



ZAMBIA
Registered Chartered Accountants

NORTH WESTERN WATER SUPPLY AND SANITATION COMPANY LIMITED

Financial Statements for the year ended 31 December 2024

North -Western Water Supply and Sanitation Company Limited
(Registration number 119990043642)
Financial statements
for the year ended 31 December 2024

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Contents

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

	Page
Directors' Report	3 - 6
Directors' Responsibilities and Approval	7
Independent Auditor's Report	8 - 11
Statement of Profit or Loss and Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Accounting Policies	16 - 25
Notes to the Financial Statements	26 - 34
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Income Statement	35 - 36

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

General Information

Country of incorporation and domicile	Zambia
Nature of business and principal activities	Provision of water and sewerage services to the towns of Solwezi, Chavuma, Zambezi, Kabompo, Mufumbwe, Kasempa, Manyinga and Mwinilunga.
Directors	Mr David S. Kaumba Mrs Mary Musela Ms Florence K. Maliti Mr Adrian Zulu Mr Chilala Samayuwa Mrs Brenda S. Manase Mr Samson Maluza Mr. Stanley Mbewe
Postal address	P.O Box 110184 Solwezi, North -Western Province
Bankers	Zambia National Commercial Bank Investrust Bank Access Bank Natsave Bank Altrsmara Bank First National Bank Zambia Industrial Commercial Bank
Auditors	Ronald Corporate Services (RCS) Plot 55, House # 8 Luwato Road, Roma Lusaka, Zambia

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Directors' Report

The Directors have pleasure in submitting their report on the financial statements of North -Western Water Supply and Sanitation Company Limited for the year ended 31 December 2024.

1. Nature of business

The principal activities of the company comprise provision of water and sewerage services to the towns of Solwezi, Chavuma, Zambezi, Kabompo, Mufumbwe, Kasempa, Manyinga and Mwinilunga.

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

2. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Zambia No 10 of 2017 (as amended). The accounting policies have been applied consistently compared to the prior year.

The company's results are as follows:

	2024	2023
	ZMW	ZMW
Turnover	50,386,083	49,886,869
Loss before tax	(768,489)	(8,312,854)
Loss for the year	(2,330,274)	(8,312,854)

3. Share capital

There company's authorized and issued share capital is K15,000 divided into 15,000 ordinary shares of K1.00 each.

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board of Directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board of Directors may pass on the payment of dividends.

The Board of Directors do not recommend the declaration of a dividend for the year.

5. Directors

The Board of Directors was dissolved in January 2024 and the company had no Board for the entire year because it was placed under Statutory Management.

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

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Directors' Report

5. Directors (continued)

Mr David S. Kaumba	Appointed 16 December 2024
Mrs Mary Musela	Appointed 16 December 2024
Ms Florence K. Maliti	Appointed 16 December 2024
Mr Adrian Zulu	Appointed 16 December 2024
Mr Chilala Samayuwa	Appointed 16 December 2024
Mrs Brenda S. Manase	Appointed 16 December 2024
Mr Samson Maluza	Appointed 13 March 2025
Mr. Stanley Mbewe	Appointed 6 May 2025

The Management in office during the year 2024 were as follows:

Mwiche Sekeleti	Statutory Manager
Chanda Mulenga	Director Engineering
Michael Kaoma	Finance Manager
Lukanga Kapeshi	Manager HR & Administration
Kelvin Mwanino	Commercial Manager
Keji Mukosayi	Head Information, Communication & Technology
Essau Banda	Head Procurement
Chris K Kanyembo	Project Manager
James Phiri	Head Corporate Planning
Daniel Mukumbi	Internal Auditor
Alex Tembo	Technical Manager

The following are the current management in office:

Sekeleti Mwiche	Managing Director
Andrew Chipabika	Director Engineering
Michael Kaoma	Finance Manager
Lukanga Kapeshi	Manager HR & Administration
Kelvin Mwanino	Commercial Manager
Essau Banda	Head Procurement
Chris K Kanyembo	Projects Manager
Bitton Kasenge	Internal Auditor
Christian H Milumbe	Maintenance Manager
Alex Tembo	Technical Manager
Pearson Phiri	Head Peri-Urban
James Phiri	Head Corporate Planning

6. Property, plant and equipment

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

At 31 December 2024 the company's investment in property, plant and equipment amounted to ZMW109,426,363 (2023: ZMW 111,676,399), of which ZMW2,125,135 (2023: ZMW 9,119,100) was added in the current year through additions.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Directors' Report

7. Employees

The average number of employees in each month of the year was as follows:

	2024	2023
January	184	181
February	185	175
March	182	175
April	183	175
May	180	175
June	178	180
July	179	181
August	181	180
September	178	180
October	177	180
November	177	177
December	185	190

The total remuneration paid to the employees during the year was K33.10 million (2023: K34.93 million)

8. Gifts and Donations

There were no gifts and donations given during the year (2023: Nil).

9. Occupational Health, Safety and Environmental Management

As a responsible member of the community, the company has an obligation to manage the environmental aspects and impacts of its activities, products and services. The company is committed to sustainable development by operating in an environment that meets the needs of all stakeholders.

The company maintains medical schemes for all its employees.

10. Future Developments

Management will continue to strive to improve profitability and reduce Non-Revenue Water. The company intends to explore and develop more water sources and expand the capacity of sanitation service facilities. Staff productivity, customer service and corporate social responsibility are also expected to be enhanced.

11. Events after the reporting period

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

12. Terms of appointment of the auditors

Ronald Corporate Services (RCS) were appointed as the company's Auditors. Included in loss for the year is the agreed auditors' remuneration of ZMW147,500 (2023: ZMW147,500). Shareholder wishing to inspect a copy of the terms on which the company's auditors is appointed and remunerated may do so by contacting the Company Secretary.

North -Western Water Supply and Sanitation Company Limited

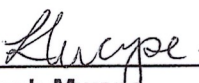
(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

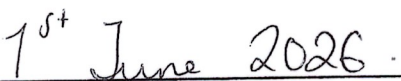
Directors' Report

The financial statements set out on pages 13 to 36, which have been prepared on the going concern basis, were approved by the Board of Directors on, and were signed on its behalf by:

By Order of the Board



Ms Leah Mwape
Company Secretary



Date

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act of Zambia No 10 of 2017 (as amended) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

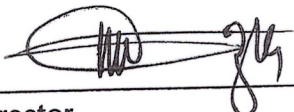
The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control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

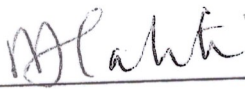
The Directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 11.

The financial statements set out on pages 12 to 34, which have been prepared on the going concern basis, were approved by the Board of Directors on and were signed on their behalf by:

Approval of financial statements


Director


Director



Independent Auditor's Report

To the Shareholder of North -Western Water Supply and Sanitation Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of North -Western Water Supply and Sanitation Company Limited (the company) set out on pages 12 to 34, which comprise the statement of financial position as at 31 December 2024; and 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 notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of North -Western Water Supply and Sanitation Company Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Zambia No 10 of 2017 (as amended).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zambia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zambia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

How our audit addressed the key audit matter

Revenue Recognition- Completeness of Billing

The postpaid billing model requires accurate and timely meter reading and billing to ensure consumption is invoiced. For the year ended 31 December 2024, the utility had a total customer base of 21,404, of which 4,136 customers (19.3%) were unbilled and 625 customers (2.9%) were inactive

The higher proportion of unbilled customers in 2024 increased the risk that consumption was not converted into revenue, posing a material risk to revenue completeness and receivable balances.

- Reconciled the customer register to the billing system to identify unbilled and inactive accounts and quantify exposure.
- Performed substantive analytical procedures comparing production volumes to billed volumes and investigated variances.
- Conducted substantive testing on a sample of unbilled customers to verify recorded consumption and subsequent billing.
- Reviewed inactive accounts for validity, disconnection evidence, and any continuing consumption.
- Evaluated controls over meter reading accuracy, tariff application (NWASCO rates), and the billing process.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "North -Western Water Supply and Sanitation Company Limited financial statements for the year ended 31 December 2024", which includes the Directors' Report as required by the Companies Act of Zambia No 10 of 2017 (as amended) and the supplementary information as set out on pages 35 to 36. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Zambia No 10 of 2017 (as amended), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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 company'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 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

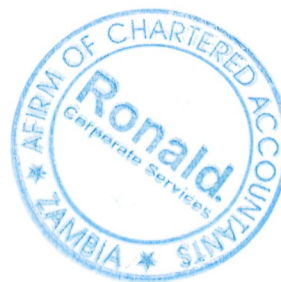
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of North-Western Water Supply and Sanitation Company Limited as at 31 December 2024 have been properly prepared in accordance with the Companies Act No 10 of 2017 and the Water Supply and Sanitation Act No. 28 of 1997 and the accounting and other records and registers have been properly kept in accordance with the Act.


Ronald Corporate Services (RCS)
Richard K.A Nyirenda
Partner
Practicing certificate number: AUD/F001336

Date:

03/07/2026



Ronald Corporate Services (RCS) is A member firm of DFK International a worldwide association of independent accounting firms and business advisers.



North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Zambian Kwacha	Notes	2024	2023
Revenue		50,386,083	49,886,869
Cost of sales		(7,815,228)	(10,785,454)
Gross profit		42,570,855	39,101,415
Other operating income	2	8,162,664	10,811,005
Other operating expenses		(51,502,008)	(58,656,122)
(Loss) profit before taxation		(768,489)	(8,743,702)
Taxation	3	(1,561,785)	4,082,427
Total comprehensive (loss) income for the year		(2,330,274)	(4,661,275)

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

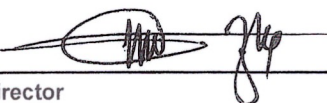
Financial Statements for the year ended 31 December 2024

Statement of Financial Position as at 31 December 2024

Figures in Zambian Kwacha

	Notes	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	6	109,426,363	111,676,399
Current Assets			
Inventories	7	5,779,897	4,890,199
Trade and other receivables	8	12,448,965	8,390,147
Cash and cash equivalents	9	15,086,915	7,645,099
		33,315,777	20,925,445
Total Assets		142,742,140	132,601,844
Equity and Liabilities			
Equity			
Share capital	10	15,000	15,000
Reserves		80,490,753	80,490,753
Accumulated loss		(62,620,343)	(63,238,169)
		17,885,410	17,267,584
Liabilities			
Non-Current Liabilities			
Deferred tax	5	4,361,850	2,800,065
Capital grants	13	54,490,327	52,490,327
Customers deposits	12	1,831,469	1,831,469
		60,683,646	57,121,861
Current Liabilities			
Trade and other payables	14	60,146,572	54,185,887
Current tax payable	4	4,026,512	4,026,512
		64,173,084	58,212,399
Total Liabilities		124,856,730	115,334,260
Total Equity and Liabilities		142,742,140	132,601,844

The financial statements and the notes on pages 12 to 34, were approved by the Board of Directors on the and were signed on its behalf by:


Director


Director

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Statement of Changes in Equity

	Share capital	Grant amount pending allotment of shares	Revaluation Reserve	Capital Reserve	Total Reserves	Accumulated loss	Total equity
Figures in Zambian Kwacha							
Balance at 1 January 2023	15,000	74,218,718	2,059,852	4,212,183	80,490,753	(58,979,561)	21,526,192
Total comprehensive Loss for the year	-	-	-	-	-	(4,661,275)	(4,661,275)
Prior year Adjustment	-	-	-	-	-	402,667	402,667
Total contributions by and distributions to owners of company recognized directly in equity	-	-	-	-	-	402,667	402,667
Balance at 1 January 2024	15,000	74,218,718	2,059,852	4,212,183	80,490,753	(58,979,561)	21,526,192
Total comprehensive Loss for the year	-	-	-	-	-	(2,330,274)	(2,330,274)
Prior year adjustment	-	-	-	-	-	(1,310,508)	(1,310,508)
Total contributions by and distributions to owners of company recognized directly in equity	-	-	-	-	-	(1,310,508)	(1,310,508)
Balance at 31 December 2024	15,000	74,218,718	2,059,852	4,212,183	80,490,753	(62,620,343)	17,885,410
Note(s)	10	11					

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Statement of Cash Flows

Figures in Zambian Kwacha	Notes	2024	2023
Cash flows from operating activities			
Profit (loss) before taxation		(768,489)	(8,312,855)
Adjustments for non-cash items:			
Depreciation		4,153,769	6,843,282
Changes in working capital:			
(Increase) decrease in inventories		(889,698)	(198,508)
(Increase) decrease in trade and other receivables		(4,058,818)	(1,526,085)
Increase (decrease) in trade and other payables		5,960,685	2,907,448
Cash generated from operations		4,397,449	(286,718)
Tax received		-	(3,772,736)
Net cash from operating activities		4,397,449	(4,059,454)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,903,733)	(9,008,115)
Cash flows from financing activities			
Movements in Capital grants	13	2,000,000	(8,811,922)
Movements in Investment Loan Repayments		-	(2,177,894)
Net cash from financing activities		2,000,000	(10,989,816)
Total cash movement for the year		7,435,904	(21,166,762)
Cash and cash equivalents at the beginning of the year		7,645,099	28,811,862
Cash and cash equivalents at the end of the year	9	15,086,915	7,645,099

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

The Company was incorporated on 12 November 1999 under the Companies Act of Zambia and Water and Sanitation Act No. 28 of 1997.

1. Material accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act of Zambia No 10 of 2017 (as amended) as amended.

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

These accounting policies are consistent with the previous period.

1.2 Income

i) Services rendered

Income recognition

Income is recognized when the significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainties remain regarding the derivation of consideration, associated costs or the possible return of goods or services. This recognition occurs when water is delivered to a customer and is billed or when sewerage services are provided. Water that is not billed because of physical losses from trunk mains and distribution system or from non-physical losses such as errors in supply measurement, consumer meter errors, unmeasured authorized use, illegal use, administration errors and excess use by customers on flat rate terms is treated as Non-Revenue Water (NRW). NRW averages about 42% of production. Income is stated net of the above billing adjustments. Billing adjustments arising from a prior year and remaining unadjusted at year end are carried forward and set off against the following year's revenue.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

1.3 Interest Income

Interest income is recognized on an accrual basis when the company becomes entitled to the interest.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.4 Grants

Grants that compensate the company for expenses incurred are recognized as revenue in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the company for the cost of an asset are recognized in the statement of comprehensive income as revenue on a systematic basis over the useful life of the asset.

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

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

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

Item	Depreciation method	Average useful life
Buildings	Straight line	2%
Water reticulation system	Straight line	6.7%
Furniture and fixtures	Straight line	10%
Motor vehicles	Straight line	25%
Distribution systems rising mains and tanks	Straight line	2.5%
Sewer pumping main and sewer lines	Straight line	2%
Computer	Straight line	33.3%
Laboratory equipment's	Straight line	20%

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

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.6 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognized immediately in profit or loss.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.7 Financial instruments

i) Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented the Company does not have any financial assets categorized as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial assets.
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

iii) Subsequent measurement of financial assets

Financial asset at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.7 Financial instruments (continued)

designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI).

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to “hold to collect” the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Financial assets classified as available for sale (AFS) under IAS 39 (previous periods) AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets (FVTPL) or held to maturity and loans and receivables). The Company’s did not have any investments in listed equity securities during the year.

iv) Impairment of financial assets

IFRS 9’s impairment requirements use more forward-looking information to recognize expected credit losses – the expected credit loss (ECL) model’. This replaces IAS 39’s incurred loss model’. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12 month expected credit losses’ are recognized for the first category while life time expected credit losses’ recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.7 Financial instruments (continued)

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as life time expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade and other receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

v) Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument.
- the effect of credit risk does not dominate the value changes that result from that economic relationship.
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the reporting periods under review, the Company did not have any hedging instruments. These arrangements are entered into to mitigate foreign currency exchange risk arising from certain highly probable sales transactions denominated in foreign currency.

All derivative financial instruments used for hedge accounting are recognized initially at fair value and reported subsequently at fair value in the net assets statement.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.7 Financial instruments (continued)

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognized in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognized immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognized as a result of the hedged transaction, the gains and losses previously recognized in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognized in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

1.8 Leases

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

No contracts were identified that required specific judgement as to whether they contained leases.

1.9 Inventories

Inventories, which include chemicals, motor vehicle spares, general spares and office supplies, are stated at the lower of cost and net realizable value. Cost is calculated on a first in first out basis and includes all expenditure incurred in bringing the inventories to their present location and condition. Net realizable value is the price at which inventory can be realized in the normal course of business and takes into account all directly related costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving and defective inventories.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments, balances held with banks.

1.11 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

1.12 Short/long term Indebtedness

Short term indebtedness includes all amounts due to be repaid within twelve months from the reporting date, including installments due on loans of longer duration. Long term indebtedness represents all amounts repayable more than twelve months from the reporting date.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax currently payable is based on the results for the year as adjusted for items, which are non-assessable or disallowed for tax purposes.

Deferred taxation liabilities are recognized for all taxable temporary differences. Temporary differences can arise from the recognition for tax purposes of items of income or expense in a different accounting period from that in which they are recognized for financial accounting purposes. The tax effect of these temporary timing differences is computed by applying enacted statutory tax rates to any differences between carrying values per the financial statements and their tax base, and accounted for as deferred tax.

Deferred taxation assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

1.14 Employee benefits

Defined contribution plans

Payments are charged as an expense as they fall due.

Defined benefit plans

The cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling and return on plan assets (excluding interest) are recognized immediately to the statement of financial position and to other comprehensive income in the period they occur. The amount recognized in other comprehensive income is not subsequently reclassified to profit or loss.

Current service costs are recognized as an expense in the period in which the related services are performed.

Net interest income or expense are recognized in investment income and finance costs respectively.

1.15 Borrowing costs

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

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.16 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Zambian Kwachas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Zambian Kwachas by applying to the foreign currency amount the exchange rate between the Zambian Kwacha and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

1.17 Employee Benefits

i) Pension obligations

Employees are registered with the statutory defined contribution pension scheme. A defined contribution scheme is a pension plan under which the company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. For the defined contribution scheme, the company makes mandatory contributions to the National Pension Scheme Authority. These contributions constitute net periodic costs and are charged to the statement of comprehensive income as part of staff costs in the year to which they relate. The company has no further obligation once the contributions have been paid.

ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

1.18 Provisions

Restructuring costs and legal claims

Provisions for restructuring costs and legal claims are recognized when: the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1.19 Dividend Distribution

Dividend distribution to the company's shareholders is recognized as a liability in the financial statements in the year in which the dividends are approved by the company's shareholders.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.20 Critical accounting estimates and judgements

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in note 3(e) above.

Income taxes

Signification judgement is required in determining the company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax return outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provision in the period in which such determination is made.

Impairment of assets

In the process of applying the company's accounting policies, management has made judgements in determining the classification of material assets; whether the assets are impaired and the level of provisioning required.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Accounting Policies

1.21 New and revised standards that are effective for annual periods beginning on or after 1 January 2024.

The Company has adopted the following new and revised International Financial Reporting Standards (IFRS) and amendments that are effective for annual periods beginning on or after 1 January 2024:

IAS 1 – Classification of Liabilities as Current or Non-current

Clarifies that an entity's right to defer settlement must exist at the end of the reporting period and must have substance.

IFRS 16 – Lease Liability in a Sale and Leaseback

Requires seller-lessees to determine lease payments in a way that prevents recognition of gains or losses relating to rights retained.

Standards Issued but Not Yet Effective

Certain new and revised International Financial Reporting Standards (IFRS) have been issued but are not yet effective for annual periods beginning on or after 1 January 2024. The Company has not early adopted these standards. Key upcoming changes include:

IFRS 18 – Presentation and Disclosure

Effective 1 January 2027. This standard will replace IAS 1 and introduce new requirements for how financial information is presented and disclosed.

IAS 21 – Lack of Exchangeability

Effective 1 January 2025. Provides guidance on determining exchange rates when a currency cannot be exchanged freely.

IFRS 10 and IAS 28 – Sale or Contribution of Assets

The effective date of these amendments has been deferred indefinitely.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
2. Other Operating Income		
Revenue Grants	7,961,501	4,256,936
Capital grant amortization	-	6,309,603
Miscellaneous Income	20,715	38,644
Rental Income	154,543	141,672
Interest Received	25,177	62,320
Profit on Disposal	-	1,830
Other farming income 1	728	-
	8,162,664	10,811,005
3. Taxation		
Major components of the tax (income) expense		
Deferred		
Charge for the year	1,561,785	(4,082,427)
Reconciliation of the tax expense		
Reconciliation between accounting loss and tax expense.		
Accounting profit (loss)	(768,489)	(8,743,702)
Tax at the applicable tax rate of 30% (2023: 35%)	(230,547)	(3,060,296)
Tax effect of adjustments on taxable income		
Disallowable expenses	2,894,865	4,846,215
Allowable expenses	(2,664,318)	(1,785,919)
Deferred tax	1,561,785	(4,082,427)
	1,561,785	(4,082,427)
4. Current tax payable (receivable)		
Normal tax	(4,026,512)	(4,026,512)

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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5. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(4,361,850)	(2,800,065)
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Reconciliation of deferred tax asset / (liability)

At beginning of year	(2,800,065)	(6,882,492)
Deferred tax charge for the year	(1,561,785)	4,082,427
	(4,361,850)	(2,800,065)

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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6. Property, plant and equipment

Reconciliation of property, plant and equipment - Company

	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Capital - Work in progress	Total
Cost						
At 1 January 2023	9,682,732	150,874,320	4,176,978	6,975,384	17,584,941	189,294,355
Additions	120,697	2,241,426	660,968	-	6,096,009	9,119,100
At 31 December 2023	9,803,429	153,115,746	4,837,946	6,975,384	23,680,950	198,413,455
Additions	45,000	1,938,071	142,064	-	-	2,125,135
Transfers from capital work in progress	-	6,233,917	-	-	(6,233,917)	-
At 31 December 2024	9,848,429	161,287,734	4,980,010	6,975,384	17,447,033	200,538,590
Depreciation and impairment						
At 1 January 2023	(3,073,326)	(66,671,468)	(3,383,562)	(6,654,433)	-	(79,782,789)
Disposals	-	-	-	50,000	-	50,000
Depreciation	(159,502)	(6,637,191)	(207,574)	-	-	(7,004,267)
At 31 December 2023	(3,232,828)	(73,308,659)	(3,591,136)	(6,604,433)	-	(86,737,056)
Depreciation	(175,453)	(3,908,832)	(290,886)	-	-	(4,375,171)
At 31 December 2024	(3,408,281)	(77,217,491)	(3,882,022)	(6,604,433)	-	(91,112,227)

Carrying amount

Cost	9,803,429	153,115,746	4,837,946	6,975,384	23,680,950	198,413,455
Accumulated depreciation and impairment	(3,232,828)	(73,308,659)	(3,591,136)	(6,604,433)	-	(86,737,056)
At 31 December 2023	6,570,601	79,807,087	1,246,810	370,951	23,680,950	111,676,399
Cost	9,848,429	161,287,734	4,980,010	6,975,384	17,447,033	200,538,590
Accumulated depreciation and impairment	(3,408,281)	(77,217,491)	(3,882,022)	(6,604,433)	-	(91,112,227)
At 31 December 2024	6,440,148	84,070,243	1,097,988	370,951	17,447,033	109,426,363

7. Inventories

Finished goods	5,779,897	4,890,199
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North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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8. Trade and other receivables

Trade receivables	29,706,394	25,652,302
Loss allowance	(17,701,264)	(17,701,264)
Trade receivables at amortized cost	12,005,130	7,951,038
Salary Advance	443,835	439,109
Total trade and other receivables	12,448,965	8,390,147

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	56,936	23,237
Bank balances	15,029,979	7,621,862
	15,086,915	7,645,099

10. Share capital

Issued

15,000 Ordinary shares of K1 each	15,000	15,000
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11. Grant amount pending allotment of shares

Unallocated Grant Pending Allotment

Capital grants pending reclassification with PACRA (application submitted May 2022; process awaiting completion due to cash flow constraints).

74,218,718	74,218,718
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12. Customers deposits

Customer Deposits	1,831,469	1,831,469
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Until 2013, the Company charged customers a security deposit upon connection, which was recognized as a liability. Following a Directive from the regulator (NWASCO) in 2013, this practice was discontinued. Management is in the process of identifying customers who had previously paid deposits, and the amounts will be credited to their accounts and applied against water bills.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
13. Capital grants		
Ministry of Local Government and Housing	48,233,147	46,233,147
Devolution Trust Fund Grant	5,962,639	5,962,639
Other Investment Grants	294,542	294,542
	54,490,328	52,490,328
14. Trade and other payables		
Trade payables	17,420,260	14,050,297
PAYE	35,630,446	30,638,163
Leave days	2,379,970	4,364,300
NAPSA	1,521,448	1,549,416
Gratuity	2,259,068	2,905,503
Union Subscription	492,595	517,174
Other payables	219,805	6,552
Nhima	209,681	132,757
Net pay	-	11,313
Personnel Levy	13,299	10,412
	60,146,572	54,185,887

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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15. Financial instruments and risk management

Capital risk management

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

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

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

Trade and other payables	14	60,146,572	54,764,236
Cash and cash equivalents	9	15,086,915	(7,645,099)
Net borrowings		45,059,657	47,119,137
Equity		21,526,192	21,526,192
Gearing ratio		209 %	216 %

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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15. Financial instruments and risk management (continued)

Financial risk management

a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from commercial transactions, recognized assets and in the procurement or settling of liabilities denominated in a currency other than Zambian Kwacha. The company is not affected by foreign currency risk as it does not hold Bank balances in a currency other than its functional currency (Zambian Kwacha).

(ii) Fair value price risk

The Company is not exposed to fair value price risk as it does not hold publicly-traded equity.

(iii) Cash flow interest rate risk

The Company is exposed to cash flow interest risk as it holds variable interest earning financial liabilities in the form of motor vehicle leases and plant loans.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to identify immediately exposure to bad debts.

With respect to credit risk arising from the other financial assets of the Company, which comprise mainly cash and cash equivalents the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company's bank accounts are placed with banks registered in Zambia.

At the reporting date, the Company is exposed to credit risk related to trade and other receivables balance of K12,005,130 (2023: K7,951,038).

c) Liquidity Risk

Prudent liquidity risks management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flow. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet liabilities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturing date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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15. Financial instruments and risk management (continued)

Financial Liabilities

Trade & other payables	17,420,260	42,726,312	-	-
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d) Interest rate risk

Interest rate risk is the risk to which non-trading portfolios are exposed to the risk from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. The company is exposed to interest rate risk to the extent of its loans and borrowings, bank overdrafts and cash and cash equivalents.

The company ensures that the net exposure is kept to a minimum by maintaining positive bank balances, and through the repayment of instalments on the borrowings within the agreed dates.

16. Related parties

The company has a related party relationship with the following municipalities:

Relationships

17. Distribution loss on Water sales- Non Revenue Water

During the year the company suffered an average distribution loss of 42 percent of water supplied to its customers. The approximate industrial norm of this distribution loss is between 20 and 25 per cent. We have been unable to confirm the reasonableness of this additional loss and its impact on the company's income generation system.

The management have confirmed that various measures have been put in place in order to reduce the distribution loss to acceptable levels. These measures include inter alia:

- Holding monthly meetings as NRW Committee to analyze issues contributing to NRW using IWA diagram and institute corrective measures.
- Reducing reservoir overflows at distribution centers by repairing leaks and installing level indicators.
- Weekly and monthly inspections of rising and distribution mains.
- Carrying out pressure management in the water networks.
- Verification of properties with no billing or meter rental billing and updating the system.
- Partial replacement of the most deteriorated pipes on water transmission lines.
- Capturing of all metered properties into the system so that billing is on actual water consumption.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)
Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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18. Capital Commitments

There were no material outstanding orders or contracts for the purchase of property, plant and equipment at the reporting date, except for the filtration plant that has been ordered. The Directors do not expect any losses to be sustained as a result of purchase commitments in excess of normal requirements or at prices in excess of the prevailing market prices.

19. Contingent Liabilities

There were no known contingent liabilities at the reporting date requiring provision or disclosure in the financial statements (31 December 2024: nil).

20. Events after the reporting period

There has not arisen since the end of the financial period any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the company, to affect substantially the operations of the company, the results of its operations or state of affairs of the company in subsequent financial years.

21. Prior year figures

Prior year figures have been restated where necessary so as to provide better comparison.

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Detailed Income Statement

Figures in Zambian Kwacha	Notes	2024	2023
Revenue			
Sale of goods		50,386,083	49,886,869
Cost of sales			
Purchases		(7,815,228)	(10,785,454)
Gross profit		42,570,855	39,101,415
Other operating income			
Revenue grants		7,961,501	4,256,936
Capital grant amortization		-	6,309,603
Miscellaneous Income		20,715	38,644
Rental Income- Repairs		154,543	141,672
Interest Received		25,177	62,320
Profit on Disposal		-	1,830
Bad debts		728	-
	2	8,162,664	10,811,005
Other operating expenses			
Advertising		10,674	22,698
Board expenses		208,929	567,859
Legal costs		78,164	1,478,004
Audit fees		506,736	177,930
Medical funerals		364,021	638,296
Depreciation		4,153,769	6,843,282
Salaries Wages and Allowances		33,103,089	34,928,329
Fuel		516,775	720,394
Motor vehicles repairs		265,698	581,618
Consultancy		5,078,334	5,138,167
Seminars, training and conferences		739,421	1,008,130
Bank Charges		150,778	129,071
Printing & Stationary		279,141	248,843
Withholding tax		205,020	358,785
Office expenses		920,982	604,036
Meal allowances		116,270	173,719
Rent & rates		114,185	903,146
Insurance		536,738	458,177
Other Statutory		164,868	644,504
Workers Compensation		159,463	213,476
Postage and courier		540	1,575
Bad Debts Written off		-	14,621
Repairs and maintenance		322,580	132,162
Security costs		1,123,130	698,029
Communications		675,292	344,590
Recruitment		10,700	30,599
Travel and Subsistence		1,696,711	1,596,082

North -Western Water Supply and Sanitation Company Limited

(Registration number 119990043642)

Financial Statements for the year ended 31 December 2024

Detailed Income Statement

Figures in Zambian Kwacha	Note	2024	2023
(s	)		
		51,502,008	58,656,122
(Loss) profit before taxation		(768,489)	(8,743,702)
Taxation	3	(1,561,785)	4,082,427
Total comprehensive (loss) income for the year		(2,330,274)	(4,661,275)



ZAMBIA
Registered Chartered Accountants

With local expertise and global reach, we've got you covered every step of the way

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