

INTEGRATED ANNUAL REPORT



2023/24

Aigams Building
176 Iscor Street
Northern Industrial Area
Windhoek

+264 61 71 0000
+264 61 71 3000
info@namwater.com.na
www.namwater.com.na



LIST OF ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank	NamCode	Corporate Governance Code of Namibia
BU	Business Unit	NDP5	Fifth National Development Plan
BARC	Board Audit & Risk Committee	NAPWU	Namibia Public Workers' Union
CAN	Central Area of Namibia	NQA	Namibia Qualifications Authority
CSI	Corporate Social Investment	NTA	Namibia Training Authority
CUVECOM	Cuvelai Watercourse Commission	NUNW	National Union of Namibian Workers
EAP	Employee Assistance Programme	NUST	Namibia University of Science and Technology
ESG	Environmental, Social and Governance	OKACOM	Permanent Okavango River Water Commission
EWf	Erongo Water Forum	ORASECOM	Orange-Sengu River Commission
GACP	Generally Accepted Compliance Practice Framework	PAC	Powdered Activated Carbon
GDP	Graduate Development Programme	PJTc	Kunene Permanent Joint Technical Commission
GIPF	Government Institutions Pension Fund	PV	Photovoltaic
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	R&D	Research and Development
HRDC	Human Resources Development Centre	RO	Reverse Osmosis
IDP	Individual Development Plan	SADC	Southern African Development Community
IIRC	International Integrated Reporting Framework	SCADA	Supervisory Control and Data Acquisition
ITAS	Integrated Tax Administration System	SCF	Self-cleaning Filter
IUM	International University of Management	TCE	Technical Committee of Experts
Km	Kilometre	TVET	Technical and Vocational Education and Training
LWC	Local Water Committees	UNAM	University of Namibia
MAWLR	Ministry of Agriculture, Water and Land Reform	WDS	Water-Distribution Systems
Mm ³	Million cubic metre	ZAMCOM	Zambezi Water Course Commission

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INTRODUCTION

OVERVIEW

About this Report

The Namibia Water Corporation Ltd offers this Integrated Annual Report for the fiscal year 2023/24 in the spirit of our long-standing commitment to excellent corporate governance, transparency, and accountability. This report provides an overview of our governance, strategy, performance, and initiatives, all of which seek to provide long-term value for Namibians and our stakeholders with an interest in the bulk water supply function.

The report has been prepared according to the International Integrated Reporting Council's (IIRC) framework and guidelines. It provides a concise and honest assessment of our performance for the fiscal period 1 April 2023 to 31 March 2024 and focuses on infrastructural issues that impact our business.

Approval and Assurance

The annual financial statements were audited by the Corporation's independent external auditors, Grand Namibia in compliance with applicable laws and regulations.

As NamWater aims to improve the quality of the information provided to its stakeholders on bulk water delivery, an integrated report is the most efficient tool for this corporate reporting purpose. As a result, this report presents information on NamWater's assets, its relationships, the risks that accompany the management of a water corporation, and how NamWater interacts within its environment to generate value over time. NamWater strives to enhance its application of integrated reporting consistently.

Reporting Principles

This report has been prepared and presented in compliance with the Namibia Water Corporation Act, 1997 (No.12 of 1997), as amended, the Namibia Code of Good Governance Principles (2014) (NamCode), and the IIRC's International Integrated Reporting Framework (2013). NamWater has implemented these regulations to the greatest extent possible and will continue to work towards enhancing their implementation.

Approval by the Board

The approval of the Integrated Annual Report rests with the Board of Directors, which the Audit & Risk Committee and executive management assist. NamWater's Board of Directors has deployed its accumulated knowledge in this regard. It believes this report tackles all the key topics and provides a fair perspective of its strategy and performance. The Board of Directors believes that this report was compiled in compliance with the International Integrated Reporting Framework. The Board has approved the report on 04 October 2024.



CHAIRPERSON'S MESSAGE

Dear Stakeholders

The fiscal year 2023/24 has been a pivotal period for NamWater, marked by remarkable milestones and strategic progress. Our inherently complex mandate demands innovative solutions to address diverse water demands. From Namibia's urban hubs to its expansive rural landscapes, NamWater is steadfast in ensuring a reliable water supply to all customers. Our unwavering dedication is underpinned by continuous infrastructure maintenance and strategic initiatives.

A pivotal development during this period was the enforcement of the 2013 Water Resource Management Act (WRMA), Act 11 of 2013, formalised by Government Notice No. 8187 of 2023 on 29 August 2023. This Act, now operational after a decade of legislative ambiguity, is a cornerstone for the governance of water resources in Namibia. The WRMA introduces critical provisions for maintaining the sustainability of our fragile ecosystems and finite water resources. On October 31, 2023, a workshop at NIPAM led by NamWater's Legal Services Division promoted an understanding of the Water Resources Management Act. All departments gained clarity on compliance requirements, ensuring alignment and adherence throughout the organization, reflecting NamWater's commitment to responsible water management and environmental stewardship.

The Annual Business Plan (ABP) for fiscal year 2024 is a comprehensive overview of our annual performance. It initiates the first year of our five-year Integrated Strategic Business Plan (ISBP) from 2024 to 2028. Approved on March 23, 2023, by the shareholding minister, the ISBP encompasses nine strategic objectives backed by thirteen strategic initiatives. Our strategic execution is firmly grounded in these initiatives, guaranteeing that we stay true to our vision of "Water For All, Forever!"

NamWater's commitment to upholding service level agreements for water volume and quality is unwavering. Our customer agreements align with the Namibian Water Quality Guidelines (NWQG). In cases of challenges, dedicated projects are in place to improve water quality. As a state-owned enterprise, NamWater is vital in supporting the shareholding minister's developmental aspirations and contributing to Namibia's progress.

Furthermore, NamWater has made substantial investments in infrastructure development. Allocating N\$184 million for new infrastructure projects, the company has completed and commissioned N\$78 million worth of assets under construction. With significant support from the shareholder, NamWater is progressing with major infrastructure replacements valued at over N\$1.5 billion. These strategic investments, funded by loans from the African Development Bank and KfW, are crucial for enhancing water management and supporting sustainable long-term growth.

NamWater's commitment to national development is mirrored in the increased funding allocated to sports, education, and sponsorships. During the fiscal year 2023/24, NamWater invested N\$1,121,941 in various initiatives, including State Owned Enterprises games, Independence celebrations, and educational and sporting activities. NamWater actively invests in the community, fostering a thriving and sustainable environment where individuals and businesses flourish.

NamWater prioritises financial sustainability and diversified revenue diversification as crucial aspects of its streams are paramount to NamWater's operations. For the fiscal year ending on 31 March 2024, NamWater generated N\$2.1 billion, an increase from (2023 - N\$2 billion), in 2023. Of this amount, external revenue through various ventures, including N\$43 million (compared with N\$114 million in 2023) was earned) through the rental income from NamWater houses, Technical Vocational Education Training programmes, and water sampling services at theour Windhoek Laboratory. These initiatives align with NamWater'sare part of our comprehensive business development and diversification strategy, aiming to strengthen its financial resilience and long-term growth.

NamWater, despite making significant progress, continues to grapple with numerous challenges that hamper its operational effectiveness and financial viability. Firstly, customers owed the company a substantial amount of N\$2.1 billion at the end of the fiscal year, primarily accumulated by local authorities and rural communities. Addressing these receivables is crucial for NamWater to maintain its financial stability and ensure uninterrupted service delivery. Secondly, NamWater requires its shareholders' unwavering support to expedite the Water Regulator's establishment as provided in WRMA. This critical initiative is essential to ensure timely tariff adjustments that reflect the actual cost of water provision. The absence of tariff adjustments over the past five years has posed a severe threat to the Corporation's liquidity and solvency, as expenses such as energy, payroll, and fuels have experienced significant increases during this period.

As I conclude, I express my profound appreciation to the shareholding Minister and the Minister of Finance and Public Enterprises for their invaluable guidance and unwavering support. Our dedicated employees, the NamWater Board of Directors, and all stakeholders have demonstrated steadfast commitment throughout our journey. Together, we will navigate challenges and embrace opportunities, ensuring a sustainable water supply for all Namibians. Our collaborative efforts will continue to drive progress, enabling us to overcome obstacles and seize new possibilities.

MR LUTHER K RUKIRA

CHAIRPERSON: NAMWATER BOARD OF DIRECTORS

Our CSI activities support the Sustainable Development Goals and aim to build prosperous communities.

NamWater invested N\$1.12 million in CSI activities during the reporting year.

BOARD OF DIRECTORS

Strategically guiding NamWater



Mr Luther K Rukira
Chairperson

Mr Rukira is an executive hydrologist with over thirty years' experience in the water sector. Throughout his career, Mr Rukira has cultivated expertise in strategic planning, operations management, quality management, project delivery, financial oversight, and regulatory compliance. He currently manages Namib Lead and Zinc Mining (PTY) Ltd. He was appointed on the Board effective 1 April 2023 as NamWater Board's Chairperson and an ordinary member of the Board Strategy Committee.



Ms Maenge Shipiki-Kali
Vice Chairperson

Mrs Shipiki-Kali is a Metallurgical Engineer with a BSc in Mineral Processing and a MSc in Mineral Resource Management. She has 30 years' experience in the mining industry and is passionate about the potential good that the mining industry can offer. Mrs Shipiki Kali is part of the Debmarine Namibia Executive Committee team, where her portfolio is Business Optimisation. She brings extensive experience in operational excellence, system optimisation and business improvement to the Board. She was appointed to the Board effective 1 April 2023, and she serves as the Deputy Chairperson of the Board and the Chairperson of the Board Technical Committee. An activist at heart, she believes that the resilience and energy of the Namibian youth have transformative power that can have a sustainable positive impact on all Namibians.



Mrs Vivienne Kinyaga
Chairperson: Board Strategy Committee

Mrs Kinyaga holds an MSc in Integrated Water Resources Management and works at Johannesburg's Benguela Current Convention Secretariat. She was first appointed to the Board in March 2017 and reappointed on 1 April 2023. She is the Chairperson of the Board Strategy Committee and a member of the Technical Committee.



Mr Fanuel Uugwanga
Chairperson: Board Remuneration & HR Committee

Mr Uugwanga is an HR Executive with over 15 years of experience in HR and Strategic Leadership. He is currently employed by the Namibia Revenue Agency (NamRA) as the Chief Human Capital and strategy. He was appointed to the NamWater Board on 1 April 2023 and serves as the Chairperson of the HR & Remuneration Committee and as an ordinary member of the Board Strategy Committee.



Mrs Francis Heunis
Chairperson: Board Audit & Risk Committee

Mrs Heunis is an experienced Chartered Accountant with expertise in strategic financial management, corporate governance, financial system implementations, corporate tax management, and risk management. She brings relevant financial expertise to the board. She is employed in the private sector as a Chief Financial Officer at Oryx Properties and was appointed to the Board effective 1 April 2023. Mrs Heunis is the Chairperson of the Board Audit & Risk Committee and an ordinary member of the Board's Remuneration & HR Committee.



Mr Matty Hauuanga, Pr. Eng.
Director

Mr Hauuanga is a Professional Engineer appointed on the Board effective 1 of April 2023. Mr. Hauuanga is the Chief Executive Officer & Principal Engineer at Telios Namibia Consulting Engineers Pty Ltd in Windhoek, Namibia. He brings over thirty years' worth of experience in engineering in both the private and public sectors, having served as a General Manager for Engineering at TransNamib Holdings before he moved to the private practice. Before this, he worked for BICON Namibia Consulting Engineers, the Department of Water Affairs, and Telecom Namibia.



Mr Udaneka Nakamhela
Director

Mr Nakamhela is an Admitted Legal Practitioner and is a senior partner at Nakamhela Attorneys. Mr Nakamhela's law practice specialises in sustainable development and environmental and commercial legal issues. Mr Nakamhela is an ordinary member of the Board Audit & Risk Committee and the Board Strategy Committee.

OUR VISION

We shall be a sustainable water utility providing sufficient and affordable quality water to all stakeholders.

OUR MISSION

We shall provide quality water and related services to the satisfaction of all stakeholders, taking cognisance of the environment, scarcity of and dependency of all on water.

OUR BRAND PROMISE

Water for All, Forever!

STRATEGIC VALUES

I C T I A

Integrity

Customer Focus

Teamwork

Innovation

Accountability

WHAT WE DO

According to Article 100 of the Namibian Constitution, natural resources, including water and land, are State properties. Therefore, the Government is responsible for ensuring access to water to satisfy Namibians' fundamental human needs and, as the custodian of Namibia's natural water resources, to enable sustainable development.

NamWater's mandate includes the requirement to satisfy this commitment and implement its policies. The Namibia Water Corporation, as represented by its Board of Directors, is the commercial entity in charge of water supply (bulk) to the Namibian nation, with the Government of Namibia as its sole shareholder.

As the nation's largest supplier of water and water-related services to industries, the Water Utility also delivers water to secondary rural pipelines, servicing communities through the Division of Water Supply and Sanitation Coordination under the Regional Councils following delegation from the Ministry of Agriculture, Water, and Land Reforms Department of Water Affairs.

FUNCTIONS

NamWater's functions, as described in the Namibia Water Corporation Act, of 1997, are as follows:

- Explore, develop and manage water resources for water supply;

- Acquire, plan, design, construct, extend, alter, maintain, repair, operate, control, and dispose of waterworks; supply water to customers within and outside the border of the Republic of Namibia;
- Investigate, research, and study matters relating to water resources, waterworks, and the environment;
- Take such action as the Corporation may consider necessary or as the Minister may direct, to conserve or augment water resources in Namibia;
- Render services, provide facilities and lease rights, subject to the payment of relevant charges;
- Establish training facilities and train personnel; and
- Perform any other function that may be necessary or expedient to achieve the Corporation's objects.

OVERVIEW

Overview of NamWater's Operations

The mandate poses a significant challenge since it requires addressing water demands through water supply solutions, including for those living vast distances from water sources. NamWater employs various innovative methods, ranging from complex to highly expensive solutions, to supply water to various customers.

Infrastructure maintenance is essential to the strategic actions inherent in the Corporation's continuous operations. For the period under review, external spending on maintenance was N\$77 million.

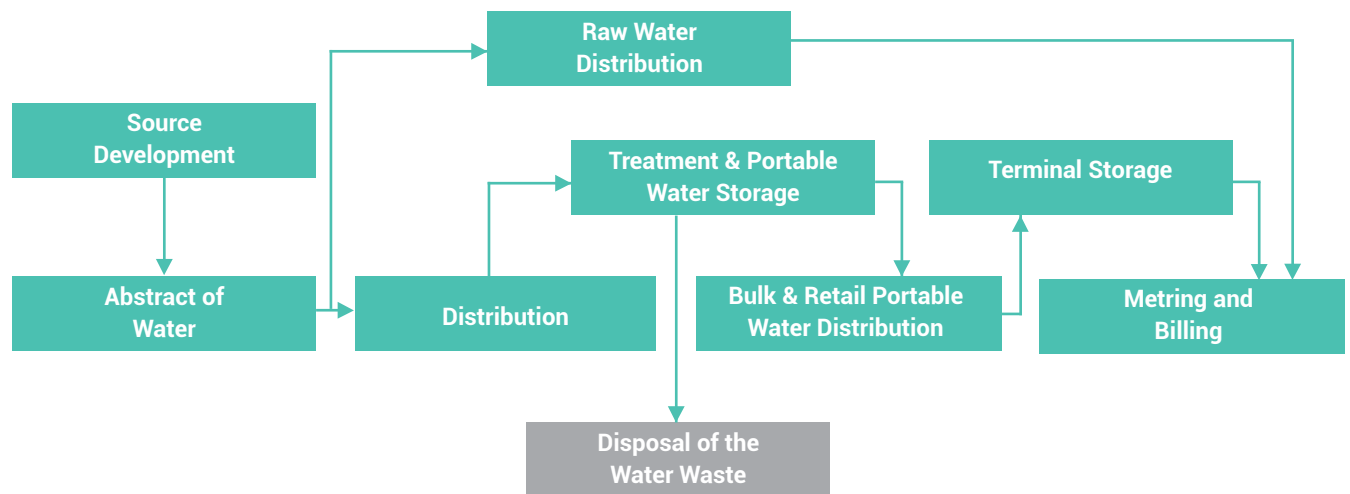
The product supplied by NamWater is available in two varieties: raw water, which is untreated water, and potable water, which is treated water. The process of supplying water consists of developing the water source, whether surface or underground sources, raw water abstraction, transportation of raw water to treatment facilities, raw water treatment, transportation of treated water to distribution facilities, and metering make up NamWater's supply chain.

NamWater's infrastructure, which includes dams, reservoirs, pipelines, and purification plants, is expensive to construct and maintain, so delivering water is expensive. One of the major barriers the Corporation faces is that many Namibians do not reside in areas where water is easily and readily accessible.

This results in the Corporation constructing pipelines over a long distance to ensure that water is supplied to such areas. NamWater operates on a cost-recovery basis, meaning that it recovers money spent on the water supply to customers, which includes, among other things, the development of water infrastructure and schemes and the continuous operation and maintenance of such infrastructure.

Water conveyance to remote areas of our country, which are often difficult to access, requires electricity, one of the greatest financial burdens on NamWater. Incremental tariff concessions the Corporation receives from the Government do not always cover the service's actual cost.

The Corporation strives with the limited resources at its disposal to keep the water flowing while maintaining an aging infrastructure. Considering all the factors involved, it is a remarkable achievement that the average NamWater tariff is only N\$0.02 per litre, while the average cost per litre of water from commercial outlets is N\$10 per litre. This demonstrates that potable water supplied by the Corporation at cost is indeed affordable, despite the increasing input cost.

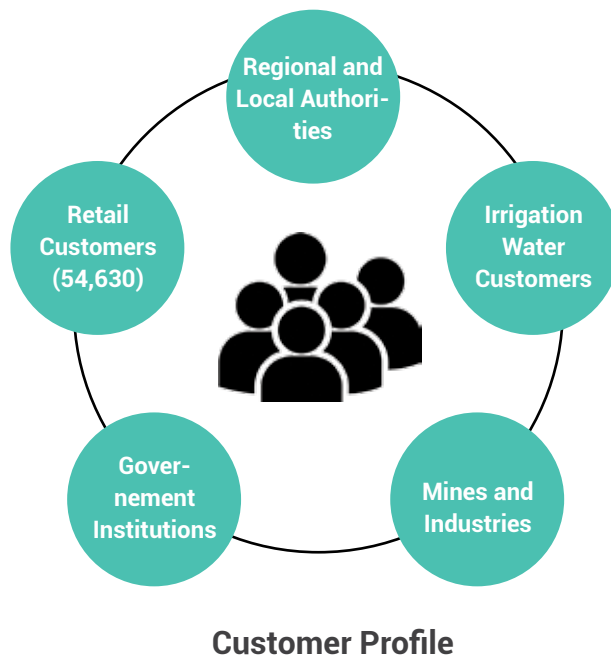


NamWater's Operational Model

NamWater's Customers

Supplying water in large quantities to large customers is NamWater's main goal. These customers are:

- Regional and Local Authorities;
- Government institutions;
- Irrigation water customers
- Mines and Industries; and
- Retail customers.



Government ministries and other agencies

Governmental institutions have grown over time into necessary service providers at the regional level through decentralization. Healthcare services at border posts are one such achievement. As newer facilities such as the border posts are being developed, newer water supply methods must be implemented to provide Government services in remote locations. Because relatively few people may live in these regions, the interventions needed to address their needs are expensive. Even though the corporation has received significant funding from the central government to launch these programmes, various agencies' late payment of water services has emerged as a common issue. The demand for water supply has increased due to the proliferation of new settlements and growth centres in the country. The Corporation and the regional councils collectively ensure that water is supplied as demanded within these areas, while working together to produce a better strategy to deal with payment for water services provided.

Mines and other industries

Thirty-three percent of the water supplied to mines in Namibia comes from the Water Utility. Since the Corporation must balance the sustainability of the available resources and the demand for these mines, this task is frequently tricky. NamWater must consider the principles outlined in the Water Supply and Sanitation Policy, prioritizing human consumption more than industrial processes. In addition to the aforementioned, NamWater is mandated to ensure that government initiatives towards national development and industrialisation are attained to grow the country's economy. Therefore, cognisant that NamWater is one of the enablers of national development, the Corporation maintains constant communication with mines to assist them in streamlining their water needs.

Other industrial customers continue to choose NamWater as their supplier of choice, including processing facilities that constantly need significant amounts of water. Water supply to mines and businesses aids the Government in achieving its industrialisation-related national development goals.

Regional and local authorities

Fifty of the 55 local authorities in the country receive water from NamWater. Outjo, Omaruru, Tsumeb, Grootfontein, and Koë's are the five local authorities NamWater does not provide water because they already had their own supply systems before NamWater was established. Other towns in this category evolved into mine towns and had their own water supply infrastructure built by the mining firms.

Retail customers

Although the Corporation's mandate does not explicitly call for supply to individual customers, denying requests from users close to NamWater's pipes and schemes has proven challenging. The individual customers supplied by NamWater directly increased from 839 in 2006 to 54,630 in 2023/24. These circumstances have necessitated an ongoing focus on providing excellent customer service and efficient resource management. Demand for expanding the Corporation's services has also increased because of the growth of peri-urban settlements.

Irrigation water customers

NamWater supplies irrigation (raw) water to farmers in various designated areas nationwide. This water is supplied to multiple irrigation farmers in the Business Unit South and Business Unit North West.

Strategic Drivers

Five strategic themes

- We care
- We secure water
- We attract quality
- We are efficient
- We grow through innovation

Capital inputs

- Relationship capital - Quality relationships with clients, employees, regulators, authorities and society
- Intellectual capital - Sum of NamWater's knowledge-based intangibles
- Financial capital - Pool of funds available for the supply of water services at affordable prices
- Human capital - Employees facilitate relationships and drive business performance
- Social capital - Brand and reputation, driven by corporate social responsibility initiatives
- Natural capital - Renewable and non-renewable resources in the environment

Capital outcomes

- Financial capital (Financial perspective)
- Operational capital (Internal processes perspective)
- Natural capital (Customer perspective)
- Human resource capital (Talent and technology perspective)
- Intellectual capital (Talent and technology perspective, R&D)
- Social capital (Stakeholder perspective)

Value propositions

By focusing on outcomes, we can create shared value for all our shareholders:

- **For customers** - Daily supply of high-quality water at affordable prices to households, for drinking, cleaning and cooking, as well as to commercial enterprises to ensure their long-term sustainability;
- **For employees** - Helping employees to learn and to earn, innovate and grow, as responsible stewards of Namibia's water resources;
- **For our shareholders:** We are fulfilling our mandate to provide quality water at affordable prices to Namibians and, through this service, assist the Government in achieving Vision 2030, HPP II, and NDP5 goals.



HIGHLIGHTS OF THE YEAR

Strategic Overview: 2023/24 Financial Year

The 2023/24 financial year has been a pivotal period for NamWater, characterised by strategic advancements that have reinforced our role as a leader in sustainable water solutions for Namibia. This section outlines the key strategic initiatives that have shaped our progress and set the foundation for our future growth.

Strategic Rebranding Initiative

A major milestone during this financial year was NamWater's successful rebranding. This strategic endeavor aligned our corporate identity with our long-term vision of "Water For All, Forever!" This rebranding effort was not merely cosmetic; it represented a comprehensive transformation designed to modernize our image, enhance brand recognition, and solidify our position within the market.

The process was meticulously crafted through extensive stakeholder engagement, ensuring the new brand identity resonates with internal and external audiences. A cornerstone of this initiative was the development of a comprehensive branding manual, which now serves as a strategic guide for consistent brand application across all communications and platforms. This manual is instrumental in maintaining the integrity of NamWater's brand, ensuring that every representation of the company reflects our core values and strategic mission.

Corporate Social Investment: Strategic Community Engagement

In alignment with our commitment to social responsibility and community development, NamWater strategically expanded its Corporate Social Investment (CSI) initiatives throughout the 2023/2024 financial year. These initiatives were targeted at fostering sustainable development across Namibia, reflecting our dedication to supporting projects that align with our vision and contribute to the well-being of our communities.

NamWater's CSI investments during this period amounted to N\$1,121,941, strategically allocated to key initiatives that included:

- Independence Day Commemoration: N\$139,000
- Khomas Governor Social Fund: N\$50,000
- Namibia University of Science and Technology's TVET Conference: N\$36,250
- World Wetlands Day Commemoration: N\$50,383.15
- City of Windhoek Mayoral Trust: N\$30,000
- Otjozondjupa Regional Debate Team: N\$7,800
- Namibia Training Authority's World Skills Competition: N\$50,000
- State-Owned Enterprises Games: N\$160,000
- Opuwo Annual Trade Fair: N\$5,000
- Never Walk Alone Initiative: N\$50,000

These strategic investments were carefully selected to enhance NamWater's impact within the community. They focus on areas that promote education, environmental sustainability, and social welfare.



These efforts have not only strengthened our relationship with the communities we serve, but have also reinforced NamWater's reputation as a socially responsible and community-focused organisation.

Strategic Commitment to Sustainable Growth

The 2023/24 financial year has been marked by strategic growth and initiatives that underscore NamWater's unwavering commitment to innovation, community development, and sustainable water management. The strategic rebranding and enhanced Corporate Social Investment engagement are not merely accomplishments but pivotal elements in our long-term strategy to achieve our vision of providing reliable and sustainable water solutions for all Namibians. As we look to the future, NamWater remains steadfast in its mission to drive sustainable development and deliver on its promise of "Water For All, Forever!"

Operations Department Highlights

The 2023/24 financial year was marked by strategic successes within NamWater's Operations Department, highlighting our ability to effectively manage and sustain water supply services across Namibia despite significant challenges. This section provides a strategic analysis of the key operational achievements that have contributed to our mission of ensuring reliable water provision to a diverse customer base.

Strategic Customer and Stakeholder Engagement

Throughout the year, NamWater significantly emphasised enhancing customer and stakeholder engagement. A dedicated action plan was implemented to ensure continuous and effective customer interaction. This strategic focus on engagement not only strengthens relationships but also aligns our operational goals with the needs and expectations of our stakeholders, fostering a collaborative approach to water management.

Strategic Asset and Infrastructure Management

The year also saw considerable attention toward improving asset and infrastructure care, a strategic initiative to lay the groundwork for future enhancements in supply reliability. By prioritising the maintenance and optimisation of our infrastructure, NamWater ensures that our systems remain robust and capable of meeting future demands, which is essential for sustaining long-term operational success.

Exemplary Resource and Water Quality Management

Resource management across Namibia's water supply schemes was exemplary, reflecting NamWater's strategic commitment to operational excellence. Two thousand nine hundred water quality samples were taken throughout the year to ensure compliance with stringent water quality standards. The results were commendable, meeting the 95 percent standard in four out of five business units, confirming that the tap water provided by NamWater across Namibia is safe for consumption.

Strategic Operational Excellence

The achievements of the Operations Department during the 2023/24 financial year highlight NamWater's strategic resilience and capability in managing the nation's water resources. From successfully managing water supply schemes under challenging conditions to proactively developing strategies addressing water supply in Central Namibia, NamWater has demonstrated a strong commitment to operational excellence. As we look ahead, these strategic initiatives will continue to guide our efforts in delivering reliable, safe, and sustainable water solutions to all Namibians.

Information Communication and Technology Highlights

During the 2023/24 financial year, the Office of Information Communication Technology (ICT) achieved several strategic milestones that have significantly strengthened NamWater's technological infrastructure and operational efficiency. These initiatives support the Corporation's long-term growth and digital transformation objectives.

Data Centre Storage Capacity Upgrade

A major upgrade to the data centre's storage capacity was successfully implemented, representing an essential advancement in NamWater's data management capabilities. This enhancement not only improved system reliability, but also positioned the Corporation to accommodate future growth. By expanding our storage infrastructure, NamWater is better equipped to manage increasing data volumes, ensuring seamless operations and bolstering our capacity to adapt to evolving technological demands.

Deployment of Advanced Handheld Meter Reading Devices

NamWater rolled out advanced handheld meter reading devices across the Zambezi, Kavango, and North Business Units – this strategic initiative aimed to improve billing accuracy by reducing human errors and enhancing data precision. The deployment of these devices marks a critical step toward optimising our operational processes, ensuring that NamWater continues to deliver accurate and reliable billing services to our customers.

ICT Enhancements

The ICT milestones achieved during the 2023/24 financial year underscore NamWater's strategic focus on leveraging technology to improve operational efficiency and data management. These advancements support the Corporation's mission to provide reliable and sustainable water solutions for all Namibians. As NamWater continues to evolve, these ICT initiatives will play a vital role in enhancing the Corporation's capacity to meet future challenges and opportunities.

Internal Audit and Risk Management Highlights

Strengthening Internal Audit Capacity

Delivering on the mandate of the Internal Audit division needs to be strengthened to enable the Corporation to ensure a continuous process of providing assurance to the Board on the adequacy and effectiveness of the internal controls.

Advanced Risk Management Initiatives

The Risk Management Unit excelled in its strategic role by implementing a proactive and systematic risk identification and analysis approach. The unit significantly enhanced NamWater's risk management framework through continuous, interactive engagement with management. This approach has fortified the Corporation's ability to respond swiftly to potential threats, ensuring greater organisational agility and resilience. By advancing our risk management practices, NamWater is better positioned to navigate the complexities of the operational environment and sustain its strategic objectives.

Engineering Services Highlights

The Engineering Services Department was pivotal in advancing NamWater's infrastructure development goals during the 2023/24 financial year. Through strategic planning and execution, the Department made significant strides in enhancing water infrastructure across Namibia.

Design Finalisation and Contract Awards

A key achievement was the successful finalisation of designs and the awarding of contracts for two major projects: the Rundu Water Treatment Plant and the Ohangwena II Aquifer project. These projects are critical to expanding and improving Namibia's water supply infrastructure, addressing current and future needs. Completing these design phases and the subsequent contract awards represent significant progress in NamWater's commitment to enhancing water security and reliability for all Namibians.

Clearing Design Backlogs

The Engineering Services Department also comprehensively cleared design backlogs during the period under review. This accomplishment allowed several delayed projects to move to the construction tender stage, accelerating the implementation of vital water infrastructure developments. By addressing these backlogs, the Department has significantly contributed to the timely execution of projects essential for meeting the country's water supply needs.

Engineering Services Enhancements

The strategic achievements of the Engineering Services Department during the 2023/24 financial year underscore NamWater's commitment to strengthening Namibia's water infrastructure. Successfully finalising key project designs and clearing design backlogs are crucial in ensuring the timely and efficient delivery of water solutions nationwide. As NamWater continues prioritising infrastructure development, the Engineering Services Department will remain at the forefront of efforts to provide sustainable and reliable water services for all Namibians.

Strategy and Corporate Affairs Highlights

The 2023/24 financial year marked a substantial transformation within NamWater, led by the Strategy and Corporate Affairs Department. The department's strategic initiatives have enhanced organisational efficiency and positioned the Corporation for sustainable growth.

Implementation of the Organisational Re-Alignment Programme

A cornerstone of the year's achievements was the successful implementation of the Organisational Re-Alignment Programme. This comprehensive initiative was meticulously designed to refine NamWater's internal structure, aligning processes, roles, and responsibilities more closely with the Corporation's overarching mission and strategic objectives. The re-alignment programme involved a thorough review and restructuring of critical areas, ensuring that NamWater's operations are streamlined, agile, and better equipped to meet the demands of a dynamic operating environment.

Enhanced Efficiency and Collaboration

The re-alignment programme has yielded significant improvements in operational efficiency and inter-departmental collaboration. By fostering a culture of continuous improvement, the initiative has optimised resource allocation and strengthened NamWater's capacity to address emerging challenges and opportunities. This transformation has enhanced the Corporation's internal cohesion and reinforced its ability to execute its mandate effectively, thereby contributing to long-term sustainability.

Strategic Re-Alignment for Sustainable Growth

The strategic initiatives the Strategy and Corporate Affairs Department spearheaded during the 2023/24 financial year have driven NamWater's ongoing transformation. The successful implementation of the Organisational Re-Alignment Programme underscores the Corporation's commitment to excellence and sustainable growth. As NamWater continues to evolve, these efforts will ensure that the Corporation remains resilient, agile, and well-positioned to achieve its long-term strategic goals.

Finance, Reporting and Procurement Highlights

Finance compliance programme

This strategic initiative hinges on ensuring that NamWater complies with all laws and regulations which have a financial impact. The main initiative is to ensure that the Public Procurement Act is complied with, and the financial reporting requirements are met. NamWater, through efforts from different departments, managed to achieve an acceptable compliance level during the reporting period.

Implement the NamWater Infrastructure financing strategy

The financing strategy aims to ensure that NamWater has enough resources to manage current operations, and future replacement of infrastructure. To achieve this, collection of funds from customers was prioritised during the period. Other initiatives included sourcing external funding to help struggling local authorities to pay for their water. We were able to jointly with NamPower secure funding from the MURD to help the local authorities.

NamWater timeously submitted a request for the approval of revised tariffs for the 2024/24 financial period. The outcome of this application is still pending from the Ministry. At the back of all this, NamWater maintained its Fitch credit rating, which is a major key requirement when sourcing external funding.

Optimise finance processes and procedures

Several business processes were drafted during the financial period and are not yet approved internally for submission to the Board. In addition to this, the finance department is delegated to ensure that all procurements, disbursements and billing and collections are conducted within approved processes and procedures. Much work is required to achieve a positive score on this initiative.

Scientific Services Departmental Highlights

The Scientific Services Department was pivotal in managing Namibia's scarce water resources during the 2023/24 financial year. Through a series of strategic initiatives, the Department made significant strides in enhancing water security and improving service delivery across the country.

Securing Additional Water Resources

In response to Namibia's pressing water scarcity challenges, the Scientific Services Department successfully identified and secured new water sources in critical regions. This achievement highlights NamWater's proactive approach to ensuring water availability, particularly when resources are most constrained. By expanding the water supply network, the Department has strengthened NamWater's capacity to meet the growing demand for water in various parts of the country.

Improving Water Treatment

The Department focused on optimising the performance of existing water treatment plants, leading to a marked improvement in water quality, particularly in previously underserved regions. This effort not only enhanced the reliability of water supply, but also ensured that the water delivered meets the highest safety and quality standards. The Department's commitment to operational excellence has directly contributed to better health outcomes and improved quality of life for the affected communities.

Securing Environmental Authorisations

In line with NamWater's commitment to sustainable development, the Scientific Services Department secured environmental authorisations for crucial water infrastructure projects. These approvals are essential for ensuring that new developments are carried out in an environmentally responsible manner, minimising the ecological footprint of water management activities, while facilitating the expansion of critical infrastructure.

Deploying Advanced Metering Solutions

The Department deployed advanced metering solutions to optimise water usage and enhance operational efficiency. These modern technologies have improved the accuracy of water consumption data, enabling more effective resource management and reducing wastage. This initiative aligns with NamWater's broader sustainability and resource efficiency goals, ensuring water use is carefully monitored and controlled.

Commitment to Sustainable Water Management

The achievements of the Scientific Services Department during the 2023/24 financial year underscore NamWater's dedication to sustainable water management and continuous improvement. The Department has played a crucial role in enhancing Namibia's water security by securing additional resources, improving water treatment processes, obtaining critical environmental authorisations, and implementing advanced metering solutions. These efforts ensure that NamWater is well-positioned to meet the nation's current and future water needs while upholding the highest standards of environmental stewardship.

Human Resources Development Centre (HRDC) Highlights

The Human Resources Development Centre (HRDC) made substantial strides in enhancing vocational education and training during the 2023/24 financial year. These strategic initiatives have significantly bolstered NamWater's capacity to develop a skilled workforce aligned with national and industry needs.

Accreditation and Compliance Milestones

A key achievement for the HRDC was securing crucial accreditations and registrations, underscoring the Centre's commitment to maintaining the highest standards in vocational education. The Namibia Qualifications Authority (NQA) granted a two-year accreditation (June 2023 - June 2025), and the Namibia Training Authority (NTA) registered the Centre for three years (July 2023 - July 2026). These accreditations ensure that the HRDC's programmes meet national educational standards, positioning the Centre as a leading institution in vocational training.

Enhancing Training Quality and Capacity

In line with regulatory requirements, the HRDC achieved a significant upgrade in the qualifications of its trainers, with 50 percent now meeting the required Level 4 standards. This improvement enhances the quality of instruction and ensures that trainees receive relevant and rigorous education. The Centre also strategically absorbed nine contract employees, strengthening its capacity to deliver on its training mandate.

Financial Sustainability and Resource Mobilisation

The HRDC demonstrated robust financial management by securing critical funding to support its operations and growth. The Centre opened a dedicated HRDC bank account, facilitating better financial oversight and accountability. Key funding approvals were obtained, including N\$9,301,600 for past financial years (FY21/22 and FY22/23), N\$2,140,600 for FY23/24 and FY24/25 from the NTA, and N\$3,792,000 from NSFAF covering FY17 to FY24. These financial resources are crucial for sustaining the Centre's activities and expanding its impact.

Strategic Partnerships and Industry Engagement

The HRDC strengthened its industry engagement efforts, securing seven job attachments for trainees. These partnerships are vital for providing practical experience, enhancing employability, and ensuring that the Centre's training programmes align closely with industry needs. Additionally, a noteworthy agreement with the Ministry of Health and Social Services was established to provide trainees with access to counseling services, demonstrating a commitment to the holistic development of students.

National and International Recognition

The HRDC's excellence in vocational training was nationally recognised through its outstanding performance at World Skills Namibia. The Centre secured three prestigious awards: a Bronze in Electrical, a Medallion of Excellence in Bricklaying and Plastering, and the first-place Best Exhibitor award. These accolades reflect the HRDC's leadership in vo-

cational training and its dedication to fostering high technical and vocational education standards in Namibia.

Advancing Vocational Training Excellence


The HRDC's achievements during the 2023/24 financial year highlight NamWater's strategic commitment to advancing vocational education and training in Namibia. By securing key accreditations, enhancing training quality, mobilising financial resources, and forging strategic partnerships, the HRDC is well-positioned to continue driving excellence in vocational training. These efforts contribute to NamWater's mission and support national development goals by equipping a skilled workforce ready to meet the challenges and opportunities of the future

Business Development Highlights

- Drafting of Business Development & Business Diversification Policy
- New telecommunication site rental agreements



Clarifiers at Von Bach Purification Plant.



**2 ENVIRONMENTAL, SOCIAL AND
CORPORATE GOVERNANCE
REPORT**

INTRODUCTION

ESG Framework

The Corporation has for some time now, operated in a corporate environment in which reporting in terms of the triple bottom-line approach was essential and was adopted. Reporting in terms of the triple bottom-line focused on three key pillars extrapolating to the Corporation's operations, i.e. Customers and Communities; Economical sustainability of the Corporation and the natural environment within which we operate. The natural environment pillar plays the pivotal role in the availability and sustainability of the resource supplied by the Corporation, which is water.

Sustainability Reporting

Sustainability reporting has its roots in institutions' commitment to ensuring that the future is sustained by implementing changes to how businesses interact with the environment and society and by recognising and securing funding for actions that need to be taken to ensure preservation for the future.

Sustainability can thus be achieved through:

- The implementation of water projects that are not harmful to the environment and do not pose future threats to the environment; the above can be achieved through securing and committing funds to clean projects; and
- A transparent reporting process would allow the stakeholders to judge the corporation's contribution to a sustainable future.
-

UN Sustainable Development Goals – Pillars 5 and 6

The United Nations Sustainable Development Goals have been adopted worldwide as the pillars of development, and water as an enabler is mentioned in at least two of the 15 pillars of such developmental goals: Goal 5, which refers to 'Gender Equality', and Goal 6, which aims to achieve 'Clear Water and Sanitation'.

Without the two key pillars where water plays a pivotal role, the other 15 Sustainability Development Goals cannot be achieved.

The significance of water being essential to development indicates the crucial role that water plays and vis-à-vis calls for effort and huge investments by the Corporation towards a sustainable future.



Updates on the 3 Pillars – Environment, Social, and Governance

Environmental Pillar

Legislative Framework for Environmental Management

The Namibian Constitution in Article 95 (l) provides that:

“The State shall actively promote and maintain the welfare of the people by adopting, inter alia, policies aimed at the following:

(l) *maintenance of ecosystems, essential ecological processes and biological diversity of Namibia and utilisation of living natural resources on a sustainable basis for the benefit of all Namibians, both present and future; in particular, the Government shall provide measures against the dumping or recycling of foreign nuclear and toxic waste on Namibian territory.*”

The Corporation in terms of its enabling Act i.e. Section 6 (1) of Act 12 of 1997 is mandated to *“explore, develop and manage water resources for water supply”*. In doing this, the Corporation has a duty *“to conserve and protect water resources and take steps to safeguard the environment from damage, destruction or degradation”*. Its protection is further entrenched in the Corporation's mandate in the Corporation's enabling Act i.e. the Namibia Water Corporation Act 12 of 1997, where in section 5 (a) the Corporation is entrusted by legislation to provide water to its customer, *“...in sufficient quantities, of a quality suitable for the customers' purposes, and by cost-effective, environmentally sound and sustainable means”*.

The Corporation endeavours to give effect to the above critical provisions of its enabling Act by:

Compliance to Environmental Management Act 7 of 2007

The Environmental Management Act was promulgated in 2007, with the primary aim expressed in its preamble to *“...promote the sustainable management of the environment and the use of natural resources by establishing principles for decision-making on matters affecting the environment”*.

“Water use and disposal” having been determined as a *“listed activity”* in section 27 (2) of the Environmental Management Act, means that such activities may not be undertaken without an environmental clearance certificate. This means that for every water supply project NamWater intends to commission, an environmental clearance certificate must be obtained after environmental impact assessment. The environmental assessment process must be carried out in terms of the process set out in Part VIII of the Act starting with section 32.

The Act, among other things, provides for the sustainable utilisation of natural resources, of which water is a valuable resource the Corporation has been mandated to manage in the country. At NamWater, we pride ourselves on following the law requirements set out in Parts VI-IX of the Act, which deal with developing environmental plans and conducting environmental assessments concerning listed activities.

To that end, during the period under review, 78 Environmental Impact Assessments were conducted, and 78 Environmental Clearance Certificates were approved and received from the Ministry of Environment, Forestry, and Tourism. The Corporation has also adopted an operational regime in which doing business following the approved Environmental Management Plans for key water supply projects has become the only accepted modus operandi.

Compliance to Water Resources Management Act 11 of 2013 (WRMA)

The Environmental Management Act was enacted in 2013, although it was only operationalised on 29 August 2013. It replaced the archaic Water Act (Act 54) of 1956 as the current one. In terms of its preamble, the primary purpose of the WRMA is to *“provide for the management, protection, development, use and conservation of water resources; and to provide for the regulation and monitoring of water services.”*

The WRMA provides for sustainable utilisation of water resources through the following provisions:

- provides for the management, protection, development, use, and conservation of water resources by establishing guidelines for sustainable use and management;
- emphasises Integrated Water Resources Management practices, which consider social equity, economic efficiency, and environmental sustainability;
- establishes the Water Advisory Council to advise on water related matters, including sustainable utilisation and conservation;
- establishes Basin Management Committees to coordinate water management at the basin level, thereby promoting sustainable practices and addressing regional water challenges; and
- addresses water pricing, ensuring fair and efficient cost recovery, while encouraging responsible water use.

Government Notice No. 8187 of 2023 brought the 2013 Water Act into effect on 29 August 2023, effectively ending years of uncertainty after the Act was passed by Parliament and signed into law by the President in 2013. During the almost ten-year period between December 2013 and August 2023, it had sometimes been difficult to ascertain the country's position regarding the key legislation governing the Namibian nation's water supply.

It is comforting to note that the Water Resources Management Act 11 of 2013 brings with it key attributes, which are aimed at maintaining the sustainability of the fragile ecosystem that nurtures the often-finite water resources the Corporation has been entrusted with. Upon implementation of the WRMA during the period under review (on 29 August 2023), the Corporation needed to understand the compliance requirements entrenched in the newly implemented Water Act.

For that purpose, on 31 October 2023, a consultative workshop was held at the Namibia Institute of Public Administration and Management (NIPAM) and was attended by employees from all levels within the Corporation; there the Legal Services Division had an opportunity to take the Corporation through the key compliance requirements in the WRMA and assign ownership of such compliance requirements to various departments within NamWater

The key areas for compliance from that exercise as incorporated in a memorandum signed by the Chief Executive Officer were as follows:

- Formalising the Governance Framework for Operations and Maintenance
- Formalising the Governance Framework for Operations and engineering for dam Maintenance and Drawings
- Tariff Determination
- Human Resource Capacity
- Exemption Applications for Labs and Water Treatment Facilities
- Clause for Authorisation for State Borehole Property
- Booklet for farmers on the entry of NamWater officials on their properties
- Expropriation of Land for Purposes of Development of Water Supply Infrastructure

- Updating Considering Climate Change for Artificial Recharge Schemes
- Consideration of other Legislation and Permit Requirements
- Consideration of other Legislation and Permit Requirements (Boreholes)
- Formalisation of Water Supply Agreement
- Legal Owner Responsibilities and WRMA Guideline
- ARS Risk Assessment (Regulations 54-62)
- Formalisation Think-Tank for Business Model Alignment
- Maximising the Advantage for Mandate Fulfilment
- Collective Responsibility in Stakeholder Sensitisation
- Water Quality Standard and Consideration for New Standards

After the workshop, the CEO issued a memorandum to management assigned departmental heads to spearhead the exercise to ensure compliance to the Water Resources Management Act 11 of 2013, and the Corporation has committed at the highest level to drive such compliance.

Exploring Sustainable Water Supply Solutions – Desalination

Globally, water resources (especially underground) have become increasingly scarce. This phenomenon is truest in the dry arid conditions that dominate most of Namibia's landscape, thereby challenging the sustainable water supply to Namibian communities.

The Central Coastal Areas of Namibia is currently the most water stressed area in Namibia, especially considering that the area is also home to some of the country's largest mining operations. As a result, desalination has become critical for ensuring the future of humanity due to diminishing fresh water sources and availability affected by climate change.

According to statistics from the International Desalination Association (IDA), in 2023, desalination provided about 1 percent of the world's drinking water, and this percentage is growing. Therefore, desalination is considered a critical technology for humanity to allow for sustainable development. The IDA further points out that there are approximately 22,000 desalination plants worldwide, of which only nine are in Africa. The total production capacity of these plants is about 97.4 million m³/day.

Mining is a highly water-intensive industry, with mining operations in the political region of Erongo making up more than 50 percent of the region's water demand. That being the case, since 2013, when NamWater signed its first contract to be supplied with desalinated water by a privately owned desalination plant at Wlotzkasbaken, all industrial users have been provided with desalinated water to safeguard finite groundwater sources.

As a principle, all groundwater sources are dedicated to Local Authorities, while mines and industries are supplied bulk water from desalinated water sources. This has been the case since 2013. The coastal mines currently in operation, i.e. Husab Mine, Rössing Uranium Mine and Langer Heinrich Uranium Mine, are supplied by NamWater with desalinated water from the Orano Desalination Plant, which is a situation expected to continue for the short to medium term.

The total current demand from existing mining customers is about 14.4 Mm³/annum, which is currently met via the supply from the Orano Desalination Plant. The expected future demand, including mining projects going through various stages of feasibility studies leading towards investment decisions to mine, will be 14.4 Mm³/annum plus an additional demand of circa 10 Mm³/annum when such projects come online.

The total short- to medium-term coastal mining water demand is therefore about 24 Mm³/annum.

The Orano Desalination Plant has a current installed capacity of 20 Mm³/annum, which can be expanded by another 5 Mm³/annum with minor investments. This means that in the short to medium term, there will be adequate water to supply the existing mines and the mining projects that are about to commence mining and have approached NamWater for water demand assessments.

During the period under review, the Corporation spearheaded the Implementation of the SS1 Desalination Plant project, which was approved by the Cabinet in July 2021 and aimed at carrying out Cabinet directives.

The key activities which were part of this exercise were:

- Appointment and Engagement with the Transaction Advisor to develop the concept – a Technical Advisor was appointed, and service engagement is underway.
- Securing the land for the project: An application for the subdivision of land at Wlotzkasbaken is currently pending at the Urban and Rural Planning Board.
- Completing the Environmental Social Impact Assessment (ESIA) – the EIA process was finalised and issuance of the ECC is pending from the Ministry of Environment, Tourism and Forestry.
- Securing power supply from NamPower for the project: NamPower has been engaged to provide a power supply point for the Desalination Plant at Wlotzkasbaken.
- Obtaining a seawater abstraction permit.
- Carrying out a non-revenue water reduction study in collaboration with coastal Local Authorities.

During the period under review, considerable amount of progress was achieved.

Alternative Energy Solutions

The water supply business in a country like Namibia is highly energy intensive, requiring water pumping over vast distances to reach often small but remote communities

During the period under review, the Corporation received a report from consultants led by the Namibia University of Science and Technology (NUST) on a project to provide consultancy services for investigating the viability and suitability of deploying renewable energy as an alternative source of energy to power NamWater's water supply schemes, to reduce energy costs.

The objectives of this project were to:

- Guide NamWater through the electricity supply industry regulatory framework regarding renewable energies;
 - Develop a renewable energy software model for a water supply system;
 - Assess viability of renewable energies for water supply schemes;
 - Assess renewable energy risks; and
 - Develop a renewable energy (and energy efficiency) policy for NamWater.
- In terms of this study, it was concluded that deploying renewable energy into NamWater's water supply systems has the potential to:
- Enhance energy security;
 - Reduce operational cost and therefore reduce water tariffs; and
 - Contribute to environmental sustainability.



Social Pillar

Water as an enabler

As evidenced in the UN Sustainable Development Goal No. 5, no human life can exist without access to safe and sustainable water supply.

Stakeholder Management for the Water Sector Support Programme I (WSSP1)

During the period under review, the Corporation witnessed the operationalisation of the Water Sector Support Programme I, in terms of which the Government of the Republic of Namibia made available financial resources over N\$3 billion to replace old water supply infrastructure and access new water resources such as the Ohangwena II aquifer. These efforts aim to increase the country's resilience despite climate change.

To provide an inclusive environment for the development of key projects which are part of the WSSP1, during the period under review the Corporation embarked upon a stakeholder engagement drive, aimed at ensuring that the communities to be served by the new water supply schemes are well informed about the developments being carried out in their regions.

Land Rights

To supply water to Namibian communities, the Corporation abstracts underground water resources from aquifers, often situated underneath land owned under different ownership regimes, such as private, state, and communal stakeholders as empowered by section 7 of the NamWater Act (Act 12 of 1997), which enables the Corporation to access land anywhere in Namibia, to prospect for water resources. The same provision makes it an offence for any person to hinder representatives of the Corporation from doing their work, but despite that the negotiations for access to land to explore water resources remains a delicate exercise which often delays water supply projects aimed at alleviating water shortages in water stressed areas.

During the period under review, as part of efforts of the Corporation's Land Rights Division, the Corporation handled 40 Land Rights matters, of which 18 were resolved amicably, while 22 remain ongoing and the Land Rights Division is attending to them.

As part of managing the Corporation's interests in protecting bulk water supply infrastructure, representatives of the Corporation serve on the Urban and Rural Planning Board (URPB), a statutory body established by an Act of Parliament, the Urban and Regional Planning Act (Act No 5 of 2018). The Act aims to regulate the laws relating to urban and regional planning and provide for a legal framework for spatial planning in Namibia.

During the period under review, 12 meetings of the URPB were held, and the Corporation was duly represented. The Corporation's interest in this is to ensure that bulk water supply infrastructure is considered during planning for water resources.

The scourge of bulk water supply infrastructure being ignored during spatial planning has resulted in many of the Corporation's bulk water supply pipelines being built over, risking security of water supply when the Corporation must access such infrastructure for maintenance or replacement.

Cross-subsidisation of bulk water supply schemes

According to the Lund Report (2008), NamWater, in terms of its enabling Act, is empowered to determine and levy charges on a full cost-recovery basis for water supplied in consultation with the Minister responsible for water to generate adequate revenue for sustained bulk water supply.

The NamWater Act further provides for subsidised water supply to facilitate access of all Namibians to a minimum water supply, based on discretionary powers to grant subsidies, including cross-subsidies, which are given exclusively to the Minister. Various decisions taken by the Cabinet allow NamWater an area-based cross-subsidisation of consumers to make water affordable to all, irrespective of geographic location. NamWater's operational areas

are now divided into five business units i.e. Central, Central Coastal, South, Northwest and Northeast.

NamWater operates on the "full-cost recovery" principle in supplying water to communities. This means that all costs incurred by the Corporation in supplying water to customers must be recovered from them to sustain the function of bulk water supply, without the Corporation having to resort to the shareholder for its operation and maintenance costs.

According to the applicable policy documents, the Corporation has been allowed to cross-subsidise across water-supply areas, subject to approval by the Minister responsible for water. This situation was meant to prevail until a "water subsidy" is implemented, if tariff increases are implemented before the implementation of water subsidies, taking income levels and the ability to pay into account.

Blended Water Tariffs for Coastal Communities

The Corporation supplies water to Namibia's Central Coastal Areas from three sources: the two groundwater sources of the Kuiseb and Omdel Aquifers and the Orano Desalination Plant, which is owned by a private operator.

Over the years, the sustainability of the groundwater sources has continuously been stretched, with the capacity of the groundwater sources to satisfy the area's demand increasingly diminishing. This necessitated NamWater to investigate obtaining water from different sources, with desalination being identified as the most viable alternative water source to meet the increasing demand in the Erongo Region.

Due to the dwindling groundwater sources described above, in 2013, the Corporation added the Orano Desalination Plant as an additional water source to the region. The desalinated water was brought into the supply mix to primarily respond to the mining water demand in the area.



Although the finite groundwater was then dedicated to the Local Authorities, over the years the water demand from Local Authorities has also surpassed the water available from the groundwater sources, necessitating the Corporation to source some desalinated water to supply communities.

So far, coastal communities are supplied with ± 10 percent of their water needs from desalinated sources, while 100 percent of the mining demand is sourced from desalination. The above scenario has necessitated the Corporation to develop innovative ways of ensuring that water remains affordable to coastal communities, considering that the cost of desalinated water is astronomical compared with the cost of groundwater.

The Corporation then introduced a concept of a “blended water tariff,” in which the communities are only exposed to high desalinated water tariffs to the extent there is a shortfall. For example, during the period under review, the blended tariff resulted in a reasonable tariff compared with the cost of desalinated water when the blended tariff model was applied.

The commitment from NamWater is that this scenario will continue to play out going forward for as long as there is some groundwater available, which we believe will go a long way in keeping water tariffs more affordable, despite the communities living in what is considered a water-stressed area.

Cabinet Committee on Water Supply Security and the Technical Committee of Experts

One of the most important ways the Corporation is accountable to the public is through reporting to the Cabinet Committee on Water Supply Security (CCWSS), a Special cabinet Committee established by His Excellency the Late President Hage Geingob, with the mandate to ensure that solutions are found to the country's dwindling

water resources. While the CCWSS is primarily a political organ comprised of Cabinet members, NamWater management actively participates in the Technical Committee of Experts (TCE), a technical subcommittee of the CCWSS.

Over the years, the CCWSS has done remarkable work, bringing its services closer to the communities it serves. The political leadership of the CCWSS ensures that crucial projects approved for implementation are fully funded and promptly executed once commenced. This approach guarantees communities a consistent and sustainable water supply, minimizing delays and ensuring efficient project completion.

The TCE's efforts averted the water crisis in 2016, and the committee's work facilitated the implementation of Water Sector Support Programme I during the period under review while putting together a second batch of key projects to be incorporated in future funding earmarked for the water sector.

Governance Pillar

Governance refers to a set of systems, some of which are independent from others, that are guided by Terms of References in their interactions, with an overall aim of ensuring objectivity, transparency, and accountability in governing – with an overarching objective of achieving the current and future sustainability of institutions. Following the year-end, a governance agreement was signed by the Honourable Minister Carl-Hermann Schlettwein and the Board of Directors in accordance with the governance public agreement acts.

The set of systems within the Corporation are comprised of:

- the Shareholder, which is the Government;
- the Board of Directors;
- different levels of Management;
- Employees;
- Auditors (both internal and external auditors); and
- the Unions.

All the elements of the system are guided by relevant statutory laws, regulations, policies and procedures in executing their duties.

Board Composition

The board consists of the following directors during the year under review:

- Mr Luther K Rukira - Chairperson
- Mr Maenge Shipiki-Kali - Vice Chairperson
- Mrs Francis Heunis
- Mr Udaneka Nakamhela
- Mr Fanuel Uugwanga
- Mrs Vivienne Kinyaga
- Mr Matty Hauuanga

Board Remuneration

Sitting Fees		
	Board	Subcommittee
Chairperson	N\$14,732.65	N\$6,978.48
Director	N\$8,127.75	N\$4,762.47

Retainer		
	Board	Subcommittee
Chairperson	N\$8,677.14	N\$4,125.68
Director	N\$7,088.18	N\$2,719.33

Directors' Meeting Attendance: 01 April 2023 - 31 March 2024

DIRECTOR'S NAME	BOARD MEETING	AUDIT MEETING	STRATEGY MEETING	HR MEETING	TECHNICAL COMMITTEE	CEO's KPIs	AGM
	(8)	(6)	(6)	(4)	(4)	(2)	(2)
Mr Luther Rukira	8		5				2
Mrs Maenge Shipiki-Kali	8				4		0
Mrs Francis Heunis	8	6		4		2	2
Mr Udaneka Nakamhela	8	6		4		2	2
Mr Fanuel Uugwanga	8		6	4		2	0
Mr Matty Hauuanga	8	6			4		2
Ms Vivianne Kinyaga	8		6		4		1

Board Scheme Visits: 01 April 2023 - 31 March 2024

DIRECTOR'S NAME	VON BACH & SWAKOPPOORT SCHEME	COASTAL SCHEME	NORTHERN SCHEME	SOUTHERN SCHEME	TOTAL ATTENDED
Mr Luther Rukira	X	X	X	X	4
Mrs Maenge Shipiki-Kali		X			1
Mrs Francis Heunis	X			X	2
Mr Udaneka Nakamhela	X	X	X	X	4
Mr Fanuel Uugwanga	X		X	X	3
Mr Matty Hauuanga	X	X	X	X	4
Ms Vivianne Kinyaga					0

Compliance

To ensure that the Corporation executes its mandatory and support functions within the framework of the law and applicable regulations, the Corporation adopted a Compliance Universe, which is a list of Namibian Acts of Parliament, under which the legislation is categorised into "Primary" legislation which refers to those pieces of legislation that are "absolutely relevant to NamWater", "Secondary" legislation which relates to those pieces of legislation that are "important and should be given an owner in terms of compliance", and "Topical" which relate to pieces of legislation that although not too crucial to NamWater, should be taken note of and understood in a NamWater context.

The Compliance Universe is a dynamic document, to which new pieces of legislation are added to as Parliament passes new laws.

FY 2024 Compliance Plan

The Compliance Plan for the financial year which ended on 31 March 2024, needed to be comprehensively covered, with most of the compliance meetings with relevant departments not concluded. The Plan envisaged a compliance calendar comprising compliance review meetings between October 2023 and from October to 24 October.

Instead of running the compliance meetings with the relevant divisions, the Water Resources Management Act 11 of 2013 was prioritised and a major Compliance Workshop was held as discussed in Section 5 of the report. The regular Compliance Review Meetings are envisaged to be held as part of the implementation of the Compliance Plan for FY2025, as depicted in the Plan in Section 6 of this report.

Internal Audit and Risk Management

The Internal Audit Unit, which functionally reports to the Board of Directors through the Board Audit & Risk Committee, has a role to assure audits on the adequacy, effectiveness, and efficiency of internal controls effected by Management. The areas of responsibility over which Internal Audit Unit can audit includes Internal Controls, Risk Management, and Governance activities. The roles, responsibilities and accountabilities are explicitly spelled out in the Internal Audit and Risk Management Charter, a document approved by the Board Audit & Risk Committee.

The Internal Audit Unit is also responsible for the risk management functions. To avoid any possible functional conflicts between internal audit and risk management, the risk management functions for which Internal Audit is responsible are limited to activities that cannot be perceived or can cause actual conflicts between the two roles.

High-level risk management roles performed are:

- The facilitation and management process of Risk Identification
- Risk Analysis with management
- Risk rating and risk ranking – leading the management process
- Risk Log – finalisation and maintenance

To avoid conflicts between internal audit and risk management roles, Internal Audit do not prescribe risk management treatment to Management, or assure risk management processes.



3 ASSURANCE

INTERNAL AUDIT

The Board of Directors is ultimately accountable for overseeing the internal control systems. This responsibility has been delegated to the Board Audit & Risk Committee, a subcommittee of the Board.

The Internal Audit function provides reasonable assurance to the Board, through the Board Audit & Risk Committee, that internal controls are operating effectively. The Internal Audit Charter, approved by the Board Audit & Risk Committee, establishes the purpose, authority, and responsibilities of the Internal Audit Division.

The Internal Audit Charter was revised during May 2024, which was necessary to ensure that the Internal Audit Unit's activities evolve with the professional and practice requirements stated in the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors Southern Africa.

The Internal Audit Unit is responsible for providing ongoing assessments of internal controls to management and the Board of Directors. These assessments ensure that appropriate audit procedures are deployed in the process of testing the adequacy, effectiveness and efficiency of the Corporation's Internal Control systems.

RISK MANAGE- MENT

To enhance and preserve the Corporation's value, NamWater adopted a Risk Management processes. The Corporation follows risk management principles by identifying, evaluating, and prioritising risks. Management considers and implements appropriate risk response plans when considering the management of a specific risk.

Risk management governance

The Board provides governance over risk management; in line with the provision of the King IV Reports on Corporate Governance and as promulgated in the NamCode, which is the Corporate Governance Code for Namibia.

Purpose and place of enterprise-wide risk management function in NamWater

An enterprise-wide risk management process was formally adopted to provide a continuous, proactive, and systematic approach to organisational strategic planning, operational plan execution, and audit. Risk management has been designed to proactively identify potential events that may affect the execution of organisational, departmental, and operational objectives.

To maintain a systematic and guided process of executing the Risk Management Function, a Risk Management Framework has been developed. The Risk Management Framework consists of the Risk Management Policy, Risk Management Procedures, and other defined protocols. The Risk Management Framework is fully operational and continue to provide the much-needed guidance to risk management processes. Areas on which guidance is provided are on matters such as providing an understanding to stakeholders on the risk management purpose, guiding the actual process of risk assessment during risk identification and the assessment sessions, encourage consistent communication on how risks evolve, and encourage synergies to the process of identification and evaluating emerging risks, plus the recording and management thereof.

The Corporation is geared towards moving risk management from the developing stage at where it is currently perceived to be, to a much more advanced mature level.

Activities planned for the next financial year, and which are geared to contribute towards maturing the Corporation's risk management processes are:

- Appointment and training of the Risk Champions across all Business Units; and
- Continuous engagement with Management on risk management at institutional level.

The recent appointment of the Corporate Risk Officer will positively drive continuity of the above process.

The Corporation's Top Risks

During the financial year 2023/2024, the Corporation identified eight risks as the Top Risks out of 29 Risks contained in the Risk Log, also known as the Risk Register.

#	RISK NAME	RISK RANKING
1.	Stakeholders Relations Risk: Disengaged (major) customers and other stakeholders that receive services from NamWater.	High Risk
2.	Business Processes Risk: The risk that Business processes not clearly defined and/or poorly aligned to business objectives.	High Risk
3.	Failure of existing water supply infrastructure due to aging.	Medium Risk
4.	Technological Risk: Outdated water technologies	Medium Risk
5.	Supply Chain Management and Business Continuity Risk: Results in major disruptions to supply of essential goods and services (chemicals, pumps).	Medium Risk
6.	Capital Availability Risk: Inability to access sufficient capital to fuel growth and sustainability through infrastructure development.	Medium Risk
7.	Water Quality Risk: Water quality that falls below the National Water Quality Standards.	Medium Risk
8.	Human Resources Risk: This risk is driven by factors such as an aging workforce, as well as the inability to attract new skills.	Medium Risk

	High Risk
	Medium Risk



4

EXECUTIVE MANAGEMENT

CEO'S REPORT

Welcome to NamWater's 2023/24 report.

The 2023/2024 financial year has been transformative for NamWater, marked by significant achievements and strategic initiatives that underscore our commitment to providing sustainable water solutions across Namibia.

One of the most notable achievements was the successful development of NamWater's Corporate Brand Identity Manual. This initiative modernised our corporate image, aligning it with our vision of "Water For All, Forever!" and strengthening our brand's visibility and recognition. The process involved extensive stakeholder engagement to ensure the new brand identity resonates with our diverse audiences. The comprehensive manual provides clear guidelines for the consistent application of the brand across all platforms, safeguarding its integrity while reflecting our core values and mission.

NamWater significantly ramped up its Corporate Social Investment (CSI) activities, investing N\$1,121,941 in community development projects across Namibia. Key initiatives included supporting the Independence Day Commemoration, Khomas Governor Social Fund, and Namibia University of Science and Technology's TVET Conference. These efforts have strengthened our relationship with the communities we serve and reinforced NamWater's reputation as a socially responsible organisation.

The Operations Department successfully managed water supply to many customers, including mines, local authorities, and individuals. Despite resource limitations and ongoing drought, Namibia's 205 water supply schemes were effectively managed. Recognising stress on the water supply to the Central Area of Namibia, NamWater developed a comprehensive strategy that includes capital projects to augment supply and demand management measures. Additionally, 2,900 water quality samples were taken to ensure adherence to water quality standards, confirming that tap water in Namibia is safe to drink.

Key milestones in Information Communication Technology included upgrading the data centre's storage capacity and deploying advanced handheld meter reading devices. These initiatives enhanced data management, ensured system reliability, and supported future growth.

The Internal Audit and Risk Management division remains committed to delivering on its mandate. The Internal Audit division needs to be strengthened to enable the Corporation to ensure a continuous process of providing assurance to the Board on the adequacy and effectiveness of the internal controls.

The Engineering Services department finalised the design and awarded contracts for the new Rundu Water Treatment Plant and the Ohangwena 2 Aquifer project. Additionally, the department cleared design backlogs, accelerating the implementation of vital water infrastructure projects.

The Strategy and Corporate Affairs division led a comprehensive organisational re-alignment programme, streamlining operations and fostering a culture of continuous improvement. This re-alignment optimised resource allocation and strengthened the organisation's capacity to respond to emerging challenges and opportunities.

The Department of Scientific Services effectively managed Namibia's scarce water resources, identifying and securing new water sources, enhancing water treatment plant performance, obtaining environmental approvals for key projects, and implementing modern metering solutions to optimise water usage and operational efficiency.

NamWater invested in communities across all Business Units, enhancing community sustainability and assisting the Government in its development goals.



Financial support was provided to various events, including the Walvis Bay Fisherman Village and Investment Trust, the Khomas Governor Social Fund, and the Windhoek Residents Mayoral Trust Fund. NamWater also donated bottled water for the Heroes Day Commemoration event and Eros Primary School interhouse athletics.

NamWater believes in addressing inequities in education and expanding opportunities for historically disadvantaged Namibians. The Corporation also donated team uniforms to the Otjozondjupa Regional debate team and assisted the Namibia University of Science and Technology in hosting Research Day and Graduation ceremonies. Additionally, NamWater sponsored various sports activities to promote unity, celebrate diversity, and encourage a healthy lifestyle.

In education, NamWater supported the Government's Education For All (EFA) programme by purchasing textbooks and stationery for schools in Kavango East, Hardap, Ohangwena, and Otjozondjupa regions, worth N\$1,136,740.84. NamWater believes in addressing inequities in education and expanding opportunities for historically disadvantaged Namibians. The Corporation also donated team uniforms to the Otjozondjupa Regional debate team and assisted the Namibia University of Science and Technology in hosting Research Day and Graduation ceremonies. Additionally, NamWater sponsored various sports activities to promote unity, celebrate diversity, and encourage a healthy lifestyle.

Focusing on the security of supply through reliable infrastructure, the maintenance department carried out 644 scheduled maintenance work orders and implemented projects worth N\$78 million. The Windhoek Laboratory registered compliance with SADCAS accreditation requirements and international standards, analysing about 10,200 water samples and advancing four water treatment plant projects to improve water quality management.

Compliance with the Water Resources Management Act 11 of 2013

and the Environmental Management Act 7 of 2007 improved during the year. NamWater aims to increase revenue through various business ventures, generating N\$43 million in external revenue from renting houses to employees, Technical Vocational Education Training programmes, and water sampling services.

The 2023/2024 financial year has been one of strategic growth and impactful initiatives for NamWater. Our CSI engagement highlights our commitment to innovation, community development, and sustainable water management. As we move forward, NamWater remains dedicated to achieving our vision of providing reliable and sustainable water solutions for all Namibians.

Looking ahead

In the coming financial year, we will continue with the infrastructure projects that have been approved and are at various stages of implementation.

We will also focus internally on the efficiencies in the company, more specifically in developing all the required policies and guidelines that will make the company efficient, whether in terms of our assets or human resource management. We want everything in place so the company can move to a different level. As we are improving on our assets, we need to have people in place who can manage those assets and who have a level of understanding and respect for our assets.

We generate more income not just by selling water but also by saving money by reducing vehicle wastage and misuse. We want to be in a position where the equipment and the people are on the same level.

In conclusion, there is a great need for creating awareness so that people respect the value of water. We need every household in every town in Namibia to be aware that water is a precious commodity and to survive within nature by respecting its value. In most

cases, people don't value water until they no longer have it. We should learn from a young age to save every drop of water, as it makes a difference all over.

Appreciation

I wish to express my appreciation to the Minister of Agriculture, Water, and Land Reform, the Honourable Calle Schlettwein, for his wisdom and guidance and to the Board of Directors for its invaluable strategic guidance during the reporting year.

Also, I want to warmly express appreciation to my management team and staff for their unflinching hard work, dedication and loyalty.

I want to thank our customers, without whom we would not need to exist, for their continued support and patronage. We will continue to work hard to ensure an uninterrupted water supply in the short term, always to fulfil our obligation for the long-term, sustainable provision of water to the entire Namibian nation.

Abraham Nehemia
Chief Executive Officer

FINANCIAL REPORT

Highlights of the Year

- Total revenue increased 0.7% to N\$2,112 billion (2023: N\$2,096 billion)
- Investment income increased 4.8% to N\$130 million (2023: N\$124 million)
- Cost of sales increased 24.5% to N\$604 million (2023: N\$485 million)
- Net income before taxation reduced by 54.8% to N\$100 million (2023: N\$221 million)
- Net income after taxation reduced by 50% to N\$81 million (2023: N\$162 million)
- Net cash generated from operations reduced by 18.9% to N\$222 million (2023: N\$274 million)
- Treated and untreated water sales reduced by 3% to 85.2 million m³ (2023: 88.6 million m³)
- Desalinated water sales increased by 15% to 14 million m³ (2023: 12.2 million m³)
- Irrigation water sales increased by 3.8% to 52.1 million m³ (2023: 50.2 million m³)
- Operating expenditure increased by 11% to N\$2 billion (2023: N\$1.8 billion).
- The Corporation maintained its credit rating of BB- with a Stable Outlook for the reporting period.

Value Added Statement

The Corporation's value creation continued during the period, with N\$855 million created from operations and investments.

The distribution of this wealth was skewed towards employees and reserves for operations. This is in line with our business being a service delivery entity, relying on its employees to provide a world-class service.

	2024	2023
	N\$'000	N\$'000
Revenue and other income	2 163 969	2 229 768
Less: Purchases of materials and services	1 438 178	1 430 761
Value added by operations	725 791	799 007
Investment income	129 752	123 649
Wealth created	855 543	922 657
Distribution of value created		
Paid to employees	49%	39%
Paid to the Government	17%	26%
Reinvestment into the business	33%	35%
Total Wealth distribution	100%	100%

NamWater Financial Model

NamWater works on a full cost recovery basis and its tariff model is designed to recover costs of water supplied, as well as future replacement of existing infrastructure. To implement its capital projects, NamWater sources external funding in order to ensure business sustainability and deliver on its mandate. The Corporation investigates sources of funding, depending on infrastructure under consideration, with social infrastructure funded from funds secured from the Government.



The Corporation supplied water at an average cost of N\$14.56/m³ (2023: N\$14.51/m³). The slow cost increase from the previous year is a result of prudent cost management, against steep inflationary pressure on the cost base. Effective financial management practices were applied to ensure the viability of the business.

Revenue is skewed towards Coastal and Central Business Units, with the lowest revenue generated in the South Business Unit. The cost, on the other hand, is highest in the Coastal and Northwest Business Units. This misalignment of costs and revenue requires cross-subsidisation across business units. This means recovery of costs is considered on a national basis, rather than per scheme.

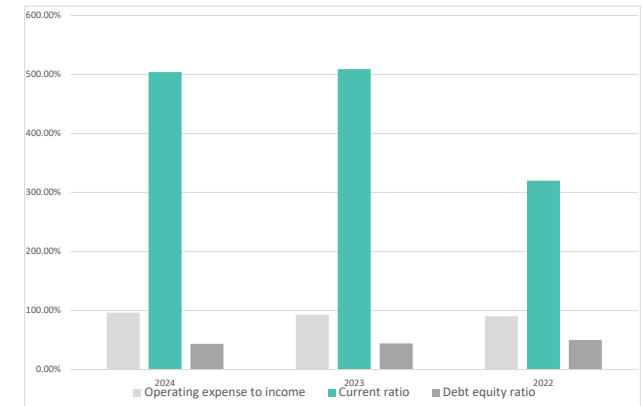
Operating expenses increased compared to the prior year resulting in the overall Profit Before Tax reduction of 55 percent from N\$220.6 million in FY 2023.

The return on assets declined compared to prior financial years, due to the decrease in operating profit.

The total income increased in comparison to the previous year which resulted in the operating expense to income ratio increasing to 96 percent.

The solvency and liquidity of the Corporation remained strong, with the current ratio increasing to 546 percent (2023: 509 percent).

The Corporation has adopted several key cost containment, reduction, and debt collection strategies that have all significantly contributed to the positive financial performance.



Business Performance

Volume of Water Sold (M³)

The sales volumes from treated & untreated water decreased by 3.2 percent, whilst desalinated and irrigation water sales volumes increased by 15 percent and 3.8 percent, respectively. The movement in both as informed by water availability.

Description	FY2024	FY2023	FY2022	Variation	% Variation
Treated Water	85,819,979	88,622,705	88,923,097	-2,802,726	-3.2%
Desalination Water	14,044,086	12,197,581	12,416,517	1,846,505	15%
Irrigation Water	52,108,566	50,182,973	50,427,585	1,985,593	3.8%
Total	151,972,631	151,003,259	151,767,199	969,372	0.64%

Revenue from water sold (N\$'000)

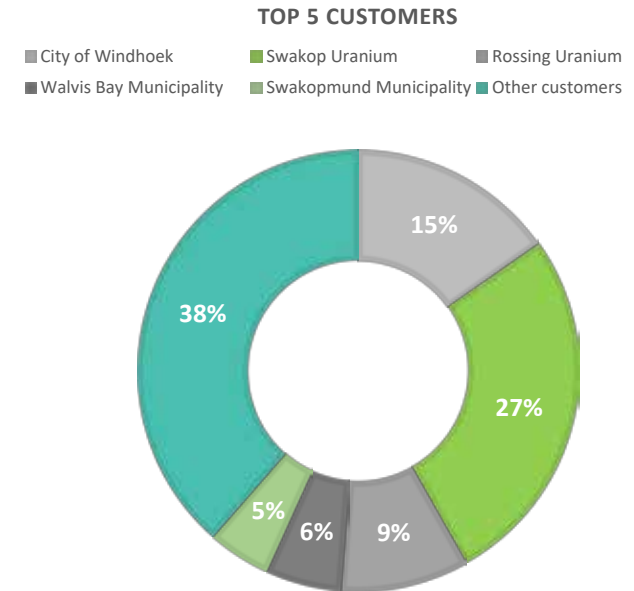
Tariffs remained unchanged over the reporting period. The revenue changes were due to volumes sold to customers being higher than in the prior period for desalinated and irrigation water.

Potable and untreated water was reduced due to lower volumes sold to customers during the current financial period.

Description	FY2024	FY2023	FY2022	Variation	% Variation
Potable and Untreated Water	1,407,186	1,492,646	1,508,046	-85,460	-6%
Desalination Water	651,616	533,042	519,443	98,574	18%
Irrigation Water	13,776	11,745	14,245	-2,031	-17%
Total	2,072,578	2,057,433	2,041,734	15,699	1%

Revenue from top 5 customers

The top 5 customers of NamWater account for around 60 percent of the Corporation's total revenue. City of Windhoek and Swakop Uranium continued to dominate the list of top revenue generating customers for potable water sales.

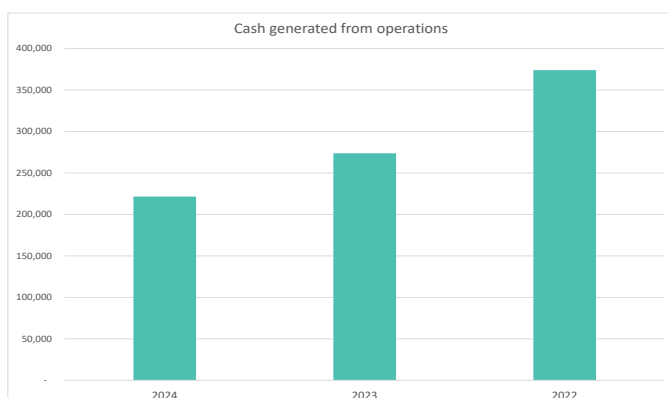
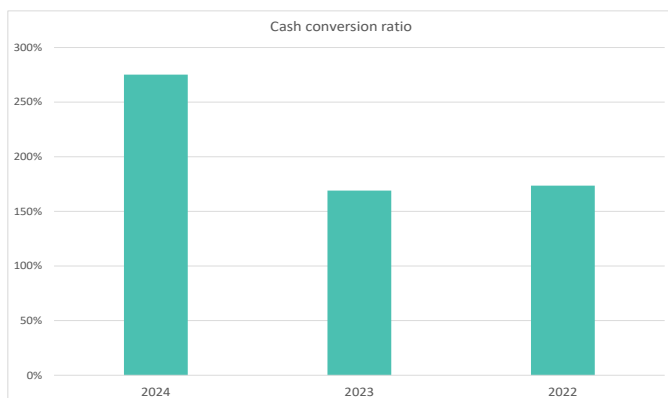


Cash Flow

The cash generated from operations has decreased over the last few years. This is due to the erosions of margins due to the Corporation generated an amount of N\$222 million from operations, which is a reduction from the N\$274 million in the previous financial year.

Net cash used for investing activities were N\$252 million (2023: N\$214 million) mostly consisting of additions to property, plant and equipment of N\$191 million (2023: N\$153 million) spent on water infrastructure.

The net cash inflow from financing activities totalled N\$105 million (2023: N\$87 million cash outflow).

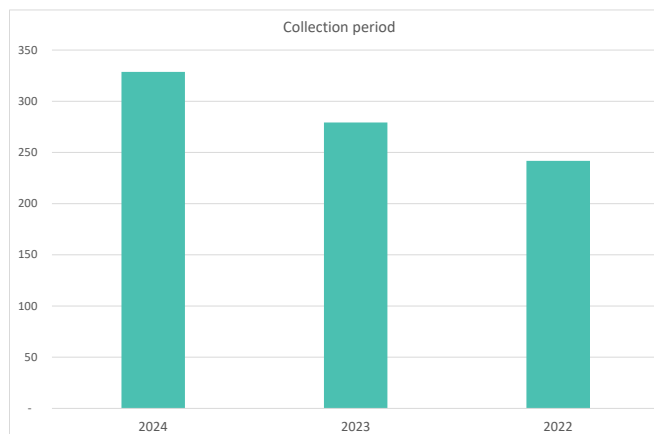


Collection from customers

Debtors' collection period has increased over time. Total gross trade debtors stood at N\$2.062 billion as of 31 March 2024 (2023: N\$1.741 billion). This represents a year-on-year increase of 18 percent. The increase in debtors was primarily caused by the deteriorating national economic environment. The increase in overall default rates of customers led to an increase in trade debtors.

Various interventions were considered to improve the situation, although systematic challenges across local authorities honouring their month-to-month consumption of water continued to remain a challenge for the Corporation.

The Corporation is engaging the Government to look at potential options available to address the debt owed to it by Local Authorities. One of the projects under execution is the installation of prepaid water meters for all consumers identified as having default risk. The Government, through the Ministry of Urban and Rural Development, committed to avail funds to implement this project.



Suppliers

The Corporation continued to service debt to its suppliers within the agreed credit terms. The top five suppliers (in terms of N\$ value) for the period under review are provided below.

As is evident, a significant portion of the Corporation's main expenditure is made up of energy and water-related expenses payable to the utility companies and are categorised as below:

- ORANO Desalination Plant;
- NamPower;
- Central North Regional Electricity Distributor (CENORED);
- Northern Namibia's Regional Electricity Distributor (NORED); and
- Aqua Services and Engineering.

Maximising return on investments

The Corporation continued to find value in investing some surplus funds in interest-bearing Instruments, to maximise potential returns on funding required for water supply infrastructure development.

The total investments increased by 5 percent from the prior year. This was due to capitalisation of interest income plus additional funds reinvested given the positive free cash flow position of the Corporation. The repo rate adjustments from the Bank of Namibia also assisted the Corporation in increasing the total growth in investment income. The Corporation will consider other investment vehicles within the investment policy, to unlock as much value as possible from the investments.

Taxation

NamWater continued being a good corporate citizen, contributing its share of taxes to the fiscus. The Corporation was taxable during the financial period, with taxation corporate tax reducing to N\$64 million (2023: N\$165 million).

Tariffs

The approval of tariffs at sufficient levels and on time remains a key success factor for the Corporation. For the reporting financial year, the Corporation did not get a tariff increment approval. This is the fourth consecutive year that no tariff increments were approved, against inflationary increases experienced on the operational cost side of the business. The non-approval of tariff increases continues to remain a risk on the sustainability of the Corporation and its ability to finance infrastructure replacements. As seen in this report, several crucial performance matrices have begun to fall, which impacts our long-term sustainability.

The Corporation operates in a highly capital-intensive industry, and access to both short- and long-term funding is vital. To this end, work to maximise available sources of funding continued during the period.

Funding remains from three sources:

- Internal reserves funding - this is achieved through generating cash flows from operations. The Corporation's ability to generate funds from this source will require annual tariff increment approvals, and cost containment. Work on ensuring completeness of billing, and collections remain a priority. Although the Corporation has access to about N\$1 billion of cash reserves, we are also aware of the increasing unfunded obligations especially towards Post Retirement Medical Aid.
- Debt funding – the NamWater N\$1 billion Mid Term Note Programme remained untapped during the period. In addition to this, NamWater remains attractive to be able to access DFI funding, especially as more options for green funding open.
- Shareholder funding – the Corporation has secured substantial support from the shareholders for the replacement of key infrastructure across the country. This funding, secured through the Water Sector Support Programme, is in the process of being finalised for its deployment, with a number of contracts awarded.

In its quest to remain attractive, NamWater will manage its credit rating with Fitch Ratings, in order to continue improving it. As at year-end, NamWater was rated at BBB- with a positive outlook.

MANAGEMENT TEAM

Our Powerful Team Members



ABRAHAM NEHEMIA
Chief Executive Officer

Mr Abraham Nehemia, Chief Executive Officer of NamWater since January 2019, holds a Master of Science in Water and Environmental Management from Loughborough University, UK, and an MBA from UNAM and Maastricht School of Management, Netherlands. With over 32 years in the water sector, he has significantly influenced Namibia's water policies and infrastructure. His career includes leadership roles such as Director of Rural Water Supply and Acting Permanent Secretary of the Ministry of Agriculture, Water, and Land Reform. Internationally, he has served on various strategic bodies like the SADC Water Resources Technical Committee and AMCOW. Under his leadership, NamWater is enhancing efficiency, infrastructure development, and service delivery through a robust strategic plan



ANDRIES KOK
Acting Chief Operations Officer

Mr Andries Kok, with 30 years of experience in water operations, currently leads NamWater's Operations Department. He has an in-depth understanding of utility operations, having spent 15 years heading NamWater's Business Unit South, where he streamlined operations and implemented strategic initiatives. Over the past two years, Mr Kok has focused on creating synergies and ensuring effective and efficient operations across Namibia. His extensive managerial experience at senior and executive levels has been instrumental in driving the success of various initiatives. He is dedicated to improving policies, procedures, and operational data management to enhance NamWater's operational efficiency and strategic implementation. Mr Kok holds a Higher Diploma in Civil Engineering and Post Graduate Diploma in Management Practice from the University of Cape Town. Over the last year he has been acting as the Chief Operations Officer.



SALTIËL SHAANIKA, Pr. Eng.

Acting Chief Engineering Services

Mr Saltiël Shaanika is a dedicated and visionary engineer with an unwavering commitment to enhancing lives through improved water supply provision. With 18 years of extensive experience in the water sector, Mr Shaanika has played a pivotal role in the design, construction supervision, and contract management of major water infrastructure projects across Namibia. His expertise and leadership have been instrumental in advancing water supply security, groundwater preservation, infrastructure development, and transboundary water resource management. Passionate about sustainable solutions, Mr Shaanika continues to drive impactful initiatives that ensure the long-term availability and quality of water resources for communities nationwide.



KADIVA HAMUTUMWA

Chief Strategy and Corporate Affairs Officer

Ms Kadiva Hamutumwa is the Chief Strategy and Corporate Affairs Officer at NamWater, with an MBA from the University of Namibia and executive training from the University of Cape Town. She has extensive experience in business administration, strategic management, and stakeholder engagement. Starting her career as a Human Resources Officer at NamWater, she advanced to roles such as Talent Management Specialist and Head of HR Strategy. Her expertise spans new business development, organizational leadership, business analysis, and corporate governance. Ms Hamutumwa's leadership drives NamWater's strategic objectives, enhances stakeholder relationships, and fosters organisational growth. Her strategic vision significantly contributes to NamWater's mission, ensuring sustainable water supply solutions and supporting Namibia's socio-economic development.



NAFTALI IINDOMBO

Acting Chief Financial Officer and Head:
Business Control & Debt Management

Mr Naftal Iindombo, acting as Chief Financial Officer since 1 January 2023, also serves as Head of Business Controls & Debt Management. He holds a Master's Degree in Finance, a Postgraduate Diploma in Management Practice, and a Bachelor's Degree in Commerce. Mr Iindombo has participated in numerous management and senior management development programs, enhancing his strategic and leadership skills. With a distinguished career spanning over 24 years in audit and financial management across various sectors, he brings a wealth of expertise and insight to his roles, driving financial stability and strategic growth within the organisation.



DR JOHANNES SIRUNDA

Acting Chief Scientific Officer

Dr Johannes Sirunda is an innovative, research-oriented Professional Natural Scientist specialising in Water Resources Science, Environmental Microbiology, and Climate Change and holding a PhD in Microbiology (Water) from Stellenbosch University and a Postgraduate Diploma in Management Practice from the University of Cape Town. He brings over 14 years of experience in the water sector. Dr Sirunda has conducted pioneering research on water supply challenges, including pollution, drought, climate change, and water treatment. His work is published in peer-reviewed journals, and he collaborates with prominent institutions such as CRIDF, AfDB, and the World Bank. His expertise significantly enhances NamWater's scientific and environmental initiatives.



KATRINA LAGO LYETU KAGADHINWA
Chief Information Officer

Ms Katrina Lago Lyetu Kagadhinwa is a distinguished IT professional with a robust blend of expertise and leadership. Holding a Master's degree in Information Systems Management and a BTech in Business Computing from NUST, she is also COBIT 2019 certified, highlighting her dedication to enterprise IT governance and management. She obtained a Master of Science, Information Systems Management, University of Applied Science Technikum Wien, Austria. In January 2024 she was appointed as Chief Information Officer. Her career at NamWater began as a bursary student, evolving over 18 years into a remarkable journey marked by significant achievements, including 15 years in the telecommunications industry. Her specialties encompass ERP, IT management, digital transformation, project management, policy formulation, IT strategy, system implementation, and integration. Known for her strategic acumen, she excels at aligning IT solutions with business operations, driving organisational success and innovation.



ETHELDREDA D NANDI
Chief Internal Auditor/ Head: Internal Audit & Risk Management

Ms Etheldreda D. Nandi is the Head of Internal Audit & Risk Management, bringing a strategic vision to the role with over 20 years of experience in the field. She holds a BCom Hons in Internal Auditing and an MBA, underscoring her comprehensive business and audit management expertise. Additionally, Etheldreda is a Certified Internal Auditor with the Institute of Internal Auditors South Africa, highlighting her commitment to the highest standards of auditing excellence. Her extensive experience and qualifications enable her to drive effective risk management and internal control strategies, ensuring organisational integrity and resilience.



ONNI-NDANGI IITHETE
Head: Legal Services

Mr Onni-Ndangi Iithete is a seasoned governance professional with 20 years of experience in in-house legal counsel, governance, compliance, and project management. He holds a BA in Psychology from Wartburg College, a B-Juris and LLB from the University of Namibia (UNAM), and a Postgraduate Diploma in Management Practice from the University of Cape Town. He is pursuing a Master's Degree in Leadership and Change Management at NUST. At NamWater, Iithete has played a pivotal role in drafting and negotiating water supply agreements, managing procurement processes, and negotiating contracts with development financial institutions like KfW and the African Development Bank. His extensive background includes serving as a company secretary and overseeing compliance functions in private and public sector companies. Iithete's expertise enhances NamWater's legal and governance framework, contributing to the organisation's strategic goals and operational excellence.



5

STRATEGY MANAGEMENT

STRATEGIC PERFORMANCE REVIEW

Overview of Strategic Activities

The governance and performance agreement between the shareholders and the board outlines key deliverables related to the strategic deliverables and priorities of the shareholder to the Corporation in line with the ISBP.

The Corporation's vision for the next five years is to be a sustainable water utility providing sufficient and affordable quality water to all stakeholders. Performance gaps were identified in the previous financial year to meet the Government's national goals of economic progression with this vision. To improve on these performance gaps, NamWater will pursue:

- To optimise business processes for increased efficiency and effectiveness of the operations.
- To ensure sufficient water reserves for industrialisation, land servicing, and for housing development as outlined in Pillar 4 of the Harambee Prosperity Plan II (HPP II).
- To invest in human resource development to further develop critical water technical skills at all levels within the Corporation.



Grunau Defloweridation Plan.

BUSINESS PERFORMANCE

NamWater's performance is reported on the Annual Business Plan FY2023. The Annual Business Plan aligns with the following strategy map and strategic framework. The Strategic Framework consists of nine Strategic Objectives supported by 13 Strategic Initiatives that serve as the focal point for strategy execution.

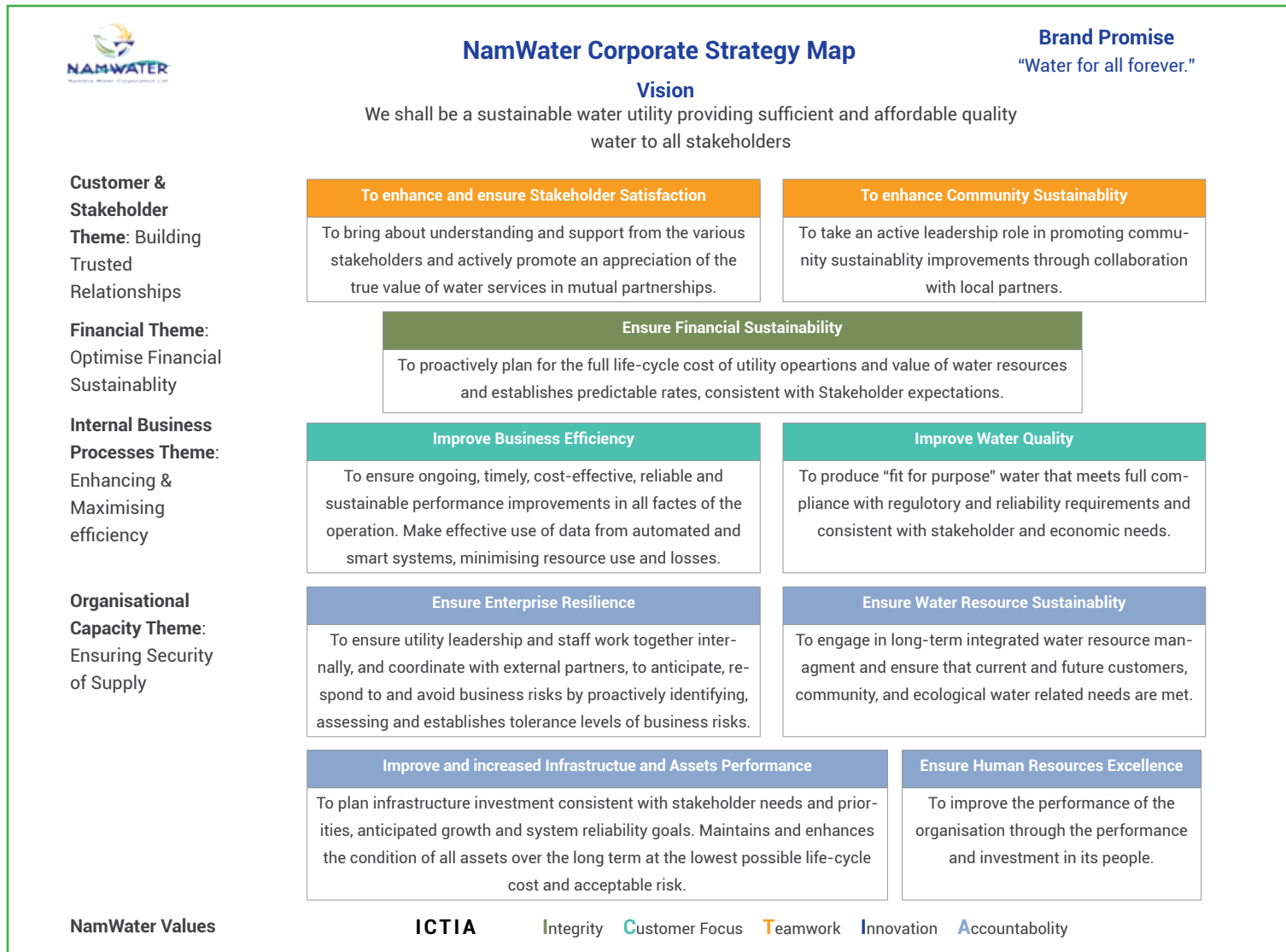


Diagram 1: NamWater Corporate Strategy Map

NamWater uses the Balanced Scorecard Strategic Framework to manage and monitor the execution of its Strategic Plan.

Corporate Strategic Framework FY 2024

Mission	We shall provide quality water and related services to the satisfaction of all stakeholders, taking cognisance of the environment, scarcity of and dependency of all on water.			
Vision	We shall be a sustainable water utility providing sufficient and affordable quality water to all stakeholders.			
Strategic Themes	Build Trusted Relationships	Financial sustainability	Enhance and Maximise Efficiency	Ensure Security of Supply

BSC Perspective	Strategic Objectives	Strategic Initiative
Customer and Stakeholder	To enhance and ensure Stakeholder Satisfaction	Develop and Implement Key Stakeholder Satisfaction Survey Plan
	To enhance Community Sustainability	Develop and Implement a Collaborative Support Programme with Local Authorities. Implement Corporate Social Investment (CSI) Strategy
Finance	Ensure Financial Sustainability	Implement NamWater Finance Strategy Develop Business Diversification Strategy
Internal Business Processes	Improve Business Efficiency	Develop and implement the Business Processes Reengineering Programme
	Improve Water Quality	Develop and implement the Water Quality Management Programme
Organisational Capacity	Ensure Water Resource Sustainability	Development of a Water Resources Management Plan Establish a new Desalination Plant
	Improve and Increase Infrastructure and Asset Performance	Implement the Capital Development Programme Implement an Integrated Asset Management Programme
	Ensure Enterprise Resilience	Develop and implement the Corporate Resilience Programme
	Ensure Human Resources Excellence	Oversee consolidation and implementation of the HR Strategy

Diagram 2: Corporate Strategic Framework FY 2024

During the review period, the following achievements were made:

Customer and Stakeholder Perspective

Theme: Building trusted relationships

Objective: Enhance and Ensure Stakeholder Satisfaction

NamWater strives to meet its service-level agreements with customers through several mechanisms. Service commitments regarding water volumes are agreed to with customers through formal water supply agreements. On the other hand, service-level agreements regarding quality are as per the Namibian Water Quality Guidelines (NWQG). In most cases, these are adhered to; however, where raw water quality makes it not feasible to meet water quality guidelines, projects have been identified to rectify the water quality.

NamWater plays a huge role as a state-owned enterprise (SOE) in aiding the shareholding minister in achieving the government's developmental goals and objectives during the reporting year.

Compliance to:	Governance Framework	Performance of Public Enterprises
National Target (NDP 5)	70%	35%
NamWater Compliance:	45%	57% (Governance scorecard)

Objective: Improve Community Sustainability

To assist Government in its development goals, NamWater has increased investment in sports, its educational portfolio, and sponsorships throughout the country from the N\$448,586 spent in the previous financial year to N\$2,258,682 million in FY2024 by buying stationery and textbooks for schools in Otjozondjupa, Kavango East, Ohangwena, and Hardap Regions. The main aim of this investment is to support the national development goals (SDGs,) and make a significant difference, and help build a prosperous community.

	Investment Textbooks	Sponsorships	Investment Stationery	Total
FY2024:	N\$581 660	N\$1 121 941	N\$555 080	N\$2.3 million
FY2023:	N\$0.00	N\$448 586	N\$0.00	N\$448 586

Financial Perspective

Theme: Ensure Financial Sustainability

Objective: Ensure Financial Sustainability

From a financial perspective, NamWater aims to ensure that the Corporation remains a viable ongoing concern and maintains a sound financial position whilst growing its revenue base to meet its mandate.

To achieve this, NamWater aims to recover the full cost of supplying water to its customers, whilst cognisant that the tariffs charged on average, should be affordable to consumers. Management of costs becomes a major initiative in order to attain this objective. NamWater additionally continues to seek a blend of different sources of funding, linked to the underlying infrastructure and customer categories, so that the renewal of infrastructure continues. To this end NamWater maintains its credit ratings positive to be ready when external funding is required. Accurate and timely billing, and collection from customers are critical for our funding in general, and remains on the top of our initiatives to improve and sustain our financial position. This albeit, with the sensitivities that come with communities paying for water versus water as a human right.

	Return on Assets Ratio	Solvency Ratio	Current Ratio
FY2024:	0.93%	11.3%	5.46
FY2023:	1.90%	14.9%	5:09



Internal Business Process Perspective

Theme: Enhancing and Maximising Efficiency

Objective: Improve Business Efficiency

Performance Gap

Optimise business processes for increased efficiency and effectiveness of the operations.

	NRW	Total Production Cost	Operational Efficiency
FY2024:	10.3%	N\$13.57	69%
FY2023:	11.4%	N\$15.90	54%

Non-revenue Water decreased from 11.4 percent to 10.3 percent for the closed systems, against the benchmark target of 8 percent for the SADC region.

NamWater embarked on a drive to reengineer its business processes, critically examining and redesigning all existing processes and designing new ones. Business Process Reengineering (BPR) is not a one-time project but a continuous journey of innovation and optimization. By removing unnecessary, time-consuming activities in all operational processes, BPR will improve business efficiency and increase productivity.

Objective: Improve Water Quality

Compliance with various sections of the Water Resources Management Act 11 of 2013 has improved from 67 percent to 80 percent within this financial year, well to the 100 percent compliance target.

	Compliance WRM Act	Bacteriological
FY2024:	80%	93.5%
FY2023:	67%%	95%

Furthermore, to ensure water quality assurance, a Windhoek Laboratory Assessment Project was registered, to ensure laboratory compliance with the SADCAS accreditation requirements and international standards. Laboratory Services analysed about 10,200 water samples during the fiscal year.

Four water treatment plant advancement projects were registered to improve the performance of the existing water-quality management processes. Water-quality audits were completed at the Kari-bib Treatment Plant, the Shamvhura Treatment Plant, the Outapi Treatment Plant, and the Kongola Treatment Plant.

Organisation Capacity Perspective

Theme: Ensuring Security of Supply

Objective: Ensure Water Resource Sustainability

With the finalisation a number of capital projects to drill boreholes and enhance our abstraction of both surface and ground water, the uncommitted water resources potential increased to 1 percent resulting in a total of 52 percent uncommitted water resources from the 51 percent recorded in FY2023.

	Water Resource Management Plans	New Water Supply Schemes Constructed	Desalination Plant
NamWater Target:	8	4	1
FY 2024:	2	1	1 (87% progress)

In improving the management of existing water sources, NamWater planned and implemented the development of the Water Resource Management Plans for Business Unit Coastal and Central Northern Area (Business Unit Northwest). These two plans will cover sustainable management of water resources in these two areas.

With one new water supply schemes constructed and production boreholes drilled, NamWater is contributing to meet the current and future water demand.

The Desalination Plant is in progress, as per the 5 Cabinet Resolutions, and the 5 Key Resolutions from the Cabinet are 87 percent complete.

	Total Volumes	Uncommitted Water Resources Potential
FY2024:	151,972,631 m ³	52%
FY2023:	151,003,259 m ³	51%

NamWater provided Namibians with total of 151,972,631 cubic meters (m³) of water during the reporting period.

Objective: Improve and Increase Infrastructure and Asset Performance

Focusing on the security of supply through reliable infrastructure and equipment is essential. Maintenance projects and scheduled maintenance activities are therefore being prioritised. The executing department carried out 644 scheduled maintenance work orders and implemented maintenance projects worth N\$78 million for the period under review.

Substantial funding has been received from the African Development Bank (AfDB) and the German Development Bank (KfW) through the Shareholder for NamWater, as an executing entity, to implement key water supply security projects.

Performance Gap

Ensure sufficient water reserves for industrialisation, land servicing, and for housing development as outlined in Pillar 4 of the Harambee Prosperity Plan II (HPP II).

	CAPEX	Bids Awarded	N\$ Investment Maintenance
FY2024:	N\$174 million	107	N\$78.7 million
FY2023:	N\$175 million	23	N\$ 64 million

Focusing on the security of supply through reliable infrastructure and equipment is essential. Maintenance projects and scheduled maintenance activities are therefore being prioritised. The executing department carried out 644 scheduled maintenance work orders and implemented maintenance projects worth N\$78 million for the period under review.

Objective: Ensure Enterprise Resilience

Implementation of Technology Solutions and Data Management Improvement

**N\$ Investment
ICT Technology**

FY2024:	N\$24,858,396
FY2023:	N\$21,745,106

Several technology solutions were identified for implementation as part of the Corporation's strategic priorities. Due to the growing demand for data and automation requirements, the current ICT data centres have reached capacity. The Corporation invested N\$6.5 million to increase the capacity of the data centre infrastructure in preparation for Big Data. (Big data refers to the incredible amount of structured and unstructured information that humans and machines generate.)

During the reporting period, the Corporation implemented handheld water meter reading technologies in Business Unit Northeast and Business Unit Northwest to improve the efficient and effective management of water meter data for billing purposes.

The standalone brackish water membrane desalination pilot project, powered by hybrid renewable energy and aims to ascertain the performance, reliability, affordability, and acceptability of desalinated water to improve the delivery of water services, is active and progressing very well.

Emergency Preparedness Plans for Business Units

Emergency Power Supply

A reliable power supply is crucial for NamWater's operations. It ensures uninterrupted water distribution and is vital for public health, economic stability, and social cohesion, particularly in Namibia with scarce water resources. Investing in robust power infrastructure and backup systems is essential to maintain a consistent water supply and enhance resilience against emergencies. The Corporation recorded 118 unplanned water supply interruptions for the reporting period caused by pipe breaks, power outages, and other infrastructure related challenges. Below statistics indicate the number of supply points where NamWater is supplied with electricity at the different schemes, pump stations, and other infrastructure.

	BU Central	BU Northwest	BU Northeast	BU South	BU Coast
FY2024:					
Supply points:	155	47	36	25	91

NamWater relies heavily on external power sources, ranging from single-phase to 3-phase, with capacities varying between 25 KVA and 5,000 KVA. These supply points' sizes differ significantly. However, this reliance exposes NamWater to risks associated with power supply interruptions, particularly power outages.

Objective: Ensure Human Resources Excellence

NamWater recently re-aligned its organisational structure and commenced implementation during the reporting period. The Corporation filled the re-aligned structure by 73 percent and increased the workforce from 922 to 946. The increase in human resource capacity aims to increase the capital development execution capacity based on planned projects.

Performance Gap

Structure realignment and investing in human resource development to further develop critical water technical skills at all levels within the Corporation.

	Structure Implementation	Head Count	N\$ Investment Staff Development	Employees Trained in Technical Skills
FY2024:	73%	955	N\$1,987,695	185
FY2023:	72%	926	N\$2,650,120	116

Talent and Skills Development

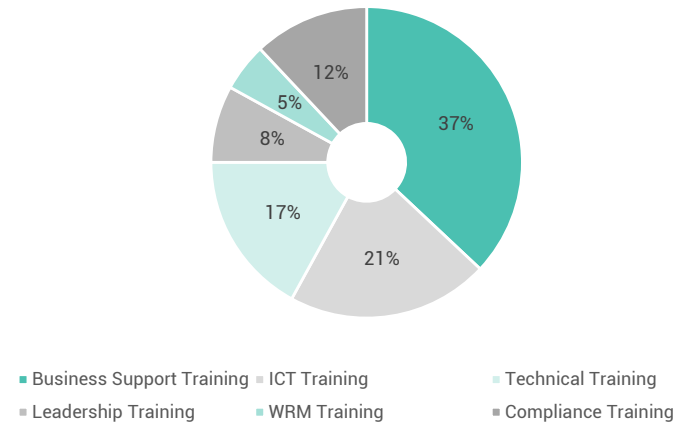
NamWater prioritised the skills development and growth of its workforce and the Namibian child by providing various training opportunities.

NamWater Employees Training

The Technical and ICT combined training for employees' accounts for 38 percent of the total training done during the year under review, which is the majority and focus area of our training initiatives.

The Corporation invested in developing its employees, emphasising the acquisition of core and distinctive competencies to ensure maximum utility from employees. A training development plan was developed for the reporting period to address identified competencies to deliver water effectively. In executing the plan, training was implemented across the Corporation.

Training Content Distribution, 2023/24



Graph 1: NamWater Training Content Distribution

As of 2020, the leadership development programme was implemented across various institutions of higher learning and Business Schools. About 20 employees at management level have completed the programme. For the period under review, the Corporation spent N\$1,024,885 on programme study fees.



Interest-Free Study Loan

To build a talent pipeline, NamWater provides interest-free study loans for all employees to upgrade their qualifications, enhancing their potential to advance into higher positions. The Corporation supported 90 employees with N\$639,485 worth of interest-free study loans to pursue postgraduate and higher education at local and international universities.

In support of the above, an initiative was introduced to continuously celebrate the academic achievement of all employees annually. For the period under review, 42 employees were awarded on their academic achievement.

In addition, financial assistance in a form of interest-free study loans to the value of N\$527,357.04 was paid out to universities for 17 children of permanent employees as part of a retention strategy.

Technical Vocational Education Training (TVET)

The Namibia Training Authority (NTA) requires all Namibian-registered employers with an annual payroll of N\$1 million or more to pay 1 percent of the value of their actual annual payrolls as a monthly levy to the NTA's National Training Fund. NamWater paid the VET levy as required.

Understudies

NamWater, through its understudy skills transfer programme, has identified three understudies for two non-Namibians on a three-year development programme. The average readiness of the three understudies for the reporting period is 65 percent.

Work-Integrated Learning

Eighty three students were onboarded from local universities and vocational institutions through job attachments and internships. These job attachment and internship programmes are intended to provide work-integrated learning to students who have been afforded this opportunity. N\$622,208 was spent paying monthly stipends for the students.

NamWater's graduate development programme registered 11 in-training students who obtained bursaries; one completed the in-training programme and was permanently appointed within the Corporation.

World Skills Competition

World skills Namibia organises skills competitions where young competitors compete to test their skills against their peers. The WorldSkills Namibia is a platform to promote skills excellence and as learning hub. During 2023, WorldSkills Namibia hosted a national skills competition at which NamWater TVET competed in Electrical and Bricklaying. NamWater won 4 prizes: Gold for Carpentry, Bronze for Electrical, Medallion of Excellency for Bricklaying and Plastering and first prize as Best Exhibitor. The Gold medal winner in Carpentry category will participate at the WorldSkills Internal competition in September 2024, in France.

Labour and Industrial Relations

The industrial climate between NamWater and NAPWU remains stable and cooperative, underscoring the positive relationship between the company and the union.

Corporate Social Investment

The Corporation invested in communities across all the Business Units to enhance community sustainability while assisting Government in its development goals. The main purpose of the CSI programme is to support communities in need by creating and ensuring an inclusive and supportive environment where individuals feel a sense of belonging to society, and feel appreciated. N\$1,121,941 was invested in the different CSI programmes during the reporting period.

Events and Functions

The Corporation provided financial support during the reporting period to Walvis Bay Fisherman Village and Investment Trust, the Khomas Governor Social Fund, the Windhoek Residents Mayoral Trust Fund, and the Namibia Heart Foundation, to name a few, towards their launching and fundraising events which ensure that the national goals of Empowering People and Communities through social progression and welfare of citizens are achieved.

NamWater donated bottled water worth N\$10,000 to the Office of the Prime Minister. The Corporation recognises the importance of its role in contributing to the Heroes Day Commemoration event on 26 August 2023 to honour all the fallen heroes and heroines. Similarly, the Corporation donated bottled water to Eros Primary School for their Interhouse Athletics, hosted on 30 January 2024.

In recognition of and wanting to secure the well-being of those attending the wake of President Hage Geingob at the house of mourning, NamWater donated bottled water worth N\$10,000 for the mourners' consumption.

Education

The Corporate believes that it is a collective effort of all corporate citizens to address the inequities in education and to expand educational opportunities for historically disadvantaged Namibians. The Namibian Population Index data was used to select the most vulnerable schools.

In addition, NamWater donated team uniforms to the value of N\$7,800.00 to Otjozondjupa Regional debate team to participate in the National School Debate Competition planned for 11 to 15 September 2023.

To enable effective educational programmes as a key strategic partner, the Corporation financially assisted the Namibian University of Science and Technology in hosting a successful Research Day and Graduation ceremony during the reporting period.

The Corporation was the main sponsor for the Project Never Walk Alone Restoration Concert Bronze category. NamWater is proud of this project that gives children hope and renewed confidence by providing them with a brand-new pair of shoes to walk them into a new future.

Sports

Sports is a highly valued part of NamWater's corporate social responsibility policy. During the reporting year, NamWater sponsored various sports activities to promote unity, celebrate diversity through sports, and to encourage the adoption of a healthy lifestyle. The Corporation provided financial support to Khomas Nampol Football Club and NamWater SOE Games teams.





6

BUSINESS PERFORMANCE

INTERNAL PROCESS PERSPECTIVE

Operational Overview

NamWater's core is that of supplying water throughout Namibia. NamWater's core purpose is the supplying of water throughout Namibia. As indicated in the map below, water is supplied from 213 water supply schemes found in the entire country. These water supply schemes consist of potable water supply schemes (202), untreated water supply schemes (8), and irrigation water supply schemes (3) as indicated in the table below.

The Corporation's operations are divided into five Business units: North West, North East, Central, Coastal, and South.

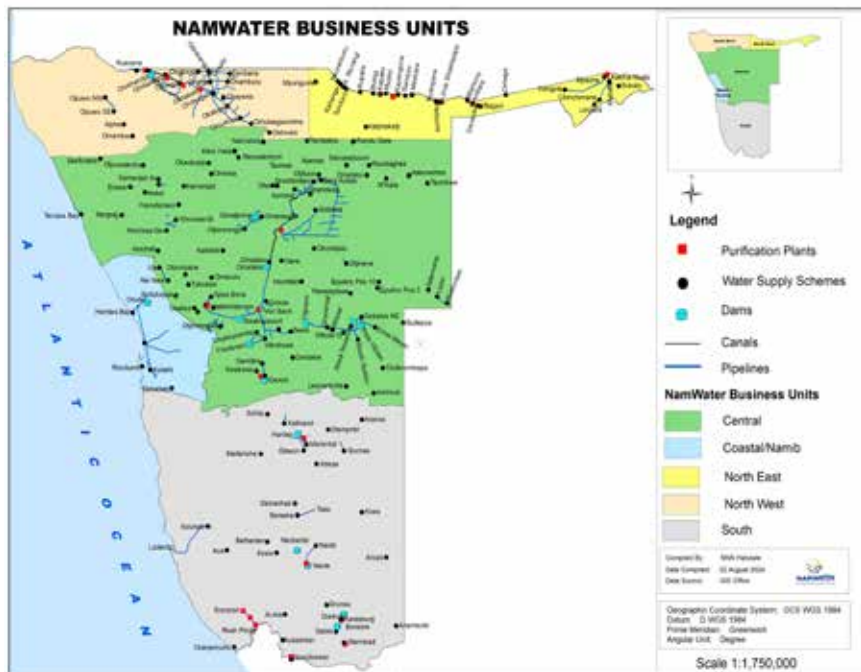
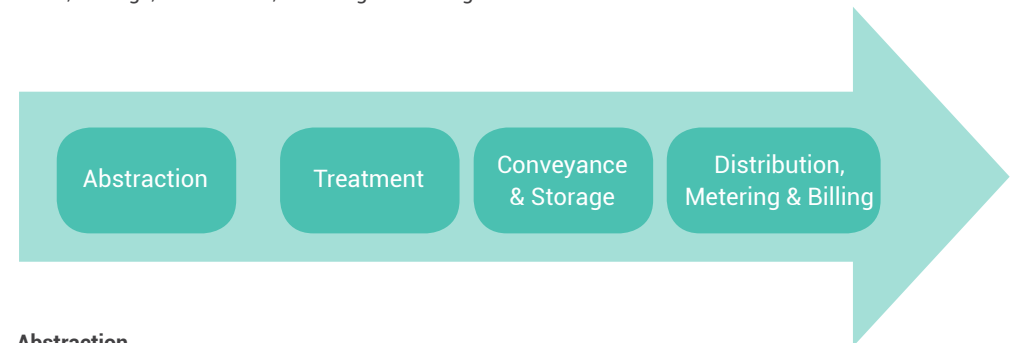


Diagram 3: Map of Namibia with Business Units and Schemes

Value Chain

NamWater ensures the supply of water through the value chain below. The value chain consists of various processes implemented by various departments, including Abstraction, Treatment, Conveyance, Storage, Distribution, Metering and Billing.



Abstraction

NamWater abstracts water from rivers, dams, and groundwater aquifers. Various abstraction systems, including pumping systems, are used from these sources. The table below summarises the different water sources from which NamWater abstracts water for supply throughout the country.

Sources	#	Description
Rivers	4	Kavango, Orange, Zambezi, Kunene
Dams	19 major dams	Distributed over the country
Aquifers	6	Kuiseb, Koichab Pan, Omdel, Kombat, Berg Aukas, Otjiwarongo Marble Aquifer
Boreholes	537	Distributed over the country

Treatment

Water treatment involves removing impurities from water abstracted from various sources to ensure compliance with national water quality standards the Wate, as defined in Resources Management Act no.11 of 2013. The following is a high-level summary of the water treatment plants and types used by NamWater.

Type of plant	Number	Description	Location
Conventional	16	Water treatment consists of the following: Aeration, Coagulation, Flocculation, Sedimentation, Filtration and a Disinfection Process	Von Bach, Karibib, Oanob, Gobabis and Otjivero (Batch plant), Olushandja; Outapi; Ogongo; Osakati, Kongola, Divundu, Hardap, Naute, Rosh Pinah, Noordoewer, Aussenkehr
Reverse Osmosis	5	Water treatment consists of the following: Pre-treatment such as Microfiltration and Ultrafiltration followed by Membrane treatment such as Nano filtration or Reverse Osmosis, blending and disinfection process	Opuwo, Eenhana, Bethanie, Grunau, Spitzkoppe
Filter Plants	16	Water treatment consists of the following: Direct filtration process (No chemicals are used) and a disinfection process	Okakarara, Katima Mulilo, Rundu Industrial, Nkarapamwe, Kandjimi, Tondoro, Rupara, Bunja, Kapako, Kayengona, ShamVura, Mashare, Ndiyona, Mamono, Andara, Karasburg

Conveyance and Storage

Treated water is conveyed to the consumers through pipelines, some running above ground, while others underground. Pipelines are mostly required between the source and the treatment plant, and between the storage reservoirs and the customers. The following is a high-level summary of conveyance infrastructure and storage reservoirs:

Infrastructure (Type)	Number	Distance (km)
Pipelines	n/a	6.996
Reservoirs	338	n/a

Metering and Billing

	BU Central	BU North-west	BU North-east	BU South	BU Coast	Operations Total
Total # of schemes (Irrigation water)	0	1	0	2	0	3
Total # of schemes (raw water)	2	0	2	0	0	4
Total # of schemes (potable water)	87	40	29	30	19	205

The 205 potable Water Supply Schemes supply to the following categories of clients:

	BU Central	BU North-west	BU North-east	BU South	BU Coast	Operations Total
# of schemes supplying to Municipalities	4	0	0	2	3	9
# of schemes supplying to Town Councils	6	12	3	3	1	25
# of schemes supplying Village Councils	6	8	2	10	0	26
# of schemes supplying Settlements	37	6	6	9	0	58
# of schemes supplying Mines	4	0	0	3	4	11
# of schemes supplying to NWR	9	0	0	1	2	12
# of schemes supplying a Borderpost	2	3	0	2	0	7

The primary supply sources are categorised as follows:

	BU Central	BU North-west	BU North-east	BU South	BU Coast	Operations Total
# of dams / schemes supplying from dams	8	3	0	4 (excluding Neckartal)	1	16
# of Schemes supplying from boreholes	32	3	6	22	18	81
# of Schemes supplying from rivers	0	1	23	5	0	29
# of Desalination plants / Reverse Osmosis Plants	1	2		2	1	6

Other relevant data

	BU Central	BU North-west	BU North-east	BU South	BU Coast	Operations Total
Number of boreholes	297	12	21	94	112	536
Number of reservoirs	129	80	46	64	17	336
Distance of canals (km)	250	160	0	17	0	427
Distance of pipelines (km)	4,262	1,359	275	550	550	6,996

Metering of customers is an operational function, which includes the monthly recording of water meter readings. The billing process is, however, handled by the Finance Division. The following is a high level summary with regards to metering data:

Type of Client	Number of Client	Comments
Municipalities	9	
Town Councils	25	
Village Councils	26	
Regional Councils	14	This includes 61 settlements
Mines	11	
Irrigation Customers	31	
Others	53,848	
Total	53,963	

The table below depicts an overview of major dams throughout Namibia.

Name of Dam	Location	Construction completed	Capacity (Mm ³)
Daan Viljoen Dam	Black Nossob river, Gobabis	1958	0.429
Bondels Dam	Satco River, 7km west of Karasburg	1959	1.103
Tilda Viljoen Dam	Black Nossob River, Gobabis	1958	1.224
Omatjienne Dam	Omatjienne River, 1.5km northwest of Otjiwarongo	1933	5.063
Friedenau Dam	Kuiseb River, 38km west of Windhoek	1972	6.723
Otjivero Silt Dam	White Nossob River, 110km west of Gobabis	1984	7.795
Otjivero Main Dam	White Nossob River, 110km west of Gobabis	1984	9.808
Driehuk Dam	Hom River, 20km south west of Karasburg	1978	15.493
Oanab Dam	Oanob River, 7km west of Rehoboth	1990	34.505
Olushandja Dam	Kunene River, 120km northwest of Oshakati	1990	42.331
Omaruru Delta Dam	Omaruru River, 38km east of Henties Bay	1993	37.389
Omatoko Dam	Omatoko River, 190km north of Windhoek	1981	43.499
Sartorikus von Bach Dam	Swakop River, 50km west of Okahandja	1970	48.560
Swakoppoort Dam	Swakop River, 50km west of Okahandja	1978	63.489
Naute Dam	Löwen River, 45km south west of Keetmanshoop	1972	83.580
Hardap Dam	Fish River, 20km north of Mariental	1962	294.593
Neckertal Dam	Fish River	2020	857.420

BUSINESS UNITS' PERFORMANCE OVERVIEW

NamWater as a bulk water supplier supplies water to its customers through five established Business Units (BU), which are:

- Business Unit North-West (covering Omusati, Oshana, Ohangwena, Oshikoto, and Kunene regions).
- Business Unit North-East (covering Kavango West, Kavango East, and Zambezi regions)
- Business Unit Central (covering Otjozondjupa, Khomas, Omaheke, part of Hardap, part of Erongo, part of Oshikoto, and part of Kunene regions)

- Business Unit Coastal (covering Erongo Region) and
- Business Unit South (covering part of Hardap, and //Karas regions).

The BUs are divided into water supply management areas (Diagram 4). To deliver the water to the customers in the respective Business Units and their water supply management areas, the Corporate Services, Finance, Engineering Services, and Scientific Services Departments provide the required support to improve the operation and implementation of capital and research projects.

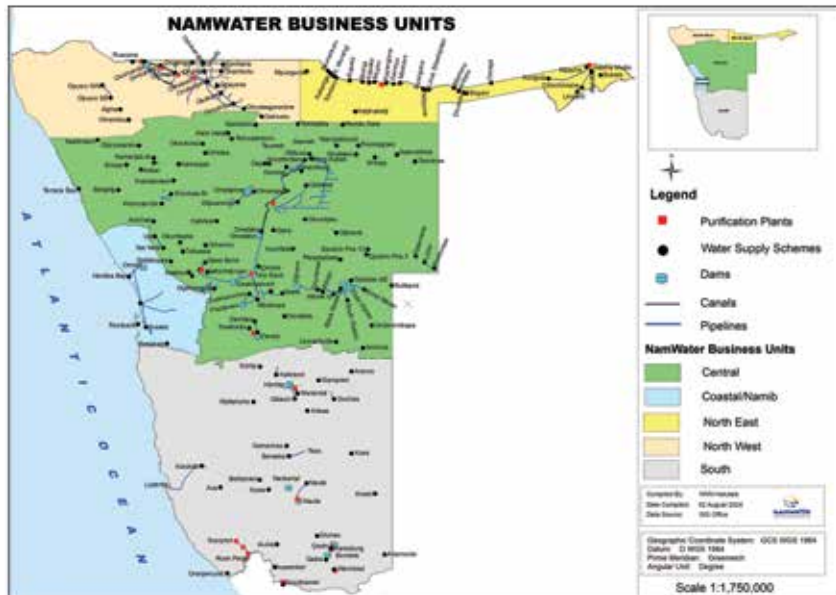


Diagram 4: NamWater Business Units and Water Supply Management Areas





Oshakati Purification Plant

Business Unit Central (BUC)

The Business Unit Central (BUC) is responsible for water supply in the Central Area of Namibia. It includes all water supply schemes from Terrace Bay in the west to Tsumkwe and Buitepos in the east, and from Tsintsabis in the north to Leonardville in the south, as depicted in the diagram below.

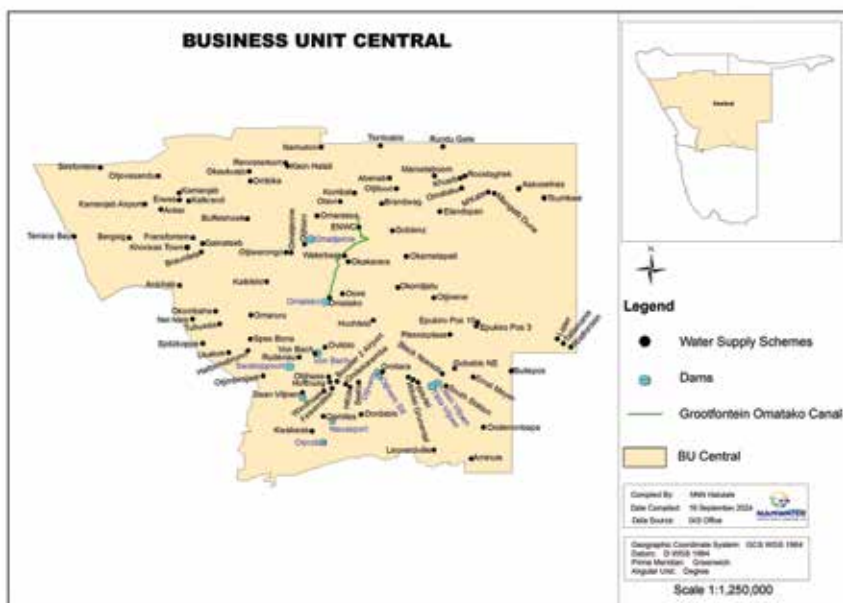


Diagram 5: Business Unit Central

The BUC is headquartered in Okahandja, and the water supply schemes are distributed in Khomas, Otjozondjupa, Omaheke, part of Hardap, part of Oshikoto, part of Kunene, and part of the Erongo region. The Business Unit is split into two water supply management areas: the Water Supply Area Khomas and the Water Supply Area Brandberg. An Operations Manager manages each of the management areas, assisted by Scheme Superintendents, while the maintenance function is managed by a Maintenance Manager supported by a Maintenance Foreman. The Head of Business Unit leads the Business Unit.

The BUC remains NamWater's largest revenue contributor, and the City of Windhoek is its number one customer in terms of the volume of water supplied.

Business Unit Central consists of 89 water supply schemes. Two of emes supply raw water to Navachab Mine and online customers along the Grootfontein–Omatako canal, and the other 87 schemes supply potable treated water to various customers listed in the table below. No new water supply schemes were developed for the reporting period.

Table 1: Business Unit Central Water Supply Schemes

There are 89 Water Supply Schemes divided into the following "Types of Supply"		
Total of # schemes (raw water)	2	Swakoppoort Navachab Mine, Grootfontein-Omatako Canal customers
Total # of schemes (Potable water)	87	See list below
The 87 potable Water Supply Schemes supplying to the following "Categories of clients":		
# of schemes supplying to Municipalities	4	Windhoek, Otjiwarongo, Gobabis and Okahandja
# of schemes supplying to Town Councils	6	Otavi, Okakarara, Rehoboth, Kari-bib, Khorixas and Usakos
# of schemes supplying Village Councils	6	Witvlei, Otjinene, Leonardville, Uis, and Kamanjab.
# of schemes supplying Settlements	37	Tsintsabis, Tsumkwe, Okondjatu, Okombahe, Tubussiss, Spitzkope, Otjivero, Epukiro Post 3 and Epukiro Post 10, Aminius, An-ichab, Onderombapa, Dordabis, Ernst Meyer, Oamites, Plessis Plaas, Kwakwas, Osire, Ovitoto, Kalkfeld, Otjituu, Okamatapati, Goblentz, Okahitwa, Sesfontein, Bergsig, Anker, Erwee, Fransfontein, Nei-Neis, Rundu Gate, Roo-idag Gate, Maroelaboom, M'kata, Mangetti Dune, Aasvoelnes, Omatako, and Otjimbingwe

# Schemes supplying Mines	4	Navachab Mine, Okorusu, Otji-hase, Friedenau
# Schemes supplying to NWR	9	Namutoni, Halali, Okaukuejo, Terrace Bay, Daan Viljoen, Gross Barmen, Ombika, Otjivasandu, Von Bach Resort
# Schemes supplying to a Borderpost	2	Buitepos, Hosea Kutako International Airport
# Schemes supplying to an individual	4	Berg Aukas – Elandspan, Okakarara – Elandspan, Goblenz, Grootfontein – Omatako canal
The primary supply sources are categorised as follows:		
# of dams	8	The integrated three-dam system of Von Bach, Swakoppoort, and Omatako; Oanob; Friedenau; Tilda Viljoen; Daan Viljoen, and Otjivero Silt and Main Dam.
# Schemes supplying from boreholes	32	
Other relevant data		
Number of boreholes	297	
Number of reservoirs	129	
Distance of canals (km)	250	
Distance of pipelines (km)	4,262	
Number of reservoirs	129	



Nkarapanwe 12,000 cubic metre reservoir 2.

The Business Unit Northwest supplies one of the most populated regions in Namibia comprising about 50 percent of the country's population.

Business Unit Northwest consists of four water treatment plants. Among the available water supply schemes, the canal transports water from Calueque Dam supplies raw water to the Etunda Irrigation Scheme.

Table 2: Business Unit Northwest Water Supply Schemes

The 4 water supply schemes consist of a network of production plants and pump stations. Water is supplied as follows:		
Total # of schemes (Irrigation water)	1	Etunda
Total # of schemes (Potable water)	40	See list below
Potable water- is supplied to clients in the following categories:		
# of schemes supplying to Municipalities	0	There are no municipalities in the BUNW
# of schemes supplying to Town Councils	12	Omuthiya, Oniipa, Ondangwa, Helao Nafidi, Eenhana, Ongwediva, Oshakati, Oshikuku, Outapi, Ruacana, Okahao and Opuwo.
# of schemes supplying Village Councils	8	Ongha, Omungwelume, Okalongo, Ogongo, Onesi. Ongenga, Onayena, Oshivelo
# of schemes supplying Settlements	6	Eheke, Odibo, Onambutu, Ondobe, Oshigambo, Oshitayi
# of schemes supplying Mines	0	There are no mining activities in the BUNW
# of schemes supplying to NWR	0	NWR does not operate in the BUNW
# of schemes supplying to a Borderpost	3	Oshikango (Omafo scheme), Omuvelo Wakashamane (Ogongo scheme), Mahenene and Ruacana (Olushandja Scheme)

The primary supply sources are categorised as follows:		
# of dams	3	Calueque, Olushandja, Ogongo-Million Dam
# of schemes supplying from boreholes	3	Opuwo, Oshivelo, Eenhana
# of schemes supplying from rivers	1	Calueque
Other relevant data		
Number of boreholes	12	Oshivelo – 2; Eenhana – 3; Alpha – 2; Opuwo -5.
Number of reservoirs	80	
Distance of canals (km)	160	From Calueque pumpstation to Oshakati purification Plant.
Distance of pipelines (km)	1,359	

Business Unit Northeast (BUNE)

The Business Unit Northeast (BUNE) is responsible for water supply in the Zambezi, Kavango East, and Kavango West regions.

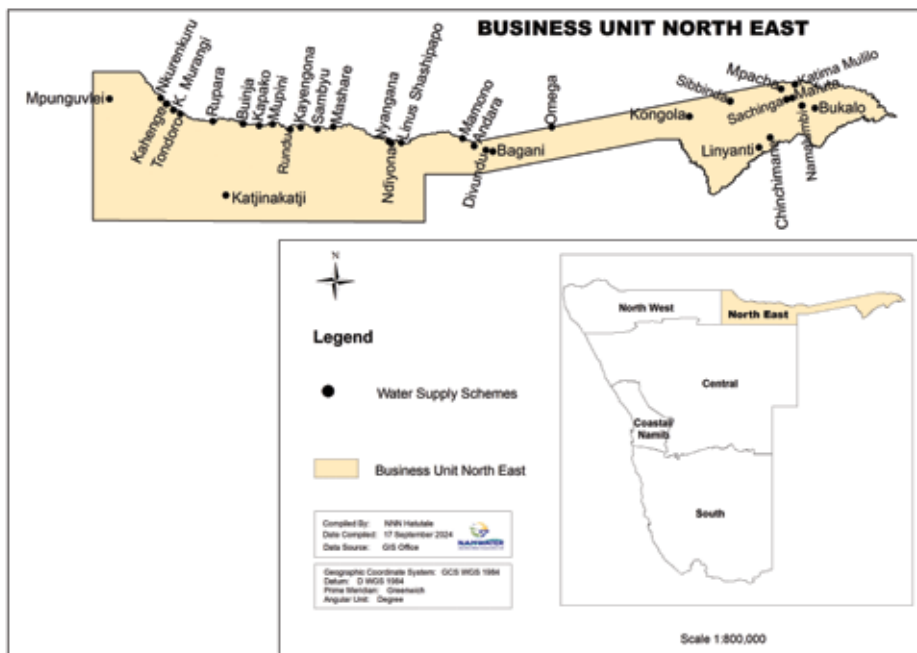


Diagram 7: Business Unit Northeast

The BU headquarters is located in Rundu Town. The Business Unit is divided into two water supply management areas: the Zambezi and Kavango. Each water supply management area is managed by an Operations Manager assisted by Scheme Superintendents. The maintenance component in the Business Unit is spearheaded by a Maintenance Manager assisted by a Maintenance Foreman, while a Head of the Business Unit heads the Business Unit.

The Business Unit Northeast supplies water to Namibia's second most populated town, Rundu.

Table 3: Business Unit Northeast Water Supply Schemes

There are 32 Water Supply Schemes divided into the following "Types of Supply"		
Total # of schemes (raw water)	2	Katima and Rundu
Total # of schemes (potable water)	29	8 x Zambezi: Katima Town, Bukalo, Katima-Linyanti, Katima-Sibbinda, Booster Isize, Mafuta, Katima-Bukalo, Kongola-Makanga 21 x Kavango East and West: Omega, Divundu, Bagani, Andara, Mamonono, Shamvhura, Linus, Ndiyona, Nyangana, Mashare, Sambyu, Kayengona, Rundu Scheme, Nkarapamwe scheme, Mupini, Kapako, Bunja, Rupara, Tondoro, Kandjimi and Mpungu-Vlei
The 29 potable Water Supply Schemes supplying to the following "Categories of clients":		
# of schemes supplying to Municipalities	0	None
# of schemes supplying to Town Councils	3	1 x Zambezi: Katima Town Council 2 x Kavango: Rundu Town and Nkarapamwe
# of schemes supplying Village Councils	2	Bukalo Village Council, Divundu Village Council
# of schemes supplying Settlements	6	Kongola-Makanga Booster, Katima-Linyanti Booster, Katima-Sibbinda-Booster, Mafuta Booster, Isize Booster and Ndiyona
# of schemes supplying Mines	0	None
# of schemes supplying to NWR	0	None
# of schemes supplying a Borderpost	0	None

The primary supply sources are categorised as follows:		
# of dams	0	None
# of schemes supplying from boreholes	6	Kayengona, Mpungu-Vlei, Nyanagana, Omega, Sambyu and Shamvhura
# of schemes supplying from rivers	23	Andara, Kandjimi, Bagani, Divundu, Andara, Mamono, Linus, Ndiyona, Mashare, Rundu Scheme, Nkarapamwe scheme, Mupini, Kapako, Buinja, Rupara, Tondoro, Katima Town, Bukalo, Kongola - Makanga booster, Katima - Linyanti booster, Katima - Sibbinda booster, Mafuta booster and Isize booster.
Other relevant data		
Number of boreholes	21	
Number of reservoirs	46	
Distance of canals (km)	0	None
Distance of pipelines (km)	275	



Ogonog Million Dam.



Omahehene Part B.

Business Unit South (BUS)

The Business Unit South (BUS) is responsible for water supply in Hardap, and //Kharas regions.



Diagram 8: Business Unit South

The BU is headquartered in Keetmanshoop (Diagram 8). The BUS is managed by an Operations Manager, assisted by four Scheme Superintendents. A Maintenance Manager and Maintenance Foreman manage the maintenance works, while a Head of Business Unit heads the Business Unit.

Business Unit Coastal (BUC)

The Business Unit Coastal's (BUC) area of control is along Namibia's coastline, extending from the Ugab River to the Kuiseb River and in the east to Rössing mine. It is responsible for water supply in the Erongo Region.

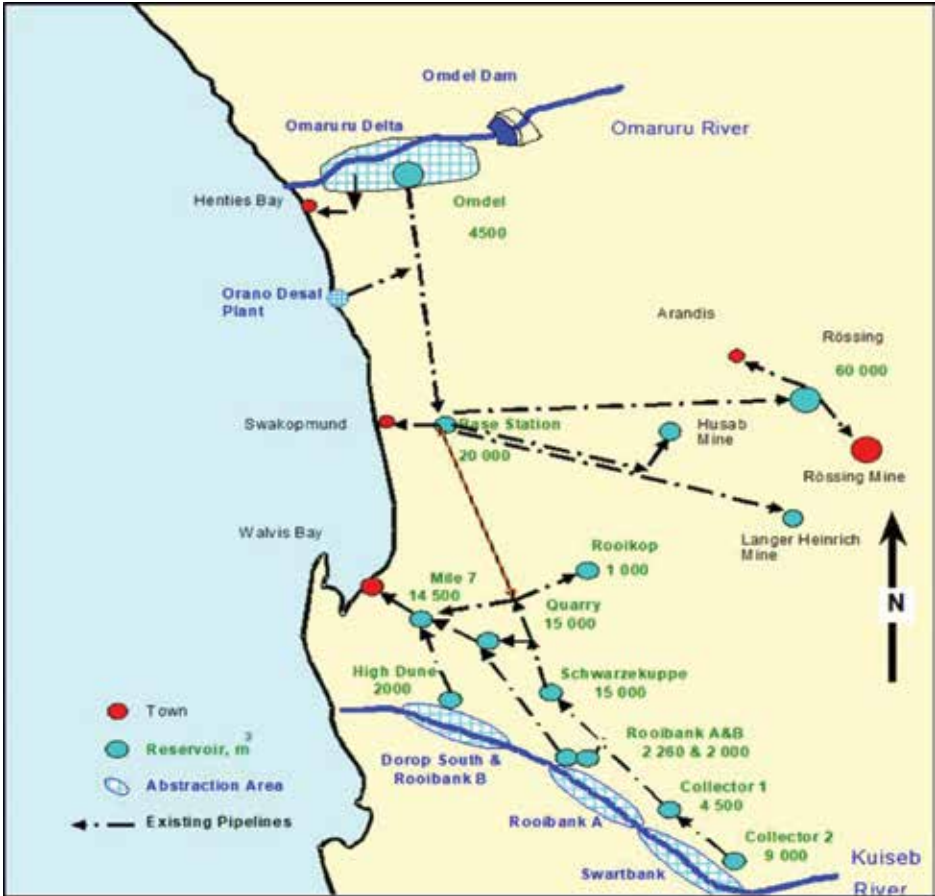


Diagram 9: Business Unit Coastal

Table 4: Business Unit South Water Supply Schemes

The 32 water supply schemes consist of a network of production plants and pump stations. Water is supplied as follows:		
Total # of schemes (Irrigation water)	2	Hardap Dam, Naute Dam, Neckartal Dam (not operational yet)
Total # of schemes (Potable water)	30	See list below
Potable water- is supplied to clients in the following categories:		
# of schemes supplying to Municipalities	2	Keetmanshoop, Mariental
# of schemes supplying to Town Councils	3	Aranos, Karasburg, Lüderitz
# of schemes supplying Village Councils	10	Gibeon, Maltahohe, Tses, Kalkrand, Stampriet, Aroab, Gochas, Bethanie, Berseba, Warmbad
# of schemes supplying Settlements	9	Schlip, Kriess, Noordoewer, Ariamsvlei, Grünau, Aus, Kosis, Gainachas, Aussenkehr
# of schemes supplying Mines	3	Skorpion Mine, RPZC Mine, RoshSkor Town
# of schemes supplying to NWR	1	Ai-Ais
# of schemes supplying to a Borderpost	2	Klein Menasse, Noordoewer,
The primary supply sources are categorised as follows:		
# of dams	4	Keetmanshoop, Mariental and Hardap, Karasburg, Gabis
# of schemes supplying from boreholes	22	Remainder of bulk customers
# of schemes supplying from rivers	5	Aussenkehr, Noordoewer, Skorpion Mine, RPZC Mine, RoshSkor Town
Other relevant data		
Number of boreholes	94	
Number of reservoirs	64	
Number of dams	5	Naute, Hardap, Neckartal, Dreihuk, Bondels
Distance of canals (km)	17	
Distance of pipelines (km)	550	

The limited water resources in the area have necessitated the development of an integrated water supply system, the Central Namib Water Supply System, which supplies water to consumers along 100 km of coastline and 65 km inland. Bulk water supply to the CNA is presently based on groundwater abstracted from the alluvia in the lower reaches of two ephemeral river systems, the Kuiseb River some 20 km south of Walvis Bay, the Omaruru River 80 km north of Swakopmund (as indicated in the figure below), and the Orano desalination plant at Wlotzkasbaken, situated approximately 35 km north of Swakopmund.

Table 5: Business Unit Coastal Water Supply Schemes

There are 19 Water Supply Schemes divided into the following "Types of Supply"		
Total # of schemes (raw water)	0	
Total # of schemes (Potable water)	19	See list below
The 87 potable Water Supply Schemes supplying to the following categories of clients:		
# of schemes supplying to Municipalities	3	Swakopmund, Walvis Bay, Henties Bay
# of schemes supplying to Town Councils	1	Arandis
# of schemes supplying Village Councils	0	
# of schemes supplying Settlements	0	
# of schemes supplying Mines	4	Rössing Mine, Husab Mine, Langer Heinrich Mine, Etango Mine
# of schemes supplying to NWR	2	Jakkalsputz Nature conservation, Namibia Wildlife Omdel
# of schemes supplying to a Borderpost	0	

The primary supply sources are categorised as follows:

# of Desalination plants	1	Orano Desalination Plant
# of schemes supplying from boreholes	18	
# of schemes supplying from dams	1	Omdel serves as recharge for the downstream aquifer
Other relevant data		
Number of boreholes	112	71 in the Kuiseb and 41 in the Omdel aquifer
Number of reservoirs	17	
Distance of canals (km)	0	
Distance of pipelines (km)	550	



Outapi Settler.

WATER SECURITY STATUS

Ensuring water security in the arid regions where NamWater operates is a significant challenge given the spatial variability in rainfall affected by climate change. This variability limits the availability of water resources to meet the growing water demands. However, NamWater has implemented adaptation measures to ensure water provisions to areas with limited water resources. In this report, we present the crucial water security status of each Business Unit where NamWater operates, a vital update that underscores the relevance of our operations to our stakeholders.

Status of the Developed Water Sources per Business Unit

Business Unit Central

Business Unit Central's water supply is primarily sourced from surface water dams and groundwater boreholes. The potential of these developed water sources (surface and groundwater) remains stable, mirroring the previous financial year's report at 44 Mm³/a (Table 6; Graph 2). This consistent water source potential in Business Unit Central, distributed through a well-integrated system, comprising groundwater boreholes, surface water dams, canals, and pipelines, reassures our stakeholders about the reliability of our water supply. With about 297 production and monitoring boreholes, this Business Unit has maintained its water source potential without any new developments in the reporting period.

Business Unit Northwest

In Business Unit Northwest, our unwavering commitment to sustainability is evident in the choice of our water sources. The developed water sources available for water supply are surface water from the Calueque Dam, which is then transported via a canal. The potential of developed water sources (surface and groundwater) in this Business Unit remains steady from the previous financial year at 191 Mm³/a (Table 6; Graph 2). This Business Unit, with three surface water dams (Calueque, Olushandja, and Ogongo-Million Dam) all contributing to our sustainable water supply, demonstrates our environmental responsibility to our stakeholders. With

about 12 production and monitoring boreholes in Business Unit Northwest, we maintain a responsible approach to water management. For the reporting period, no additional water sources were developed, as we continue to focus on the sustainability of our operations.

Business Unit Northeast

The water supply in Business Unit Northeast is sourced from surface water from the Kavango and Zambezi Rivers and nearby groundwater boreholes. This Business Unit's developed water source potential (surface and groundwater) remains unchanged from the previous financial year at 15 Mm³/a (Table 6; Graph 2). With 21 boreholes, this Business Unit has maintained its water source potential without any new developments in the reporting period, ensuring a secure water supply for the region.

Business Unit South

In Business Unit South, the developed water sources available for water supply are surface water from dams, ephemeral rivers, and groundwater boreholes. The potential of the developed water sources (surface and groundwater) in this Business Unit is the same as reported in the previous financial year at 85 Mm³/a, excluding the Neckertal Dam (Table 6; Graph 2). No new water sources were developed in this Business Unit for this reporting period.

Business Unit Coastal

In Business Unit Coastal, the developed water sources available for water supply are groundwater from the Omdel and Kuiseb aquifers. The developed water source potential (groundwater) in this Business Unit is the same as reported in the previous financial year at 14 Mm³/a, excluding the Orano Desalination Plant, as it is privately owned and operated (Table 6; Graph 2)). Water supply in Business Unit Coastal is regarded as one of the integrated systems as it is interconnected, and water can be transferred from one system to another.

Water Supply and Water Demand Status per Business Unit

Business Unit Central

The percentage of "Theoretical Demand" over "Developed NW Water Sources Potential" of 108 percent indicates that the Central Areas of Namibia's (CAN) developed sources are already stressed, especially in Windhoek (Table 6).

NamWater is investigating several short-term interventions to mitigate the ongoing drought, including increased abstraction volumes from the Kombat mine dewatering, boreholes at Berg Aukas, and water demand management measures. Medium-term projects include the Abenab aquifer development and a Second Direct Potable Reuse (DPR2) plant in Windhoek.

To meet the CAN's long-term water demands, the Cabinet has committed funding for the implementation of the Okavango Link project. This project will convey water from the Okavango River to Windhoek via a proposed 280 km pipeline connecting the existing integrated CAN system at Grootfontein.

Business Unit Northwest

The percentage of "Theoretical Demand" over "Developed NW Water Sources Potential" of 17 percent indicates that Namibia has not fully utilised its allocation of 6 m³/s from the Calueque Dam (Table 23). However, the percentage of "Abstraction" over "Theoretical Demand" of 330 percent could indicate water losses emanating from the open canals, ageing infrastructure, and illegal offtakes.

NamWater has several ongoing projects to rehabilitate the canal and bulk pipeline distribution systems. It is also updating the Master Plan to ensure full utilization of the water allocation from Calueque Dam and carrying out the necessary water balance to check against water losses.

Business Unit Northeast

The 80 percent of "Theoretical Demand" over "Developed NW Water Sources Potential" indicates that there is still available water to be allocated for future customers, especially from the Okavango River (Table 26).

Business Unit South

The percentage of "Theoretical Demand" over "Developed NW Water Sources Potential" in the Business Unit is 78 percent (Table 26). This indicates that there is still water available to be allocated for future customers, especially from the Naute Dam (Table 26). The current water source potential in this business unit excludes the Neckartal Dam.

However, despite the available surface water sources in this Business Unit, there are currently Local Authority areas where NamWater can only partially meet the water demand due to limited water resources and poor-quality groundwater sources. During the period under review, the areas affected include the towns and villages of Aus, Grünau, Ariamsvlei, Aroab, and Karasburg. Capital projects to address these insufficiencies have been initiated under the current capital budget.

Business Unit Coastal

The percentage of "Theoretical Demand" over "Developed NW Water Sources Potential" is 196 percent during the period under review compared with the previous at 193 percent, despite an increase in water demand (Table 6). This indicates shortfalls of water supply from the Kuiseb and Omdel aquifer to meet the Central Coastal towns' and uranium mines' water demands, which are currently supplemented by the Orano Desalination Plant (Table 6).

As approved by the Cabinet, a 20 Mm³/a supply augmentation scenario with one (SS1) Desalination Project should enable NamWater to meet its current and future water demands for the Central Coastal area

Table 6: Water Security Status - FY2024 assessment of the available developed NamWater water sources regarding to the present realistic water demand, which is increasing and dynamic.

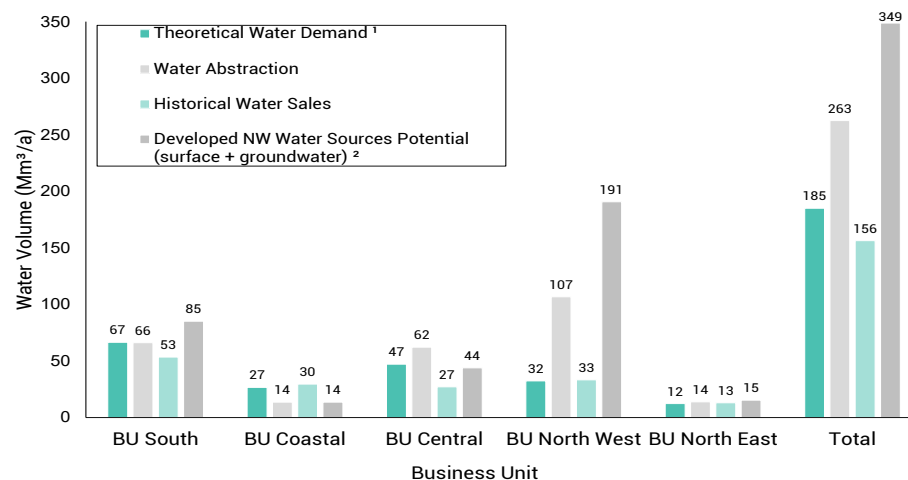
Water Volume by NamWater Business Unit (BU) (Mm ³ /a)	FY2024					Total
	BU South	BU Coastal	BU Central	BU North-west	BU North-east	
Theoretical Water Demand ¹	67	27	47	32	12	185
Water Abstraction	66	14	62	107	14	203
Historical Water Sales	53	30	27	33	13	156
Developed NW Water Source Potential (surface + groundwater) ²	85	14	44	191	15	349
% Theoretical Demand / Developed NW Water Source Potential ³	78%	196%	108%	17%	80%	53%
% Abstraction / Theoretical Demand ⁴	99%	51%	132%	330%	113%	142%

¹ Cuvelai irrigation demand added based on FY2023 Historical Sales as a proxy for water demand.

² BU South water sources exclude Neckartal Dam, which is being transferred from Treasury to NamWater.

³ NamWater Developed Resources fall short of the Central Coastal Water Demand and is supplemented from Orano Desalination Plant. The Potential Water Resources entails the maximum river/groundwater permits and the 95% yields of the dams.

⁴ Higher abstraction ratios over the water demands of the Central and mainly the North West BUs could entail water losses over and above the allowable norms (Production 10%; Distribution 15%). Water losses could emanate from open canals, ageing infrastructure, illegal offtakes, etc.



Graph 2: Water Security Status - FY2024 assessment of the available developed NamWater water sources in relation to the present realistic water demand, which is variably increasing and dynamic.

Status of dams and rivers

Status of dams

This section reflects the status of the major dams in NamWater in all Business Units.

For the Business Unit Central, the dams' water level of the current season (FY23/24) was lower than the preceding season (FY22/23). The exceptions are the Otjivero Silt, Dreihuk, Bondels, Olushandja, and Calueque Dam, where the dam water level for the current season was higher than the previous season. Both Omatjene, Nauaspoort and Omdel dams were empty for the period under review. Overall, most of the dams received less to no inflow in FY23/24 compared to the preceding year; this implies that the available water will not be enough (most of the dams) to breach two rainy seasons operational policy. For the central part of the country, the water supply will be augmented from the groundwater sources; however, the available water will not be sufficient to breach the two rainy seasons operational policy, and thus, water demand management must be implemented.

Table 7: Dam Status

Business Unit Central				
Name	FY 2022/23		FY 2023/24	
	Volume (Mm ³)	%	Volume (Mm ³)	%
Swakoppoort Dam	47.901	75.4	24.253	38.2
Von Bach Dam	13.386	28.2	5.367	11.3
Omatako Dam	0.899	2.1	0.243	0.6
Otjivero Main Dam	1.429	14.6	0.442	4.5
Otjivero Silt Dam	0.050	0.6	0.102	1.3
Daan Viljoen Dam	0.067	15.5	0.023	5.4
Tilda Viljoen Dam	0.502	41.0	0.055	4.5
Friedenau Dam	4.806	71.5	3.69	54.9
Omatjene Dam	Empty		Empty	
Oanob Dam	21.320	61.8	15.276	44.3
Nauaspoort Dam	0.644	18.9	Empty	

Business Unit South				
Name	FY 2022/23		FY 2023/24	
	Volume (Mm ³)	%	Volume (Mm ³)	%
Neckartal Dam	800.651	93.4	715.501	83.4
Hardap Dam	120.736	41.0	36.072	12.2
Naute Dam	56.191	67.2	40.08	48.0
Dreihuk Dam	0.221	1.4	2.979	19.2
Bondels Dam	Empty		1.134	102.8

Business Unit Northeast				
Name	FY 2022/23		FY 2023/24	
	Volume (Mm ³)	%	Volume (Mm ³)	%
Olushandja Dam	8.479	18.9	16.558	36.3
Calueque Dam	193.424	40.7	501.58	105.6

Business Unit Coastal				
Name	FY 2022/23		FY 2023/24	
	Volume (Mm ³)	%	Volume (Mm ³)	%
Omdel Dam	Empty		Empty	

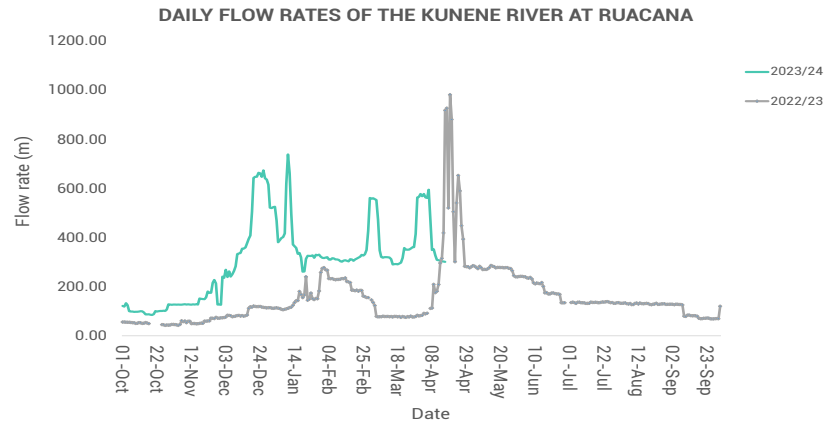
Status of perennial rivers

This section reviews the perennial river water levels recorded at different stations in all NamWater Business Units.

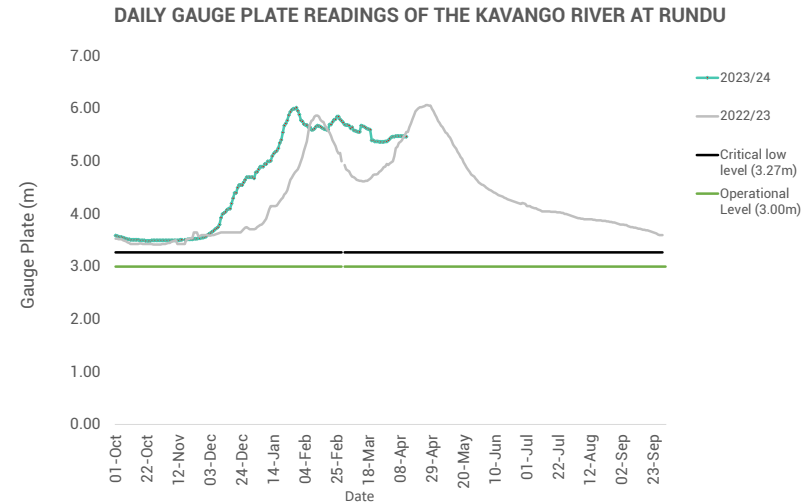
Business North (West and East)

For the hydrological season 2023/24, Kunene River at Ruacana peaked at 739.06 m³/s in January 2024, which is lower than the previous rainy season (Graph 6-8). The peak water level of 6.02 m was recorded in January 2024 at Rundu (Kavango River), almost similar to the previous rainy season.

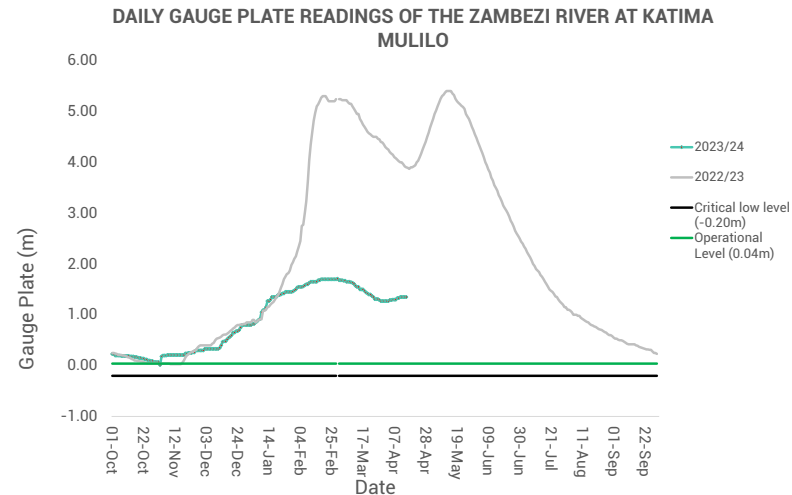
In February 2024, at Katima Mulilo (Zambezi River), a peak water level of 1.71 m was recorded, which was lower than that of the previous rainy season (Graph 6-8). In summary, the water level at all the stations in BUN did not reach the critical level in the current hydrological season. However, Katima Mulilo reached the operational level once in November 2023 and increased again. Before the critical abstraction level is reached in the Zambezi and Kavango rivers, Business Unit North is responsible for implementing contingency plans to supply water to consumers.



Graph 3: Flow rate at Kunene River



Graph 4: Flow rate at Kavango River



Graph 5: Flow rate at Zambezi River

Business South

The Orange River water level is recorded at Noordoewer and Rosh Pinah stations. For the hydrological season 2023/24, the water level at Noordoewer peaked at 3.90 m, whereas the Rosh Pinah peak was 3.79 m (Graph 7-8). When comparing the current and previous levels in April 2024, the water level at Rosh Pinah and Noordoewer was less than in the last season

For the hydrological season 2023/24, the stations in the Orange River did not reach the critical abstraction level. Before the critical abstraction level is reached in the Orange River, Business Unit South will implement contingency plans to supply water to consumers.

Groundwater Aquifer Status

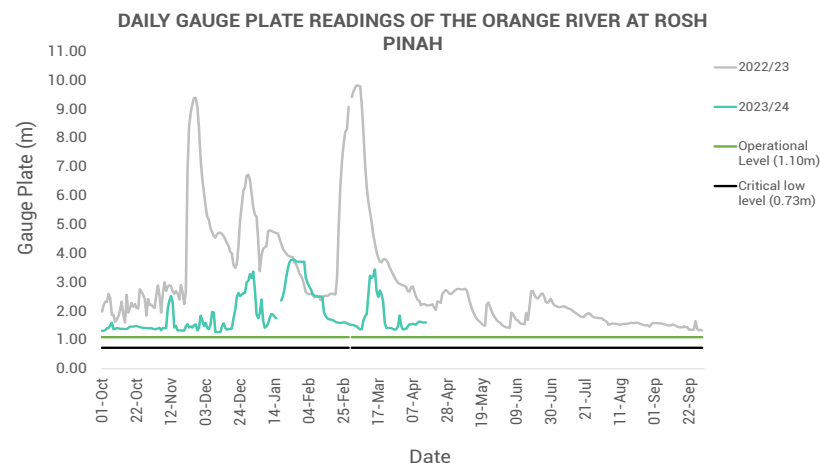
NamWater manages two critical aquifer/groundwater systems: the Karst aquifer in the north-central part of the country, which supplies the north-central towns, including Windhoek, and alluvial aquifers along the west coast, which supply coastal towns. The status and sustainability of these systems are essential to NamWater's mandate and the economic sustenance of the industries and the country at large.

The north-central aquifers tend to perform better than the coastal aquifer system due to differences in the amounts and frequency of replenishment, which are tied to the rainfall in those two regions. Currently, the north-central aquifer system can be regarded as full compared to the time of its establishment. In contrast, the coastal aquifer system ranges between 44 percent (Omdel) and 79 percent (Kuisseb) relative to initial conditions.

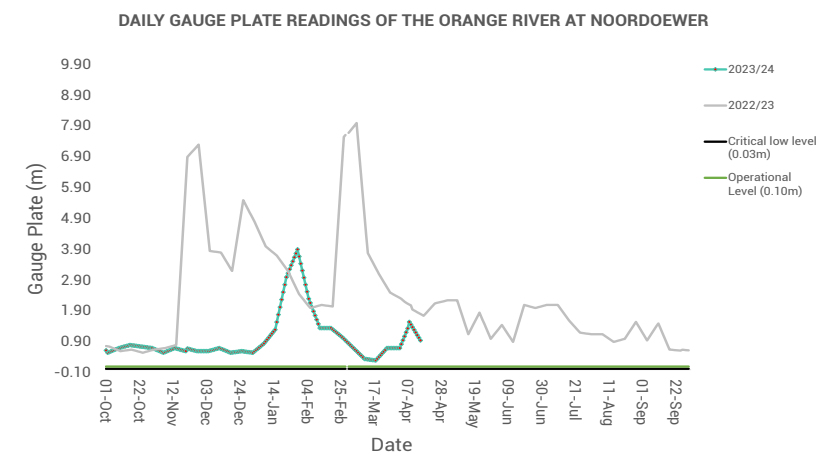
In terms of the reserve, all major aquifers were observed to have reduced in volume due to a poor rainfall season, signifying low recharge. Major groundwater sources indicate that about 431 Mm³ of good-quality groundwater will be available to NamWater for 5 to 15 years. These figures are subject to annual changes in the balance between replenishment and withdrawal (pumping).

Aquifer Name	Estimated Reserve (Mm ³)
Kuisseb	139
Otjiwarongo Marble	69
Koichab Pan Lüderitz	77
Omdel	40
Kombat	49
Berg Aukas	50
Total	431

Table 8: Groundwater reserve of major water supply schemes in million cubic meters



Graph 7: Flow rate at Orange River – Rosh Pinah



Graph 8: Flow rate at Orange River – Noordoewer

WATER QUALITY STATUS

During the period under review, the Business Units have ensured that water supplied to customers is of acceptable quality following the Namibia Water Quality Guidelines and Standards for potable water.

However, given the stringent level of the Namibia Water Quality Guidelines and Standards, some Business Units' water recorded high levels in terms of physiochemical water quality parameters as indicated below:

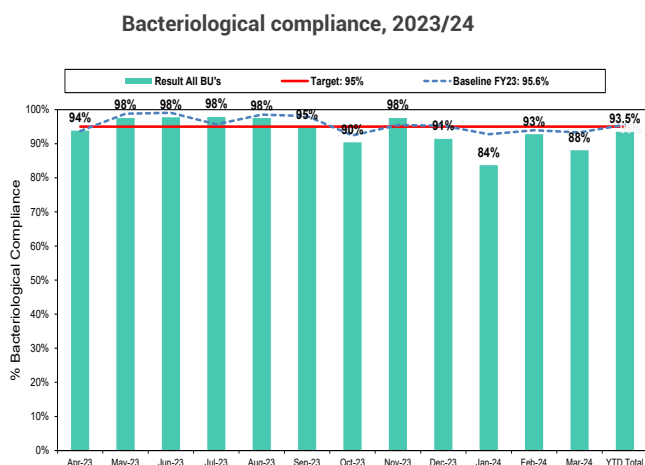
1. BU South: (7) Colour, Turbidity, Fluoride, Calcium, Total Hardness, Sulphates and Nitrates
2. BU Northeast: (3) Colour, Turbidity, Manganese
3. BU Northwest: (3) Turbidity, Magnesium, Total Hardness
4. BU Central: (5) Colour, Turbidity, Total Hardness, Fluoride and Chloride
5. BU Coastal: (2) Turbidity and Chloride

As reported in the previous financial year, turbidity remains a concern for most Business Units. The ongoing treatment plant upgrades at Rundu, Oshakati, Eenhana, and Outapi will address many water quality issues in Business Unit North. Furthermore, optimisations and the retrofitting of some water supply schemes with new treatment process units will also improve product water quality.

Bacteriological Water Quality

Graph 9 depicts the percentage bacteriological compliance for the various business units against the set target of 95 percent.

Graph 9 Bacteriological Water Quality



This objective is to achieve a bacteriological compliance target of 95 percent throughout the financial year ending 2024. Bacteriological compliance is important because the company must provide safe water for human consumption.

The result for the 12 months FY2023/24 for bacteriological water quality is 93.5 percent, against a target of 95 percent. Business Units Northeast and Central did not meet the 95 percent target. In BU Northeast, most failures occurred at unmanned schemes. The Business Units are implementing interventions to improve bacteriological water quality.

Operational Challenges

Business Unit Central

The significant operational challenges in the Business were constant pipe-breaks, namely:

- On the Von Bach–Windhoek transfer system, especially the Glass Re-enforced (GRP) Pipeline section near Windhoek weigh bridge,
- On the Swakoppoort–Von Bach transfer system
- On the Otjimbingwe rural water supply system, and
- Unavailability of the Karst borehole and Berg Aukas schemes, which resulted in low abstraction volumes from northern sources.

In addition, there were also constraints with Swakoppoort tower and transfer pumps. These problems result from aged infrastructure, and ongoing strategic initiatives exist to upgrade or replace the aged infrastructure. One such initiative is the implementation of prioritised scheduled maintenance plans and maintenance projects.

Another operational challenge is water quality failures caused by pollution in the source dams, especially Swakoppoort Dam, whose catchment area includes Windhoek, the country's industrial hub. The dam is currently hypereutrophic, meaning it is rich in nutrients such as phosphates and nitrates, which increases algae blooms.

To improve water quality, the Corporation is looking at long-term interventions such as applying technologies such as Dissolved Air Flotation (DAF) and installing online monitoring instruments to measure specific water quality parameters upstream and proactively control or adjust the treatment process. This will reduce water quality failures and improve treatment process performance. Enhanced coagulation is used to remove algae from the water for the short to medium term.

Business Unit Coastal

Although the infrastructure within the Business Unit is aging, as most of it was built over 30 years ago, the number of water supply interruptions remains relatively low. NamWater has been implementing a project to maintain infrastructure capacity and optimise operations.

The Business Unit is faced with numerous challenges such as:

- Shortage of water at various schemes;
- Unstable electricity, especially the big schemes supplying the mines;
- Aging infrastructure and thus frequent breakdowns on the older pipes; and
- Difficulty to meet demand of mining customers from current available sources.

Business Unit Northwest

The age of infrastructure, especially the Calueque Canal and the vast pipelines within the Business Unit, results in continuous unscheduled maintenance activities. This hampers the execution of planned maintenance to augment the lifespan of infrastructure and ensure optimum asset performance.

Below are some of the daily challenges that the Business Unit encounters:

- Challenges to meet demand on far ends of distribution pipelines, due to increasing connections from new customers and consequent lower pressures in distribution systems;
- Unauthorised abstraction of water from the canal by community members;
- Vandalism of the canal by community members to convey water in open land adjacent to the canal;
- Agricultural activities in the canal servitude;
- Encroachment and building of infrastructure in the pipeline servitude and on top of the pipelines;

- Vandalism of pipeline appurtenances by community members (e.g. air, scour valves and manholes); and
- Power supply interruptions that hinder water supply.

During the reporting period, the Business Unit supplied water with occasional minor supply interruptions despite all these challenges.

Business Unit Northeast

Like other business units, the Business Unit Northeast has been able to supply water despite the various challenges it faced during the period under reporting.

Operational challenges that are hampering the reliability of supply are mostly:

- Unstable electricity supply especially during the rainy season;
- Many schemes are operating at maximum design capacity;
- Aging infrastructure leading to numerous pipe breaks; and
- There is a water and water supply infrastructure shortage at various schemes and areas, especially in the two Kavango regions; the new purification plant in Rundu that is being constructed will go a long way toward improving the situation.

Business Unit South

The Hardap irrigation scheme is operated and maintained on behalf of the Ministry of Agriculture, Water, and Land Reform. This scheme is facing several challenges that need to be resolved, which include:

- The viability of Business Unit South to operate and maintain such a scheme;
- The lack of funds to refurbish the scheme to ensure reliable supply to its customers;
- The establishment of an irrigation board is a measure that is under consideration; and
- Flood-control interventions, namely the Hardap and Naute dams, must be executed annually during the rainy season to ensure the integrity of the dams that provide the Business Unit's water supply. .

Schemes under suppressed demand hamper continuous water supply in the affected schemes. Several interventions to ensure supply are applied. Capital projects will eventually address the concern permanently.

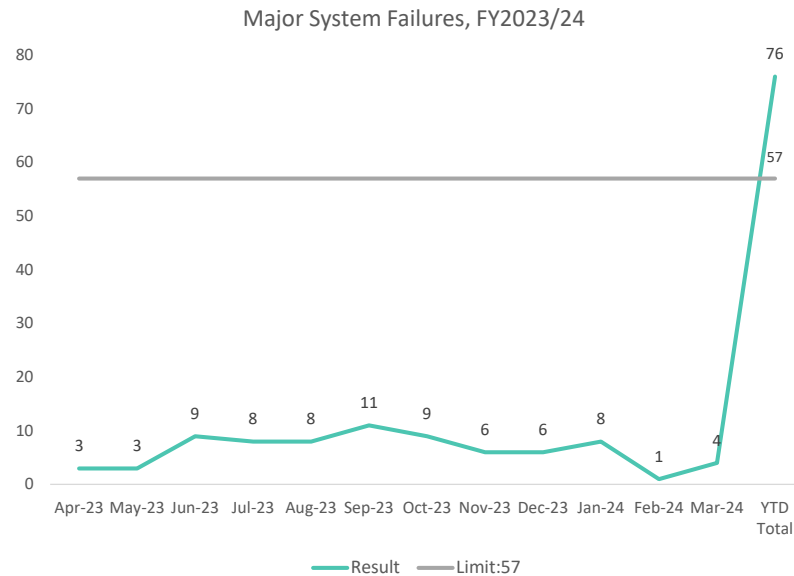
OVERALL PERFORMANCE AGAINST STRATEGIC OBJECTIVES

During the period under review various Key Performance Indicators (KPI's) have been monitored against the strategic objectives set with an aim to measure operational efficiency. The following measures have been used by the Corporation for the FY23/24.

STRATEGIC OBJECTIVE: Improve Internal Efficiency

of Major Systems Failures

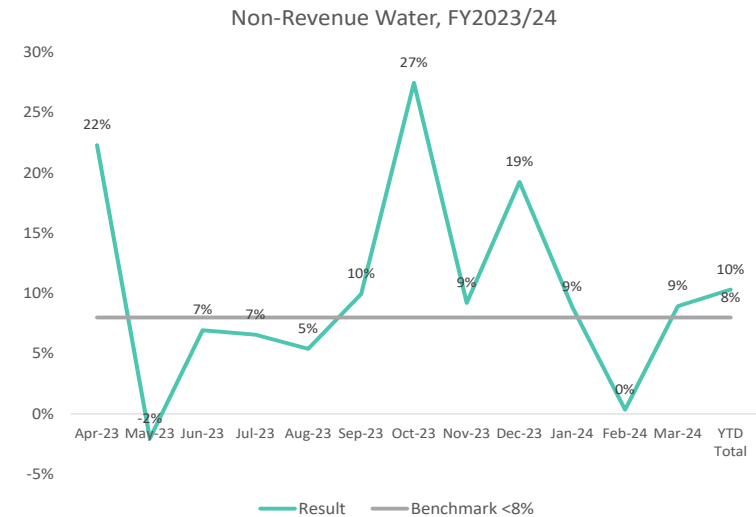
Seventy six major system failures were recorded during the period under review. The Corporation has ongoing initiatives to reduce the occurrence of major system failures.



Graph 10: Number of Major System Failures

STRATEGIC OBJECTIVE: Percentage of non-revenue water

Non-revenue water represents the difference between water produced and billed. Water is lost or unaccounted for in the system due to evaporation, faulty metering, and leakages.



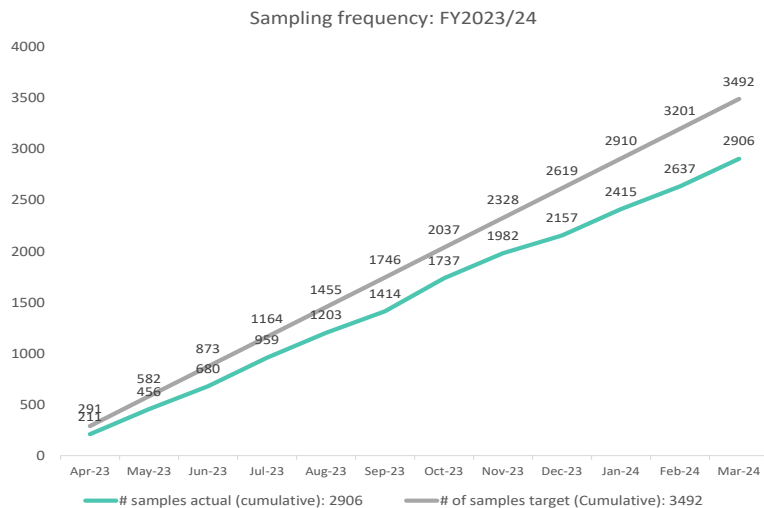
Graph 11: Non-Revenue Water FY 2023/24

The year-to-date figure indicates an average of 10.3 percent non-revenue water result for the Corporation against a benchmark of 8 percent. This is contributed by the 16 percent non-revenue water result for Business Unit Northeast, and 13 percent for Business Unit Central for the reporting year.

Leakages in long-distance pipelines, teething problems with handheld devices, and defective meters are contributing factors. The Business Units are busy with projects to identify problematic schemes and rehabilitate problematic pipelines and defective meters.

STRATEGIC OBJECTIVE: Bacteriological compliance (Sampling frequency)

The target for sampling compliance is 291 per month. At the end of the period under review, 2,906 samples were taken, compared with the annual planned sampling of 3,492. The Business Units are implementing measures to improve bacteriological sampling frequency to meet the target.



Graph 12: Sampling Frequency FY2023/24

STRATEGIC OBJECTIVE: Unplanned Water Supply Interruptions

Unplanned water supply interruptions during the fiscal year resulted primarily from two causes: internal infrastructure failures and external supplier disruptions.

Internal infrastructure failures were mostly due to pipe breaks, as well as issues with pumps, motors, and related equipment.

External failures primarily stemmed from power outages caused by Nam-Power and other electricity distributors in the country. In both instances, such failures resulted in the discontinuation of supply to reservoirs. Once these reservoirs ran empty, customers experienced water supply interruptions.

During FY 2023/24, 118 water supply interruptions were recorded across the country's 205 water supply schemes, resulting in less than one interruption per scheme per year.

The number of recorded external failures amounted to 76 instances, representing 64 percent of the total interruptions.

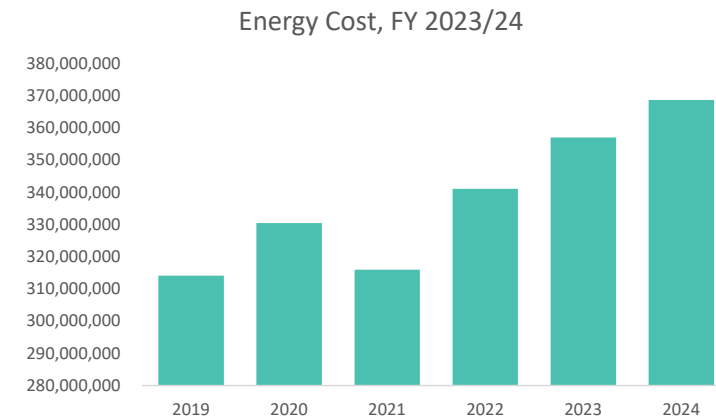


Calueque – Oshakati canal rehabilitation in progress.

STRATEGIC OBJECTIVE: Contain Energy Cost

Energy is one of the corporation's four highest operational cost elements. Therefore, it is necessary to manage energy costs and use effectively and efficiently.

Year-to-date figures indicate that energy costs have increased 5.6 percent, to more than the set target of 30.2 percent of total cost.



Graph 14: Energy cost for FY 2023/24.

INFORMATION AND COMMUNICATIONS TECHNOLOGY PERFORMANCE

NamWater is dedicated to embracing digital transformation as a catalyst for sustainable growth, resilience, and operational efficiency to meet the demand for reliable water supply. Digitalisation is no longer an option but an imperative for NamWater to address present-day water supply challenges, mainly through integrating water metering and monitoring solutions, and infrastructure modernisation.

The Corporation is committed to improving data quality, streamlining billing processes, and leveraging data-driven insights to optimise resource allocation and enhance distribution efficiency. NamWater recognises the inherent vulnerabilities of digital systems and prioritises cybersecurity measures to safeguard sensitive data, infrastructure, and customer privacy.

NamWater believes digital technologies hold infinite potential to transform its water systems, making it more resilient, innovative, and efficient, leading to a more robust and economically sustainable foundation for the future.



New hand-held devices implemented for meter reading.

CAPITAL AND RESEARCH

Capital Projects and Research Projects

The NamWater Capital Development Plan makes provision for the acquisition of assets, renewal of existing infrastructure, and construction of new infrastructure. Projects are planned to be carried out across all regions of Namibia and are prioritised based on water-supply shortages due to suppressed demands, ageing infrastructure, increased demand due to growth, and the development of industries and agriculture.

Like all Public Enterprises in Namibia, the Public Procurement Act 15 of 2015 governs NamWater's procurement process. All procurement contracts above the prescribed threshold for the specific entity should be procured by the Central Procurement Board of Namibia (CPBN) on behalf of public entities. During the review period, there were procurement contracts for several key water supply security projects that were procured through the Central Procurement Board of Namibia.

The procurement of this contract are listed below:

1. Construction of the Naute – Keetmanshoop Water Pipeline Replacement and Ancillary Works: Phase – still in the bidding phase
2. Construction of the Ondangwa – Omutsegwonime Pipeline Replacement: Phase 1 (Ondangwa – Oshali Section) awarded for a total amount of N\$ 91,110,479.61.00 (VAT Inclusive).

This was not the only project of such magnitude that was procured for NamWater, there are few projects that are financed through the AFDB and KWF under the Water Sector Support Programme, procurement of these projects are procured internally in collaboration with AFDB and KWF consultants. This exemption applies to fully

executed projects within the Water Sector Support Programme, as well as others that are managed internally.

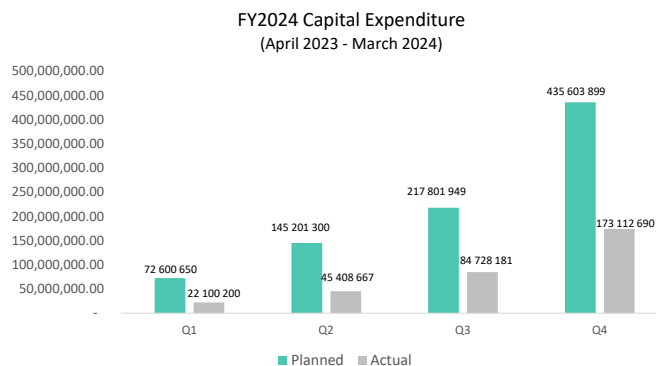
List of projects procured internally through the AFDB Water Sector Support Programme:

1. Construction Contract for the Ohangwena II Wellfield Water Supply Schemes (WSS).
2. Construction Contract for the Oshakati Purification Plant Extension.
3. Construction Contract for the Rundu Purification Plant and Associated Infrastructure

The Capital Development Budget is split among the following three items:

- Infrastructure assets;
- Non-infrastructure assets; and
- Capital Projects.

The NamWater 5-year Capital Development Plan makes provision for the acquisition of assets, renewal of infrastructure, and construction of new infrastructure.



Graph 15: Capital Expenditure FY 2023/24

Capital Budget Performance

During the reporting year, NamWater spent N\$174 million on the capital budget. The table below displays how the funds were spent per quarter.

In addition to non-infrastructure expenditure, which stood at N\$39.6 million, the following projects contribute to 90 percent of the FY2024 capital budget expenditure:

Table 9: Capital Projects Budget

Project	Amount (N\$)
Central Coast Desalination	21 426 987,00
Kuiseb-Collector 2 – Schwarzekuppe – Swakopmund Pipeline	17 515 698,00
Pump Stations Critical Upgrade	12 551 277,00
Katima Mulilo Raw Water Pipeline Replacement	9 081 902,00
Ogongo - Oshakati Canal Rehabilitation	8 549 225,00
Henties Bay Extension	6 669 619,00
Neckartal Dam Seepage Remedial Measures	5 550 670,00
Kuiseb Delta New Scheme	4 347 799,00
Kuiseb Telemetry Upgrade	3 510 620,00
Shamvura – Shamangorwa Water Supply Scheme	2 943 934,00
Calueque Pump Station Upgrade	2 758 658,00
Nkarapamwe 9,000m ³ Reservoir Rehabilitation	2 419 290,00
Pilot Rural Desalination Plants	2 242 434,00
Ogongo Canal End Section	2 045 110,00

//Karas Region Water	2 027 064,00
Okondjatu Chlorination	1 967 267,00
Kayengona Interim Water Supply	1 831 824,00
Outapi Purification Plant Extension	1 693 013,00
Collector 1 & 2 and Schwarzekuppe Reservoirs Rehabilitation	1 190 297,00
Karibib Boreholes Reinstatement	1 028 194,00

Some major projects as highlighted in the above table are summarised below.

Central Coastal Desalination Plant (Erongo Region)

In 2021, Cabinet approved the development of SS1 Desalination Plant, which entails the development of a 20 Mm³/annum plant in collaboration with the private sector, to supply the Erongo Region. NamWater is developing its desalination plant to be constructed at Wlotzkasbaken in the Erongo Region. The project aims to develop a new source of potable water to augment ground water from the Kuiseb and Omdel aquifer and supply its mining customers. NamWater has appointed an environmental consultant to carry out the ESIA and a transaction advisor to advise on the new plant's engineering, financial, and legal aspects.

Namwater, as the principal executing agency, has made progress in key activities relating to the implementation of the cabinet resolutions on:

- technical advisor and stakeholder engagements
- power supply to the plant
- land acquisition
- environmental studies, and;
- the required seawater abstraction permits.

A technical advisor (TA) has assisted NamWater in proposing the implementation of the project by way of a joint venture with a private sector partner. The TA has furthermore conducted a legal due

diligence study to establish whether the JV model can be implemented within the Namibian legal framework – the study confirmed that the proposed JV fell outside the purview of the Namibian procurement legislation, and that the PPP Act No 4 of 2017 did not exclude the formation of such an investment tool as is proposed.

Kuiseb Collector 2 - Schwarzekuppe - Swakopmund Pipeline Replacement (Erongo Region)

This project entailed the replacement of two sections of the Schwarzekuppe–Swakopmund pipeline near the Kuiseb River, totalling 14 km in length. Frequent pipe breaks characterised these sections. Therefore, the replacement has improved the security of supply to Walvis Bay and Swakopmund and resulted in a decrease in non-revenue water. The first section upstream of the Schwarzekuppe reservoir was replaced with 700NB DCI pipes, whereas the second section on the downstream of the same reservoir was replaced with a 600NB DCI pipes.

Pump Stations Critical Upgrades (all 14 regions)

This project aims to upgrade various NamWater pump stations throughout the country, replacing components that have reached the end of their lifespans. This will result in more efficient operation of such pump station stations, increased pumping capacity, and reliable infrastructure. This is an ongoing project that covers regions and is being carried out by the NamWater Engineering team.

Katima Mulilo Raw Water Pipeline (Zambezi Region)

The Katima Mulilo Water Scheme supplies water to Katima Mulilo Town and surrounding rural communities such as Sibbinda, Linyanti, and Bukalo with three secondary water supply schemes. The scheme consists of an abstraction system with submersible raw water pumps installed in a water intake tower in the Zambezi River,

an approximately 2 km long raw water pipeline conveying water from the raw water intake to the treatment plant at the NamWater premises in Katima Mulilo.

The raw water pipeline was constructed in 1979/80 and is old, fragile, and has surpassed its economic useful life, resulting in frequent pipe breaks. Given the menthism, management has approved the replacement of the raw water conveying water from the abstraction tower to the treatment plant.

Based on a high-level planning and preliminary design proposal, the pipeline from the abstraction tower to the treatment plant is being replaced with an adequately sized pipeline that will cater to the forecasted production of 1,200 m³/h for 2037. This project aims to increase the reliability of water conveyance from the abstraction tower to the treatment plant, and therefore contribute to water supply security for areas supplied from the Katima Mulilo Bulk Water Supply Scheme.

The objective of this project is to upgrade various NamWater pump stations throughout the country, replacing components that have reached the end of their lifespans. This resulted in more efficient operation of such pump station, and in some cases increased pumping capacity, as well as more reliable infrastructure. This is an on-going project to cover all 14 regions and is being carried out by the NamWater Engineering team.

- Contract Commencement Date - 16 May 2023
- Contract Period – 8 Calendar Months
- Original Practical Completion Date – 15 January 2024
- Revised Practical Completion Date – 31 March 2024

Ogongo - Oshakati Canal Refurbishment (Omusati & Oshana Regions)

This project entails refurbishing damaged sections of the water canal that runs between Ogongo and Oshakati. It aims to eliminate water losses due to canal wall breaches and raw water supply disruption caused by such breaches. Damaged pedestrian and vehicle

bridges will also be refurbished. The canal section under the scope of work covers the entire 54 km length from Ogongo. NamWater's in-house construction teams carry out the work, which is ongoing.

Henties Bay Extension (Erongo Region)

This project entails constructing a 6.5 km, 250NB HDPE pipeline with associated appurtenances from an Omdel offtake to Henties Bay. Approximately 4 km of the 6.5 km comprises a 250NB PN16 HDPE pipeline, and the remaining 2.5 km have a 250NB PN10 HDPE pipeline, respectively. The 250NB HDPE pipeline will be butt-welded throughout.

Additionally, a new pump station on the outskirts of Henties Bay Town will be constructed at the newly NamWater allocated land. The design work was done internally by NamWater and the civil contractor is Strydo Construction CC. The Hon. Minister of Agriculture, Water and Land Reform, Hon. Calle Hermann Schlettwein, held this project's ground-breaking ceremony on 11 April 2024. A summary of the construction project details is as listed below:

A summary of the construction project details is as listed below:
Site Handover Date: 16 January 2024
Contract Commencement Date: 16 January 2024
Contract Period: 6 Months
Completion Date: 15 July 2024

Neckartal Dam Seepage (//Kharas Region)

The Neckartal Dam Project, located approximately 40 km west of the town of Keetmanshoop, comprises various structures: the dam wall, weir, sediment trap, pump station, pipeline, and balancing dam.

In May 2021, the NamWater O&M team observed a gradual increase in seepage from the left bank of the dam wall. As a result, and in accordance with the dam's O&M procedures, the O&M team sought advice from the dam specialist of Knight Piésold Consulting, who started monitoring the seepage rate with reference to the temperature of the dam wall and the movement of the induced joints on the left bank.

The seepage reached such levels that the pipe taking the water from a sump inside the gallery to the outside of the dam wall was unable to cope. Additional pumps had to be installed, and a pipe connected directly to the drainage pipe outlets had to be installed to remove the water from the gallery to prevent flooding and subsequent damage to instrumentation installed inside the dam wall.

The work to stop the excessive seepage had to be undertaken as soon as possible to prevent further exacerbation and a possible dam safety risk.

Knight Piésold Consulting (Pty) Ltd was appointed as the consultant engineer for this project, while Rostruct Mining (Pty) Ltd was appointed as the contractor.

Rostruct Mining (Pty) Ltd has extensive experience in drilling and grouting and is familiar with the dam. They were subcontracted by Webuild (formerly Salini Impregio) for the original drilling and grouting required for the dam structure.

Site Handover Date: 22 August 2023
Contract Commencement Date: 4 September 2023
Practical Completion Date: 05 March 2024
Final Completion Date: 05 March 2025

Kuiseb Delta New Scheme (Erongo Region)

The project entailed connecting 18 boreholes in the Kuiseb Delta well-field to the existing conveyance system via High Dune Reservoir to Mile-7 Reservoir to supply Walvis Bay Municipality. Furthermore, it entailed replacing a 9.3 km old AC pipeline with 560 mm diameter HDPE pipeline between High Dune and Mile 7 reservoirs and rehabilitating the service road next to the same pipeline. The below-ground power was replaced with a new above-ground power line connecting the new boreholes

Telemetry Upgrade (//Kharas and Hardap Region)

The project entailed the connection of schemes via telemetry, which will ensure effective monitoring and operation, thus improving the reliability of water supply and the ability to record operational data on a central database in Windhoek. Phase 1 of the project recommends upgrading the existing Hardap Dam flood monitoring system, because of the high risks associated with failure to monitor flood potential in the Hardap Dam catchment area. The subsequent phases will cover the Naute Dam flood monitoring system and various telemetry systems.

Shamvura Shamangorwa Water Supply Scheme

The Shamvura Water Supply Scheme has one borehole that supplies water to the community. The scheme is receiving purified water from a 6 m³/h containerised water treatment plant operated at an output rate of 9-10 m³/h, while the current demand is at 15-18 m³/h. As a result of insufficient water from the boreholes, to meet the current potable water demand a decision was taken to draw sufficient water from the Okavango River and improve the quality by adding new sand filters for better quality (class A) water to supplement the water produced by the containerised plant. The contract was awarded to Aqua Services Engineering (Pty) Ltd.

Epukiro Regional Scheme Extension (Omaheke Region)

The project entails drilling and pump testing 11 boreholes—nine for production and two for standby purposes. Based on the yields of nearby boreholes, the nine production boreholes are estimated to produce an average of 1.5 m³/hour for 20 hours a day. The project's objective is to ensure the security of the water supply for the settlement of Epukiro Post 3 by augmenting the water supply to the scheme and improving the water quality. A contract to sight the required boreholes was awarded during the last quarter of the year.

Waterberg Water Supply Optimisation (Otjozondjupa Region)

The project involves upgrading and extending the Waterberg water supply scheme to supply water to virgin lands for farming purposes, addressing the urgent need caused by unprecedented drought conditions. The Otjozondjupa Regional Governor is an interested party in the project and is being kept abreast of progress updates.

NamWater and Key Stakeholders on Water Supply Security

Government has made great strides in achieving the water supply target for both rural and urban populations, although more still needs to be done to ensure access to potable water for all. As a higher-level commitment, the Government has established the Cabinet Committee on Water Supply Security (CCWSS), to ensure water supply security in the country, through which different measures are being taken towards infrastructure development and optimisations.

In this regard, some projects have been identified as the highest priority to attend to to ensure an acceptable degree of security of water supply in the foreseeable future. The Cabinet has all in principle accepted and approved these projects for implementation.

Certain of the identified projects will be funded by NamWater from its own balance sheet, while the bigger capital projects will be funded by the central government. The allocation of tasks and funding responsibilities for most projects has been agreed upon by the different stakeholders, namely the Cabinet, the Ministries of Agriculture, Water and Land Reform, the Ministry of Finance, and the affected Local Authorities.

Some of the major projects for which funding arrangements and responsibilities have been finalised for implementation by NamWater are:

- a loan agreement with the African Development Bank (AfDB) for:
 - the Abenab borehole scheme and linking with the ENWC
 - the Oshakati purification plant extension
 - the Rundu purification plant extension
 - the Ohangwena II Wellfield first phase development
- a further agreement of a Euro 50 million loan from the KfW for:
 - the replacement of the remaining critical sections of the pipelines (approximately 18 km) from the Kuiseb and Omaruru river to Swakopmund
 - the refurbishment of the Olushandja to Ogongo canal
 - the Oshikuku bypass
 - the replacement of the Ogongo to Oshakati pipeline and;
 - the replacement of the Katima Mulilo purification plant
- and another agreement of a Euro 75 million loan from the KfW for:
 - the Omundaungilo to Omutsegwonime water supply scheme
 - the Ondangwa to Omutsegwonime water supply scheme
 - Phase 2 of the Katima Mulilo extension and
 - several rural water supply schemes.

The following three projects funded through the African Development Bank (AfDB) are currently under way:

Ohangwena 2 Wellfield

The consultancies for this project have been concluded. The project aims to provide water supply infrastructure to improve and increase the bulk water supply capacity of the Omafo-Eenhana and Omakango-Onambutu-Eenhana Schemes to meet the 2037 water demand. The consulting services included, but were not limited to, the following: consolidation of previous studies; design of the required water supply infrastructure; identification of sites; drilling and pump testing of boreholes; Environmental and Social Impact Assessment (ESIA) studies; Hazop Study; and compilation of bid documents.

After bid evaluation, Element Consulting Engineers Pty Ltd, emerged as the successful bidder. The project commencement date was 17 January 2022. By 08 February 2024, the design stage was completed and the contractor for the construction stage appointed.

For this project, Element Consulting Engineers will proceed with the Construction Supervision, drafting of the Operation and Maintenance manual, Plant Commissioning, and Report thereof.

Social and Economic Benefits

The project is expected to contribute to reliable access to safe drinking water in the areas between Omafo-Eenhana and Omakango-Onambutu-Eenhana, in line with the Government's infrastructural sustainable development goals to enable socio-economic development for the project area and the country at large. Exploring the Ohangwena 2 aquifer may also reduce dependency on the Calueque water supply system.

- Consultant: Element Consulting Pty (LTD)
- Contractor: UNIK Construction and Engineering
- Contract Awarded: 07 December 2023
- Contract Signed: 08 February 2024
- Site Handover: 28 February 2024
- Commencement Date: 28 February 2024
- Construction Completion Date: 01 April 2025

Oshakati Purification Plant Extension

NamWater has procured engineering consultancy services to implement the Oshakati Purification Plant Extension project from Shah Technical Consultants Private Ltd, Water Resources Consultants (Pty) Ltd. The consultant was selected after a rigorous selection process that commenced with a request for expression of interest on the 16 December 2020 following AfDB procedures.

The objective of this project was for the consultant to design the required water supply infrastructure, carry out Environmental and Social Impact Assessment (ESIA) studies, compile tender documents, carry out contract administration and construction supervision of the new water treatment plant at Oshakati.

The scope of services was not limited to:

- providing the holistic process design for the new Oshakati treatment plant at 50,000 m³/day (50 MLD);
- providing services for the tendering process for the construction of the new Oshakati treatment plant;
- providing supervision for the construction of the new Oshakati treatment plant;
- commissioning the new Oshakati treatment plant; and handover the new plant to NamWater.

To contract the engineering consulting services for the Oshakati Purification Plant Extension, an Open International Competitive Bidding process was followed under the AfDB's procurement framework following the loan agreement between the Bank and the Government of the Republic of Namibia.

The selected consultant is a joint venture between Shah Technical Consultants, a bona fide engineering consulting firm from India, and Water Resources Consultants (Pty) Ltd, a local firm. The commencement date was 03 January 2022.

The consultant's assignment will last 37 months, consisting of Phase A: Design and Documentation (13 months) and Phase B: Construction supervision, commissioning, and handover (24 months). Thus, the expected completion date is 6 February 2026. The bidding process to appoint a contractor has not yet concluded for this project.

Social and Economic Benefits

The project is expected to contribute towards reliable access to safe drinking water in sufficient quantities to several Central Northern Water Supply Area (CNWSA) schemes. The project will further improve water supply security for the CNWSA by extending the

Oshakati Raw Water Storage Dam capacity, which will ensure that both the existing and planned treatment plants remain operational for at least 14 days after a raw water supply interruption due to damage or upstream cleaning of the canal.

Rundu Purification Plant Extension

NamWater operates two river water supply schemes at Rundu, namely Rundu and N'karapamwe, to supply the town from the Okavango River. The total capacity of the direct filtration systems for both schemes is about 840 m³/h. These two schemes are old and have reached full supply capacity and economic useful life. Furthermore, the potable water quality produced by these schemes does not comply with the proposed standards of the Water Resources Management Act, of 2013.

The project objective is to develop a new water treatment plant at Rundu with a nominal capacity of 36,000 m³/day (1,800 m³/hr for 20 hours of operation) and related water supply infrastructure. That is an increase in capacity of about 104 percent to meet the increasing water demand and ensure water supply security up to 2037.

The scope of services includes, but is not limited to:

- providing the holistic process design for the raw water abstraction;
- conveyance system to Rundu and N'karapamwe existing storage reservoirs, and the new 36,000 m³/day (36 MLD) water treatment plant at Rundu;
- carrying out the Environmental and Social Impact Assessment (ESIA) studies;
- providing services for the tendering process for the construction of the new Rundu treatment plant;
- providing supervision for the construction of the new Rundu treatment plant;
- commissioning the new Rundu treatment plant and handover the new plant to NamWater; and
- decommissioning of redundant infrastructure..

After final evaluation, Nicholas O'Dwyer Ltd in joint venture with

GCS Water and Environmental Consultants emerged as the successful bidder. The project commencement date was 17 December 2021 and commencement of work was 1 March 2024.

Social and Economic Benefits

The project is expected to contribute towards the social and economic progression on the premise of water in sufficient quantity and quality being a key input to all socio-economic value chains with particular reference to the following: hygiene and sanitation promotion; decrease human and wildlife conflict, and increased job opportunities to the local communities during construction. A summary of the contract details are as follows:

- Consultant: Nicholas O'Dwyer Ltd JV GCS Water and Environmental Consultants
- Contractor: China Civil Engineering Construction Corporation
Contract Awarded: 21 December 2023
- Contract Signed: 08 February 2024
- Site Handover: 01 March 2024
- Commencement Date: 01 March 2024
- Construction Completion Date: 03 March 2026

Total Spent on Development Stages

N\$33.7 million was spent in the development stages of the three projects mentioned above. The breakdown of the costs is as shown below:

Table 10: Capital Projects Spend

Project	Amount (N\$)
Oshakati Purification Plant Extension	6 838 196,21
Ohangwena N.2 Well Field	15 133 202,71
Rundu Purification Plant Extension	11 704 986,31
Total	33 676 385,23

Talent and Technology Perspective

Introduction

We operate in an environment where the workplace is changing, jobs are evolving, roles are being redefined, and our employees' skills are the currency of the future. We need a steady supply of diverse talent, experiences, and personalities to make NamWater an employer of choice.

To create a lasting impact, we focus on creating a sustainable performance culture where our employees understand the purpose of their work and how their contribution impacts the communities we serve. As the workplace continues to evolve, rapid organisational change, the looming drought, increased complexity, changes in the geopolitical and macroeconomic environment, and innovation are shaping what employers and employees expect.

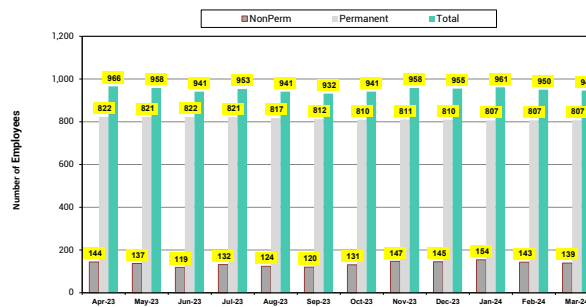
All these factors call for new ways of collaboration, connection, and purpose-based direction rooted in NamWater's common leadership language, vision, and behaviours.

Our workforce at glance

Effective workforce management is vital in achieving our strategic goals and objectives. This includes supporting managers in their daily tasks, from recruitment to development, discipline, and performance management, and providing insights to executive management, which in turn support the delivery of NamWater's strategy. It also involves planning all activities to enable better-informed decisions.

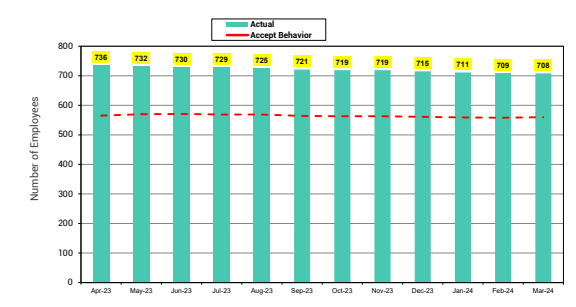
The total workforce decreased by 9 employees since December 2023 (Q3). The management profile consists of 99 managers; the non-management profile within the category grade A-C is 708, which amounts to 807 permanent employees effective 31 March 2024. The total number of non-permanent workers as of the end of March 2024 is 139.

NamWater Workforce: Total number of Employees, 2023/24



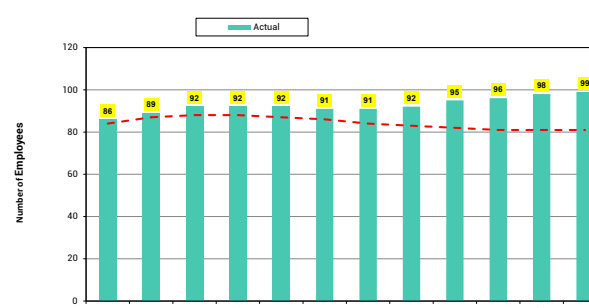
Graph 16: NamWater Workforce: Total number of Employees

NamWater Workforce: Non-Management Profile, 2023/24



Graph 18: NamWater Workforce: Non-Management Profile

NamWater Workforce: Management Profile, 2023/24



Graph 17: NamWater Workforce: Management Profile



NamWater AA Profile

Diversity, equity, and inclusion are imperative to NamWater’s future success – it is essential that our employee base reflects the diverse clients we serve. At the end of March 2024, the Corporation’s overall AA compliance certification stood at 90.8 percent. The permanent workforce was 831 and represented in the AA Diverse Categories as per the Affirmative Action Act. Of the 831 permanent employees, 29.36 percent (244) are female, while 70.64 percent (587) are male employees.

To better reflect society and our clients, we aim to increase the number of women and people of all ethnicities in senior, decision-making, and client-facing roles in Namibia.

Workforce profile	Racially Disadvantaged		Racially Advantaged		Persons with disabilities		Non-Namibians		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Exec, Directors	1	0	0	0	0	0	0	0	1	0
Senior Mng	1	2	0	0	0	0	0	0	1	2
Middle Mng	26	7	4	0	1	0	3	0	33	7
Senior Supervisory	39	23	2	4	0	0	0	0	41	27
Skilled	145	100	6	2	0	0	0	0	151	102
Semi-skilled	194	78	1	1	0	3	0	0	195	79
Unskilled	166	27	0	0	0	0	0	0	165	27
TOTAL PERMANENT	571	237	13	7	1	3	3	0	587	244
Casual/temporary	0	0	0	0	0	0	0	0	0	0
TOTAL	571	237	13	7	1	3	3	0	587	244

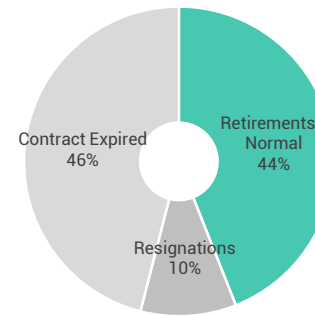
Table 11: NamWater AA Profile

Staff Turnover Rate

The staff turnover rate for the reporting year stood at 2.09 percent. Seven employees left the Corporation, all through retirement.

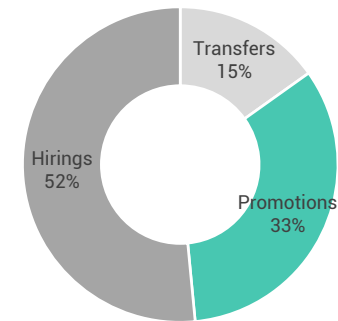
Five new permanent employees were hired, three were promoted to higher positions, and two were transferred within the Corporation.

Staff Turnover, 2023/24



Graph 19: Staff Turnover/Attrition for 2023/24

Staff Movement, 2023/24

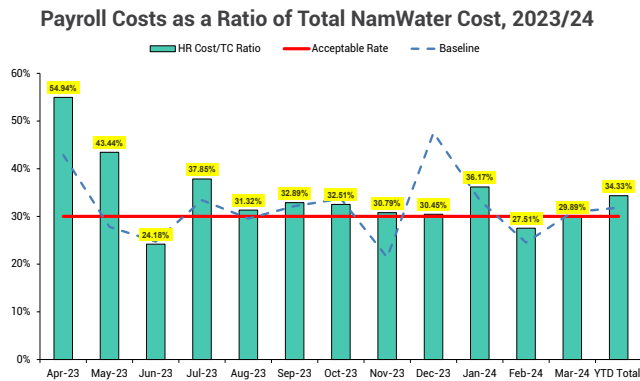


Graph 20: Staff Movement for 2023/24

Payroll Cost as % of Total Cost

The graph below depicts payroll cost as a percentage of the total cost for the reporting year. The ratio of payroll cost versus the total cost of the company as of 31 March 2024 is 29.89 percent versus 30.89 percent at the end of March 2023. The ratio is below the acceptable rate of 30 percent for Q4.

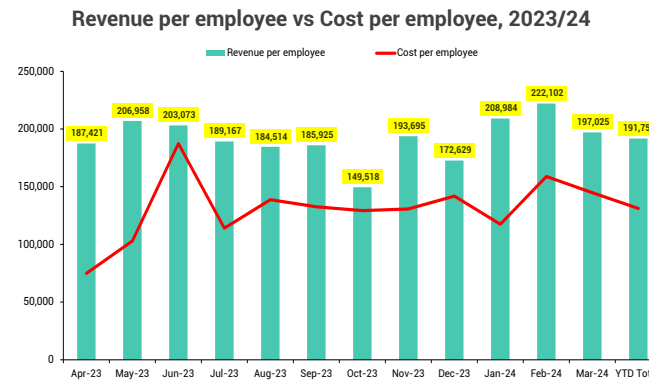
Our remuneration strategy and framework are sustainable and fair; it promotes and supports sustainable performance and contributions based on delivery, behaviour and conduct across all levels of the Corporation. When determining variable compensation, we continue to apply a moderate and forward-looking approach weighting strong business performance against macroeconomic outlooks and long-term capital stability without losing sight of the need to remunerate our employees relatively in line with the SOE Remuneration Framework.



Graph 21: Payroll costs as a ratio of total NamWater cost

Revenue per Employee vs. Cost per employee

The graph below depicts the relationship between revenue and cost per employee. The average revenue per employee of N\$191,751 (YTD) exceeded the cost per employee of N\$131,100, which puts the Corporation in a favourable position in terms of optimum workforce utilisation and associated costs. The Corporation did exceptionally well during the months of July 2023, September 2023, and February 2024.



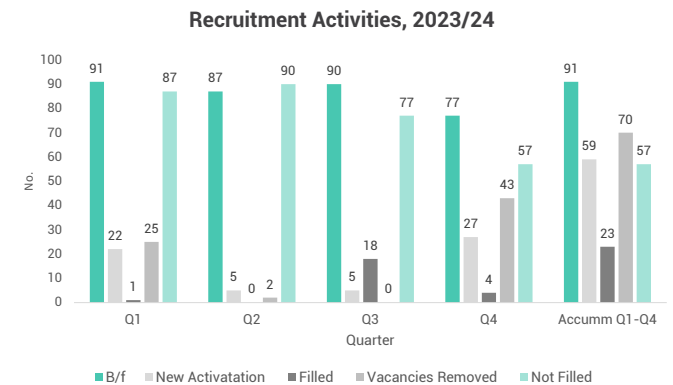
Graph 22: Revenue per employee vs Cost per employee

Recruitment Activities

Total Activations Received vs. Vacancies Filled/Not Filled

A total of 78 vacancies were brought forward from the previous financial year, 45 new activations received of which 26 were filled, 6 removed from the vacancy list and 91 still need to be filled.

We value all types of experience and skills when recruiting talent into NamWater. Leveraging internal talent and providing them access to new opportunities ensures their continued development and enables us to retain knowledge and expertise within NamWater. NamWater candidates are hired based on merit via fair, robust, and consistent processes to ensure the best candidates are selected. We sourced more candidates from the external market in 2023, especially in functions critical for the future growth of NamWater, such as Water Technology.



Graph 23: Recruitment Activities

Employee Wellness and Staff Performance

The well-being of our staff is an integral part of our culture, and we employ preventive and reactive actions to safeguard our talent every day. The objective of employee wellness is to increase employee productivity and engagement, improve employee morale and retention, and reduce health risks.

There is a positive correlation between employee wellness and business performance. Further meaningful wellness initiatives, such as health testing/screening, flu vaccine, stress management, smoking cessation, balanced nutrition, diabetes education, and weight management, were coordinated to assist our employees in becoming and remaining healthy.

The Employee Wellness Framework and Policy are currently under review. Two wellness days, in collaboration with the NHP Wellness Team, were held on 17 January 2023 and 24 March 2023 at Windhoek Head Office. In the next financial year, we will have similar days at our other offices in Okahandja, Swakopmund, and Keetmanshoop.

During the period under review, 13 psychosocial support sessions were conducted and recorded as follows:

- 2 x Injury on Duty (IOD Cases) – 2 concluded with the intervention from the OHP
 - 1 x Unskilled FTC;
 - 1 X Skilled (C2)
- 8 x Ill-Health cases – 4 concluded and 4 ongoing
 - 3 x Skilled (1 x C4 and 2 x C2);
 - 1 x Middle Management (D2);

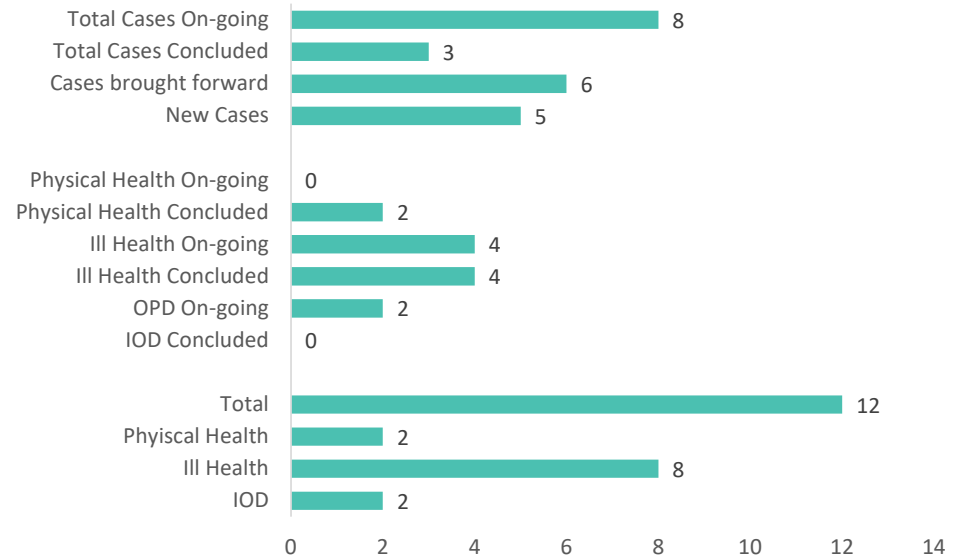
Ongoing

- 3 x Skilled (1 x D2; 2 x C2 and 1 x C1)
- 3 x Physical Health cases – 1 concluded and 2 ongoing
 - 1 x Skilled (C2)

Ongoing

- 2 x Semi-Skilled (A3 and B5)

Employee Assistance Programme, Q3 FY 2023/24



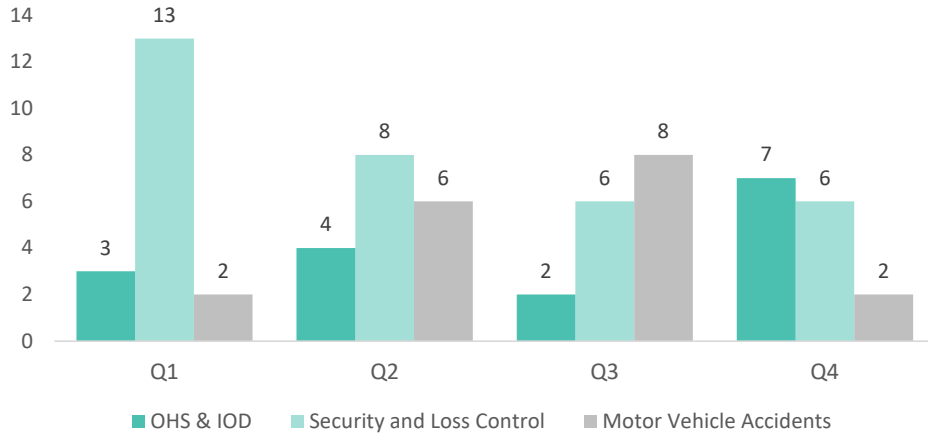
Graph 24: NamWater Employee Assistance Programme

Health and Safety

We are committed to supporting the physical safety and security of our people. NamWater has appointed an Occupational Health Practitioner (OHP) since 01 September 2023. The primary purpose is ensuring compliance with the Labour Act, Health and Safety Regulations and the NamWater HR Policy. The OHP will be responsible for the following:

- Providing health services to employees;
- Guiding on implementing a minimum medical standard of fitness system;
- Sick absence monitoring and support;
- Incapacity and disability assessments;
- Injury on Duty assessments; and
- Statutory Occupational Health assessments.

OHS statistics for FY2023/24

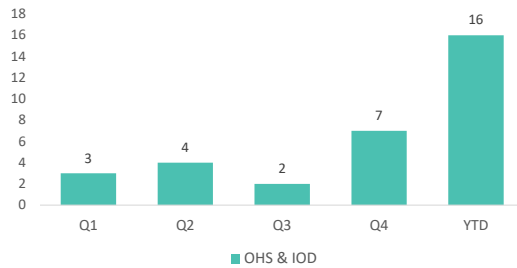


Graph 25: NamWater Accumulated Statistics for OHS

NamWater is committed to creating a safe and healthy work environment by continuously improving our safety programmes and practices. We aim to ensure that every employee returns home safely at the end of each day.

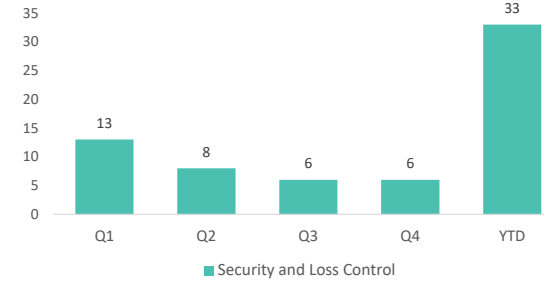
- 16 Injury on duty cases were reported to the Auxiliary division during the reporting year.
- 33 security incidents (other than motor vehicle accidents) were reported to Auxiliary Services division during the reporting year.
- 18 motor vehicle accident were reported to Auxiliary Services division during the reporting year.

OHS & IOD statistics for FY2023/24



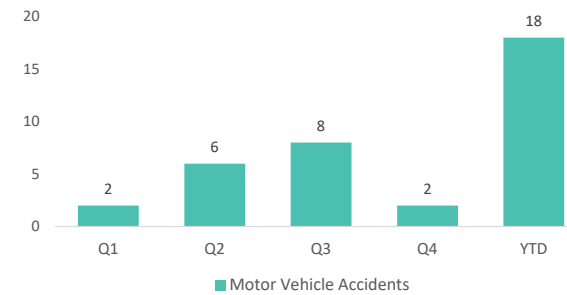
Graph 26: NamWater Injury on Duty Cases

Security and Loss Control statistics for FY2023/24



Graph 27: NamWater Security Incidents

Motor Vehicle Accidents statistics for FY2023/24



Graph 28: NamWater Motor Vehicle Incidents

Key Occupational Health and Safety Initiatives

The following initiatives were implemented to foster a safe and healthy work environment and ensure statutory compliance:

1. Safety Leadership Training

As per the Labour Act 11 of 2007, Chapter 1, Section 4 (a), all supervisors must be trained to understand the hazards and liabilities associated with their work. The training forms part of the compliance training prescribed by the Labour Act. All supervisors, foremen and managers attended the Legal Liability Training to enhance management's understanding of its legal responsibilities.

2. Safety Committees

Safety sub-committees were established in regions that meet regularly to identify potential hazards and recommend corrective actions.

3. Employee Engagement and Communication

Regular safety roadshows were conducted nationwide to engage employees in safety activities. Weekly safety topics were sent to employees highlighting key safety issues, tips, and success stories.

4. Occupational Health Services

As prescribed in Chapter 7, Section 219 of the Labour Act, Act 11 of 2007, NamWater appointed an Occupational Health Practitioner to attend to employees' occupational health and safety.

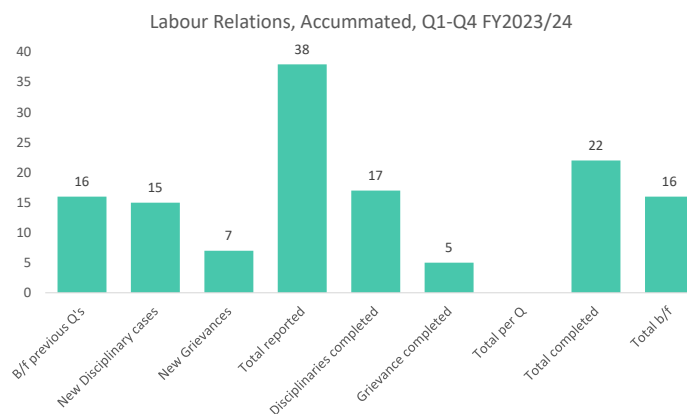
Employee and Labour Relations

Employee and labour relations aim to promote a high-quality workforce and collaborative relationships between employees, management, and the Union (NAPWU). They provide guidance, training, and recommendations on managing underperformance, conducting disciplinary hearings, and resolving complaints at the lowest level, as well as coordinating Union negotiations.

The table below depicts the number of industrial relations cases recorded per Business Unit/Department for FY23/24. Oshakati, Von Bach, Head Office, and Otjiwarongo record the highest number of misconducts.

NamWater aims to achieve the highest delivery, behavior, and conduct standards. Every employee is responsible for doing the right thing, and guidance is provided through our Code of Conduct. In most circumstances, our employees act with integrity and exhibit the right behaviors. However, on occasion, conduct can fall below our desired standards. We deploy internal controls and processes to detect if something is not quite right, and where there is cause for concern, it will follow up with an investigation based on our Grievance and Discipline Code.

Employee complaints are handled following internal policies and procedures. It may be necessary to take disciplinary action depending on the circumstances, whether resulting from a complaint or other means. We strive to make disciplinary decisions consistently and transparently. Every employee should feel they are treated fairly. We see strong links between how NamWater reinforces the expected behavior of its employees, how compensation is determined to account for risk and behavior, and disciplinary action for employees who fall short of the Corporation's expectations about conduct. Disciplinary actions for employees can range from verbal and written warnings to dismissals.



Graph 29: Number of Labour Relations of Cases Reported

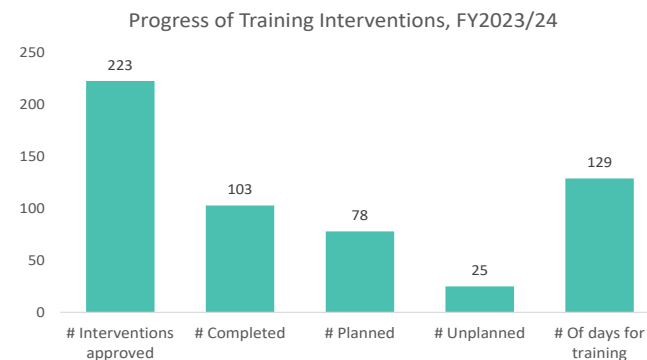


Talent Management and Staff Development

The Corporation continues to invest in developing its employees, emphasizing acquiring core and distinctive competencies to ensure maximum utility from employees. For the period under review, a training development plan was developed to address identified competencies for delivering water effectively. In executing the plan, training was implemented across the organisation.

A need-based training plan was approved at the beginning of the reporting financial year, with 223 interventions to the cost of N\$4.45 million needing to be implemented during the financial year. A total of 103 interventions were implemented, a combination of planned and unplanned interventions, attended by 504 employees from various departments and levels. N\$3.55 million was spent during the financial year—all training done accounts for 129 training days.

Digital skills will continue to be essential as our organisation transform and integrates technologies like artificial intelligence into our core business operations. To keep pace, we are developing our in-house technology expertise by offering exciting career paths and learning opportunities.



Graph 30: Progress of Training Interventions

A close-up, high-angle shot of a waterfall with multiple streams of water cascading down. The water is clear and bright, creating a dynamic and textured background. The streams are separated by dark, wet rocks, and the overall scene is filled with the sound and movement of falling water.

7

ANNUAL FINANCIAL STATEMENTS

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Bulk water supply
Directors	L Rukira (Chairperson) M Shipiki-Kali (Vice Chairperson) V Kinyaga F Heunis U Nakamhela F Uugwanga M Hauuanga
Registered office	176 Iscor Street Northern Industrial Area Windhoek Namibia 9000
Business address	176 Iscor Street Northern Industrial Area Windhoek Namibia
Postal address	Private Bag 13389 Windhoek Namibia
Bankers	First National Bank of Namibia Ltd
Auditors	Grand Namibia 9 Axali Doeseb Street Windhoek Box 24304 Windhoek
Secretary	O lithete

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

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Audit & Risk Committee Report

1. Members of the Audit & Risk Committee

The committee consists of three directors appointed by the Board from among members. The committee provides for the identification and appointment of field experts as and when required, in order to augment their skills with specialist issues. These experts shall operate on an advisory role without holding any membership status in the committee.

2. Meetings held by the Audit & Risk Committee

The Audit & Risk Committee performs the duties laid upon it in terms of section 24 (1b) of the Namibia Water Corporation Act 12 of 1997, by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external and internal auditors.

3. External auditor

For the 2024 financial year audit assignment, the board has appointed Grand Namibia as the independent auditor and Mr. Ronal Beukes as the designated partner, who is a registered independent auditor.

The Audit & Risk Committee satisfied itself through enquiry that the external auditors are independent as defined by the Namibia Water Corporation policies and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Namibia Water Corporation that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit & Risk Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

Unless impracticable, the Audit & Risk Committee resolved not to utilise the same external auditors for providing other non-audit services.

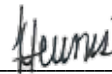
4. Annual Financial Statements

Following the review of the annual financial statements, the Audit & Risk Committee recommend Board approval thereof.

5. Accounting practices and internal control

The Audit & Risk Committee on a continuous basis reviews the system of internal controls within the Corporation to ensure that it is adequate to manage the business of the Corporation. The Audit & Risk Committee is not aware of any material breaches in the internal control system that occurred during the financial year under review

On behalf of the Audit & Risk Committee



F Heunis

Chairperson – Audit & Risk Committee

Windhoek

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

Directors' Responsibility and Approval

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

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

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

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

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



Chairperson: Board of Directors

Date: 2024-10-04



Chairperson: Board Audit & Risk Committee

Date: 4 October 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Namibia Water Corporation Ltd

Opinion

We have audited the annual financial statements of the Namibia Water Corporation Limited ("the Corporation") set out on pages 97 to 144 which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of material accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Namibia Water Corporation Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Namibia Water Corporation Act (Act 12 of 1997)

Basis of Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the Audit & Risk Committee report, the detailed income statement which were made available to us before the date

of this report, and the annual integrated report which is expected to be made available to us after that date. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Namibia Water Corporation Act, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

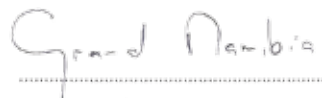
Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee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

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we 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 our independence and were applicable, related safeguards.

A handwritten signature in blue ink that reads "Grand Namibia". The signature is written in a cursive style and is positioned above a horizontal dotted line.

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: RN Beukes – Partner
Windhoek
07 October 2024

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements for the Corporation for the year ended 31 March 2024.

1. Main business and operations

In terms of Section 5(a) of the Namibia Water Corporation Act, the primary business is to carry out efficiently, and in the best interest of the Republic of Namibia, bulk water supply to customers, in sufficient quantities, of a quality suitable for the consumers' purposes, and by cost-effective, environmentally sound and sustainable means. NamWater supplies water in bulk to industries, municipalities, Government ministries and individual consumers on a full cost recovery basis.

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

2024	Contribution to turnover
Local & regional councils and ministries	50.00 %
Mining customers	35.00 %
Domestic customers	12.00 %
Private businesses	3.00 %
	<u>100.00 %</u>

2023	Contribution to turnover
Local & regional councils and ministries	56.00 %
Mining customers	30.00 %
Domestic customers	11.00 %
Private businesses	3.00 %
	<u>100.00 %</u>

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Namibia Water Corporation Act. The accounting policies have been applied consistently compared to the prior year.

The Corporation recorded a net profit after tax for the year ended 31 March 2024 of N\$ 80,517,451 (2023: N\$161,952,780). This represented a decrease of 50.28% from the net profit after tax of the prior year of N\$161,952,780. The decrease in profitability is mainly driven by the increase in the overall operating expenditure.

The Corporation's cash flows from operating activities decreased by 15.14% from N\$273,735,531 in the prior year to N\$232,299,590 for the year ended 31 March 2024.

Financial Performance	2024 N\$'000	2023 N\$'000
Revenue	2,111,595	2,096,012
Net income for the year	80,517	161,953
Property, plant and equipment	5,387,585	5,431,152
Capital expenditure	177,096	152,636
Net finance income	127,175	121,487

During the financial year under review, the Corporation reported a reduction of 50.28% on net income to N\$80.5 million whereas the total revenue increased by 0.7% to N\$2.1 billion. The slight increase in revenue is influenced by the changes in tariffs for the mines that are determined based on full cost recovery. However, for domestic consumers there was no tariff increase awarded for the reporting period.

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report (continued)

The total operating expenses increased by 3% compared to the prior financial year. The cost of desalinated water remained the largest cost driver due to increased demand of desalinated water from the mines, followed by the personnel and electricity costs. The expected credit losses reduced slightly compared to the prior year despite most customers continuing to default on their water bills. To curb the deterioration of debtors book, the Corporation has been engaging the Central Government for possible ring fencing and bail out by the Government of debts owed by the struggling local authorities. The Government has approved the roll out of retail prepaid metering systems in most Local Authorities and Regional Councils that are highly indebted to the Corporation and this will in the end result in the local authorities being able to collect from their customers and settle their debts with NamWater.

For the reporting period, the capital expenditure including intangible assets totalled to N\$190.7million compared to the previous financial year total expenditure of N\$153 million. The capacity to execute the capex budget remains a challenge, however the Corporation adopted strategies to approach the Procurement Policy Unit within the Ministry of Finance & Public Enterprises to increase the procurement threshold for NamWater as well as for consideration for NamWater to be exempted from the CPBN adjudicating it's procurements that exceed the threshold as per the Public Procurement Act.

Operating cash flows were N\$232 million (2023: N\$274 million), a decrease of 15.14% year on year. Net cash spent in investing activities was N\$238 million (2023: -N\$214 million) and net cash raised in financing activities was at N\$106 million (2023: -N\$87 million).

Business Performance	Unit of measure	2024	2023
Net income margin	%	3.81	7.73
Gross income margin	%	71.41	76.88
Operating cost to income	%	96.19	92.27
Income per employee	N\$'000	2 211.09	2 263.51
Debt-equity ratio	%	51.23	44.2
Return on assets	%	0.93	1.90
Assets turnover ratio	%	24.41	24.60
Current Ratio	Times	5.46	5.09
Solvency Ratio	%	11.3	14.9
Return on equity	%	1.4	2.9
Payroll turnover ratio	%	23.7	20.5

The Corporation report a decrease in net income margin to 3.81% (2023: 7.73%) and return on assets to 0.93% (2023: 1.90%) due to an attrition in gross income margins in the current period to 71.41% (2023: 76.88%) as well as an increase of 3% in the total operating costs. There has been no external borrowing during the current period, resulting in the Corporation reporting a reduction in the debt-equity ratio. The current ratio increased to 5.46 from 5.09 in the prior financial year which is largely attributable to a higher debtors book and other financial assets.

Operational performance	2024	2023
Treated water volumes sold (M ³ 000)	85,820	88,623
Desalinated water volumes sold (M ³ 000)	14,044	12,198
Irrigation water volumes sold (M ³ 000)	52,109	50,182
Number of employees at year end	955	926

During the year under review, there was a decrease in the treated water volumes sold of 3% to 85,819,979 m³, desalinated water sales volumes increased by 15% to 14,044,086 m³, whereas the irrigation water volumes sold increased with 4% compared to prior year.

The staff complement of the Corporation increased by 3% in the reporting period, primarily due to new appointments resultant from organisational structure implementation.

3. Share capital

	2024	2023	2024	2023
Authorised	Number of shares			
Ordinary shares			1,000,000,000	1,000,000,000
Issued	N\$	N\$	2024	2023
Ordinary shares	959,054,444	959,054,444	959,054,444	959,054,444

There have been no changes to the authorised or issued share capital during the year under review.

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report (continued)

4. Tariff Setting

Namibia Water Corporation tariffs are determined in accordance with the guidelines set in the Water Resource Management Act and Namibia Water Corporation Act. The tariffs are calculated based on full cost recovery principles excluding any profit, calculated after normal taxation and a contribution towards infrastructure replacement and that cross-subsidisation between water supply areas is allowed.

For the last five financial years including the current financial year, the tariffs remain unchanged, except for mines. The Corporation has submitted its proposed tariff increase for the 2024 financial year to the Cabinet through its line Ministry. However, no approval was received, in spite of increases on the operational costs side of the business. The continuous non-approval of tariff increases will adversely affect the gearing levels or financial sustainability of the Corporation in the medium to long term.

5. Dividends

The Corporation's dividend policy is to consider an interim and a final dividend in respect of each financial year.

Given the current state of the infrastructure the board of directors believes that it would be more appropriate for the Corporation to preserve cash and maintain adequate debt headroom to ensure that the Corporation is best placed to withstand any urgent investments in infrastructure replacement as a result of unforeseen infrastructure failures. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 March 2024 (2023 - N\$0.00).

6. Provision for and collection from doubtful debtors

Efforts to manage outstanding debtors continued during the period, with signing of repayment agreements with some of the customers. The board believes that all doubtful debtors are sufficiently provided for in the annual financial statements, and there is no additional costs that will result from balances in the current financial year.

7. Directors

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

Directors	Office	Designation	Changes
L Rukira	Chairperson	Non-executive Independent	Appointed April 2023
M Shipiki-Kali	Director	Non-executive Independent	Appointed April 2023
V Kinyaga	Director	Non-executive Independent	Re-appointed April 2023
F Uugwanga	Director	Non-executive Independent	Appointed April 2023
U Nakamhela	Director	Non-executive Independent	Appointed April 2023
M Hauuanga	Director	Non-executive Independent	Appointed April 2023
F Heunis	Director	Non-executive Independent	Appointed April 2023

The Board of Directors constituted four committees to support their oversight role as directors. The four committees are the Board Audit & Risk Committee, the Board Strategy Committee, the Board Human Resources & Remuneration Committee and the Board Technical Committee. The composition of the committees is shown in the table on the next page. Each of the committees has clearly defined terms of reference, mandates and responsibilities in respect of matters delegated thereto by the Board. The Board retains full accountability for decisions and actions of the committees.

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report (continued)

The following table shows the meetings of the Board and Board Committees and their attendance during the financial period:

	Board Meetings	Audit & Risk Committee	HR & Remuneration Committee	Technical Committee	Strategy Committee
L Rukira (S) (Chairperson)	12	-	-	-	3
F Uugwanga (B)/ (S) (Chairperson HR & Remuneration Committee)	9	-	5	-	4
F Heunis (B)/(A) (Chairperson Audit & Risk Committee)	11	7	5	-	-
M Shipiki Kali (T) (Chairperson Technical Committee)	9	-	-	4	-
M Hauuanga (A) / (T)	11	7	-	4	-
U Nakamhela (B) / (A)	11	7	5	-	-
V Kinyaga (S)/(T) (Chairperson Strategy Committee)	10	-	-	4	4
	73	21	15	12	11

- (A) Audit & Risk Committee member
 (B) HR & Remuneration Committee member
 (S) Strategy Committee member
 (T) Technical Committee member

8. Directors' interests in contracts

During the financial year, no contracts were entered into for which directors or officers of the Corporation had an interest and which significantly affected the business of the Corporation.

9. Property, plant and equipment

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

At 31 March 2024 the Corporation's net investment in property, plant and equipment amounted to N\$5,387,585,432 (2023: N\$ 5,431,152,239), of which N\$190,688,216 (2023: N\$ 152,365,343) was added in the current year. Refer to note 4 of the annual financial statements for further details.

The Corporation has commitments in respect of contracts placed for capital expenditure to the amount of N\$150,095,508 (2023: N\$133,968,116). These commitments have been approved by the board of directors of the Corporation. Refer to note 27 of the annual financial statements for further details.

10. Shareholder

The Government of the Republic of Namibia is the sole shareholder of the Company.

11. Borrowing Powers

In terms of the Memorandum of Incorporation, the borrowing powers of the Corporation are unlimited. However, all borrowings by the Corporation are subject to ministerial approval, where such borrowing will result in encumbrance of assets of the Corporation that exceeds N\$10,000,000. As at 31 March 2024, the Corporation had no borrowings. The Corporation has approved unutilised facilities of N\$1,125,053,748 (2023: N\$855,688,777). Payment guarantees were issued in favour of Nampower of N\$28,446,252 (2023: N\$5,311,223). No other payment guarantees were issued at year end.

12. Events after the reporting period

In May 2024 the Corporation was rated by Fitch Ratings BB- with a stable outlook.

NAMIBIA WATER CORPORATION LIMITED

(Registration number 97/459)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report (continued)

13. Going concern

The Board of Directors have made an assessment of the ability of the Corporation to continue as a going concern in the foreseeable future. In performing this assessment, management performed cash flow projections for the next five (5) years and are comfortable that the use of the going concern basis of accounting is appropriate for these periods. Furthermore, the Corporation maintained its credit rating for the period under review.

As at 31 March 2024, the annual financial statements have been prepared on the going concern basis. Notwithstanding, the prevailing economic conditions, the Directors are satisfied to report that the Namibia Water Corporation remains financially viable and is of the opinion that it has sufficient financial resources to sustain its liquidity, short term debts, operational and investment needs for the next 12 months to medium term.

The going concern assessment was undertaken, taking into account the following:

1. The Corporation has secured funding from AfDB and KfW through the Government of the Republic of Namibia under the Namibia Water Sector Support Programme, where the Government entered into loan agreements with these institutions, with NamWater being the implementing agent.
2. The Corporation has access to adequate financial resources in the form of a buffer of N\$1.9 billion, as cash remains critical during a distressed economic period.
3. The operational and financial risks of the Corporation have been reviewed to determine their impact on the business under various conditions. Mitigating strategies and controls are in place as reflected in the business and risk management plan of the Corporation.
4. The solvency and liquidity of the Corporation has also been assessed by the Board of Directors, and the directors have satisfied themselves that the Company has adequate financial resources to continue in operational existence for the foreseeable future and meet its liabilities as they fall due.
5. Furthermore, the Corporation has achieved a return on assets of 0.93% against a prior year return of 1.90% mostly as a result of increased rate of operating expenditure which is driven by the rise in personnel and electricity costs and worsened further because of slight changes in total assets.

Although the tariffs have not increased for a couple of years, the directors believe there is no reason for the business not to continue as a going concern in the financial year ahead.

14. Litigation statement

The Corporation becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Corporation is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

15. Secretary

The company secretary is Mr. O lithete.

Business address:

176 Iscor Street
Windhoek
Namibia

16. Namibia Water Sector Support Loan

The Government of the Republic of Namibia (GRN) entered into loan agreements with the African Development Bank (AFDB) and Frankfurt am Main (KfW). The purpose of these loans is to assist in financing the Namibia Water Support Program. According to the loan agreements, Ministry of Agriculture Water and Land Reform shall be the borrower for the program, while NamWater is the Implementing Agent.

The funded projects have commenced and are underway.

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Directors' Report (continued)

17. Auditors

Grand Namibia Chartered Accountants (Namibia) have been re-appointed as statutory auditors for the Corporation for 3 years starting March 2023. Their term of office expires at the end of the 2025 financial year statutory audit.

18. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 4 October 2024. No authority was given to anyone to amend the annual financial statements after the date of issue.

19. Vote of thanks

Thanks and appreciation are extended to our shareholder, staff, suppliers and consumers for their continued support to the Corporation.

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Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Namibian Dollar	Note(s)	2024	2023	Figures in Namibian Dollar	Note(s)	2024	2023
Assets				Liabilities			
Non-Current Assets				Non-Current Liabilities			
Property, plant and equipment	3	5,387,585,432	5,431,152,239	Post retirement medical obligation	12	157,122,000	140,640,000
Intangible assets	4	64,012,107	87,370,929	Deferred income	13	891,754,073	844,659,530
Other financial assets: Fair value through profit and loss	7	59,733,288	55,591,344	Deferred tax	5	1,433,628,214	1,428,361,181
Deferred tax	5	435,983,186	386,654,547	Severance pay obligation	12	7,354,000	5,951,000
Other financial assets: At amortised cost	7	301,265,599	212,922,019			2,489,858,287	2,419,611,711
		6,248,579,612	6,173,691,078	Current Liabilities			
Current Assets				Trade and other payables	15	335,741,687	283,389,623
Inventories	6	8,812,650	11,230,850	Deferred income	13	40,672,167	40,133,835
Trade receivables	8	751,983,268	617,385,604	Current tax payable	21	63,715,965	137,321,603
Other receivables	8	41,366,066	164,131,069			440,129,819	460,845,061
Other financial assets: At amortised cost	7	663,666,167	1,182,566,886	Total Liabilities			
Cash and cash equivalent	9	935,238,052	369,768,230			2,929,988,106	2,880,456,772
		2,401,066,203	2,345,082,639	Total Equity and Liabilities			
Total Assets		8,649,645,815	8,518,773,717			8,649,645,815	8,518,773,717
Equity and Liabilities							
Equity							
Share capital	10	959,054,444	959,054,444				
Non distributable reserves	11	1,776,255,494	1,857,516,572				
Retained income		2,984,347,771	2,821,745,929				
		5,719,657,709	5,638,316,945				

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibian Dollar	Note(s)	2024	2023
Revenue	16	2,111,595,041	2,096,012,124
Cost of sales	25	(603,715,262)	(484,676,296)
Gross profit		1,507,879,779	1,611,335,828
Other operating income	26	52,373,873	133,755,708
Movement in credit loss allowances	17	(182,502,818)	(323,060,233)
Other operating expenses	36	(1,404,566,988)	(1,322,930,795)
Operating (loss) profit	17	(26,816,154)	99,100,508
Interest income	18	129,752,267	123,649,240
Interest paid	19	(2,576,987)	(2,162,683)
Profit before taxation		100,359,126	220,587,065
Taxation	14	(19,841,675)	(58,634,285)
Profit for the year		80,517,451	161,952,780
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(losses) on defined benefit liability - Severance pay	12	513,000	880,000
Actuarial gain/(losses) on defined benefit liability - Post Retirement Medical Aid	12	697,755	48,078,017
Deferred Tax on actuarial gains/(losses)		(387,442)	(15,666,565)
Total items that will not be reclassified to profit or loss		823,313	33,291,452
Other comprehensive income for the year net of taxation		823,313	33,291,452
Total comprehensive income for the year		81,340,764	195,244,232

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Statement of Changes in Equity

Figures in Namibian Dollar	Share capital	Revaluation reserve	Asset replacement reserves	Total reserves	Retained income	Total equity
Balance at 1 April 2022	959,054,444	1,939,681,499	10,033,634	1,949,715,133	2,534,303,136	5,443,072,713
Profit for the year	-	-	-	-	161,952,780	161,952,780
Other comprehensive income	-	-	-	-	33,291,452	33,291,452
Total comprehensive income for the year	-	-	-	-	195,244,232	195,244,232
Revaluation reserve released to retained income	-	(92,198,561)	-	(92,198,561)	92,198,561	-
Total contribution by and distributions to owners of company recognised directly in equity	-	(92,198,561)	-	(92,198,561)	92,198,561	-
Balance at 1 April 2023	959,054,444	1,847,482,938	10,033,634	1,857,516,572	2,821,745,929	5,638,316,945
Profit for the year	-	-	-	-	80,517,451	80,517,451
Other comprehensive income	-	-	-	-	823,313	823,313
Total comprehensive income for the year	-	-	-	-	81,340,764	81,340,764
Revaluation reserve released to retained income	-	(81,261,078)	-	(81,261,078)	81,261,078	-
Total contribution by and distributions to owners of company recognised directly in equity	-	(81,261,078)	-	(81,261,078)	81,261,078	-
Balance at 31 March 2024	959,054,444	1,766,221,860	10,033,634	1,776,255,494	2,984,347,771	5,719,657,709
Note(s)	10	11				

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Annual Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Figures in Namibian Dollar	Note(s)	2024	2023
Cash flows from operating activities			
Cash generated from operations	20	232,299,590	265,557,278
Interest received		129,752,267	123,649,240
Finance costs		(2,576,987)	(2,162,683)
Income taxes paid to Government	21	(137,896,361)	(113,308,304)
Net cash from operating activities		221,578,509	273,735,531
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(190,681,673)	(152,635,634)
Purchase of intangible assets	4	(21,000)	(186,900)
Proceeds on sale of property, plant and equipment	3	2,607,518	3,820,411
Sale/(Purchases) of financial assets	7	426,415,195	(65,236,232)
Net cash from investing activities		238,320,040	(214,238,355)
Cash flows from financing activities			
Repayment of Bond		-	(106,000,000)
Contributions by Government and customers		105,571,274	18,823,306
Net cash from financing activities		105,571,274	(87,176,693)
Total cash movement for the year		565,469,823	(27,679,517)
Cash as the beginning of the year		369,768,229	397,447,746
Total cash at end of the year	9	935,238,052	369,768,229

Accounting Policies

Corporate information

Namibia Water Corporation Limited is a public limited company incorporated and domiciled in Namibia.

The annual financial statements for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors.

1. Significant accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual financial statements have been prepared on the historic cost basis, and incorporate the principal accounting policies set out below. The functional and presentation currency is Namibia Dollars.

These accounting policies are consistent with the previous period, except where otherwise stated.

1.1 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments has been identified as the Management Executive Committee (EXCO). An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Corporations' other components. An operating segment's results are reviewed regularly by EXCO to make decisions about resources to be allocated to the segment and assess performance, and for which separate financial information is available.

The basis of segmental reporting has been set out in note .

1.2 Significant judgments and sources of estimation uncertainty

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

Trade and other receivables

The Corporation assesses its trade receivables for impairment at the end of each reporting period. The impairment for Individual domestic consumer trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. Impairment for bulk consumer trade receivables is calculated on a case by case basis, based on historical payment patterns by the customers.

Fair value measurement

The Corporation measures financial instruments such as financial assets through profit and loss, and non-financial assets such as property, plant and equipment, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions - Notes 4, 8 and 13
- Quantitative disclosures of fair value measurement hierarchy - Note 34
- Property, plant and equipment under revaluation model - Note 4
- Financial instruments (including those carried at amortised cost) - Note 8, 9, 13, 17

Accounting Policies (continued)

1.2 Significant judgments and sources of estimation uncertainty (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements assume that transactions are taking place in a active market. In the absence of the latter it would assume that it would be based on the next advantageous market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the annual financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – Inputs other than quoted market prices included within level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 – Inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the annual financial statements on a recurring basis, management determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the quoted market prices that is significant to the fair value measurement as a whole) at the end of each reporting period. The Executive Management Committee consists of the

Chief Executive Officer, Chief Financial Officer, Chief Strategy and Corporate Affairs Officer, Chief Operation Officer, Chief Scientific Officer and Chief Engineering Services. External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by management after discussion with and approval by the Corporation's Audit & Risk Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Corporation's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management Committee analyse the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Corporation's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Management, in conjunction with the Corporation's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the Management and the Corporation's external valuers present the valuation results to the Board Audit & Risk Committee and the Corporation's independent auditors. This includes a discussion of the major assumptions used in the valuations. The Corporation engaged an independent valuation specialist to assess the fair values as at 31 March 2020. Land & buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of property. Refer to note 4 for detailed estimation criteria for Land and Buildings. On an annual basis, the Corporation assesses whether the variables influencing the fair value of assets have changed materially. Where such change is noted, a decision to do a new revaluation will be done. A new valuation will be done after 7 years from the date of any full revaluation. A period of 7 years is considered appropriate due to the nature of water infrastructure.

For the purpose of fair value disclosures, the Corporation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

Estimation of useful life PPE

Property, plant and equipment are made up as costs acquired to construct property, plant and equipment. IAS 16 requires annual life and residual values to be assessed on a project basis. The Corporation does annual reviews to ensure estimation and judgement are supported by sound assumptions through the use of valuation experts.

Accounting Policies (continued)

1.2 Significant judgments and sources of estimation uncertainty (continued)

Post retirement medical aid & Severance pay obligation

Post retirement defined benefits are provided for certain existing and former employees. Actuarial valuations which are performed by external valuers are based on assumptions which include employee turnover, mortality rates, the discount rate, healthcare inflation costs and rates of increase in compensation costs.

Severance pay provision in line with the current interpretation of the provisions of the Labour Act are provided for certain existing employees. Assumptions on termination dates, discount rates and future salary increments were done based on currently available information, to compute the liability.

Valuations for post retirement benefits and severance pay obligation are done every second year.

1.3 Property, plant and equipment

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. When a component of property, plant and equipment is replaced, the replacement cost is capitalised as part of the carrying amount of the property, plant and equipment, provided that the recognition criteria are met. The remaining carrying amount of the replaced part is derecognised at that stage.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment (other than land, buildings and water schemes) is subsequently measured at cost less accumulated depreciation and any impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the net of tax difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

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

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

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Accounting Policies (continued)

1.3 Property, plant and equipment (continued)

Property, plant and equipment in the course of construction which is for production, supply or administrative purposes (accounted for as assets under construction) is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Corporation's accounting policy. Such Property, plant and equipment is reclassified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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

Item	Average useful life
Buildings	50 years
Construction equipment	5 years
Furniture and fixtures	10 years
Motor vehicles	4 years
Operational equipment	5 years
Water schemes	10 to 50 years

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

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

The depreciation charge for each period is recognised in profit or loss.

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

The asset class for water schemes is composed of a number of subclasses that have different useful lives, hence the large range of useful lives. The shorter end of the range is composed of mainly mechanical components whilst the longer end is composed of civil components.

Refer to note 3 for the carrying amounts of Property, plant and equipment.

The residual value of an asset is the estimated amount that the Corporation would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

1.4 Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

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

Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised. Amortisation is included in operating expenses.

Following initial recognition, of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. Amortisation is provided to write down the intangible assets, on a straight line basis, as follows:

Item	Useful life
Computer software	3 to 5 years
Electricity supply points	3 to 30 years

Accounting Policies (continued)

1.4 Intangible assets (continued)

The length of the amortisation period for electricity supply points is influenced by the length of the electricity contract agreement with the supplier.

Refer to note 4 for carrying amount of intangible assets.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which is not a business combination and, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for carrying forward the unused tax losses, to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred tax relates to the same taxable entity and the same taxable authority.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in the Statement of Profit or Loss and Other Comprehensive Income for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Tax effect of all items presented in other comprehensive income are presented on the face of the other comprehensive income section of the statement of profit or loss and other comprehensive income.

Value added taxation

- When the input VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the input VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Accounting Policies (continued)

1.6 Leases

IFRS 16 replaces IAS 17 and applies (is effective) for annual reporting periods beginning on or after 1 January 2019. It aims to improve representation of lessee' assets and liabilities as well as increasing transparency of lessees' financial obligation and leasing activities. Where previously a lease was defined as an agreement whereby the payment or series of payments resulted in (created) the right to use an asset for an agreed period of time, under IFRS 16 it is defined as a contract or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Thus under IFRS 16, leases are accounted for based on a 'right-of-use model' where at the commencement date, a lessee has a financial obligation to make lease payments to the lessor for its right to use the underlying asset during the lease term while the lessor conveys that right to use the underlying asset at the commencement of the lease, which is the time when it makes the underlying asset available for use by the lessee.

IFRS 16 prescribes a single model of accounting for every lease for the lessees where a lessee does not need to classify the lease at its inception and determine whether it's finance or operating, rather they need to recognize a right-of-use asset and corresponding liability in its statement of financial position for all the leases; The asset shall be depreciated and a liability amortized over the lease term. There is however a recognition exemption whereby the lessee may elect to not apply the above requirements to short term leases and leases for which the underlying asset is of low value. Also, Under IFRS 16, rental or lease payments must be split to account for a lease element and a service element separately, mostly as an expense through profit or loss. The Corporation does not have any sale-and-leaseback arrangements in place and there were no modification or reassessment in place, hence the implications of these aspects of IFRS 16 are not considered for the assessment.

Lease agreements where the Corporation is a lessor:

The lessor's accounting remains largely unchanged from IAS 17. As such, the Corporation will continue to classify leases as either finance leases or operating leases in line with IFRS 16. IFRS 16 therefore does not have significant impact on the accounting for leases where the Corporation is the lessor.

Lease agreement where the Corporation is a lessee:

Short-term leases: The Corporation applied the recognition exemption instead of recognition requirements of IFRS 16 to its leases of Machinery and Properties as these leases meet the definition of a short term lease as per IFRS 16 due to the lease periods of 12 months or less at the commencement date.

Machinery is leased only in the event of breakdowns or emergencies for periods not exceeding 3 months, while Property leases are for office space leased for periods of up to 12 months renewable before the end of the 12 months. The Corporation accounts for payments associated to these leases as an expense on straight line basis and shall continue to do so due to the short duration of such agreements.

Long-term lease agreements:

The Corporation further has long-term lease agreements for computer equipment. These are classified as long-term as the lease period is 36 months. Through these agreements, the lessors grant the Corporation right of use over the Equipment for the said period in exchange for a fixed monthly rental charge. The equipment however remains the property of the lessor during the entire period of the lease. Based on its salient aspects the agreement meets the definition of a lease in terms of IFRS 16 and therefore needs to be accounted according to the requirements IFRS 16. The Corporation therefore need to recognise a right-to-use asset and a corresponding liability in respect of the lease agreements for the printers.

The Corporation does not have leases which are classified as a finance lease therefore the implications of leases previously classified as finance leases are not considered.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

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 rentals are expensed in the period they are incurred.

Accounting Policies (continued)

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost method.

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

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

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

1.8 Impairment of non-financial assets

The Corporation 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 Corporation estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use.

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

- tests intangible assets for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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.

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, however, if this is exhausted, the impairment loss would be recognised in profit or loss.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised to retained income in the year in which they are declared.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (benefits expected to be settled before 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 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, and a reliable estimate of the obligation can be made.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The expense is recognised in the period in which the service is rendered. The liability is recognised to the extent that contributions are outstanding and where the liability is not expected to be settled within 12 months after the end of the reporting period, it shall be discounted.

Accounting Policies (continued)

1.10 Employee benefits (continued)

Defined benefit plans

The Corporation operates a defined benefit post-employment medical aid and a severance pay benefit plan which requires contributions to be made to a separately administered fund. The funds have no assets. The cost of providing the benefit under the defined plan is determined using the projected unit credit method.

The Corporation operates a defined benefit post-employment medical aid and a severance pay benefit plan which requires contributions to be made to a separately administered fund. The funds have no assets. The cost of providing the benefit under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the Statement of Financial Position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of; the date of the plan amendment or Curtailment and the date that the Corporation recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Corporation recognises the following changes in the net defined benefit obligation under administration expenses in the Statement of Profit or Loss and Other Comprehensive Income; service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Reliance is placed on expert valuation.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

Government grants related to assets, including non-monetary grants at fair value, are presented in the Statement of Financial Position by setting up the grant as deferred income. The Corporation releases the deferred income into the Statement of Profit or Loss and Other Comprehensive Income over the useful life of the related assets financed from the government grant.

Grants related to income are presented as a credit in the Statement of Profit or Loss and Other Comprehensive Income.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

Government grants received are recognised in the Statement of Cashflows as cash flows from financing activities due to the fact that a liability (deferred income) is raised for such grants when they are received, and is amortised over the life of the infrastructure that is created utilising such grant funding.

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Accounting Policies (continued)

1.12 Revenue

Revenue on assets donated from customers is recognised over time as part of revenue in the profit or loss to match the depreciation of the assets per annum. The Corporation adopted the application of IFRS 15.

Revenue from sale of water is recognised at the point in time of when control of the asset is transferred to the customer, generally delivery of the water is at the point of bulk meter. The normal credit terms are 30 days from invoice.

There are no separate performance obligations other than the supply of water. The transaction price is fixed.

Significant financing component

The Corporation receives advance payments from customers for sale of water. Water purchased is consumed within a month. The Corporation applies the practical expedient for short-term advances received from customers. That is, the promised amount of the consideration not adjusted for the effects of a significant financing component if the payment period between the transfer of the promised goods or services is payment one year or less.

Non-Cash Consideration

The Corporation does not allow non-cash consideration for water services.

Variable Consideration

The Corporation does not allow variable consideration for water services.

Contract Assets

The Corporation does not have any contract assets as there are no conditional performance considerations to be fulfilled after the water was supplied.

Contract Liabilities

The Corporation does not have any contract liabilities as there are no conditional performance obligations to be fulfilled.

Collectability of Revenue

Revenue may only be recognised if it is believed at the time of sale that the revenue is likely to be recovered from the customer. The recoverability requirement is not considered to have been met in contracts who have a poor payment history and for which the entity does not have the ability to manage the credit risk. The entity accounts for revenue from these contracts on a cash (rather than accrual) basis. Where the recoverability requirement is met, revenue is recognised on an accrual basis. Management applied significant judgement in determining whether the recoverability requirement has been met. The application of this judgement did not have a material impact on the revenue recognised in the current year.

1.13 Interest Income

Included in investment income is a total of N\$129,752,267 (2023: N\$123,649,240) which is not yet realised. On some investments the actual interest realised will depend on the interest rates at the time of requesting for a payout of the investment income generated. The directors do not believe that the amounts disclosed as investment income earned will materially differ from the amounts that will be received by the Corporation.

1.14 Borrowing costs

Borrowing costs consist of interest and other costs that the Corporation incurs in connection with the borrowing of funds.

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

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

Accounting Policies (continued)

1.14 Borrowing costs (continued)

- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

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

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

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

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

1.15 Deferred income

There are instances where customers fund the construction of their infrastructure by paying for all the costs for the establishment of the infrastructure. At the end of the construction period, the assets are transferred to NamWater. The donations are accounted for as follows:

- the fair value of the assets donated is reflected as assets.
- the assets are depreciated according to the NamWater policy on similar asset classes.
- an amount equal to the fair value of the asset is recognised as income in Other Income in the Statement of Profit or Loss and Other Comprehensive Income in the year that the asset is available for use.

The Corporation signs a water supply agreement with the respective customers which stipulates the obligations of each party regarding the future utilisation, and the repairs and maintenance of the respective assets.

The cash in flows creating deferred income, are recognised in the Statement of Cash flows as cash flows from financing activities.

1.16 Asset Replacement Reserve

In order to reserve funds for the replacement of infrastructure, the Corporation is compelled to allocate internally generated profits after tax into a funded replacement reserve account. These funds are included in non-distributable reserves in the Statement of Financial Position. The funds so allocated are utilised by the Corporation to fund the acquisition and construction of new infrastructure.

1.17 Financial Instruments

The Corporation has adopted consequential amendments to IFRS 9 Financial Instruments: Disclosures. IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
 - 2) Impairment of financial assets, and
 - 3) General hedge accounting.
- (a) Classification and measurement of financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL)

Accounting Policies (continued)

1.17 Financial Instruments (continued)

Namwater Business Model

The objective of the entity's business model is to hold assets only to collect cash flows, or to collect cash flows to sell ("the Business Model test"), and

The contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test").

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Corporation to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Corporation to recognise a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortised cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Corporation to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Classification

The classification of financial assets is dependent on the 'business model' test and 'contractual cash flow' test to determine whether they are measured at fair value or amortised cost.

The classification of financial liabilities under IFRS 9 remain broadly the same as in IAS 39.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Accounting Policies (continued)

1.17 Financial Instruments (continued)

Subsequent measurement: All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets as outlined below:

Financial Instruments	Business Model	IFRS 9 Measurement
Endowment policies	Not held for contractual cashflows which are SPPI	Fair value through profit and loss
Short term deposits	Collect contractual cash flows which represents SPPI	Amortised cost
Sinking fund for bond redemption	Collect contractual cash flows which represents SPPI	Amortised cost
Trade receivables	Collect contractual cash flows which represents SPPI	Amortised cost
Other receivables	Collect contractual cash flows which represents SPPI	Amortised cost

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income/expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial instrument, or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument on initial recognition.

The amortised cost of financial instruments is the amount at which the financial instruments is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest income is recognised in profit or loss and is included in the "interest income" line item (note 19).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 34.

(iii) Impairment of financial assets

The Corporation recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Corporation always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Corporation's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Corporation recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Accounting Policies (continued)

1.17 Financial Instruments (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Corporation's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Corporation in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at the original effective interest rate.

The Corporation recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial instruments

The Corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Corporation derecognises financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Definition of default

Default is defined as a customer that fails to honour the agreed commitments in quantitative and timeous terms. Write-off is where a customer has been declared insolvent and liquidated.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Disclosure of accounting policies: Amendments to IAS 1

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January 2023.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management in-

tends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2023.

2.2 New and Revised Standards and Interpretations issued but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Currently applicable
• IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024	Yes
• IFRS S2 - Climate-related Disclosures	1 January 2024	Yes
• IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027	Yes
• IAS 1 - Classification of Liabilities as Current or Non- Current and Non-current Liabilities with covenants (Amendments to IAS 1)	1 January 2024	Yes
• IFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024	Yes

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Notes to the Annual Financial Statements (continued)

3. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Operational and Administration Land and Buildings	550,031,383	(121,154,144)	428,877,239	550,031,383	(109,167,780)	440,863,603
Construction Equipment	85,387,882	(69,496,305)	15,891,577	73,427,066	(65,251,205)	8,175,861
Furniture and fixtures	62,422,738	(49,324,124)	13,098,614	51,975,404	(46,464,782)	5,510,622
Motor vehicles	158,813,645	(127,449,337)	31,364,308	144,550,209	(119,085,812)	25,464,397
Operational equipment	36,046,887	(28,677,439)	7,369,448	31,596,694	(26,330,785)	5,265,909
Water schemes	7,171,945,107	(3,422,544,012)	3,749,401,095	7,096,723,746	(3,245,666,996)	3,851,056,750
Assets under construction	1,141,583,151	-	1,141,583,151	1,094,815,097	-	1,094,815,097
Total	9,206,230,793	(3,818,645,361)	5,387,585,432	9,043,119,599	(3,611,967,360)	5,431,152,239

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation on transfers and retirements	Depreciation	Impairment loss	Total
Operational Land and Buildings	440,863,603	-	-	-	-	(11,986,364)	-	428,877,239
Construction equipment	8,175,861	11,973,602	(11,137)	(1,650)	7,007	(4,252,106)	-	15,891,577
Furniture and fixtures	5,510,622	10,731,544	(288,340)	4,130	269,182	(3,128,524)	-	13,098,614
Motor vehicles	25,464,397	15,585,787	(1,315,712)	(6,639)	1,119,391	(9,482,916)	-	31,364,308
Operational equipment	5,265,909	2,753,466	(21,890)	1,718,617	22,487	(2,369,141)	-	7,369,448
Water schemes	3,851,056,750	18,010,111	(761,442)	76,403,976	254,513	(195,562,813)	-	3,749,401,095
Assets under construction	1,094,815,097	131,633,706	(630)	(78,117,417)	-	-	(6,747,605)	1,141,583,151
	5,431,152,239	190,688,216	(2,399,151)	1,017	1,672,580	(226,781,864)	(6,747,605)	5,387,585,432

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Notes to the Annual Financial Statements (continued)

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation on transfers and retirements	Depreciation	Impairment loss	Total
Operational Land and Buildings	443,563,710	9,233,542	-	-	-	(11,933,649)	-	440,863,603
Construction equipment	11,539,301	695,362	(398,722)	61,578	414,480	(4,136,138)	-	8,175,861
Furniture and fixtures	5,810,033	2,321,343	(190,738)	-	187,956	(2,617,972)	-	5,510,622
Motor vehicles	37,592,470	6,639	(7,699,784)	-	7,518,167	(11,953,095)	-	25,464,397
Operational equipment	5,797,985	1,461,008	(351,906)	2,664	330,069	(1,973,911)	-	5,265,909
Water schemes	4,035,165,399	13,692,034	(53,744,326)	41,383,992	50,801,695	(211,873,783)	-	3,875,425,011
Assets under construction	990,301,778	124,955,415	-	(41,448,234)	-	-	(3,362,123)	1,070,446,836
	5,529,770,676	152,365,343	(62,385,476)	-	59,252,367	(244,488,548)	(3,362,123)	5,431,152,239

Pledged as security

All the Property, plant and equipment are free of any encumbrances.

Transfers between asset categories

A number of transfers were done between asset categories. The transfers were to capitalise assets that were under construction in the previous year, and which were completed in the current year.

1,021,789 1,476,750

Compensation received for losses on property, plant and equipment – included in operating profit.

Equipment and Vehicles

During the financial year, the Corporation received insurance compensation for damage to some of its assets. The damaged equipment were decommissioned

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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (continued)

3. Property, plant and equipment (continued)

Figures in Namibia Dollar	2024	2023
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Revaluations

The Corporation endeavours to value its property plant and equipment every 7 years. No revaluation of assets were performed during the current financial year. A revaluation on land and non operational buildings were performed in the 2020 financial year. The revaluations were performed by Messers Lund Consulting Engineers and Property Valuations Namibia. The organisation is not connected to the Corporation and has recent experience in the location and category of the Water Supply Infrastructure being valued.

The valuation was based on the open market value for existing use for the land and buildings, and for water supply infrastructure was based on the replacement cost.

The carrying value of the revalued assets under the cost model would have been:

Land and Buildings	94,778,711	97,636,760
Water schemes	1,365,121,234	1,360,718,369

Fair value of the revalued assets was determined using the market comparable method for land and buildings and replacement cost for water supply infrastructure. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of the revaluation, fair values of the revalued assets were based on valuation performed by Mr. P. J Scholtz (Sworn Valuer) of Property Valuations Namibia.

Significant unobservable valuation input: Price per square meter on Buildings N\$ 200 to N\$ 9 500 and on Land N\$ 0.10 to N\$ 600.

Significant increase / (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value.

Other information

In prior years Government constructed water supply infrastructure and donated this to the Corporation. Some of the donated water supply infrastructure is dedicated to supply water to rural communities.

For further information on capital expenditure commitments, refer to note 29. For further additional fair value information, refer to note 34.

Proceeds of N\$2,539,742 (2023: N\$3,820,411) were received from assets written off with a carrying value of N\$719,930 (2023: N\$181,619).

Details of properties

A register containing the information required by the Companies Act is available for inspection at the registered office of the Corporation.

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Notes to the Annual Financial Statements (continued)

4. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	20,149,805	(20,050,210)	99,595	20,128,805	(19,563,175)	565,630
Electricity Supply points	256,287,875	(192,375,363)	63,912,512	256,287,875	(169,482,576)	86,805,299
Total	276,437,680	(212,425,573)	64,012,107	276,416,680	(189,045,751)	87,370,929

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	565,630	21,000	(487,035)	99,595
Electricity Supply points	86,805,299	-	(22,892,787)	63,912,512
	87,370,929	21,000	(23,379,822)	64,012,107

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	890,899	186,900	(512,169)	565,630
Electricity Supply points	109,698,088	-	(22,892,789)	86,805,299
	110,588,987	186,900	(23,404,958)	87,370,929

Pledged as security

All intangible assets are free of encumbrances.

Other information

Computer software is replaced once it has reached the end of its useful life. Electricity Supply Points have a remaining useful life of 6.8 years.

Contractual commitments

There are no commitments to purchase any new intangible assets.

NAMIBIA WATER CORPORATION LIMITED

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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (continued)

5. Deferred tax

Figures in Namibia Dollar	2024	2023
Deferred tax liability		
Endowment Policy	(19,114,652)	(17,789,230)
Inventory	(2,820,048)	(3,593,872)
Property, plant and equipment	(542,641,648)	(499,686,600)
Property, plant and equipment released through retained income	(869,051,866)	(907,291,479)
Total deferred tax liability	(1,433,628,214)	(1,428,361,181)
Deferred tax asset		
Severance Pay Obligation	2,353,280	1,904,320
Liabilities for health care benefits accrued	49,871,563	44,984,764
Doubtful debt allowance	378,504,221	334,864,554
Debtors with credit balances	3,270,865	3,193,404
Performance bonus provision	1,983,257	1,707,505
Total deferred tax asset	435,983,186	386,654,547

6. Inventories

Spare parts and consumables	8,812,650	11,230,850
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Inventory is free of any encumbrances. Total inventories is measured at the lower of cost and net realisable value.

Figures in Namibia Dollar	2024	2023
7. Other Financial Assets		
At fair value through profit or loss - designated		
Investments	59,733,288	55,591,344
The amount is comprised of N\$59,733,288 (2023: N\$55,591,344) in endowment policies. This investment is an endowment policy held with Old Mutual.		
Amortised Cost		
Other financial asset	870,995,484	1,337,614,283
The investments are a short term deposit of N\$184,885,318 held in a 48hr investment facility, with nominal interest rate of 7.60%, N\$ 50 million short term deposit, with interest rate of 8.00% maturing 03 May 2024, N\$ 150 million short term deposit, with interest rate 8.90% maturing 14 May 2024, N\$ 100 million short term deposit, with interest rate 8.80% maturing 30 April 2025, N\$ 100 million short term deposit, with interest rate of 8.80% maturing 30 April 2024, N\$ 150 million short term deposit, with interest rate 8.72% maturing 31 October 2024, N\$ 100 million short term deposit, with interest rate 8.55% maturing 14 November 2024. The total investments includes interest accrued on the above investments. A total of N\$ 505 million (2023: N\$ 300 million) reinvestments were made during the year.		
Sinking Fund	93,936,281	57,874,622
The sinking fund is an investment held with Standard Bank to mitigate the possible credit risk of the loan from AFDB taken by Government to support the water sector.		
Financial Assets at Amortised Cost	964,931,765	1,395,488,905
Total Other Financial Assets	1,024,665,053	1,451,080,249

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023	Figures in Namibia Dollar	2024	2023
7. Other Financial Assets (continued)					
Long term			Other Financial Assets at Amortised cost: Sinking Fund		
At fair value through profit or loss	59,733,288	55,591,344	Opening balance	57,874,622	105,397,436
Amortised Cost	301,265,599	212,922,019	Investment during the year	29,923,560	55,240,624
	360,998,887	268,513,363	Interest income unrealised	6,138,099	2,633,998
			Investment income realised	-	602,564
Short term			Disinvestments during the year	-	(106,000,000)
Amortised Cost	663,666,167	1,182,566,886		93,936,281	57,874,622
Total other financial assets	1,024,665,054	1,451,080,249			
			Sales/(Purchases) of Investments		
Fair value information			Disinvestments during the year: Financial Assets at amortised cost	1,110,104,140	373,307,451
Reconciliation of financial assets held at fair value through profit and loss			Investments during the year: Financial Assets at amortised cost	(555,027,335)	(300,000,000)
Opening balance	55,591,344	52,543,957	Additional Investments in Sinking Fund	(29,923,560)	(55,240,624)
Investment income unrealised	4,141,944	3,047,387	Investment Income: Financial Assets at Amortised cost	(94,596,106)	(80,255,672)
	59,733,288	55,591,344	Investment Income: Endowment Policy	(4,141,944)	(3,047,387)
				426,415,195	(65,236,232)
Reconciliation of financial assets at Amortised cost			Financial assets at fair value through profit or loss are recognised at fair value, which is equal to their carrying amounts at the date of reporting.		
Opening balance	1,337,614,283	1,227,902,623	The amortised cost investments are recognised at cost plus investment income earned and are both current and non- current in nature. The short term held to maturity investments comprise of fixed term deposits held at a term not exceeding 24 months. The non-current held to maturity investments comprise of an investment in a sinking fund held with Standard Bank.		
Investment during the year	555,027,335	300,000,000			
Interest income unrealised	31,062,767	63,657,506			
Interest income realised	57,395,239	13,361,605			
Disinvestments during the year	(1,110,104,140)	(267,307,451)			
	870,995,484	1,337,614,283			

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar 2024 2023

7. Other Financial Assets (continued)

Reconciliation of financial assets

Financial assets at fair value through profit or loss are denominated in the following currencies:

Namibia Dollar	59,733,288	55,591,344
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Financial assets at amortised cost are denominated in the following currencies:

Namibia Dollar	964,931,765	1,395,488,905
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There were no gains or losses realised on the disposal of held to maturity financial assets in 2024 and 2023, as all the financial assets were disposed of at their redemption date.

Sinking fund - Standard Bank Namibia - Namibia Dollar	93,936,281	57,874,622
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Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information and forward looking information about counterpart and industry default rates. With regards to the investments, only investments in the money market, with products that guarantee the capital balance invested are allowed per the investment policy. The investments in these institutions must be investment grade.

8. Trade and other receivables

Trade receivables	2,061,908,007	1,740,893,741
Allowance Account - Trade Receivables	(1,309,924,739)	(1,123,508,137)
Value added tax	6,150,284	-
Other receivables	238,041,415	371,541,358
Allowance Account - Other Receivables	(202,825,633)	(207,410,290)
	793,349,334	781,516,672

Other Receivables

Included in other receivables is an amount of N\$101,390,966 which pertains to funds advanced toward drought relief intervention measures during the 2017 financial year to assist the City of Windhoek with borehole drilling projects. The amount has been provided for in full. Other receivables also include N\$59,917,986 for interest refundable from government for the loan advanced to the government relating to the Neckartal Dam and an amount of N\$30,980,679 relating to the Otjimbingwe scheme. These amounts are underwritten to be paid by the Namibian Government which reduces the risk of default.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to historical and forward looking payment performance and default rates. The credit quality of customers is assessed and regularly monitored by the Debtor's Committee. Bulk water sales are covered by performance agreements.

None of the financial assets that are fully performing have been renegotiated during the last year.

Fair value of trade and other receivables

Management assessed that the fair values of trade and other receivables approximate their carrying amounts largely due to the short term maturities of these instruments.

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023						
8. Trade and other receivables (continued)			2024	Current	31-60 days	61-120 days	<121 days	Total
Trade and other receivables impaired			Trade	363,731,602	32,028,282	55,969,339	1,610,178,784	2,061,908,007
The amount of the provision was N\$1,512,750,372 as at 31 March 2024 (2023: N\$ 1,330,918,427).			ECL Loss	-	(24,816,703)	(42,440,944)	(1,242,667,092)	(1,309,924,739)
All the amounts that are past due have been provided for in the 2024 and 2023 financial year.			ECL Rate %	-	2	3	95	100
The ageing of trade and other receivables are as follows:				363,731,602	7,211,579	13,528,395	367,511,692	751,983,268
Trade receivables: Unrelated parties			2024	Current	31-60 days	61-120 days	<121 days	Total
Current	179,491,119	143,248,660	Other	6,838,670	-	-	237,353,029	244,191,699
31 - 60 days	5,376,690	3,781,036	Receivables					
61 - 120 days	4,569,790	22,488,364	ECL Loss	-	-	-	(202,825,633)	(202,825,633)
Above 121 days	855,066,991	758,473,012	ECL Rate %	-	-	-	100	100
Subtotal	1,044,504,590	927,991,072		6,838,670	-	-	34,527,396	41,366,066
Trade receivables: Related parties			2023	Current	31-60 days	61-120 days	<121 days	Total
Current	184,230,483	239,516,882	Trade	382,765,542	9,211,461	48,861,796	1,300,054,942	1,740,893,741
31 - 60 days	26,651,591	5,430,425	Receivables					
61 - 120 days	51,399,550	26,373,432	ECL Loss	-	(7,620,158)	(40,420,798)	(1,075,467,181)	(1,123,508,137)
Above 121 days	755,111,793	541,581,930	ECL Rate %	-	2	4	94	100
Total related party receivables	1,017,403,417	812,902,669		382,765,542	1,591,303	8,440,998	224,587,761	617,385,604
Total Trade receivables	2,061,908,007	1,740,893,741	2023	Current	31-60 days	61-120 days	<121 days	Total
Total trade receivables			Other	129,488,237	2,936,009	-	239,117,112	371,541,359
Current	363,731,602	382,765,542	Receivables					
Past due 31 - 60 days	32,028,282	9,211,461	ECL Loss	-	-	-	(207,410,290)	(207,410,290)
Past due 61 - 120 days	55,969,339	48,861,796	ECL Rate %	-	-	-	100	100
Past due 121 days and above	1,610,178,784	1,300,054,942		129,488,237	2,936,009	-	31,706,822	164,131,069
	2,061,908,007	1,740,893,741						

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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023
8. Trade and other receivables (continued)		
Trade Receivables		
Due but not Impaired	363,731,602	382,765,542
Due and Impaired	87,997,621	58,073,257
Past due and Impaired	1,610,178,784	1,300,054,942
	2,061,908,007	1,740,893,741

The carrying amount of trade receivables are denominated in the following currencies:

Namibia Dollar	2,061,908,007	1,740,893,741
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	1,330,918,427	1,011,949,119
Provision for impairment	182,114,247	323,060,233
Amounts written off	(282,302)	(4,090,925)
	1,512,750,372	1,330,918,427

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Corporation holds collateral for desalinated water customers. Included in related party trade receivables is an amount of N\$1,010,716,237 relating to Local Authorities and Regional Councils which according to management has the highest risk of defaulting. However, repayment agreements have been entered into with some these customers. Also included in trade receivables is an amount of N\$899,022,643 owed by private consumers and rural water supply. The amounts are fully provided for. No interest was applied during the current year.

Trade receivables include amounts owing from related parties. Trade receivables are non-secured on a 60 day term.

Other receivables include study loans given to employees and other sundry receivables. The receivables are non-secured and non-interest bearing with no repayment terms.

Figures in Namibia Dollar	2024	2023
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Assumptions and judgements used to calculate the expected credit loss:

The sectors of the Corporations customers that are supplied with bulk water include, mining customers, local authorities private businesses and individuals. In arriving at the estimated credit losses the Corporation considered at looking at the historic collection rate of these customers for the past three years and the following assumptions were factored to arrive at the credit losses balances:

- Forward looking factors considered
- Namibian GDP growth rates given this key indicator used to verify the country's growth rate
- International Uranium prices were used as a key determinant of the viability if the mining activities and the customer's ability to repay.

9. Cash and cash equivalents

Cash and cash equivalents relate to money on hand and deposits held with banking institutions.

The average interest rate earned on deposits with banking institutions in call and current accounts averaged 4.37% p.a. (2023: 4.23%).

Cash on hand	80,015	80,860
Bank balances	935,158,037	369,687,370
	935,238,052	369,768,230

The total amount of undrawn facilities available for future operating activities and commitments	1,125,053,748	855,688,777
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10. Share capital

Authorised

1 000 000 000 Ordinary shares of N\$1 each	1,000,000,000	1,000,000,000
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Issued

959,054,444 ordinary shares of N\$ 1 each	959,054,444	959,054,444
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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023
11. Non distributable reserves		
Revaluation reserves equal to the depreciation net of tax on the revalued portion of assets is released directly into Retained Income.		
Opening balance	1,847,482,938	1,939,681,499
Revaluation reserve released into retained income	(81,261,078)	(92,198,561)
Revaluation reserves	1,766,221,860	1,847,482,938
Asset replacement reserve	10,033,634	10,033,634
	1,776,255,494	1,857,516,572

The Asset Replacement reserve relate to money set aside for the future replacement of fixed assets. As guided by the Namibia Water Corporation Act, the Corporation can capitalise part of its profits as may be deemed necessary into a capital replacement reserve for future replacement of its assets.

12. Retirement benefits

12.1 Post Employment Medical Aid obligation

The Corporation has an obligation to continue to fund 50% of the employees' contribution to Medical Aid after employment. The liability is actuarially calculated on an annual basis. The employees are free to join their medical aid service provider of choice, whilst the Corporation utilises one of the medical aid funds to benchmark the level of contributions to the fund.

The plan is a post employment medical benefit plan, and was closed in January 2010 to new members joining the Corporation.

Reliance is placed on expert valuation done by, NMG Actuarial Consultants for the current reporting period.

Figures in Namibia Dollar	2024	2023
Carrying value		
Present value of the defined benefit obligation-not funded	157,122,000	140,640,000
Net expense recognised in Profit or loss		
Current service cost	3,717,000	4,216,000
Interest cost	17,823,000	22,628,000
	21,540,000	26,844,000
Opening Balance		
Present value of the defined benefit obligation-not funded	(140,640,000)	(165,699,000)
Movements for the year		
Contributions to retired employees	4,360,245	3,824,983
Net expense recognised in Profit or loss	(21,540,000)	(26,844,000)
	(17,179,755)	(23,019,017)
Net actuarial gain recognised in other comprehensive income		
Actuarial gain through OCI	697,755	48,078,017
Closing Balance		
Present value of the defined benefit obligation-not funded	(157,122,000)	(140,640,000)

NAMIBIA WATER CORPORATION LIMITED

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar 2024 2023

12. Retirement benefits (continued)

Key assumptions used

Assumptions used on last valuation on 31 March 2023.

Normal retirement age (years)	60	60
Discount rate	12.91 %	12.91 %
Medical inflation rate	9.31 %	9.31 %

Figures in Namibia Dollar PA(90)-2 PA(90)

Sensitivity analysis to mortality rates

Change in accrued liability	3,928,050	(4,085,172)
Change in current service cost	92,925	(96,642)
Change in interest cost	445,575	(463,398)
Decrease/ (increase) in liability	4,466,550	(4,645,212)

The actual mortality experience of the current employees and the continuation members will materially affect the actual cost. Should the actual cost be higher than that assumed in the valuation, the cost of subsidies will decrease. Likewise, should the actual mortality be lower than that assumed the cost will be greater than expected.

Figures in Namibia Dollar -1% decrease +1% increase

Sensitivity to medical aid inflation

Change in total accrued liability	(17,754,786)	21,054,348
Change in current service cost	(527,814)	527,814
Change in interest cost	(2,120,937)	2,120,937
(Decrease)/ increase in liability	(20,403,537)	23,703,099

Figures in Namibia Dollar 2024 2023

The cost of subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have direct effect on the liability of future retirees. Management believes a realistic assumption on medical aid inflation is a change of 1%.

Sensitivity to discount rate	-1% decrease	+1% increase
	N\$	N\$
Change in total accrued liability	20,740,104	(17,283,420)
Change in current service cost	215,586	(245,322)
Change in interest cost	1,033,734	(1,176,318)
	21,989,424	(18,705,060)

The variable having the greatest effect on the liability is the real discount rate, i.e. the discount rate net of health care cost inflation. Even small changes to this assumption have a relatively large impact on the liabilities. Management believes that the realistic assumption on medical aid discount rate is a change of 1%.

12.2 Severance pay obligation

In terms of the current interpretation of the provisions of the Labour Act, there is a requirement for the Corporation to provide for the payment for all permanent staff members who will part with the Corporation at the age of 65 years. The policy of the Corporation makes provision for retirement at the age of 60 years. An actuarial valuation was done to determine the fair value of the liability. This valuation takes into account the Corporations provision for retirement age of 65 years for fixed term contract employees who might remain in the employment of the Corporation beyond the normal retirement age of 60. Amounts reported for the current year were projected per the last valuation performed on 31 March 2024.

Reliance is placed on expert valuation done by, Strategic Actuarial Partners Namibia (Pty) Ltd for the current reporting period

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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023	Figures in Namibia Dollar	2024	2023
12. Retirement benefits (continued)			13. Deferred income		
Carrying value			Non-current liabilities		
Present value of defined benefit obligation - not funded	7,354,000	5,951,000		891,754,073	844,659,530
			Current liabilities		
				40,672,167	40,133,835
				932,426,240	884,793,365
Net expense recognised in Statement of profit or loss			The Corporation received revenue from external sources for capital projects as listed below:		
Service cost	1,341,000	520,000	Summary of deferred income		
Interest cost	575,000	491,000	Swakopmund - Langer Heinrich Upgrade	19,718	19,718
Actuarial (gain)/loss	(513,000)	(880,000)	Rossing - Valencia	266,105	266,105
	1,403,000	131,000	Finkenstein Water Supply	60,692	64,665
			Langer Heinrich Water Supply	49,212,677	50,381,728
			Aus Scheme Extension	-	(2,071)
			Ondobe Pipeline	235,615	253,213
			Skorpion Mine Water Supply	39,601,370	41,344,284
			Opuwo Treatment Plant	1,276,115	1,348,501
			Klein Manasse	604,640	626,991
			Ogongo Oshakati Canal Rehabilitation	13,297,678	13,297,678
			Andara Water Supply	144,954	155,021
			Ndiyona Water Supply	693,768	734,680
			Ogongo Agricultural College Pumpstation	143,606	143,606
			Mpunguvlei Pipeline	341,681	341,681
			Rosh Pinah pipeline upgrade	175,609	207,774
			Calueque Pump Station upgrade	406,839	406,839
			Oshikango Pipeline Reroute	223,705	232,085
			Oanob - Oamites Water Supply	83,000	83,000
			Swakop South Water Supply	59,902,321	80,489,745
			Outapi road crossings	127,919	144,025
Movement for the year					
Opening balance	5,951,000	5,820,000			
Net expense recognised in Profit or loss	1,403,000	131,000			
	7,354,000	5,951,000			
	-1% decrease	+1% increase			
Sensitivity to salary inflation					
Change in liability	7,018,000	7,728,000			
Change in service cost plus interest cost	1,361,000	1,505,000			
(Decrease)/increase in liability	8,379,000	9,233,000			
The effect of a 1% increase and decrease in the salary inflation assumption on the contractual liability and the annual expense is shown in the table above. Management believes that it is a realistic assumption to expect a change in salary inflation of 1%.					
Valuation assumptions					
Salary inflation	6.6%	6.60%			
Discount Rate	10.50%	8.70%			

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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023	Figures in Namibia Dollar	2024	2023
13. Deferred income (continued)					
Rural water supply infrastructure	194,722,857	203,672,164			
Kalkveld extension & upgrade	1,459,807	1,459,807			
Violsdriift/Noordoewer dam study	375,411	375,411			
NTA/GIZ Heavy Equipment Training	1,975,933	2,213,832			
Swakopmund-Rossing Upgrade	228,631	246,454			
Omdel-Swakopmund Pipeline Replacement	108,922,259	114,306,976			
Aussenkehr New Town Scheme	350,000	350,000			
Unicef Water Tankers	4,144,938	5,054,640			
Shamvhura-Shamangorwa Rural Water Scheme	5,217,319	5,217,319			
Farm Hoffnung Boreholes	279,951	297,525			
Water Security Project	267,505,294	273,069,956			
Cuvecom Project	31,786	31,787			
Eenhana Water Treatment Plant Project	3,617,583	4,331,190			
Dessert Research Foundation Project	50,959,960	50,959,961			
African Development Bank	29,999,575	29,999,575			
Hardap Irrigation Scheme Rehabilitation	2,667,500	2,667,500			
KFW	93,149,424	-			
Less: Transfer to current portion of deferred income	(40,672,167)	(40,133,835)			
	891,754,073	844,659,530			
Reconciliation of deferred income					
Opening balance	884,793,365	905,908,144			
Transfer to capital redemption	(45,516,549)	(45,766,938)			
Contribution from government and customers	93,149,424	18,823,305			
Other Projects	-	5,828,854			
	932,426,240	884,793,365			
			The amount of N\$45,516,549 (2023: N\$45,766,939) is included in Capital redemption as Revenue Income. The full balance of Capital redemption includes amounts that are direct payments from customers, not going through the Deferred Income account.		
			14. Taxation		
			Major components of the tax expense through Statement of Profit or Loss		
			Current Taxation		
			Local income tax - current period	(64,290,723)	(165,329,623)
			Deferred Taxation		
			Originating and reversing temporary differences	44,449,048	106,695,338
				(19,841,676)	(58,634,285)
			Major components of tax expense through Statement of Other Comprehensive Income		
			Deferred Taxation		
			Medical Aid & Severance obligation	(387,442)	(15,666,565)
			Reconciliation of the tax expense		
			Reconciliation between accounting profit and tax expense.		
			Accounting profit/(loss)	100,359,126	220,587,065
			Tax at the applicable tax rate of 32% (2023: 32%)	32,114,920	70,587,861
			Exempt income	(12,885,623)	(13,113,927)
			Disallowed expenditure	612,379	1,160,351
				19,841,676	58,634,285
			The corporate tax rate remained unchanged in the current year at 32% (2023:32%).		

NAMIBIA WATER CORPORATION LIMITED

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023	Figures in Namibia Dollar	2024	2023
15. Trade and other payables			16. Revenue		
Financial instruments:			Water sales - Treated water	1,377,336,511	1,467,309,546
Trade payables	110,872,865	92,686,178	Water sales - Desalinated water	651,616,083	553,042,326
Value added tax	-	24,896,183	Interest received on overdue trade receivables	5,238,573	158,530
Payroll control accounts	279,685	262,463	Water sales - Untreated water	29,851,586	25,336,236
Other payables	125,896,534	67,965,565	Water sales - Irrigation water	13,775,870	11,745,421
Accrued leave pay	48,229,661	39,868,829	Capital Redemption - Infrastructure Loan	33,776,418	38,420,065
Accrued bonus	6,197,679	5,335,953		2,111,595,041	2,096,012,124
Year end accruals	44,265,263	52,374,452			
	335,741,687	283,389,623	17. Operating Profit/(Loss)		
The carrying amounts of trade and other payables are denominated in the following currencies:			Operating (loss) profit for the year is stated after accounting for the following:		
Namibia Dollar Amount			(Loss)/Profit on sale of property, plant and equipment	206,537	877,429
Namibia Dollar	335,741,687	283,389,623	Amortisation of intangible assets	23,379,822	23,404,958
			Depreciation on property, plant and equipment	226,781,961	244,489,048
Trade payables and year-end accruals comprise amounts accrued for services provided by suppliers. The amounts are due for payment 30 days from the date of the supplier statements. Other payables to third parties are pension funds, retirement funds and provision for retention creditors. Accrued leave pay relates to the cumulative number of leave days owed to employees. Each employee accrues 2.5 days of leave per month of service, capped to 45 days. Accrued bonus relates to provision payable to employees for the 13th cheque. The 13th cheque is equivalent to 69% of an employee's monthly package, and payable in November of each year.			Employee costs	461,074,750	399,665,647
			Amount expensed in respect of retirement benefit plans:	61,427,396	57,787,359
			- Defined contribution funds	38,876,396	29,932,359
			- Defined benefit funds	22,551,000	27,855,000
			Provision for expected credit losses		
			Current year provision for allowance account	182,502,818	323,060,233
			Audit fees	1,242,060	1,110,340

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Figures in Namibia Dollar	2024	2023	Figures in Namibia Dollar	2024	2023	
18. Interest Income			20. Cash generated from operations (continued)			
Interest from investments held at amortised cost (note 8)	94,596,106	80,559,997	Changes in working capital:			
Endowment policy earnings: unrealised fair value gain	4,141,944	3,047,387	(Increase)/decrease Inventories	2,418,200	(2,974,497)	
Bank Interest	26,122,280	12,792,170	(Increase)/decrease Trade receivables	(134,597,664)	(58,350,952)	
Interest on Other Receivables	4,891,937	27,249,686	(Increase)/decrease Other receivables	122,765,003	(34,080,745)	
Total interest income	129,752,267	123,649,240	Increase/(decrease) Trade and other payables	52,352,064	11,159,065	
				232,299,590	265,557,278	
19. Interest Paid			21. Tax Payable			
Borrowings	2,576,987	2,126,158	Balance at beginning of the year	(137,321,603)	(85,300,184)	
NAMRA	-	36,525	Current tax recognised in profit or loss	(64,290,723)	(165,329,623)	
Total finance costs	2,576,987	2,162,683	Amount paid to NAMRA	137,896,361	113,308,204	
				(63,715,965)	(137,321,603)	
20. Cash generated from operations			22. Financial assets by category			
Profit/(Loss) before taxation	100,359,126	220,587,065	The categories for financial instruments are listed below:			
Adjustments for:			2024	Amortised Cost	Fair value	Total
Depreciation of property, plant & equipment (refer to note 4)	226,781,962	244,489,048		N\$	through profit	N\$
Profit/(Loss) on sale of assets	-	(877,429)			and loss	
Amortisation of intangible assets (refer to note 5)	23,379,822	23,404,958			N\$	
Interest income (Refer to note 19)	(129,752,267)	(123,649,240)	Other financial assets	964,931,765	59,733,288	1,024,665,053
Interest Paid	2,576,987	2,162,683	Other receivables	41,366,066	-	41,366,066
Movements in retirement benefit liabilities less payments processed (Refer to note 14)	19,095,755	21,103,017	Trade receivables	751,983,268	-	751,983,268
Capital Redemption (Refer to note 15)	(57,938,399)	(40,777,818)	Cash and cash equivalents	935,238,052	-	935,238,052
Impairment of Assets	4,859,001	3,362,123		2,693,519,151	59,733,288	2,753,252,439

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Figures in Namibia Dollar

2024 2023

22. Financial assets by category (continued)

2023	Amortised Cost N\$	Fair value through profit and loss N\$	Total N\$
Other financial assets	1,395,488,905	55,591,344	1,451,080,249
Other receivables	164,131,069	-	164,131,069
Trade receivables	617,385,604	-	617,385,604
Cash and cash equivalents	369,768,229	-	369,768,229
	2,546,773,807	55,591,344	2,602,365,151

23. Assets Under Construction

Capital work in progress comprise a number of infrastructure creation projects that were not yet completed at the end of the financial year. A total of N\$131,633,706 (2023: N\$124,955,415) was added to assets under construction (refer to note 4), whilst N\$ 78,117,417 (2023: N\$41,448,234) was transferred to fixed assets after completion of the work (Refer to note 4).

The projects included here are at various stages of completion.

24. Financial liabilities by category

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

2024	Financial liabilities at amortised cost N\$	Total N\$
Trade and other payables	335,741,687	335,741,687

Figures in Namibia Dollar

2024 2023

24. Financial liabilities by category (continued)

2023	Financial liabilities at amortised cost N\$	Total N\$
Trade and other payables	283,389,623	283,389,623

25. Cost of sales

Sale of goods

Purchase of desalinated water	603,715,262	484,676,296
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26. Other operating income

Profit/(loss) on sale of assets	206,537	877,429
Rental income	6,194,510	4,429,412
Insurance proceeds	1,021,789	1,476,750
Capital redemption	24,161,981	16,225,872
Human Resource Development Centre, Laboratory services and other income	20,789,056	110,746,245
	52,373,873	133,755,708

27. Commitments and guarantees

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	150,095,508	133,968,116
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Not yet contracted for but authorised by directors	1,383,904,492	456,031,884
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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023
27. Commitments and guarantees (continued)		
This committed expenditure relates to water supply infrastructure and will be financed by available bank facilities, retained profits, mortgage facilities, existing cash resources, and funds internally generated.		
Operating leases – as lessor (income)		
Minimum lease payments due		
- within one year	8,210,274	6,730,524
- in second to fifth year inclusive	36,705,752	32,129,725
	44,916,026	38,860,249

Lease rentals increase on an annual basis with inflation, for all the houses that are located in urban areas. Management considers houses individually that are located in communal or remote areas to escalate their rentals.

28. Related parties

Members of key management

Abraham Nehemia - Chief Executive Officer
 Kadiva Hamutumwa- Chief Strategy and Corporate Affairs Officer
 Andries Kok - Chief Operation Officer
 Johannes Sirunda - Acting Chief Scientific Officer
 Saltiel Shaanika - Acting Chief Engineering
 Services Naftal Iindombo - Acting Chief Financial Officer

Figures in Namibia Dollar	2024	2023
28. Related parties (continued)		
Related party balances		
Amounts included in Trade and other receivables regarding related parties		
Ministries	30,092,555	25,389,100
Towns and Village councils	830,269,748	632,697,313
Municipalities	150,353,934	154,743,571
Namibia Wildlife Resorts Ltd	812,297	1,925,288
Roads Construction Company Ltd	792,248	706,205
UNAM	263,392	552,497
Namibia Airports Company	531,099	332,789
Other related parties	4,288,143	3,059,140

Related parties of N\$620,464,162 (2023: N\$450,834,626) were provided for as likely not to be collectable at the end of the financial year

Amounts included in Trade and other payables regarding related parties

Erongo Red	(9,685,611)	(8,496,820)
Nored Electricity (Pty) Ltd	(5,391,703)	(4,801,762)
Telecom	(56,200)	(168,944)
NamPower	(367,954)	(2,889,387)
Municipalities	(1,942,365)	(1,595,784)
Towns and Village councils	(3,217,880)	(1,246,455)

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023
28. Related parties (continued)		
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, and accrue interest at prime lending rate. Settlement of the balances outstanding is in cash. There have been no guarantees provided or received for any related party receivables or payables. The impairment on the receivables is shown above. The assessment for impairment is undertaken each financial year, through examining the financial position of the related party and the market in which the related party operates		
Related party transactions		
Sales to related parties		
Sales to related parties	(57,648,708)	(55,356,607)
Ministries	(474,384,936)	(360,806,311)
Town and village councils	(704,008,586)	(870,910,641)
Municipalities	(9,421,372)	(11,624,618)
Namibia Wildlife Resorts Ltd	(92,170)	(211,202)
Roads Construction Company Ltd	(56,634)	(3,196,739)
Namport	(2,721,174)	(532,258)
Namibia Airports Company	(36,342)	(24,240)
Roads Authority	(224,417)	(45,890)
NamPower	(296,355)	(235,860)
Censored	(4,527,199)	(3,008,804)
Unam		

Figures in Namibia Dollar	2024	2023
28. Related parties (continued)		
Purchases from related parties		
Erongo Red	113,839,300	98,843,184
Censored	43,954,499	48,223,221
Nored Electricity (Pty) Ltd	72,558,428	62,564,872
Telecom	3,683,503	5,990,186
NamPower	410,332,194	186,108,940
Municipalities	12,187,615	11,897,075
Road Fund Administration	6,577,037	3,302,898
Namport	2,483,119	1,057,412
Oshakati Premier (Pty) Ltd	16,035,455	26,951,679
Advances (to)/from related parties		
Contribution by government and customers	-	10,383,215
Compensation to key management		
Short-term employee benefits	8,359,994	8,263,296
Post-employment benefits - Pension - Defined contribution plan	967,501	917,700
	9,327,495	9,180,996
Nature of relationships		
The above entities are considered related parties because of the significant influence that the shareholder has on these entities through the shareholders ownership or ability to direct.		

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar 2024 2023

Figures in Namibia Dollar 2024 2023

29. Directors' emoluments

A total of N\$2,564,893 (2023: N\$2,420,214) was paid to the directors during the year.

Non-executive & Executive (fees & expenses)

2024	Directors' Fees N\$	Committee Feeds N\$	Retainer Fees N\$	Directors Expenses N\$	Total N\$
L Rukira (Chairperson)	299,419	14,287	142,196	43,043	498,945
M Shipiki-Kali (Vice Chairperson)	89,405	25,698	135,646	4,050	254,799
V Kinyaga	79,132	46,963	168,277	-	294,372
F Heunis	116,779	72,661	168,278	3,116	360,834
U Nakamhela	168,537	57,150	153,315	6,911	385,913
M Hauuanga	168,537	52,387	159,300	7,367	387,591
F Uugwanga	127,899	53,942	168,278	6,285	356,404
T Maswahu	-	4,762	-	-	4,762
L Ashipala	-	4,762	-	-	4,762
P Mushendami	-	6,987	-	-	6,987
J Kaumbi	-	4,762	-	-	4,762
H Jesaja	-	4,762	-	-	4,762
	1,049,708	349,123	1,095,290	70,772	2,564,893

29. Directors' emoluments (continued)

2023	Directors' Fees N\$	Committee Feeds N\$	Retainer Fees N\$	Directors Expenses N\$	Total N\$
T Maswahu	114,981	66,675	169,390	-	351,046
Dr A Matros-Goreses	40,639	60,921	168,278	-	269,838
L Ashipala	76,988	73,653	150,322	-	300,963
Dr P Mushendami	76,988	98,370	168,278	5,648	349,284
A S R Nsinano	-	-	77,249	-	77,249
J R Kaumbi	65,022	71,437	150,322	-	286,781
H Jesaya	65,022	71,437	150,322	-	286,781
V Kinyaga	56,894	51,726	168,278	-	276,898
M Gaweseb	65,022	27,914	128,438	-	221,374
	561,556	522,133	1,330,877	5,648	2,420,214

30. Risk management

Capital risk management

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for the shareholder, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Corporation consists of debt, which includes the borrowings disclosed in note , cash and cash equivalents disclosed in note 9, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Corporation monitors capital on the basis of the debt: equity ratio.

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar

2024

2023

30. Risk management (continued)

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position.

The Corporation's strategy is to maintain a debt: equity ratio of lower than 50%.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The debt: equity ratio at 2024 and 2023 respectively were as follows:

Total borrowings

Post employment benefits	12	164,476,000	146,591,000
Trade & Other Payables	17	335,741,687	283,389,623
		500,217,687	429,980,623
Less: Cash and cash equivalents	9	935,238,052	369,768,229
Net debt		(435,020,365)	60,212,394
Total equity		5,719,657,709	5,638,316,945
Total capital		5,284,637,344	5,698,529,339

Gearing ratio 7 % 7 %

Financial risk management

The Corporation's activities expose it to a variety of financial risks: market risk (fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Corporation's board of directors have the overall responsibility for the development and enforcement of a risk management process. The risk management process is managed by the Audit & Risk Committee, which is a subcommittee of the board. Activities of the Audit & Risk Committee are reported to the full Board for ratification.

Figures in Namibia Dollar

2024

2023

30. Risk management (continued)

The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Corporation's financial performance. Risk management is carried out by the Finance Department under policies approved by the board of directors. Corporate finance identifies and evaluates financial risks in close co-operation with the Corporation's operating units. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Corporate Finance Department maintains flexibility in funding by maintaining availability under committed credit lines

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities as they fall due. The Corporation's approach to liquidity risk management is to always have adequate liquidity to meet obligations as they fall due. This is achieved through maintaining adequate cash resources, as well as lines of credit with the Corporation's bankers. In addition to that, a close relationship is maintained with the central government in order to ensure that the central government funds the activities of the Corporation which are not economically viable.

Cash flow forecasts are prepared and borrowing facilities maintained to cover the short term operational cash flows. In addition to this, the Corporation's cash investments adequate to meet all annual operational costs are maintained in investment instruments which can be called on short notice. The board further approved the establishment of a sinking fund, into which the Corporation will periodically save funds to mitigate the possible credit risk of the loan from AFDB taken out by Government.

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023
30. Risk management (continued)		
The table below analyses the Corporation's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.		
At 31 March 2024		Less than 1 year N\$
Trade and other payables		335,741,687
At 31 March 2023		Less than 1 year N\$
Trade and other payables		283,389,623

Interest rate risk

As the Corporation has significant interest-bearing assets and liabilities, the Corporation's income and operating cash flows are substantially affected by changes in market interest rates.

The Corporation's interest rate risk arises from long-term borrowings and money market investments held with financial institutions. During 2024 and 2023, the Corporation's borrowings were denominated in the Namibia Dollar. The Corporation settled its variable interest rate loans, and replaced the amount with fixed interest rate bonds.

The Corporation analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Corporation calculates the impact on profit and loss of a defined interest rate shift.

Figures in Namibia Dollar	2024	2023	
30. Risk management (continued)			
Cash flow interest rate risk			
Financial instrument	Current average interest rate	Due in less than a year	Due in one to two years
Fixed term deposits	8.48 %	478,780,751	486,150,914
Cash in current banking institutions	4.37 %	935,238,052	-
Fair value interest rate risk			
Financial instrument	Current interest rate	Due in less than a year	
Endowment policies	5.97 %	59,733,288	
At the reporting date, the interest rate profile of the Corporation's interest bearing financial instruments was as follows:			
Ratio of fixed interest rate financial instruments	%	%	
Financial assets	94	61	
Financial liabilities	100	100	

Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract leading to financial risk. The Corporation is exposed to this risk in cash deposits, cash equivalents and trade debtors.

The Corporation only deposits cash with major financial institutions with high quality credit standing and limits exposure to any one counter-party to a maximum of 30%.

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar	2024	2023
30. Risk management (continued)		
Trade receivables are dominated (60%) by local and regional authorities and government ministries. Management evaluate credit risk relating to customers on an ongoing basis. Such evaluation mainly focuses on historical payment history of the customers, assisted by continuous meetings with the major debtors to get updated information about the customers. Whilst there are no credit limits set for customers in the above category, exposure to the customers is managed through a 60 days credit term policy. The utilisation of credit terms is regularly monitored, and reviewed in a management Debtors Committee.		
A number of the customers had exceeded their credit limit. In addition to reviewing all other available information, management believes all those customers who had exceeded their credit limits, and the other information available also pointed to doubt in the collectability of the amounts owed, were fully provided for during the financial period.		
Generally no collateral is held by the corporation to support future payments by the customers. For the desalinated water, the Corporation holds prepayments and payment guarantees as follows: (1) a prepayment for electricity charges equal to 1.5 times the month's invoice (2) a bank guarantee equal to 2 times the month's invoice and (3) a prepayment equal to 2 times the monthly invoice for the capacity and output payment.		
The Corporation believes that all the financial assets that are neither past due nor impaired are of such a good quality that the amounts will be collected in full on their due dates.		
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument		
Fair value through profit and loss	59,733,288	55,591,344
Trade receivables	751,983,268	617,385,604
Held to maturity investments	964,931,765	1,395,488,905
Cash and cash equivalents	935,238,052	369,768,229

Figures in Namibia Dollar	2024	2023
30. Risk management (continued)		
The maximum exposure to credit risk for trade receivables by type of customer is:		
Treated water consumers		
Local & regional councils and government ministries	1,010,716,237	812,902,669
Mines	91,906,373	80,073,725
Domestic rural	597,075,207	533,903,305
Industries	36,902,140	34,677,879
Sundry debtors	325,308,050	279,336,163
	2,061,908,007	1,740,893,741
The above balances are shown before impairments		
The following table shows the total number of active customers over the years.		
Number of years	Number of customers	
0 - 4 years	7,667	8,515
5 - 10 years	19,183	19,873
> 10 years	34,493	31,208
	61,343	59,596

The Corporation holds collateral for desalinated water customers. This collateral is required to support early payments that are required to the desalinated water supplier. The Corporation also has to issue collateral to the supplier.

The credit quality of customers whose balances are not yet past their due date nor impaired is considered of a high quality

Prepayment	41,939,080	44,825,357
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Foreign exchange risk

The effect of foreign exchange risk is very limited as the Corporation has very limited transactions in foreign currency with the exception of purchases of some pieces of spare parts, plant and equipment. At year end, the Corporation did not have any material balances in foreign currencies.

NAMIBIA WATER CORPORATION LIMITED

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Notes to the Annual Financial Statements (continued)

Figures in Namibia Dollar

2024

2023

30. Risk management (continued)

Price risk

The Corporation is indirectly exposed to equity securities price risk because of investments held by the Corporation and classified on the statement of financial position as at fair value through profit or loss. The Corporation is not exposed to commodity price risk. To manage its price risk arising from investments, the Corporation has only invested in capital protected investments which protects the initial capital amounts. On a periodic basis, the interest earned on these investments is divested and reinvested, in order to qualify for capital protection. Diversification of the portfolio is done in accordance with the 30% limit exposure to any one financial institution, set by the Corporation. All investments are done through financial institutions, in order to also increase the expertise of the parties involved in investment decisions.

No sensitivity analysis was done on the price risk as the Corporation does not deal directly in any equity instruments.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Corporation's performance to developments affecting a particular industry

In order to avoid excessive concentrations of risk, the Corporation's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. The Corporation maintains an adequate cash buffer to be able to continue trading in any financial year, should any group of customers with similar characteristic not be able to honour their commitments to the Corporation. This amount for the year ended 31 March 2024 was set at N\$ 935 million (2023: N\$ 369 million).

Figures in Namibia Dollar

2024

2023

31. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities measured at fair value. The different levels are defined as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities that the Corporation can access at measurement date.

Level 2: Inputs other than quoted market prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Inputs that are unobservable for the asset or liability.

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets

Financial assets designated at amortised cost 7

Endowment policies	59,733,288	55,591,344
Total	59,733,288	55,591,344

Level 2

Recurring fair value measurements

Liabilities

Financial liabilities measured at amortised cost 34

Bonds issued	-	110,226,750
Total	-	(311,516,920)

Endowment policies are valued utilising the indices for the portfolios where the funds are invested. Fair value of quoted investments in the portfolio is valued with reference to quoted market prices.

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Figures in Namibia Dollar	2024	2023
31. Fair value information (continued)		
Level 3		
Recurring fair value measurements		
Assets		
Buildings and Water Schemes	3	4,178,278,334
		4,316,288,614
Property Plant and Equipment		
Please refer to accounting policy in 1.2 and note 4 for information about the valuation techniques and inputs used to derive the PPE valuation.		
32. Deferred Tax Re-classification		
The company re-classified the deferred tax asset in the Statement of Financial Position for the 2023 financial year as below:		
Non-Current Assets		
Deferred tax asset		386,654,547
Non-Current Liability		
Deferred tax liability		1,428,361,181
33. Employee Costs		
Salaries	411,074,750	399,665,647
Contribution to defined contribution plan	38,876,396	29,932,359
	449,951,146	429,598,006

As at 31 March 2024, the corporation employed 955 (2023: 926) permanent employees.

Figures in Namibia Dollar	2024	2023
34. Contingent Liability		
The Corporation will be engaging with the Namibian tax authorities regarding potential tax obligations arising from differences in tax opinions which resulted in the way certain transactions were treated for tax purposes.		
The possible exposure cannot be quantified until the tax authorities have made a pronouncement on the matter.		
35. IFRS 16		
The Corporation has assessed the impact of IFRS 16 and will apply the modified prospective transition approach. Although it is concluded that after the assessment the impact is not material to warrant extensive disclosure for the financial year under review. The value of equipment identified under the application of the IFRS 16 is leases of photocopiers which can be concluded as below materiality as it is deemed as low value items.		
36. Operating Expenses		
Operating expenses for the year includes the following expenses:		
Depreciation and Amortisation	250,161,783	267,894,006
Employee Costs	499,951,146	429,598,006
Utilities	378,873,415	364,232,164
Repairs and Maintenance	77,835,131	64,130,329
Post Employment Benefits	23,456,000	27,855,001
	1,230,277,475	1,153,709,506

Aigams Building
176 Iscor Street
Northern Industrial Area
Windhoek

+264 61 71 0000
+264 61 71 3000
info@namwater.com.na
www.namwater.com.na

