management of the road network and to provide information on the network. This includes analysing the impact of funding constraints on the road network and road users, and identifying and prioritising projects to ensure the most efficient use of scarce funds.

Road Referencing System (RRS)

The RRS equips the RA with one process through which all features, attributes and data may be referenced. It condenses the processes related to road definition and inventory into one system,

thereby allowing the entry and updating of information regarding proclamations, nodes, road links, lane configuration and cross section details. The RRS also displays information online and allows printing of reports for selected roads or areas.

On behalf of the Minister of Works and Transport, the RA is the custodian of the road network and the definition thereof. It is obligated to keep information up to date and to provide information to all stakeholders, e.g.:

- Maps are produced annually showing the composition of the road network in terms of road categories and surface type; and
- Maps are produced showing all the on-going and planned, completed projects of the RA.

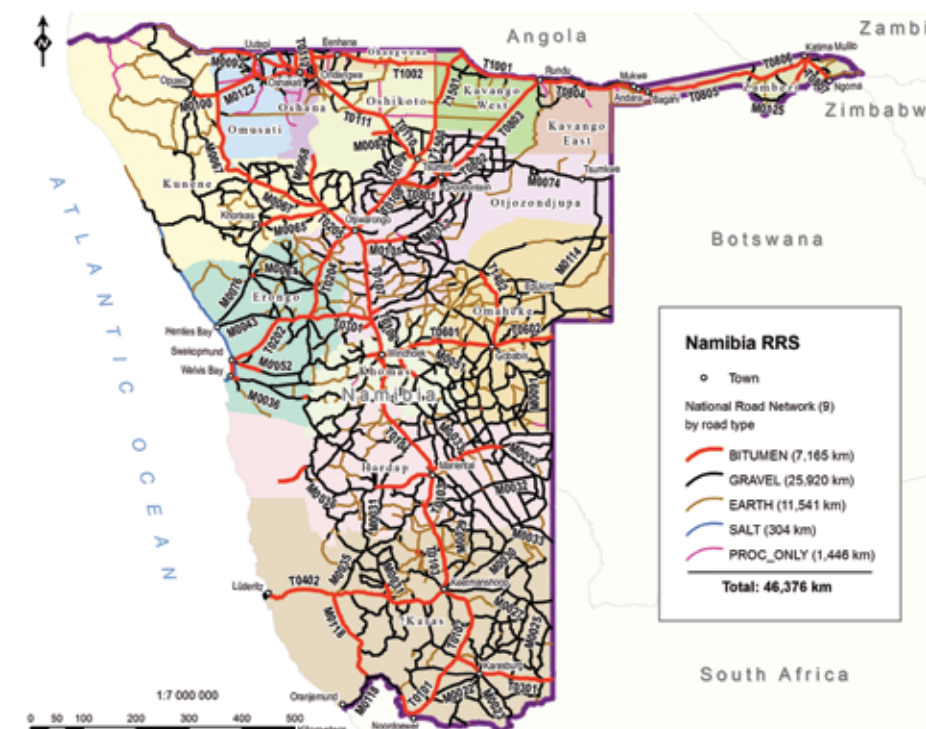


Figure 1 Namibia Road Network

The current network statistics have been released and are shown on the map in Figure 1. This incorporates all the changes to the network that occurred in 2013 and 2014, and includes new proclamations, upgrades from gravel to bituminous standards, reclassifications of roads and de-proclamations.

Pavement Management System (PMS)

The PMS was developed in 1998 and has been continuously refined since then. It utilises regular visual assessments and mechanical surveillance measurements on the surfaced road network to describe road conditions, identify periodic maintenance and rehabilitation needs, and to evaluate the implications of different funding scenarios.

Current Situation

Replacement value of the pavement structures

A conservative calculation indicates that approximately N\$49 million would be required to replace only the top layers and bituminous surfacing of our paved roads – an indication of the typical cost to rehabilitate the entire surfaced road network. This does not include the value of the land, earth works, bridge structures, road furniture or the value of unsealed roads.

Age of Our Road Network

Road Pavement Structure

Road pavements are normally designed to carry the traffic load for a period of 20 years. This means, theoretically, that 5% (358 km) of the total surfaced road length should be rehabilitated (strengthened) per annum. Fortunately, for various reasons, pavement structures in Namibia last much longer.

Our Situation:

56% of our total paved road network is more than 20 years old.

Bituminous Surfacing (Seals)

The purpose of a bituminous surfacing is to prevent moisture ingress into the pavement, to provide skid resistance and to protect the pavement structure from traffic wear. The average effective life of the surfacing layers in Southern Africa is 10-15 years. Deterioration on lower volume roads occur mainly due to oxidation and hardening, making this layer water-permeable.

Our Situation:

Despite the efforts made from 2012 to 2014 to reseal and rejuvenate our roads, 40% of the bituminous surfacing is still older than 10 years and 21% is older than 15 years.

Pavement structure

Figure 2 provides an indication of the current condition of the road pavement structures and deterioration trends.



Figure 2 Pavement Condition (Rehabilitation Need) Change Over Time

Surfacing Condition

Since 2012, significant efforts have been made to reseal and rejuvenate the road network. The current condition of the bituminous surfacing on the road network and the trend of deterioration are summarised in Figure 3. The impact of the kilometres treated during 2012, 2013 and 2014 is visible in terms of the change in the road network condition and reseal needs.



Figure 3 Surfacing Condition (Reseal Need) Change Over Time

Unsealed Road Management System (URMS)

The URMS was developed as part of the Integrated Road Management System of the Roads Authority and serves the purpose of assisting the RA in strategic and tactical planning on the unsealed road network.

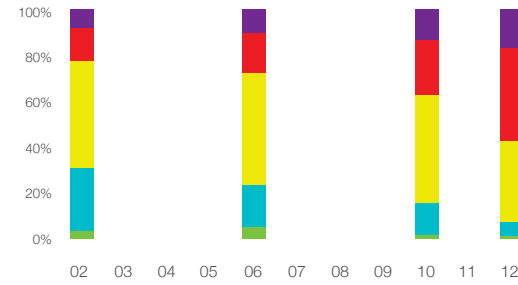
Four key activities are required to provide and to maintain a safe and economical unsealed road network. These are:

- Routine road maintenance in the form of blading, drainage and road reserve maintenance;
- Scheduled or periodic maintenance to improve accessibility, safety and maintainability, e.g. re-gravelling, forming, reshaping;
- Sealing of gravel roads to preserve materials and to reduce maintenance and user costs; and
- Ancillary works, including drainage improvements, emergency works and other maintenance requirements within the road reserve, e.g. vegetation control, road signs and fence replacement.

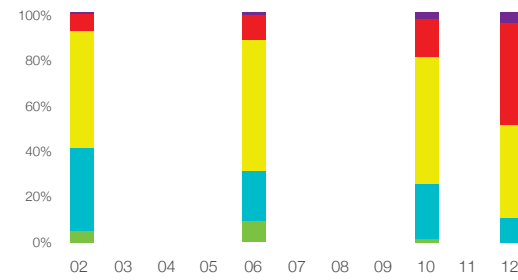
Namibia Road Categories (2002 - 2012)

Visual Condition Comparative Histograms

Namibia



Main Roads

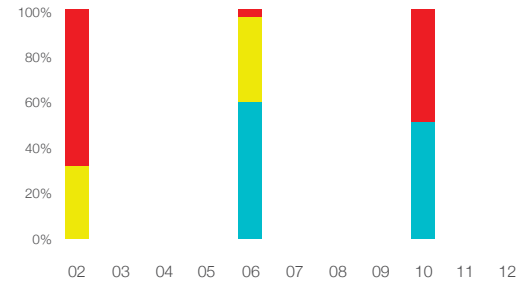


The RMS provides information regarding the change in the condition of these roads over time. The figure below shows the change in general condition of the different road categories over the period 2002 to 2012.

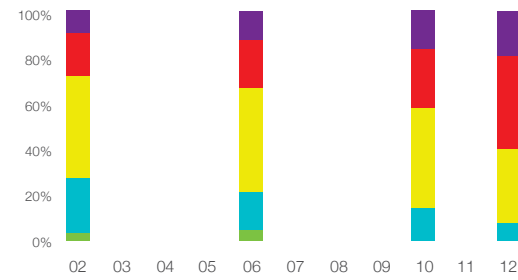
The general condition of the unsealed road network has deteriorated significantly over the past ten years.

According to the 2012/2013 findings of the Unsealed Road Management System's visual assessment survey, 58% of the unsealed road network was classified as being in a "Poor" or "Very Poor" condition, with an average thickness of imported gravel of 45mm (Note: The typical thickness of a new wearing course is 150mm). Information from the URMS indicates that the condition of the network is fast deteriorating, as in 2010 only 38% was classified as being in a "Poor" or "Very Poor" condition.

Trunk Roads



District Roads



Bridge Management System (BMS)

A total of 1430 structures – classified as bridges and major culverts – were identified and the detail of each recorded during inspections held in the year under review.

The majority of the structures were constructed during the period 1960 to 1980. The average age of Namibia’s bridges is 36 years, while the average age of major culverts and large culverts is 32 years. An inspection should have been done in 2012 too, but because of budget constraints, this was not possible.

Figure 5 below shows the distribution of different structure types throughout Namibia. The majority of structures are in the Hardap and Karas regions.

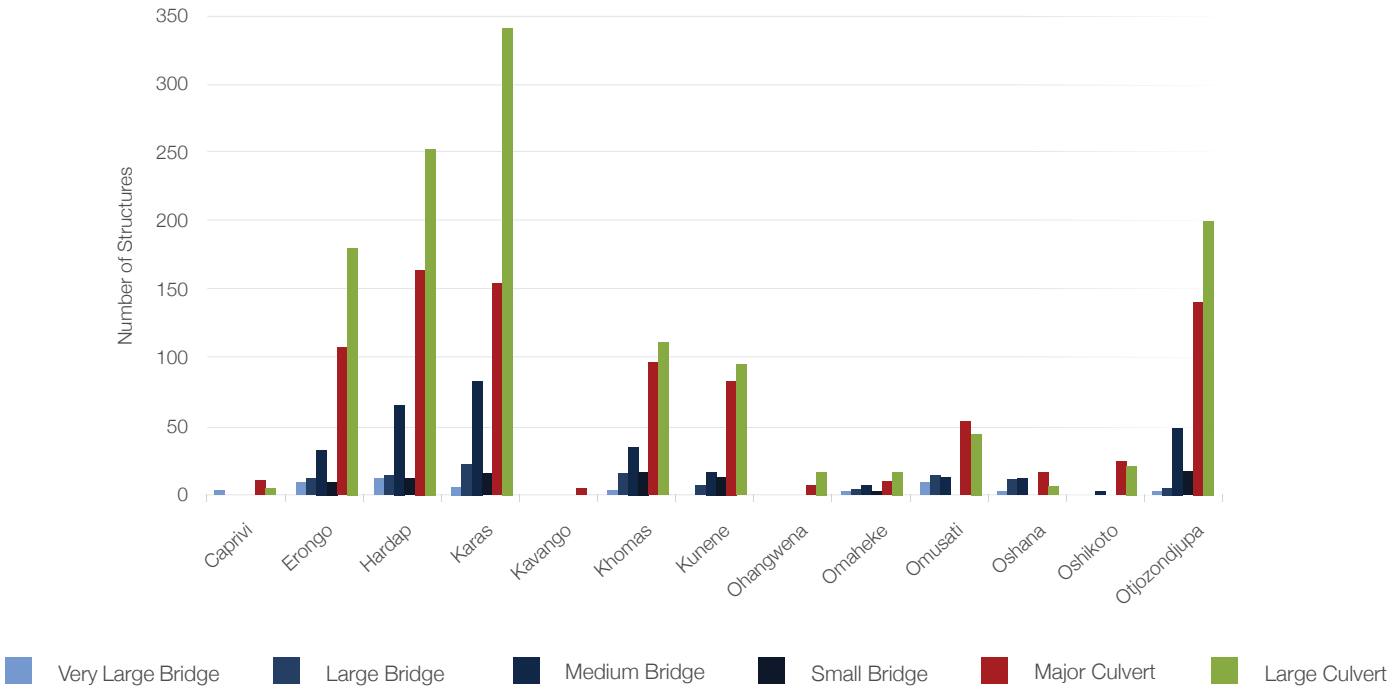


Figure 5 Distribution of structures

Traffic Surveillance System

The Road Management System, through its Traffic Surveillance System, collects, summarises and interprets information on the traffic using the Namibia’s road network. The data is used to assess transportation needs, network performance, activity prioritisation and design.

There are currently approximately 150 base and 200 ad-hoc electronic traffic monitoring stations on selected links of the national road network. In addition to counting and classifying vehicles, the automatic traffic data recorders at the stations also capture the speed, direction and time of travel. These data are used for road safety intervention planning and design.

Outputs from the TSS:

The vehicle kilometre travelled (VKT) is an indicator of road use in Namibia. The total national VKT per day 2014 was close to 9.2 million, of which 81% was recorded on the bituminous road network (7165km). Although 84% of the national road network is unsealed, only 19% of the total VKT was recorded on these roads. Heavy vehicles make up 20% of the traffic in Namibia.

The bituminous trunk roads connecting Namibia with its neighbouring countries and the port of Walvis Bay carry the highest traffic in the country.

Figure 6 below provides an illustration of the VKT recorded per annum on the road network, based on the various road surfaces.

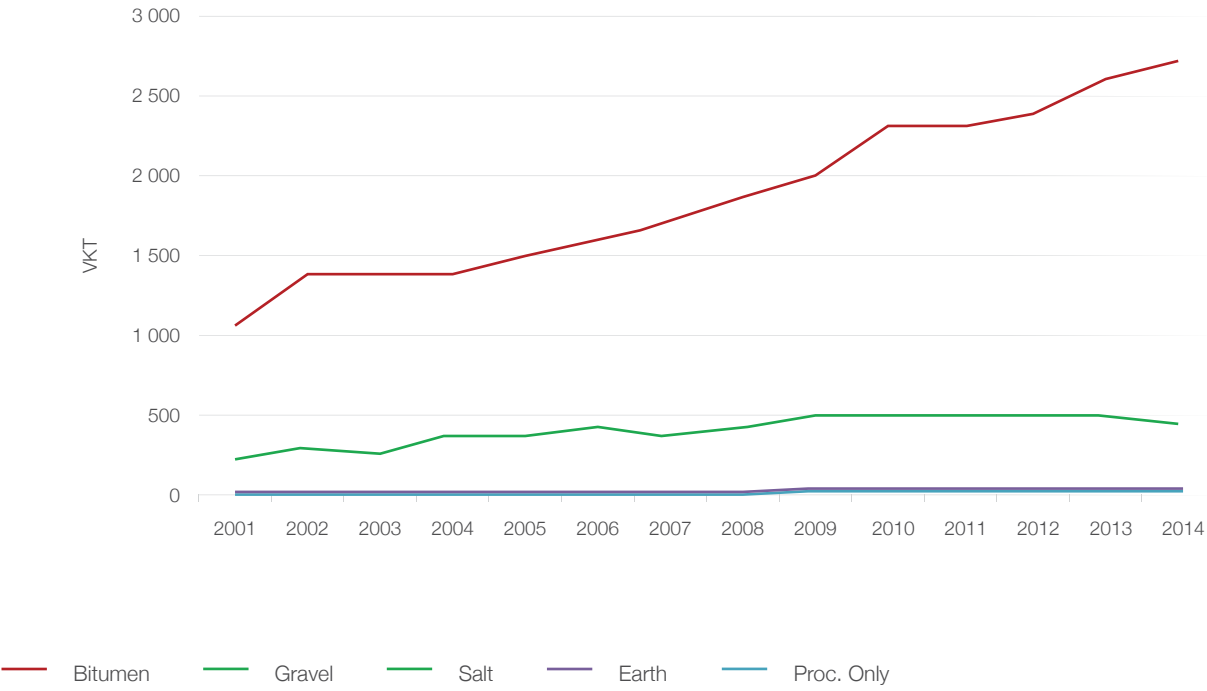


Figure 6 Vehicle Kilometre Travelled per Annum

The VKT and the noted increases in traffic volumes per annum are strong signs of a growing economy.

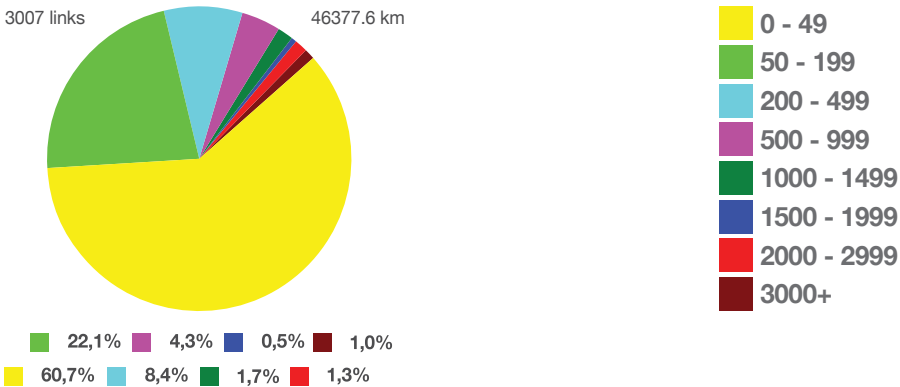
Interestingly, almost 61% of the road network carries less than 50 vehicles per day, which means that, apart from specific bituminous

trunk roads, Namibian roads are not highly trafficked. Only 1% of the network carries more than 3000 vehicles per day

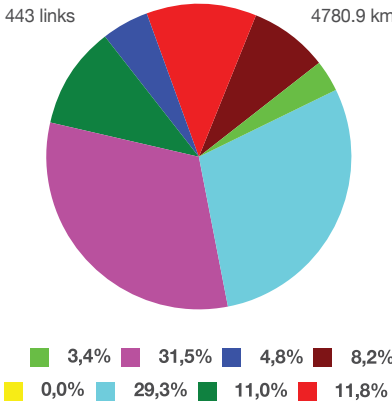
The daily distribution of traffic is as follows:

Namibia Road Categories (2014) Daily Traffic Distribution

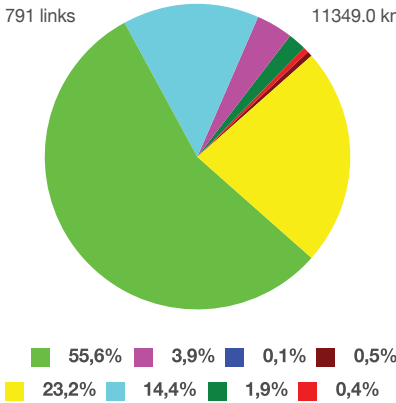
Namibia



Trunk Roads



Main Roads



District Roads

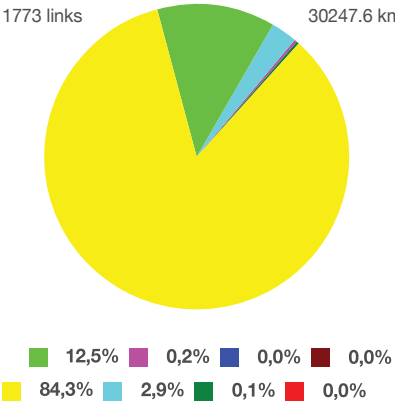


Figure 7 Daily Distribution of Traffic

The percentage of vehicles speeding on trunk roads has shown a steady decline from 26% in 2004 to 16% in 2014. However, due to the growth in the number of vehicles, speeding is still a major road

safety concern and the RMS Division is working in collaboration with the Motor Vehicle Accident Fund (MVA) and other stakeholders to address this problem.

Maintenance Management System

The Maintenance Management System (MMS) was developed to assist with maintenance planning and operations across the country. The focus of the MMS is to assist in identifying, scheduling and managing day-to-day routine maintenance activities in a region or district.

Various reports can be extracted from the system, which also aids in standardising and formalising the works and the determination of the optimum budget.

RMS Maintenance and Enhancement Program

Extensive improvements have been carried out to the Integrated Road Management System as a result of the changes in IT technology, changing needs within the RA and the fast growth of the size and complexity of data. To respond to these influences, the RRS module is currently being remodelled to function on the DOT NET IT Platform. The User Requirement Specification (URS) and Functional Design (FD) have been completed and the technical design and coding are under way.

With the growth in data and the complexity of the data structure, the need was identified to have a separate access portal (Data Management Module) from the raw data available in all sub-systems. The URS and the FD have been completed and the technical design is in the process of being finalised.

Bonus Penalty

Management of the RA had decided to implement a bonus penalty scheme on all new roads constructed to improve riding quality of the roads for newly constructed roads. The RA Board of Directors has approved it as a policy in 2014 and will be implemented. The specification and guidelines have been consulted with industry and were compiled where they will be added to each and every contract. One good example is the Okahandja-Karibib Road that bonus and penalty influenced good riding quality.

TRANSPORT INFORMATION AND REGULATORY SERVICES

PURPOSE OF DIVISION

To regulate road transport, vehicle and driver registration, testing and licensing for quality mobility and road safety.

KEY FUNCTIONAL AREAS

- To regulate vehicle registration, licensing and roadworthy testing;
- To regulate driver testing and licensing;
- To manage Vehicles Registering Authorities;
- To administer the Namibian Traffic Information System (NaTIS); and
- To regulate national (domestic) and cross-border road transportation.

The Transport Information and Regulatory Services Division provides the above services to vehicle owners, operators and drivers as assigned functions to the Roads Authority by the Ministry of Works and Transport in terms Section 111 of the Road Traffic and Transport Act, 1999 (Act 22 of 1999).

SADC CREDIT CARD FORMAT DRIVING LICENCE

The evaluation of a tender for the appointment of a Driving Licence Card Production Contractor for the 3rd Driving Licence Card Production Period was put on hold and will be finalised in 2016. The new driving licence card production contract includes both facial and fingerprint biometric technology to curb identity fraud at the NaTIS Offices during the driving licence issuance process. Biometric technology is used as part of a comprehensive customer tracking solution to ensure that a driving licence is issued to the same person that successfully completed the learner licence and driving skill tests.

VEHICLE AND DRIVER TESTING FACILITIES

- The upgrading of the Okahandja Vehicle and Driver Testing Station started in 2014 and completion is expected in February 2016. The upgrading is to cater for the growing customer demands in view of the rapid growth of the vehicle and driver population.
- The construction of a new A-Grade Vehicle and Driver Testing facility in Opuwo which started in 2014 was completed in October 2015.
- Tender documents for the construction of a new fully-fledged Vehicle and Driver Testing Centre in Khomasdal has been finalised and the appointment of a contractor for construction is on hold pending the availability of funds to commence with the project.

CUSTOMER SERVICE AND BUSINESS PROCESS ENHANCEMENT

- The Annual Customer Communication Strategy was successfully executed whereby our services were communicated to the customers through various communication mediums such as radio, print media and television. The Division had road shows in the Central, Northern, Western and Southern Regions and directly interacted with customers in those road shows.
- The Call Centre System is functional and used for internal NaTIS clients (Registering Authorities). It is envisaged expanding the call centre services to the customers from February 2016. This will include the creation of one direct telephone line to which customers countrywide can enquire about the status of their documents and our services.
- An SMS line with the number 2000 is also functional and is currently piloted to communicate learner licence results of Windhoek Registering Authority applicants as well as the application status of transactions such as Personalised Licence Numbers (PLN), status of Foreign Driving Licences, etc. The Division is currently working on technical modalities to expand the SMS line to provide push messaging services where customers will be automatically informed via SMS about the status of their driving licence and motor vehicle expiry dates and the driving licence card production status. Furthermore, the service will also include pull messaging where customers can enquire via SMS on any of our services.
- The Division completed the mapping of all the business processes and documented operating procedures to streamline and standardise its operations in terms of vehicle and driver testing, registration and licensing as well as the issuing of domestic and cross-border passenger and transport permits.

Driver Population

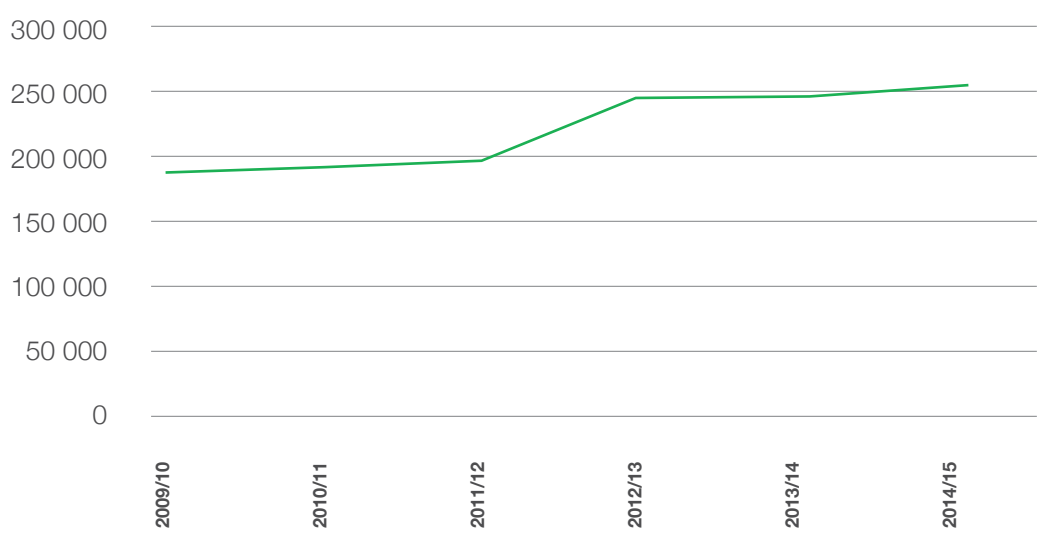
Namibia's driver population increased by 11 261 bringing the total population to 256 411 representing an increase of 4.59% compared to the population of the previous year 2013/2014. The following table details the number of drivers per Authority.

All Authorities	2010/11	2011/12	2012/13	2013/14	2014/15	Distribution	% Growth
ARANOS	383	399	464	470	462	0.19%	-1.70%
BETHANIE	172	183	207	188	165	0.08%	-12.23%
EENHANA	1,896	2,285	3,270	4,113	4,902	1.68%	19.18%
GOBABIS	4,965	5,142	6,222	6,446	6,774	2.63%	5.09%
GROOTFONTEIN	4,028	4,170	4,946	5,344	5,533	2.18%	3.54%
KARASBURG	1,486	1,488	1,712	1,745	1,811	0.71%	3.78%
KARIBIB	1,982	2,130	2,607	2,518	2,504	1.03%	-0.56%
KATIMA MULILO	2,647	2,819	3,488	3,603	3,937	1.47%	9.27%
KEETMANSHOOP	4,390	4,615	5,637	6,170	6,253	2.52%	1.35%
KHORIXAS	285	320	402	443	501	0.18%	13.09%
LÜDERITZ	2,191	2,190	2,555	2,642	2,864	1.08%	8.40%
MALTAHÖHE	168	169	221	218	208	0.09%	-4.59%
MARIENTAL	3,767	3,858	4,593	4,665	4,926	1.90%	5.59%
OKAHANDJA	4,778	4,849	6,098	6,407	6,706	2.61%	4.67%
OKAKARARA	242	291	385	385	395	0.16%	2.60%
OMARURU	698	755	988	1,053	1,064	0.43%	1.04%
ONDANGWA	2,900	3,209	3,821	3,980	4,079	1.62%	2.49%
OPUWO	1,321	1,536	1,885	2,069	2,434	0.84%	17.64%
ORANJEMUND	1,896	1,812	2,400	2,492	2,551	1.02%	2.37%
OSHAKATI	17,929	19,123	21,901	22,345	23,775	9.11%	6.40%
OTAVI	381	404	485	450	424	0.18%	-5.78%
OTJINENE	92	113	150	175	185	0.07%	5.71%
OTJIWARONGO	5,361	5,754	7,033	7,537	8,119	3.07%	7.72%
OUTAPI	2,788	3,234	4,503	5,245	5,943	2.14%	13.31%
OUTJO	3,032	3,306	3,880	3,789	3,761	1.55%	-0.74%
REHOBOTH	1,725	1,829	2,195	2,349	2,669	0.96%	13.62%
RUNDU	5,900	6,699	8,624	9,050	9,333	3.69%	3.13%
SWAKOPMUND	11,597	12,169	14,924	15,702	16,550	6.41%	5.40%
TSUMEB	4,807	4,995	5,993	6,344	6,694	2.59%	5.52%
USAKOS	255	280	358	357	344	0.15%	-3.64%
WALVIS BAY	15,422	16,598	19,178	19,353	19,706	7.89%	1.82%
WINDHOEK	78,436	81,396	94,344	97,503	100,839	39.77%	3.42%
TOTAL	187,920	198,120	235,469	245,150	256,411	100.00%	4.59%

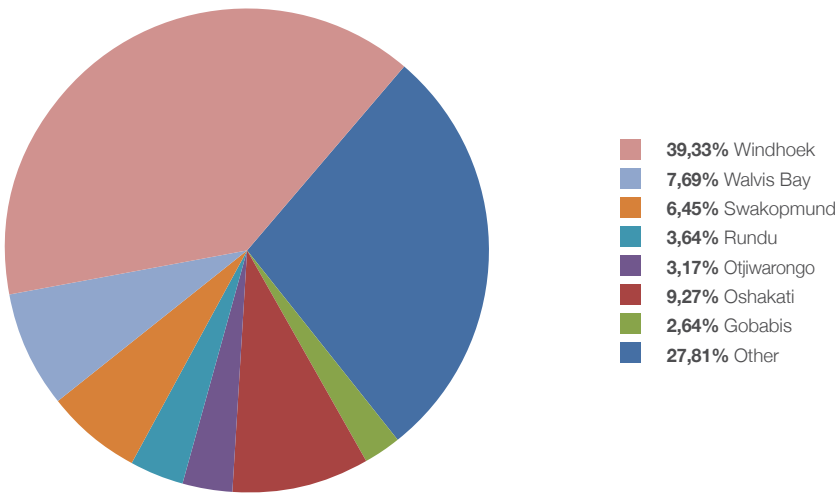
Growth	2010/11	2011/12	2012/13	2013/14	2014/15
Growth in numbers	4,355	10,200	37,349	9,681	11,261
Growth in [%]	2.37%	5.43%	18.85%	4.11%	4.59%

The increase in the number of drivers normalised after the introduction of the new Driving Test Manual as well as the introduction of a written learner licence exam paper.

Driver Population Growth



Driver Population Distribution



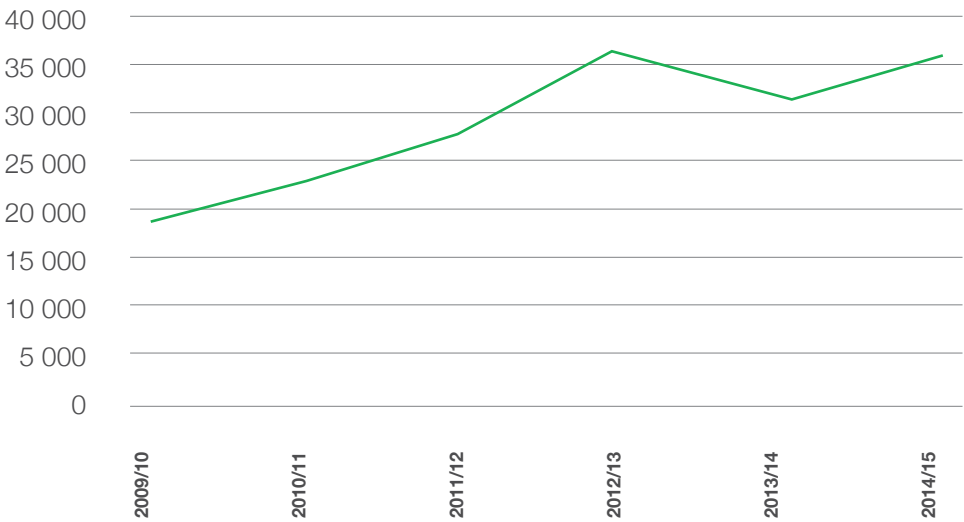
Learner Driver Licences (Issued)

Namibia's learner driver licences increased by 3 414, bringing the total number of learner licences as issued to 35 760 representing an increase of 10.55% compared to the licences issued during the previous year 2013/2014.

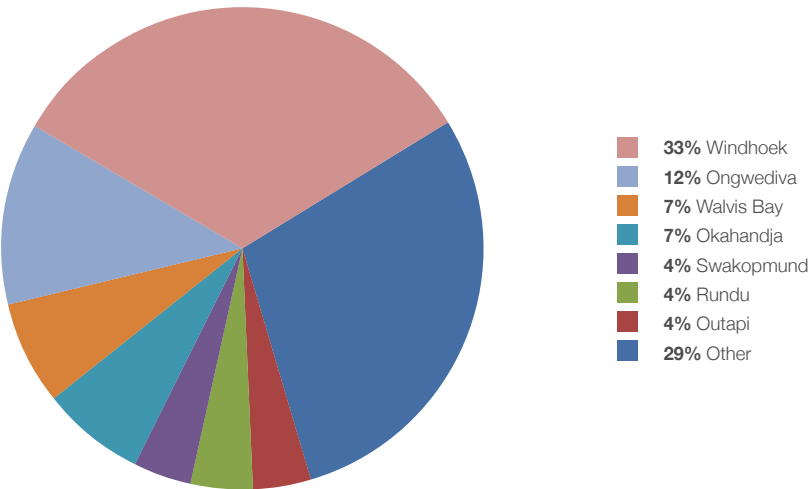
Issuing Authority	2010/11	2011/12	2012/13	2013/14	2014/15	Distribution	% Growth
EENHANA	681	1,116	846	1,048	970	2.71%	-7.44%
GOBABIS	741	898	940	815	842	2.35%	3.31%
GROOTFONTEIN	1,464	1,200	804	851	937	2.62%	10.11%
KARASBURG	180	124	252	414	401	1.12%	-3.14%
KARIBIB	1,163	916	529	498	233	0.65%	-53.21%
KATIMA MULILO	462	614	604	729	844	2.36%	15.78%
KEETMANSHOOP	841	805	506	348	370	1.03%	6.32%
LÜDERITZ	173	181	276	595	845	2.36%	42.02%
MARIENTAL	464	475	788	628	588	1.64%	-6.37%
OKAHANDJA	1,004	1,322	1,895	1,706	2,347	6.56%	37.57%
OPUWO	480	642	504	256	348	0.97%	35.94%
ORANJEMUND	93	131	249	136	187	0.52%	37.50%
ONGWEDIVA	2,509	2,131	2,666	4,117	4,372	12.23%	6.19%
OTJIWARONGO	775	926	654	600	920	2.57%	53.33%
OUTAPI	591	662	811	1,070	1,264	3.53%	18.13%
OUTJO	890	1,135	792	1,078	812	2.27%	-24.68%
REHOBOTH	0	0	0	137	1,233	3.45%	800.00%
RUNDU	1,323	1,748	1,252	1,786	1,393	3.90%	-22.00%
SWAKOPMUND	1,051	1,419	1,565	1,303	1,538	4.30%	18.04%
TSUMEB	850	612	718	779	785	2.20%	0.77%
WALVIS BAY	4,017	4,066	3,589	2,752	2,564	7.20%	-6.83%
WINDHOEK	3,097	7,247	15,557	10,700	11,967	33.46%	11.84%
TOTAL	22,849	28,370	35,797	32,346	35,760	100%	10.55%

GROWTH	2010/11	2011/12	2012/13	2013/14	2014/15
Growth in numbers	4,304	5,521	7,427	-3,451	3,414
Growth in [%]	23.21%	24.16%	26.18%	-9.64%	10.55%

Driver Population Growth



Learner Driver Population Distribution

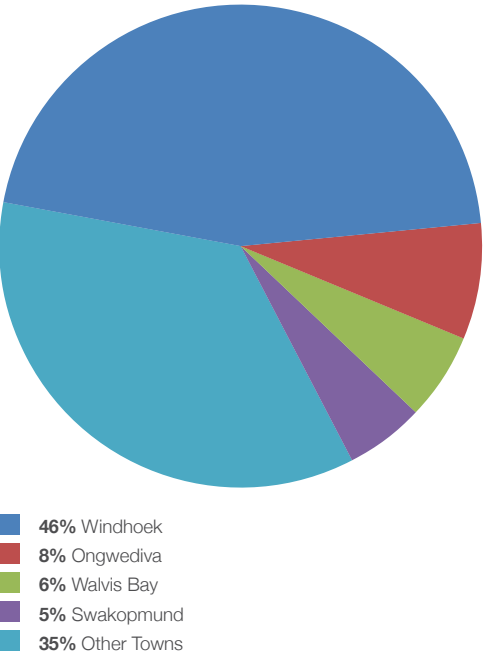


Vehicle Population

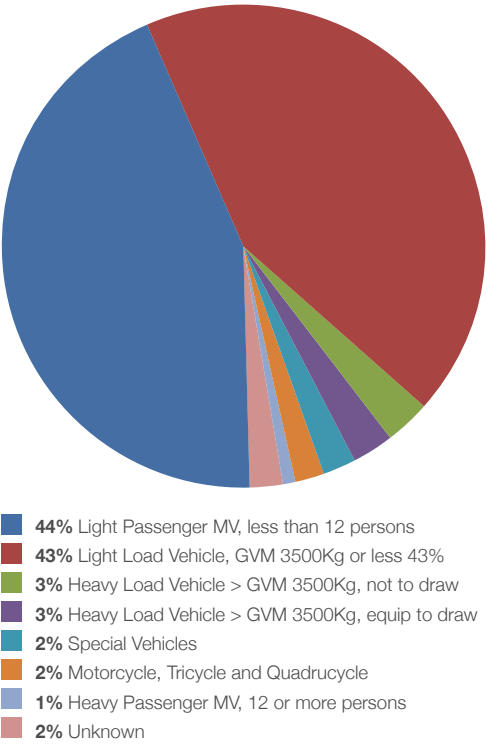
Namibia's registered vehicle population increased by 27 531 (8.98%) to 334 232. The following table summarises the growth and distribution of the vehicle population per Registering Authority.

All Authorities	2010/11	2011/12	2012/13	2013/14	2014/15	Distribution	% Growth
ARANOS	1,153	1,195	1,233	1,194	1,178	0.35%	-4.46%
BETHANIE	472	505	444	447	400	0.12%	-9.91%
EENHANA	2,774	3,229	3,592	4,482	5,519	1.65%	53.65%
GOBABIS	5,906	6,263	6,343	6,574	6,935	2.07%	9.33%
GOVERNMENT	7,446	7,756	7,542	8,351	10,061	3.01%	33.40%
GROOTFONTEIN	4,100	4,283	4,254	4,608	4,967	1.49%	16.76%
KARASBURG	1,909	2,022	1,953	2,035	2,191	0.66%	12.19%
KARIBIB	1,087	1,145	1,166	1,271	1,377	0.41%	18.10%
KATIMA MULILO	2,809	3,321	3,599	3,942	4,607	1.38%	28.01%
KEETMANSHOOP	5,422	5,719	5,907	6,306	6,575	1.97%	11.31%
KHORIXAS	619	697	691	776	889	0.27%	28.65%
LÜDERITZ	2,023	2,110	2,143	2,201	2,357	0.71%	9.99%
MALTAHÖHE	555	577	568	541	559	0.17%	-1.58%
MARIENTAL	4,255	4,464	4,615	4,862	5,294	1.58%	14.71%
OKAHANDJA	5,146	5,394	5,532	5,976	6,426	1.92%	16.16%
OKAKARARA	510	616	631	627	665	0.19%	5.39%
OMARURU	2,026	2,193	2,263	2,435	2,443	0.73%	7.95%
ONDANGWA	6,487	7,335	7,625	8,173	9,069	2.71%	18.94%
OPUWO	1,033	1,199	1,314	1,583	1,928	0.58%	46.73%
ORANJEMUND	2,204	2,198	2,394	2,593	2,817	0.84%	17.67%
ONGWEDIVA	17,538	19,811	20,574	22,373	25,390	7.60%	23.41%
OTAVI	1,114	1,176	1,108	1,043	1,013	0.30%	-8.57%
OTJINENE	221	255	232	277	299	0.09%	28.88%
OTJIWARONGO	6,688	7,075	7,421	8,170	8,892	2.66%	19.82%
OUTAPI	4,210	4,897	5,504	6,333	7,441	2.23%	35.19%
OUTJO	3,028	3,249	3,299	3,356	3,544	1.06%	7.43%
POL / NPS	201	217	199	200	261	0.08%	31.16%
REHOBOTH	3,371	3,632	3,713	4,015	4,254	1.27%	14.57%
RUNDU	5,859	6,788	7,258	8,020	8,979	2.68%	23.71%
SWAKOPMUND	14,358	15,367	16,122	16,988	18,201	5.45%	12.90%
TSUMEB	4,986	5,357	5,583	6,048	6,636	1.99%	18.86%
USAKOS	615	661	563	578	562	0.17%	-0.18%
WALVIS BAY	15,254	16,462	16,908	17,935	19,609	5.87%	15.97%
WINDHOEK	118,967	128,336	133,999	142,388	152,894	45.74%	14.10%
TOTAL	254,346	275,504	286,292	306,701	334,232	100.00%	16.75%

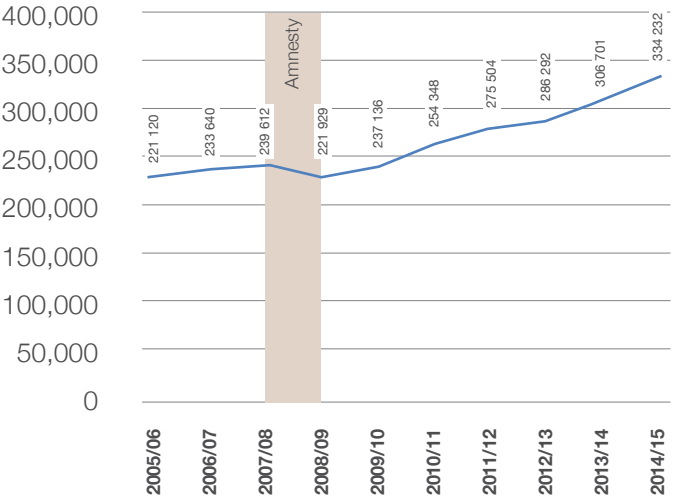
Vehicle Population Distribution



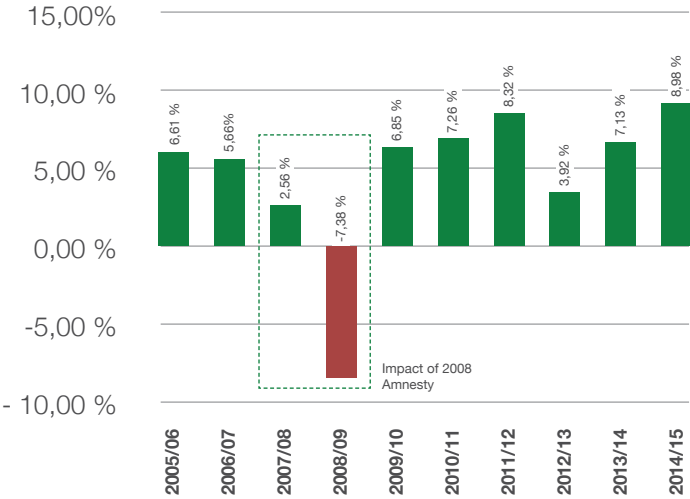
Vehicle Distribution by Type



Vehicle Population



Vehicle Annual Growth Namibia (%)



Vehicle Roadworthy Testing

The number of vehicle roadworthy tests increased by 10.22% to 80 858. The following table summarises the growth and distribution of the vehicle roadworthy tests per Vehicle Testing Station.

Vehicle Testing Station	All Vehicles (Tests) 2014/15					All Vehicles (Trends)				
	Bus	Goods Vehicle	Motor Cycle	Other	Total	2011/12	2012/13	2013/14	2014/15	% Change
EENHANA	35	286	0	860	1,181	0	0	705	1,181	67.52%
GOBABIS	19	594	4	1,267	1,884	1,449	1,548	1,832	1,884	2.84%
GROOTFONTEIN	10	312	11	1,114	1,447	62	0	1,233	1,447	17.36%
KARASBURG	23	62	3	340	428	311	293	322	428	32.92%
KARIBIB	35	179	5	260	479	428	484	401	479	19.45%
KATIMA MULILO	8	26	0	800	834	638	740	717	834	16.32%
KEETMANSHOOP	16	30	1	1,293	1,340	1,013	1,170	1,113	1,340	20.40%
LÜDERITZ	67	74	5	484	630	388	428	463	630	36.07%
MARIENTAL	48	601	6	951	1,606	1,157	1,317	1,349	1,606	19.05%
OKAHANDJA	11	18	9	3,217	3,255	2,654	2,781	2,757	3,255	18.06%
OPUWO	0	0	0	0	0	399	584	86	0	-100%
ORANJEMUND	61	207	5	173	446	428	563	621	446	-28.18%
ONGWEDIVA	58	556	7	8,233	8,854	6,038	7,522	8,094	8,854	9.39%
OTJIWARONGO	99	1,045	14	1,775	2,933	1,782	2,192	2,481	2,933	18.22%
OUTAPI	2	0	0	301	303	0	0	0	303	NA
OUTJO	38	609	11	626	1,284	829	1,036	1,030	1,284	24.66%
RUNDU	15	66	0	2,680	2,761	1,964	2,427	2,538	2,761	8.79%
SWAKOPMUND	65	391	66	3,309	3,831	3,919	3,904	3,788	3,831	1.14%
TSUMEB	54	367	14	1,343	1,778	2,445	2,581	1,835	1,778	-3.11%
WALVIS BAY	10	3	11	7,297	7,321	3,681	4,901	5,496	7,321	33.21%
WINDHOEK	380	546	141	37,196	38,263	27,730	34,167	36,497	38,263	4.84%
TOTAL	1,054	5,972	313	73,519	80,858	57,315	68,638	73,358	80,858	10.22%

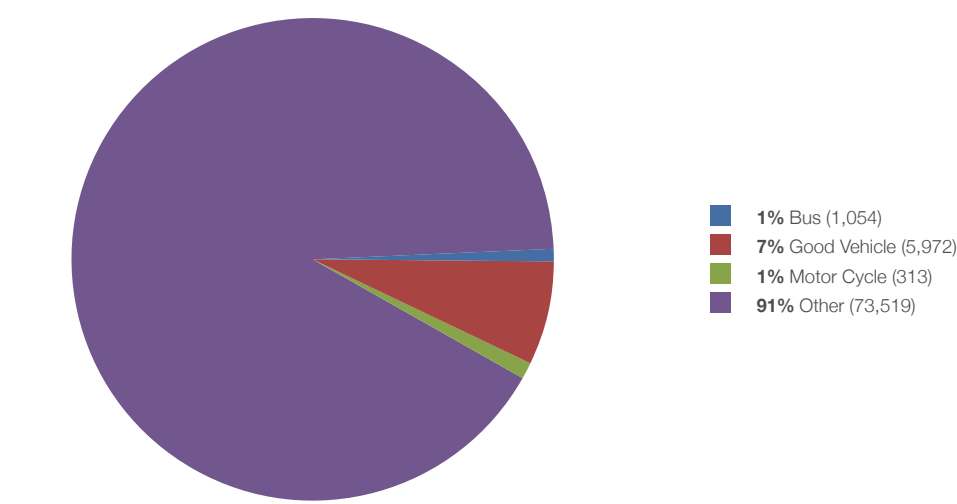
Roadworthy Tests (Quarterly)



Vehicles Tested Per Category

Test Period	Bus	Goods Vehicle	Motor Cycle	Other	TOTAL
2014-Q2	308	1,628	92	18,655	20,683
2014-Q3	162	1,319	55	16,785	18,321
2014-Q4	218	1,393	70	19,465	21,146
2015-Q1	366	1,632	96	18,614	20,708
TOTAL	1,054	5,972	313	73,519	80,858
PERCENTAGE OF TOTAL	1.30%	7.39%	0.39%	90.92%	100%

Demarcation of Roadworthy Test per Category



NaTIS Transaction and Revenue Collection

eNaTIS recorded 1 070 816 transactions for which money was collected. An income of N\$475 596 781.27 was generated with an increase of 8.5% compared to 2013/14. This amount is broken down as indicated in the table below.

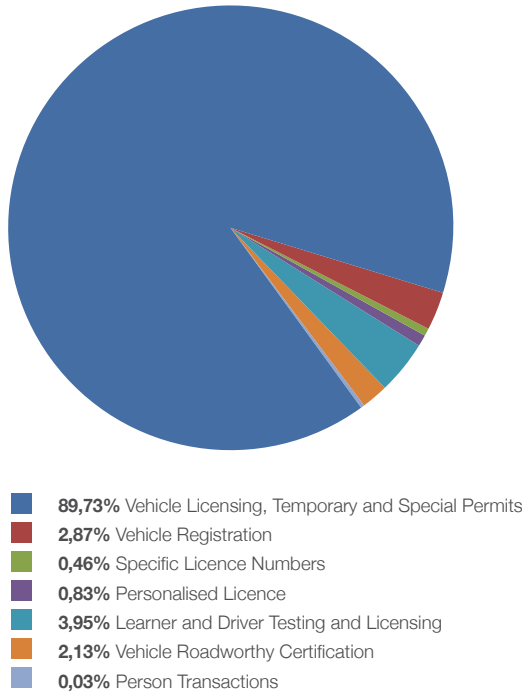
Road User Charges	2013/14	2014/15	% Increase	Increase Amount	# Transactions
Vehicle Licensing Temporary and Special Permits	N\$394 505 226.94	N\$426 738 847.27	8.17%	N\$ 32,233,620.33	553,584
Non-Road User Charges					
Vehicle Registration	N\$ 10,927,166.00	N\$ 13,648,717.00	24.91%	N\$ 2,721,551.00	104,627
Specific Licence Numbers	N\$ 2,080,220.00	N\$ 2,180,912.00	4.84%	N\$ 100,692.00	7,905
Personalised Licence Numbers	N\$ 3,294,648.00	N\$ 3,961,920.00	20.25%	N\$ 667,272.00	2,573
Learner and Driver Testing and Licensing	N\$ 18,080,290.00	N\$ 18,800,435.00	3.98%	N\$ 720,145.00	249,982
Vehicle Roadworthy Certification	N\$ 9,327,000.00	N\$ 10,139,614.00	8.71%	N\$ 812,614.00	150,540
Person Transactions	N\$ 115,008.00	N\$ 126,336.00	9.85%	N\$ 11,328.00	1,605
TOTAL	N\$ 438,329,558.94	N\$ 475,596,781.27	8.50%	N\$ 37,267,222.33	1,070,816

NaTIS Revenue Collection (5-Year Trend)



NaTis Revenue Collection Distribution

Total Collected: N\$ 475 596 781



Transport Regulation

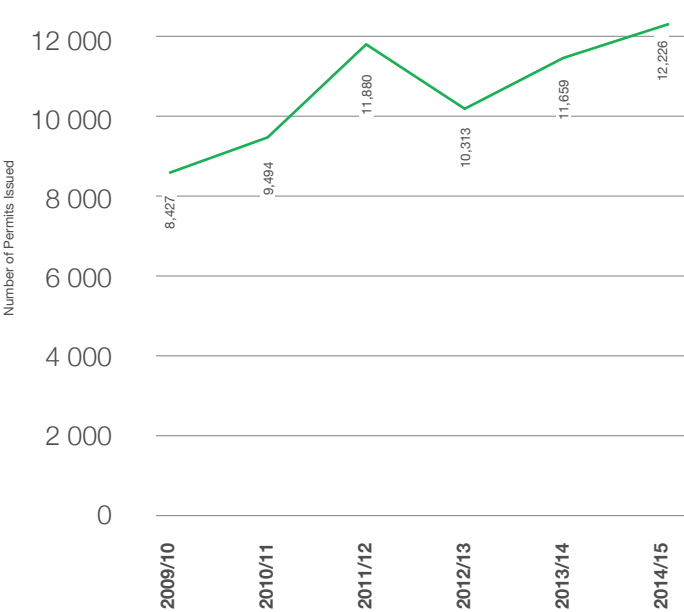
The Division also regulates the cross-border and domestic road transportation by issuing road carrier permits in compliance with the national legislative framework, bi-lateral and multi-lateral cross-border road transport agreements. Furthermore, the Division in conjunction with the Division Network Planning and Consultation, processes the application and issuing of abnormal permits. The Division receives applications and issues abnormal permits after approval by the Division, Network Planning and Consultation.

Statistics of Cross-Border Road Carrier Permits

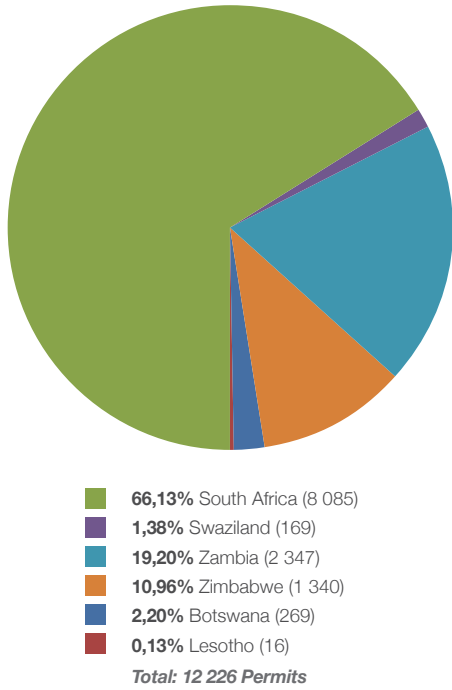
A total of 12 226 permits were issued representing an increase of 4.86% compared to the previous year of 2013/14. The statistics per country is indicated in the table below. The increase in the number of cross-border road transportation permits is a reflection on the economical situation within the region that is normalising.

Country	2010/11	2011/12	2012/13	2013/14	2014/15	Growth	% Growth
BOTSWANA	128	268	211	217	269	52	23.96%
LESOTHO	63	16	11	5	16	11	220.00%
SOUTH AFRICA	6,884	7,473	6,736	7,586	8,085	499	6.58%
SWAZILAND	124	135	50	114	169	55	48.25%
ZAMBIA	1,447	2,449	2,078	2,257	2,347	90	3.99%
ZIMBABWE	848	1,539	1,227	1,480	1,340	-140	-9.46%
Total	9,494	11,880	10,313	11,659	12,226	567	4.86%

Cross-Border Permits Issued to Neighbouring Countries



Cross-Border Permits Issued per Country

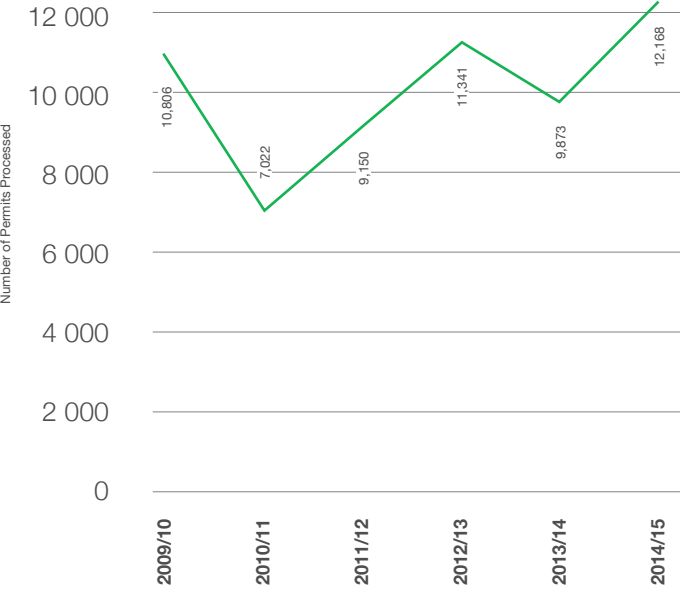


Statistics of Domestic Road Carrier Permits

A total of 12 168 domestic road carrier permits including the temporary permits for Angolan foreign vehicles were issued representing an increase of 23.25% compared to the previous year of 2013/2014. The statistics per type of applications / permits is indicated in the table below.

Type of Permit	2010/11	2011/12	2012/13	2013/14	2014/15	Growth	% Growth
New Application	2,045	2,129	3,397	3,433	5,226	1,793	52.23%
Replacement of Vehicle Application	5	4	7	4	5	1	25.00%
Temporary Permit Application Locals	1,037	1,761	854	717	778	61	8.51%
Transfer of Permit Application	69	79	91	105	107	2	1.90%
Duplicate Permit Application	458	660	360	818	1,289	471	57.58%
Change of Route Application	33	29	30	39	57	18	46.15%
Additional Vehicle Application	10	3	6	1	4	3	300.00%
Additional Authority Application	19	5	4	15	14	-1	-6.67%
Direct Replacement Application	3,126	4,058	6,314	4,379	4,342	-37	-0.84%
Temporary Permit Foreign Vehicles	220	422	278	362	346	-16	-4.42%
Total	7,022	9,150	11,341	9,873	12,168	2,295	23.25%

Domestic Permits Processed

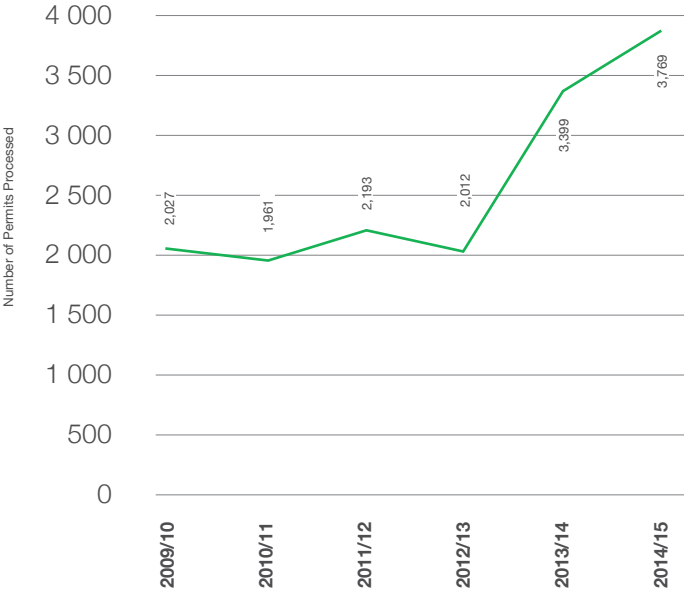


Issuance of Abnormal Load Permits

A total of 3 769 abnormal permit applications were processed, representing an increase of 10.89% compared to the previous year of 2013/2014.

Category	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Growth	% Growth
Applications Received	2,027	1,961	2,193	2,012	3,399	3,769	370	10.89%
Applications Not Issued/Cancelled	207	198	499	263	1,127	828	-299	-26.53%
Applications Issued	1,820	1,763	1,694	1,749	2,272	2,941	669	29.45%
Paid	1,815	1,757	1,690	1,743	2,269	2,935	666	29.35%
GRN Not Paid	5	6	4	6	3	6	3	100.00%

Abnormal Load Permits Processed

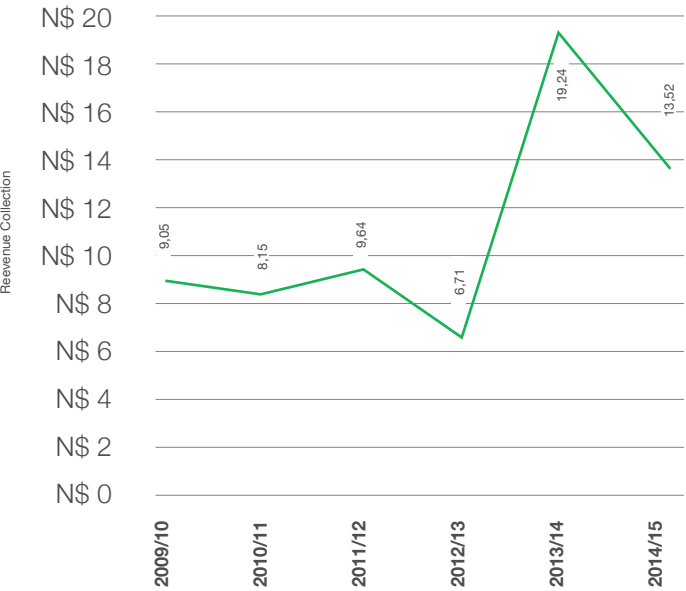


Revenue Collection for Transport Regulation

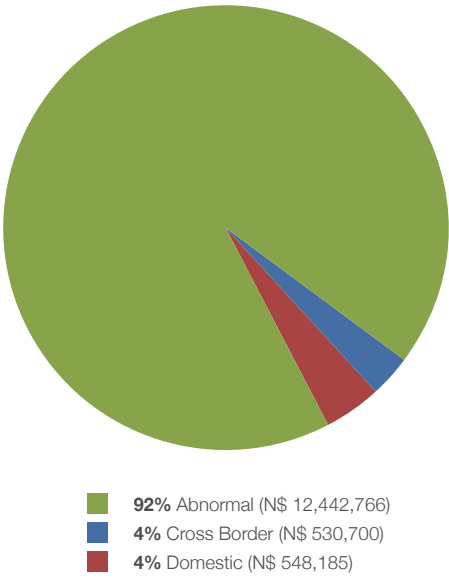
The 30% decrease in the revenue is directly related to the cost of the abnormal permits transactions that were processed, of which the cost per abnormal permit is determined by the Roads Authority's engineers for the damage of the overload on the road network.

Category	2010/11	2011/12	2012/13	2013/14	2014/15	N\$ Change	% Change
Cross Border	N\$ 432,950	N\$ 474,750	N\$ 480,550	N\$ 538,160	N\$ 530,700	N\$ -7,460	-1%
Domestic	N\$ 351,575	N\$ 490,545	N\$ 366,475	N\$ 465,745	N\$ 548,185	N\$ 82,440	18%
Abnormal	N\$ 7,370,100	N\$ 8,671,511	N\$ 5,862,428	N\$ 18,232,287	N\$ 12,442,766	N\$ -5,789,521	-32%
Total	N\$ 8,154,625	N\$ 9,636,806	N\$ 6,709,453	N\$ 19,236,192	N\$ 13,521,651	N\$ -5,714,541	-30%

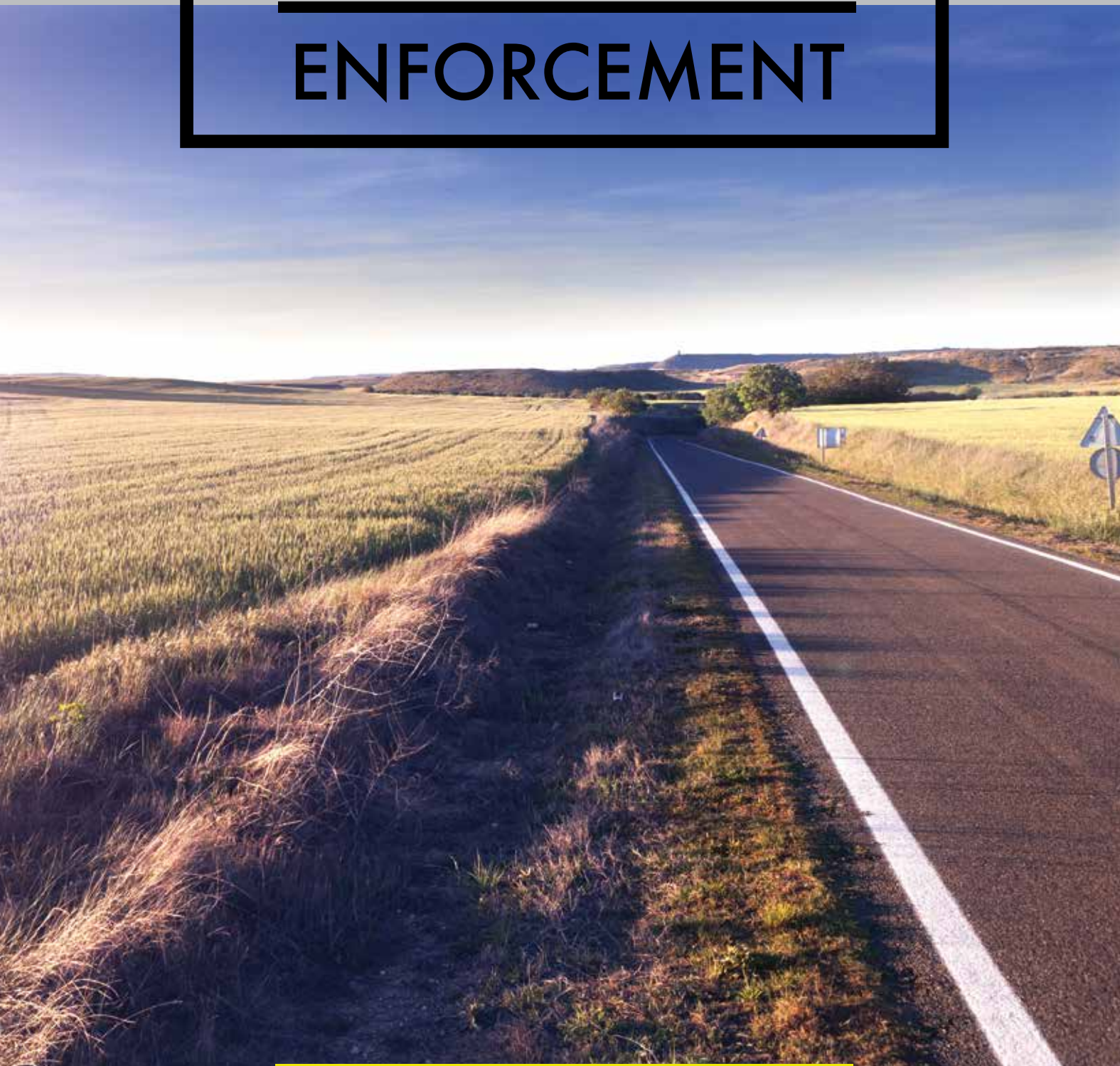
Transport Regulation Revenue Collection



Transport Regulation Revenue Collection Distribution



ROAD TRAFFIC AND TRANSPORT ENFORCEMENT



The RA is also tasked with ensuring compliance with and enforcement of relevant legislation, in order to safeguard our road infrastructure against damage caused by speeding and overloading.

Reduction of Damage due to Overloading

During the reporting period, the RA weighed 395 969 vehicles, falling short of attaining its annual target of 402 194 heavy vehicles by 1.57% (6 225 vehicles). This shortfall can be attributed to the closure of both the Ariamsvlei and Noordoewer weighbridges during the period under review, where construction was on-going. Of the weighed vehicles, 11.65% (46 163) were overloaded. All in all, 1.01% (3 999) of weighed vehicles were overloaded above the 5% tolerance while 10.65% (42 164) were overloaded within the 5% tolerance. The level of overloading increased by 1.87% from 9.78% in 2014 to 11.65% in 2015. This was due to the fact that the RA does not have any control over the vehicles that are overloaded within the 5% tolerance. This is not prosecutable and it is difficult to control.

The compliance rate therefore decreased from 91.1% in 2013 to 90.2% in 2014.

Weighbridge	Target	Vehicles weighed	Vehicles overloaded within 5%	Vehicles overloaded above 5%	Total vehicles overload	Total vehicles charged	Percentage % overload
Brakwater	94,556	100,059	8,179	938	9,117	0	9.1
Aris	81,228	79,144	6,065	633	6,698	0	8.5
Gobabis	54,000	61,845	4,965	329	5,294	0	8.6
Walvis Bay	60,000	61,390	10,925	948	11,873	0	19.4
Onhuno	8,833	28,011	1,810	377	2,187	0	7.8
Noordoewer	6,784	0	0	0	0	0	0
Ariamsvlei	12,500	0	0	0	0	0	0
Rosh Pinah	1,512	1,616	106	21	127	0	7.9
Oshivelo	37,040	41,798	6,535	438	6,973	0	16.7
Katima Mulilo	16,612	22,106	3,579	315	3,894	0	17.6
TOTAL	373,065	395,969	42,164	3,999	46,163	0	11.65

Table 1. Overload Control Statistics for the Financial Year 2014/2015

Commercial Vehicle Compliance to Road Traffic and Transport Legislation

Road Traffic Regulations

The RA participated in several law enforcement operations around the country – including the 2014 Easter Weekend Road Safety Operation and the 2014/2015 Road Safety Campaign – in collaboration with other stakeholders. These initiatives were aimed at the promotion of road safety on national roads. The RA inspected 137 914 commercial vehicles for compliance to road traffic regulations, with respect to road safety and vehicle/load dimensions. Of the vehicles inspected, 3.4% (4 667) were not in compliance and were charged. The vehicle compliance rate is reflected as 96.6%, during this period.

ENFORCEMENT ON ROAD TRAFFIC SYSTEM AND VEHICLE DIMENSIONS			
Regional offices	Vehicles inspected	Vehicles charged	% Charged
Brakwater	2,015	1,031	51.2
Aris	21,270	550	2.6
Gobabis	18,803	306	1.6
Walvis Bay	6,038	584	9.6
Onhuno	14,509	706	4.9
Noordoewer	2,090	52	2.4
Ariamsvlei	11,812	217	1.8
Rosh Pinah	1,637	316	19.3
Oshivelo	45,112	434	1.0
Katima Mulilo	12,454	193	1.6
Grootfontein Special Unit	2,174	278	12.8
Total	137,914	4,667	3.4

Table 2. Road Traffic Statistics for the Financial Year 2014/2015

Road Transportation

The RA inspected 253 897 commercial vehicles for cross-border road transport permits, domestic road carrier permits, cross-border charge permits and mass distance charge permits.

Out of the vehicles inspected, 0.3% (746) were not in compliance and were charged. Vehicle compliance thus increased from 99.22% in 2014 to 99.7% in 2015.

ENFORCEMENT ON ROAD TRANSPORTATION AND CROSS BORDER ENTRY FEE CHARGES AND MASS DISTANCE CHARGES			
Regional offices	Vehicles inspected	Vehicles charged	% Charged
Brakwater	10,626	158	1.5
Aris	18,446	82	0.4
Gobabis	52,014	26	0.05
Walvis Bay	17,806	100	0.6
Onhuno	15,898	65	0.4
Noordoewer	2,815	35	1.2
Ariamsvlei	10,455	46	0.4
Rosh Pinah	1,295	121	9.3
Oshivelo	68,456	49	0.07
Katima Mulilo	54,498	64	0.2
Grootfontein Special Unit	1,588	0	0
Total	253,897	746	0.3

Table 3. Road Transportation Statistics for the Financial Year 2014/2015

Financial Management

Fines Collection

The RA generated a total amount of N\$6 465 860 in admission of guilt fines, of which 36.77% (N\$2 377 625) was paid into the state revenue account. Warrants of arrest were issued for unpaid fines and transport inspectors will execute these during targeted operations and normal day to day duties.

A total amount of N\$3 326 415 in admission of guilt fines was issued during the period under review, of which 46.3% (N\$1 539 110.00) was paid.

Type	Total Amount Of Fines Issued	Total Fines Paid
Fines	N\$3 326 415	N\$1 539 110

Table 4. Fine Statistics for 2014/15

Risks

- Damage to road infrastructure due to overloading: transport inspectors were deployed on the main roads and escape routes to investigate and curb the avoidance of weighbridges.
- Inadequate utilisation of operational infrastructure and equipment: the report covers a period where various law enforcement activities were held. As such, all infrastructure and equipment was utilised optimally.
- Inadequate cash flow and liquidity risk: all divisional activities were done in accordance with the annual operational plan. The resultant expenditure was monitored and compared to the monthly financial forecast.
- Inadequate judiciary support: there were no incidents experienced in this regard.
- Non-availability of the Traffic Management System: service providers and internal role players were constantly engaged to ensure the availability of the system at all times.

NETWORK PLANNING AND CONSULTATION



Revision of the Oshikoto, Oshana, Ohangwena, Omusati and Kavango Regions Road Master Plan as well as a Special Review of Roads Programmes for //Karas and Hardap Regions including Tsumkwe Constituency in Otjozondjupa Region.

The budgeted amount for this activity during the 2014/15 financial year was N\$10 000 000. The stakeholders' consultation workshops and the traffic and condition survey were completed during this time. In-depth economic and social analyses will commence in the 2015/16 financial year. Total expenditure for the period under review for this activity was N\$2 919 947.55. The study will be completed in the 2015/16 financial year.

Roads Boards

- During the period under review (i.e. 1 April 2014 to 31 March 2015), a total of 28 Roads Boards meetings were held throughout the country. Approximately 10 000 kilometres were covered in the process.
- The recommendations from these meetings included maintenance, planning (grading activities, forming and betterment activities and re-gravelling activities), proclamation, deviation, closing and classification of roads, identification and proposal of certain road arrangements, information to the RA and the Minister regarding road-related matters, and the solving of disputes around certain roads.

Research and Development Strategy Implementation

The following activities took place concerning the implementation of the Research and Development Strategy:

- Four field trials were carried out using innovative products and technology to extend the useful life of surfaced road pavements, in line with the RA's road maintenance measures.
- The Instant Road Repair (IRRSA) trials were laid outside the RA Laboratory gate and near the weighbridge about 10 km from Windhoek on the road to Okahandja. IRRSA supplied 12 bags of premix bitumen products of 25kg each and the laboratory personnel made the pothole repairs. The trials were laid in April 2014. The performance of the trials is being monitored for a minimum period of 3 years to determine its usefulness and quality of life.

Oven Trailer Hot Asphalt Road Maintenance Solution

The main objective of this operation was to demonstrate the effectiveness and efficiency of the equipment as an innovative means for road maintenance, especially for pothole repairs and small patches. The trials were laid in front of Gate 4 of the Stadium on Rugby Road in Windhoek in May 2014, and results have proven successful.

Jet Patcher Pothole Repair Technology

The innovation of the Jet Patcher is in the equipment and the speed at which potholes, patches and edge breaks are repaired. A South African Company called Jet Patcher Corporation carried out the demonstration on the use of this equipment. The demonstration site is on the road from Windhoek to Okahandja where there is an information signboard stating 'Okahandja 70 km'. The field trials are being monitored for a minimum period of 3 years (2014/15-2017/18) to determine usefulness and quality of life.

Infra-Red Road Repair Technology

The Infra-Red Road Repair technology involves the use of innovative equipment that preheats the asphalt surfacing when repairing potholes. The process creates a permanent seal with a seamless joint and establishes the original integrity of the road. The field trial was laid 12 km from Windhoek on the Windhoek-Okahandja Road in March 2015. The performance of the trial is being monitored for a minimum period of 3 years to determine usefulness and quality of life.

Development of Road Transport Sustainability Plan for Namibia

The Final Report on the Development of Road Transport Sustainability Plan was issued in November 2014. This was a Collaborative Research Project between Texas A&M Transportation Institute and the Namibia Roads Authority Technology Transfer Centre. A workshop was presented by the Consultant to highlight the important features of the report and its recommendations. These findings have been incorporated into the recently revised Roads Authority Strategic Plan 2015/16-2017/18. The project expenditure totalled N\$715 654.

Procurement of Abnormal Loads Software Permit System

Namibia's Abnormal Loads System was updated to bring it into harmony with other SADC Member States. A CSIR South Africa Consultant was engaged in the development and implementation of the software permit system. The upgrading and training of the users was successfully completed during the period under review. Expenditure on this project came to a total of N\$223 500.

Specialist Study on the Certification and Use of Non-Standardised Road Stabiliser Products for Road Construction Works in Namibia

V&V Holdings (Pty) Ltd was commissioned to carry out the Specialist Study, and the project commenced in July 2014. The Study was aimed at proliferating non-standardised soil stabilising additives on the Namibian and South African markets. A Final Report of the Study was issued with a recommendation of the provision of a “light” Certificate by the Agreement of the Board. Additionally, a workshop was presented based on the results. The value of the project was N\$432 630.

TRAC and RIDES PROJECT

The TRAC and RIDES program is an educational outreach program developed by the American Highway Organisation (AASHTO). The program was designed to trigger interest in Science, Technology, Engineering and Mathematics, particularly for Grade 10 and 12 students. The RA Technology Transfer Centre undertook a study tour to the University of Stellenbosch to familiarise itself with the operation of the programme. The University of Stellenbosch offered the assistance to the Roads Authority to establish its own TRAC and RIDES program. The program will cost N\$2 231 878.60 over 3 years.

Feasibility Studies Undertaken During the Year Under Review:

- Review of the Basic Planning Study for TO901 & TO601 Windhoek – Hosea Kutako International Airport Future Trunk Road. The project is on-going, and completion is expected during the 2015/16 Financial Year.
- Tender No: RA/CS-NP/03-2014: Feasibility study for the upgrading of M0115: Okakarara-Okondjatu to bitumen standards. The Consultant was appointed in October 2014 and work is expected to be completed by June 2015.
- TENDER NO: RA/CS-NP/01-2014: Investigation for road preservation and rehabilitation of T0104: Rehoboth-Mariental. Tender evaluation was completed and the project is awaiting the appointment of the Consultant.
- TENDER NO: RA/CS-NP/05-2014: Investigation for road preservation and rehabilitation of T0601: Windhoek-Gobabis. Tender evaluation was completed and the project is awaiting the appointment of the Consultant.
- Feasibility study for the rehabilitation of the TR 1/11: Omuthiya-Ongwediva. The draft report has been submitted by the Consultant. The final study report is expected in June 2015.
- Feasibility study for the rehabilitation of the TR 2/3: Karibib-Omaruru. The draft report has been submitted by the Consultant. The final study report is expected in June 2015.

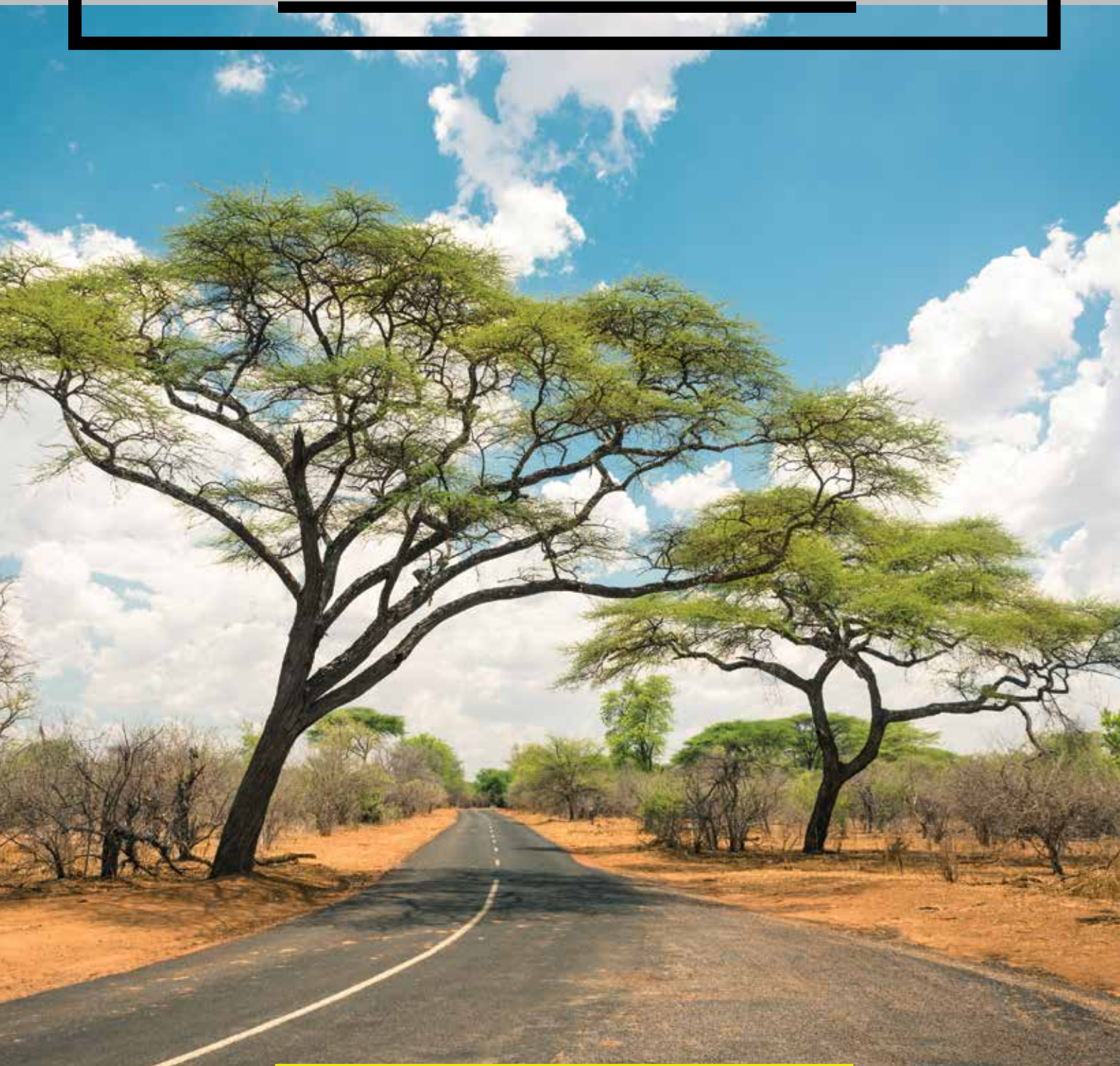
Abnormal Vehicle/Load Permits

A total number of 3 769 applications for Abnormal Transport Permits were received and 2 941 were processed. The abnormal permit fees collected for the Road Fund Administration amounted to N\$12 442 765.94.

Proclamations, Compensation and Fencing:

The RA is responsible for the assessment and payment of compensation to affected parties as a result of road development. This requires lengthy negotiations – and sometimes arbitration – with owners. Additionally, the RA also processes requests for fencing along proclaimed roads and effects payments thereof in respect of the legislation. The proclamation, closure, deviation and reclassification of roads are processed as per the needs and requests from Roads Boards and are submitted to the Minister of Works and Transport for approval. The total amount allocated for fencing activities during the reporting period was N\$8 000 000.00 however the amount spent was N\$8 036 567.07 representing 100.46%.

ROAD CONSTRUCTION AND REHABILITATION



The list of projects presented below relates to projects planned or undertaken by the RA during the 2014/15 Financial Year.

Completed Roads And Bridges Construction Projects:

- Tsumis River Bridge, Tributary (Rooidam) River Bridge and Manguber River Bridge on Trunk Road 1/4: Rehoboth-Mariental Road. The contract value was N\$43 997 950 and the project was completed in January 2015.
- DR 3449: Tjova-Divayi, Labour-Based Gravel Road Construction (28km). The contract value was N\$36 731 744. The project was completed in December 2014.
- DR 3427: Kamupupu-Mbururu, Labour-Based Gravel Road Construction (21km). The contract value was N\$26 818 473, and the project was completed in February 2015.
- DR 3670: Oshandi-Eembahu-Oshiweda, Labour-Based Gravel Road Construction (40km). The contract value was N\$53 551 173.40. The Project was completed in November 2014.
- DR 3657: Oshapapa (Oshali)-Epumbu, Labour-Based Gravel Road Construction (32km). The contract value was N\$46 158 809.00. The project was completed in June 2014.
- DR 3674: Onayena-Omahenge, Labour-Based Gravel Road Construction (25km). The contract value was N\$45 568 471.00, and the project was completed in December 2014.
- DR 3673: Omuthiya-Onanke Labour-Based Gravel Road Construction (34km). The contract value was N\$39 429 55.00. The project was completed in March 2015.

On-Going Roads And Bridges Construction Projects:

- TR 1/6: Windhoek-Okahandja (Section 3) Road Upgrading to Dual Carriage-Freeway, (from end of Dual Carriageway to Dobra River, (10 km). The value of this contract is N\$239 710 110.27. The project is expected to be completed in April 2016.
- TR 14/2: Otjinene-Okamatapati (Section 1) Road Upgrading (131km). Contract value is N\$575 008 824.86. The project is expected to be completed in August 2016.

- TR 14/2: Okamatapati-Grootfontein (Section 2) Road Upgrading (100km). Contract value is N\$522 368 686. The project is expected to be completed in April 2017.

- MR 67: Omakange-Ruacana Road Upgrading (85km). The contract is worth N\$419 135 795, and is being constructed by China Machinery Engineering Corp (CMEC). Construction works started in July 2013 and is expected to be completed in July 2015.

- DR 3608: Omafo-Ongenga-Outapi Road Upgrading (98km). Contract value is N\$722 200 000. The project is expected to be completed in July 2016.

- MR 118: Rosh Pinah-Oranjemund Road Upgrading (98km). Contract value is N\$558 617 218.96. The project is expected to be completed in July 2016.

- MR 91: Gobabis-Aminius-Aranos (Section A) Road Upgrading (250km). Contract value is worth N\$1 187 119 301.82. The project is expected to be completed in December 2015.

- TR 10/2: Elundu-Eenhana Road Rehabilitation (25 km). This contract is worth N\$90 513 334.63. The project is expected to be completed in October 2015.

- MR 125: Liselo-Linyanti-Kongola-Singalamwe Road Upgrading (210km). Contract value is N\$828 460 556.00. The project is expected to be completed in February 2016.

- MR 120: Okatana-Endola-Onunho Road Upgrading (35km). The contract value is N\$186 999 256.00. The project is expected to be completed in June 2016.

- MR 121: Oshigambo-Eenhana Road Upgrading (48km). The contract value is N\$193 206 686.21. The project is expected to be completed in October 2015.

- DR 3615: Oshikuku-Onamutuku Road Upgrading (16km). Contract value is N\$65 571 906.35. The project will be completed in March 2016.

- DR 3603: Onayena-Okankolo Road Upgrading (31km), Contract Value is N\$107 078 386.30. The project is expected to be completed in June 2015.

- DR 3609: Oshakati-Ongenga road upgrade (37 km). The value of this contract is N\$216 800 290.11. The project is expected to be completed in March 2016.
- DR 3668: Epako-Omuvelo Wakasamane Road Upgrade (7km), The contract value is N\$34 048 918.02. The project is expected to be completed in September 2016.
- DR 3508: Namalubi-Isiize Luhonono Gravel Road Construction (53 km). Contract value is N\$436 889 761.54. The project is expected to be completed in July 2017.
- DR 3524: Ngoma (Izimwe)-Nakabolelwa Labour-Based Gravel Road Construction (24km). Contract value is N\$32 000 000. The project is expected to be completed in February 2016.
- DR 3649: Onelulago-Epembe Labour-Based Gravel Road Construction (42km). The contract is worth N\$53 583 719. The project is expected to be completed in July 2015.
- DR 3635: Amwaanda-Olumpelengwa (Section 1) Labour-Based Gravel Road Construction (50km). The value of this contract is N\$54 167 080.78. The project is expected to be completed in December 2015.
- DR 3635: Olumpelengwa-Omutambo-Omaowe (Section 2) Labour-Based Gravel Road Construction (47km). Contract value is N\$54 704 134.95. The project is expected to be completed in March 2016.
- DR 3624: Etomba-Omundaungilo Labour-Based Road Gravel Construction (71km). Contract value is N\$120 224 102.09. It is expected that the project will be completed in December 2016.
- DR 3681: Epato-Onaushe Labour-Based Road Gravel Construction (38km). Contract value is N\$63 977 561.74. The project is expected to be completed in June 2016.
- DR 3683 (extension): Omuntele-Amilema Labour-Based Road Construction (33km). The contract is worth N\$76 125 597.52. The expected completion date of the project is December 2016.
- DR 3683: Uukwiyuushona-Omutele Labour-Based Road Construction (50km). The contract is worth N\$84 million. The Project is expected to be completed in December 2016.

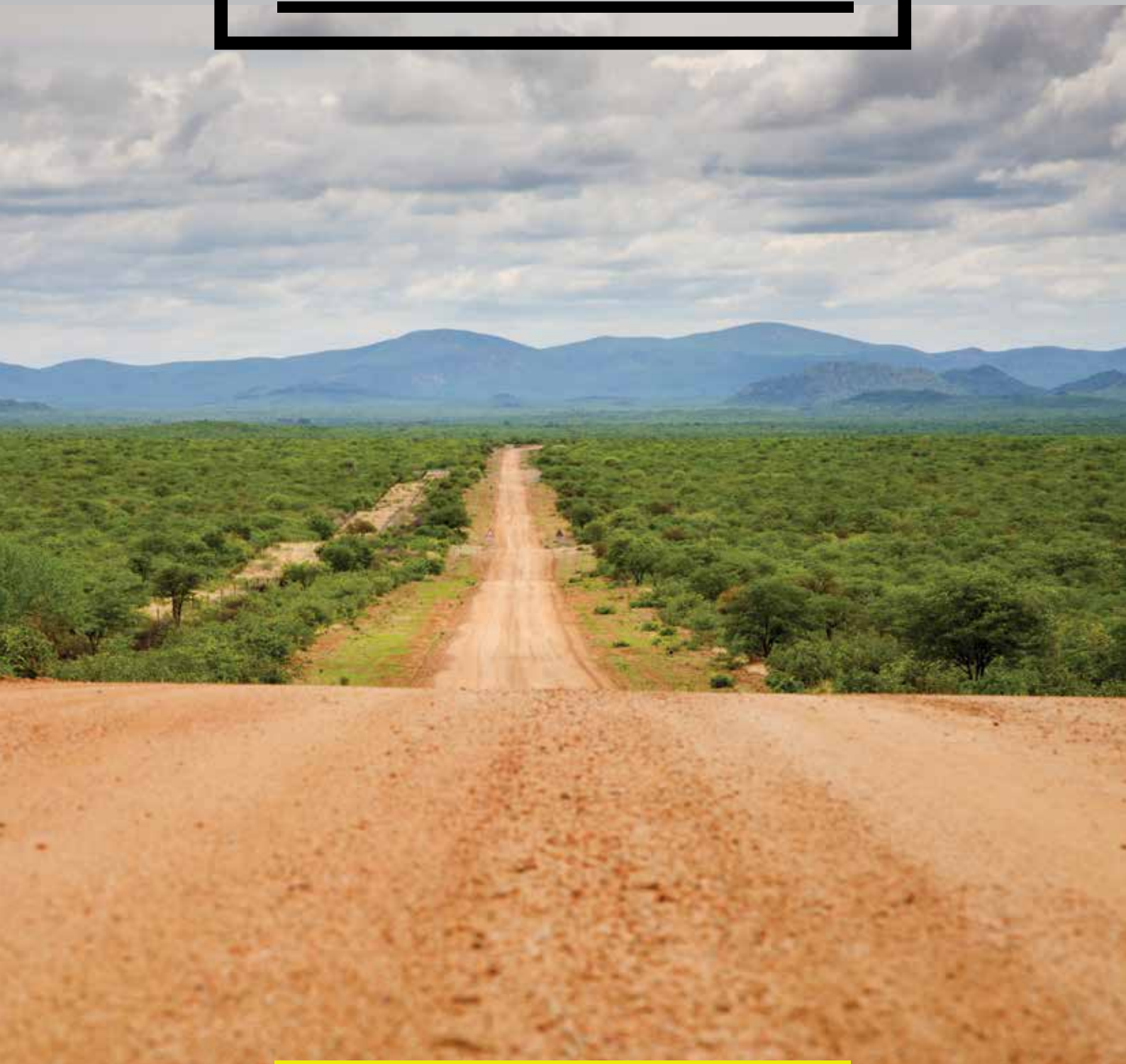
Planned Roads and Bridges Construction Projects for FY 2015/16:

The design and construction of the following roads and bridges is envisaged to commence in the 2015/16 Financial Year:

- MR 44 & MR 76: Swakopmund-Henties Bay-Uis-Kamanjab Road Upgrading (412km). The design for this road is complete and construction is expected to commence in January 2016.
- TR 1/5: Windhoek-Rehoboth Road Upgrading to Dual Carriage-Freeway (84 km). The design for this road started in August 2014 and construction is expected to commence in June 2016.
- TR 9/1: Windhoek-Hosea Kutako International Airport, Upgrading to Dual Carriage-Freeway (44km). The design for Phase I of this project has been completed and construction is expected to commence in January 2016.
- TR 1/11: Omuthiya-Ongwediva, Rehabilitation & Upgrading to Dual Carriage-Freeway (106 km). The design for this road started in August 2014 and construction is expected to commence in April 2016.
- TR 2/3: Omaruru-Karibib-Usakos Road Rehabilitation (92km). The design for this road will start in October 2015 and construction is expected to commence in June 2016.
- TR 10/2: Onhuno-Eenhana Road Rehabilitation (47km). The design for this road will start in August 2015 and construction is expected to commence in August 2016.
- TR 1/12: Oshikango Bypass Road (20 km). The design for this road will start in August 2015 and construction is expected to commence in August 2016.
- DR 1635 & DR 1668: Du Plessis-Epukiro Road Upgrade (47 km). The design for this road will start in November 2015 and construction is expected to commence in August 2016.
- TR 1/2 & TR 1/3: Grunau-Keetmanshoop-Marietal Road Rehabilitation (386km). The design for this road will start in September 2015 and construction is expected to commence in June 2016.
- DR 3700: Opuwo-Epupa Road Upgrade (150 km). The design for this road will start in November 2015 and construction is expected to commence in September 2016.

- MR 124: Opuwo-Sesfontein Road Upgrade (150 km). The design for this road will start in November 2015 and construction is expected to commence in September 2016.
- Oshikango-Ondombe Road Upgrade (30km). The design for this road will start in November 2015 and construction is expected to commence in August 2016.
- Rehabilitation of TR 2/2: B0250 Road over Rail Bridge Swakopmund. The design for this bridge will start in October 2015 and construction is expected to commence in August 2016.
- Rehabilitation of B0250 Homs River Bridge (Warmbad). The design for this bridge will start in October 2015 and construction is expected to commence in August 2016.
- DR 3610 Mangetti West Phase II Gravel Road Construction (50 km). The design for this road is complete and construction is expected to commence in January 2016.
- DR 4113: Endola-Eemboo Labour-Based Road Gravel Construction (19 km). The design for this road is complete and construction is expected to commence in April 2016.
- DR 3650: Epinga-Onakalunga Labour-Based Road Gravel Construction (12 km). The design for this road is complete and construction is expected to commence in April 2016.
- DR 3424: Mungunda-Shakambu Gravel Road Construction (37km). The design for this road will start in September 2015 and construction is expected to commence in May 2016.
- DR 3661: Ondukuta-Okathitu Labour-Based Road Construction (12km). The design for this road will start in September 2015 and construction is expected to commence in May 2016.

CORPORATE SERVICES



During the period under review, the organisation carried out activities related to the implementation of the Strategic Plan and Performance Management. The organisation also finalised plans for the construction of the RA Head Office, with construction commencing during the period under review.

Human Resources

RA Staff Complement and Staff Turnover

- The organisational structural complement of the Roads Authority consists of 622 positions.
- As of 31 March 2015, 490 staff were in service.
- 10 staff members are expatriates employed on a short to medium term contract (i.e. three (3) to five (5) years respectively), in engineering positions.
- 62 employees were recruited from external sources.
- 13 internal employees were promoted during the period under review.
- 24 staff members resigned from the RA.
- 2 employees' employment contracts were terminated due to disciplinary action.
- 2 employees retired.

Human Resources Management and Organisational Transformation

During the period under review, the organisation continued its organisational development and transformation efforts and initiatives. The following projects are either on-going, or have been completed:

Strategic Plan 2012/2015

The third year of the current three (3) year Strategic Plan was reviewed during the year under review.

Performance Management

The organisation continued its efforts to enhance the Performance Management System in order to strengthen and support the attainment of organisational goals and objectives as set out in the Strategic Plan.

Shared Services

The construction of the RA Head Office commenced during the reporting period. Namibia Construction (Pty) (Ltd) was appointed to carry out the construction work for this project, to the total amount of N\$219 758 477.21. It is envisioned that this will be completed by August 2016.

Preventative maintenance was carried out at the Keetmanshoop Regional Office and Karasburg district office to the total amount of N\$556 386.83.

Information Communication Technology (ICT)

The RA continued to enhance its ICT technical capabilities to ensure an uninterrupted provision of efficient ICT service delivery within the organisation. The data transmission and communication network carrying capacity was upgraded to a minimum throughput of 256 kilo per second to support both the Data Centre (DC) and Disaster Recovery Centre (DRC) data transmission.

RA applications such as the Integrated Business Management System (IBMS), the Road Management Systems (RMS), the Traffic Management System (TRAFMAN), the Electronic National Traffic Information System (eNaTIS), the Road Permit Transport Management (RPTM) and the Cross-Boarder Road Transport System (CBRTS), continued to be available and accessible by their respective users.

Integrated Business Management (IBMS)

During the period under review, the organisation transitioned to a newer IBMS technological platform (Microsoft Dynamics AX) in order to ensure continued product life support from Microsoft for IBMS maintenance. In addition, the new system has improvements such as the EFT function, self-service kiosk, and redeveloping and redeploying the improved reporting capability for financial and payroll compliance reporting needs. The configuration of employee leave management has also been completed.

AUDIT CERTIFICATE

AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS OF THE ROADS AUTHORITY FOR THE YEAR ENDED 31 MARCH 2015

The Board of Directors of the Roads Authority appointed the firm, Grand Namibia of Windhoek which is registered in terms of the public Accountants and Auditors Act, 1951 (Act 51 of 1951). The said Firm compiled the audit documentation which was examined by me in terms of Section 21 (3) of the Roads Authority Act, 1999 (Act 17 of 1999).

The firm certified that:

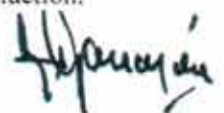
"The scope of our audit was sufficient to support the opinion being issued.

The financial statements, except as noted in the audit report.

- (i) *Are complete clerically accurate;*
- (ii) *Accord with our understanding of the client's business and industry;*
- (iii) *Have been properly prepared in accordance with the Roads Authority Act and International Financial Reporting Standards; and*
- (iv) *Fairly present the financial position, results of operations and cash flow information for the year then ended 31 March 2015"*

The audit of the financial years has been carried out to my satisfaction.

WINDHOEK, November 2015


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL



ANNUAL FINANCIAL STATEMENTS

INDEX

Roads Authority - Financial Statements
for the year ended 31 March 2015

Country of Incorporation and Domicile
Nature of Business and Principal Activities

Directors

Registered Office

Business Address

Postal Address

Bankers
Auditors

Namibia
Management of the National Road
Network of Namibia
H. Kaifanua (Chairperson)
M. E. Hanekom (Deputy Chairperson)
L. Likando
E. S. T. Haipinge
B. Katjaerua
Bell Street,
Snyman Circle,
Windhoek
Bell Street,
Snyman Circle,
Windhoek
Private Bag 12030,
Ausspannplatz,
Windhoek,
Namibia
Bank Windhoek Limited
Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

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

64

Directors' Responsibilities
and Approval

65

Independent Auditors'
Report

66

Directors' Report

68

Statement of Financial
Position

69

Statement of
Comprehensive Income

70

Statement of Changes
in Equity

71

Statement of Cash Flows

72

Accounting Policies

78

Notes to the Financial
Statements

Directors’ Responsibilities and Approval

The directors are required in terms of the Roads Authority Act, Act 17 of 1999 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this Report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the RA as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

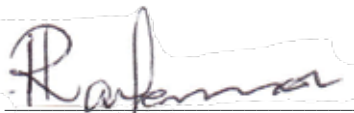
The directors are of the opinion, based on the information and explanations given by Management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control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

The directors have reviewed the RA's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current

financial position, they are satisfied that the RA has or has 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 RA's financial statements. The financial statements have been examined by the RA's external auditors and their report is presented on page 65.

The financial statements set out on pages 68 to 91, which have been prepared on the going concern basis, were approved by the Board of Directors on 20 November 2015 and were signed on its behalf by:


H. Kaifanua (Chairperson - RA Board)


B. Katjaerua (Chairperson - RA Audit Committee)

Independent Auditors’ Report

To the Members of Roads Authority

We have audited the financial statements of Roads Authority as set out on pages 68 to 91, which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes; comprising a summary of significant accounting policies and other explanatory information.

Directors’ Responsibility for the Financial Statements

The RA's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and requirements of the Roads Authority Act, Act 17 of 1999, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Roads Authority as at 31 March, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Roads Authority Act, Act 17 of 1999.


Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: R. N Beukes
20 November 2015
9 Axali Doeseb Street
Windhoek
Namibia

Directors’ Report

The directors have pleasure in submitting their report on the financial statements of Roads Authority for the year ended 31 March 2015.

1. Nature of Business

The RA is engaged in the management of the national road network of Namibia.

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

2. Review of Financial Results and Activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Roads Authority Act, Act 17 of 1999. 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 RA are set out in these financial statements.

3. Board and Sub-Committee Meetings

Board of Directors	Board (7 meetings held during the financial year)	Audit Board Committee (3 meetings held during the financial year)	Board Tender Committee (9 meetings held during the financial year)	HR Board Committee (5 meetings held during the financial year)
Ms H. Kaifanua	7	-	9	-
Prof. F. P. L. Kavishe(*)	3	1	2	-
Ms M. E. Hanekom	6	3	8	5
Mr P. J. Maritz(*)	3	-	3	-
Mr J. B. Mukoya(*)	2	-	2	1
Mr L. Likando	3	1	4	3
Mr B. Katjaerua	3	2	5	5
Ms E. Haipinge	3	2	3	4

(*) Members term expired during the financial year.

4. Directorate

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

Directors	Term of Service: Expired	Appointed
H. Kaifanua (Chairperson)		15 July 2014- Re-appointed
M. E. Hanekom (Deputy chairperson)		15 July 2014- Re-appointed
L. Likando		15 July 2014- Appointed
E. S. T. Haipinge		15 July 2014- Appointed
B. Katjaerua		15 July 2014- Appointed
P. J. Maritz	14 July 2015	
Professor F. P. L. Kavishe	14 July 2015	
J. B. Mukoya	14 July 2015	

5. Events After the Reporting Period

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

6. Going Concern

The directors believe that the RA has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the RA is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the RA. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the RA.

Roads Authority
Financial Statements for the year ended 31 March 2015
Statement of Financial Position as at 31 March 2015

	Note(s)	2015 N\$ '000	2014 N\$ '000
Assets			
Non-Current Assets			
Property, Plant and Equipment	4	119 843	58 735
Intangible Assets	5	4 670	5 232
Prepayments	7	33 568	33 568
		158 081	97 535
Current Assets			
Trade and Other Receivables	8	230 050	255 777
Cash and Cash Equivalents	9	52 340	43 409
		282 390	299 186
Total Assets		440 471	396 721
Equity and Liabilities			
Equity			
Government Contribution	10	8 992	8 992
Retained Income		2 686	2 686
		11 678	11 678
Liabilities			
Non-Current Liabilities			
Finance Lease Obligation	11	5 873	4 959
Retirement Benefit Obligation	6	91 636	71 022
Deferred Income	12	158 986	131 471
		256 495	207 452
Current Liabilities			
Finance Lease Obligation	11	4 220	3 762
Trade and Other Payables	14	146 506	154 284
Provisions	13	21 572	19 545
		172 298	177 591
Total Liabilities		428 793	385 043
Total Equity and Liabilities		440 471	396 721

Roads Authority
Financial Statements for the year ended 31 March 2015
Statement of Comprehensive Income

	Note(s)	2015 N\$ '000	2014 N\$ '000
Revenue			
Grants Received: Namibia Road Fund Administration		1 566 829	1 406 526
Interest Received		2 798	1 826
	15	1 569 627	1 408 352
Other Income			
Insurance Claims		260	-
Sundry Income		1 306	1 545
Tender Documents		1 318	1 178
		2 884	2 723
Operating Expenses		(1 242 431)	(1 164 527)
Project Administrative Expenses		(17 286)	(6 048)
Routine and Period Maintenance		(856 026)	(860 617)
Construction and Rehabilitation		(253 932)	(198 186)
Namibian Traffic Information Systems		(61 613)	(60 420)
Road Management System		(19 512)	(18 145)
Research, Development and Feasibility Studies		(4 257)	(7 960)
Fencing and Compensation		(19 350)	(8 829)
Weighbridge Maintenance		(10 455)	(4 322)
Administrative expenditure		(309 300)	(240 480)
Employee Cost	16	(215 433)	(160 584)
Other Administrative Expenses	16	(93 867)	(79 818)
Road Management Qualification	17	-	(78)
Project Cost		(1 551 731)	(1 405 007)
Operating Surplus		20 780	6 068
Finance Costs	18	(1 200)	(909)
Surplus for the Year		19 580	5 159
Other Comprehensive Income:			
Items That Will Not Be Reclassified to Profit or Loss:			
Remeasurements on Net Defined Benefit Liability/Asset		(8 400)	-
Transfer to Namibia Road Fund Administration			
Operating Deficit (Surplus)		(8 296)	(2 436)
Other Income		(2 884)	(2 723)
Total Transfers		(11 180)	(5 159)
Total Comprehensive Income for the Year		-	-

Roads Authority
Financial Statements for the year ended 31 March 2015
Statement of Changes in Equity

	Government Contribution N\$ '000	Retained Income N\$ '000	Total Equity N\$ '000
Balance at 1 April 2013	8 992	2 686	11 678
Surplus for the Year	-	5 159	5 159
Other Comprehensive Deficit	-	-	-
Total Comprehensive Income for the Year	-	5 159	5 159
Transfer Between Reserves	-	(5 159)	(5 159)
Total Changes	-	(5 159)	(5 159)
Balance at 1 April 2014	8 992	2 686	11 678
Surplus for the Year	-	19 580	19 580
Other Comprehensive Deficit	-	(8 400)	(8 400)
Total Comprehensive Income for the Year	-	11 180	11 180
Transfer Between Reserves	-	(11 180)	(11 180)
Balance at 31 March 2015	8 992	2 686	11 678

Roads Authority
Financial Statements for the year ended 31 March 2015
Statement of Cash Flows

	Note(s)	2015 N\$ '000	2014 N\$ '000
Cash Flows from Operating Activities			
Cash Receipts from Road Fund Administration and Customers		1 611 733	1 337 582
Cash Paid to Suppliers and Employees		(1 533 934)	(1 324 678)
Cash Generated from Operations	19	77 799	12 904
Interest Income		2 798	1 826
Finance Costs		(1 200)	(909)
Net Cash from Operating Activities		79 397	13 821
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	4	(65 412)	(17 402)
Leased Motor Vehicles Returned	4	270	-
Purchase Intangible Assets	5	(157)	(5 229)
Long-term Prepayments		-	(3 789)
Net Cash from Investing Activities		(65 299)	(26 420)
Cash Flows from Financing Activities			
Finance Lease Payments - Capital Redemption		(5 168)	(3 896)
Total Cash Movement for the Year		8 930	(16 495)
Cash at the Beginning of the Year		43 410	59 905
Total Cash at End of the Year	9	52 340	43 410

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards and the Roads Authority Act, Act 17 of 1999. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

These accounting policies are consistent with the previous period.

1.1 Significant Judgements and Sources of Estimation Uncertainty

In preparing the financial statements, Management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Non-financial Asset Lives and Residual Values

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment of Non-financial Assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The RA reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and Management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in Note 13 - Provisions.

Post-employment Benefit Obligations

Actuarial valuations use to value post-employment benefit obligations are based on assumptions which include employee turnover, mortality rates, the discount rate, healthcare inflation costs and the rates of increase in compensation costs.

Leases

The RA exercises judgement in classifying leases as operating or finance lease based on the information available at the inception of the lease.

1.2 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the RA; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Rates
Buildings	2%
Plant and Machinery	6,66% - 33,33%
Motor Vehicles, Furniture and Fittings	20%
Computer Equipment	33,33%
Cellular Phones	50%

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

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

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

1.3 Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

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

1.4 Financial Instruments

Item	Useful life
Computer Software	3 years

Classification

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

- Financial assets at fair value through profit or loss-held for trading;
- Loans and receivables; and
- Financial liabilities measured at amortised cost.

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

Initial Recognition and Measurement

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

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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

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

Subsequent Measurement

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

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

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

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

Derecognition

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

Trade and Other Receivables

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

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

Trade and other receivables are classified as loans and receivables.

Trade and Other Payables

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

Cash and Cash Equivalents

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

Cash and cash equivalents are classified as loans and receivables.

1.5 Leases

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

Finance Leases – Lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating Leases – Lessee

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

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

1.6 Taxation

The Roads Authority is not liable for Income Tax and is not registered for Value Added Tax.

1.7 Impairment of Assets

The RA 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 RA estimates the recoverable amount of the asset.

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

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

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

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

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

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

revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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

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

1.8 Employee Benefits

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 every second year 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.

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 RA 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.

Provisions are not recognised for future operating losses.

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

1.10 Government Grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

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 Deficit or Surplus for the Year

The Roads Authority is an entity created to manage Namibia's national road network and not for the purpose of generating profits. In order to perform its duties, funds are given to Roads Authority by the Road Fund Administration. At the end of the financial year the deficit or surplus is transferred from the Roads Authority to Road Fund Administration.

1.12 Other Income

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.13 Borrowing Costs

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

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

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

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

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

2. NEW STANDARDS AND INTERPRETATIONS

The following table contains effective dates of IFRS’s and recently revised IAS’s, which have not been early adopted by the RA and that might affect future financial periods:

IAS/IFRS	Pronouncement	Effective Date
IFRS 9	Classification and measurements of financial assets incorporating revised requirements for the classification and measurement of financial liabilities and carrying over the existing derecognition requirements from IAS 9 Financial Instruments: Recognition and Measurement.	The effective mandatory date for the IFRS 9 will be announced when the IASB has completed all outstanding parts of IFRS 9. Entities may still choose to apply IFRS 9 immediately.

Amendments in International Accounting Standards (“IAS”) and IFRS

IAS/IFRS	Pronouncement	Effective Date
IFRS 10 and IAS 28	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	01 January 2016
IFRS 10, IFRS 12 and IAS 28	Amendments to Investment Entities: Applying the Consolidation Exception.	01 January 2016
IFRS 11	Amendments to Accounting for Aquisitions of Interest in Joint Operations	01 January 2016
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IAS 1	Amendments to Disclosure Initiative	01 January 2016
IAS 16 and IAS 38	Amendments to Clarification of Acceptable Methods of Depreciation and Amortisation.	01 January 2016
IAS 16 and IAS 41	Agriculture - Bearer Plants - Amendments to IAS 16 and IAS 41. (Not applicable to the Roads Authority)	01 January 2016
IAS 27	Amendments to Equity Method in Separate Financial Statements.	01 January 2016
IFRS 5	Non-currents Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal.	01 January 2016
IFRS 7	Financial Instruments: Disclosures - Servicing Contracts	01 January 2016
IFRS 7	Financial Instruments: Disclosures - Applicability of the Offsetting Disclosures to Condensed Interim Financial Statements	01 January 2016
IAS 19	Employee Benefits - Discount Rate: Regional Market Issue	01 January 2016
IAS 34	Interim Financial Reporting - Disclosure of Information Elsewhere in the Interim Financial Report	01 January 2016
IFRS 15	Revenue from Contracts with Customers	01 January 2016
IFRS 9	Financial Instruments	01 January 2016

3. CHANGES IN ACCOUNTING ESTIMATE

As at 31 March 2015, Roads Authority engaged ZAQ Consultants and Actuaries Namibia to conduct an actuarial valuation of its Post Retirement Benefit Obligation. The new valuation resulted in the Actuaries revising the estimated membership data and financial variables used in the previous valuation.

This is a change in estimate to be accounted for in accordance with IAS 8-Change in accounting policy, estimate and prior period error. As a result the Authority's Actuarial Loss for the period ended 31 March 2014 was increased by N\$7 606 000 and correspondingly increased the Post Retirement Benefit Obligation as at 31 March 2014. The effect of this is an increase of N\$7 606 000 in actuarial loss in the Statement of Comprehensive Income for the year ended 31 March 2015 and an increase in the Post Retirement Benefit Liability in Statement of Financial Position as at 31 March 2015.

4. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	Cost / Valuation N\$'000	Accumulated Depreciation N\$'000	Carrying Value N\$'000	Cost / Valuation N\$'000	Accumulated Depreciation N\$'000	Carrying Value N\$'000
Land and Buildings	27 451	(3 493)	23 958	29 614	(2 995)	26 619
Leased Vehicles	28 818	(19 550)	9 268	23 455	(15 274)	8 181
Plant and Machinery	9 095	(5 648)	3 447	7 555	(4 563)	2 992
Furniture and Fixtures	12 723	(7 956)	4 767	11 136	(6 905)	4 231
Motor Vehicles	1 637	(1 201)	436	1 457	(1 201)	256
Computer Equipment	29 431	(25 240)	4 191	27 207	(22 482)	4 725
Work in Progress - Head Office	73 776	-	73 776	11 731	-	11 731
Total	182 931	(63 088)	119 843	112 155	(53 420)	58 735

Reconciliation of Property, Plant and Equipment - 2015

	Opening Balance N\$'000	Additions N\$'000	Returned N\$'000	Transfers N\$'000	Depreciation N\$'000	Total N\$'000
Land and Buildings	26 619	965	-	(3 129)	(497)	23 958
Leased Vehicles	8 181	6 580	(270)	-	(5 223)	9 268
Plant and Machinery	2 992	1 540	-	-	(1 085)	3 447
Furniture and Fixtures	4 231	1 587	-	-	(1 051)	4 767
Motor Vehicles	256	180	-	-	-	436
Computer Equipment	4 725	2 224	-	-	(2 758)	4 191
Work In Progress - Head Office	11 731	58 916	-	3 129	-	73 776
	58 735	71 992	(270)	-	(10 614)	119 843

Reconciliation of Property, Plant and Equipment - 2014

	Opening Balance N\$'000	Additions N\$'000	Depreciation N\$'000	Total N\$'000
Land and Buildings	27 116	-	(497)	26 619
Leased Vehicles	9 399	2 580	(3 798)	8 181
Plant and Machinery	1 716	1 942	(666)	2 992
Furniture and Fixtures	4 329	792	(890)	4 231
Motor Vehicles	256	-	-	256
Computer Equipment	4 989	2 937	(3 201)	4 725
Work in Progress - Head Office	-	11 731	-	11 731
	47 805	19 982	(9 052)	58 735

	2015 N\$ '000	2014 N\$ '000
Show Cash Flows of Property, Plant and Equipment Additions		
Property, Plant and Equipment Additions (per above)	71 992	19 982
Less: Additions Financed by Finance Lease	(6 580)	(2 580)
Additions per Statement of Cash Flows	65 412	17 402

Other Information

List of property, plant and equipment are available for inspection at the registered office.

5. INTANGIBLE ASSETS

	2015			2014		
	Cost / Valuation N\$'000	Accumulated Amortisation N\$'000	Carrying Value N\$'000	Cost / Valuation N\$'000	Accumulated Amortisation N\$'000	Carrying Value N\$'000
Computer Software	11 215	(6 545)	4 670	11 058	(5 826)	5 232

Reconciliation of Intangible Assets - 2015

	Opening Balance N\$'000	Additions N\$'000	Amortisation N\$'000	Total N\$'000
Computer Software	5 232	157	(719)	4 670

Reconciliation of Intangible Assets - 2014

	Opening Balance N\$'000	Additions N\$'000	Amortisation N\$'000	Total N\$'000
Computer Software	165	5 229	(162)	5 232

6. RETIREMENT BENEFITS

Defined Benefit Plan

The RA provides post-retirement medical benefits to retired staff members under certain conditions. The Defined Plan is unfunded.

	2015 N\$ '000	2014 N\$ '000
Carrying Value		
Present Value of the Defined Benefit Obligation - Wholly Unfunded	(71 022)	(62 398)
Net Expenses Recognised in the Statement of Comprehensive Income	(20 614)	(8 624)
	(91 636)	(71 022)

Reconciliation of the Retirement Benefit Obligation

Opening Balance	71 022	62 398
Change in Estimate	7 606	-
Interest Cost	6 740	4 886
Current Service Cost	6 569	4 801
Benefits Paid	(1 095)	(1 063)
Actuarial Gain	794	-
	91 636	71 022

Net Expense Recognised in Other Comprehensive Income

Current Service Cost	6 569	4 801
Interest Cost	6 740	4 886
Actuarial (gains) Losses	794	-
Curtailment or Settlement	(1 095)	(1 063)
Change in Estimate	7 606	-
	20 614	8 624

Key Assumptions Used

Assumptions Used on Last Valuation Date.

Discount Rates Used	7.39 %	8.18 %
Medical Aid Contribution Inflation	6.56 %	7.36 %

7. LONG-TERM PREPAYMENTS

Contractor	Estimated Repayment Date	2015 N\$ '000	2014 N\$ '000
Carrying Value			
Road Contractor Company Ltd (RCC)	25.01.2017	21 725	21 725
Quiver Tree Investments One Three CC	25.02.2019	10 188	10 188
Jacomina Johanna Burger T/As JJ Blading CC	25.02.2018	1 655	1 655
		33 568	33 568

Represents advance payments of 5% of the tender amount awarded to the Roads Contractor Company Ltd, Quiver Tree Investments One Three CC and Jacomina Johanna Burger T/As JJ Blading CC. The contract is for a period of five years (60 months); the repayment will be deducted from amounts due to the contractor in six equal installments, starting six months before the contract completion date.

8. TRADE AND OTHER RECEIVABLES

	2015 N\$ '000	2014 N\$ '000
Road Fund Administration	206 042	200 362
Other Debtors	1 247	710
Prepayments to Contractors	22 761	54 705
	230 050	255 777

The Road Fund Administration and Other Receivables are Non Interest Bearing.

Trade and Other Receivables Past Due But Not Impaired

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

Neither Past Due nor Impaired	230 050	246 753
-------------------------------	---------	---------

9. CASH AND CASH EQUIVALENTS

	2015 N\$ '000	2014 N\$ '000
Cash and Cash Equivalents Consist of:		
Cash on Hand	16	16
Bank Balances	52 324	43 393
	52 340	43 409

Credit Quality of Cash at Bank and Short Term Deposits, Excluding Cash on Hand

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

Credit Rating	2015 N\$ '000	2014 N\$ '000
Bank Windhoek Limited (A1+ Moody's credit rating)	52 340	43 393

10. GOVERNMENT CONTRIBUTION

When the Authority was incorporated the Government of Namibia made a contribution in the form of land.

	2015 N\$ '000	2014 N\$ '000
Transfer of Immovable Properties	8 992	8 992

11. FINANCE LEASE OBLIGATION

	2015 N\$ '000	2014 N\$ '000
Minimum Lease Payments Due		
- Within One Year	4 220	3 762
- In Second to Fifth Year Inclusive	5 873	4 959
	10 093	8 721
Present Value of Minimum Lease Payments		
Non-current Liabilities	5 873	4 959
Current Liabilities	4 220	3 762
	10 093	8 721

The Authority is leasing certain motor vehicles under finance leases from Avis Fleet Services Namibia, a division of Zeda Namibia (Pty) Ltd.

The lease terms ranges between 36 months to 86 months, of which the majority of the vehicles are leased over a 5-year period. The fixed monthly installments included 44% for maintenance which have been excluded from the calculation of the lease liability. Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

12. DEFERRED INCOME

	PIARC N\$'000	MWT N\$'000	RFA N\$'000	RA BOOK N\$'000	Total N\$'000
Balance at 31 March 2013	304	2 169	104 913	184	107 570
Received During the Year	-	-	50 397	9	50 406
Released to the Statement of Comprehensive Income		-	(26 505)	-	(26 505)
Balance at 31 March 2014	304	2 169	128 805	193	131 471
Received During the Year	-	-	78 332	-	78 332
Released to the Statement of Comprehensive Income	-	-	(50 817)	-	(50 817)
Balance at 31 March 2015	304	2 169	156 320	193	158 986

Deferred revenue relates to grants in the form of assets received and advances due to the Roads Authority for materials on site.

Deferred revenue is released to the statement of comprehensive income in equal annual amounts over the expected useful life of the asset or when the goods are delivered.

MWT represents the Ministry of Works and Transport and RFA represents Road Fund Administration. The RA History Book project is undertaken by the Roads Authority to write a book on the history of the Namibian road network. PIARC represents the Permanent International Association of Road Congresses (World Road Association).

13. PROVISIONS

	Opening Balance N\$'000	Additions N\$'000	Utilised During the Year N\$'000	Leave Encashment N\$'000	Total N\$'000
Reconciliation of Provisions - 2015					
Provision for Bonus	1 803	2 453	(1 725)	-	2 531
Provision for Leave	15 904	4 764	-	(1 627)	19 041
Other Provisions	1 838	-	(1 838)	-	-
	19 545	7 217	(3 563)	(1 627)	21 572

Reconciliation of Provisions - 2014					
Provision for Bonus	1 636	1 803	(1 636)	-	1 803
Provision for Leave	13 024	3 650	-	(770)	15 904
Other Provisions	-	1 838	-	-	1 838
	14 660	7 291	(1 636)	(770)	19 545

The provisions are not discounted to present value as they are deemed that the time value of money will not be material. The impact of staff on the provisions is not deemed to be material; accordingly, the impact of this has not been calculated and recorded.

Leave Pay

Leave pay provision is based on actual leave days due to employees and is calculated using current remuneration packages.

During the year N\$3 137 000 (2014: N\$2 880 680) was charged to the statement of comprehensive income.

Annual Bonus

The annual bonus is normally paid out in November. The bonus is accrued monthly on a time proportion basis for all employees in employment at year end. The provision is based on current remuneration packages. During the year, N\$728 000 (2014: N\$145 672) was charged to the statement of comprehensive income.

Other Provisions

This provision relates to IT equipment which were held by customs in prior year. Invoice was settled in current year.

14. TRADE AND OTHER PAYABLES

	2015 N\$ '000	2014 N\$ '000
Trade Payables	143 732	152 651
Other Payables	2 774	1 633
	146 506	154 284

15. REVENUE

	2015 N\$ '000	2014 N\$ '000
Grants Received: Road Fund Administration	1 566 829	1 406 526
Interest Received	2 798	1 826
	1 569 627	1 408 352

16. ADMINISTRATIVE EXPENDITURE

	2015 N\$ '000	2014 N\$ '000
Auditors Remuneration		
Audit Fees	351	320
Professional Fees		
Consulting Fees	2 607	2 159
Depreciation		
- Buildings	497	498
- Computer Equipment	2 758	3 201
- Furniture and Fittings	1 051	666
- Plant and Equipment	1 085	890
- Leased Motor Vehicle	5 223	3 798
	10 614	9 053
Amortisation - Computer Software	720	161
Operating Lease Expenses		
- Premises	5 542	3 646
- Motor Vehicles	4 427	5 120
	9 969	8 766
Repairs and Maintenance	1 792	941
Transport	10 430	9 737
Utilities	10 296	7 770
Subscriptions and Membership Fees	677	670
Furniture and Office Equipment	301	962
Other Expenses	3 754	1 028
- Advertising	4 834	3 739
- Cleaning and Consumables	3 539	2 999
- Courier and Postage	419	510
- Insurance	1 912	1 845
- Legal Fees	1 809	1 413
- Printing and Stationery	2 166	1 861
- Specialised Service	11 656	11 477
- Subsistence Allowance and Travelling Expenses	12 020	9 404
- Training	4 001	5 003
	69 606	59 359
Total	93 867	79 818

	2015 N\$ '000	2014 N\$ '000
Employee Costs		
Salaries	161 618	127 822
Social Security Costs	333	407
Bonuses	7 785	3 790
Pension Costs	17 662	5 284
Post-employment Benefit Other Than Pension	12 214	8 624
Bursaries	1 616	2 007
Directors Emoluments	989	485
Medical Aid Contributions	11 423	9 952
Training Costs	1 793	2 213
	215 433	160 584

17. ROAD MANAGEMENT QUALIFICATION

	2015 N\$ '000	2014 N\$ '000
Polytechnic of Namibia	-	78

Roads Authority has entered into a collaborative agreement with the Polytechnic of Namibia for the development and implementation of an academic programme in Road Transport Management beyond the Certificate level. This qualification is envisaged to improve the safety and efficiency standards, not only of the national but also of the SADC regional road sectors through the steady supply of well trained professionals. It may become further impetus for the establishment of a SADC Institute of Roads Transport Management. Roads Authority undertook to bear the costs for the curriculum, syllabi and the teaching, learning and assessment materials, as well as those of a coordinator and all the costs related to the branding of the programme.

18. FINANCE COSTS

	2015 N\$ '000	2014 N\$ '000
Finance Leases	1,200	909

19. CASH GENERATED FROM OPERATIONS

	2015 N\$ '000	2014 N\$ '000
Surplus after Transfers	-	-
Adjustments for:		
Finance Costs	1 200	909
Depreciation	10 614	9 052
Amortisation- Intangible Assets	720	161
Provision for Post Retirement Medical Aid Obligation	20 614	8 624
Increase in Provision	2 027	4 885
Release from Deferred Revenue	(50 817)	(26 505)
Transfer to Deferred Revenue Grants	78 332	50 406
Interest Received	(2 798)	(1 826)
Profit on Withdrawals	(42)	-
Changes in Working Capital:		
Trade and Other Receivables	25 727	(36 097)
Trade and Other Payables	(7 778)	3 295
	77 799	12 904

20. COMMITMENTS

	2015 N\$ '000	2014 N\$ '000
Road Network Commitments		
- Contracted for	829 495	394 862
- Not Contracted for	3 525 452	1 256 992

This committed expenditure relates to the construction and rehabilitation of the national roads in Namibia and will be financed by grants and direct disbursements.

Operating Leases

Minimum Lease Payments Due

- Within One Year	4 930	3 790
- In Second to Fifth Year Inclusive	3 920	4 356
	8 850	8 146

Operating lease payments represent rentals payable by the RA for certain of its offices.

21. RELATED PARTIES

	2015 N\$ '000	2014 N\$ '000
Relationships		
Related Party Relationships Exists between the RA and:		
Key Management		
Roads Contractor Company		State Owned Entity
Roads Fund Administration		State Owned Entity
Related Party Balances		
Related Parties		
Amount Receivable at Year End	206 042	200 362
Deferred Revenue	(156 320)	(128 806)
Roads Contractor Company	(12 132)	(12 820)
Related Party Transactions		
Grants Received During the Year	1 566 829	1 398 475
Transfer of Comprehensive Income	(11 180)	(5 159)
Roads Contractor Company	(165 592)	208 561
Key Management		
Key Management Remuneration	8 515	8 391

Key Management constitutes of the Chief Executive Officer (CEO) and three (3) Executive Officers and five (5) Divisional Managers.

22. RISK MANAGEMENT

Capital Risk Management

The Roads Authority is an agent of the Government, reporting to the Ministry of Works and Transport and manages the national road network. The Roads Authority came into being on 1 April 2000. The Ministry of Works and Transport, in consultation with the Ministry of Finance, and on such conditions as the Ministry may determine, have transferred to the Roads Authority, with effect from 1 April 2000, such assets, liabilities, rights or obligations of the State which relate to or connected with the management of roads by the Ministry as may, in the opinion of the Minister, be required by the RA.

The aforementioned is the way in which the entity manages its capital structure and makes amendments to it in light of changes in the economic conditions. The Ministry of Works and Transport, in consultation with the Ministry of Finance, may decide to adjust or maintain the capital structure using government contributions as a channel of funding.

Financial Risk Management

The RA's principal financial liabilities comprise of trade payables and retention's for various projects and routine maintenance performed by the RA. The main purpose of these financial liabilities is to maintain adequate cashflows for the entity, to be able to continue operations. The RA has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main purpose for the large trade debtors is to enable the RA to finance its operations. The main risks arising from the entity's financial instruments are liquidity and credit risk. The RA is not subject to interest rate risk as it does not hold any loans or fixed borrowings from financial institutions. The interest received on cash and cash equivalents at financial institutions are minimal and therefore interest rate risk has been identified as not significant. It is also not subject to foreign exchange risk as the entity has no transactions denominated in a foreign currency. It also does not hold foreign interests. Management reviews and agrees policies for managing each of these risks which are summarised below.

Liquidity Risk

The RA's risk to liquidity is a result of the funds available to cover future commitments. The RA manages liquidity is through an ongoing review of future commitments and support from the Road Fund Administration in the form of funding. Cashflow forecasts are prepared and adequate funding facilities are monitored.

The table below summarises the maturity profile of the entity's financial liabilities at 31 March 2015, based on contractual undiscounted payments.

At 31 March 2015	On Demand	Less than 12 Months	More than 12 Months	Total
	N\$ '000	N\$' 000	N\$' 000	N\$ '000
Trade and Other Payables	146 506			146 506
Finance Lease Obligation		4 220	5 873	10 093
At 31 March 2014	On Demand	Less than 12 Months	More than 12 Months	Total
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Trade and Other Payables	154 282			154 282
Finance Lease Obligation		3 762	4 959	8 722

Risk Management Continued

Financial Instruments by Category

At 31 March 2015		Loans and Receivables N\$ '000	Financial Liabilities at Amortised Cost N\$ '000
Financial Assets	- Trade and Other Receivables	230 050	
	- Cash and Cash Equivalents	52 340	
Financial Liabilities	- Trade and Other Payables		146 506
	- Finance Lease Obligations		10 093
At 31 March 2014			
Financial Assets	- Trade and Other Receivables	247 153	
	- Cash and Cash Equivalents	43 409	
Financial Liabilities	- Trade and Other Payables		154 282
	- Finance Lease Obligation		8 722

Interest Rate Risk

The RA's interest rate risk arises from long-term finance lease obligation. Borrowings issued at variable rates expose the RA to cash flow interest rate risk. Borrowings issued at fixed rates expose the RA to fair value interest rate risk. The Authority is not significantly exposed to cash flow interest rate risk.

Credit Risk

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

Financial assets exposed to credit risk at year end were as follows:	2015 N\$ '000	2014 N\$ '000
Financial Instrument		
Finance Lease Obligation	10 093	8 722

Fair Values

Set out below is a comparison by category of carrying amount and fair values of all of the RA's financial instruments.

Financial Instrument	Carrying amounts		Fair value	
	2015 N\$'000	2014 N\$'000	2015 N\$'000	2014 N\$'000
Trade and Other Receivables	230 050	247 153	230 050	247 153
Cash and Cash Equivalents	52 340	43 409	52 340	43 409
	282 390	290 562	282 390	290 562
Trade and Other Payables	146 506	154 282	146 506	154 282
Finance Lease Obligation	10 093	8 722	10 093	8 722
	156 599	163 004	156 599	163 004

CONSTRUCTION AND REHABILITATION PROJECTS

Project Name	Status (10/2015)	Total Estimated Cost	Expenditure Up To 31 March 2014	RA Expenditure 2014-2015	Direct Disbursements 2014-2015	Total Expenditure Financial Year 2014/2015	Expenditure Up To 31 March 2015	
Construction and Rehabilitation of Roads								
TR 1/6: Windhoek-Okahandja Rehabilitation	On-going, Completion for Sec 1 expected August 2016 - (75% Completed)	307,112,812.93	14,468,733.51	92,582,167.38			107,050,900.89	
MR 67: Kamanjab-Omakange	Phase 1: 95% Complete	173,697,140.90	353,871,474.00			ADB	353,871,474.00	
	Phase 2: 95% Complete	180,174,333.40				GRN		
TR 7/1: Okahandja-Karibib	Phase 1: complete	346,418,384.00	345,841,114.00			GRN	345,841,114.00	
DR 3644: Ompundja-Eheke LBC	Phase 2: Complete	126,331,849.00	117,904,200.18			RFA	117,904,200.18	
	Completed	24,906,958.00	24,906,958.00			RFA KFW	24,906,958.00	
MR 110: Rundu-Elundu	Phase 1: complete	289,830,408.00	289,830,408.00			JBIC	289,830,408.00	
		78,901,361.00	78,901,361.00			GRN	78,901,361.00	
	Phase 2: Complete	568,159,779.00	568,159,779.00			JBIC	568,159,779.00	
MR 120: Okatana-Endola-Onunho	To be re-awarded. Completion expected December 2016. 80% Complete	667,007,045.45	510,927,886.40		25,548,652.22	GRN	536,476,538.62	
		204,842,743.54	161,088,005.97	41,328,117.34	191,272.80	RFA	202,607,396.11	
MR 122: Okahao-Omakange (Prev 4)	Completed	377,831,376.66	377,831,376.66			GRN	377,831,376.66	
DR 3502: Kongola-Zambia Borders LBC	Completed	20,274,356.00	20,274,356.00			GRN	20,274,356.00	
DR 3507: Ngoma-Muyako LBC	Completed	32,998,402.11	32,998,402.00			GRN	32,998,402.00	
Drainage Structures in Kunene Region:								
DR3700 Ombuku River at Kongwati-Kunene	Completed	15,653,869.30	15,029,388.96			RFA	15,029,388.96	
Skelm River near Sesfontein Kunene Region								
MR128 Hoanib River near Khowarib								
DR2306 River Crossing Omaruru at Okombahe								
TR 14/2: Gobabis-Drimloopsis-Otjinene, Phase 1	45% Complete	409,901,340.05	409,901,340.05	-		GRN	409,901,340.05	

CONSTRUCTION AND REHABILITATION PROJECTS

Project Name	Status (10/2015)	Total Estimated Cost	Expenditure Up To 31 March 2014	Total Expenditure Financial Year 2014/2015			Expenditure Up To 31 March 2015
				RA Expenditure 2014-2015	Direct Disbursements 2014-2015		
Divundu Bridge Widening	Completed	22,595,737.96	22,595,737.96			RFA	22,595,737.96
DR 3642: Okahao-Outapi	Completed	56,789,282.47	52,248,805.37			RFA	52,248,805.37
DR 3643: Ekamba-Onkani	Completed	66,023,726.00	66,023,726.00			RFA	66,023,726.00
						KfW	
DR 3427: Tondoro-Kamupupu	Completed	13,740,929.00	13,740,929.00			GRN	13,740,929.00
DR 3428: Rupara-Muveve/Ngcangu	Completed	12,444,422.00	12,444,422.00			GRN	12,444,422.00
DR 3660: MR92-Omagongati	Completed	17,647,101.00	17,647,101.00			GRN	17,647,101.00
DR 3610: Mangetti West Phase 1	Completed	52,756,072.92	42,158,415.00		987,470.17	GRN	43,145,885.17
DR 3611: Oshikuku-Okalongo + extension	Completed	123,527,724.63	81,461,152.00		5,279,492.04	GRN	86,740,644.04
TR 15/1: Tsumeb-Katwitwi (Section A, B & C)	Completed	1,130,503,589.73	1,111,924,730.35		18,578,859.38	GRN	1,130,503,589.73
DR 3603: Onayena-Okankolo	Completed	107,078,386.00	4,235,135.56		70,866,134.56	RFA	75,101,270.12
Swakopmund-Henties Bay-Kamanjab	Ongoing	37,251,329.29			3,537,453.77		3,537,453.77
Gobabis-Aminuis-Aranos	Ongoing, Construction for Sec A to be completed January 2016	537,933,254.46	-		99,040,181.53		99,040,181.53
DR 3615: Onamutuku-Oshikuku	Ongoing (85% Complete), Not completed in July 2014 as planned	73,974,032.03	22,972,852.01	42,579,720.18		RFA	65,552,572.19
DR 212 Rosh Pinah-Sendelingsdrif	Complete	8,298,554.44	8,298,554.00			RFA/ADB	8,298,554.00
DR 3524: Ngoma (Izimwe)-Nakabolelwa	Ongoing (re-awarded) - 65% Complete	50,585,519.65	27,290,211.50		7,736,035.22	GRN	35,026,246.72
DR 3653: Oshikuku-Ekangolinene	Complete	41,713,235.55	38,337,658.53		615,530.03	GRN	38,953,188.56
DR 3672: Outapi-Okapalelona	Completed	35,077,865.06	30,834,869.77		1,246,962.63	GRN	32,081,832.40
						KfW	

CONSTRUCTION AND REHABILITATION PROJECTS

Project Name	Status (10/2015)	Total Estimated Cost	Total Expenditure Financial Year 2014/2015				Expenditure Up To 31 March 2015
			RA Expenditure 2014-2015	Direct Disbursements 2014-2015			
DR 3671: Onanutai-Ongwediva-Okatana	Completed	54,943,097.66				53,322,886.26	GRN KfW
MR125: Liselo-Linyanti-Kongola-Singalamwe	Phase 1: 95% Construction Complete	866,442,551.75					
	Phase 2: 95% Construction Complete					461,304,042.94	GRN
DR 3427: Kamupupu-Mbururu	Completed. Retention fees not yet paid	26,355,819.69				20,152,679.67	GRN
Okandjengedi Bridge	Completed	39,906,414.42				39,906,414.42	RFA/ GRN
Ongwediva Bridge	Completed	54,663,550.01				54,663,550.01	RFA/ GRN
DR 3448: Kaisosi-Cuma	Completed	52,661,247.46				52,492,524.92	GRN
DR 3449: Tjova-Divayi	Completed	44,745,482.58				39,189,236.47	GRN
DR 3673: Omuthiya-Onanke	Completed	47,838,447.89				21,439,231.26	GRN
DR 3657: Oshapapa (Oshali)-Epumbu	Ongoing, Construction expected to be Completed June 2014	49,249,403.68				39,380,436.75	GRN
DR 3649: Onalulago-Epembe	Ongoing (90% Complete)	59,661,900.98				22,050,678.21	GRN
Updating and Revising Roads Authority Manuals	90% Complete	380,000.00				247,189.00	RFA
Bridge 157 Rehoboth-Mariental	Completed	32,623,880.32				7,978,840.21	RFA
Bridge 2312 Rehoboth-Mariental	Completed	11,098,294.73				6,397,195.75	RFA
Bridge 158 Rehoboth-Mariental	Completed	10,147,788.79				2,659,613.73	RFA
DR 3670: Oshandi-Eembahu	Completed	39,616,714.38				39,616,714.38	GRN
		39,616,714.38				23,963.00	KfW
		58,550,668.88				16,375.00	GRN
DR 3670: Eembahu-Oshiweda	Completed	20,204,745.88				109,167.00	KfW
Three Bridges Linking Okahandja to Ovitoto	Completed					73,476,784.95	GRN
MR 67: Omakange-Ruacana	Completed	478,767,151.10				30,893,463.88	GRN
DR 3608: Omafo-Ongenga-Outapi (VAT)	Ongoing (80% Complete)	158,582,444.00				47,725,031.21	GRN

CONSTRUCTION AND REHABILITATION PROJECTS

Project Name	Status (10/2015)	Total Estimated Cost	Total Expenditure Financial Year 2014/2015				Expenditure Up To 31 March 2015
			RA Expenditure 2014-2015	Direct Disbursements 2014-2015			
DR 3603: Onayena - Onankali (DR 3674: Onayena - Omahenge)	Completed	51,657,432.75				29,591,331.51	GRN
Gobabis Weighbridge	Completed	23,839,327.04				23,108,857.40	RFA
Socio-economic Impact Study on Three LB-Projects	50% Complete	2,502,493.15				48,962.00	KFW
Specialised Consultancy Service	Ongoing	98,980.00				98,980.00	GRN
Elundu-Eenhana Construction	Ongoing (80% Complete), to be completed in January 2016	92,339,204.76				1,825,870.16	RFA
MR 121Oshigambo-Eenanha	95% Complete (road marking still to be completed)	203,648,459.39				7,157,998.85	GRN
Arwaanda-Omutambo-Omaove	Ongoing (Section 1 is 50% Complete, Section 2 is 20% Complete)	121,962,591.08				2,701,914.96	GRN
Epato-Onkani	Ongoing (5% Complete, Construction to be Completed June 2016)	72,692,708.23				147,750.82	GRN
Oshakati-Omungwelumwe-Ongenga	Ongoing (40% Complete), Construction to be Completed August 2016	227,920,926.40				4,118,669.80	GRN
DR:3688 Epako-Omuvelo - Wakasamane	Ongoing (20% Complete), Construction expected to be Completed September 2016	40,310,255.62				2,718,008.20	GRN
MR91: Gobabis-Aminus-Aranos	Ongoing (49% Complete), Construction expected to be Completed November 2016	591,766,526.03				8,348,517.39	GRN
MR118 Roshpinah-Orandjemund	Ongoing (45% Complete), Construction expected to be Completed November 2016	625,617,218.96				64,779,263.99	GRN

CONSTRUCTION AND REHABILITATION PROJECTS

DLP = Defects Liability Period
LBC = Labour - Based Construction

This schedule is in terms of the Road's Authority Act (No 17 of 1999) and reflects amounts approved for the purpose of a specific project or programme and the amounts expended in connection with such project or programme.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

