

Namibian
Competition
Commission

Annual Report 2020



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The Namibian Competition Commission is a statutory body established by the Competition Act to safeguard and promote competition in the Namibian economy.

The Commission is responsible for the administration and enforcement of the Act and its core functions are to:

- 1. Investigate contraventions of the Act, including:**
 - Restrictive agreements between business undertakings that prevent or substantially lessen competition in the trade of goods or services in Namibia; and
 - Conduct by dominant business undertakings that amounts to abuse of their dominant positions in markets in Namibia;
- 2. Investigate and determine mergers between business undertakings;**
- 3. Conduct research and advise Government on competition related matters.**

Mission

To safeguard and promote competition in the Namibian market

Vision

Fair market competition

Values

National economic interests come first

Our priority and commitment are to put national economic interests towards the attainment of Vision 2030 ahead of any other considerations.

Impartiality

We shall be fair and equitable, living our purpose and upholding principles of impartiality and confidentiality.

Consistency

We are consistent in our approach in every instance, regardless of the circumstances and pressure that may be brought to bear.

Accountability for our role

We accept our responsibilities and are accountable for all our decisions and actions. We uphold and respect decisions taken by the Commission.

Integrity

We act with integrity in matters of substance and procedure when executing the mandate of the Commission.

Chairperson's Remarks



It is an honour to present the Namibian Competition Commissions' Annual Report for the 2019/20 Financial Year.

This year marks the 10th year since the Commission was officially launched on 9 December 2009 and the end of the 3rd strategic plan since its inception. The year further coincides with the final year of the Harambee Prosperity Plan and the 5th National Development Plan

The report, therefore, provides an ideal opportunity for the Commission to reflect on the changing economic and regulatory environment and the strategic positioning of the Commission in response to these changes as it begins the implementation of its 2020—2025 Integrated Strategic Business Plan (ISBP).

The new strategy is designed to deepen the Commissions' regulatory role by safeguarding and enhancing competition for inclusive and sustainable economic growth. The strategic pillars and goals in the ISBP were carefully selected to ensure that the Commissions' activities have maximum impact and contribute towards Namibia's developmental agenda.

The Commission plays an important role in ensuring fair market competition which is fundamental to a well-functioning economy. Fair market competition leads to lower prices, higher quality and greater variety of goods and services, and spurs on innovation. Through its work, the Commission promotes the efficiency, adaptability and overall development of the Namibian economy.

The Commission further promotes employment and advances the social and economic welfare of Namibians; expands opportunities for Namibian participation in world markets while recognising the role of foreign competition in Namibia; and ensures that small undertakings have an equitable opportunity to participate in the Namibian economy.

Although the Commission continued to face financial constraints which impacted its ability to fully achieve the goals set its 2015—2020 ISBP, it nevertheless managed to make a significant impact, details of which are contained in the report.

I would like to take this opportunity to give my heartfelt thanks to my fellow Commissioners, the CEO and Secretary to the Commission and his team for their hard work during the year.

*Peter Carlson,
Chairperson of the Namibian Competition Commission*

CEO's Overview



The year under review is the final year of the Commission's current five-year integrated strategic business plan. This report, therefore, presents an opportunity for the Commission to share with its stakeholders the Commission's performance, not only over the 2019/20 financial year but over the last 5 years.

During the period under review, the Commission carried out various activities in the realisation of its mandate. Topping the list of its activities was the development of the Integrated Strategic Business Plan (ISBP) 2020 – 2025 and the Annual Business and Financial Plan (ABFP) 2020/2021. We are glad to have this milestone completed and are excited to embark on the implementation of the new ISBP.

The activities contained in the ABFP are aimed at achieving the strategic goals set out in the ISBP. The strategic goals aim to direct the efforts and resources of the Commission towards enforcing the Competition Act, No. 2 of 2003, (the Act) and executing its mandate of safeguarding and promoting competition in the Namibian economy. The strategic goals contained in the strategic plan are as follows:

- Excellence in Competition Regulation;
- Advocacy and Strategic Collaboration; and
- Operational Excellence.

These strategic goals represent an evolution and strengthening of the goals set out in the Commission's previous strategic plan.

The period under review has seen the continuation of the review of the Competition Act and development of a Knowledge Management System .

Regarding its enforcement activities carried out in terms of Chapter 3 of the Competition Act, the Commission conducted 13 screenings and 7 investigations of cases of alleged restrictive business practices in various sectors of the economy. The Commission received 2 exemption applications, 1 from the Namibia Trade Forum and another from the Payment Association of Namibia and continued its assessment of an application received from Namcor during the previous financial year. The Commission was further involved in 3 litigation matters of which 1 was finalised and 2 are still pending in the High Court and Supreme Court respectively.

Regarding its assessment and determinations of mergers and acquisitions in terms of Chapter 4 of the Competition Act, the Commission handled 48 mergers and received thirteen 13 requests for advisory opinions. The Commission further investigated 13 possible contraventions of the merger provisions of the Act and lodged 1 court application in terms of section 51 of the Act emanating from these investigations.

The period under review saw the Commission finalise the implementation of the recommendations of the Franchising Study. A highlight of this process was the development of a franchise notice for publication in the mainstream media and to be shared with identified stakeholders, to advocate for compliance with the competition law.

The Commission further finalised:

- A Price Monitoring Report which analyses the ex-factory cost of infant industry protected sectors, namely, the poultry and cement industries;
- A research plan for a Construction Market Study; and
- A prototype of a Microeconomic Database.

The period under review has also seen the Commission receiving an unqualified audit opinion of its annual financial statements. The Commission has received unqualified audit opinions since inception, and this is clear demonstration of the prudent financial management of the Commission.

All these achievements are credited to the hard work of the staff of the Commission.

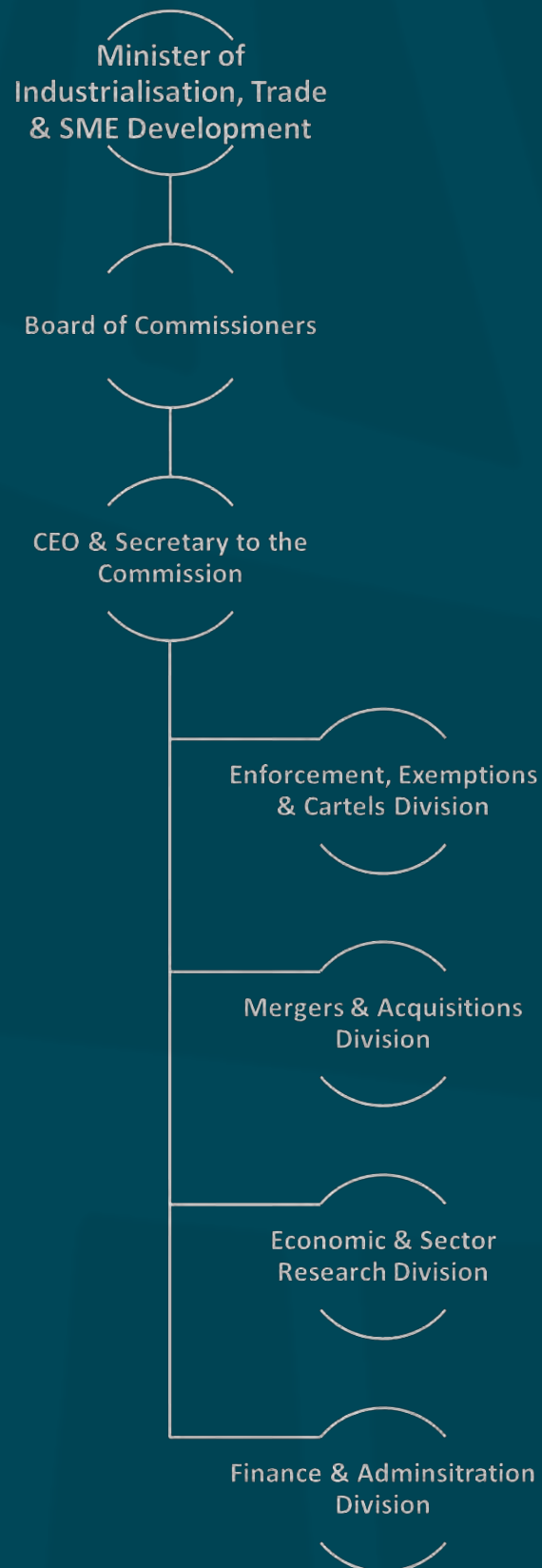
Thank you so much.

Vitalis Ndalikokule
CEO & Secretary to the Commission

Governance



Governance Structure



Board of Commissioners

The Commission consists of a chairperson and a maximum of four other members who are appointed by the Minister of Industrialisation, Trade and SME Development. In this report, the members of the Commission are collectively referred to as the Board of Commissioners or the Board and the institution as the Commission.

The Board is the governing body of the Commission. It sets the strategic direction of the institution and supervises the execution of the Commission's statutory mandate and strategic plan.

The Board also serves as an adjudicative body that determines mergers and exemption applications.

Board Diversity (as at 31 March 2020)

Age

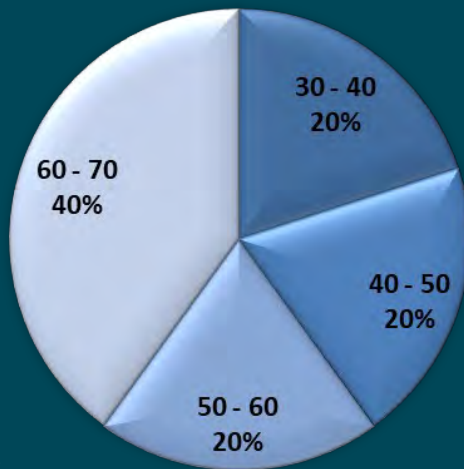


Figure 1

Gender

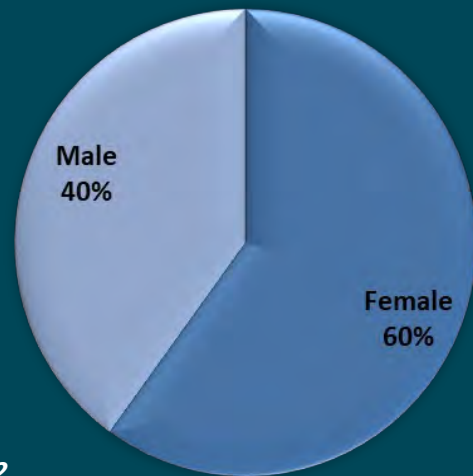


Figure 2

Geography

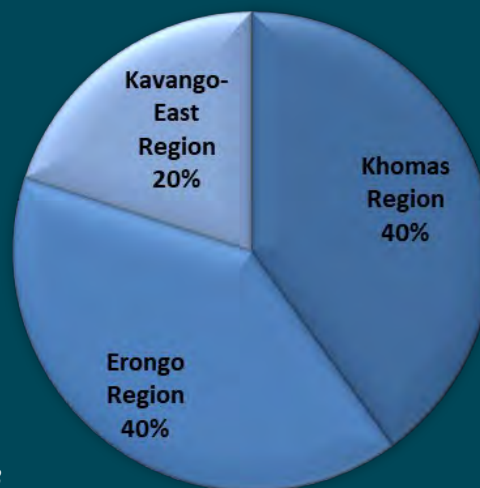


Figure 3

Expertise



Figure 4

Board of Commissioners

Mr. Peter Carlson (Chairperson)

Area of Expertise: Accountancy, Economics, Commerce and Industry

Mr. Carlson is the Chairperson of the Commission. He was appointed on 1 May 2019 and his first term expires on 30 April 2022.

He is a Chartered Accountant and holds an Honours B.Com (Business Economics) (University of the Western Cape, South Africa) as well as an Honours B.Compt (Accounting Sciences) (University of South Africa). Mr. Carlson is the Managing Director of a number of small and medium enterprises, covering business consulting and fishing.

Ms. Grace Mohamed (Vice Chairperson)

Area of Expertise: Economics, Public Administration and Consumer Affairs

Ms. Mohamed is a member of the Commission. She was appointed to serve for a second term on 17 September 2019 and her term expires on 16 September 2022.

She holds an MBA (GIBS/University of Pretoria, South Africa), and a M.Com in Economics (University of the Witwatersrand, South Africa), an Honours degree in Economics (University of Cape Town, South Africa), and a B.Com (University of Namibia). Ms. Mohamed is the General Manager: Insurance at the Namibia Financial Institutions Supervisory Authority.

Ms. Petronella Masabane

Area of Expertise: Public Administration

Ms. Masabane is a member of the Commission. She was appointed on 20 February 2019 and her first term expires on 19 February 2022.

She holds a BA in Social Work (University of the Western Cape, South Africa) and an MBA in General and Strategic Management (Maastricht University, Netherlands). Ms. Masabane is employed as a Deputy Executive Director of the Ministry of Health and Social Services.

Mr. Linus Garoeb**Area of Expertise: Public Administration**

Mr. Garoeb is a member of the Commission. He was appointed on 1 May 2019 and his first term expires on 30 April 2022.

He holds a HED and BA in Education (University of South Africa) and a MA in Education (University of Durham, UK). Prior to retirement, Mr. Garoeb was a Director of Education and Chief Regional Officer for the Erongo Region.

Ms. Isabella Tjatjara**Area of Expertise: Law**

Ms. Tjatjara is a member of the Commission. She was appointed on 1 November 2019 and her 1st term expires on 31 October 2022.

She holds an LLB (University of Namibia). Ms. Tjatjara was previously a Principal Magistrate - Ondangwa Magistrates Court and is currently a legal consultant, social entrepreneur and co-founder of RIVO Trading CC.

Ms. Malverene Theron**Area of Expertise: Law**

Ms. Malverene Theron is a member of the Commission. She was appointed to serve for a second term on 17 September 2016 and her term expired on 16 September 2019.

She holds a LL.B. (University of Cape Town, South Africa). Ms. Theron is an admitted Legal Practitioner and Procurement Manager at DeBeers Marine Namibia.

Board Charter

The Board of Commissioners (the Board) is responsible for discharging the responsibilities set out in the Competition Act as well as the Public Enterprise Governance Act. A Board Charter was adopted setting out its roles, responsibilities, governance structures and delegation of authority.

As the custodian of the Commission's corporate governance, it:

- Steers the organisation and sets its strategic direction;
- Approves policies that give effect to that direction;
- Oversees and monitors the implementation and execution of the strategic plan by executive management, and ensures accountability for the organisation's performance through reporting and disclosures;
- Sets the parameters for the powers which it reserves for itself, and those to be delegated to management;
- Ensures that there is access to professional and independent guidance on corporate governance and its legal duties.

Meetings

The Board held 4 ordinary meetings during the year under review and 1 special meeting. At these meetings matters related to strategy, governance, finances and human resources were tabled.

The Board is mandated to make proposed decisions on whether business undertakings have contravened the Competition Act and to refer these matters to the High Court at the conclusion of the investigation. The Board is further mandated to determine mergers and exemption applications filed with the Commission.

Statutory deadlines are in place requiring that mergers be determined within 30 days (unless extended as provided for in the Act). This necessitates that the Board meets regularly to adjudicate these technical matters. During the year under review the Board held 10 Board Meetings on Technical Matters .

Board Remuneration

The members of the Commission are remunerated in line with the Remuneration Directives issued by the Minister of Public Enterprises. In terms of Government Notice No. 69 (GG No. 6572 of 16 April 2018), non-executive directors of Tier 2 Public Enterprises should be remunerated as follows:

Board Remuneration		
Designation	Chairperson	Member
Annual Retainer (N\$)	70,355.36	57,471.60
Sitting Fees per annum (assuming four meetings per annum) (N\$)	39,648.42	25,008.15

Table 1 - Remuneration Directives

Diversity

The King IV Report on Corporate Governance 2016 (King IV) provides that a board should ideally be comprised of individuals with the appropriate balance of knowledge, skill, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively.

Section 5(2) of the Competition Act states that the members of the Commission must have expertise in industry, commerce, economics, law, accountancy, public administration or consumer affairs.

The Board is a diverse group in terms of its members' ages, genders and geographic locations and is comprised of 100% independent members having the optimal mix of skills and expertise as prescribed.

All the members have experience at management level and have served on the boards of other commercial, regulatory and statutory organisations making them the ideal group to drive the strategy of the Commission and to ensure that it meets its legislative mandate to safeguard and promote competition.

Table 2- Board meeting held during 2019/20

Ordinary Board Meetings	Special Board Meeting	Board Meetings on Technical Matters
24 April 2019	4 March 2020	3 April 2019
8 August 2019		18 June 2019
6 December 2019		5 September 2019
29 January 2020		18 September 2019
		23 October 2019
		5 December 2019
		16 December 2019
		16 January 2020
		4 March 2020
		13 March 2020

Table 3 - Meeting attendance during 2019/20

Name of Commissioner	Designation	Appointment Date	Number & Percentage of Meetings Attended ¹ - 2019/20	
Peter Carlson	Chairperson	1 May 2019	12/12	100%
Grace Mohamed	Vice Chairperson	17 September 2019	12/14 ²	86%
Malverene Theron	Member	17 September 2016	5/5 ³	100%
Petronella Masabane	Member	20 February 2019	12/15	80%
Linus Garoeb	Member	1 May 2019	12/12	100%
Isabella Tjatjara	Member	1 November 2019	7/7 ⁴	100%

¹ The Commissioners were appointed at different times and therefore the number of meetings that took place during their terms differ.

² Ms. Mohamed was appointed to serve for a 2nd term mid-way through the financial year. Between the expiry of her 1st term and her appointment for a 2nd term 1 Board meeting was held.

³ Ms. Theron's term ended mid-way through the financial year on 16 September 2019.

⁴ Ms. Tjatjara's term commenced during the second half of the financial year on 1 November 2019.

Executive Committee

The Commission's Executive Committee (EXCO) is headed by the Chief Executive Officer and comprised of the Directors heading up the different divisions. Collectively these employees are referred to as the senior managers of the Commission. Middle managers, who are also members of EXCO, are the: Corporate Secretary and Legal Advisor; Manager: Finance; Manager: Human Resources and; Manager: Strategy, Advocacy and Stakeholder Relations.

EXCO is responsible for:

- Guiding and monitoring the implementation of the Commission's strategic plan and statutory mandate;
- Providing effective leadership to the staff of the Commission and supervising the day-to-day operations of the Commission;
- Deliberating on the submissions of management to the Board of Commissioners.

EXCO Diversity (as at 31 March 2020)

Gender

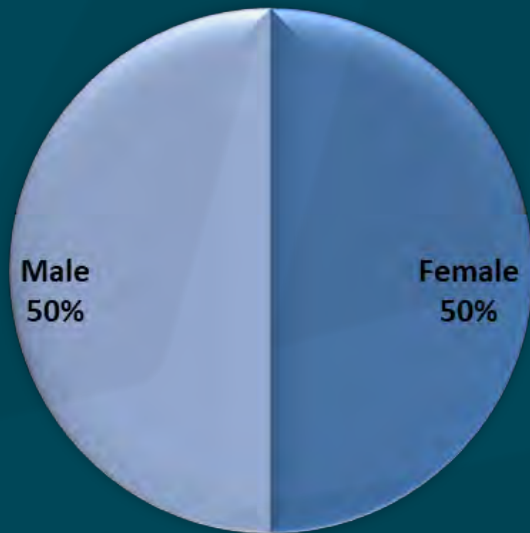


Figure 5

Age

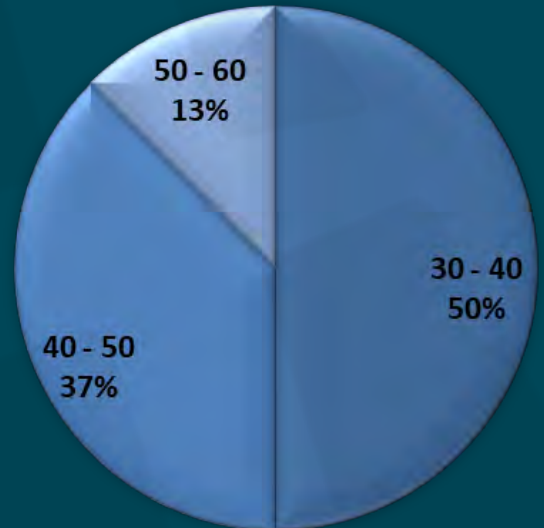


Figure 6

Qualifications



Figure 7

EXCO

Vitalis Ndalikokule

Chief Executive Officer and Secretary to the Commission

Appointed: 2 March 2017

Area of Expertise: Economics

Qualifications: Master of Laws in Economics (University of Namibia); Postgraduate Diploma in Economics for Competition Law (Kings College London, United Kingdom); Certificate in Management Development (University of Stellenbosch, South Africa); Bachelor of Public Administration (University of Namibia).

Bridget Dundee

Director: Economic and Sector Research Division

Appointed: 1 November 2015

Area of Expertise: Economics

Qualifications: Masters of International Business (Namibia University of Science and Technology); Bachelor of Economics Honours (University of the Western Cape, South Africa); Post Graduate Diploma in Education (University of Namibia); Executive Management Development Programme (University of Stellenbosch, South Africa).

Nangosora Ashley Tjipitua

Director: Enforcement, Exemptions and Cartels Division

Appointed: 1 November 2015

Area of Expertise: Law

Qualifications: Masters Business Administration (University of Stellenbosch Business School, South Africa); Bachelor of Laws (University of Namibia); Baccalaureus Juris (University of Namibia); Certification in Board Governance (University of Johannesburg, South Africa); Admitted Legal Practitioner of the High Court of Namibia.

Johannes Ashipala

Director: Mergers and Acquisitions Division

Appointed: 1 November 2017

Area of Expertise: Economics

Qualifications: Master of Science in Economics (University of Manchester, United Kingdom); Postgraduate Diploma in Economics (Warwick University, United Kingdom); Bachelor of Commerce Honours (University of South Africa); Bachelor of Economics (University of Namibia).

Cherly Ashikuni

Manager: Human Resources

Appointed: 1 April 2019

Area of Expertise: Human Resources

Qualifications: Bachelor's of Technology Degree in Human Resources (National University of Science and Technology), Post graduate Diploma Arbitration and Dispute Resolution (University of Namibia); Certificate in Management Development (University of Stellenbosch); Diploma in Human Resources (National University of Science and Technology).

Werner Hamata

Manager: Finance

Appointed: 1 November 2015

Area of Expertise: Accounting

Qualifications: Bachelor of Accounting (University of Namibia); Postgraduate Diploma in Accounting Science/Certificate in the Theory of Accounting (CTA, UNISA); Candidate for Assessment of Professional Competence (APC).

Katando Kanguuehi

Acting Manager: Strategy, Advocacy and Stakeholder Relations

Appointed: 1 June 2017

Area of Expertise: Economics

Qualifications: Bachelors in Agricultural Economics (University of Namibia); Honours in Economics (University of Pretoria, South Africa), Postgraduate Diploma in Statutory Competition Law (University of Pretoria, South Africa).

Melissa Hanmer

Corporate Secretary and Legal Advisor

Appointed: 1 July 2016

Area of Expertise: Law

Qualifications: Bachelor of Laws (University of Cape Town, South Africa); Admitted Legal Practitioner in the High Court of Namibia.

Office of the CEO



Office of the CEO

The Competition Act tasks the CEO and Secretary to the Commission (“the CEO”) with the formation and development of an efficient administration; and the organisation, control, management and discipline of the staff of the Commission.

The Office of the CEO oversees the implementation of the Commission’s strategic goals and objectives and ensures that appropriate processes, procedures and structures are in place to enable all programmes to achieve their stated objectives.

The Office of the CEO is further responsible for:

- Ensuring that the Commission maintains sound corporate governance;
- Providing secretarial and advisory support to the Board ;
- Scanning the environment for opportunities and threats, while at the same time ensuring that the necessary internal adjustments are made to respond to changing circumstances;
- Overseeing and coordinating risk and compliance management activities;
- Driving the agenda of the Commission through coordinating participation in international fora;
- Strengthening the advocacy capacity and using this capacity to promote compliance to the Competition Act.

Notable Activities & Special Projects

The Office of the CEO spearheaded the implementation of three notable projects being with the assistance of the consultants. These were:

- The development of the 2020 - 2025 Integrated Strategic Business Plan of the Commission;

- The development of a Knowledge Management System which was 90% completed at the end of 2019/20 Financial Year and expected to be fully implemented during the 2020/21 Financial Year; and
- The review of the Competition Act and the Rules which is still ongoing.

2020-2025 Integrated Strategic Business Plan (‘ISBP’)

The implementation of the 2015 - 2020 ISBP ended on 31 March 2020 and from July 2019 the Commission began the preparatory work for the development of a new ISBP covering 2020 - 2025.

A preliminary review of the 2015 - 2020 ISBP was conducted and provided baseline data on the performance of the Commission in relation to the goals contained in that strategic plan.

In November 2019, the Namibia Institute of Public Administration and Management (“NIPAM”) was awarded the contract to assist the Commission to develop a new ISBP for the 2020 - 2025 period.

The Office of the CEO ran the process and consultations were held with various stakeholders in the development of the new ISBP.

The draft ISBP was presented to the Board and inputs were made and incorporated.

The Commission will focus on the following three strategic pillars:

- Excellence in Competition Regulation;
- Advocacy and Strategic Collaboration; and
- Operational Excellence.

Draft Competition Bill

The first draft Bill developed by the Commission was submitted to the Ministry of Industrialisation, Trade and SME Development during 2016 but the legislative

process could not commence as the approval of the National Competition Policy by Cabinet was still pending.

Anticipating the approval of the National Competition Policy, the Commission found it opportune to undertake additional work on the draft Bill during 2019. This was mainly necessitated by the challenges that the implementation of the current Act had presented and based on the experience of technical divisions during the period following the initial submission to the Ministry.

Advocacy and Strategic Engagements

The Commission continued engaging stakeholders in furtherance of its mandate during the year under review. Various engagements were held with the Minister of Industrialisation, Trade and SME Development on various matters including the funding of the Commission and the pending National Competition Policy.

The Commission also met with officials from the Ministry of Public Enterprises on several occasions regarding the strategic plan review process.

Bilateral meetings between the Commission and sector regulators were held to discuss issues of mutual interest.

Strategic Plan & Performance Review

Reception

PUBLIC CONSULTATION HOURS
MONDAYS TO FRIDAYS

08:00 - 13:00

14:00 - 16:00

Tel : (061)-224 622

Fax: (061)-401 900

Email: info@nacc.com.na

P.O.Box 2104

Windhoek

Integrated Strategic & Business Plan ("ISBP") 2015 - 2020

The Commission's five-year ISBP sets out the Commission's priorities over the period 2015/2016 – 2019/2020. The following strategic goals were formulated to direct the efforts and resources of the Commission towards enforcing the Competition Act and promoting compliance thereunto:

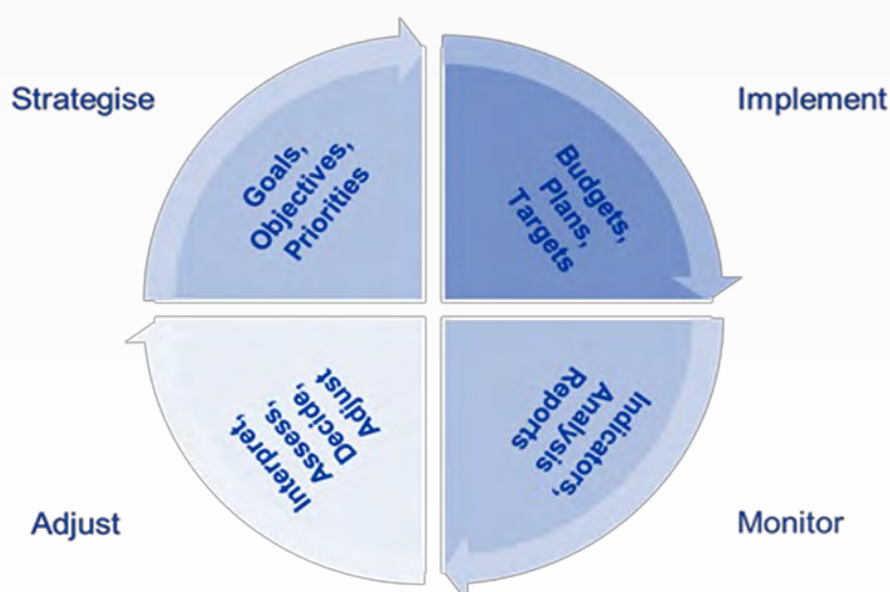
- To ensure effective enforcement of the Competition Act as a contribution to creating competitive markets in line with Vision 2030.
- To expand the scope of competition regulation and strengthen the quality thereof.
- To enhance competition advocacy towards the fulfilment of sound competition principles and practices.
- To conduct action-oriented research on competition in support of evidence-based competition regulation and policy.
- To develop the Commission as a centre of operational excellence in competition regulation.

These strategic goals were an evolution and strengthening of the goals set out in the Commission's previous strategic plan.

The strategic goals of the previous strategic plan focused on establishing and operationalising the regulatory mandate of the Commission based on conducting research, developing partnerships and building the capacity of the organization. The 2015 - 2020 strategy placed emphasis on the enforcement activities of the Commission and the use of advocacy and the promotion of compliance as the twin pillars of competition regulation.

Over the past five years, the Commission has actively pursued the strategic goals in order to achieve the stated outcomes listed in the table below.

Figure 8 - Strategic planning, performance monitoring and evaluation cycle



Strategic Goals ('SG')	Outcomes	Indicators	Target for the entire strategic period (2015/16 – 2019/20)	Actuals for the entire strategic period (2015/16 – 2019/20)
1. To ensure effective enforcement of the Competition Act as a contribution to creating competitive markets in line with Vision 2030	Increased compliance with the provisions of the Competition Act	Percentage of compulsory compliance interventions through exemption conditions, merger conditions, settlements and court orders implemented	100%	100%
		Percentage of section 51 application decisions in favour of the Commission	70%	50%
		Percentage of merger determinations made to prevent substantial lessening of competition in sectors and markets	100%	87%
		Percentage of section 38 application decisions in favour of the Commission	70%	40%
2. To expand the scope of competition regulation and strengthen the quality thereof	Competition policy developed and submitted to MITSD	Competition policy submitted to MITSD	1	1
	Draft Competition Bill submitted to MITSD	Draft Competition Bill submitted to MITSD	1	1
3. To enhance competition advocacy towards the fulfilment of sound competition principles and practices	Culture of compliance with the Competition Act established	Number of voluntary compliance programmes implemented	5	2
4. To conduct action-oriented research on competition in support of evidence-based competition regulation and policy	Established a knowledgebase on competition in the Namibian economy	Position papers produced with policy recommendations	10	0
		Impact assessment reports produced	2	0
		Economic discussion papers produced	10	8
		Market studies conducted	3	7
5. To develop the Commission as a centre of operational excellence in competition regulation	Established the Commission as a centre of operational excellence in competition regulation	Internship and development programme implemented	Fully Implemented	Fully implemented
		Employee job satisfaction	90%	65%
		Quality Management System (QMS) implemented and maintained	QMS Certification	Not implemented

Major Achievements

Table 5 - Summary of key activities & achievements

Activities and achievements	Impact
Introduction of the Corporate Leniency Programme (linked to SG 2)	The Corporate Leniency Programme (CLP) was gazetted and came into force in October 2018. The development and adoption of the CLP has come a long way and is expected to be a useful tool which the Commission can use to detect and investigate cartel conduct in the economy. Two applications have been received since its adoption.
Completed investigations (linked to SG 2)	Over the five years, 11 restrictive business practices investigations were conducted.
Settlement agreements (linked to SG 2)	The Commission entered into settlement negotiations with contravening parties and concluded consent agreement in terms of which it collected pecuniary penalty amounting to N\$ 42.1 million over the past 5 years.
Finalisation of the Franchising and Automotive Market Studies (linked to SG 3)	The Commission finalised the Franchising and Automotive Market Studies and submitted the reports to the Ministry of Industrialisation, Trade and SME Development. It is envisaged that the reports will be used by Government to facilitate policy formulation in the respective markets thereby further promoting competition.
Merger control (linked to SG 2)	The Commission continued with its merger control activities and over the five years determined 316 mergers.
Unqualified financial statements by the Auditor General (linked to SG 1)	The Commission received an unqualified audit from the Office of the Auditor General for every financial year covering the five year period. This is a testament to the financial control systems in place.

Risk Management



Risk Management

During 2015, the Commission developed a strategic risk register to ensure that major risks affecting its operations are managed so that its strategic objectives are achieved.

During 2016 the Commission created a position called Risk and Compliance Officer and approved a risk management policy and framework.

Subsequent thereto, several risk management activities were carried out. Risk management became a standing item on the agendas of the Commission's Finance, Audit and Risk Committee and of the Board and quarterly reports on were submitted to these bodies. In addition to the strategic risk registers, other risk registers were approved in the following areas:

- Human Resources;
- Information Technology;
- Administration; and
- Records and Documentation.

During the year under review the Risk and Compliance Officer resigned and the Board of Commissioners dissolved the Finance, Audit and Risk Committee. Due to financial constraints, the Commission was unable to fill the position. As a result few risk management activities were carried out, though the Commission continued to manage its risks by ensuring that the controls identified were being implemented.

Significant Risks & Response Measures

The top five significant risks determined by the Commission during 2016 relate to:

Insufficient budget allocation

The grant allocation received from the Ministry of Industrialisation, Trade and SME Development is insufficient for the accomplishment of the Commission's strategic objectives.

This risk is currently being addressed through constant

engagement with the portfolio Ministry and the Ministry of Finance to ensure that future grant allocations received are sufficient.

The Commission also implemented strict expenditure monitoring measures, ensuring that expenditure is closely monitored, managed and aligned to the approved budget.

Expertise in the field of competition regulation

The Namibian market has a limited number of people possessing the necessary skills in competition regulation.

Limited funding exacerbates this problem as the training budget of the Commission was reduced to N\$ 0 during 2018/19 Financial Year.

This risk is currently being addressed through an internship programme which allows tertiary graduates to gain practical exposure in competition matters.

Enforcement of the Competition Act

The Competition Act, in its current form, limits the Commission's ability to fulfil its required mandate and to ultimately achieve its strategic objectives.

A new draft Competition Bill addressing these shortcomings was developed and finalised during 2016 in order to mitigate this risk. Given further developments in the field of Competition Law generally and in Namibia, the draft Bill is being reviewed.

The Commission has furthermore published a Corporate Leniency Programme during 2018, which serves as a tool to help investigate and prosecute cartels.

Litigation

Due to the nature of the Commission's business it faces significant legal risks. Once the Commission has completed an investigation into an anticompetitive practice or other contravention of the Act it must institute legal proceedings in the High Court against the contravening parties.

Further, parties may institute legal proceedings challenging actions taken by the Commission during its investigations and may have merger determinations made by the Commission reviewed by the Minister of Industrialisation, Trade and SME Development.

To reduce the adverse consequences of these risks, the Commission uses reputable law firms to represent it in court cases and to issue the Commission with legal opinions on challenging competition matters.

Limited funding however, limits the Commission's ability to refer matters to court and successfully litigate such matters.

Institutional knowledge and memory

There is a risk of loss of institutional knowledge and memory due to staff turnover and a lack of knowledge management policies and procedures.

To mitigate this risk the Commission conducted and implemented a Salary Benchmark Survey to ensure that the employees of the Commission receive competitive remuneration packages.

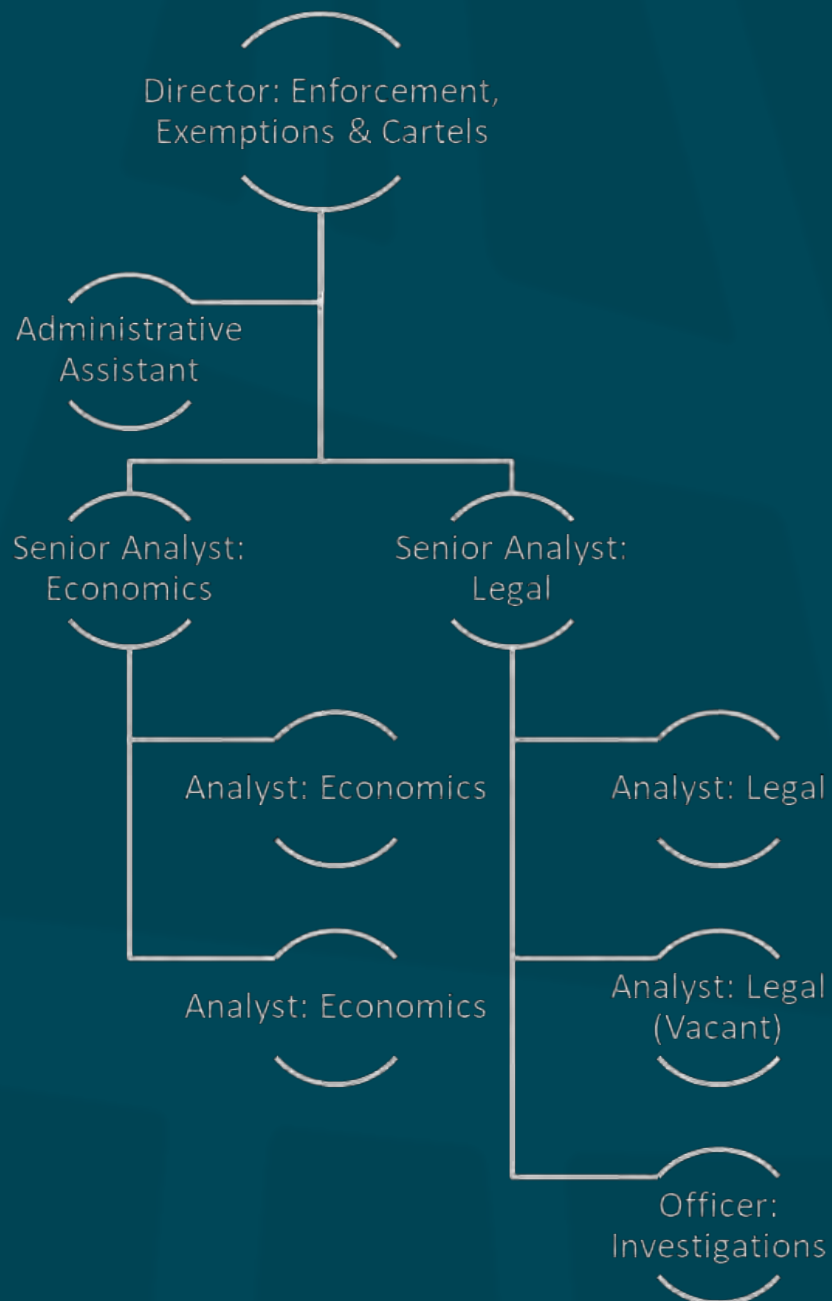
The Commission currently holds a large amount of records. Most of the information is archived using a paper-based filing method. This creates a significant challenge for overall information governance, risk mitigation, business continuity/disaster recovery, etc.

To address this, the Commission has initiated the implementation of a Knowledge Management System (KMS) which will serve as the foundation for the Commission's record and case management.

Divisions



Enforcement, Exemptions & Cartels



Enforcement, Exemptions & Cartels

The Enforcement, Exemptions and Cartels (“EEC”) Division is responsible for enforcing the provisions of the Competition Act related to restrictive business practices set out in Chapter 3.

Restrictive practices that substantially prevent or lessen competition are prohibited as they cause harm to consumers.

Part I of Chapter 3 of the Act prohibits restrictive horizontal and vertical agreements, concerted practices as well as decisions by association of undertakings that have an object or effect of preventing or substantial lessening of competition.

Part II prohibits the abuse of a dominant market position. Market dominance is not regarded as negative or anti-competitive, since undertakings can achieve it legitimately, for example through innovation, superior production or distribution methods, or greater entrepreneurial efforts. It is the abuse of the dominant position that is of concern to the Commission.

Screenings

The Division screens cases upon receipt of a complaint or information on possible breaches of sections 23 and 26 of the Act.

During the period under review the division conducted 13 screenings in the following sectors:

- Poultry
- Automotive
- Construction
- Financial Intermediaries
- Real Estate
- Health (Pharmaceutical)
- Broadcasting
- Agriculture
- Retail
- Communications
- Fishing

Investigations

During the period under review, the Division handled a total of 7 investigations. Six (6) of the investigations were carried over from the previous financial year. The Division completed 1 of these investigations in the period under review.

Exemption Applications

During the period under review the Commission received 2 exemption applications, one from the Namibia Trade Forum and another from the Payment Association of Namibia. One (1) exemption application, lodged by Namcor, was carried over from the previous financial year.

One (1) exemption application has been finalised and issued and 2 exemptions are still under review.

Litigation

The Commission was involved in 3 litigation matters, 1 was finalised and 2 were still pending in the High Court and Supreme Court:

- Bokomo // Namib Mills (section 38 application); and
- AOPA // Puma (search warrant challenge);
- SA Airlink // Air Namibia and NaCC (interim relief application).

Bokomo Namibia // Namib Mills

The issue before Court in this matter was whether section 26 of the Act requires proof of anti-competitive effect in order for an undertaking to be found to have contravened the Act.

On 25 July 2019 the High Court found that section 26 of the Act does not require proof of anti-competitive effect and ruled in favour of the Commission.

Namib Mills on 19 August 2019 appealed the judgement with the Supreme Court. However, on 5 November 2019, the Commission entered into a consent agreement in terms of which Namib Mills agreed to pay a pecuniary

penalty of N\$ 4.5 million. A court order confirming the consent agreement was issued in March 2020, thereby bringing this matter to a close.

The Aircraft Owners & Pilots Association of Namibia and the NACC // Puma Energy (Namibia) and the Namibia Airports Company of Namibia

On 8 November 2018 the High Court of Namibia set aside a warrant issued to the Commission to search Puma's premises. The Commission lodged an appeal with the Supreme Court of Namibia.

SA Airlink // Air Namibia & NaCC

On 15 August 2019, SA Airlink filed an application for interim relief in the High Court seeking an order that the Commission makes a final determination that Air Namibia has contravened the Act.

However, since Airlink has resolved to withdraw its application following the Commission's section 38 decision in December 2019, they have now brought a new application which the Commission is considering and intending to oppose.

In addition, the Commission is preparing to file its section 38 application during the first quarter of the next financial year.

Advisory Opinions

During the period under review, the Commission received 3 advisory opinions from the Motor Vehicle Accident Fund, TransUnion and the Namibia Insurance Association.

EEC Statistics 2015/16 - 2019/20

Table 6 - Cases received and concluded from 2015/2016 to 2019/2020

EEC Cases	2015/2016	2016/2017	2017/2018	2018/2019	2019/20
Complaints received from the public and initiated by the Commission	11	7	3	1	13
Complaints withdrawn and closed/ non-referred after screening	7	5	4	0	3
Complaints that became full investigations	4	4	3	0	0

Figure 9 - Advisory opinions received & issued 2015/2016 to 2019/2020

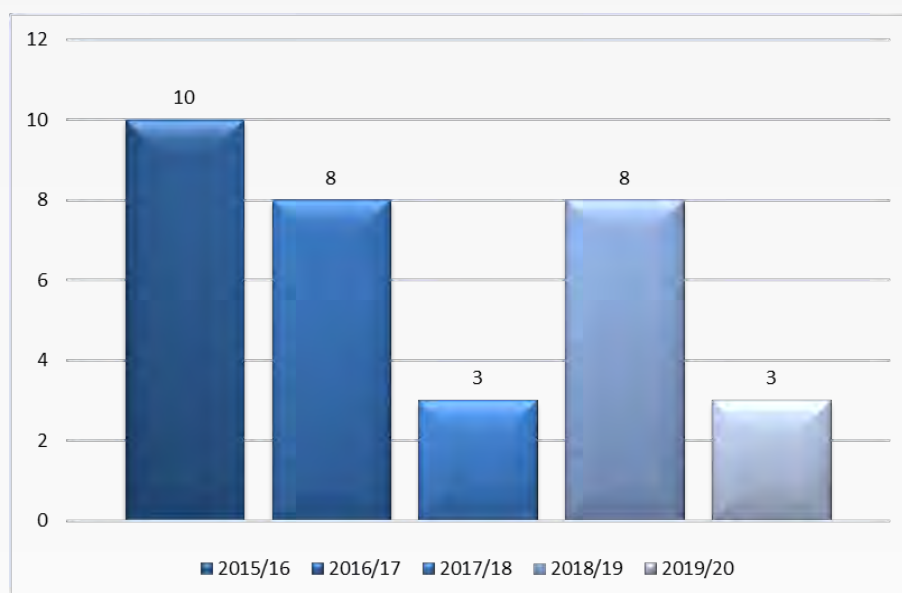
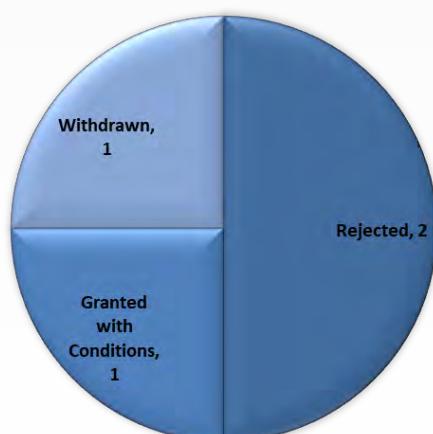
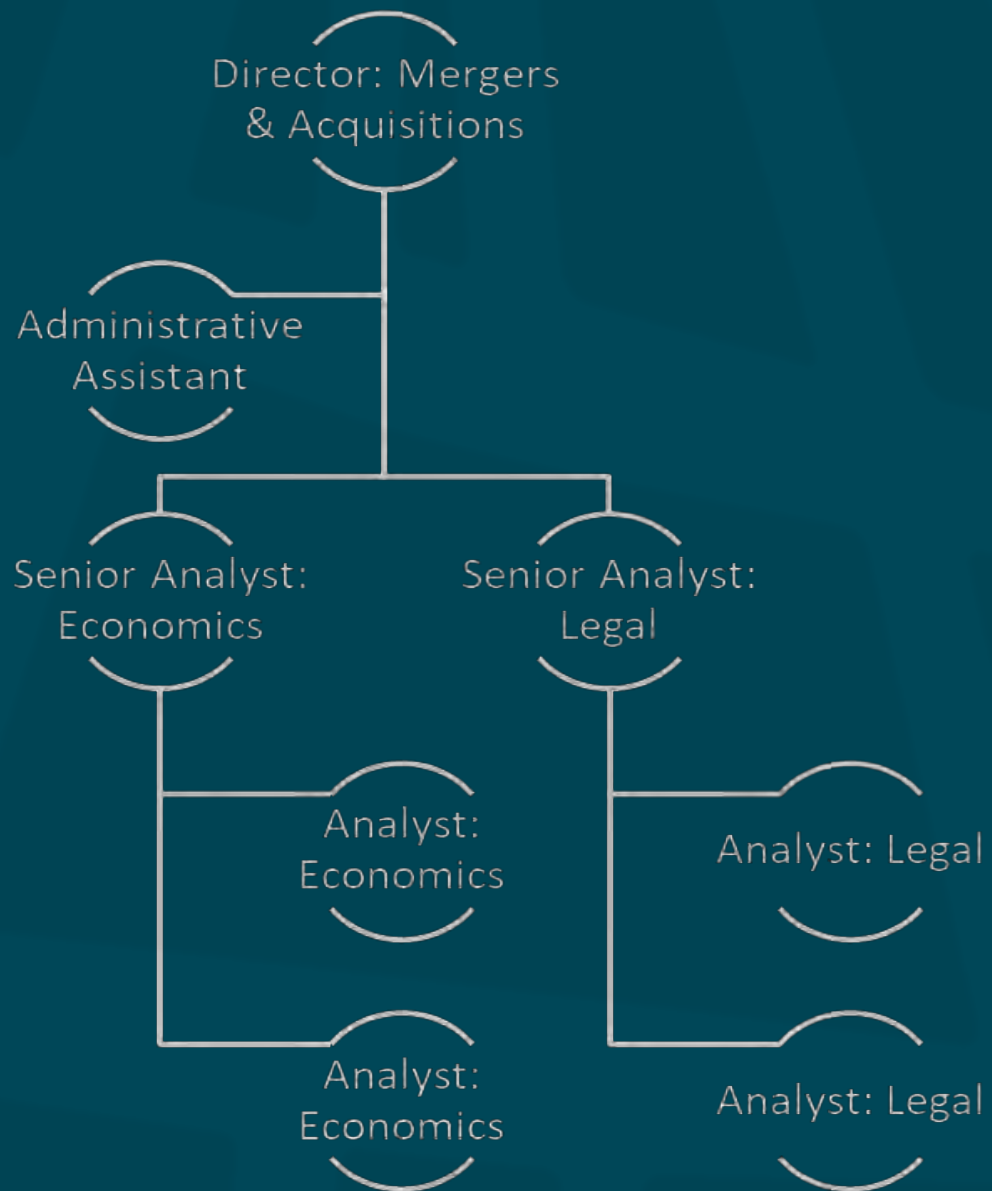


Figure 10- Exemption applications received 2015/2016 to 2019/2020

EXEMPTIONS



Mergers & Acquisitions



Mergers & Acquisitions

The Mergers and Acquisition ("M&A") Division is responsible for merger regulation. The Division investigates mergers and refers them to the Board of Commissioners for determinations in line with Chapter 4 of the Competition Act.

Most mergers do not harm competition and in many instances, consumers and/or suppliers benefit from mergers. In some cases, however, mergers have anti-competitive effects. By altering the structure of the market and the incentives for undertakings to behave in a competitive manner, some mergers can result in significant consumer detriment.

Mergers that are likely to substantially prevent or lessen competition may be subject to remedies under the Act. The Commission may either prohibit the merger or approve it subject to conditions that will remedy the foreseen harm.

In making its determination on a merger, the Commission may also take into account the impact of the merger on public interest factors.

Merger Activity

During the period under review, the Commission determined 48 merger notifications of which:

- 83% were phase 1 mergers (non-complex), 13% were phase 2 mergers (complex) and 4% phase 3 (highly complex);
- 46% were classified as horizontal mergers; 44% as conglomerate mergers; 8% as vertical mergers.

Advisory Opinions

The Commission issues advisory opinions to the public to provide them with guidance on the interpretation of the Act and its Rules.

During the period under review, 13 advisory opinions were requested and 11 issued by the end of the period and 2 carried over to the next financial year.

Contraventions of Chapter 4

The Commission investigates contraventions of Chapter 4 of the Act. These contraventions include: merging parties implementing a merger prior to receiving the Commissions' approval or implementing a merger in breach of conditions imposed by the Commission.

In terms of section 51 of the Competition Act, should the Commission find undertakings contravened the Act, it may make application to the High Court for:

- an interdict restraining the parties involved from implementing the merger;
- an order directing any party to the merger to sell or dispose of in any other specified manner, any shares, interest or other assets it has acquired pursuant to the merger;
- an order declaring void any agreement or provision of an agreement to which the merger was subject; and/or
- the imposition of a pecuniary penalty.

Alleged Contraventions

Three (3) new contraventions were detected during the 2019/20 financial year and are under investigation. In total, the Division is investigating 13 possible contraventions.

During the period under review the Commission lodged 1 court application in terms of section 51.

Review of Decisions of the Commission

In terms of section 49(1) of the Act, a party to the merger may make application to the Minister of Industrialisation, Trade and SME Development to review the Commission's decision.

On 18 September 2019, the Commission approved the proposed acquisition of Erindi Ranch and Otjimakuru Wild by Rembo Limited. Subject to certain conditions.

The proposed transaction was approved on condition that:

- There be no retrenchment of employees of the merged undertaking as a result of the merger for a period of 5 years from the date of the approval of the merger; and
- The employees of Erindi Ranch be employed by Rembo on terms and conditions of employment that are on the whole not less favourable to them than the terms and conditions of employment that prevailed prior to the implementation of the proposed transaction.

On 11 October 2019, the merging parties lodged a review application with the Minister and the Minister overturned the Commission's decision.

Compliance

The Division monitors compliance with the conditions imposed on mergers until such conditions have been fully complied with.

During the period under review, a total of 22 mergers were monitored. See Table 7 below for a list of all merger that were prohibited or conditioned during 2019/20 and Table 8 for all mergers currently being monitored by the Commission:

Table 7 - Merger that were prohibited or conditioned during 2019/20

No.	Acquiring Undertaking	Target Undertaking	Industry/ Sector	Conditional Approval/ Prohibition
1.	NewCo	Certain plant, equipment's and other assets of RobMeg Steel (Pty) Ltd & certain plant, equipment, stock and other assets of Wispeco Steel and Garage Doors (Pty) Ltd	Manufacturing	Conditional Approval
2.	Coastal Courier CC	Strategic Logistic Investment (Pty) Ltd	Transport and Storage	Conditional Approval
3.	Rio Tinto Namibia Holdings Limited	China National Uranium Corporation In Relation To Rössing Uranium Limited	Mining and quarrying	Conditional Approval
4.	Little Etosha Conservation Holdings (Pty) Ltd	Hopewell Farming (Pty) Ltd	Agriculture, forestry and fishing	Conditional Approval
5.	Heat Exchange Products (Pty) Ltd	Valco Pipes CC	Water supply; sewerage, waste management and remediation Activities	Conditional Approval
6.	Allegrow Fund (Pty) Ltd	Ecovalves CC, EcoTech CC & Ecogroup Administration CC	Other Service Activities	Conditional Approval
7.	Erindi Ranch (Pty) Ltd	Otjimakuru Wild (Pty) Ltd	Accommodation and food service activities	Conditional Approval
8.	INIHC Ltd	China Africa Resources Namibia Ltd	Mining and quarrying/ Mining of metal ores	Conditional Approval
9.	Commercial Investment Corporation Ltd	Gecka Pharma (Pty) Ltd	Wholesale and retail trade; repair of motor vehicles and motorcycles	Conditional Approval
10.	Bokomo Namibia (Pty) Ltd	Tongaat Hullet Namibia (Pty) Ltd	Wholesale and retail trade; repair of motor vehicles and motorcycles	Conditional Approval
11.	Ohlthaver & List Finance and Trading Corporation Limited or Nominee	Hartlief Corporation Limited	Agriculture, forestry and fishing/Manufacturing	Conditional Approval
12.	Oryx Properties	WKH Investments Two, Inyathi Estate One to Eight CCs & Capital Grow Number Seven CC	Real Estate Activities	Conditional Approval

Table 8 - Mergers being monitored by the Commission

Merger	Duration	Condition	What the condition meant to address
Telecom Namibia Limited // Powercom (Pty) Ltd	Two years	1. Implement separate shareholding structure for all entities 2. Prohibition on cross directorships	Avoidance of abuse of dominant position
Seawork Fish Processors (Pty) Ltd // Benguella Properties (Pty) Ltd	Two years	No merger specific retrenchments	Employment protection
Exarro Base Metals Namibia (Pty) Ltd // Wilru Investments One Hundred & Thirty-Four (Pty) Ltd	Indefinite	1. Merged undertaking to honour MOU with Skorpion Zinc Mining (Pty) Ltd; and 2. To commit to the development of the Gergarub Project.	Local beneficiation
Sanlam Namibia Holdings (Pty) Ltd // Welwitschia Insurance Brokers	Indefinite	No board member or employee of Santam Namibia Limited may be appointed as a board member of Welwitschia Insurance Brokers (Pty) Ltd; and no Welwitschia employee or board member may serve as a board member for Santam Namibia Limited.	Avoidance of possible sharing of sensitive information
Cathral Investments Four (Pty) Ltd // Haloli Piggery Close Corporation	Indefinite	1. No merger specific retrenchments 2. Development of piggery training program 3. Direct customer supply 4. Prohibition on the import of pork and pork products for sale 5. Expansion of Haloli, subject to minimum investment of N\$200 million	Avoidance of possible abuse of a dominant position and Employment protection
Socotra Island Investments (Pty) Ltd // Komsberg Farming (Pty) Ltd	Indefinite	1. No merger specific retrenchments 2. Preference to be given to Namibians in terms of future employment	Employment protection and promotion
Namibia Post and Telecom Holdings Limited // Samba Dutchco B.V.	Six months	1. Merged undertaking to procure the services of a sponsor to facilitate listing on NSX 2. Disposal of 20% of shares in the merged undertaking	Avoidance of possible abuse of a dominant position
Namibia Media Future Media Holdings (Pty) Ltd // Radio Kudu (Pty) Ltd // Radio Fresh (Pty) Ltd // Omulunga Radio (Pty) Ltd and Namibia Future Media Holdings (Pty) Ltd // Radio Wave CC	Two years	1. Reduction of ownership of radio frequency spectrum use licenses. 2. No merger specific retrenchments	Avoidance of possible abuse of a dominant position and employment protection
Tunacor Fisheries Ltd // Bidvest Namibia Fisheries Holdings (Pty) Ltd	Two years	No merger specific retrenchments	Employment protection
Sense of Africa (Pty) Ltd // The Tour Operating Business of African Eagle of Southern African Territories (Namibia) CC	Two years	No merger specific retrenchments	Employment protection

²The stated compliance period only relates to one of the conditions, there are other conditions that were imposed on the merged entity that did not have a set time period and compliance in relating to those conditions is still ongoing.

NewCo // Certain plant, equipment's and other assets of RobMeg Steel (Pty) Ltd & certain plant, equipment, stock and other assets of Wispeco Steel and Garage Doors (Pty) Ltd	Two years and indefinite	1. No merger specific retrenchments for a 2-year period 2. Employment of 25 additional employees within 2 years, with preference to be given to previous employees of the target; 3. Continuation of supply to Namibian based customers of the merged undertaking	Employment protection; Employment creation and continuity of supply
Coastal Courier CC // Strategic Logistic Investment (Pty) Ltd	Five years	No merger specific retrenchments	Employment protection;
Rio Tinto Namibia Holdings Limited // China National Uranium Corporation ("Cnuc") In Relation To Rössing Uranium Limited ("Rul")	Two years and LOM	1. No merger specific retrenchments for 2-years 2. Merged undertaking to retain a specified ratio of local employees to foreign employees 3. Merged undertaking to retain a specified ratio of local employees to foreign employees at management level 4. No employment of non-Namibians at management level except on a two year fixed term contract 5. No alteration of existing employment conditions 6. No changes to procurement policy 7. In relation to goods or services below a value of N\$ 250 000.00: a specified percentage to be procured from undertakings that are; majority Namibian owned and registered and that employ a minimum of 75% Namibian citizens 8. Transactions with connected persons must be at arms length 9. Submissions to the Commission of Tax Audit where applicable 10. Notifications of any further acquisitions in the sector by the acquiring group	Employment protection; local beneficiation; avoidance of possible restrictions of trade; and promotion of SME development
Little Etosha Conservation Holdings Pty Ltd //Hopewell Farming Pty Ltd	Two years	Report on conservation activities	Monitoring of activities of the merged undertaking
Heat Exchange Products (Pty) Ltd // Valco Pipes CC	Two years	No merger specific retrenchments	Employment protection
Allegrow Fund (Pty) Ltd // Ecovalves CC // EcoTech CC // Ecogroup Administration CC	Two years	No merger specific retrenchments	Employment protection
Ohlthaver & List Finance and Trading Corporation // Hartlief Corporation	Two years	No merger specific retrenchments	Employment protection
INIHC Ltd // China Africa Resources Namibia Ltd	Indefinite	No adverse changes to the water supply to Berg Augas	Continuation of supply
Commercial Investment Corporation Ltd // Gecka Pharma (Pty) Ltd	Indefinite	1. Merged parties to continue the supply of scheduled medicine to competitors in Namibia. 2. Maintain single exit price of scheduled medicine 3. Distributors appointed by a master distributor within the group must maintain SEP, or price recommended/set by principals/agents/manufacturers. 4. Supply limited stock of scheduled medicine through its subsidiaries with available stock at delivered price.	Continuation of supply of products and avoidance of abuse of a dominant position

Bokomo Namibia (Pty) Ltd // Tongaat Hullet Namibia (Pty) Ltd	Indefinite	No merger specific retrenchments	Employment protection
Cymot Investments (Pty) Ltd // Alert Engine Parts (Pty) Ltd	Two years	No merger specific retrenchments	Employment protection
Alviva Holdings Limited // Tarsus Technology Group (Pty) Ltd	3 years	Operation of target as standalone business	Avoidance of abuse of a dominant position
Retailability (Pty) Ltd // The Edgars Business	Two years	No merger specific retrenchments	Employment protection
Retailability (Pty) Ltd // The Jet Business	Two years	No merger specific retrenchments	Employment protection

Figure 11 - Mergers notified and determined

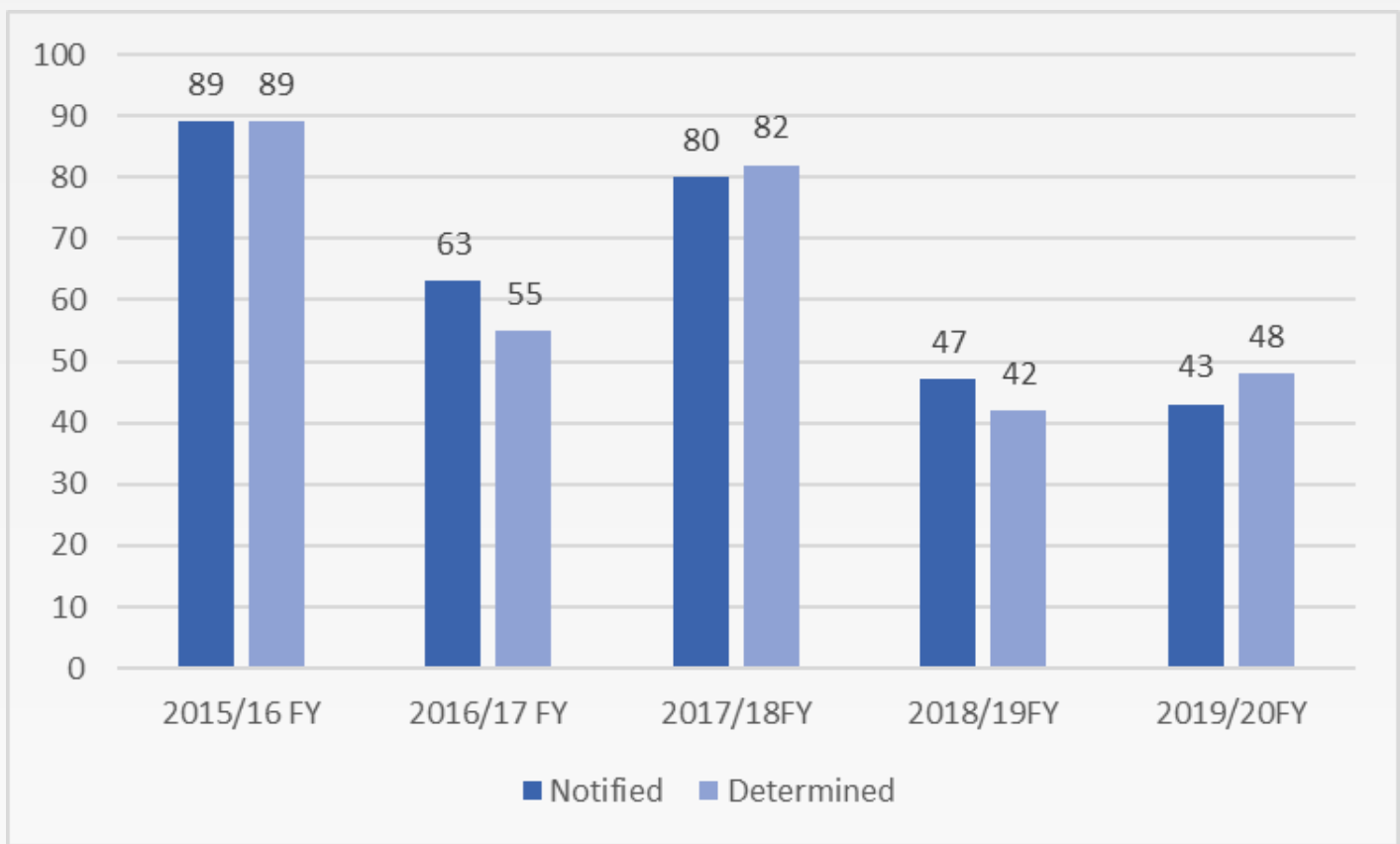


Figure 12 - Types of merger determinations

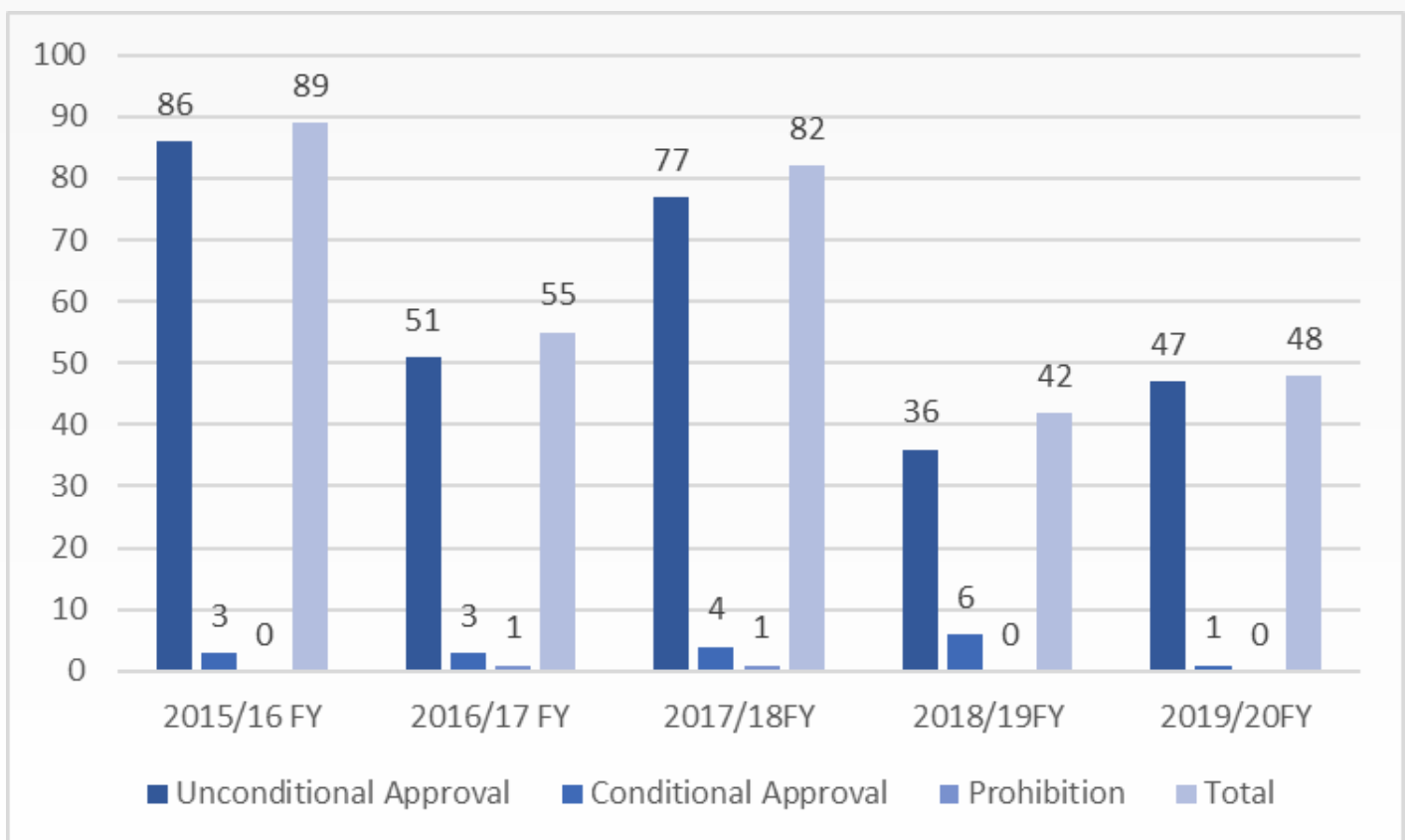


Figure 13- Types of mergers

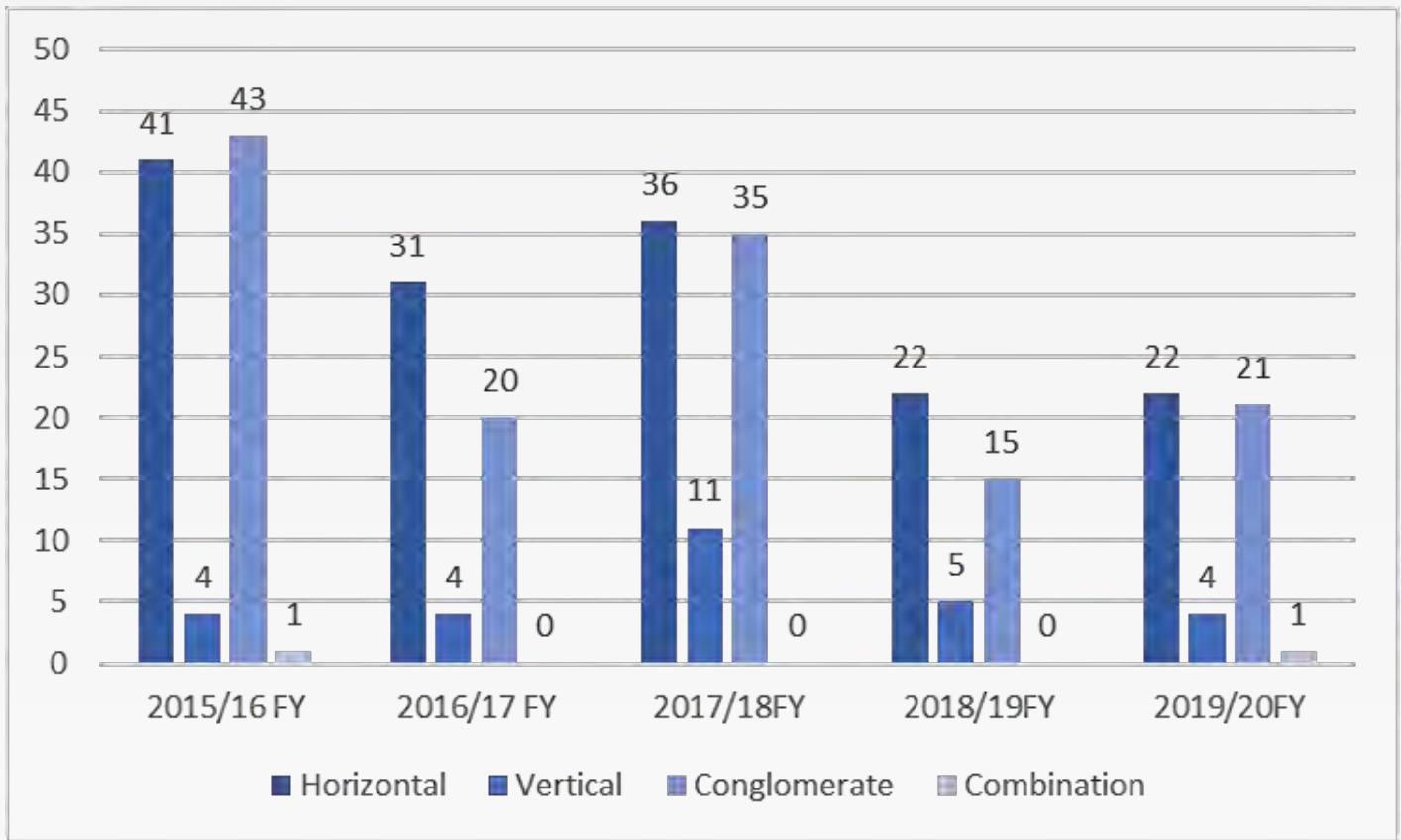
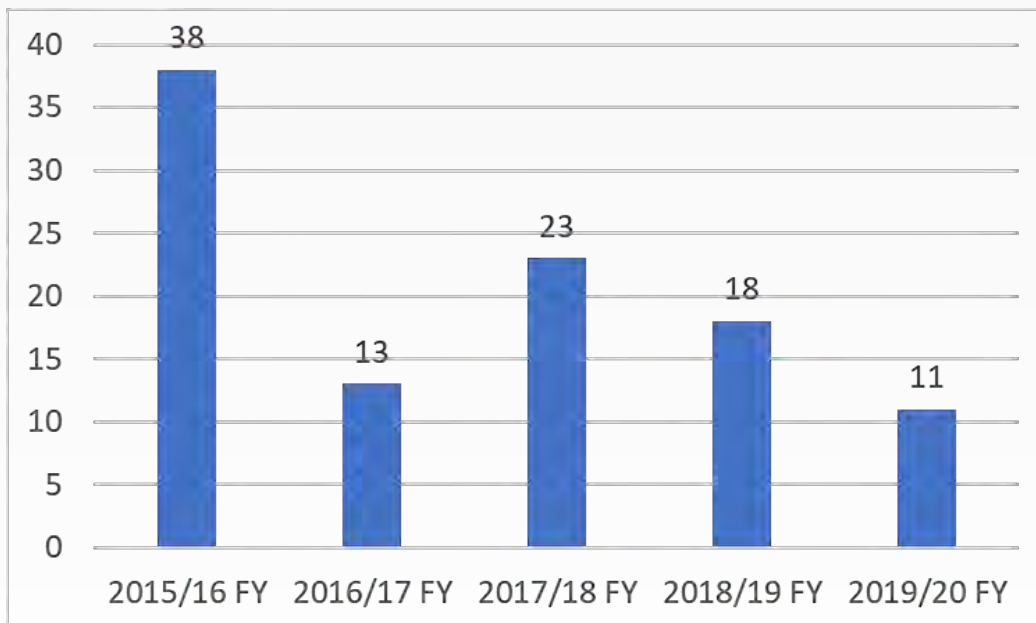


Figure 14- Advisory opinions issued



Economics & Sector Research



Economics & Sector Research

The Economics and Sector Research (“ESR”) Division is responsible for economic analysis and evaluating the impact of cases and policy initiatives which have a bearing on competition. The main responsibilities of the ESR Division are to:

- Conduct market investigations on sectors identified as priority areas by the Commission;
- Carry out research and advise the Minister;
- Provide rigorous economic analysis on cases and investigations in mergers and restrictive business conduct;
- Carry out advocacy activities on competition law; and
- Undertake market impact assessments to measure the effectiveness of the Commission’s intervention in the economy.

Activities

Franchising Study

During the period under review, the Division finalised the implementation of the recommendations of this study. A highlight of this process is the development of a franchise notice for publication in mainstream media and to be shared with identified stakeholders, to advocate for compliance with competition law.

Engagement with the Ministry of Industrialisation, Trade and SME Development was expected to commence in April 2020 for the development of the National Franchising Policy.

Administered Pricing Study

The aim of this study was to benchmark administered prices in Namibia, understand the pricing practices and the impact of these prices on the cost of goods and services.

Price Monitoring Report

The aim of the price monitoring report is to analyse the ex-factory cost of infant industry protected sectors, namely the poultry and cement industries.

The report found that the cost structure of the poultry industry is mainly composed of broiler cost and processing plant cost whilst that of the cement industry is mainly composed of depreciation and transport cost.

The report further revealed the profit spread for both Namib Poultry Industries and Ohorongo Cement widened over the period under review.

Construction Study

A research plan for the construction market study report was finalised.

The research plan comprises the data collection method, identified stakeholders and interview questions. Questionnaires were developed and will be sent out to stakeholders during the first quarter of 2020/21.

The general objective of the market study is to understand the construction industry and identify any anti-competitive conduct in the production of selected key building materials in the construction industry. It also provides an opportunity to assess the prevailing industry practices and regulations that restrict competition and cause unnecessary regulatory burden.

Development of a Microeconomic Database

This project involves the design a database that hosts micro economic data to assist the Commission’s staff with case investigations and research. The Microeconomic Database will serve as a market intelligence tool which will provide data on businesses, employment, market structures, turnover, ownership, and other information.

The prototype of the micro economic database was

finalised following the approval of the data template and the Commission is in the process of testing and conducting staff user training before the prototype is launched.

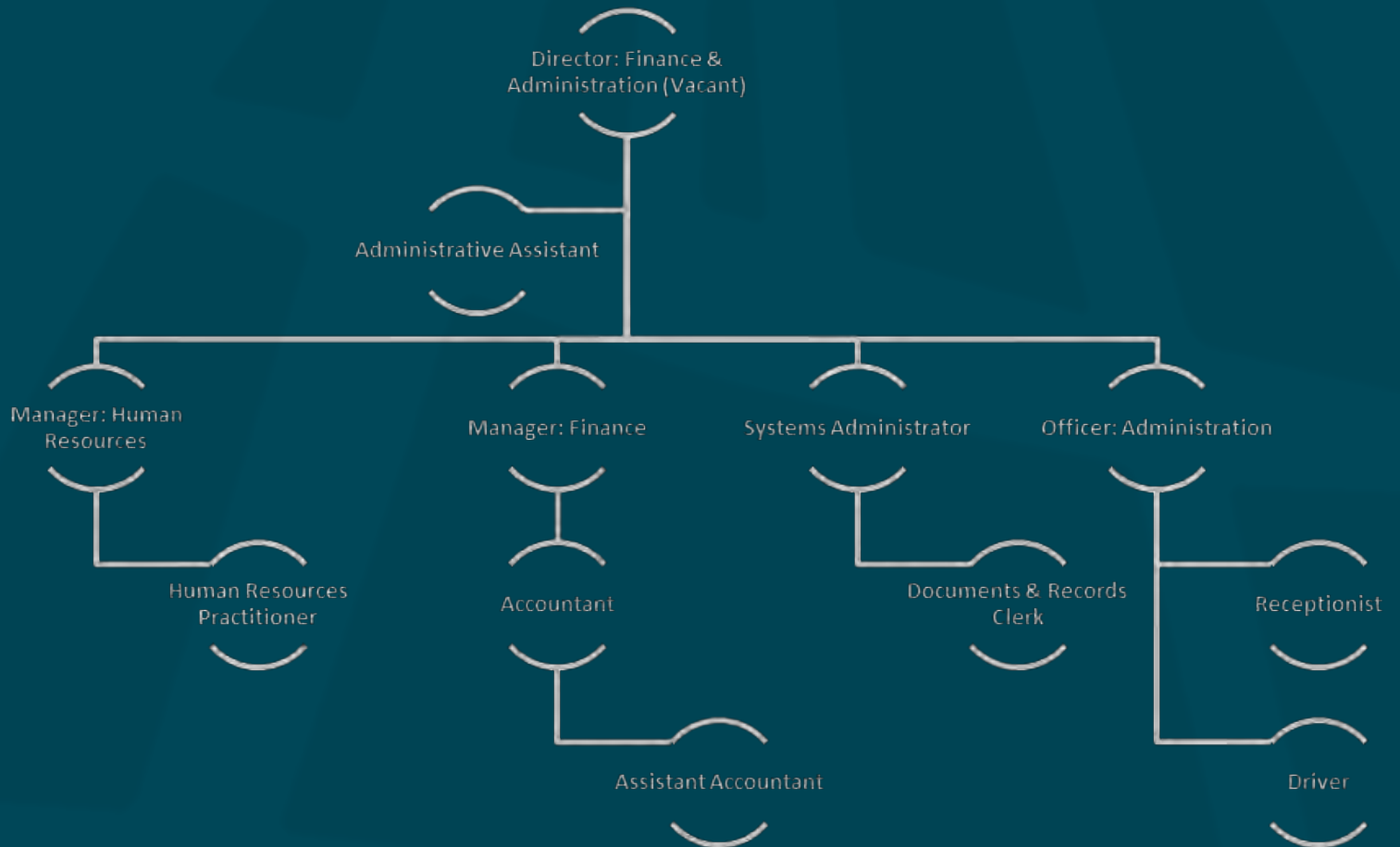
The Commission engaged relevant stakeholders for data inputs and a memorandum of understanding will be entered into with the Business and Intellectual Property Authority ("BIPA").

Banking Study

A term of reference was developed to set out the scope of the banking study, the methodology, timeframes and possible intervention that the Commission may consider. The terms of reference were approved by the Board of Commissioners on 4 March 2020.

The aim of the market study is to understand to what extent the issues discovered by the Competition Commission of South Africa during their banking inquiry apply in the Namibian banking industry; to examine whether there are features or a combination of features in the retail banking market in Namibia which have the potential of preventing, distorting or restricting competition in the market; and if there is a need for the Commission to intervene in order to promote competition in the market.

Finance & Administration



Finance & Administration

The Finance and Administration Division incorporates a wide range of strategic support functions, including human resources, finance, information technology, administration and registry services.

The Division plays a critical role in ensuring the effective functioning of the Commission as it mobilises and deploys the resources of the Commission.

The financial management of the Commission relies on the maintenance of a complete financial system for decision making and compliance. It requires timely budget preparation, reporting on expenses, preparation of financial statements and management accounts.

Human Resources

The human resources function is responsible for the recruitment and development of the staff of the Commission as well as providing the technical support for the performance management system implementation.

Strategic Priorities

The unit contributes towards the strategic goal of developing the Commission as a centre of operational excellence in competition regulation.

Staff Complement

At the end of the period under review, the Commission had 32 employees in its employ

However, 4 resignations (Legal Analyst, Risk and Compliance Officer, Administration Officer and Receptionist) were recorded during the period. The Commission, therefore, experienced a staff turnover rate of 11% during the period under review.

By the end of the financial year the following vacancies existed in various divisions:

- Office of the CEO - Manager: Strategy, Advocacy and Stakeholder Relations; Risk and Compliance Officer; and Executive Assistant.
- Finance and Administration Division - Director: Finance and Administration; Officer: Administration; Receptionist.
- Enforcement, Exemptions and Cartels Division - Analyst: Legal.
- Economics and Sector Research Division - Administrative Assistant.

Recognising the need to expand the Commission and its human capital in order to effectively carry out its functions as set out in the Competition Act, a new organisational structure was approved by the Board of Commissioners in 2017.

Neither the additional positions on the structure nor the positions that became vacant during the 2017/18 and 2018/19 financial years could be filled given the financial constraints facing the Commission. This presents a significant challenge and hampers the Commission's ability to fully carry out its statutory mandate.

Employee Wellness and Team Building

Through its wellness program, the Commission employees benefitted from a practical personal financial planning and management session which covers saving, investments and budgeting.

A team event under the theme: "Together we can bring about change" was hosted where the importance of teamwork was emphasised, in addition to the mission, vision, core values and mandate of the Commission.

Staff milestones

The following employees have achieved five years of continuous service at the Commission:

Table 9

Name	Commencement
Marelize Bock	03 March 2014
Lovisa Shilongo	16 April 2014
Gloria Situmbeko	01 May 2014

The following employees have achieved 10 years of continuous service at the Commission:

Table 10

Name	Commencement
Bernatus Goreseb	01 April 2010
Claudia Konjore	01 April 2010
Izelda Klein	01 April 2010

Capacity Development

The Commission continues to establish mechanisms to invest in the capacity building of its employees. During the 2019/20 financial year, training and development initiatives were limited due to financial constraints.

The Commission managed to capacitate 3 employees who benefitted from training funded by the SADC Trade Related Facility (TRF), a mechanism for financial and technical support given to SADC member states, in the following areas:

1. Cartel enforcement regime and the implementation of the Commission's Corporate Leniency Programme ("CLP"),
2. Organisation for Economic Cooperation and Development ("OECD") Global Forum on Competition and thereafter a brief secondment to the German competition regulator, the Bundeskartellamt, and
3. Attachment to the Competition Commission of South Africa (CCSA), with the primary objective to obtain first-hand experience on the implementation of the Corporate Leniency Policy and to gain general enforcement knowledge as well as cross-jurisdiction anti-competitive conducts.

Employment Equity

The Commission is an equal opportunity employer and is committed to the requirements as prescribed in the Affirmative Action (AA) Employment Act, Act No. 29 of 1998, and duly submitted its AA Report for the period 2019/20.

The AA representation in the Commission's workforce amounts to 100% racially disadvantaged persons, of which 61% are female and 49% male.

As part of its AA targets, the Commission envisioned to fill 6 vacancies in the following categories: previously disadvantaged female, advantaged male in the Middle Management category and female person with a disability in the skilled category.

However, in terms of progress made to achieve the numerical goals of the AA plan for the period, the Commission did not manage to fill all the vacancies due to financial constraints. However, a previously disadvantaged female in the middle management category was recruited during the period.

The Commission will continue to embrace the principles of affirmative action in the workplace and remains fully committed to realising the objectives as set out in its AA plan for 2020 - 2021 period.

Annual Financial Statements



Summary of Financial Performance

Total revenue amounting to N\$ 34.6 million was generated for the period ending 31 March 2020 which comprises of:

- Grants from the Ministry of Industrialisation, Trade and SME Development ;
- Merger filing fees;
- Case settlement fees;
- Interest received and sundry income; and
- Exemption applications and advisory opinions issued.

The total operational expenditure incurred amounted to N\$ 31.8 million and the Commission recorded a surplus of N\$ 4.2 million.

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibian Competition Commission for the financial years ended 31 March 2019 and 2020 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Ministry of Industrialisation, Trade & SME Development in terms of Section 21(2) of the Competition Act, 2003 (Act 2 of 2003).

WINDHOEK, February 2021

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR - GENERAL
ON THE ACCOUNTS OF THE NAMIBIAN COMPETITION COMMISSION
FOR THE FINANCIAL YEARS ENDED
31 MARCH 2019 AND 2020**

1. UNQUALIFIED OPINION

I have audited the financial statements of the Namibian Competition Commission for the financial years ended 31 March 2019 and 2020 provided by the Accounting Officer as attached in Annexures A-F. These financial statements comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Equity, the Cash Flow Statement, the Notes to the Financial Statements for the years then ended, and a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Namibian Competition Commission as at 31 March 2019 and 2020 and its financial performance and its cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS).

2. BASIS FOR UNQUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no such matters to report.

4. OTHER INFORMATION

Management is responsible for the other information. The auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, I conclude that there is a material misstatement of this other information; we are required to report that fact. I have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and the Competition Act, 2003 (Act No. 2 of 2003) and for such internal controls as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit;
- Provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards;

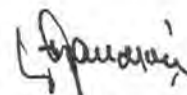
From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7.1 NON-COMPLIANCE WITH PUBLIC PROCUREMENT ACT

The commission did not comply with section 25 (4a) of the Public Procurement Act, 2015 (Act No.15 of 2015) that requires the preparation of an Annual Procurement Plan, as the Commission did not have an approved Annual Procurement Plan. The Commission also did not have an updated Procurement Policy that should be aligned to the Public Procurement Act of 2015 and that incorporates all the stages within the procurement and payment cycle. The lack of approved and documented policies and procedures hinders the process of allocating responsibilities and holding those responsible accountable. It further increases the possibility of staff members not being aware of what is expected of them.

WINDHOEK, February 2021



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020
GENERAL INFORMATION

Country of Incorporation and domicile	Namibia
Nature of business and principal activities	The Commission is tasked with promoting competitive market conditions through investigations and prosecutions of anticompetitive activities, reviewing and approving mergers and exemption applications, and disseminating information to businesses, consumers and other stakeholders.
Secretary	Vitalis Ndalikokule
Business address	No. 14 BPI House Mezzanine Floor Independence Avenue Windhoek
Postal address	P. O. Box 2104 Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	Auditor-General

NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020
COMMISSION'S RESPONSIBILITY & APPROVAL

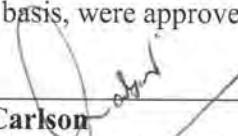
The Commission is required by the Competition Act (Act No. 2 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Commission 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 and the Competition Act of Namibia (Act No. 2 of 2003). The annual financial statements are prepared in accordance with International Financial Reporting Standards and Competition Act (Act No. 2 of 2003) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Commissioners acknowledge that they are ultimately responsible for the system of internal financial control established by the Commission and place considerable importance on maintaining a strong control environment. To enable the Commission to meet these responsibilities, the Commission sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standard includes the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level risk.

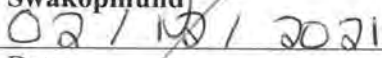
These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standard in ensuring the Commission's business is concluded in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Commission is identifying, assessing, managing and monitoring all known forms of risk across the Commission. While operating risk cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, control, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Commissioners are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Commissioners have reviewed its cash flow forecast for the years ended 31 March 2019 and 2020, in light of this review and the current financial position, they are satisfied that the Commission has or has access to adequate resources to continue in operational existence for the foreseeable future.

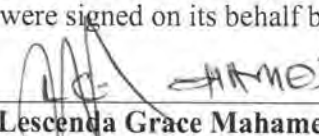
The annual financial statements set out on pages 9 to 31, which have been prepared on the going concern basis, were approved by the Commission and were signed on its behalf by:



Peter Carlson
Chairman of the Commission
Swakopmund



Date



Lescenda Grace Mahamed
Vice Chairperson of the Commission
Windhoek

**NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020
SECRETARY'S REPORT**

The Secretary has pleasure in submitting the report on the annual financial statements of the Namibian Competition Commission for the years ended 31 March 2019 and 2020.

1. Incorporation

The commission was established on 24 April 2003 in accordance with the promulgation of the Competition Act, 2003 (Act No. 2 of 2003).

2. Nature of Business

The Commission is tasked with promoting competitive market conditions through investigations and prosecutions of anticompetitive activities, reviewing and approving mergers and exemption applications, and disseminating information to businesses, consumers and other stakeholders. There have been no material changes to the nature of the Commission's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. 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 Commission are set out in these annual financial statements.

4. Board of Commissioners

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

Mr. Peter D Carlson	: Namibian
Ms. Grace Mohamed	: Namibian
Mr. Linus Garoeb	: Namibian
Ms. Petronella Masabane	: Namibian
Ms. Isabella Tjatjara	: Namibian

5. Commissioner's interests in contracts

During the financial year, no contracts were entered into which Commissioners had an interest, and which significantly affected the business of the Commission.

6. Events after the reporting period

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

7. Going concern

The Commission generated a Net profit of N\$ 4,225,560 (2019: N\$ 1,363,627).

8. Auditors

The Auditor General of Namibia continued in office as auditor for the Commission for the year 2019 and 2020.

9. Income tax status

The Commission is exempted from income tax in terms of section 16(1)(e)(i) of the Income Tax Act, No. 24 of 1981. A written confirmation to this effect was received from the Ministry of Finance on 22 March 2011.

10. Secretary

The Commission's Corporate Secretary is Mrs Melissa Hanmer

Postal address:

P O Box 2104
Windhoek
Namibia

Business address:

NO.14 BPI House
Mezzanine Floor
Independence Avenue
Windhoek, Namibia

ANNEXURE A

NAMIBIAN COMPETITION COMMISSION
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2020 N\$	2019 N\$	2018 N\$
ASSETS				
Non-Current Assets		3 239 586	6 223 853	364 900
Property, plant and equipment	4	3 239 586	6 223 853	364 900
Current assets		35 650 329	5 728 985	20 806 552
Trade and other receivables	5	440 734	420 650	557 325
Cash and cash equivalents	6	8 109 595	2 608 337	4 864 884
Cash and cash equivalents held on behalf of Ministry of Finance	6	27 100 000	2 700 000	15 384 343
Total Assets		38 889 915	11 952 838	21 171 452
EQUITY AND LIABILITIES				
Accumulated surplus		5 229 672	1 004 111	(359 450)
LIABILITIES				
Long term liabilities				
Lease Liability	17	-	3 551 987	-
Liabilities				
Current liabilities		33 660 243	7 396 740	21 530 902
Trade and other payables	8	1 453 262	208 971	2 837 286
Provisions	9	1 554 994	1 552 349	3 309 273
Lease Liability	17	3 551 987	2 935 420	-
Cash and cash equivalents held on behalf of Ministry of Finance	10	27 100 000	2 700 000	15 384 343
Total Equity and Liabilities		38 889 915	11 952 838	21 171 452

ANNEXURE B

NAMIBIAN COMPETITION COMMISSION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED
31 MARCH

	Note	2020 N\$	2019 N\$	2018 N\$
Revenue	13	34 641 479	33 072 506	26 313 599
Operating expenses	14	(31 831 684)	(31 997 968)	(35 458 789)
Operating profit/(Loss)		2 809 795	1 059 538	(9 145 190)
Investment revenue	15	1 279 583	281 723	465 529
Other income		136 182	22 366	7 983
Total comprehensive income / (loss) for the year		4 225 560	1 363 627	(8 671 678)

ANNEXURE C

NAMIBIAN COMPETITION COMMISSION
STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 MARCH

	Accumulated surplus	Total equity
	N\$	N\$
Balance at 01 April 2017	8 312 228	8 312 228
Changes in equity		
Total comprehensive loss for the year	(8 671 744)	(8 671 744)
Balance at 01 April 2018	(359 516)	(359 516)
Changes in equity		
Total comprehensive income for the year	1 363 628	1 363 628
Balance at 01 April 2019	1 004 111	1 004 111
Changes in equity		
Total comprehensive income for the year	4 225 561	4 225 561
Balance at 31 March 2020	5 229 672	5 229 672

ANNEXURE D

NAMIBIAN COMPETITION COMMISSION
CASH FLOW STATEMENT FOR THE YEARS ENDED 31 MARCH

	Note	2020 N\$	2019 N\$	2018 N\$
Cash generated from operations	16	7 807 582	794 578	(5 355 812)
Interest income	15	1 279 583	281 723	465 529
Finance costs		(610 024)	(898 216)	
Net cash from operating activities		8 477 141	178 085	(4 890 283)
Cash flows from investing activities				
Proceeds from the sale of Property, Plant and Equipment				
Purchase of property, plant and equipment	4	(40 463)	(33 831)	(68 441)
Net cash from investing activities		(40 463)	(33 831)	(68 441)
Cash flows from financing activities				
Repayment of lease liabilities		(2 935 420)	(2 400 801)	-
Net cash from financing activities		(2 935 420)	(2 400 801)	-
Total cash movement for the year		5 501 258	(2 256 547)	(4 958 724)
Cash at beginning of the year		2 608 337	4 864 884	9 823 608
Total cash at end of the year	6	8 109 595	2 608 337	4 864 884

**NAMIBIAN COMPETITION COMMISSION
ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 MARCH 2019 AND 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations issued and effective at the time of preparing these annual financial statements and the Competition Act, Act 8 of 2009. The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies, which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the Commission's functional currency. These accounting policies are consistent with the previous period.

1.2 Significant Judgements and Sources of Estimation Uncertainty

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

Key sources of estimation uncertainty trade receivables

The Commission assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment

loss should be recorded in profit or loss, the Commission makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment testing

The Commission reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. 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 tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including significant changes in the manner of use of the assets or the strategy for the Commission's overall business, significant underperformance relative to expectations, based on historical or projected future operating results, together with economic factors such as significant negative industry or economic trends.

**NAMIBIAN COMPETITION COMMISSION
ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 MARCH 2019 AND 2020 (Continued)**

Useful life of property, plant and equipment

Management assess the appropriateness of the useful life of property, plant and equipment and intangible assets at the end of each reporting period. The useful lives of carports and cubicles, furniture and fixtures, motor vehicles, office equipment, IT equipment, and computer software are determined based on Commission replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount, are assessed separately to consider whether replacement will be necessary. When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge. The residual values of each asset are reviewed and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in estimate.

Provisions

Provisions were raised and management determined an estimate based on the best information available. Additional disclosure of these estimates of provisions are included in note 9.

1.3 Property, Plant and Equipment

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

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the

acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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

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

Item	Average useful life
Furniture and fixtures	3 Years
Motor Vehicles	5 Years
IT Equipment and Software's	3 Years
Office equipment	3 Years
Other Fixed Assets	3 Years
Cell phones	2 Years
Minor Assets	1 year

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

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

**NAMIBIAN COMPETITION COMMISSION
ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 MARCH 2019 AND 2020 (Continued)**

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

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

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

1.4 Financial Instruments Classification

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

- Held-to-maturity investment
 - Loans and receivables
 - Financial liabilities measured at amortised cost
- Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed 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 Commission becomes a party to the contractual provisions of the instruments.

The Commission classifies financial instruments, or their component parts, on initial

recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss. Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Commission establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

**NAMIBIAN COMPETITION COMMISSION
ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 MARCH 2019 AND 2020 (Continued)**

Impairment of financial assets

At each reporting date, the Commission assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Commission, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy

or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

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.

**NAMIBIAN COMPETITION COMMISSION
ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 MARCH 2019 AND 2020 (Continued)**

Held-to-maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the Commission has the positive intention and ability to hold to maturity are classified as held-to-maturity.

1.5 TAX: Income tax

No provision for tax is required as the Commission is exempt from taxation in terms of section 16(1)(e) of the Income Tax Act, No. 24 of 1981.

1.6 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.

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 rent is expensed in the period they are incurred.

1.7 Impairment of Non-Financial Assets

The Commission 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 Commission estimates the recoverable amount of the asset.

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease. An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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

**NAMIBIAN COMPETITION COMMISSION
ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 MARCH 2019 AND 2020 (Continued)**

1.8 Employee Benefits

Short-term employee benefits

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

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

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The Commission has no further payment obligations once the contributions have been paid.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Commission's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.9 Provisions and Contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating losses.

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 12.

1.10 Revenue

Revenue includes amounts charged to merging parties, advisory opinions and exemption application fees. These fees are based on a predetermined as per the Government Gazette.

When the outcome of a transaction involving the rendering of goods can be estimated reliably, revenue associated with the transaction is recognised at a point in time when fees are received. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Commission.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

**NAMIBIAN COMPETITION COMMISSION
ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 MARCH 2019 AND 2020 (Continued)**

1.11 Penalties

The Commission investigates contraventions of the Act and may institute legal proceedings in the High Court and requests the Court to impose a pecuniary penalty against the undertakings involved. Section 53(5) of the Act states that a pecuniary penalty payable in term of the Act must be paid into the State Revenue Fund.

The accepted practice of National Treasury is that no monies are directly paid to the National Revenue Funds by the fined entities but rather they are paid to the Commission, which pays the fines over into the state revenue fund.

The consent orders and orders of the High Court may allow the respondents to pay the settlement amount or administrative penalty over more than one financial year of the Competition Commission. This situation will result in an outstanding amount due to the National Revenue Fund, which will be collected by the Competition Commission.

In terms of Section 40(1) of the Competition Act, the settlement amounts and the administrative penalties are not listed as a source of finance for the Competition Commission nor are the amounts of revenue defined in terms of IFRS 15. As such these amounts are not recognised in the statement of financial performance. Furthermore, the outstanding amounts do not meet the asset and liability definitions in terms of The Conceptual framework for financial reporting and are therefore not recognised on the statement of financial position of the Competition Commission.

Penalties levied and received

The Statement of Financial Position includes a financial asset and a financial liability relating to penalties levied and received. The financial asset and financial liability will be the same amount and are shown as "Cash and Cash

Equivalents held on behalf of Ministry of Finance" and "Penalties Payable to Ministry of Finance" in the Statement of Financial Position.

For penalties levied but not yet received

Penalties levied but not yet received do not meet the requirements of a financial asset and financial liability in terms of the Conceptual framework for financial reporting, accordingly, are not presented in the Statement of Financial Position.

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards And Interpretations Effective And Adopted In The Current Year

During the past two financial years, the Commission has adopted the following standards and interpretations that are effective for these financial years and that are relevant to its operations:

Standard/Intepretation	Effective date: Years beginning on or after	Expected impact
Conceptual framework for financial re-porting	01 January 2020	The impact of the amendment is not material.
Amendments to IAS 1 and IAS 8 in respect of Definition of Material	Annual periods beginning on or after 1 January 2020	The impact of the amendment is not material.
IFRS 16: Leases	Annual periods beginning on or after 01 January 2019 – earlier application permitted if IFRS 15 is also applied. (Published January 2016)	The impact of the amendment is not material

3. RISK MANAGEMENT

Financial Risk Management

The Commission has a policy and framework on risk management. The strategic risk register is reviewed annually by management. The entity's activities expose it to interest, credit and liquidity risks.

Liquidity Risk

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

RiskCash flow forecasts are prepared annually and reviewed at the end of every quarter.

Interest rate risk

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

The Commission is exposed to interest rate changes in respect of returns on its investments with financial institutions.

Financial assets exposed to interest rate risk at year-end were as follows:

Cash and cash equivalents	Current interest rate	Due in less than a year
		N\$
Bank Windhoek Call Account	6.25%	5 773 637
Bank Windhoek Fixed Deposit	7.35%	27 975 844

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

Credit Risk

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

Trade and other receivables comprise rental prepayments and staff related debtors. Management evaluate credit risk relating to customers on an ongoing basis and make adequate provision for doubtful debt where necessary.

Financial assets exposed to credit risk at year-end were as follows:

Financial Instrument	2020	2019
	N\$	N\$
Cash and Cash equivalents	33 749 481	15 393 817
Trade receivables	440 734	420 649

Foreign exchange risk

The Commission is not exposed to foreign exchange risk.

ANNEXURE F

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2019 AND 2020 (Continued)

4. PROPERTY, PLANT AND EQUIPMENT

	2020			2019			2018		
	Cost/ Valuation	Accumulated depreciation	Carrying Value	Cost/ Valuation	Accumulated depreciation	Carrying Value	Cost/ Valuation	Accumulated depreciation	Carrying Value
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Right of use of Assets	8 888 210	(5 925 473)	2 962 737	8 888 210	(2 962 737)	5 925 473	-	-	-
Furniture and Fixtures	1 721 779	(1 582 454)	139 325	1 711 959	(1 579 731)	132 228	1 711 959	(1 561 259)	150 700
Motor Vehicles	530 348	(424 279)	106 069	530 348	(424 279)	106 069	530 348	(424 279)	106 069
IT equipment	1 453 400	(1 431 611)	21 789	1 423 759	(1 388 175)	35 584	1 406 543	(1 328 477)	78 066
Other Fixed Assets	114 685	(107 210)	7 475	114 685	(100 462)	14 223	114 685	(92 560)	22 125
Office Equipments	144 871	(143 409)	1 462	144 872	(142 375)	2 497	144 872	(136 932)	7 940
Cell Phones	104 527	(103 732)	795	104 527	(96 682)	7 845	90 428	(90 428)	-
Minor Assets	327 701	(327 701)	-	326 701	(326 701)	-	324 185	(324 185)	-
Total	13 285 521	(10 045 869)	3 239 652	13 245 061	(7 021 142)	6 223 919	4 323 020	(3 958 120)	364 900

Reconciliation of property, plant and equipment - 2020

	Opening Balance	Additions	Written/ off	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Right of use of Assets	5 925 473	-	-	(2 962 737)	2 962 737
Furniture and Fixtures	132 228	9 821	-	(2 724)	139 325
Motor Vehicles	106 069	-	-	-	106 069
IT equipment	35 584	29 642	-	(43 437)	21 789
Other Fixed Assets	14 223	-	-	(6 748)	7 475
Office Equipments	2 497	-	-	(1 035)	1 462
Cell Phones	7 845	-	-	(7 050)	795
Minor Assets	-	1 000	-	(1 000)	-

6 223 919	40 463	-	(3 024 730)	3 239 652
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NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

Reconciliation of property, plant and equipment - 2019

	Opening Balance	Additions	Written/ off	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Right of use of Assets	-	8 888 210		(2 962 737)	5 925 473
Furniture and Fixtures	150 700	-	-	(18 471)	132 228
Motor Vehicles	106 069	-	-	-	106 069
IT equipment	78 066	17 216	-	(59 698)	35 584
Other Fixed Assets	22 125	-	-	(7 902)	14 223
Office Equipments	7 940	-	-	(5 443)	2 497
Cell Phones	-	14 099	-	(6 254)	7 845
Minor Assets	-	2 516	-	(2 516)	-
	364 900	8 922 041	-	(3 063 021)	6 223 919

Reconciliation of property, plant and equipment - 2018

	Opening Balance	Additions	Written/ off	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Furniture and Fixtures	251 345	-	-	(100 645)	150 700
Motor Vehicles	106 069	-	-	-	106 069
IT equipment	113 222	63 091	-	(98 248)	78 066
Other Fixed Assets	34 839	-	-	(12 714)	22 125
Office Equipments	5 698	-	-	2 242	7 940
Cell Phones	375	-	-	(375)	-
Minor Assets	-	5 350	-	(5 350)	-
	511 548	68 441	-	(215 090)	364 900

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

	2020	2019	2018
	N\$	N\$	N\$
5. TRADE AND OTHER RECEIVABLES	440 734	420 649	557 325
Deposit	272 257	272 257	272 257
Other Receivables	168 477	148 392	285 068

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Counterparties without external credit rating

Trade and other receivables	440 734	420 649	557 325
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Fair value of trade and other receivables

Trade and other receivables	440 734	420 649	557 325
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The carrying amount of trade and other receivables approximates fair value.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired, except for those where management is aware of factors that render the debt doubtful at an earlier date. Trade and other receivables older than 121 days that were recovered subsequent to financial year-end, but prior to the signing of the annual financial statements have not been impaired. At 31 March 2020, N\$ 0 (2019: N\$ 0) was past due but not impaired.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalent consist of:

	35 209 595	5 308 337	20 249 227
Bank balances - Current account	1 460 114	1 071 006	4 855 410
Bank balances - Call account	5 773 637	1 506 288	-
Bank balances - Fixed account	27 975 844	2 731 043	15 384 343

Credit quality of cash at bank and short term deposit, 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 rating (if available) or historical information about counterparty default rates:

Credit rating

Bank Windhoek Limited (A1 +)	35 209 595	5 308 337	20 249 227
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NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

	2020	2019	2018
	N\$	N\$	N\$
7. FINANCIAL ASSETS BY CATEGORY			
The accounting policies for financial instruments have been applied to the line items below:			
Loans and Receivables	35 650 329	5 728 985	20 806 552
Trade Receivables	440 734	420 650	557 325
Cash and Cash Equivalents	35 209 595	5 308 335	20 249 227
8. TRADE AND OTHER PAYABLES	1 453 262	208 971	2 837 286
Trade Payables	599 906	116 770	337 286
Income Received in advance	-	-	2 500 000
Accruals	-	15 000	-
Other Payables	853 356	77 201	-
Fair value of trade and other payables			
Trade and other payable	1 453 262	208 971	2 837 286

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

9. PROVISIONS

Reconciliations of provision - 2020	Opening balance	Additions	Utilised during the year	Total
Provision - Leave pay	1 552 349	2 092 595	(2 089 950)	1 554 994
Provision - Performance Bonus	-	-	-	-
	1 552 349	2 092 595	(2 089 950)	1 554 994
Reconciliations of provision - 2019				
Provision - Leave pay	1 456 341	2 098 666	(2 002 658)	1 552 349
Provision - Performance Bonus	1 852 932	-	(1 852 932)	-
	3 309 273	2 098 666	(3 855 590)	1 552 349
Reconciliations of provision - 2018				
Provision - Leave pay	1 505 867	181 097	(230 623)	1 456 341
Provision - Performance Bonus	-	1 852 932	-	1 852 932
	1 505 867	2 034 029	(230 623)	3 309 273

Performance Bonus Provision

Employees sign performance contracts as part of their conditions of service at the beginning of each financial year. Employees are assessed biannually. The amount is dependent on the outcome of individual performance evaluations and it is at the discretion of the Board of Commissioners, subject to the availability of funds.

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

	2020	2019	2018
	N\$	N\$	N\$
10. PENALTIES RECEIVED AND PENALTIES PAYABLE	27 100 000	2 700 000	15 384 343
Opening Balance	2 700 000	15 384 343	-
Penalties Collected	24 400 000	2 700 000	15 000 000
Interest earned on penalties collected	-	-	384 343
Less: Amounts paid to Ministry of Finance	-	(15 384 343)	-
Fair value of trade and other payables	1 453 262	208 971	2 837 286
Trade and other payable			

An amount of N\$ 24.4 million was collected in 2020 (2019: N\$ 2.7 million). The balance of N\$ 27.1 million (2019: N\$ 2.7 million) is still to be paid into the state revenue fund in the next financial year. The penalties payable are held in the Commission's fixed deposit account and are represented by Cash and Cash Equivalents disclosed under current assets on the Statement of Financial Position.

Outstanding penalties amount at the beginning of the year	1 400 000	2 700 000	17 700 000
Add: Amounts of settlements and penalties levied by the High Court of Namibia	23 000 000	1 400 000	-
Less: Amounts Collected by Competition Commission	(24 400 000)	(2 700 000)	(15 000 000)
Outstanding penalties amount at the end of the year	-	1 400 000	2 700 000

11. FINANCIAL LIABILITIES BY CATEGORY

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

Financial Liabilities at amortised cost			
Trade and other payables	1 453 262	208 971	2 837 286

12. CONTINGENT LIABILITIES

Cases before the courts

There are pending cases before the courts emanating from ongoing investigations by the Commission. The outcome thereof may result in legal costs awarded against or for the Commission.

ANNEXURE F

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

	2020	2019	2018
	N\$	N\$	N\$
13. REVENUE	34 641 479	33 057 506	26 313 599
Case Settlement fees	2 000 000	-	-
Administrative fee income	7 979	1 993	1 644
Fee Income - Merger Filing Fees	9 178 500	7 341 429	12 696 605
Fee Income - Exemption Applications	154 500	322 500	-
Fee Income - Advisory Opinions	100 500	105 000	115 350
Government grants received	23 200 000	25 286 584	13 500 000

14. OPERATING PROFIT (LOSS)

Operating profit (loss) for the year is stated after debiting the following, amongst others:

Remuneration, other than to employees

Consulting and professional services	1 816 756	130 075	1 798 960
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Leases**Operating Lease charges**

Premises	25 576	-	3 763 623
Operating lease other	-	-	3 383 363
	25 576	-	380 260

Depreciation and amortisation

	3 024 730	3 063 021	215 090
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Expense by Nature

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

	31 831 684	31 997 968	35 458 789
Employee Costs	23 376 409	23 120 061	23 713 323
Operating lease charges	25 576	-	-
Depreciation and amortisation	3 024 730	3 063 020	215 088
Finance costs	610 024	898 216	-
Legal expenses	1 237 314	2 677 451	2 473 130
Consulting and professional fees	579 442	130 075	1 653 186
Training and development	165 154	16 139	89 808
Membership and license fees	212 530	7 887	52 830
General operating expenditure	2 220 483	1 984 392	3 081 308
Merger Investigations	108 377	18 204	8 645
Research Studies	-	-	298 745
Advocacy and Advertising	271 642	82 523	109 102

15. INVESTMENT INCOME

Interest revenue - Bank	1 279 583	281 723	465 529
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NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

	2020	2019	2018
	N\$	N\$	N\$
16. CASH GENERATED FROM OPERATIONS			
Profit/Loss before taxation	4 225 560	1 363 628	(8 671 678)
Adjustments for:			
Depreciation and amortisation	3 024 730	3 063 021	215 090
Interest received	(1 279 583)	(281 723)	(465 529)
Finance charges	610 024	898 216	-
Movements in provisions	2 647	(1 756 924)	1 803 406
Changes in working capital:			
Trade and other receivables	(20 086)	136 676	(265 853)
Trade and other payables	1 244 291	(2 628 314)	2 028 753
Cash generated from operations	7 807 582	794 578	5 355 812

17. LEASES

The Commission leases office buildings from JHI. Right-of-use assets are disclosed above.

Amounts recognized in profit/loss	3 572 761	3 860 953	-
Depreciation of right-of-use assets	2 962 737	2 962 737	-
Interest expenses on lease liabilities	610 024	898 216	-

Lease Liability

Analysed as:

	3 551 987	6 487 407	-
Non current	-	3 551 987	-
Current	3 551 987	2 935 420	-

The Commission entered into a lease agreement with JHI from 1 April 2018 to 31 March 2021.

18. REMUNRATION OF BOARD MEMBERS

Non - Executive Commissioners

	691 130	466 716	724 863
Mr. Peter Carlson (Appointed: 1 May 2019)	202 118	-	-
Ms. Grace Mohamed (Re-Appointed: 17 September 2019)	166 166	136 078	132 838
Mr. Linus Garoeb (Appointed: 1 May 2019)	133 959	-	-
Ms. Petronella Masabane (Appointed: 20 February 2019)	51 880	-	-
Ms. Isabella Tjatjara (Appointed: 1 November 2019)	67 711	-	-
Mr. Gideon Shilongo (Term ended 28 February 2019)	-	79 888	123 346
Ms. Teresia Kaulihowa (Term ended 28 February 2019)	-	89 711	171 942
Ms. Malverene Theron (Term ended 16 September 2019)	69 297	161 039	163 863
Dr. Sakeus Akweenda (Term ended 31 January 2018)	-	-	132 874

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

19. RELATED PARTIES

Relationships

Ministry of Industrialisation and Trade

Ministry of Finance

Members of Key management

V Ndalikokule (Chief Executive Officer and Secretary to the Commission)

J Ashipala (Director: Mergers & Acquisition)

A Tjipitua (Director: Enforcement, Exemptions & Cartels)

B Dundee (Director: Economics & Sector Research)

W Hamata (Manager: Finance)

M Hanmer (Corporate Secretary and Legal Advisor)

K Kanguishi (Acting Technical Advisor)

C Ashikuni (Acting Director: Corporate Services)

	2020	2019	2018
	N\$	N\$	N\$
Related party balances			
Significant amounts included in cash and cash equivalents regarding related parties			
Penalties collected on behalf of Ministry of Finance	27 100 000	2 700 000	15 384 343
Significant transactions with related parties included in revenue:			
Grants received from Ministry of Industrialisation and Trade	23 200 000	25 286 584	13 500 000
Compensation to key management			
Short-term employee benefits	7 762 649	7 236 778	7 097 646

ANNEXURE F

NAMIBIAN COMPETITION COMMISSION
DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED
31 MARCH 2019 AND 2020

	2020	2019	2018
	N\$	N\$	N\$
Revenue	34 641 479	33 057 506	26 313 599
Fee Income	9 433 500	7 768 929	12 811 955
Grants	23 200 000	25 286 584	13 500 000
Case Settlement fee income	2 000 000	-	-
Admin Fee Income	7 979	1 993	1 644
Other Income	1 422 094	304 089	473 512
Gain on Foreign exchange	6 329	-	-
Interest Received	1 279 583	281 723	465 529
Sundry Income	136 182	22 366	7 983
Operating expenses	31 215 331	31 099 752	35 458 789
Advertising	271 642	82 523	109 102
Auditing & accounting fees	-	-	145 774
Bank Charges	18 314	19 547	20 694
Board remuneration and expenses	818 100	517 708	755 108
Cleaning	177 875	161 629	124 139
Computer Expenses	64 321	164 864	353 773
Consulting and professional fees	579 442	130 075	1 653 186
Depreciation, amortization and impairments	3 024 730	3 063 021	215 090
Employee cost	23 376 409	23 120 061	23 713 323
Fines and penalties	-	-	4 000
Gazetting Expenses	-	14 084	43 965
Human Resources Expenses	24 817	16 218	11 903
Insurance	106 426	93 632	119 751
Lease rental on operating lease	1	-	3 763 623
Legal Fees	1 237 314	2 677 451	2 473 130
Library Materials	10 301	5 807	37 877
Motor Vehicle Expenses	25 815	13 331	19 043
Office consumables	63 347	60 972	90 830
Postages	8 171	9 736	6 659
Printing & Stationery	121 849	142 535	247 307
Rent copier machines	25 575	-	-
Repairs & Maintenance	35 898	25 006	297 631
Security services	57 319	51 412	5 708
Subscriptions	212 530	7 887	52 830
Telephone and fax	202 510	216 175	389 876
Training	165 154	16 139	86 507
Transport expenses	-	-	3 301
Merger Investigations	108 377	18 204	8 645
Meetings	-	24 719	110 595

ANNEXURE F

NAMIBIAN COMPETITION COMMISSION
DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED
31 MARCH 2019 AND 2020 (Continued)

	2020	2019	2018
	N\$	N\$	N\$
Water & Electricity	491 751	447 019	296 676
Research Studies	-	-	298 745
Finance cost	610 024	898 216	-
Surplus/(Loss) for the year	4 225 560	1 363 627	(8 671 678)

Namibian Competition Commission

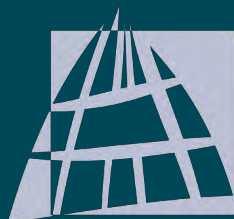
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