



# Eswatini Water Services Corporation

**Annual Report**

**2025**

# Contents

## VISION, MISSION AND CORE VALUES



### OUR VISION

To delight our customers in the provision of potable water, wastewater disposal and other services.



### OUR MISSION STATEMENT

To provide quality water, wastewater disposal and other services, effectively meeting customer needs in a growing market through engaged people, sound management practices, and improving technology, whilst maintaining a safe and sustainable environment.



### OUR CORE VALUES

**Good governance:**

We ensure that all our actions are morally and legally fair whilst treating all with respect.

**Performance and continuous improvement:**

We continually look for better ways of doing things.

**Ownership and accountability:**

We respect the business as if it were our own and deliver on our commitments.

**Communication and transparency:**

We continuously communicate with and through our people in an honest and fair manner.



**Reading reference**

For more information, see page 3



“We do it through our people.”

*EWSC's role of focusing on urban and peri-urban areas as provided for in the legislation is growing to cover rural areas as well, due to the national demand for access to safe drinking water and sanitation services.*

## Who we are

Eswatini Water Services Corporation (EWSC) is a body corporate duly established under the Water Services Corporation Act, No. 12 of 1992. The Corporation is a category “A” Public Enterprise in terms of the Public Enterprise (Control and Monitoring) Act No. 8 of 1989 and is wholly owned by Government.

## What we do

The objects of the Corporation is to abstract, purify, store, transport, and supply water and collect, convey, treat and dispose sewage in the following areas as specified in the schedule of the Water Services Act: Croydon, Hlatikulu, Hluti, Kubuta, Kwaluseni, Lavumisa, Lobamba, Lomahasha, Lubuli, Malkerns, Mananga, Mankayane, Manzini, Matsapha, Mbabane, Ngwenya, Nhlanguano, Nkoyoyo, Piggs Peak, Siphofaneni, Siteki and Vuvulane. The Corporation has also extended its services of providing water to the following areas:

### EWSC additional areas of supply

North West Central	South West	East	North	
Ezulwini	Nhlambeni	Maseyisini	Hlane	Nginamadolo
Mpolonjeni	Mbikwakhe	Matsanjani	Makhewu	
Mahangeni	Ludzeludze	Somntongo	Mhlumeni	
Nkoyoyo	Empholi	Siphumelele	Mayaluka	
Motshane	Elwandle	Sibetsamoya	Shoba	
	Sidzakeni	Nkwalini	Ngcina	
	Mabovini		Ndzangu	
			Mncitsini	
			Ngcamini	
			Skhuphe	
			Mlindazwe	
			Sithobela	
			Mkhweli	

- With regard to the areas of supply, the Corporation is mandated to:
- Prepare schemes for the development of water resources and for the supply of water and construct, maintain and operate such schemes
  - Keep under constant review the quality, reliability and availability of water supplies
  - Control and regulate the production, treatment, storage, transmission, distribution and use of water for public purposes
  - Design, construct, acquire, operate and maintain water works for the purpose of supplying water for public purposes
  - Develop sewer systems for the treatment of wastewater and
  - Inspect and advise on the management, collection, production, transmission, treatment, storage, supply and distribution of water.

## Social and economic considerations

The Corporation acknowledges that water is both a social and economic good. In terms of the Water Services Corporation Act No. 12 of 1992, the Corporation is expected to conduct its business on commercial principles so that revenue generated fully covers operating costs including capital costs. In terms of the legislation, the Corporation is empowered to provide quality potable and wastewater services in 22 urban and peri-urban areas countrywide. Most of the areas in which the Corporation supplies water and sewer services are financially non-viable but EWSC has a social obligation to reduce the number of people without access to water and proper sanitation irrespective of its commercial objective in line with the National Development Plan (NDP), Sustainable Development Goals (SDGs) and Government's Programme of Action 2024-29. The Corporation is expected to play a bigger national role in advancing the attainment of targets for water and sanitation. EWSC's role of focusing on urban and peri-urban areas as provided for in the legislation is growing to cover rural areas as well due to the national demand for access to safe drinking water and sanitation services. The Corporation has an obligation to provide water and sewer services to stimulate economic development where there are socio-economic benefits, however, due consideration should be given to the fact that financial losses may occur and as such shall be made good by Government as provided for in the Performance Agreement between EWSC and Government of Eswatini.

# ORGANISATIONAL BACKGROUND

# THE ORGANISATION

## VISION, MISSION AND CORE VALUES

### Our vision



"To delight our customers in the provision of potable water, wastewater disposal and other services".

### Our mission statement



To provide quality water, wastewater disposal and other services, effectively and efficiently meeting customer needs in a growing market and changing climate through engaged people, sound management practices, and improving technology, whilst maintaining a safe and sustainable environment.

### Our differentiating slogan

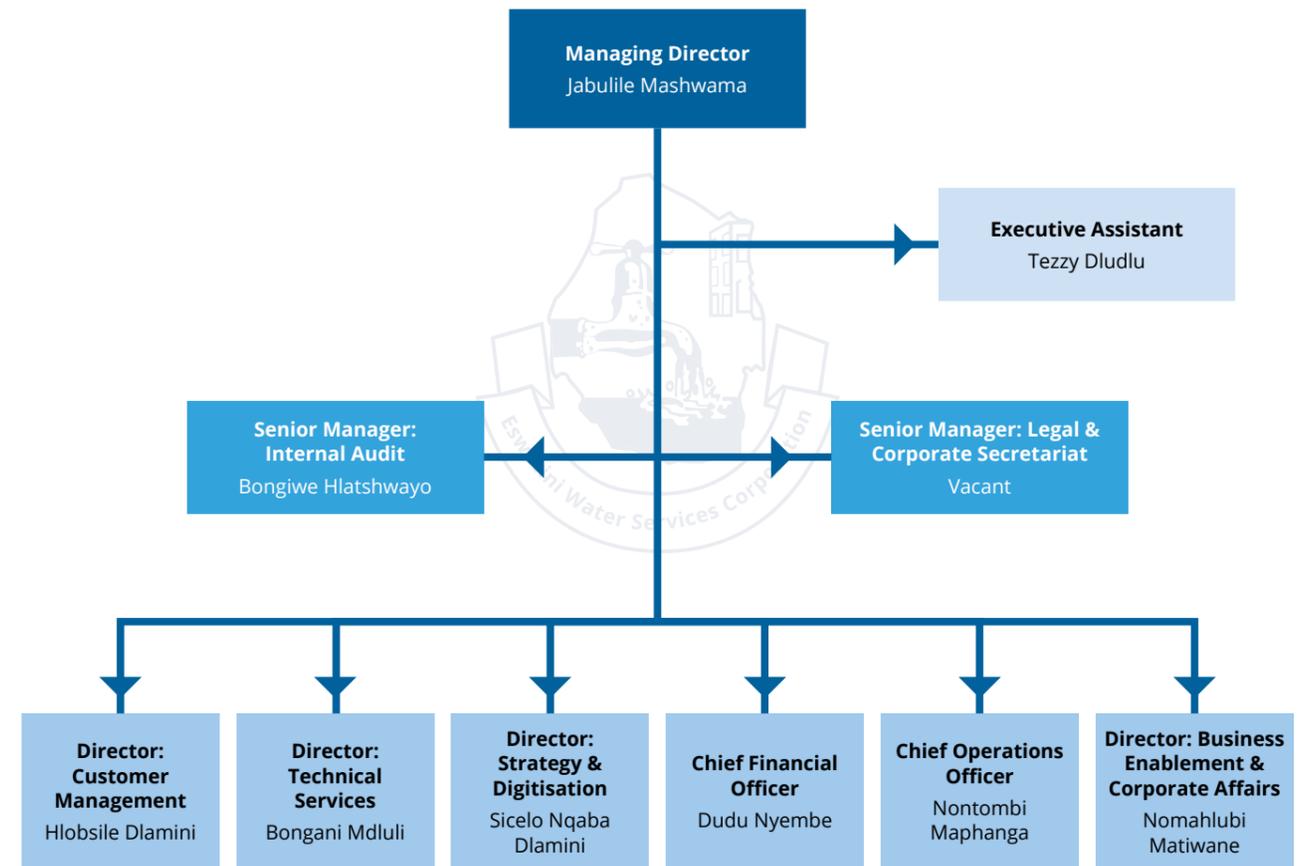
*"We do it through our people."*

### Our core values



- **Good governance:** we ensure that all our actions are morally and legally fair whilst treating all with respect.
- **Performance and continuous improvement:** we continually look for better ways of doing things.
- **Ownership and accountability:** we respect the business as it if were our own and deliver on our commitments.
- **Communication and transparency:** we continuously communicate with and through our people in an honest and fair manner.

## GOVERNANCE AND ORGANISATIONAL STRUCTURE





# LEADERSHIP



## MESSAGE FROM OUR CHAIRMAN

**Pedro Samuel**  
Chairman of the Board

It was my pleasure and honour to be appointed by the Honourable Minister for Natural Resources and Energy as Chair of the Eswatini Water Services Corporation (EWSC) Board in the last quarter of the financial year ending 31 March 2025. I would also like to recognise my predecessor, Mr Mvuselelo Fakudze, who remains a member of the Board and current and previous members of the Board who have made a lot of contributions that we will continue to build on, as we fulfil the mandate of the Corporation.

This year has shown a positive trend in economic performance amid the uncertainty in the global economic environment poised by the ongoing global geopolitical tensions and trade wars. The anticipated effects include fluctuations in commodity prices, remittances, and exchange rates, as well as increased investment and trading risks related to AGOA, alongside potential repercussions arising from diplomatic tensions between the USA and South Africa.

Improved access to clean water and sanitation services improves quality of life and is an engine for economic growth hence the continued investment in supporting infrastructure is critical for the sustainability and security of water supply. To this end, the Corporation continues to implement major capital projects including the Manzini Integrated Water Supply and Sanitation Project (Manzini Region), Eswatini Water Supply and Sanitation Access Project (Shiselweni Region) and Lomahasha/Naamacha Water Supply Project (Lubombo Region). These projects will contribute significantly in meeting targets under Sustainable Development Goals (SDGs), National Development Plan (NDP) 2024-28 and Government's Programme of Action (POA) 2024-29 objectives.

It is noteworthy that my colleagues and I joined the EWSC Board at the start of a new strategic period, marked by the launch of the EWSC Strategy 2025-2030, *Sitselekile 2.0: Embracing Digitisation and Leaving No One Behind*. The strategy is our road map for achieving our vision and will be our business compass over the next five years. For the successful implementation of the strategy, it is critical that we all treat it as a living document that will align our strategic objectives and decision making in the organisation.

As businesses and households recover from the global economic turmoil, the risk of debt due to high arrears is still prevalent. We need to be robust in implementing our debt management strategies to reduce arrear amounts, increase collections and manage current bills. As the Corporation's mandate extends to rural areas, it is critical that financial sustainability is maintained to cover operational expenditures and accumulate reserves to fund asset replacement and extension projects.

Our customers are the reason we exist as a business. As a utility providing an essential service, we need to prioritise the enhancement of customer experience through adapting to evolving customer needs and expectations. We are committed to providing supporting infrastructure to increase the use of digital platforms, promote effective feedback channels, provide real time data and empower customers through continuous education and information support.

As we meet the needs of our customers, we pride ourselves in our people's skills, knowledge and experience. We will continue to invest in human capital development and promote innovative thinking so that we are able to tackle the challenges brought by the ever-changing business and economic environment. We will endeavour to uphold our values and live our blue culture so that our customers and stakeholders judge us by our actions and cultural behaviour.

As a business, we are conscious of the impact our operations may have on the environment. Commitment to environmental, social responsibility and governance (ESG) is of paramount importance in driving a positive impact on people, stakeholders and communities. Accountability and transparency in our business practice remains fundamental for our business model and future sustainability.

My heartfelt gratitude goes to the Board, Management and Staff for being part of a resilient organisation. Your commitment and hard work has paid off and looking ahead, I am confident that we charted the right course in taking the Corporation to the next level. Despite the challenges and uncertainty in our operating environment, I am convinced that we will meet our strategic targets under the *Sitselekile 2* Strategic Plan. As a values-based organisation, let us not forget that commitment, collaboration and determination are key drivers in delivering excellent performance while navigating through these challenging times.

**Pedro Samuel**  
Chairman of the Board



## MESSAGE FROM OUR MANAGING DIRECTOR

Jabulile Mashwama  
Managing Director

### Introduction

It is my honour to present the Eswatini Water Services Corporation's annual report for the financial year ending March 2025. This has been a year of resilience, transformation, and meaningful progress in our mandate to provide safe, reliable, and sustainable water and sanitation services to the nation. Despite an increasingly complex global landscape—marked by geopolitical instability, economic uncertainty, and climate unpredictability—Eswatini Water Services Corporation (EWSC) remained firmly on course. We continued to innovate, execute with purpose, and lay the foundation for a smarter, more inclusive and more resilient utility.

### Turning strategy into action

This year we finalised our five-year Corporate Strategy, *Sitselekile 2.0: Embracing Digitalisation and Leaving No One Behind*. This strategy positions EWSC as a modern utility aligned to national development priorities, the National WASH Master Plan, and the Government's 2024–2029 Programme of Action (PoA). Informed by stakeholder consultations, global benchmarking, and internal collaboration, the strategy is underpinned by five Strategic Focus Areas (SFAs) that will guide the Corporation's priorities over the next five years: **SFA-1** Smart Infrastructure, Asset Management & Digital Transformation; **SFA-2** Human Capital Development & Workplace Excellence; **SFA-3** Expand Service Range & Utility Coverage; **SFA-4** Sustainable Resource Management & Climate Resilience; and **SFA-5** Customer & Stakeholder-Centric Services. This roadmap aligns with our legislative mandate and SDG 6. It sets a bold agenda for inclusive growth, resilience, and excellence.

The Corporation also takes great pride in the successful launch of the prepaid metering system, which was successfully piloted in the North-West Region. This initiative marks a major step forward in modernising service delivery, improving customer experience, and promoting water conservation through greater transparency and control of consumption patterns.

### Operational performance highlights

Infrastructure development and operational excellence remain central to fulfilling the Corporation's mandate of ensuring safe and reliable water and sanitation services. By abstracting, storing, transporting, purifying, and supplying water, as well as collecting, treating, and responsibly disposing of wastewater, EWSC continues to advance the nation's sustainable development aspirations. Despite external challenges, the year under review was marked by notable growth and efficiency gains across all regions, underscoring our resilience and commitment to building a stronger future for Eswatini:

- **Service expansion:** Over 1 400 new water connections were installed in the South West region alone, with growth also recorded in the Central and East regions.
- **Capital projects and infrastructure delivery:** In the reporting period, the Corporation was in the process of implementing three mega projects valued at E1.8 billion collectively. The Manzini Integrated Water Supply & Sanitation Project reached 52% completion for the water treatment plant and 23% for reservoirs. The Eswatini Water Supply and Sanitation Project recorded strong progress during the year, with the successful completion of all reservoirs. Significant milestones were achieved across major work packages: Package 2, the construction of a 22km gravity main from Nhlanguano to Zombodze, advanced to 82% completion, while Package 3, comprising 44km of gravity and pumping mains, reached 21% completion. The Lomahasha-Namaacha project reached 20% completion. These developments mark steady progress toward improving access to safe and sustainable water supply for all.
- **Innovation in service delivery:** The prepaid metering pilot launched in Ezulwini's Mndoni Estate showed strong customer uptake, setting the stage for phased national implementation. Communal prepaid standpipes were also introduced in low-income communities, ensuring that no household is left behind.
- **Embedding global standards in our operations:** EWSC maintained its commitment to the highest standards of safety, health, environmental stewardship, and quality management, reaffirmed through ongoing certification under ISO 14001:2015 (Environment), ISO 45001:2018 (Occupational Health & Safety), and ISO 9001:2015 (Quality Management). Two successful management review meetings reinforced our focus on continuous improvement. During the year, 16 environmental studies were conducted for capital projects, demonstrating our proactive approach to sustainability. As climate change intensifies, EWSC is prioritising climate adaptation, mitigation, and resilience, ensuring that our operations safeguard both communities and ecosystems. This commitment continues to earn recognition from development partners for strong environmental performance.
- **Innovation, partnerships and recognition:** We are proud to have received the Most Improved Entity in Procurement Compliance from ESPPRA—affirming our commitment to transparency and value-for-money in all public transactions. In parallel, our benchmarking with international bodies, including our first submission to IBNET, strengthens our resolve to deliver water services that meet global standards. We also proudly brought home the Zone VI Water Utility Games Trophy—securing first place in four sporting codes and reaffirming the heart and teamwork that drives EWSC, on and off the field.
- **New head office wing:** This year also marked the completion and handover of the new Head Office Wing. The renovation and extension provide modern workspaces that enhanced collaboration, innovation, and productivity.

# LEADERSHIP

## Message From Our Managing Director (continued)

### Financial performance

The Corporation implemented the first phase of a multi-year tariff adjustment for the periods 2024/25 to 2026/27, starting with a 4% tariff increment in December 2024 (Legal Notice No. 182 of 2024). The late implementation of the tariff has resulted in revenue loss of about E15 million. It is expected that growth and efficiency in services may partly cushion the Corporation from inflationary pressures/price increase exposures; however, most input costs such as electricity and chemicals continue to rise above inflation.

Operating revenue increased by 1.7% which is in line with the effective annual tariff increment of 1.3% and a sluggish economic performance. Total operating expenses increased by 6.8%. This resulted in an operating loss of E40.7 million and a net profit of E72.8 million, mainly attributed to grant amortisation and investment income.

Trade debtors remained high at E275.4 million, though there was a 6.2% reduction compared to the previous year (E293.6 million). Residential debtors which form the largest share of trade debtors stood at E154.7 million, from E160.5 million at 31 March 2024. Debt management strategies continue to be implemented, and the use of digital channels is being promoted to boost collections and reduce delays in bill settlements.

### Our people, our power

At EWSC, our workforce is our most valuable asset. This year saw the Corporation formalise its organisational redesign, expanding its staff establishment from 594 to 704 roles which will be rolled out over a three-year period. By year end, 117 new employees had joined the Blue Team, with staff numbers rising to 613 (our highest to date), following the first phase of our Organisational Development initiative. Talent development remained a top priority, with a 90% training plan completion rate, including leadership, financial wellness, and mental health workshops.

The Corporation's comprehensive culture assessment revealed significant positive momentum, demonstrating a 25% improvement since 2022 and a remarkable 180% growth from the 2019 baseline, reflecting our deliberate efforts to foster a high-performance environment. We prioritised initiatives to improve employee experience and organisational culture, leveraging digital transformation for dynamic information flow. Employee engagement reached 70%, supported by a strong 96% participation rate in culture assessments, low talent turnover, and a stable employee relations climate—underscoring our workforce's commitment to the Corporation's growth trajectory.

### Customer and stakeholder engagement

In the last quarter, the Corporation conducted its annual Customer Satisfaction Survey for purposes of gaining insight into customers' needs and expectations and identifying areas of excellence and opportunities for improvement. The survey was focused on measuring three thematic areas: cleanliness and water quality, billing and service quality and delivery. Based on the measurement of the three thematic areas, the organisational Customer Satisfaction Index (CSI) for the reporting period stood at 73.2%, reflecting a slight decline compared to the previous year. To enhance customer experience, EWSC recently introduced the Key Accounts Programme, a strategic initiative aimed at building, nurturing, and managing mutually beneficial relationships with selected corporate accounts. A CSI survey was conducted for the Key Accounts segment, yielding a score of 66.7%, which will serve as the baseline for future assessments.

The Corporation continues to maximise and create opportunities for engagement with customers ensuring that knowledge about EWSC services is widely accessible and shared. To enhance services the Corporation is in the process of implementing three major projects across three regions in the country: Manzini, Lubombo and Shiselweni. Under the Manzini Integrated Water Supply Project, the Corporation conducted preliminary customer education in two communities (Bhudla and Mafutseni) to create awareness on the project progress as well as equip prospective customers about how they will be connected, billed and metered. Similarly, under the Eswatini Water Supply and Sanitation Project in the Shiselweni Region the two communities (Hosea and Makhonza) received customer education. The Corporation also focused on customer education to support the rollout of prepaid metering.

### Key challenges and our responses

The provision of clean, safe, and affordable water and sanitation services remains a complex task shaped by financial, operational, and environmental pressures. EWSC recognises these challenges and is actively working to address them through targeted strategies.

- (a) **Accumulated billed arrears:** The high level of accounts receivables continues to constrain the Corporation's working capital, limiting our ability to reinvest in infrastructure and fund service expansion. Funds tied up in arrears represent a significant opportunity cost, reducing flexibility in meeting operational expenses. To address this, EWSC is strengthening its debt management strategy through stricter enforcement of disconnections, enhanced customer engagement, the use of credit bureaus, and the promotion of digital payment platforms to make settling bills easier and faster.
- (b) **Energy costs:** Energy remained one of our largest input costs, with local electricity tariffs on predominantly imported power exerting upward pressure on operating expenses. This not only places strain on day-to-day operations but also reduces the funds available for long-term investment in infrastructure, asset replacement and service coverage expansion. EWSC is mitigating this risk by implementing energy efficiency measures such as pump optimisation, solar power pilots, and power factor correction, which will reduce dependency on the grid and contribute to cost stability over time.
- (c) **Illegal connections and meter theft:** Illegal water connections and the theft of water meters continue to undermine the Corporation's financial sustainability and service reliability. These activities contribute to higher levels of Non-Revenue Water (NRW), cause revenue losses, and inconvenience customers who are directly affected. In response, EWSC is accelerating the rollout of prepaid and smart metering solutions to reduce tampering, enhancing community education on the impacts of theft, and collaborating with law enforcement agencies to strengthen deterrence and enforcement.
- (d) **Old and ageing infrastructure:** Much of EWSC's infrastructure, particularly underground pipelines, is ageing and increasingly prone to bursts and leaks. This results in costly repairs, higher water losses, and service interruptions that affect customer satisfaction. Replacement and rehabilitation come at a high cost, often requiring phased implementation due to budget constraints. EWSC is prioritising the renewal of critical assets under its five-year strategic plan and fast-tracking network rehabilitation and upgrades in high-risk areas.

- (e) **Climate change and water security:** The impacts of climate change are becoming more visible, with unpredictable rainfall, droughts, and extreme weather events threatening the stability of water supply. These risks not only undermine EWSC's ability to provide reliable services but also pose broader threats to national water and food security. To address this, the Corporation is embedding climate adaptation and resilience into all major projects. Drought mitigation measures, such as water conservation and the provision of water storage infrastructure like dams, are critical for the long-term sustainability of water supply and security.
- (f) **Effluent regulatory compliance:** Effective water treatment ensures that discharged water meets environmental standards, protecting ecosystems and preserve receiving bodies such as rivers. Compliance with effluent regulations continues to weigh heavily on the Corporation as industries fail to abide by pollution control standards in the discharge of their effluent into EWSC systems. The Nation's Effluent Regulations are more stringent when compared to others within the region, this affects consistent compliance from industry as the cost of compliance is viewed as high.
- (g) **Rising regulatory levies:** Increased levies from regulatory bodies, municipalities, and agencies such as the EEA, ESPRA, and CIC continue to weigh heavily on EWSC's operating budget. These levies, often based on the percentage of project costs (which by their very nature are high and inevitably yield higher levies) reduce the funds available for service delivery and infrastructure development. To manage this challenge, EWSC is actively engaging with Government and regulators on sustainable cost-recovery mechanisms while also improving internal efficiencies to absorb external financial pressures without compromising service quality.

### Acknowledgement

I wish to sincerely recognise the dedication and contributions of all EWSC employees in ensuring that the Corporation continues to deliver on its mandate. Your collaborative engagement, professionalism, and unwavering commitment continue to shine a spotlight on the Corporation's role in the country's development agenda. I am confident that as we continue to innovate together, we will not only meet the expectations of our customers and shareholders but also make a lasting positive impact in the communities we serve.



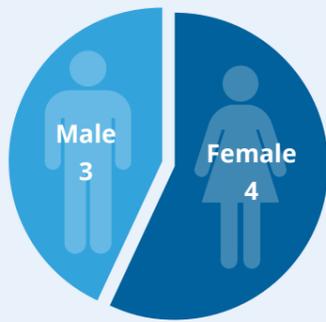
**Jabulile Mashwama**  
Managing Director

# LEADERSHIP

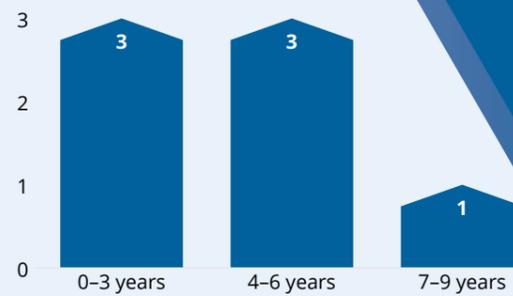
## BOARD OF DIRECTORS

Effective corporate governance requires a clear understanding of the respective roles of the Board and Management and their relationship with employees, customers and stakeholders.

### Gender



### Tenure



### Expertise



**Mr Pedro M. Samuel**  
Chairman  
BBusSci Finance (Hons)



**Ms Gabisile N. Mabuza**  
Non-executive member  
BA Law; LLB; LLM (Environmental Law); Admitted Attorney; Admitted Conveyancer



**Ms Jabulile Mashwama**  
Managing Director  
BSc; MBA



**Ms Lomakhosi Mdluli-Ginindza**  
Non-executive member  
BCom (Honors), Cert Banking, Cert Foundational Counselling



**Mr Hilton Dlamini**  
Non-executive member  
BA (Social Science)



**Ms Sindisiwe Mango**  
Non-executive member  
BA (Law); LLB; Adv Dip (Labour Law); Cert (HRM); Cert (Coaching and Mentoring); Cert (Social Security)



**Mr Mvuselelo Fakudze**  
Non-executive member  
BCom, PGDip; ACCA; CA (SD)

# LEADERSHIP

## Board of Directors (continued)



**Mr Pedro M. Samuel**

**Chairman**  
*BBusSci Finance (Hons)*

Mr Samuel joined the EWSC Board as Chairman in January 2025. A highly experienced investment professional with a strong track record in asset management, Pedro began his career in financial services at Prescient Investment Management in 2001. He had short stints at Metropolitan Asset Managers and JM Busha Investment Group between 2004 and 2008 before returning to Prescient as a Director and Head of their Johannesburg operation. In 2010, Mr Samuel founded Balondolozzi Investment Services in South Africa and BLZI Investments in Eswatini, where he currently serves as COO and Chairman respectively.



**Ms Jabulile Mashwama**

**Managing Director**  
*BSc; MBA*

Ms Jabulile Mashwama joined EWSC as Managing Director in December 2018. She is a Non-executive Board member of the International Water Association (IWA) and the Eswatini Parliamentary Services Board. She is an internationally recognised executive and a certified coach with a particular interest in people development and driving high performance culture. She combines her rich private sector executive expertise with extensive public sector experience having served as a Minister of Commerce, Industry & Trade as well as Minister of Natural Resources & Energy during her 10 years as Senator in the Parliament of the Kingdom of Eswatini. Prior to her efficacious political career, she worked for a leading global FMCG company as the Human Capital Development Director, where she was responsible for developing and implementing policies, strategies and tools for performance management and organisational culture improvement. She is an active member of several international bodies including the 300 Water Leaders, Sanitation and Water for All (SWA) and the African Water and Sanitation Association (AFWASA).



**Mr Hilton Dlamini**

**Non-executive member**  
*BA (Social Science)*

Mr Hilton Dlamini joined the EWSC Board in August 2021 in an ex-officio capacity (representing the Principal Secretary in the Ministry of Finance) as per section 4 (1) of the Water Services Corporation Act of 1992. Mr Dlamini is the Principal Finance Officer (Direct Tax Policy Section) at the Ministry of Finance, having previously held the position of Senior Finance Officer (Trade Policy and Regional Integration Section) in the same Ministry. Mr Dlamini has served as a member in regional committees including the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC) Tax Incentives Working Group and Tax Sub-Committee.



**Mr Mvuselelo Fakudze**

**Non-executive member**  
*BCom, PGDip; ACCA; CA (SD)*

Mr Fakudze joined the EWSC Board as a Non-executive member in May 2018. Mr Fakudze is currently the Chief Executive of Standard Bank of Eswatini, a position he took up in December 2016. Prior to that Mr Fakudze spent 14 years at PricewaterhouseCoopers in Eswatini, six of which he was a partner and another four years at Absa/Barclays Africa where he was based in Johannesburg. Mr Fakudze qualified as a Chartered Accountant (through ACCA) in January 2001 after finishing his articles at PwC. Mr Fakudze has served on various boards both in Eswatini and South Africa. Some of them include Business Eswatini, SWABCHA, Eswatini Charitable Trust and Esicojeni Foundation to name but a few.



**Ms Gabisile N. Mabuza**

**Non-executive member**  
*BA Law; LLB; LLM (Environmental Law); Admitted Attorney; Admitted Conveyancer*

Ms Mabuza joined the EWSC Board in January 2025 in an ex-officio capacity representing the Principal Secretary in the Ministry of Natural Resources and Energy, as per section 4 (1) of the Water Services Corporation Act of 1992. She is a seasoned legal and policy expert with over three decades of experience in the public sector, specialising in land administration and legal advisory. She currently serves as the Under Secretary (Technical) where she leads technical strategy, supports development of policy and legislation and ensures compliance with ministerial standards. Her prior roles include Director of Land Affairs, Registrar of Deeds, and Government Conveyancer. As a Crown Counsel and later as Government Conveyancer, she represented the government in civil legal matters and drafted land-related legal transactions on behalf of the state. Ms Mabuza has been a part-time law lecturer at the University of Eswatini for over two decades, teaching Civil Procedure, Law of Property, Conveyancing Principles and Practice and Notarial Practice.



**Ms Lomakhosi Mdluli-Ginindza**

**Non-executive member**  
*BCom (Honors), Cert Banking, Cert Foundational Counselling*

Ms Ginindza joined the EWSC Board in January 2025. She is the Managing Director of Vegeworth Supplies and previously held the same role at QHE Investment Holdings, overseeing strategic growth, asset management, and overall operations. A dynamic entrepreneur and business leader with over two decades of diverse experience in commerce, finance, and enterprise development, she is the founder of LMG (Pty) Ltd t/a House of Queens. Her earlier experience includes roles in credit and finance at the Swaziland Women Economic Empowerment Trust, First National Bank of Swaziland, and Mavuno Investments. Ms Ginindza also sits on other boards and is a former Finance Chairperson and Councillor for the Ezulwini Town Board (2007–2012).



**Ms Sindisiwe Mango**

**Non-executive member**  
*BA (Law); LLB; Adv Dip (Labour Law); Cert (HRM); Cert (Coaching and Mentoring); Cert (Social Security)*

Ms Mango joined the EWSC Board as a Non-executive member in August 2020. She is the General Manager, Corporate Services at the Eswatini National Provident Fund (ENPF). In the period 2012 to 2016, she was Manager, Corporate Support at the Komati Basin Water Authority (KOBWA) and prior to that she held the positions of Human Resources Manager, Industrial Relations Manager at Eswatini Water Services Corporation (EWSC) and Assistant Legal Advisor at Swazi Paper Mills. Ms Mango has also served on different committees and Boards in positions including Chief Negotiator (EWSC), Principal Officer (EWSC and KOBWA Pension Funds). She is currently the Principal Officer at ENPF Staff Pension Fund. Furthermore, Ms Mango is a Board Member at the Institute of Development and Management (IDM) and Swazi Plaza Properties. At professional level, she is a member of the Institute of People Management (Eswatini and RSA) and the Southern African Institute of Directors.

# LEADERSHIP EXECUTIVE MANAGEMENT



**Ms Jabulile Mashwama**

**Managing Director**  
*BSc; MBA*

(Refer to Board Profiles)



**Ms Duduzile Nyembe**

**Chief Financial Officer**  
*BCom; ACCA,  
CA(SD), MBA*

Ms Dudu Nyembe joined EWSC as Finance Director in July 2023. Previously, she was the Chief Financial Officer of Swazimed, a position she held for five years. She was pivotal in the construction of the Ezulwini Private Hospital project having been appointed as Client representative in 2018. In her previous engagements she held the positions of Senior Manager Finance at Medscheme Eswatini (Pty) Ltd, a member of the Afrocentric Health group, a JSE listed entity and Risk and Internal Audit Manager at ENPF. She began her career in 2004 with PricewaterhouseCoopers (PwC) as a trainee accountant. She is a member of the Eswatini Institute of Accountants and Association of Chartered Certified Accountants (ACCA). She has served as a board member for Eswatini Electricity Company and Kwakha Indvodza, an NGO. She currently serves as a Chairperson of Eswatini Tourism Authority Board and is a member of the Stanlib Eswatini Board.



**Ms Nontombi Maphanga**

**Chief Operating Officer**  
*BSc; BSc (Civil Eng); GDE (Civil Eng); MBA*

Ms Nontombi Maphanga joined EWSC as Hydraulics Engineer in April 2006 and was appointed a member of the EWSC Strategy Implementation Team thereafter. In November 2008 she was appointed to the EWSC Executive Management Team as Technical Services Director. In her previous engagements she has held the posts of Chemist (Quality Assurance) at Coca Cola Eswatini and Project Coordinator for a water and sanitation NGO. She is a member of the Eswatini Association of Architects, Engineers and Surveyors and the International Water Association (IWA). She has served as a Board member for Lidwala Insurance Company, the Town Planning Board under the MHUD and the National telecommunications company. She currently serves as a Non-Executive Director of a Financial institution and the Eswatini National Housing Board.



**Mr Sicelo Dlamini**

**Director Strategy and Digitisation**  
*BSc (Mechanical Eng); MBA*

Mr Sicelo Nqaba Dlamini is the Director of Strategy and Digitisation at Eswatini Water Services Corporation (EWSC), a position he has held since October 2021. He is responsible for leading corporate strategy, digital transformation, and aligning strategic goals with operational performance. His career spans various leadership roles in multinational companies including Eswatini Beverages, Royal Eswatini Sugar Corporation, Mondelez International, and MTN, where he worked across engineering, operations, project management, and strategic planning. Beyond his professional responsibilities, Mr Dlamini serves as a Board member of Women in Trade and Development (WITAD) and World Vision, reflecting his commitment to inclusive development and community empowerment.



**Ms Nomahlubi Matiwane**

*BSocSc (Media & Communications), PgDip (Strategic HR), MBA*

Ms Nomahlubi Matiwane joined EWSC as Public Affairs Manager in December 2011. Her career has spanned various management roles at EWSC including Customer Experience and Human Resources. She has also served as Chairperson of the EWSC Strategy Implementation Team and served in a team of consultants funded by UN-Habitat working with water utilities in Africa to develop Performance Improvement Plans and Corporate Strategies. Prior to joining EWSC, Nomahlubi worked for the United Nations Population Fund as a Communications Analyst. Nomahlubi has served as Board Member for Eswatini National Youth Council and Southern Africa HIV and AIDS Information Dissemination Service (SAfAIDS).



**Ms Hlobisile Dlamini**

**Director Customer Management**  
*BComm; MDP; PGDip; FCCA; CA*

Ms Hlobisile Dlamini joined EWSC as Internal Audit Manager in January 2015, a position she held for five years. She then moved to be the Finance Manager in February 2020 up until November 2023. She was then appointed as the Director Customer Management in December 2023. She began her career in 2005 with Eswatini Bank as a teller and later moved to join the Internal Audit department as an audit trainee. In June 2010, she joined PricewaterhouseCoopers (PwC) as a trainee accountant. She is a member of the Eswatini Institute of Accountants and Association of Chartered Certified Accountants (ACCA).



**Mr Bongani Mdluli**

**Director Technical Services**  
*Dip in Civil Eng, B-Tech Civil Eng, Adv Dip in Project Mngt, MDP*

Mr Bongani Mdluli joined EWSC as Director Technical Services in January 2024. His career spans from being an engineer who has been involved in design office, site supervision, management role, executive role, working with local and internationally funded projects. Previously he had worked for civil engineering consultants both in Eswatini and South Africa in design office and site supervision as Engineer Representative on water and wastewater projects. He has previously worked for EWSC as Project Engineer and also as the Project Manager between 2010 and 2019, where his responsibilities included preparing project proposals for funding from various organisations such as European Union, African Development Bank and World Bank. He then worked for Ubombo Sugar Limited, an Illovo operation, in Eswatini, as Estate Manager responsible for the upkeep of the sugar estate. He was then appointed as Estate Support Services Head, an executive position, before rejoining EWSC in 2024 as Director Technical Services.

# LEADERSHIP

## SENIOR MANAGEMENT

### Finance and Supply Chain Management

#### Noncedo Dlamini

Senior Manager,  
Management Accounting and Reporting  
BCom; Adv Dip Acc Sc: CA (SD), ACCA  
(Affiliate).

#### Bernard Dube

Senior Manager Financial Accounting  
BCom; MBA; FCIS; Certified Utility Mngt  
Specialist

#### Ayanda Dlamini

Acting Senior Manager  
Supply Chain Management  
BCom; CIPS

### Technical Services

#### Mangaliso Mavuso

Senior Manager Water Quality  
BTech; BCom; MDP

#### Mbongwa Mahlaba

Senior Manager Safety,  
Health, Environment and Quality  
BSc, MDP

#### Zandile Mamba

Projects Manager  
BSc (Civil Eng); MEng (Proj Mngt);  
PrEng; PrPM

### Operations

#### Thobile Simelane

Regional Manager – North West  
BComm; RA (SD); MDP

#### Nomfanelo Dlamini

Regional Manager – Central  
BEng; MSc (Eng); MDP;  
Cert Proj Mngt

#### Aubrey Mkhonta

Regional Manager – North  
Dip (Water Tech); HND (Civil Eng); MBA;  
Adv Dip (Project Mngt)

#### Bulelo Vilakati

Regional Manager South West  
BSc, MBA

#### Christopher Mabelesa

Regional Manager – East  
Dip (Civil Eng); BComm; MDP

#### Mlungisi Simelane

Senior Manager Production  
and Distribution  
BSc; BSc (Civil Eng); MBA; PrEng; PrPCM.

### Business Enablement and Corporate Affairs

#### Sibonginkhosi Mamba

Senior Manager Human Resources  
BSc; MDivinity; MDP

### Strategy and Digitisation

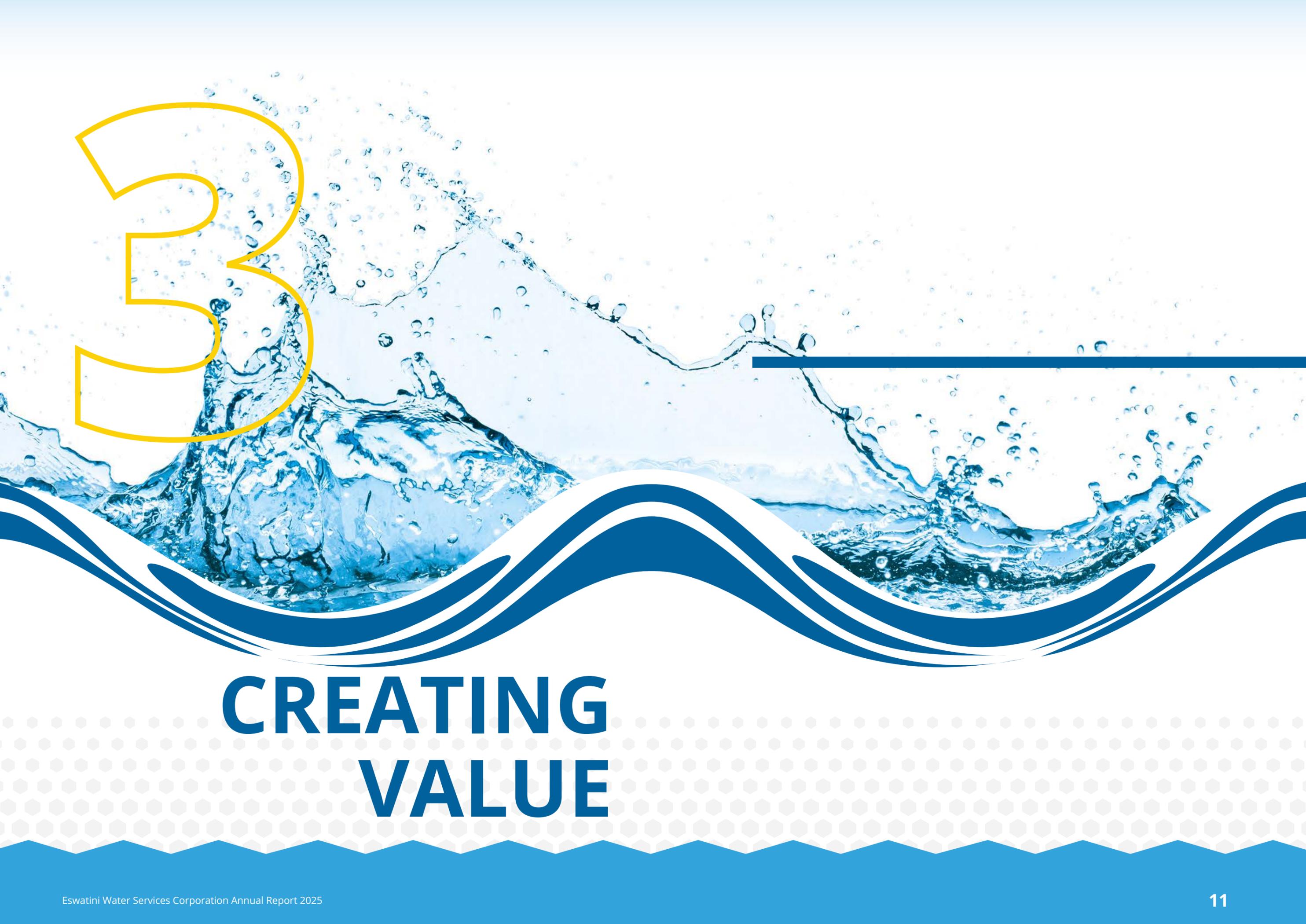
#### Innocent Mkhombe

Senior Manager Information and  
Communication Technology  
BSc (Computer Science); Cisco Certified  
Networking Associate (CCNA); MDP.

### Internal Audit

#### Bongiwe Hlatshwayo

Senior Internal Audit Manager  
BComm; ACCA; CA



3

# CREATING VALUE

# CREATING VALUE OPERATING ENVIRONMENT

## Legal and regulatory environment

EWSC gained full autonomy through Corporatisation in 1994. The Corporation is a public enterprise, established by an Act of Parliament, the Water Services Act No. 12 of 1992. The Ministry of Natural Resources and Energy (MNRE) is responsible for water affairs including EWSC. The Corporation is regulated through the Public Enterprises (Control and Monitoring) Act No. 8 of 1989. The supervisory body is the Public Enterprises Unit (PEU), in the Ministry of Finance, which monitors the business and performance of public enterprises. EWSC submits performance reports to the PEU on a quarterly basis as required by statute. The Corporation plays a pivotal role in the Government of Eswatini's National Development Plan (NDP) 2024–28 and Sustainable Development Goals (SDGs) with regard to increasing access to safe water and sanitation. Annual and quarterly reports on performance and targets for water and sanitation are submitted by EWSC to the Government and Parliament through MNRE. Tariffs are regulated by Government and have to be approved by both Government (Section 10 (1) (a) of the Public Enterprises Control and Monitoring Act of 1989) and Parliament (Section 253 (2) of the Constitution of the Kingdom of Eswatini) before implementation. EWSC entered into a five-year performance agreement with the Government running from April 2020 to March 2025. Since a succeeding Agreement had not been concluded 15 days before 31 March 2025, the conditions of this Agreement still remain in force for a period of six more months and terminating on 30 September 2025. The performance agreement sets out the relationship, duties and responsibilities of both parties as well as performance targets (financial and non-financial) to be achieved by EWSC.



## Economic and physical environment

The economic environment remained stable, amid the uncertainty in the global economic environment poised by the ongoing global geopolitical tensions and trade wars. The effect of this, was fluctuations in commodity prices, remittances, exchange rates, investment, and trading risks in terms of AGOA and risks of repercussions from the US/South Africa diplomatic rows.

Domestically, GDP grew by 1.4% year-on-year (seasonally adjusted) in the third quarter of 2024, recovering from a decline of 0.5% in the previous quarter (*Central Bank of Eswatini March 2025*). Real GDP growth is projected at 5% in 2025, driven by both public and private investment. Medium-term growth will primarily be by private sector-led energy-related and construction projects, and public sector mega-investment projects, such as the Mkhondvo-Ngwavuma Water Augmentation Project, the International Convention Centre and Five Star Hotel, and the new Parliament building. These projects are supported by both domestic and foreign funding. The investments are expected to benefit sectors such as financial services, ICT, transportation and storage, wholesale and trade, mining, and manufacturing (*World Bank in Eswatini March 2025*). The headline inflation stood at 3.8% in March 2025. This inflation rate is 0.2 percentage points lower than the 4.0% observed in February 2025. The 3.8% observed in March 2025 is 0.37 percentage points lower than the inflation rate of 4.1% observed in March 2024 (*Economic Planning CPI Report 2025*).

Though the economic growth was projected to increase, SACU receipts were expected to decline, widening the fiscal deficit as capital expenditure was expected to continue with the ongoing projects.

Eswatini economy remains highly susceptible to climate shocks and unexpected variation in hydrological cycles and variability in temperature, all impacting on water resources. The country recorded good rainfall throughout the reporting period. March saw a gradual decline of the monthly total rainfall received countrywide. Mbabane, Matsapha and Siteki all recorded above average rainfall. The rest of the reporting stations reported below average rainfall, with the largest deficits observed for stations located in the Lowveld (*Eswatini Meteorological Service March 2025*).



# CREATING VALUE

## VALUE CREATION

Value creation is based on our vision of delighting customers in the provision of water and sanitation services. Our value creation chain begins with creating value for the business and then extends to our stakeholders. The Corporation creates value for itself through revenue receipts from the supply of potable water and the provision of sanitation services, value for employees through remuneration, training and development and job security, value for customers through the provision of safe and reliable water and sanitation services whilst value for other stakeholders is through trade and social relationships. The provision of water and sanitation affects all economic and social sectors and supports economic development and growth whilst improving the quality of life and promoting a cleaner environment. The Corporation's main stakeholders include Government (shareholder); Employees; Customers; Suppliers; Financiers (e.g. commercial banks; multi-lateral development agencies) and Corporate Social Responsibility partners (communities and institutions).

### EWSC Business Model



# CREATING VALUE

Value Creation (continued)

## EWSC Value-Creation Framework



## STRATEGY AND RESOURCE ALLOCATION

Our strategic goals supporting our vision are mapped into short to medium-term business objectives. The budget to support the strategy is determined by annual goals under the business score card. The business scorecard framework allows the Corporation to measure how strategic focus areas create value for business and stakeholders, particularly and most importantly Government as the shareholder, employees and customers. This translates into measurable milestones towards the achievement of performance targets under the strategic plan and the performance agreement with the Government. The diagram below summarises the Corporation's 2025-30 strategy framework.



Performance against targets is measured quarterly and ultimately annually using the balanced score card measures of success. The milestones are then compared with the overall objectives of the strategic plan so that targets that have not been achieved may be carried forward to the following year's scorecard until they are achieved within the strategic plan period.

# CREATING VALUE

## PERFORMANCE

### Operations

#### South West Region

##### Raw water sources

Throughout the reporting period, raw water sources supplying Nhlanguano, Hlathikhulu, Lavumisa, and Hluthi demonstrated overall stability. The Mkhondvo River consistently provided sufficient raw water to the Nhlanguano Water Treatment Plant (WTP), supporting reliable operations across the region. However, it is worth noting the challenges between April and June 2024, coinciding with the winter period when the Lavumisa Dam levels dropped from 40% to 31%, largely due to intermittent load shedding at Pongolapoort. In January, intense rainfall and flash floods caused the Mkhondvo River to exceed normal levels, resulting in the Hlathikhulu Dam being replenished to full capacity.

Ongoing cross-border collaboration with South African authorities has also been instrumental in improving pumping reliability from Jozini, allowing the Lavumisa Dam levels to remain relatively stable, fluctuating between 50% and 60%. Despite these positive developments, long-term water security remains a key priority—particularly for Hlathikhulu, Hluthi, and Lavumisa. To address this, the region is advancing two major initiatives:

- The Sibhowe Pump Station upgrade, which will provide a supplementary raw water source for Hlathikhulu.
- The Nhlanguano–Lavumisa integration project, designed to enhance supply to Hluthi and Lavumisa via the Mkhondvo River.

The successful implementation of these strategic infrastructure projects will significantly boost the region's climate resilience and ensure the sustainability of its raw water supply well into the future.

##### Growth

The region recorded significant growth in water service connections throughout the year, especially in the first three quarters. A total of 1 345 new water connections were completed, exceeding the annual target of 1 000 connections and surpassing the previous year's total of 1 215 connections.

This success was largely driven by the commissioning of new water supply projects in areas such as Ekuphumleni, Ngwabe-Mashekesheni, and surrounding communities, reflecting the region's commitment to expanding access and improving service delivery.

Growth in sewer connections remained modest, with 17 connections completed against a target of 20. However, this represents an improvement from the previous year's total of 11. The lack of ongoing sewer extension projects has largely contributed to the shortfall against the target.

Looking ahead, the region is well-positioned for continued growth in both water and sewer service coverage. Key upcoming projects in Jabulani, Qomintaba, Makhwelela, and along the Nhlanguano–Siphambanweni corridor are expected to significantly boost water connections. In parallel, CAPEX provision secured for

a sewer expansion initiative, within the South West region, is set to drive growth in sewer service connections.

With these developments on the horizon, the region is on track to strengthen its service network and expand its customer base, ensuring sustained growth.

##### Revenue

The region demonstrated strong revenue performance throughout the financial year, with total revenue reaching E67.7 million, a 3.7% increase from the previous year's E65.3 million and 13% above the budget.

This growth was underpinned by the high number of new connections, increased industrial production, and the implementation of a new tariff structure. Notably, residential sales surged by 23%, while commercial sales grew by 4%, reflecting an expanding and diversified customer base. Looking ahead, the outlook remains positive as ongoing infrastructure expansion, combined with anticipated market stabilisation, is expected to drive future gains in both commercial and residential sales, positioning the region for an even stronger financial performance in the upcoming periods.

##### Debt management

As of the end of the 2024/2025 financial year (March), the region's total accounts receivable stood at E21.7 million, representing an 8.5% improvement compared to the previous year's E23.6 million. This performance was largely influenced by a 15% reduction in commercial debtors from E3.9 million to E3.3 million, a 2.7% decline in residential debtors from E7.5 million to E7.3 million, and a significant 17% decrease in government accounts from E8.1 million. In addition, corporate debtors declined by 21.6%, dropping from E0.4 million to E0.3 million.

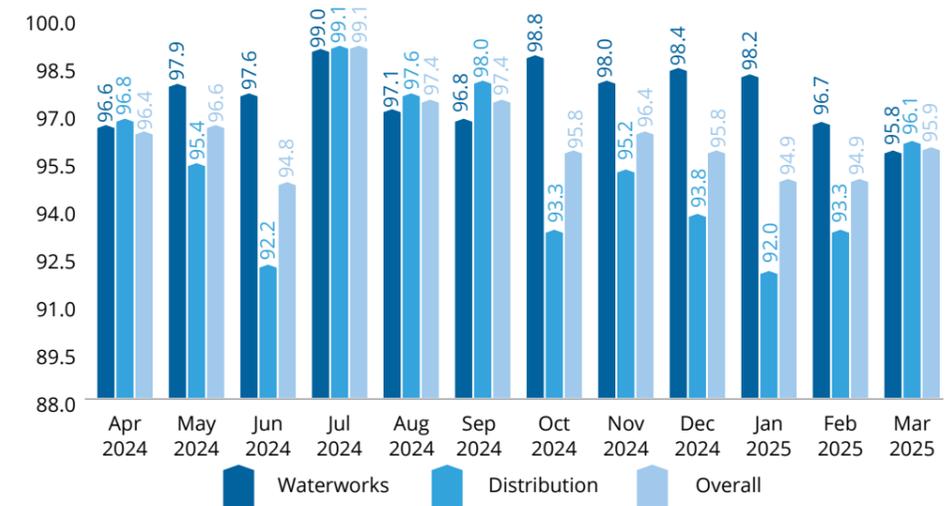
Although the region continues to face challenges, particularly from long-disconnected accounts, likely influenced by broader economic factors, proactive measures are being taken to mitigate these factors. Such measures include intensified recovery strategies, expanded use of digital payment platforms, community outreach and enhanced customer engagement through regular follow-ups, and customised payment plans. Looking ahead, the region is confident that its strategic initiatives will help to reduce outstanding debt while maintaining a supportive approach toward customers.

##### Quality compliance

During the 2024/2025 financial year, the region recorded a potable water quality compliance rate of 96%, falling short of the 98% target and slightly below the previous year's 97.3%, reflecting a 1.3% decline. The key driver of this underperformance was low residual chlorine levels, caused by a malfunctioning Klorman chlorine booster at the Nhlanguano Reservoirs (Mbukwane). The issue was swiftly repaired, and corrective work also commenced at the Hlathikhulu WTP, where the chlorine dosing equipment (rotameters) was under repair. Additional challenges in the fourth quarter—particularly infrastructure damage from the January flash floods impacted on the Nhlanguano supply system—further

weighing on quality outcomes. Encouragingly, recovery signs emerged in March as strengthened monitoring and improved chlorine dosing across the network began to deliver positive results. While this reflects a temporary shortfall, the performance trend is improving, supported by targeted interventions and infrastructure upgrades.

##### South West Region Potable Water Quality



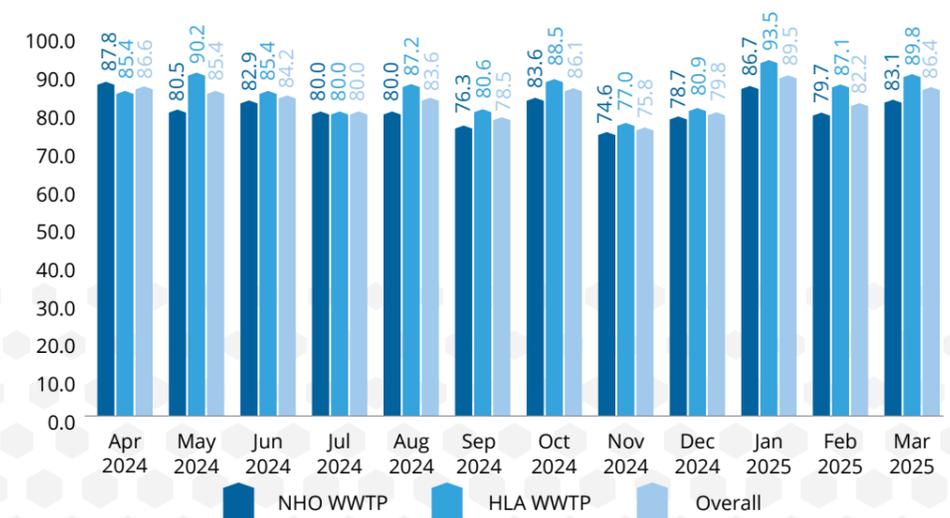
During the 2024/2025 financial year, the region achieved an average effluent quality compliance rate of 83.3%, falling 1.7% short of the 85% target but remaining consistent with the previous year's 83%. While this underscores areas needing improvement, it also reflects the region's stable performance and continued commitment to recovery efforts and long-term process optimisation.

Shortfalls were largely attributed to operational inefficiencies at the Nhlanguano Wastewater Treatment Plant (WWTP) where

the region has implemented a comprehensive snag list under a strengthened project handover framework, paving the way for long-term improvements.

Ongoing efforts to enhance testing, operational monitoring, and targeted maintenance will ensure continuous improvement in wastewater treatment performance. These initiatives are expected to solidify the region's ability to consistently meet and surpass effluent compliance targets in the future.

##### South West Region's Effluent Quality Compliance



# CREATING VALUE

## Performance (continued)

### Operations (continued)

#### South West Region (continued)

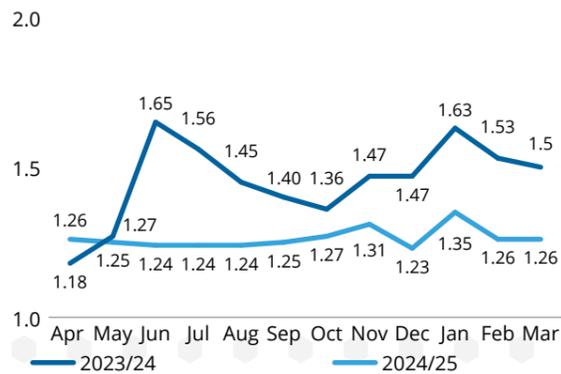
#### Maintenance

During the reporting period, the region achieved a Planned Maintenance return rate of 76%, falling short of the 90% target. This variance was primarily driven by a spike in unplanned equipment breakdowns, which required urgent attention and temporarily disrupted the Planned Preventive Maintenance (PPM) schedule. As a result, the region's Preventive Maintenance (PM) to Breakdown ratio for the review period was 78/22, 2% below the annual target of 80/20. Equipment availability also remained low at 63%, against a target of 100%, underscoring the urgent need for improvement. A major contributor to this was the severe flooding in January, which affected the Nhlanguano WWTP, causing significant damage and redirecting maintenance efforts to emergency repairs. This was further impacted by staff shortages, which are expected to be addressed in Phase 2 of the 2024–2025 recruitment plan. Despite these challenges, the region is optimistic about a strong recovery and improved performance in the upcoming financial year. Several high-risk, frequently failing components are set to be replaced under the approved 2025/2026 capital budget programme. Procurement and installation activities are already in the pipeline, and these upgrades are expected to enhance system reliability and reduce unscheduled downtime.

#### Energy management

Energy is a major cost driver in the region, with rising prices posing a growing challenge. In response, the region has prioritised energy reduction efforts particularly at the Nhlanguano WTP, which accounts for nearly 50% of total regional energy costs due to its intensive pumping activities.

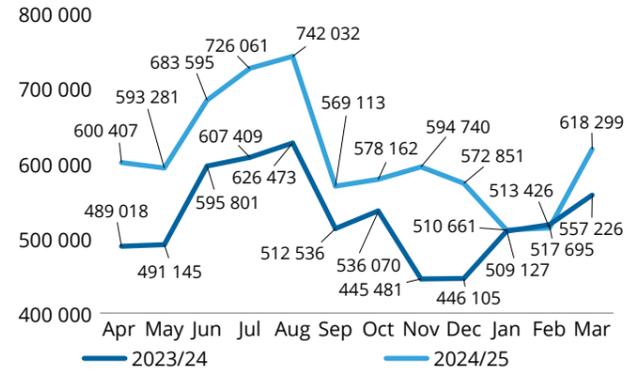
#### Pumping: Monthly energy efficiency (kWh/m<sup>3</sup>) year-on-year comparison



In terms of performance, the plant achieved a pumping energy efficiency of 1.26 kWh/m<sup>3</sup>, surpassing the annual target of 1.31 kWh/m<sup>3</sup>—an improvement of 4%, and a notable 14% improvement from the previous year's efficiency of 1.46 kWh/m<sup>3</sup>. For non-pumping activities, energy consumption also showed

substantial progress. Monthly consumption dropped to 4 625 kWh, presenting a 28% improvement compared to the target of 6 395.2 kWh.

#### Pumping: Monthly energy cost (E) year-on-year comparison



A year-on-year comparison of the energy bill for pumping activities reveals a negative trend, with electricity costs increasing by 15%, rising from E5.3 million in the previous year to E7.3 million. This increase occurred despite improvements in energy efficiency, highlighting the continued need to focus on cost-control initiatives. These include, but are not limited to, standard and off-peak pumping schedules, revised startup procedures, the gradual replacement of external lighting with solar and LED options, the replacement of malfunctioning soft-start equipment, and the exploration of renewable energy sources as alternative supply options.

The region will also broaden its energy reduction monitoring and management efforts to include all major energy-consuming sites within its jurisdiction.

#### Human capital

During the 2024/2025 financial year, the region's staff complement grew to 75 employees, against the establishment order of 87 marking a significant step forward in strengthening operational capacity. This growth has been largely driven by the successful implementation of Phase 1 of the Organisational Development (OD) recruitment plan, with the region achieving 97% compliance. Only one position—Regional Engineer: Maintenance—remains unfilled.

There were a few staffing movements during the year, including a resignation, the reassignment of a team member to a developmental role outside the region, and the sad loss of two deceased colleagues.

Looking ahead, the region is actively working to fill 19 additional positions outlined in the phased OD structure. These roles are critical to supporting expanding operational demands and enhancing service delivery. The continued rollout of the OD plan will not only strengthen the workforce but also build greater organisational resilience and improve overall performance.

#### Safety and incidents

During the 2024/2025 financial year, the region reported a total of 21 incidents and 27 near-miss events. These figures highlight the importance of continued focus on workplace safety and proactive risk mitigation measures:

Environmental incidents	1
Motor vehicle incidents	11
Property theft/damage incidents	4
Injuries on duty (IOD) incidents	5
Other incidents	0
Near misses	27

#### Stolen and damaged meters

The region recorded a total of 21 stolen meters during the year, all of which were reported and investigated. Additionally, there was one attempted meter theft in March, which was promptly reported to the police. This resulted in the successful prosecution of the offender, who was sentenced to 10 months in prison or given the option to pay a fine of E2 000.00.

### North West Region

#### Raw water

The raw water sources in the region that were affected during the winter season, which is normally characterised by little or no rainfall, were Ezulwini-Cansini, which was completely depleted in May 2024 and the Hawane dam that dropped to 42% early December 2024, indicating stress. The Mbabane to Ezulwini gravity pipeline continued to augment Ezulwini water supply due to high water demand following the depletion of the sources. To proactively manage potential risks of raw water instability in Mbabane, a rehabilitation project of the Mbabane Depot WTP was activated to enable production of 5ML/Day to service the CBD. The project was at testing and commissioning stage at the end of March 2025.

The Hawane dam level rose to 100% level and began overflowing in March 2025 pursuant to the commencement of the rainy season. There was an extended water supply interruption in the Malkerns area from the 2 June to 18 June 2024 due to the canal shut down for routine maintenance purposes. During this period the Corporation provided alternative water supply to affected customers through stationary tanks placed in strategic locations and through the mobile tanker truck.

#### Growth

The region grew by a total of 726 new water connections compared to the targeted of 800 connections. The suspension of the Siyaphambili Water Project (in Mpolonjeni) due to dual supply challenges has negated on the scope for extensions. There are, however, ongoing engagements with the community to resolve the impasse as approximately 500 homesteads (out of a population of 2 500) will benefit from this project.

There were 68 new sewer connections installed against a target of 110 connections as of 31 March 2025. The suspension of the Malunge sewer extension project due to budget constraints, impacted growth prospects negatively; however, the project is expected to commence in 2025/26.

#### Revenue

The region recorded a total revenue of E164.4 million which was 5.6% below the budgeted revenue of E174.2 million. Contributing to the shortfall was the aggressive disconnection exercises for overdue accounts including some Government ministries, which were significant consumers during the course of the financial year.

There were 1 062 smart meters installed at Woodlands, Mbangweni, Thembelihle, and Sandla and the exercise is ongoing. By March 2025 pre-paid meters totalling 54 were installed at Ezulwini-Mdoni gated estate as a pilot exercise, following customer education and engagements with the Ezulwini Municipality. The preliminary assessment/observations indicate acceptance of the project. Both the smart meters and pre-paid meters initiatives have improved billing efficiencies and enhanced customer experience. The meters provide real-time data on water usage, promote water conservation as customers are able to monitor and control their water consumptions, identify and fix leaks on time to avoid bill shocks due to high bills which result in unhonoured debts.

In an effort to ensure that all meters on the ground are accounted for and billed accordingly, the region conducted a door-to-door exercise at Mahwalala, Nkoyoyo, Nkwalini and Msunduza. This exercise is ongoing.

The North West region, having a profit-making mandate in the cross-subsidisation model, achieved an operating profit of E39.8 million (24%) against a target of E50.3 million. The main drivers for the deviation were increased overtime expenses, chemicals and consumables and energy costs. There are projects scheduled for implementation in the next financial year for process upgrades in Water Treatment Plants including energy reduction initiatives.

# CREATING VALUE

## Performance (continued)

### Operations (continued)

#### North West Region (continued)

#### Debt management

The total debtors at the end of the year totalled E70 million, representing a 7% decrease when compared to last financial year at E75.6 million. Government debt stood at E18.9 million, Corporate E2.5 million, Residential debts E18.7 million, Commercial debtors E5 million and Terminated accounts E24.7 million. The collection ratio averaged 117% and the debtor days were recorded at 155.

To improve the collection of overdue debts and compliance to the debt management policy, debt reduction strategies were implemented to manage the debts and included the following:

- Customer education awareness at Msunduzi, Ezulwini, Ngwenya and Mahwalala.
- In-depth analysis and site investigations for long disconnected and terminated accounts. A rigorous exercise of evaluating all debtors handed over to debt collectors is also ongoing, to identify those that are still benefitting from EWSC services, and to effect disconnections accordingly.
- The use of a credit bureau (ITC) to manage delinquent customers ; A total of 179 accounts amounting to E993 820.80 were submitted for blacklisting at TransUnion.
- Daily regional targets for telephonic customer engagement on debt continued and was supported by random spot checks in-between meter reading days to check meter reader compliance and inspect disconnected meters on read meter walk routes.
- Installation of disconnection tags on properties after disconnection.
- A total of 1 018 long disconnected properties were uprooted which have been dormant for more than four months.

#### Quality compliance

The potable water quality compliance for the period was 97.7% against a target of 98%. Process upgrades at Ngwenya WTP, Woodlands WTP were ongoing, and expected to further improve the quality compliance for these plants. The rehabilitation works of the Woodlands WTP Clarifier bridge 1 project, was completed and commissioned in September 2024. The aim of the project is to improve the treatment processes at the Plant.

A Pipe replacement project spanning 5.7km was completed at Kent rock. This will reduce the frequent pipe bursts which also compromised quality on the distribution lines.

The effluent quality compliance improved from 79% to 81.4% in the reporting period. While this is below the target of 85%, it is expected to improve with the completion of the ongoing rehabilitation works at Ezulwini WWTP and Ngwenya WWTP.

### Maintenance

#### Work order distribution

The PM/Breakdown target achieved was achieved 78/22 against a target of 80/20. Detracting in this objective was scheduling issues which have since been addressed.

Areas attracting resources are mainly in Ezulwini WWTP, Lobamba WTP and Malkerns WTP. The region also supports the East and North region with Mechanical and Instrument skills as these roles were not resourced in these regions.

#### Preventative maintenance

Preventative maintenance (PM) work orders return for the year was at 72%, due to prioritisation of the ongoing rehabilitation works at Ezulwini and Ngwenya WWTP

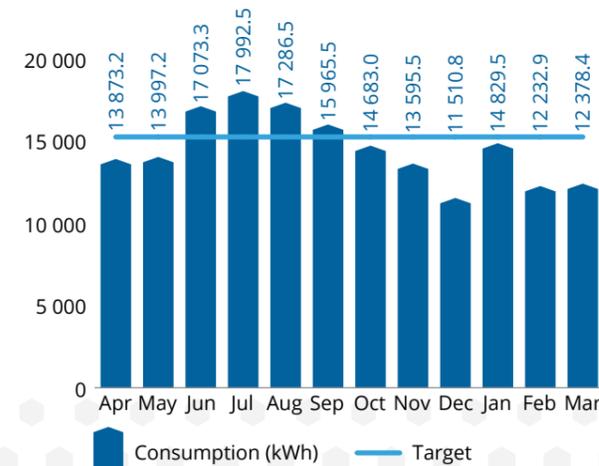
#### Equipment status

Equipment availability in the region is at 75% for the year and this is attributed to the ongoing Ezulwini wastewater rehabilitation project and the Ngwenya wastewater rehabilitation project to address equipment issues.

#### Energy management

For non-pumping systems, the target of 15 209.98 kWh per month was attained with an average of 14 618.19 kWh. It must be noted that the Laboratory is the highest energy consumer in the non-pumping category and a separation of the regional depot and laboratory locations is planned under the capital budget for 2025/26. The replacement of external lighting with solar lighting and the adoption of LED lighting for all internal lighting was ongoing. The Mbabane depot had 40% of its lighting replaced with solar lighting.

#### Non-pumping energy consumption



For pumping systems, the energy target of 0.55 kWh/m<sup>3</sup>, was not realised as the sites performed at 0.61kWh/m<sup>3</sup> over the financial year. The highest energy consumers were Checkers Booster, Thembehle Booster and Mbuluzi.

Time Of Use (TOU) cannot be implemented in some areas such as Checkers booster due to the dual use of the pipeline for both pumping (transmission) and distribution requiring almost 24-hour pumping cycle. The Mbuluzi Raw pump station runs more hours especially in winter to accommodate for the increased demand for raw water at Woodlands WTP to supplement Ezulwini supply. However, Mbuluzi operations halted in January 2025 since Hawane was still overflowing at the end of March 2025.

The region has a CAPEX Budget provision in the next financial year 2025/26 to enhance energy reduction initiatives/interventions and this includes: pump replacement, power factor correction, energy meters, telemetry optimisation, valves and flow meters.

#### Human capital

The region closed the year with a staff complement of 145 employees against an establishment of 154. The nine vacancies include five which await recruitment in the next financial year per the OD Project and four replacements due to various reasons. Two employees exited due to mandatory age retirement whilst three employees exits were voluntary.

#### Safety incidents

The region recorded the following incidents during the financial year, none of which were serious:

- Fleet (Vehicle and Plant) – four (two Motor Vehicles accidents).
- Human (IODs) – 11, an increase from five in previous year
- Property damage – eight

The region continues to implement preventive and mitigation measures as the safety for employees, customers, public, property and environment remains top priority.

#### Stolen meters

There has been a decrease in meter theft in the region during the period. A total of 31 meters were stolen compared to 43 in the previous financial year. The meters were stolen at Mahwalala, Manzana, Fonteyn, Pine Valley, Nkwalini, Lomkiri, Ngwenya Village, and Mountain Drive.

The region continued to address this issue with other internal and external stakeholders, including engagement with law enforcement agencies and communities. In addition, the standard brass meters are now replaced with HDPE/plastic meters to discourage theft.

### Central Region

#### Raw water

A total of 12 777 681 cubic meters of water was abstracted from the Lusushwana and Ngwempisana rivers during the financial year, representing a 19% increase compared to the 10 655 800 cubic meters abstracted in the previous year. Raw water supply from both rivers remained stable throughout the year, with no reported shortages.

#### Growth

The region continued to expand its water and wastewater service coverage within the existing EWSC infrastructure. Over the course of the year, 1 209 new water connections were installed, surpassing the annual target of 1 000 connections. Further growth in water connections is expected upon completion of the Manzini Integrated Water Supply Project

In terms of wastewater services, the region installed a total of 141 new sewer connections during the year against a target of 180. The Ngwane Park sewer extension project is planned for implementation in the next financial year.

#### Revenue

The region generated total revenue of E263.2 million during the year, reflecting a 2.7% shortfall against the annual target of E277 million and a marginal decline of 0.3% compared to E270.3 million achieved in the previous year. This underperformance was primarily due to lower-than-expected results in the second and third quarters, and financial adjustments performed in a clean-up exercise to enhance the integrity of outstanding accounts receivables.

To support revenue stability and accuracy, the region maintained strict enforcement of meter reading and billing compliance to ensure accurate revenue recording and weekly monitoring of high-consumption accounts and to promptly identify changes in customer usage patterns or potential meter faults with timely replacement of stuck meters and a continued focus on billing accuracy and service reliability.



# CREATING VALUE

## Performance (continued)

### Operations (continued)

#### Central Region (continued)

#### Debt management

The region's debtors book value was E128.3 million at the end of the financial year, showing a E3 million decrease compared to the previous year. The regional debt comprised Government (E40 million), Corporate (E13.3 million), Commercial (E12.2 million), Residential (E29.8 million), and Terminated accounts (E33 million).

The region continued to implement debt reduction initiatives including enforcing adherence to the meter reading and credit control policies, conducting meter verification for long-disconnected accounts, customer engagement through calls, payment reminders and ensuring compliance with the debt management policy. Furthermore, efforts are being intensified to improve data accuracy through strengthened compliance with meter reading and billing procedures to ensure accurate billing.

The region has developed a comprehensive strategy to recover old debt for domestic accounts and commercial accounts. The strategy will be implemented in the first quarter of the 2025/2026 financial year and the aim is to recover at least E800 000 of old debt per month, which translates to at least E9.6 million per year. The region seeks to improve collections as a profit-making region to be in line with the Corporation's objective of financial sustainability.

#### Quality compliance

The region achieved an overall potable water quality compliance rate of 95.8% for the year, slightly below the target of 98%. Performance was impacted by high turbidity levels and residual chlorine challenges within the distribution networks. In response, the region undertook routine scouring in high-risk areas to improve distribution system quality and installed chlorine boosters at the Logoba and Khoza reservoirs to enhance residual chlorine levels.

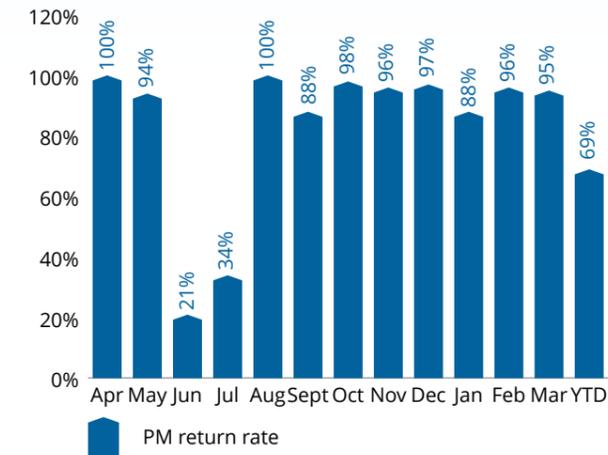
Effluent quality compliance stood at 72% at year-end. The Nhlambeni WWTP showed significant improvement in the fourth quarter, consistently exceeding the 85% compliance target following the commissioning of the rehabilitation project. Meanwhile, the Matsapha WWTP continued to face challenges due to some malfunctioning equipment. A rehabilitation project for the plant is scheduled to begin in the next financial year.

#### Maintenance

##### Preventative maintenance

The annual return rate for Plant Preventative Maintenance (PM) work orders was 69%, falling short of the 90% target due to a spike in work orders in June and September 2024 that proved unmanageable given the available resources. As a result, the target was not met in June and July 2024. To address this, PM work orders were re-distributed monthly per Plant, leading to significant improvements in performance. The target was not met in January due to heavy rains experienced, hence shifting focus to breakdown and corrective work, particularly at Ngwane Park Pre-treatment and Matsapha WTP, where debris buildup caused jamming of the inlet screens.

#### PM Return Rate

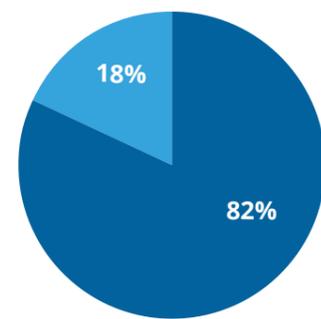


The Network Preventative Maintenance (PM) work orders return rate was 100%, with efforts focused on the maintenance of Pressure Reducing Valves (PRVs), fire hydrants, scour valves, and general network inspections. As network assets are still being populated into the Maximo system, all maintenance tracking and reporting are currently being done manually. Over the year, a total of 388 PMs were completed on network assets. In terms of rehabilitation, 82 out of a total of 213 manholes have been completed and more planned for the new year.

#### Work order distribution

The Plant Preventative Maintenance (PM) to Breakdown ratio is continuously monitored in line with the corporate target of 80/20. For the year, a ratio of 82/18 was achieved, successfully meeting the objective. Enhanced implementation of PM activities contributed to a reduction in equipment failures, with breakdowns averaging 16 per month.

#### Breakdown vs PM



PM activities were carried out across all operational sites, namely, Matsapha WTP, Raw Water Plant, Logoba Booster, Kelly Booster, Moneni Booster, Ngwane Park Pre-treatment, Nhlambeni WWTP, Matsapha WWTP, and Mankayane WTP.

Project work was primarily focused on the rehabilitation of the Nhlambeni WWTP and scoping of Matsapha WWTP rehabilitation.

#### Equipment status

Equipment availability for the year stands at 82%, impacted by several critical issues across key sites Nhlambeni WWTP, Matsapha WTP and Ngwane Park Pre-Treatment.

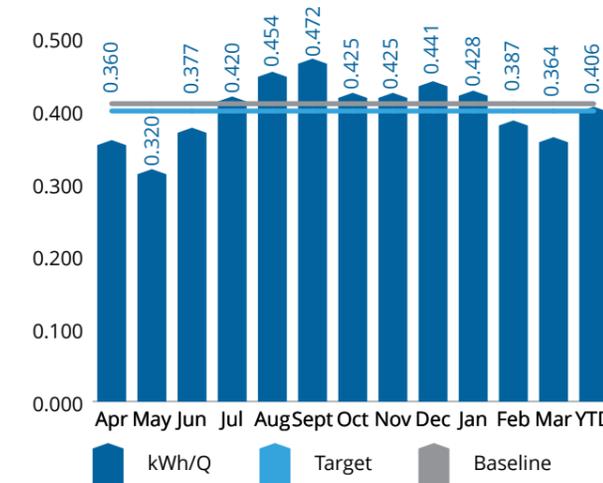
#### Energy Management

Energy remains one of the most significant cost drivers in the region. The Matsapha WTP is the highest contributor to the overall energy consumption, accounting for 18%, followed by the Matsapha WWTP at 10%. There have been focused improvements in daily monitoring of the energy consumption and implementation of initiatives to reduce consumption. The Time of Use (TOU) initiative has been yielding some positive results for the Matsapha WWTP. The full implementation has been set back by operational challenges which included high turbidity issues due to rains, power outages, maintenance works and the Logoba reservoir level challenges.

Equipment usage analysis was conducted at Matsapha WWTP which resulted in the initiative of optimising the Aeration Process by reducing the number of aerators used in order to optimise energy consumption whilst maintaining effluent quality.

For pumping systems, year-end energy performance reached 0.406 kWh/m<sup>3</sup>, slightly below the target of 0.41 kWh/m<sup>3</sup>, representing a 2% improvement.

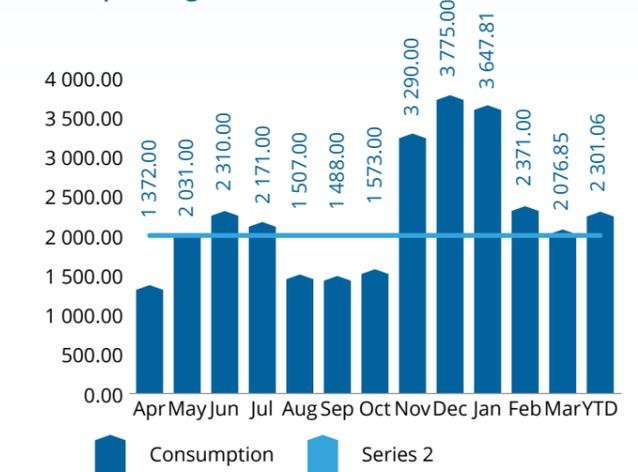
#### Pumping kWh/m<sup>3</sup>



For non-pumping systems, the energy target of 2 060 kWh was not met, with actual consumption at 2 301.06 kWh, which is 12% above target.

The spike in energy consumption was primarily driven by an increase in fabrication activities at the Maintenance Workshop. These activities formed part of sustainability measures aimed at reducing reliance on outsourced services. In response, fabrication activities are now closely monitored and recorded to better understand their impact on overall energy consumption.

#### Matsapha Regional Offices



#### Human capital

The region ended the year with a total staff complement of 155 employees. There were six staff exits, two due to mandatory retirement, two voluntary exits, and two terminations. The year closed with six vacancies for two Pipefitter Assistants, and four Pipefitter positions. The region also participated in the Corporation's routine health surveillance checks aimed at monitoring and enhancing employee wellness.

#### Safety/incidents

The region recorded the following incidents during the year:

- Environmental - 0
- Human (IODs) - 15
- Property damage - 10
- Near Misses - 10

To maintain and further enhance safety in all sections, the region continues to implement both preventive and corrective measures aimed at protecting employees, customers, property, and the environment. These efforts include regular weekly and monthly Safety, Health, and Environment (SHE) awareness meetings with various teams, as well as planned task observations conducted by managers to ensure compliance and provide on-the-ground support to employees.

#### Meter theft

The region recorded a decrease in the theft of domestic water meters during the period, with 843 meters reported stolen compared to 2 078 in the previous year. High-risk areas included Ngwane Park, New Village, Makholweni, Khoza, Mahlabatsini and recently Nhlambeni. The region continues to actively collaborate with stakeholders such as the Royal Eswatini Police, Manzini Community Police, Manzini City Council, Matsapha Town Board and scrap yard owners in efforts to eliminate this issue.

# CREATING VALUE

## Performance *(continued)*

### Operations *(continued)*

#### East Region

##### Raw water

A total of 3 984 076 m<sup>3</sup> of raw water was abstracted during the financial year, representing a 38% increase compared to the previous year. The water was sourced from the Great Usuthu, Ngwavuma, and Mhlatuze rivers. No raw water challenges were experienced during the reporting period, as adequate rainfall was received from December 2024 up to March 2025.

##### Growth

The region continued to experience growth in new water connections, with 581 installations completed during the year, showing an increase from 535 in the previous year. This exceeded the annual target of 400 connections and represents an 8.5% increase compared to the previous year. Only six sewer connections were installed during the year, falling short of the target of 30. The shortfall was due to a smaller number of applications received during the year. Additionally, there are currently no sewer extension projects underway in the region.

##### Revenue

The region recorded revenue of E65.3 million, surpassing the target of E58 million by E8.8 million. This reflects a 10% improvement over last year's performance of E54.9 million, an increase of E11.9 million. The improvement is attributed to increased billed volumes, prompt replacement of stuck meters, a rise in new water connections, and the rightsizing of key customer meters. The region is also actively monitoring consumption trends of key accounts to support continued sales growth.

##### Debt management

The region's debt closing balance decreased from E44.7 million to E40.08 million, reflecting a 10.3% reduction compared to the previous reporting period. The overall average collection rate stood at 104%, with residential collections at 109% and commercial collections at 112%. Debtor days remained high at 265 days, though this marks an improvement from 311 days reported in the previous year. Compliance with the debt management policy was at 65%, while discrepancies stood at 12%. The region continued to intensify its debt reduction strategies, which include disconnections for non-payment, blacklisting, meter uprooting, and proactive customer engagement through phone calls.

Debt by category was as follows:

- Residential: Decreased from E30.7 million to E27.8 million
- Commercial: Decreased from E3 million to E1.7 million
- Government: Decreased from E3.8 million to E3.0 million
- Corporate: Remained constant at E2 million
- Terminated Accounts: Increased from E5.1 million to E5.3 million

#### Human capital

The region has a total staff establishment of 93, with a current staff complement of 83, leaving 10 vacancies during the reporting period. Three of these vacancies resulted from employee resignations in February 2025. The remaining positions are expected to be filled during the implementation of Phase Two of the Organisational Development (OD) process.

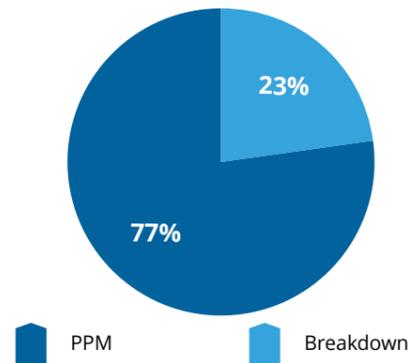
#### Quality compliance

The overall potable water quality compliance for the financial year was 95.5%, reflecting a 2% improvement from the 93.5% recorded in the previous year. Despite this progress, compliance fell short of the 98% target by 2.5%. Effluent quality, however, declined to 81%, down from 86.7% in the previous reporting period. The ongoing rehabilitation of the Sikhuphe WWTP impacted on the performance, as bypassing the treatment process at the plant affected effluent quality throughout the year.

#### Maintenance

##### Preventative maintenance

##### PM vs Breakdown



The Planned Maintenance to Breakdown ratio for the reporting period was 77:23, reflecting an improvement compared to the 67:33 ratio reported in the previous period. Breakdowns were attended at Simunye, Lubulini, and Sithobelweni WTPs. The region continues to periodically review maintenance plans and update the maintenance schedule to minimise equipment breakdowns and enhance asset availability.

##### Energy management

The region monitors energy performance across four sites: Simunye WTP, Simunye Booster Station, Lonhlopheko Booster Station, and Likhula Pump Station. During the reporting period, the overall energy efficiency was 2.08 kWh/m<sup>3</sup>, compared to a target of 1.92 kWh/m<sup>3</sup> and a baseline of 2.02 kWh/m<sup>3</sup>. This represents an 8% increase in energy consumption against an expected 5% reduction from the baseline. Notably, energy efficiency at the Simunye Booster Station worsened by 20%, contrary to the targeted 5% reduction. The region is prioritising efforts to reduce energy usage at this site.

#### Safety incidents

The Region recorded the following incidents during the reporting period:

- Human (IODs): five (All the employees were treated and discharged)
- Environmental: six (sewer spillages)
- Fleet (vehicle and plant): five (three vehicles, one motorcycle and one lowbed)
- Near misses: three

#### Stolen meters

There were 190 stolen meters reported and confirmed during the reporting period. The identified hot spot areas include Mpaka, Mzilikazi, and Moyeni. In response, the region has been replacing stolen meters with plastic alternatives. Efforts to combat meter theft are ongoing, with continued collaboration between the region and key stakeholders, including the Royal Eswatini Police, Siteki Town Council, and local community leaders.

#### North Region

##### Raw water

The region received average to more than average rainfall this year, resulting in stable raw water sources in all the water treatment plants. Maguga dam that provides water to Piggs Peak and Mananga improved from 60% in December 2024 to 99.9% in March 2025. Mbuluzi River which services Croydon and recharges the Mnjoli Dam also remained full as of March 2025. While Vuvulane WTP which draws water from the Mhlume Water Canal had consistent water supply. Lomahasha that utilises underground water through a borehole had challenges between September and December 2024. Total raw water abstracted from the sources increased from 647 944KL last financial year to 692 493KL this year which translated to a 7% increase.

##### Growth

The region witnessed modest growth in water and sewer service connections as there was no network expansion to new areas. A total of 82 new water connections were installed this year compared to a target of 50. Ongoing projects such as Matjeni-Nginamadvollo water supply project, financed by the micro-projects' unit, could not be completed in the year due to the inclement weather conditions and other challenges faced by the contractor. There were only five sewer service connections installed this year against a target of 12. The region is enhancing stakeholder engagement to foster the uptake and full utilisation of the sewer infrastructure installed around the urban areas both in Piggs Peak and Vuvulane towns.

#### Revenue

Total revenue recorded this year was E16.4 million against a budget of E17.5 million with a short fall of 6.3%. Contributing to this were the disconnections effected for non-payment and the delayed completion of the Matjeni project. The region was able to contain costs as per its mandate with total expenditure of E26.5 million against a budget of E28.6 million, performing better than budget with a positive variance of 8% in its profit margin.

#### Debt management

The debt closing balance as of March 2025 stood at E10.6 million. This reflected an increase of E2.5 million when compared to E8.1 million recorded in March 2024. Residential accounts accounted for E2.2 million, a 4% compared last year. Commercial accounts also declined from E1.2 million in March 2024 to E960 000 this financial year. The culture of monthly payment from customers remains a challenge that the region continues to inculcate especially with residential customers. Disconnection for non-payments is implemented at an early stage to prevent debt from escalating and customers' engagement is focused on ensuring continued patronage.

#### Quality compliance

Potable water overall quality compliance was consistent from 94.6% in the previous year to 94.2% this year, against a corporate target of 98%. Turbidity and residual chlorine compliance in both treatment facilities and distribution points presents an opportunity for improvement. A more reliable disinfection equipment was installed at Mananga, Lomahasha and the Piggs Peak main reservoir to improve performance and compliance to EWSC standards. A new water treatment facility was constructed and commissioned in July 2024 at Mananga with marked improvement in quality and supply reliability. Rehabilitation of the Maguga and Phophonyane Water treatment plants is in progress with positive results anticipated in the new year.

Effluent quality compliance improved from 84% in the previous year to 85% this year, reflecting an increase of 1%. Piggs Peak stabilisation ponds experienced challenges between July to September prompting dredging which was done in October 2024 where performance improved. Vuvulane ponds continued to perform well with an average of 89% which was above target.

The active leak detection through district meter consumption analysis and pipe walking is ongoing and yielding positive results

# CREATING VALUE

## Performance (continued)

### Operations (continued)

#### North Region (continued)

#### Maintenance

The planned vs breakdowns maintenance target of 80/20 ratio was met during the financial year of 2024/25, which is under review, with the region having achieved 84/16.

Areas that attracted more resources was the Maguga system that has five pump stations and remote sites that include Croydon, Vuvulane, Mananga and Lomahasha.

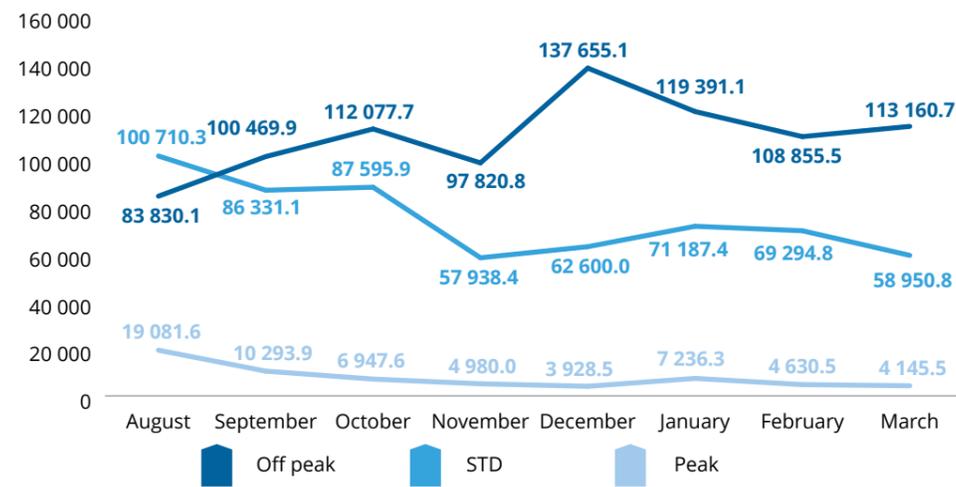
#### Equipment availability

Equipment availability in the region stood at 95% for the year and this minor deviation is attributed to the breakdowns experienced in December 2024 at Lomahasha and Croydon. The region will focus on ensuring that standby pumps are readily available at all stations.

#### Energy management

Energy management initiatives were implemented to reduce energy costs in the region. Energy costs accounted for 30% of total expenditure. The implementation of the time of use (TOU) schedule for pumping sites was initiated during the high season in June 2024. This initiative produced cost gains because of the shift to predominantly off-peak production. Below is a graph showing the consumption between the production periods:

#### Time of Use Analysis



The total energy cost for the year was at E8.1 million with total consumption of 2 397 247 kWh at an efficiency of 0.70 kWh/m<sup>3</sup>.

#### Human capital

The staff complement remained unchanged at 39 against a total staff establishment of 49 employees. A total of 11 vacancies of Treatment Plant Operators were filled in the second quarter. Ten positions that remain vacant will be filled through the OD multiyear human resourcing plan. Two employees reached the mandatory retirement age of 60 years in August 2024 and in February 2025.

#### Safety, risks and health

The North region did not record any property and Injury on duty incidents during this financial year. Underscoring this positive performance were the Safety, Health and Environmental meetings held as per the SHEQ requirement. Morning toolbox talks were held per workstation which empowered employees, and the enhanced the culture of reporting near misses which continued to be entrenched in the region as a proactive measure of incident management. Investigations were conducted into any near-miss incident and corrective measures taken to prevent the occurrence of any IOD.

## Quality assurance

### Water quality management

Ensuring safe and reliable delivery of drinking water is a top priority at EWSC. This is achieved through the comprehensive water quality management programme (WQMP) implemented in all EWSC service areas. Dedicated staff from the treatment plants to the water quality assurance section are constantly monitoring and measuring the quality of drinking water to ensure that it meets all the local and international drinking water requirements.

The year 2024/25 was another year for good water quality. 96% of all samples, whether from waterworks, reservoirs or customer taps, met the regulatory requirements. In addition to testing, the Water Quality Assurance department proactively carried

out sampling of untreated water, also referred to as raw water in all abstraction points or catchment areas. During the period, untreated water results were used to further understand the quality of raw water to select the best suited supplies for treatment at treatment waterworks.

Through the WQMP, EWSC was able to evaluate treatment works effectiveness, perform system audits, coordinate reservoir cleansing programme and continually implement water safety plans in selected service areas. The laboratory as the nucleus of the Water Quality Assurance department, situated in Mbabane, provides world class services to internal and external clients through its state-of-the-art facility. The laboratory consists of potable water, wastewater, microbiology and meter verification sections, which are all ISO/IEC 17025 accredited. This demonstrates that the laboratory operates competently and generates valid and credible results.

### Potable water quality compliance

#### EWSC Drinking Water Compliance Summary Report 2024-25

Microbiological Determinands													
<b>D</b>	E.coli	Total coliforms				Enterococci							
<b>U</b>	Count/ 100mL	Count/ 100mL				Count/ 100mL							
<b>L</b>	Not Detected	≤10.00				Not Detected							
<b>R</b>	Acute Health	Operational				Acute Health							
		<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>
		98	98.4	4 077	66	98	93.9	4 077	249	98	90.5	545	52
<b>W</b>	Primary indicator of faecal contamination of treated water.	Detection of coliform bacteria may indicate sub-optimal operation of the treatment process or ingress of contamination from breaches in the integrity of the distribution system.				Used to assess the significance of the presence of coliform bacteria in the absence of E.coli or to provide additional information when assessing the extent of possible faecal contamination. They are regarded as secondary indicators of faecal pollution.							

<b>D</b>	<b>Determinand</b>	<b>U</b>	<b>Units</b>	<b>L</b>	<b>Limit</b>	<b>R</b>	<b>Risk</b>	<b>W</b>	<b>What it means to customers</b>
<b>CT%</b>	Compliance Target %	<b>CA%</b>	Compliance Achieved %	<b>NT</b>	Number of Tests	<b>NN</b>	Number non-compliant		

# CREATING VALUE

## Performance (continued)

### Quality Assurance (continued)

#### Potable Water Quality Compliance (continued)

Chemical & Physical Properties													
<b>D</b>	Colour	Conductivity at 25°C				Turbidity – WTP				Turbidity – DST			
<b>U</b>	HZ	mS/m				NTU				NTU			
<b>L</b>	≤15	≤150				≤5				≤5			
<b>R</b>	Aesthetic	Aesthetic				Operational				Operational			
		<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>
		98	99.0	4 145	40	98	100.0	4 145	0	92	95.6	544	24
<b>W</b>	Water should be clear and bright but natural organic matter or pipework corrosion products may occasionally impart a slight tint.	A measure of the ability of the water to conduct an electric current and therefore a measurement of the mineral salts dissolved in the water.				The standard requires that there should be no haziness caused by fine particles.							
<b>D</b>	pH at 25°C	Alkalinity				Total Hardness							
<b>U</b>	-	mg/L				mg/L							
<b>L</b>	5.0-9.5	<400				<400							
<b>R</b>	Operational												
		<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>
		98	99.5	4 143	19	98	100.0	4 145	2	98	99.6	543	2
<b>W</b>	Water with a pH outside the SZNS SANS 241 range may affect drinking water taste, its quality, and safety, while compromising structural integrity of EWSC facilities like pipe works.	A measure of the water's capacity to neutralise acids and maintain a stable pH. No health risk category assigned to it, however, it is still an indicator of water quality, corrosiveness and ability for effective disinfection of drinking water.				Hardness is not a direct health hazard, however, increased levels can affect the taste and aesthetics of water and contribute to scaling in pipes and household appliances. EWSC generally supplies soft water.							
<b>D</b>	Suspended Solids	Dissolved Solids											
<b>U</b>	mg/L	-											
<b>L</b>	≤25	≤500											
<b>R</b>	Acute Health	Aesthetic											
		<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>
		98	99.8	561	1	98	100.0	4 145	0				
<b>W</b>	These are particles not dissolved in water, and at high levels may reduce clarity, increased turbidity, and increase the potential for harmful bacteria and pollutants.	High levels of dissolved solids in drinking water can affect the taste causing it to be bitter or salty. High levels of TDS can also lead to scaling and corrosion in any application but especially in boiling kettles and household geysers.											

Chemical requirements - macro-determinands																	
<b>D</b>	Free Chlorine – WTP	Free Chlorine – DST				Total Chlorine				Nitrate							
<b>U</b>	mg/L	mg/L				mg/L				mg/L							
<b>L</b>	1.0 – 2.0	0.2 – 1.0				≤5				≤10							
<b>R</b>	Chronic Health	Chronic Health				Chronic Health				Acute Health							
		<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>
		98	76.3	544	129	98	77.2	3 588	817	98	85.3	2 304	339	98	99.1	561	5
<b>W</b>	Chlorine is added to our water as a disinfectant, to ensure that there are no harmful bacteria in the water we supply.	The sum of free chlorine and combined chlorine, used to evaluate overall chlorine levels in drinking water.				Nitrate arises from the use of fertilisers in agriculture and may be minimised by good farming practices and appropriate controls.											
<b>D</b>	Nitrite	Sulphate				Fluoride				Ammonia							
<b>U</b>	mg/L	mg/L				mg/L				mg/L							
<b>L</b>	≤0.9	≤500				≤1.5				≤1.5							
<b>R</b>	Acute Health	Acute Health				Chronic Health				Aesthetic							
		<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>
		98	100.0	561	0	98	100.0	561	0	98	100.0	561	0	98	99.1	561	5
<b>W</b>	Nitrite may be associated with nitrate or with the use of ammonia in water disinfection.	Occurs naturally in many source waters after contact with particular mineral deposits and rock strata. The concentrations normally found in drinking water do not represent a risk to health. Excess levels can contribute to corrosion.				Occurs naturally in many water sources. The standard is set to ensure no adverse effects. EWSC does not artificially fluoridate water supplies.				Occurs naturally in most water sources as a product of organic matter decomposition. EWSC does not add ammonia to assist with disinfection now. Long term exposure may affect internal organs.							
<b>D</b>	Chloride	Phosphate				Zinc				Sodium							
<b>U</b>	mg/L	mg/L				mg/L				mg/L							
<b>L</b>	≤200	≤1.00				≤5				≤200							
<b>R</b>	Aesthetic					Aesthetic				Aesthetic							
		<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>
		98	97.9	561	12	98	97.5	561	14	98	100.0	232	0	98	100.0	232	0
<b>W</b>	Occurs naturally in most water sources and is a component of common salt. Levels above the standard could give rise to taste issues and contribute to corrosion.	Not toxic at the limit prescribed by SZNS SANS 241; however, increased intake may cause digestive problems.				Zinc is used to protect pipes from rust as a protective coat, and this may dissolve into the supplied water causing taste and colour issues. Increased concentrations may cause nausea, stomach cramps and in some cases vomiting.				Sodium occurs naturally in water after passing through certain mineral deposits and rock strata or in brackish groundwater. Sodium salts are used extensively in the home and in industrial processes.							

D	Determinand	U	Units	L	Limit	R	Risk	W	What it means to customers				
	CT%	Compliance Target %		CA%	Compliance Achieved %		NT	Number of Tests	NN	Number non-compliant			

# CREATING VALUE

## Performance (continued)

### Quality Assurance (continued)

#### Potable Water Quality Compliance (continued)

Chemical requirements – organic-determinands					Chemical requirements – micro-determinands															
<b>D</b>	Phenols				Aluminium				Antimony				Arsenic							
<b>U</b>	µg/l				µg/l				µg/l				µg/l							
<b>L</b>	≤10				≤ 300				≤ 20				≤ 10							
<b>R</b>	Aesthetic				Operational				Chronic Health				Chronic Health							
	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>				
	98	99.4	333	2	98	65.1	232	81	98	100.0	232	0	98	92.2	232	18				
<b>W</b>	Phenols may enter water naturally, at low levels can result in taste and odour issues in drinking water. Increased concentrations may cause kidney and liver damage.				Occurs naturally in many water resources. Aluminium compounds are also used at some water treatment plants to remove impurities. These compounds are removed in the process.				Very low levels may occur naturally, but higher amounts could be associated with industrial pollution. The limit is health-related but has a large built-in safety factor.											
<b>D</b>	Barium				Boron				Cadmium				Total chromium							
<b>U</b>	µg/l				µg/l				µg/l				µg/l							
<b>L</b>	≤ 700				≤ 2 400				≤ 3				≤ 50							
<b>R</b>	Chronic Health				Chronic Health				Chronic Health				Chronic Health							
	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>				
	98	100.0	232	0	98	100.0	232	0	98	96.1	232	9	98	99.6	232	1				
<b>W</b>	Low levels of barium may occur naturally in water after it leaching into water sources.				High concentrations on boron in drinking water can pose health risks especially in young and unborn children affecting development and growth.				Very low levels may occur naturally, but higher amounts could be associated with industrial pollution. The limits are health-related but have a large built-in safety factor. High concentration can cause cancer and affect kidneys.											
<b>D</b>	Copper				Cyanide				Iron				Lead							
<b>U</b>	µg/l				µg/l				µg/l				µg/l							
<b>L</b>	≤ 2 000				≤ 200				≤ 300				≤ 10							
<b>R</b>	Chronic Health				Acute Health				Aesthetic				Chronic Health							
	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>				
	98	100.0	232	0	98	100.0	288	0	98	98.7	232	3	98	88.8	232	26				
<b>W</b>	An essential trace element; however, increased levels may in the short-term cause nausea, stomach cramps and diarrhoea. Extended period of exposure may cause liver and kidney damage. Plumbing material may leach this metal to drinking water.				Very low levels may occur naturally, but higher amounts could be associated with industrial pollution.				Iron may be associated with the corrosion of old iron mains. The standard has been set for aesthetic reasons as levels consistently above the limit can give rise to discoloured water.				Traces sporadically noted in raw water sources. Variable concentrations of lead may be found at customers' taps especially in older properties built at a time when lead was commonly used in domestic plumbing systems. The standard recognises that the intake of lead should be minimised for health reasons.							

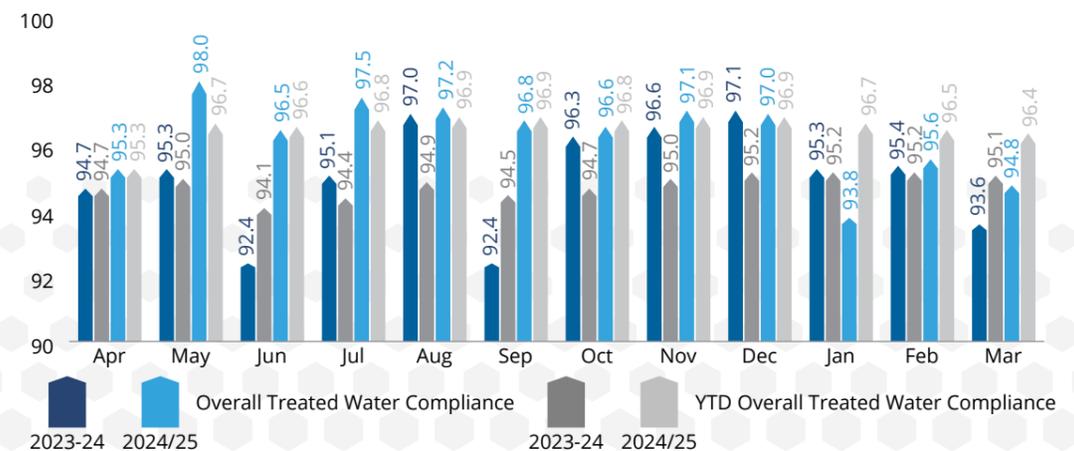
<b>D</b>	Manganese	Nickel	Selenium	Uranium												
<b>U</b>	µg/l	µg/l	µg/l	µg/l												
<b>L</b>	≤ 400	≤ 70	≤ 40	≤ 30												
<b>R</b>	Chronic Health	Chronic Health	Chronic Health	Chronic Health												
	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>	<b>CT%</b>	<b>CA%</b>	<b>NT</b>	<b>NN</b>				
	98	99.6	232	1	98	99.5	409	2	98	99.0	409	4	98	91.5	389	33
<b>W</b>	Occurs naturally in many water sources. The standard is set for aesthetic reasons as black deposits of manganese dioxide can give rise to discoloured water.		Very low levels may occur naturally, but higher amounts could be associated with tap fittings. The limit is health-related but has a large built-in safety factor.		Low levels of selenium may occur naturally in water after it has passed through various mineral deposits and rock strata. Selenium is an essential element and is required as part of our diet.		Uranium occurs naturally in water after passing through certain mineral deposits and rock strata. Ingestion over an extended period may cause kidney dysfunction.									

<b>D</b>	Determinand	<b>U</b>	Units	<b>L</b>	Limit	<b>R</b>	Risk	<b>W</b>	What it means to customers
	<b>CT%</b>	Compliance Target %		<b>CA%</b>	Compliance Achieved %	<b>NT</b>	Number of Tests	<b>NN</b>	Number non-compliant

EWSC has adopted the Eswatini National Standard for drinking water (SZNS SANS 241-1;2015 & 241-2;2015) to ensure safe water to the citizens of the country. The period under review saw an improvement in two (Aesthetic and operational efficiency risk categories) of the four risk categories, while there is an opportunity for improvement which shall be realised in the new strategic period. The risks which are posed by micro-organisms, physical or aesthetic property or chemical substance in drinking water are categorised into four risk categories, namely: acute health, chronic health, aesthetic and operational efficiency. They are defined as below.

- Acute health refers to determinands that pose an immediate unacceptable health risk, if present, at concentration values exceeding the numerical limits specified in this part of SZNS SANS 241.
- Chronic health refers to determinands that pose an unacceptable health risk if ingested over an extended period if present at concentration values exceeding the numerical limits specified in SZNS SANS 241.
- Aesthetic refers to determinands that taint water with respect to taste, odour, and colour and that does not pose an unacceptable health risk if present at concentration values exceeding the numerical limits specified in SZNS SANS 241.
- Operational refers to determinands that are essential for assessing the efficient operation of treatment systems and risks to infrastructure.

Water Quality Compliance to SZNS SANS 241;2015



# CREATING VALUE

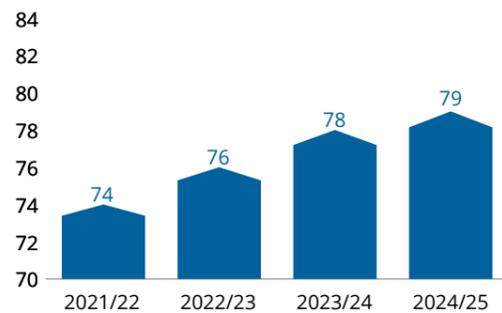
## Performance (continued)

### Quality Assurance (continued)

#### Wastewater quality performance

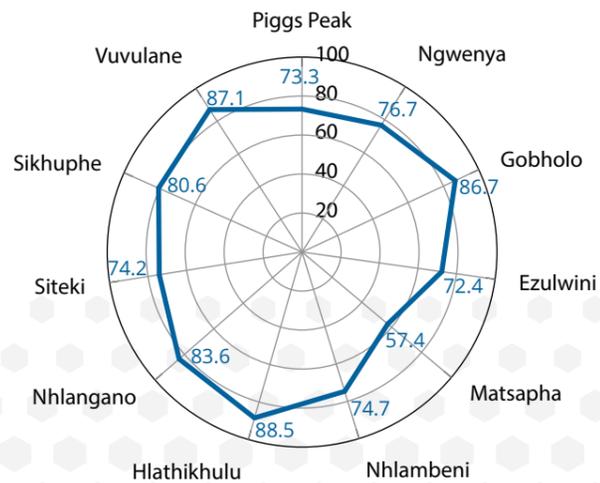
Overall, the wastewater effluent quality compliance did not meet the objectives set for the strategic period 2022-25 of 85% compliance to the Water Pollution Control Regulations (WPCR 2010), despite an overall increment of 5%. There was an increase to 79% from 78% in the previous year, a testament to the ongoing phased approach in infrastructure upgrades, supported by the capital projects budget. Most capital projects which commenced during the year 2024/25 will be commissioned in the next financial year, where an improvement from 79% is expected. This is coupled with a dedicated team focusing on process optimisations and asset maintenance to ensure full availability of all treatment components and an ongoing initiative towards research and development.

#### Wastewater Quality Compliance to WPCR 2010



Overall compliance was still negatively impacted by a few wastewater parameters including colour, dissolved oxygen and microbial compliance which were mostly not meeting per the Water Pollution Control Regulations limits.

#### Wastewater Quality Compliance per Treatment Plant



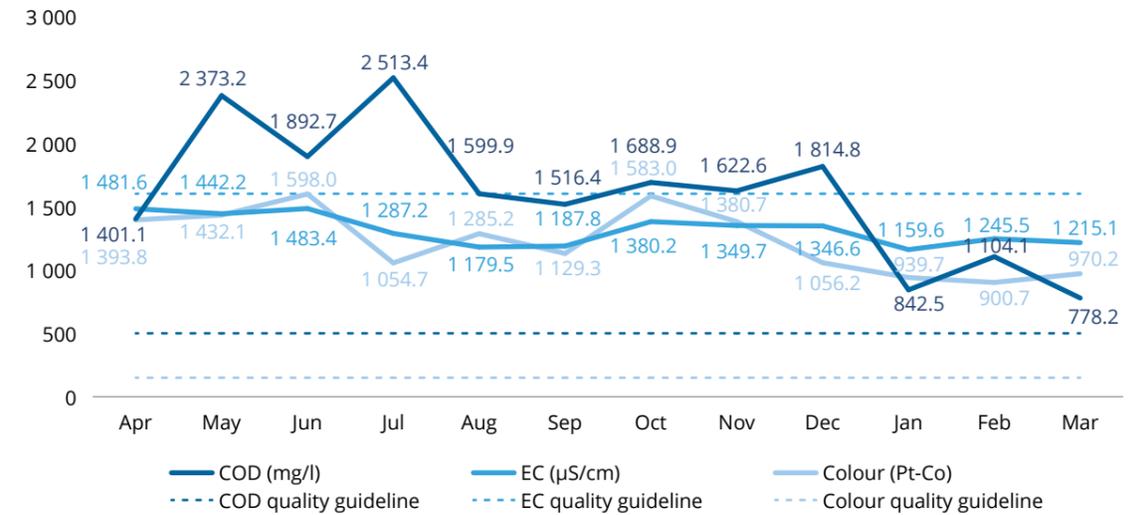
The Quality Assurance department evaluates the efficiency of WWTPs and the quality of the treated effluent before it is released to receiving water bodies such as rivers and streams. The laboratory conducted over 22 000 wastewater tests in the year, ranging from microbiological to physico-chemical parameters (including organic pollutants and trace metals), as detailed in the Water Pollution Control Regulations (WPCR 2010).

Due to continued treatment strain on wastewater plants from heavy industries, the industrial effluent billing formula was reviewed and approved as part of the new tariff. In the new strategic period 2025-30, more wastewater parameters will be reviewed with anticipation to be included into the formula. This is mainly necessitated by the continued incidents of unauthorised discharge and dumping into EWSC sewers and the limitation of the approved parameters. Through the laboratory, the Corporation monitors industry compliance through the Industrial Effluent Monitoring Programme (IEMP), where over 13 000 tests were conducted.



The graph below depicts the average industrial effluent parameters (COD, Colour & EC) between April 2024 and March 2025.

#### Trade Effluent Average COD & EC (April 2024- March 2025)



## Non-Revenue Water

### Non-revenue water

Non-Revenue Water (NRW) is the water produced by a water utility but not billed to customers. This water is essentially lost either due to technical problems or human factors. NRW typically represents a percentage of the total water produced by a utility, and its reduction is crucial for improving both operational efficiency and financial sustainability.

NRW was 43% and has decreased by 2% from the previous financial year, primarily due to a 7% increase in billed volumes, coupled with a 3% increase in production volumes. The NRW for the year 2024/25 exceeds the target of 28%. The major contributor to NRW has been physical losses.

The North Region produced impressive non-revenue water figures, whilst the North-West and East Regions had the highest % NRW. However, based on volume the North-West and Central Regions are the major contributors to non-revenue water, with a combined 80% of the total non-revenue water.

The table below shows the status of NRW indicators for the financial year 2024-25 against internationally defined benchmarks for water utilities.

Type of Indicator	Name of Indicator	Value	Standard
Physical Indicators	Percentage of System Input Volume (SIV)	43 %	<28%
Physical Indicator	Infrastructure Leakage	2	1
Commercial Indicator	Litres/connections/day	206 l/c/d	150 l/c/d



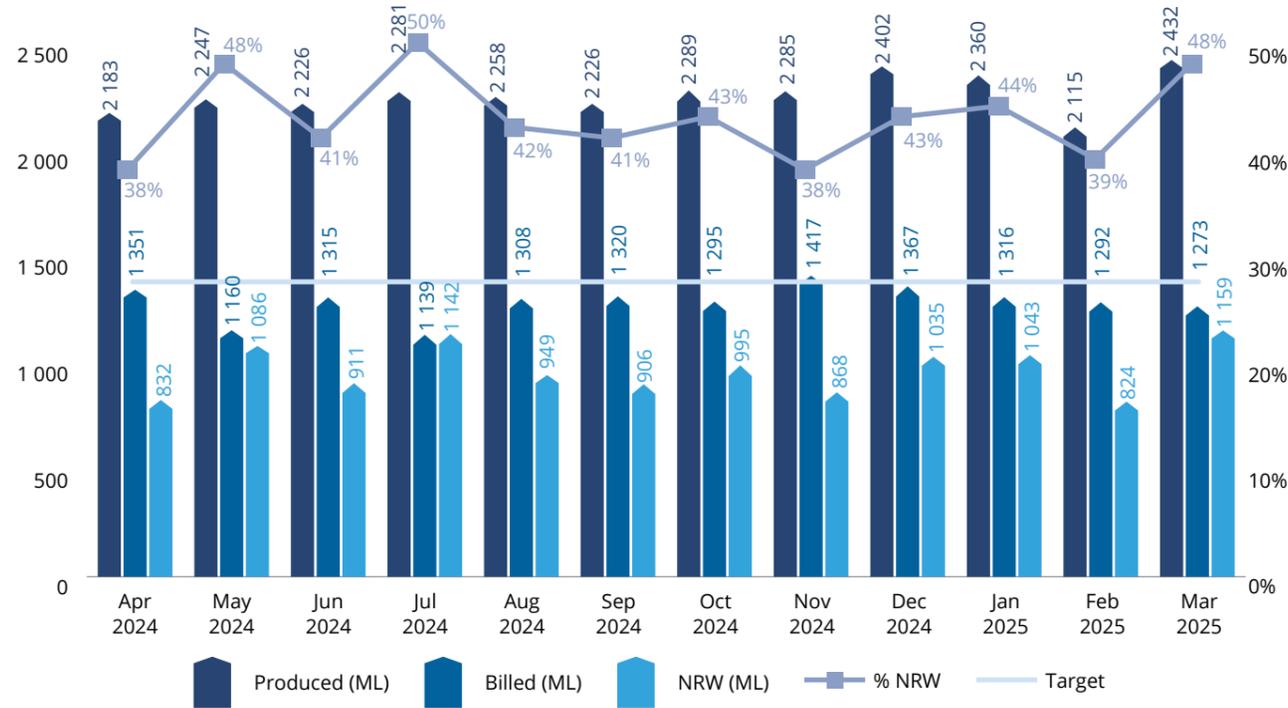
# CREATING VALUE

## Performance (continued)

### Non-Revenue Water (continued)

The 2024/25 NRW trend is shown in the graph below.

EWSC-NRW-Ytd Trend

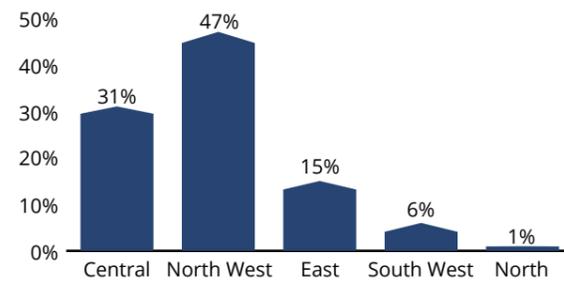


The months of April and November 2024 recorded the lowest NRW, which was 38%. This was largely due to increased billed volumes. Although November had one of the largest production volumes, its billed volumes increased by a larger margin. Produced volumes showed a consistent rising trend, starting at 2 183ML in April 2024 to 2 432ML in March 2025. Billed volumes had their largest volume recorded in November, which resulted in a lower NRW figure for the month.

### Regional non-revenue water contribution

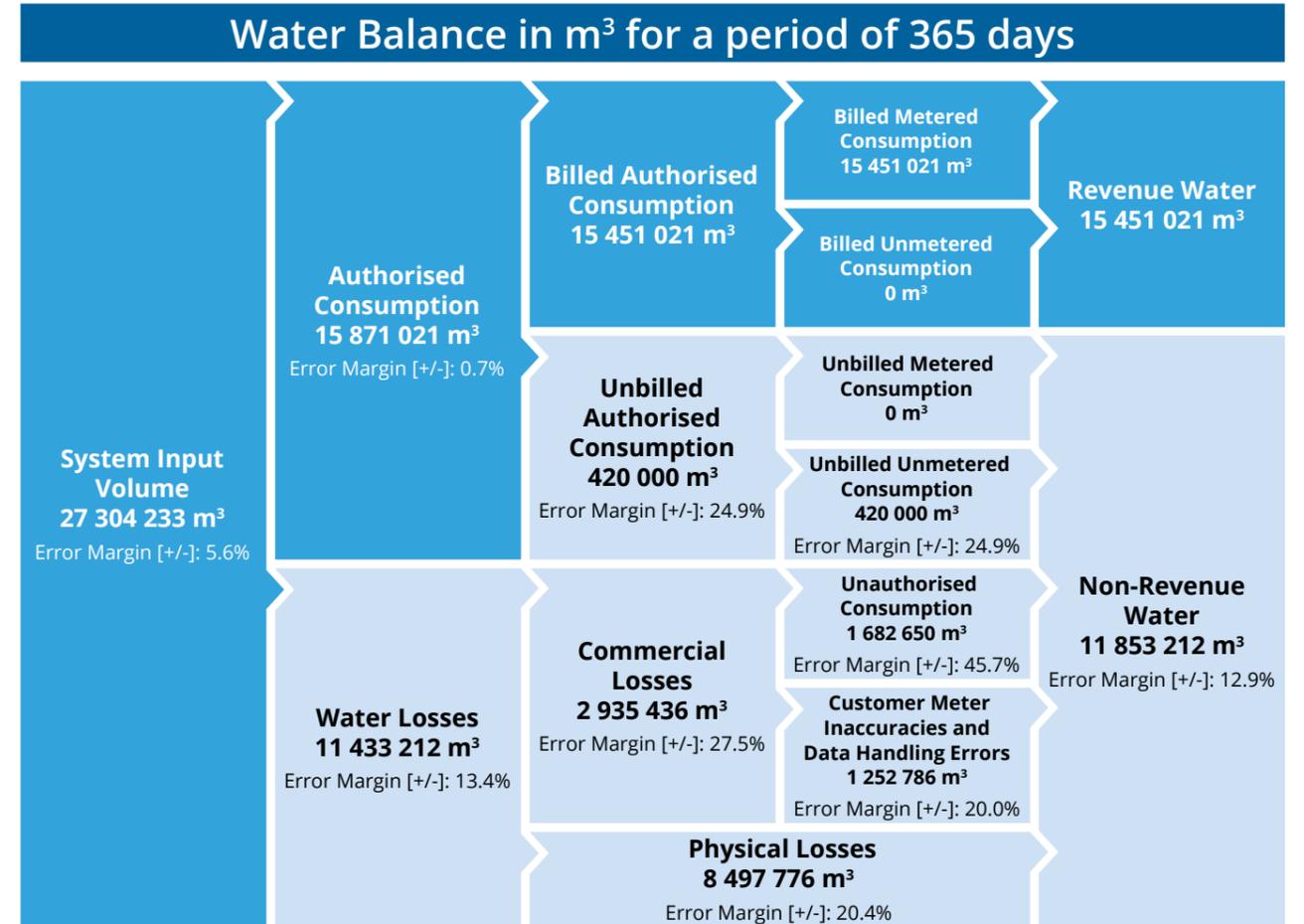
The Regional NRW contribution to the overall NRW is shown in the following graph. The North-West Region remains the dominant source of water losses, contributing 47% of the total NRW. The Central Region follows with 31%. These two regions contributed a combined NRW of 78%, reinforcing the need for urgent attention in these two areas, hence the deployment of a significant portion of CAPEX investments to these two areas. The East Region contributes 15%, a noticeable share that also warrants targeted efficiency improvements, while the South-West and North Regions reported significantly lower contributions, at 6% and 1%, respectively.

NRW Regional Contribution



### International Water Association (IWA) Water Balance

The table below shows the overall IWA balance, which unpacks the different components of the NRW.



The annual IWA Balance reveals that out of the total System Input Volume (SIV) of 27 304ML, 15 451ML (which is 56.6%) is billed and revenue-generating, while 43.4% constitutes NRW.

Physical losses alone account for 74% of the produced volume, indicating significant infrastructure challenges, possibly due to ageing infrastructure which contribute to leaks and bursts. Commercial losses contribute an additional 10.8%, driven by unauthorised consumption (6.2%) and meter inaccuracies or data

handling errors (4.6%), highlighting issues in customer metering, enforcement, and data systems.

Unbilled authorised consumption, although a small share (1.5%), still represents an area for improvement. With NRW nearly double the Corporation's target of 28%, urgent strategic action is needed, focusing on active leakage control, meter accuracy, enforcement, and operational transparency.

# CREATING VALUE

## Performance (continued)

### Non-Revenue Water (continued)

#### Township performances

##### North-West Region townships

The NRW performance across the North-West Region's Townships shows a persistently high loss rate, with the overall NRW for 2024/25 reaching 57%, driven largely by Mbabane (61%), Ngwenya (56%), and Ezulwini (40%).

##### Central Region townships

The Central Region Townships reported an SIV of 11 021ML, out of which 7 405ML, represented revenue water while NRW amounted to 3 615ML, approximately 34% of the SIV. This reflects a modest improvement from the prior year's NRW of 36%, indicating some progress in loss reduction.

##### East Region townships

Over the current reporting period (2024/2025), the East Region's Townships recorded a total of 18 108 connections, of which 4 662 (26%) are inactive. Lubulini and Sithobela show particularly poor engagement, with 40% and 30% of their connections inactive, respectively. The SIV across all towns amounted to 3 489ML, and 1 737ML was billed, yielding a NRW volume of 1 752ML, or 50% NRW.

##### South-West Region townships

South-West Townships reported a total of 11 501 water connections, of which 1 615 (14%) are inactive, which is a relatively low inactivity rate compared to other regions. However, Hlutsi stands out with a 37% inactivity rate, indicating low service utilisation or long-standing account dormancy. The SIV for the region totals 2 514ML, with a billed volume of 1 790ML, resulting in NRW of 724ML, or an average NRW rate of 29%.

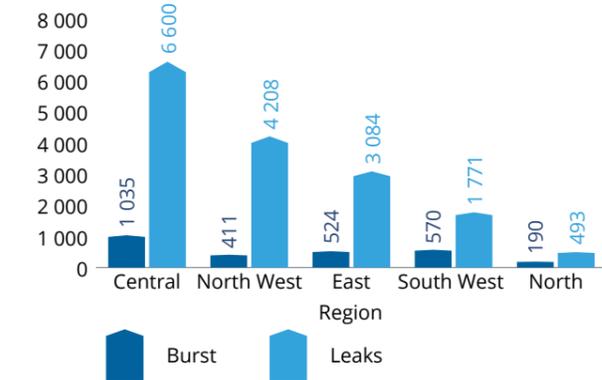
##### North Region townships

The Northern Townships have a total of 2 628 connections, of which 20% are inactive, comparable to the Central Region and better than the East. The SIV for the region is 602ML, with a billed volume of 460ML, resulting in NRW of 142ML, which equates to regional NRW rate of 24%. This was the lowest NRW rate across all five regions during the period.

Piggs Peak is the largest contributor with 423ML billed volumes and 21% NRW, which is an improvement from the 37% reported in the previous reporting cycle. Lomahasha NRW was 11%, an improvement from 64% last year. Vuvulane, Mananga, and Croydon reported NRW rates ranging from 49% to 60%. Inactivity remains a concern in Lomahasha (66%) and Vuvulane (54%), indicating high potential for unauthorised or illegal usage.

### Bursts and leaks

Regional Leaks & Burst YTD

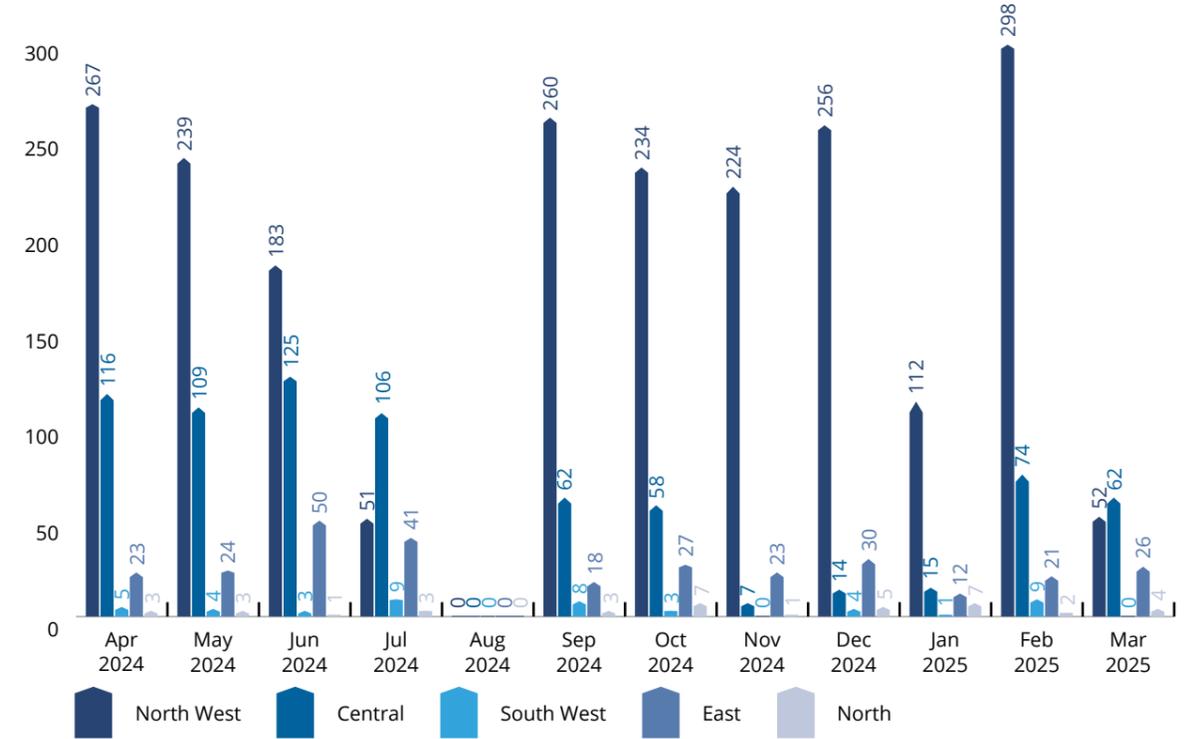


As shown in the table above, the Central Region had the highest number of pipe bursts and leaks that were reported and attended to. It was followed by North-West Region in terms of pipe leaks. The data correlates with the NRW figures. The regions that experienced a high number of bursts and leaks reported high NRW figure. Ageing infrastructure is the leading cause of NRW hence the Corporation has prioritised pipe replacement.

### Commercial losses

#### Stuck meters

Stuck Meter Trend-YTD



The North-West Region recorded the highest number of stuck meters. The Central Region followed but with a generally declining trend. The values in the South-West Region remained consistently low, peaking only at nine in July and February. The figures in the East Region fluctuated moderately, peaking at 50 in June and maintaining moderate levels afterwards. The North Region recorded the lowest and most stable numbers, mostly between one and seven, with no dramatic changes across the year.

#### Stolen meters

The Central Region recorded the highest overall theft numbers, peaking at 294 in April and showing consistently high values throughout the year. The East Region also experienced a high and steady number of stolen meters, mostly above 100 and peaking at 147 in both June and February.

The South-West Region experienced an unusual spike in May (233), but otherwise maintained lower, more consistent values ranging from 21 to 35. The North-West Region had much lower figures overall, with a notable peak of 21 in June but typically remained under 20. There was minimal theft of meters in the North Region, with steady single-digit values across all months.

Notably, there were no thefts recorded across all regions in August because of by changes to the billing cycle, whereby double billing was trialled.

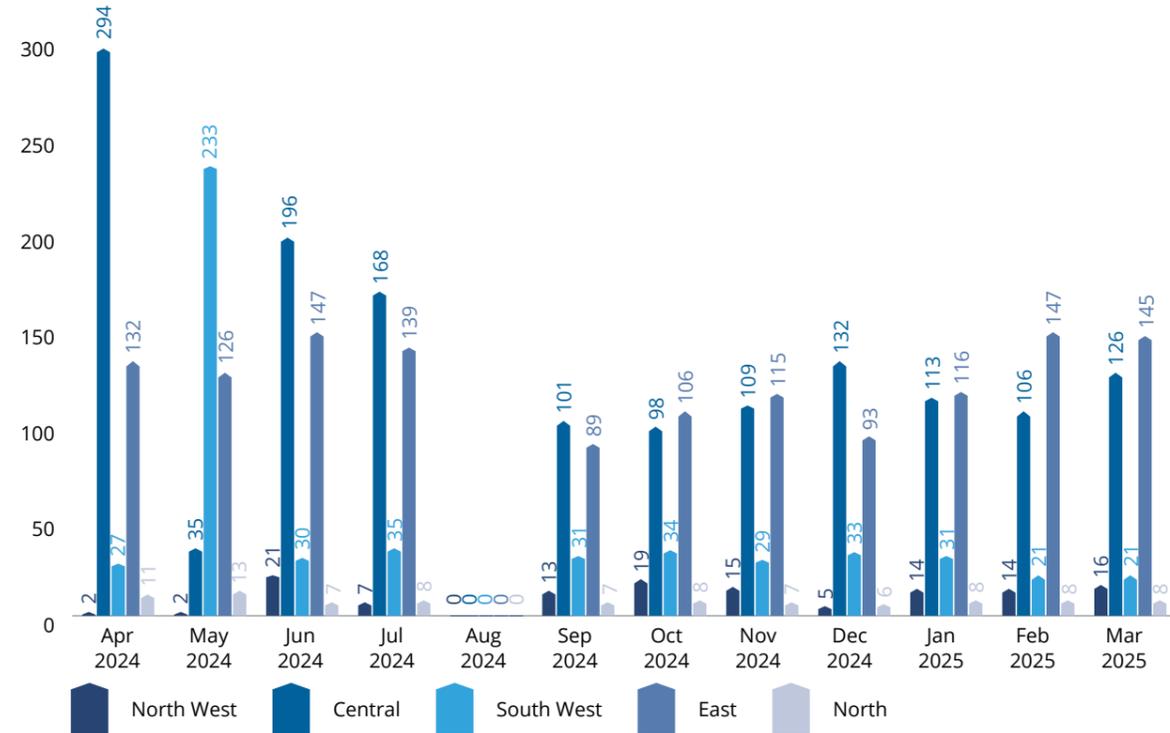
Overall, the following graph indicates that the Central and East Regions are the hotspots for meter theft, while the North-West, South-West and North regions remained marginally affected by the scourge of meter theft.

# CREATING VALUE

## Performance (continued)

### Non-Revenue Water (continued)

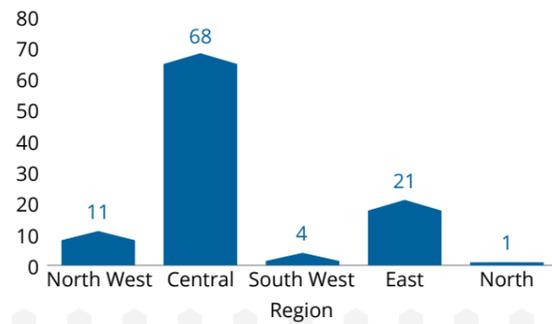
#### EWSC-Stolen Meter Trend-YTD



### Illegal connections

The Central Region has the most confirmed illegal cases, with the North Region having the fewest.

#### Confirmed Illegal Cases



The Central Region recorded the highest number of confirmed illegal cases, with a noticeable peak in July (11 cases) and sustained high activity in October and November (10 and 11 cases, respectively). The East region followed with 21 cases, showing a relatively steady trend, including a spike in August. The North-West Region had 11 cases, scattered evenly throughout the months without any major spikes. The South-West Region reported only

four cases in total, with minimal activity, while the North Region had the lowest count, with just a single case in January and none in the rest of the months. This distribution highlights a significant regional disparity in illegal case occurrences, with the Central Region being the most affected area.

### Survey engineering

The Survey Office is the custodian of immovable asset data in the Corporation. The section scrutinised a total of 518 building applications coming from Matsapha (133), Mbabane (214) Ministry of Housing and Urban Development (145), Pigg's Peak (13), Ezulwini (6) and Malkerns (7) compared to 625 in 2024 with a processing rate of 1.2 days per application (compared to 1.3 days in 2024/25) and a 95% adherence to service level agreements with Municipalities. No Human Settlement applications were evaluated for sewer and water services, same as the previous year. Network information on Computer Aided Design (CAD) and GIS increased from 3 052km to 3 258km (6.7% compared to 20% growth in the previous year) for wastewater and increased by 0.1% (compared to 0.2% in the previous year) for wastewater in terms of pipe length. Water network accuracy of GIS is at 92% compared to 81.1% in the previous year, whilst sewer network accuracy of GIS is at 90% (same as in previous year).

New and existing DMAs surveyed to increase water network information include Kush, Lidwala, Mhobodleni, Sichelwini, Airport, Eteteni, Ka Shongwe, Kwaluseni, Logoba, Mahlabatsini, Mbikwakhe, New Village, Ka Shali for Central region. The East Region included Hlane, Siphofaneni New and Mhlumeni. The North West region included Lobamba C, Makholokholo, Berlina, Calabash, Corner Plaza, Gelekeceeni, Mlalatini, Mlindazwe and Mvubu, South region included Ejikeni, Hospital, Nkwalini, Showgrounds, Markop, Maseyisini, Nsongweni, and Mashekesheni. Sewer network updates and surveys were conducted for Ngwane park and Mountain Inn.

Twenty-six survey exercises (compared to 20 in the previous year) were carried out as built networks, encroachment investigations, sewer pipeline extensions, pipeline setting out and pipeline relocations. Fifty other works included CAD and map production covering a number of projects and exercises in the Corporation.

## Geographic information systems

### Data sharing

The Corporation has standing data sharing protocols which address data sharing applications by external stakeholders, such as consultants, municipalities, and government agents for either water or wastewater infrastructure. A total of 10 data requests were received in the 2024/25 financial year and were all attended to.

### Water coverage and access

#### Within the urban boundary

This evaluates the extent of EWSC's service provision within Eswatini's defined urban and peri-urban boundaries, as follows; Ezulwini, Hlathikhulu, Malkerns, Mankayane, Lavumisa, Mankayane, Manzini, Matsapha, Mbabane, Ngwenya, Nhlanguano, Pigg's Peak, Vuvulane, and Buhleni.

For the existing total of 31 079 homesteads mapped within this boundary, 30 741 homesteads had access to EWSC's water supply, representing a 98.9% access rate. Coverage on the other hand, represents all homesteads within a radius of 200m from a supply network and is at 30 450 homesteads, representing 98% of urban dwellers.

#### Within the EWSC scheduled areas

The scheduled areas are 22 in number and are as follows: Croydon, Hlathikhulu, Hluti, Kubuta, Kwaluseni, Lavumisa, Lobamba, Lomahasha, Lubuli, Malkerns, Mananga, Mankayane, Manzini, Matsapha, Mbabane, Ngwenya, Nhlanguano, Nkoyoyo, Pigg's Peak, Siphofaneni, Siteki, and Vuvulane.

Approximately 41 190 homesteads fall within this boundary, of which 33 549 have access to EWSC services whilst the total covered are 36 985. This represents 81.5% access, and 89.8% coverage within the EWSC Scheduled Areas boundary as at the end of March 2025.

#### Within EWSC actual service boundary

There are 100 169 homesteads mapped within this boundary cutting across urban, peri-urban, and rural areas. Of the total of 100 169 homesteads estimated within this boundary, 73 067 have access to EWSC services whilst 94 785 homesteads are covered. This represents 72.6% access, and 94.6% coverage within the EWSC Actual Service Path boundary.

### Sewerage coverage and access

Out of 61 754 homesteads currently being serviced by EWSC countrywide, only 14 268 had access to sewer as of March 2025. A spatial analysis of the current wastewater infrastructure deployment indicates an estimate of 30 765 homesteads that are potentially covered for both water and sewer services throughout the country. This translates to 23.1% access for sewer and 49.8% coverage for sewer.

## Ecowater business unit

Ecowater continues to strengthen its position as a trusted brand in Eswatini's bottled water industry. Guided by the mission to deliver pure, refreshing, and naturally tasting water to the nation, the business delivered another year of operational progress. Production output grew by 10%, underscoring ongoing improvements in factory efficiencies. Amid evolving market dynamics, Ecowater recorded sales of E5.1 million, compared to E5.4 million in the previous year. Achieving this performance in a highly competitive environment highlights both the resilience of the business and the continued trust and loyalty of our customers, which remain the foundation of our brand.

Our commitment to delivering quality water that reflects its natural purity, supported by targeted marketing initiatives and customer-focused campaigns, has further enhanced Ecowater's visibility. During the year, the brand successfully expanded into new market segments, particularly within the hospitality industry, laying a solid foundation for future growth.

Looking ahead, our priority will be to refine the business model to ensure sustainable profitability, while remaining aligned with the broader strategic objectives of the EWSC, addressing the challenge of persistent value erosion.

# CREATING VALUE PROJECTS

Universal access to safe water and sanitation is part of the Eswatini National Development Plan (NDP) 2024-28, Government's Programme of Action (POA) 2024-29 and SDGs. Water and sanitation projects promote socio-economic development and economic growth positively affecting the pillars of poverty reduction, local and foreign direct investment (resulting in job creation), quality of life and environment. The Corporation is currently implementing some key projects to support the NDP, POA and SDGs as shown in the following project summaries:

S	SCOPE
B	BUDGET
P	PROGRESS
R	RISKS
A	ACTION REQUIRED
C	CURRENT ACTION

**1 Ezulwini Sustainable Water Supply and Sanitation Delivery Services Project – Package A (15ml Reservoir)**

**S** Construction of a 15ML reinforced concrete reservoir, break pressure tank and delivery mains.

**P** A new contractor was engaged, and the construction of the reservoir has been completed. The pipelines have been tested and commissioned successfully. The reservoir has been filled with water. The project has been completed and closed.

**C** Monitoring of defects.

**2 Nhlanguano Wastewater Treatment Works and Outfall Sewer line**

**S** Construction of the Nhlanguano Water Supply Scheme and the construction of the Nhlanguano Sewerage Works, whose components include a sewer treatment plant, outfall sewer pipeline, potable water pipeline, and staff housing.

**P** The construction works for the sewer plant resumed in September 2021 following a protracted suspension caused by funding limitations. The project reached practical completion. Defects were observed on the plant and tender documentation preparation is underway to remedy the defects.

**R** Failure of mechanical and electrical components because of being on site for an extended time while not being in use.

**A** Procurement of contractor to remedy defects.

**3 Luphohlo Water Supply Works**

**S** Construction of a 20ML /day water treatment plant, the construction of a 7.5km 500mm diameter pipeline, including a 3 ML pressed steel tank.

**P** The project resumed and was scheduled for completion in December 2023. However, the reservoir had to be relocated, and some of the mechanical and electrical items required repairs, which resulted in delays. An extension of the 500mm pumping main has to be constructed to the new reservoir location. Construction resumed in 2024 and progress to completion is at 75%. The Project is on hold due to funding constraints.

**R** Putting the works in abeyance for a long time resulted in re-work, especially the mechanical components. Cost escalations have also come about because of the suspension of the works. There is very little availability of the raw water during drought periods and hence it is required to have a raw water pipeline from the dam wall to the plant.

**A** Complete the full scope of the works, obtain additional funding to complete works.

**4 Manzini Integrated Water Supply and Sanitation Project (Water Component)**

**S** Provision of water supply to the Manzini North, Manzini South, Mtfongwaneni, Mafutseni and Nhlambeni Tinkhundla. This entails the construction of a new water treatment plant in Matsapha, pumping and delivery mains and reinforced concrete reservoirs at Logoba and Manzini.

The scope of Lot 1 includes raw water intake pumps upgrade, raw water pumping main, 12ML water treatment plant in Matsapha and a potable water pumping main. The scope for Lot 2 includes a 12ML reservoir in Logoba, 9ML reservoir in Mpilo, & water distribution networks in four Tinkhundla (Manzini North & South, Mafutseni, Mtfongwaneni and Nhlambeni).

**P** The project is divided into two lots. Lot 1 and 2 have been awarded to contractors for construction. Lot 1 is at 52% construction progress and Lot 2 is at 23% construction progress.

**R** Failure to perform by the Consultancy Supervision Team. Increased professional fees because of the project being divided into two lots. Failed land negotiations with private property owners. Forex volatility that is corroding the local currency denominated loan

**A** Construction monitoring for both lots.

**5 Manzini Integrated Water Supply and Sanitation Project (Sanitation Component)**

**S** Construction of a sewer reticulation network and wastewater treatment works at Sidvokodvo.

**P** The project reached contractor procurement stage and was then suspended. The funding was allocated to the water supply component of the project.

**R** Budgetary constraints

**A** Source funding to carry out construction works.

**6 Maseyisini Water Supply Extension Phase 6**

**S** Construction of water supply network system for the Maseyisini Inkhundla.

**B** Funding for all components except for professional services is provided by World Vision.

**P** Contractor for Phase 6 was appointed, and construction has been completed.

**A** Monitoring of defects.

**7 Nsongweni Water Supply Extension Phase 2 and 3**

**S** Construction of water supply network system for the Nsongweni-Mbangweni communities.

**B** Funding for all components except for professional services is provided by World Vision.

**P** Phase 3 was completed; Phase 4 has also been completed, and the project has been closed successfully.

**A** Monitoring of defects.

**8 Eswatini Water Supply and Sanitation Access Project.**

**S** Construction of new water reservoirs, pump station, pumping main, delivery mains and water reticulation within the supply area. The scope for Package 1 includes 2x4ML concrete reservoirs, a 3.5 ML concrete reservoir and a pumpstation. The scope for Package 2 includes the construction of a main pipeline from Nhlanguano to Zombodze. Package 3 includes the construction of a main pipeline and laterals from Zombodze to Siphambanweni.

**P** Construction progress in package 1 has reached 100% completion. The construction of the reservoirs has been completed and tested. Snags are being addressed. Construction progress for Package 2 is at 82% and Package 3 is at 21%.

**R** Cashflow challenges from the Government funded component of the project

**A** Construction monitoring for Package 2. Appoint contractor for Package 3 and monitor construction.

**9 EWSC Head Office Building Project**

**S** Upgrade of the existing building and construction of an extension to the building.

**P** The Contractor was awarded tender, and the works are ongoing on site. The rehabilitation of some sections of the existing building has been completed and these sections are already in use. Progress is at 99% completion.

**R** Delays in completion of works.

**A** Monitor construction and complete the project.

**10 Lomahasha/Namaacha Water Supply**

**S** The LoNa Phase 1 Water Supply Project covers the upgrade of existing water supply infrastructure comprising intake works, treatment, storage, pumping mains and distributions. The available funding is USD 13.7 million.

**P** Construction has commenced and is at 15% progress.

**R** The project remains insufficiently funded.

**A** Appoint contractor and commence construction.

# CREATING VALUE

## SAFETY, HEALTH AND ENVIRONMENT

### ISO management systems

The Corporation's management and staff remain committed to the adopted health, safety and environmental policies and procedures, and together strive to constantly improve SHE performance.

### ISO management systems

The Corporation strives to implement effective occupational health, safety and environmental programmes aligned with best practice and ISO standards. EWSC is currently certified for Environmental, Occupational Health and Safety and Quality Management Systems (ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015) respectively. All three certifications are aligned and commenced in July 2023 and are due for renewal in July 2026 where a recertification audit will be conducted by the South African Certification and Auditing Services (SACAS).

At the end of March 2025, an external surveillance audit was conducted by SACAS where three non-conformities were raised across all three systems on the sampled sites. All non-conformities raised were minor and the Corporation took the initiative to timely and effectively close those non-conformities.

To evaluate the effectiveness, continued suitability, and adequacy of the management systems, two management review meetings were successfully held in the year. The Corporation continues to implement and track actions from the meetings.

### SHEQ compliance

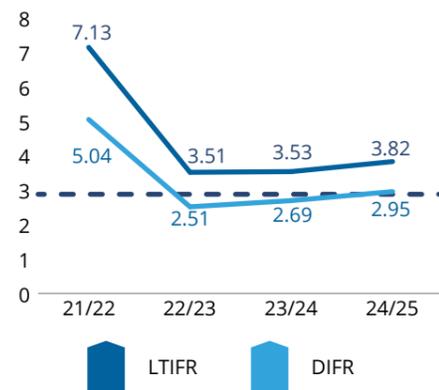
To ensure Health, Safety and Environmental compliance in all EWSC sites, continual audits are conducted. A 360-degree tool, which is a SHEQ Audit tool, is used to measure the performance of all EWSC sites on a monthly and quarterly basis. This audit tool was duly reviewed to incorporate risk-based thinking into the audit process and lifecycle approach. Subsequently, the overall annual performance at the end of March 2025 was rated at 95%, hence achieving the strategic organisational target of 95% or above. Compliance for all EWSC sites was above 88%.

### Occupational health and safety (OHS) incidents

Thirty-nine OHS incidents were recorded from April 2024 to March 2025, which is a slight increase when compared to same period prior year resulting in the Lost Time Injury Frequency Rate (LTIFR) and Disabling Injury Frequency rate of 3.82 and 2.95 respectively when compared against a target of  $\leq 3$ . Although there was a reduction in the severity of lost time incidents during the year, focus has been placed in sharing lessons learnt, implementation of behaviour programmes and effective interventions to prevent recurrence.

Continued investment in the Safety Management System has delivered the desired outcome, with no fatalities recorded during the year.

### Yearly Frequency Rates



### Environmental management

The EWSC Environmental Management System is well established and continues to be implemented across all operations and project management. A total of 16 environmental studies (Initial Environmental Evaluations) were conducted for new or project extensions to promote sustainability and environmental stewardship. For the capital projects, our development partners in the World Bank and AfDB rated our environmental performance satisfactory in terms of the Integrated Safeguards System. Strong focus is now being placed on climate adaptation, mitigation and resilience.

Legal compliance and exceeding best practice remain at the forefront of all operations. There were no significant environmental and legal incidents recorded during the year.

## PROJECTS – ISSUES FOR CONSIDERATION IN THE SHORT TO MEDIUM TERM

Achieving the security and sustenance of water supply requires sizeable investments in water and sanitation infrastructure. The following projects have been identified as crucial for maintaining reliability of water supply and social and economic development.

### 1 Nondvo Dam

The Ministry of Natural Resources and Energy engaged EWAVE to review the Nondvo Dam ESIA studies due to the social issues encountered which needed to be addressed before clearance by the Eswatini Environment Authority. EWAVE completed the review of the Nondvo Dam ESIA report, whereby all affected communities were re-engaged to iron out the social issues raised. However, due to the considerable amount of time that lapsed to address the

social issues, the reviewed report was not approved by Eswatini Environment Authority. According to EEA the nature and scale of the proposed development impact greatly on the environment and attracts social impacts, therefore its essential that public inputs remain current, relevant and reflect present concerns. The Ministry is in the process to map a way forward in consideration of the recommendations by the Eswatini Environment Authority.

### 2 Manzini City Wide Water Supply

The water treatment supply system for Manzini and Matsapha industrial estates and surrounding areas needs to be upgraded to increase security of service provision to meet current and future demand. The plant is currently operating at approximately 98% of its capacity; hence additional water demand is unlikely to be met. In addition, the Corporation

abstracts directly from the Usushwana river and fluctuations in flows may cause disruptions in supply. The Nondvo dam solution has to be implemented for the long-term stability of supply.

The following work components also need to be undertaken to improve the capacity of the system:

#### a) Raw water intake works

A new intake structure needs to be constructed on the Lusushwana river to improve extraction efficiency of the WTP. The existing canal intake structure would be rehabilitated and maintained as a standby facility.

#### b) Matsapha Treatment Plant extensions

Further extensions of the plant are required by constructing additional clarifiers and filters on the present site. These extensions would raise the production capacity of the plant from the present 400 litres per second to 800 litres per second to align with long-term growth prospects of the country.

#### c) Treated Water Pump Station

A new treated water pump station would need to be constructed, or the existing one upgraded to lift the additional production to the airport reservoirs.

#### d) Duplicate pipeline from Matsapha to Nazarene reservoir.

Manzini is totally dependent for its water supply on a single 375mm diameter pipeline, 3300m in length that transfers water to the Nazarene reservoir by gravity from the Airport reservoirs. With the ever-increasing water demand in Manzini, the capacity of this pipeline is soon to be exceeded if not already. To meet increased demand, it is proposed to duplicate this pipeline. Importantly the additional pipeline would provide security of supply to Manzini in the event of problems arising with the existing ageing 375mm pipeline, which as a single link means Manzini is highly vulnerable should the main have to be shut off for any period.

#### e) Storage Reservoirs

Additional storage is required, and reservoirs are envisaged at suitably high points at Logoba, Nhlambeni, Lozitha, Sidvokodvo etc. The Corporation at present cannot meet its standard buffer required for servicing reservoirs.

The estimated total cost for this project is **E1 billion**.

4

# GOVERNANCE

# GOVERNANCE

## CORPORATE SUSTAINABILITY STATEMENT

### People

Our business model puts emphasis on value creation for stakeholders (including employees, customers, shareholders, suppliers, financiers) and the environment. Enforcing mutual beneficial relationships with employees, customers and the community is part of our business. We support cultural, educational and environmental programmes and initiatives that meet stakeholder needs and benefit society. We treat our employees and the communities we operate in with fairness and respect. Human capital is a key factor in our business; as our slogan goes “we do it through our people”. We invest in skills development and training so that our employees are better equipped to meet stakeholder expectations and stay innovative. Attracting and retaining competent people with the right talent adds value to EWSC by enhancing business reputation and brand recognition. EWSC will continue to build strategic partnerships with social institutions such as the University of Eswatini (UNESWA) to transform lives and prepare future generations for sustainable development.

This year, EWSC continued to make a meaningful impact through its Corporate Social Investment (CSI) initiatives, focusing on improving community well-being and access to essential services. The Corporation upgraded bathroom facilities and refurbished the outpatient toilets at Hlatsi Government Hospital, while also constructing a new waiting shelter to enhance patient comfort.

In support of water access, EWSC donated and connected three water tanks to the supply system at Mpaka Refugee Camp. Furthering its commitment to education, the Corporation donated 100 desks and chairs to the UNESWA and provided three laptops and school uniforms to learners at Kwetsembeni Special Needs School, helping to create an inclusive learning environment where every child has the opportunity to thrive.

### Planet

EWSC recognises that a sustainable business embraces an environmentally friendly approach in executing its activities to ensure that all processes and products adequately address current environmental concerns while maintaining a fair return on investment. Our commitment is demonstrated by the continuous development and implementation of practical and effective corporate policies and programmes that support the more efficient use of natural resources and reduce the impact of our business on the environment. Designing sustainable infrastructure, operating plants efficiently, reducing energy usage, minimising water losses and reducing waste contribute to effective environmental sustainability. Our philosophy is to continuously explore ways to minimise environmental degradation by reducing, reusing or recycling the natural resources we consume.

### Profit

The Corporation thrives to contribute to the prosperity of the organisation’s employees, customers and stakeholders. Our activities, interactions and relationships with stakeholders maximise value for all. Delivering a stellar customer experience and making a difference in the communities we operate in enables us to create a better world for tomorrow.

### EWSC Sustainability Framework



# GOVERNANCE

## CORPORATE GOVERNANCE STATEMENT

### Introduction

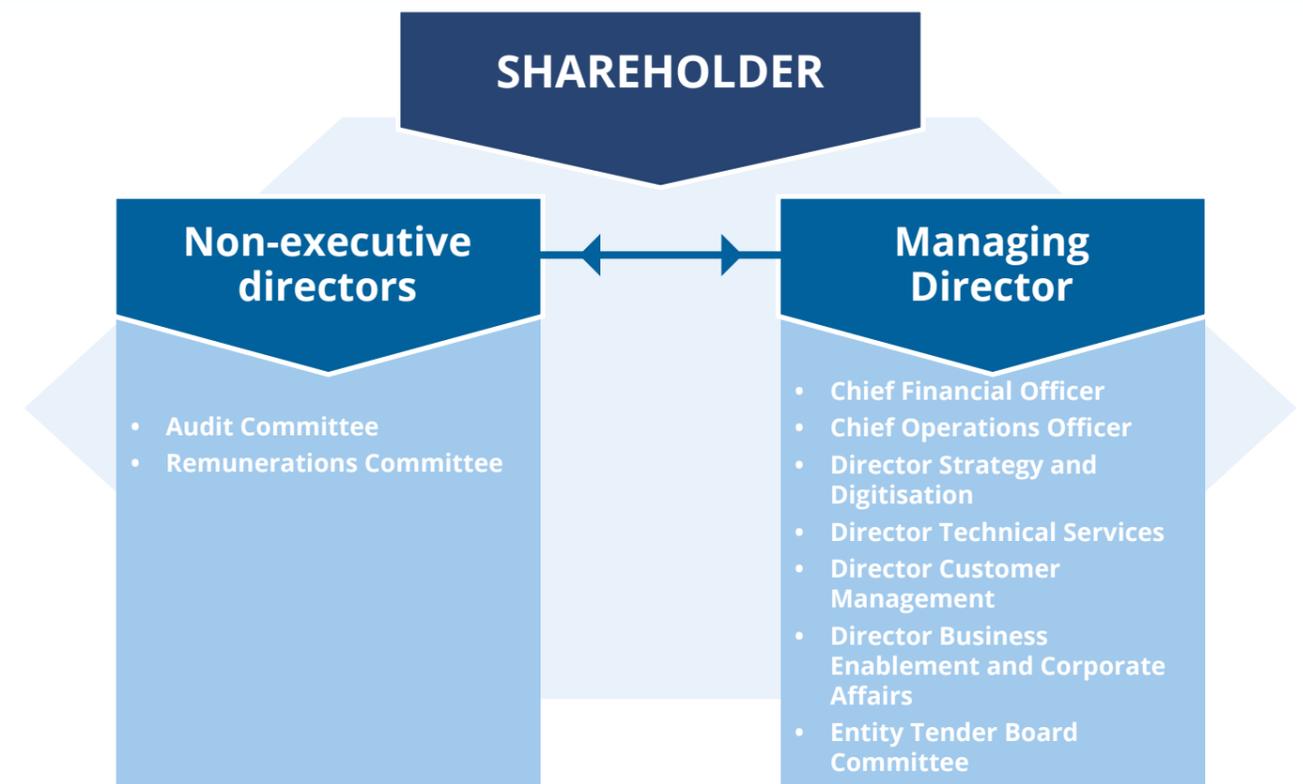
Eswatini Water Services Corporation (EWSC) is a public enterprise mandated by the Water Services Corporation Act No. 12 of 1992 to provide water and sanitation services in urban and peri-urban areas. The Corporation's participation in the country's social and development agendas has resulted in the water and sanitation services being extended to areas outside the designated urban and peri-urban boundaries. EWSC is regulated by the Government of Eswatini through the Ministry of Natural Resources and Energy (MNRE) and the Public Enterprises Unit (PEU) under the Ministry of Finance. The Corporation is committed to complying with best practice in Corporate Governance as prescribed by King IV and other international codes of conduct. EWSC fully complies with the requirements of the Public Enterprises (Control and Monitoring) Act No. 8 of 1989 and the Water Services Act No. 12 of 1992. The Board is conscious that there are continuous changes in the political, economic, social, technological and legal environments which may cause corporate governance practices to evolve and therefore undertakes to respond accordingly to such changes.

### The roles and responsibilities of the Board

The Board has adopted a formal Board Charter that sets out its roles and responsibilities. The Board is committed to the highest standards of corporate governance throughout the Corporation. Effective corporate governance requires a clear understanding of the respective roles of the Board and Management and their relationship with employees, customers and stakeholders. It also requires a proactive, focused state of mind on the part of Directors, the Managing Director and Management, who all must be committed to business success through maintenance of the highest standards of responsibility and ethics. The Board of Directors have the overall responsibility of driving the Corporation's strategic plan; reviewing annual operating plans, budgets, annual financial reports and managing strategic risk.

The Corporation's Senior Management under the direction of the Managing Director, is responsible for the operations of the Corporation; implementation of the strategic, financial, operational and management plans of the Corporation; preparation of financial statements, annual reports, statutory reports, management accounts and other reports that accurately reflect requisite information about the Corporation and timely reports which inform the Board about foregoing matters. The following diagram depicts a summary of the Corporation's governance framework.

### EWSC Corporate Governance Framework



### Board appointment and term of office

The Minister for Natural Resources and Energy appoints the Board of Directors of the Corporation in terms of section 6 of the Public Enterprises (Control and Monitoring) Act No.8 of 1989 and section 4(1) of the Water Services Corporation Act No.12 of 1992 for a three-year term.

### Structure and composition of the Board

The Corporation has seven Board members, which complies with the provision of the Public Enterprises (Control and Monitoring) Act No.8 of 1989 and the Water Services Corporation Act No.12 of 1992, both which prescribe a maximum of nine members. The Board is unitary and is made up of an Independent Non-Executive Chairman, the Managing Director, two representatives from Government (Ministry of Natural Resources and Energy and Ministry of Finance) and three non-executive directors.

### Board committees

To carry out its duties effectively, the Board operates two Committees which are the Audit Committee and the Remunerations Committee. The Committees assist the Board in performing its duties. Each Committee reports to the Board on the results of each Committee meeting.

### Internal audit

EWSC has an internal audit function whose purpose is to evaluate and improve the effectiveness of risk management, control and governance processes through; ensuring that internal control systems are operating effectively; ensuring compliance with policies, procedures, laws and regulations and that the policies in place adequately safeguard the Corporation's assets. The internal audit function coordinates with the Corporation's external auditors to ensure proper coverage of financial, operational and compliance controls.



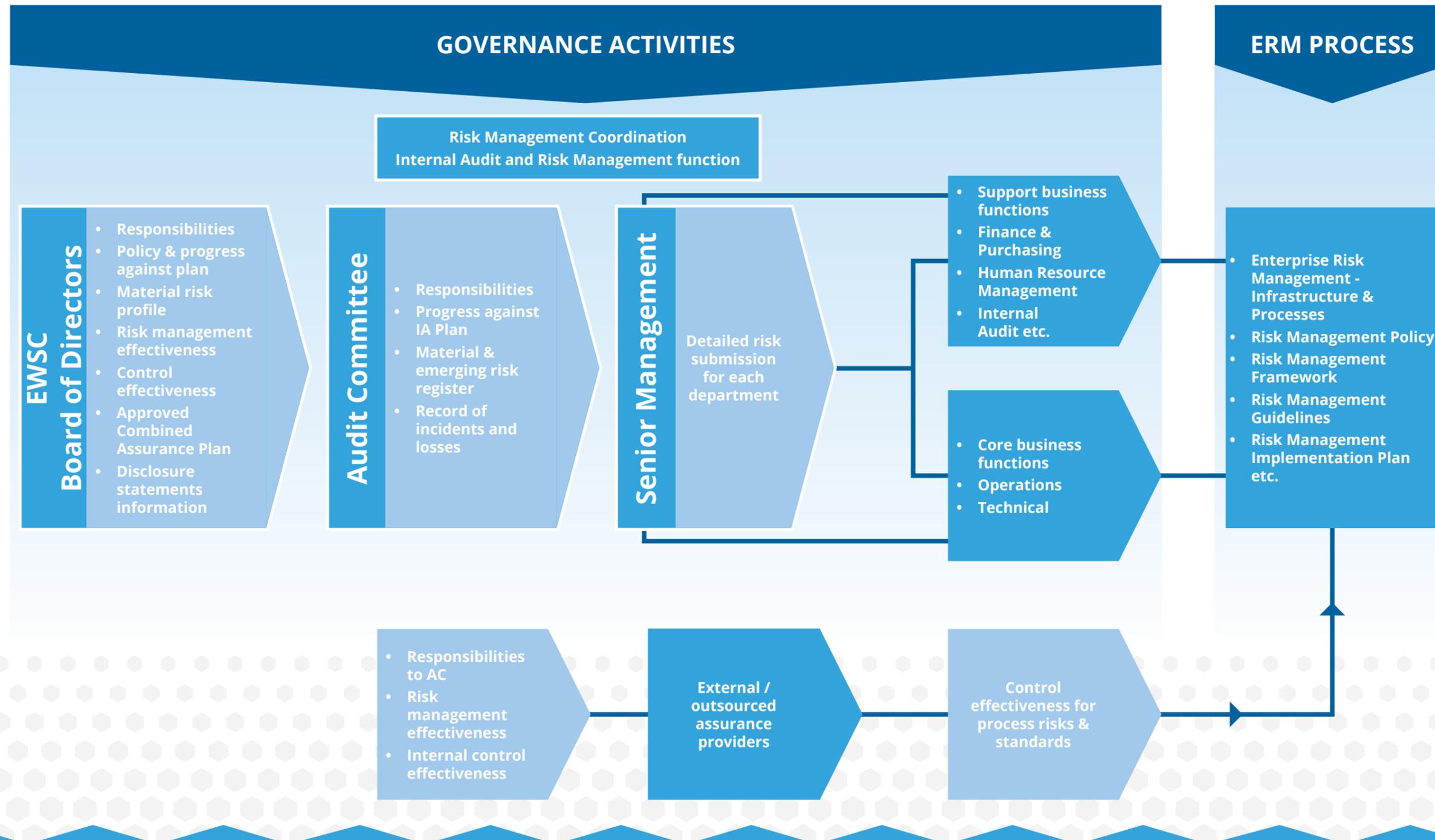
# GOVERNANCE

## Corporate Governance Statement (continued)

### Risk management

The Board has overall responsibility over risk management and Management is accountable to the Board for developing, implementing and monitoring risk management processes. The Internal Audit Department carries out an independent review of the internal control systems. The Corporation performs a risk assessment exercise every three years.

#### EWSC Risk Management Strategy



# GOVERNANCE

## Corporate Governance Statement *(continued)*

### Reporting

The Corporation has a statutory obligation to report to its shareholder, the Government of Eswatini. Section 7(1) of the Public Enterprise (Control and Monitoring) Act No.8 of 1989 requires the Corporation to submit on an annual basis a report on its operations together with annual audited financial statements to the Standing Committee on Public Enterprises (SCOPE), the Minister for Finance, the Minister responsible and the PEU. Section 7(2) of the same act requires EWSC to submit annual audited accounts for tabling in Parliament by the Minister for Natural Resources and Energy whilst section 7(4) requires the Corporation to submit a statement of financial and operational performance on a quarterly basis.

### Board meeting attendance

The Board held four ordinary (scheduled) meetings during the year and three Subcommittee meetings (Audit). The table below shows the number of scheduled meetings attended by each member of the Board for the year ended 31 March 2025.

#### Board meeting attendance register

	Title	Board Scheduled	Board Attended	Audit Scheduled	Audit Attended	REMCO Scheduled	REMCO Attended
Mr M Fakudze	Member Chairman until 31 September 2024	4	4	3	2		
Mr Pedro Samuel	Chairman From 2 January 2025	4	3	3	1		
Mr Hilton Dlamini	Member	4	4	3	3		
Ms Dorcas Dlamini	Member Until 22 August 2024	4	1	3	1		
Mr Sipho Dlamini	Member Until 22 August 2024	4	1			1	1
Ms Zandile Nhleko	Member Until 22 August 2024	4	1			1	1
Ms Sindisiwe Mango	Member	4	2			1	1
Dr Kenneth Msibi	Member Until 31 December 2024	4	1	3	1		
Ms Lomakhosi Mdluli Ginindza	Member From 2 January 2025	4	3	3	2		
Ms Gabisile Mabuza	Member From 2 January 2025	4	2	3	1		
Ms Jabulile Mashwama	Managing Director	4	3	3	2	1	1

### Compliance statement

The Board and Management shall endeavour to uphold the rules and practices of good corporate governance and respond quickly to changing circumstances within a framework of solid corporate values to the benefit of all stakeholders.

# CORPORATE SOCIAL RESPONSIBILITY STATEMENT

EWSC recognises the importance of Corporate Social Responsibility (CSR) and is committed to fully implementing its CSR policy in the best interest of its stakeholders. Our policy applies to activities undertaken by or on behalf of EWSC. We strive to maintain a productive and open dialogue with all parties who may have an interest in our activities including shareholders, customers, suppliers and employees. EWSC management ensures that appropriate organisational structures are in place to effectively identify, monitor and manage CSR issues relevant to our business. The Board takes full responsibility for CSR and is committed to developing and implementing policies that will maximise shareholder value.

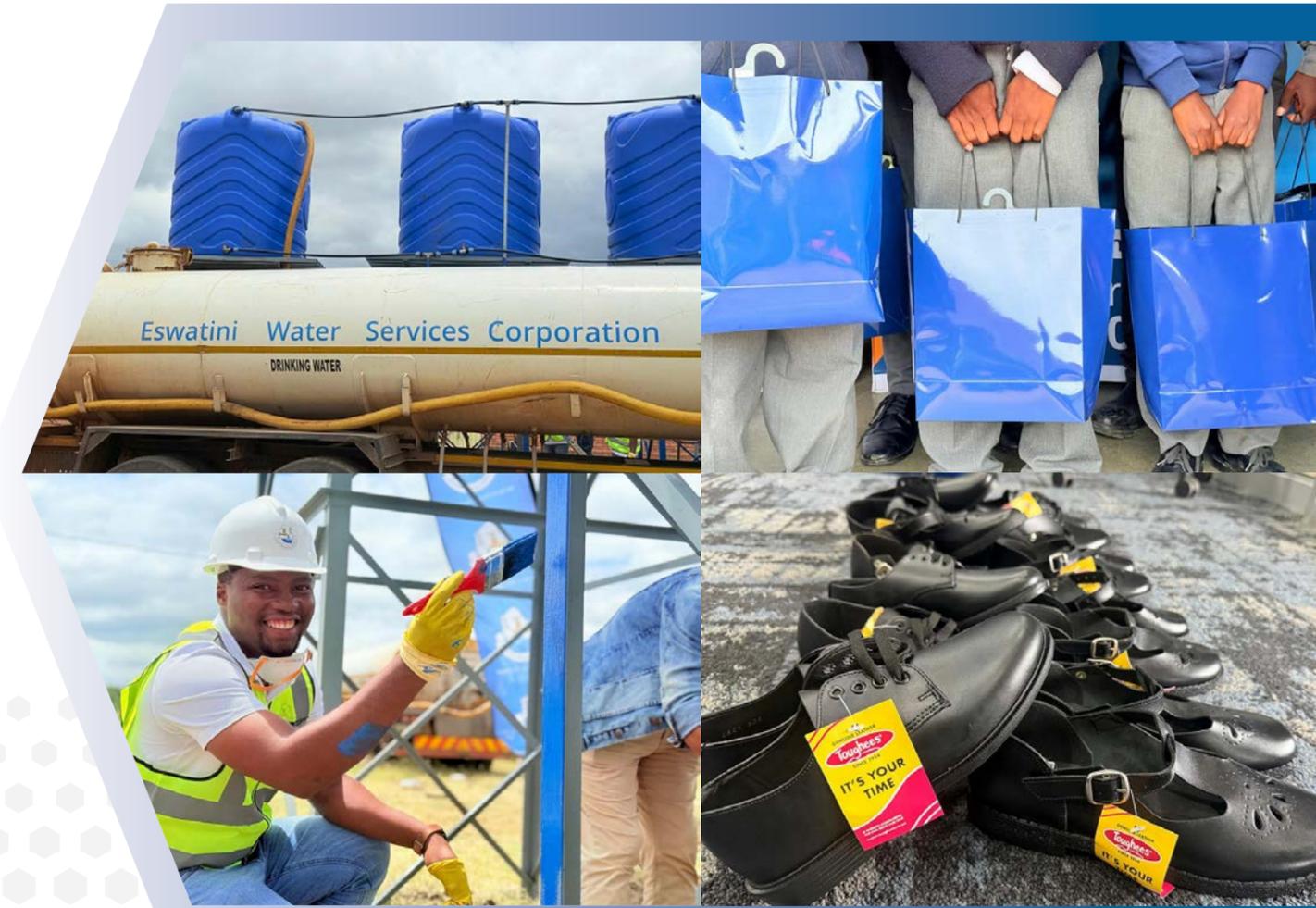
### Community investment

EWSC stresses collaborative, consultative and partnership approaches in its community investment and social responsibility programmes.

EWSC will integrate community investment considerations into decision-making processes and business practices and will assist in local capacity building to develop mutually beneficial relationships with communities.

EWSC undertakes to contribute to the communities' quality of life by supporting innovative programmes in health, HIV/AIDS, education, social services and the environment, as well as youth, cultural and civic projects.

EWSC will strive to provide employment and economic opportunities in communities within its operating environment.





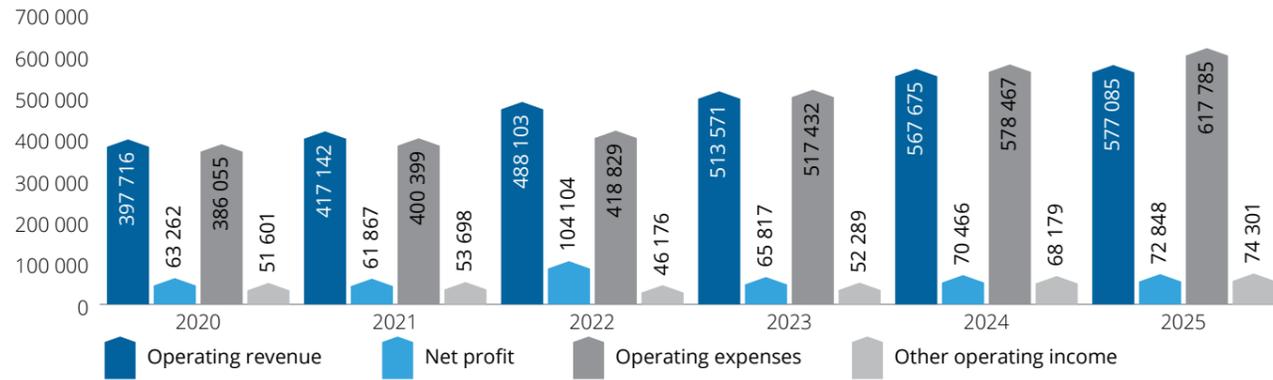
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# STATISTICS

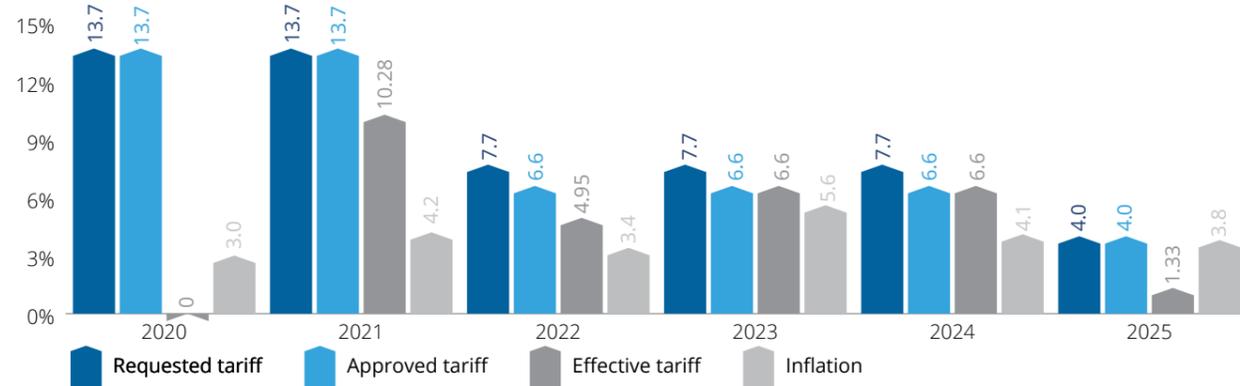
# STATISTICS

## FINANCIAL AND OPERATING STATISTICS

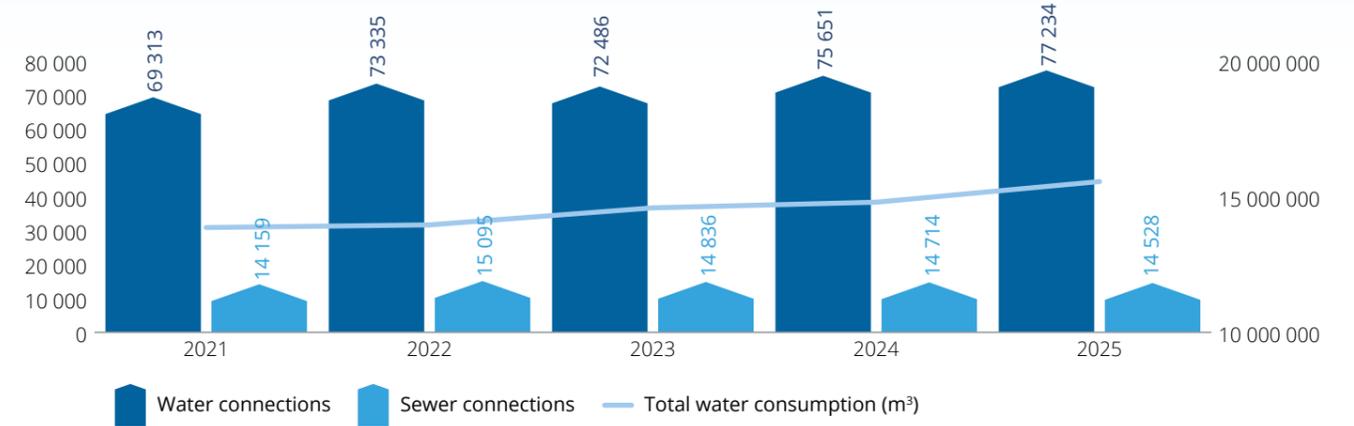
Five-year performance at a glance (E000)



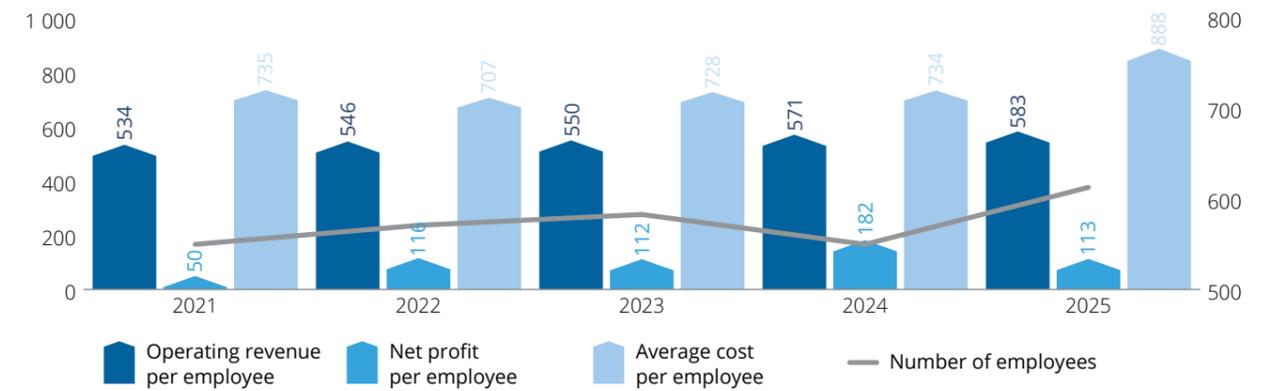
Approved and effective tariffs



Number of connections



Employee productivity



Employees per 1 000 connections





*The following supplementary information does not form part of the annual financial statements and is unaudited*

# FINANCIAL STATEMENTS

# FINANCIAL STATEMENTS

## STATEMENT OF DIRECTORS' RESPONSIBILITY

For the year ended March 2025

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and the related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with IFRS Accounting Standards.

The directors are also responsible for the Corporation's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Corporation will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the Corporation.

The financial statements have been audited by the independent accounting firm, PricewaterhouseCoopers, which was given unrestricted access to all financial records and related data, including minutes of the Board of Directors and committees of the board. The directors believe that all representations made to the independent auditor during their audit are valid and appropriate. PricewaterhouseCoopers' audit report is presented on pages 37–38.

The annual financial statements which appear on pages 39 to 62 have been approved by the board of directors on 30 September 2025 and are signed on its behalf by:



**Pedro Samuel**  
Chairman  
30 September 2025



**Jabulile Mashwama**  
Managing Director  
30 September 2025

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Eswatini Water Services Corporation

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eswatini Water Services Corporation (the Corporation) as at 29 June 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

Eswatini Water Services Corporation's financial statements set out on pages 39 to 62 comprise:

- the statement of financial position as at 31 March 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

### Independence

We are independent of the Corporation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Eswatini. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Eswatini.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Eswatini Water Services Corporation Financial Statements for the year ended 31 March 2025". 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 identified above 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, 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 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 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Auditor's responsibilities for the audit of the financial statements

(continued)

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

- Identify and assess the risks of material misstatement of the 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 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 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 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.

*PricewaterhouseCoopers*

**PricewaterhouseCoopers**

Partner: Theo Mason

Registered Auditor

P.O. Box 569

Mbabane

Date: 30 September 2025

## DIRECTORS' REPORT

for the year ended 31 March 2025

The Directors present their report, which forms part of the audited financial statements of the Corporation for the year ended 31 March 2025.

### Nature of the Corporation's business

The Corporation is domiciled in Eswatini and was incorporated in the Kingdom. It is wholly owned by the government of Eswatini. The Corporation is engaged in the supply of water and sewerage services in designated areas around Eswatini. The nature of the Corporation's business has not changed during the year under review.

### Operating and financial review

Key statistics to the financial position and profit and loss for the period are set out in the table below:

### Financial position

	2025 E'000	2024 E'000
Total assets	4 585 836	3 869 059
Total liabilities	3 614 307	2 970 378
<b>Operating results</b>		
Revenue	577 085	567 675
Profit for the year	72 848	70 466

### Directors

The following were directors of the Corporation during the year under review.

P. Samuels	(Chairman) Appointed 01 January 2025.
M. Fakudze	(Chairman) Resigned 31 December 2024
H. Dlamini	(Representative of the Ministry of Finance & Member)
G. Mabuza	(Representative of the Ministry of Natural Resources & Member) Appointed 01 January 2025
L. Mdluli	(Member) Appointed 01 January 2025
Vacant	(Member)
Vacant	(Member)
S. Mango	(Member)
J. Mashwama	(Managing Director and Secretary to the Board)

<b>Secretary:</b>	Ms J. Mashwama P O Box 20 Mbabane Eswatini
<b>Auditor:</b>	PricewaterhouseCoopers Rhus Office Park Kal Grant Street P O Box 569 Mbabane Eswatini
<b>Bankers and investees:</b>	First National Bank of Eswatini Limited Nedbank Swaziland Limited Standard Bank Eswatini Limited Swaziland Building Society Eswatini Development and Savings Bank
<b>Investment managers:</b>	African Alliance Swaziland Stanlib Eswatini Limited
<b>Registered office:</b>	Emtfonjeni Building Below Gables Shopping Complex Above Usushwana Bridge (MR103) Ezulwini Eswatini

### Subsequent events

The directors did an assessment of matters that happened after the reporting period. These included both adjusting event and none-adjusting events. From the assessment, the directors did not find any subsequent events in the current period.

### Going concern

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

### Dividend declaration

No dividend was declared in the current financial year.

# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

	Notes	2025 E	2024 E
Revenue	2	577 085 210	567 675 444
Other income	6	74 301 096	68 179 078
Raw materials and consumables used	21	(192 495 047)	(175 734 700)
Employee benefits expense	4	(199 500 876)	(166 886 317)
Depreciation expense	7.1, 7.2	(108 298 695)	(81 725 767)
Other expenses	1	(112 358 330)	(135 762 121)
Impairment losses on financial assets	1	(5 132 597)	(18 358 440)
Finance income	3	42 826 853	45 942 769
Finance costs	3	(8 555 546)	(10 690 665)
<b>Profit before income tax</b>		<b>67 872 068</b>	<b>92 639 281</b>
Income tax expense	5	4 976 042	(22 172 997)
<b>Profit for the year</b>		<b>72 848 110</b>	<b>70 466 284</b>
<b>Total comprehensive income</b>		<b>72 848 110</b>	<b>70 466 284</b>

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Notes	2025 E	2024 E
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	7.1	3 650 276 164	3 004 574 771
Right of use asset	7.2	7 230 350	2 734 802
Financial assets	9.2	32 181 207	54 794 416
		<b>3 689 687 721</b>	<b>3 062 103 989</b>
<b>Current assets</b>			
Inventories	10	17 674 430	15 027 980
Trade and other receivables	9.1	400 359 330	284 409 249
Financial assets	9.2	92 389 729	125 940 621
Current tax asset	9.5	2 358 095	-
Cash and cash equivalents	9.3	383 366 717	381 576 835
		<b>896 148 301</b>	<b>806 954 685</b>
Total assets		<b>4 585 836 022</b>	<b>3 869 058 674</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	11	30 222 580	30 222 580
Retained earnings		941 306 435	868 458 325
		<b>971 529 015</b>	<b>898 680 905</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liability	7.2	2 974 646	1 283 509
Deferred grants	13	2 900 461 147	2 482 513 188
Deferred income tax liability	14	74 325 612	79 301 654
Borrowings	9.5	179 789 208	145 248 823
		<b>3 157 550 613</b>	<b>2 708 347 174</b>
<b>Current liabilities</b>			
Trade and other payables	9.4	408 268 110	227 167 168
Current tax liability		-	4 716 191
Borrowings	9.5	38 633 832	23 789 624
Provisions	12	5 138 971	4 054 873
Lease liability	7.2	4 715 481	2 302 739
		<b>456 756 394</b>	<b>262 030 595</b>
Total liabilities		<b>3 614 307 007</b>	<b>2 970 377 769</b>
Total equity and liabilities		<b>4 585 836 022</b>	<b>3 869 058 674</b>

# FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	Share Capital E	Retained Earnings E	Total E
<b>Balance at 1 April 2024</b>	<b>30 222 580</b>	<b>868 458 325</b>	<b>898 680 905</b>
Net profit for the year	-	72 848 110	72 848 110
<b>Balance at 31 March 2025</b>	<b>30 222 580</b>	<b>941 306 435</b>	<b>971 529 015</b>
Balance at 1 April 2023	30 222 580	797 992 041	828 214 621
Net profit for the year	-	70 466 284	70 466 284
Balance at 31 March 2024	30 222 580	868 458 325	898 680 905

## STATEMENT OF CASH FLOWS

for the year ended 31 March 2025

	Notes	2025 E	2024 E
<b>Cash flows from operating activities</b>			
Cash generated/(utilised) from operations	15.1	146 525 143	(4 345 156)
Interest received	15.4	29 664 979	26 777 249
Tax paid		(7 074 286)	-
Interest paid	3	(8 555 546)	(10 690 665)
<i>Net cash generated from operating activities</i>		<b>160 560 290</b>	11 741 428
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant, and equipment		1 293 331	6 599 420
Acquisition of property, plant, and equipment	15.5	(759 044 347)	(364 102 919)
Disposal of investments	15.6	73 062 717	-
<i>Net cash utilised in investing activities</i>		<b>(684 688 299)</b>	(357 503 499)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	15.2	76 349 859	150 934 981
Repayment of borrowings	15.2	(26 965 266)	(37 455 866)
Repayment of lease liability	7.2	(1 707 908)	(1 648 126)
Capital grants received	15.3	478 241 206	184 371 158
<i>Net cash generated from financing activities</i>		<b>525 917 891</b>	296 202 147
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		381 576 835	431 136 759
Cash and cash equivalents at the end of the year	9.3	383 366 717	381 576 835

# FINANCIAL STATEMENTS

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

### 1. Basis of preparation

The Eswatini Water Services Corporation (EWSC) is a body corporate duly established under the Water Services Corporation Act No.12 of 1992 as the sole provider of water services in the urban areas (water supply, and sewage treatment and disposal) and to control the abstraction of raw water from boreholes in those areas for which it is responsible. EWSC is a category 'A' Public Enterprise in terms of the Public Enterprise (Control and Monitoring) Act No.8 of 1989 and therefore it is wholly owned by Government of Eswatini.

The financial statements of EWSC have been prepared in accordance with IFRS® Accounting Standards. They have been prepared under the historical cost convention with the exception of certain investments that have been disclosed at a fair value basis in line with the requirements of IFRS 9.

The preparation of financial statements in conformity with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies.

Amounts are not rounded, except for where indicated otherwise.

Presentation currency is Emalangeni ("E"), which is the Corporation's functional currency.

The financial statements have been approved and authorised for issue by the Board of Directors of the Corporation.

#### (a) New standards, amendments and interpretations adopted by the Corporation

The following new and revised standards and interpretations have been issued by the IASB and are effective for the current financial year. The standards were implemented and did not have a material impact.

Number	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of Financial Statements' – Non-current liabilities with covenant	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16, 'Leases' – sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

#### (b) New standards and interpretations not yet adopted by Corporation

A number of new standards and amendments to standards and interpretations issued but not yet effective for 31 March 2024 year end and have not been applied in preparing these financial statements. The Corporation intends to adopt and apply these standards on their respective effective dates. The standards are not anticipated to have a material impact on the Corporation, however, management is still assessing the impact of this new standards to financial statements. The standards that are not yet effective are as follows:

Number	Effective date	Executive summary
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" – Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (Published May 2024)	These amendments: <ul style="list-style-type: none"> <li>clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</li> <li>clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and</li> <li>make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).</li> </ul>

# FINANCIAL STATEMENTS

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 1. Basis of preparation (continued)

#### (b) New standards and interpretations not yet adopted by Corporation (continued)

Number	Effective date	Executive summary
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Published April 2024)	<p>The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.</p> <p>IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</p> <p>Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'</p>

### 2. Property, plant, and equipment

All property, plant and equipment, are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Capital work in progress are assets under construction, that do not yet meet the capitalisation criteria. Once assets included in capital work in progress are in a state ready for use as intended by management, they are capitalised into the different asset classes as appropriate.

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

Land and Capital Work in Progress is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	5–50 Years
Dams and reservoirs	40–60 Years
Treatment works	40–60 Years
Mains and reticulation	5–40 Years
Mechanical, electrical plant and systems	20–25 Years
Furniture and equipment	5–20 Years
Motor vehicles and mobile plant	3–15 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of comprehensive income.

### 3. Impairment of non-financial assets

Assets that have an indefinite useful life, are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

### 4. Financial assets

Financial assets include:

- Financial investments;
- Cash and cash equivalents; and
- Trade and other receivables.

The Corporation classifies its financial assets in the following categories: at amortised cost, fair value through profit or loss, or fair value through other comprehensive income. The classification depends on the basis of the Corporation's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets carried in the statement of financial position are classified as follows:

#### (a) Financial assets at amortised cost

Financial assets shall be carried at amortised cost if 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.

#### (b) Financial assets at fair value through profit or loss

Financial assets shall be carried at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. No financial assets are designated at fair value through profit or loss at initial recognition.

for the year ended 31 March 2025

### 4. Financial assets (continued)

#### Initial measurement

At initial recognition, the Corporation measures all financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### Subsequent measurement

##### (a) Financial assets at amortised cost

These financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### (b) Financial assets at fair value through profit or loss

These financial instruments are subsequently measured at fair value with changes in fair value recognised in profit or loss. The Corporation subsequently measures all equity instrument investments at fair value.

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

#### Impairment of financial assets

The Corporation calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Corporation in accordance with the contract and the cash flows that the Corporation expects to receive). The three-stage ECL model was applied for investments at amortised cost, where 12 month or lifetime ECL is recognised depending on the assessment of the credit risk of the investment.

To calculate ECLs the Corporation segments/groups trade receivables by customer type i.e. government, corporate and individual. The Corporation applies the simplified approach to determine the ECL for trade receivables. This results in calculating lifetime expected credit losses for trade receivables. ECLs for trade receivables is calculated using a provision matrix.

Provision Matrix – ECLs are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic/proxy write offs to the payment profile of the sales population. In instances where there was no evidence of historical write offs management used a proxy write off. Trade receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations. The historic loss ratio is then adjusted for forward-looking information to determine the ECL for the portfolio of trade receivables at the reporting period to the extent that there is a strong correlation between the forward-looking information and the ECL.

The Corporation used 12 months sales data to determine the payment profile of the sales. Where the Corporation has information about actual historical write-offs, actual write-offs have been used to determine a historic loss ratio. Alternatively, management has used the proxy write-off based on management's best estimated. The Corporation has considered quantitative forward-looking information such as core inflation rate. Qualitative assessments have also been performed, of which the impact was found to be immaterial. For parastatal and government customers management rebutted the presumption that a customer is in default when 90 days past due and have determined default as 150 days past due. For individuals, the 90-day rule was maintained.

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 5. Leases

#### Corporation as a lessee

The Corporation recognises both a right-of-use asset and a lease liability as at the lease commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to dismantle and remove the underlying asset or to restore the site on which it is located (if applicable), less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Corporation's incremental borrowing rate.

The lease liability is remeasured when there are changes in the amounts of future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation presents right-of-use assets and the related lease liabilities in a separate line in the statement of financial position. The right of use is recognised at cost less accumulated depreciation.

#### Short-term leases and leases of low-value assets

As permitted under the standard, the Corporation does not recognise right-of-use assets and lease liabilities for short-term leases of assets that have lease terms of 12 months or less, and leases of low-value assets. The Corporation recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

#### Amortisation

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets is between 3 – 10 years in line with the lease term.

#### Impairment

The right-of-use assets are periodically reduced by the amounts of impairment losses and adjusted to reflect certain remeasurements of the respective lease liabilities.

#### Corporation as a lessor

The Corporation's accounting policy under IFRS 16 has not changed from the comparative period. As a lessor the Corporation classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Lease income where the Corporation is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Corporation did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

# FINANCIAL STATEMENTS

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 6. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the first-in-first-out (FIFO) method. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 7. Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

### 8. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### 9. Share capital

Ordinary shares and non-redeemable preferred shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 10. Government grants relating to purchase of property, plant, and equipment

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Corporation will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

### 11. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

### 12. Trade and other payables

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

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 13. Employee benefits

#### (a) Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

#### (b) Defined contribution plans

The Corporation operates a defined contribution plan and pay contributions to a publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Corporation has got no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

### 14. Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Corporation expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Corporation recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Restructuring provisions comprise lease termination penalties and employee termination payments and are recognised in the period in which the Corporation becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Corporation are not provided in advance.

### 15. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Corporation's activities. The Corporation used the practical expedient described in paragraph 63 of IFRS 15 and did not adjust the promised amount of consideration for the effects of a significant financing component because it has assessed that for most of the contracts the period between when the Corporation transfers the goods and services to the customer and when the customer pays for the consideration is one year or less. Revenue from the sale of potable water is recognised over time at the metering point, this is the point where the units of water supplied to the customer for a specific period is read for billing purposes and recognised as revenue. This is performed at an agreed point in time during a calendar month period. The Corporation thereafter recognises other services and goods sold at a point in time when (or as) it satisfies a performance obligation by transferring a promised good or service (that is, an asset) to the customer.

The Corporation recognises revenue when the performance obligation stipulated in the contract with the customer is satisfied, when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Corporation's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the Corporation's main types of revenue are explained in Note 2.

### 16. Dividend distribution

Dividend distribution to the Corporation's shareholder is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholder.

# FINANCIAL STATEMENTS

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 17. Financial risk management

#### 17.1. Financial risk factors

The Corporation's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk, cash flow interest-rate risk and price risk), credit risk, and liquidity risk. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Corporation's financial performance. The Corporation currently does not use derivative financial instruments to hedge certain risk exposures.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Emalangeni.	Cash flow forecasting Sensitivity analysis	None. Corporation has no exposure to any foreign exchange risk
Market risk – interest rate	Long-term borrowings at variable rates Investments in bonds	Sensitivity analysis	No formal mechanism for borrowings Bond investments are at a fixed rate
Market risk – security prices	Investments at FVPL	Sensitivity analysis	Portfolio diversification
Credit risk	Cash and cash equivalents Trade receivables, and held-to-maturity investments	Ageing analysis Credit ratings	Diversification of bank deposits Credit limits and letters of credit Investment guidelines for held-to-maturity investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

#### (a) Market risk

##### (i) Foreign exchange risk

From time to time the Corporation is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

As at 31 March 2025, the Corporation was not exposed to any foreign currency exchange risk.

##### (ii) Price risk

The Corporation is exposed to 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 financial assets. These assets are investments in African Alliance Eswatini Managed Fund unit trusts and Stanlib Eswatini unit trusts. Refer to note 9.6 for the fair value of these investments.

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 17. Financial risk management (continued)

#### 17.1. Financial risk factors (continued)

#### (a) Market risk (continued)

##### (ii) Price risk (continued)

The table below summarises the impact of increases/decreases in the African Alliance Eswatini Managed Fund unit trusts and Stanlib Eswatini unit trusts prices on the Corporation's post-tax profit for the year. The analysis assumes that the unit trust price had changed by 5% with all other variables held constant:

	Impact on post-tax profit	
	2025 E	2024 E
Increase of 5% in unit prices	3 480 171	4 565 348
Decrease of 5% in unit prices	(3 480 171)	(4 565 348)

##### (iii) Cash flow and fair value interest rate risk

The Corporation's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Corporation to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Corporation to fair value interest-rate risk. The Corporation is not exposed to fair value interest rate risk because all the Corporation's borrowings (note 9.5) are at variable rates. The Corporation does not consider the exposure to cash flow interest rate risk as significant to the Corporation. Therefore, the Corporation currently does not have formal mechanisms to mitigate this risk.

The prevailing prime borrowing rate that the Corporation's borrowings are linked to was 10.25% as at 31 March 2025 (2024: 11%). The ranges of the borrowings are as follow, per category:

	Range %	2025 E	2024 E
<b>Bank loans</b>	Prime less 0.5%-1.55%	172 196 256	131 071 413
<b>Finance lease</b>	Prime plus 1%	45 415 589	36 263 905
<b>Eswatini government</b>	2% above inflation	811 194	1 703 129

The Eswatini government loan is repriced semi-annually in January and July of each year.

The table below summarises the impact of increases/ decreases in interest rates on the Corporation's post-tax profit for the year, impacting cash and cash equivalents and borrowings. The analysis assumes that interest rates would change by 25 basis points with all other variables held constant:

	Impact on post-tax profit	
	2025 E	2024 E
Interest rates – increase by 25 basis points	224 132	442 596
Interest rates – decrease by 25 basis points	(224 132)	(442 596)

# FINANCIAL STATEMENTS

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 17. Financial risk management (continued)

#### 17.1. Financial risk factors (continued)

##### (b) Credit risk

Credit risk arises from cash and cash equivalents, held-to-maturity investments, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

##### (i) Risk Management

For banks and financial institutions, only high credit quality parties are accepted.

The Corporation does not do credit vetting for new customers since it is an essential service. Overdue accounts are disconnected for non-payment after 30 days from the statement due date as per the policies and procedures. No securities are held in relation to outstanding receivables.

Investments at amortised cost consist of African Alliance promissory notes which are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration. The credit rating for the promissory notes is currently B- measured at a proxy of one notch less than the Government of Eswatini's credit rating.

##### (ii) Credit quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to the credit rating about the counterparty. Where the counterparties do not have external credit ratings, the Corporation uses internal risk rating as described below:

##### Trade receivables

	2025 E	2024 E
Counterparties without external credit ratings		
• Low risk: Government accounts	76 040 547	77 098 062
• Medium risk: Corporate clients and companies	57 376 928	20 965 523
• High risk: Mainly individual accounts	141 962 264	195 501 862
<b>Total trade receivables</b>	<b>275 379 739</b>	<b>293 565 447</b>

##### Cash at bank and short-term bank deposits

	2025 E	2024 E
Cash on hand	17 788	17 880
Standard Bank Eswatini Limited	125 010 664	38 719 841
Nedbank Swaziland Limited	56 302 358	61 538 350
First National Bank of Eswatini Limited	27 982 880	26 570 049
Eswatini Savings and Development Bank	107 611 899	196 642 176
Swaziland Building Society	66 441 128	58 088 539
	<b>383 366 717</b>	<b>381 576 835</b>

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 17. Financial risk management (continued)

#### 17.1. Financial risk factors (continued)

##### (b) Credit risk (continued)

##### Investments at amortised cost

	2025 E	2024 E
Counterparties without external credit ratings:		
• African Alliance promissory notes	28 566 230	51 179 439

##### (iii) Impairment of financial assets

The Corporation has the following type of financial asset that is subject to the expected credit loss model:

- Trade receivables; and
- Investment in promissory notes.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Corporation applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Corporation has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before 31 March 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Corporation considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation; and
- default or delinquency in payments (more than 150 days overdue).

All of the Corporation's debt investments at amortised cost are considered to have low credit risk and there has been no significant increase in credit risk, the loss allowance recognised during the period was therefore limited to 12 months expected losses.

# FINANCIAL STATEMENTS

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 17. Financial risk management (continued)

#### 17.1. Financial risk factors (continued)

##### (b) Credit risk (continued)

The provision for impairment as at 31 March 2025 and 31 March 2024 was determined as follows for the trade receivables:

	Current	30 days	60 days	Over 90 days	Total
<b>31 March 2025</b>					
Expected loss rate	2.5%	1.9%	1.6%	93.9%	-
Government	266 377	250 974	276 210	649 097	1 442 658
Corporate	182 318	93 888	50 311	28 973	355 490
Individuals	2 564 503	1 643 821	1 123 500	118 618 513	123 950 337
Provision for impairment	3 013 198	1 988 683	1 450 021	119 296 583	125 748 485
<b>31 March 2024</b>					
Expected loss rate	2.5%	1.9%	1.6%	93.9%	-
Government	263 227	207 753	259 583	734 300	1 464 863
Corporate	162 620	82 709	39 191	113 825	398 345
Individuals	2 630 094	2 049 498	1 631 124	113 030 432	119 341 148
Provision for impairment	3 055 941	2 339 960	1 929 898	113 878 557	121 204 356

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2025 E	2024 E
Opening balance	121 204 356	107 130 662
Provision for impairment raised	5 132 597	18 358 440
Provision utilised	(588 468)	(4 284 746)
Closing balance	125 748 485	121 204 356

The creation and release of provision for impaired receivables have been included in 'other expenses' in the statement of comprehensive income. The other classes other than trade and other receivables that are subject to credit risk and have an impairment recognised are:

- Other financial assets at amortised cost: promissory notes

The loss allowance for other financial assets at amortised cost as at 31 March 2025 is E0.

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 17. Financial risk management (continued)

#### 17.1. Financial risk factors (continued)

##### (c) 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, Corporation Management aims to maintain flexibility in funding by keeping committed credit lines available.

##### (i) Maturity analysis

The table below analyses the Corporation's financial liabilities into relevant maturity rationings based on the remaining period at the statement of financial position 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.

	Less than 1 year E	Between 1 and 5 Years E	Over 5 years E	Total E	Carrying amount E
<b>At 31 March 2025</b>					
Borrowings	48 154 438	205 997 429	-	254 151 867	218 423 040
Trade payables	408 268 110	-	-	408 268 110	408 268 110
	456 422 548	205 997 429	-	662 419 997	626 691 150
<b>At 31 March 2024</b>					
Borrowings	48 785 863	177 366 601	-	226 152 464	169 038 447
Trade payables	227 167 168	-	-	227 167 168	227 167 168
	275 953 031	177 366 601	-	453 319 632	396 205 615

##### (ii) Financing arrangements

The Corporation had access to the following undrawn facilities at the end of the reporting period:

##### Floating rate

	2025 E	2024 E
Letters of guarantee facility	8 000 000	8 000 000
Forward exchange contracts	2 000 000	2 000 000
Revolving credit facility	20 000 000	20 000 000
Multi optional facility	2 000 000	2 000 000
Rural Home loan scheme	8 000 000	8 000 000
Urban home loan scheme	3 000 000	3 000 000

# FINANCIAL STATEMENTS

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 17. Financial risk management (continued)

#### 17.2. Capital risk management

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Corporation monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. 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 capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 March 2025 and 2024 were as follows:

	2025 E	2024 E
Total borrowings (note 9.5)	218 423 040	169 038 447
Less: cash and cash equivalents (note 9.3)	(383 366 717)	(381 576 835)
Net debt	(164 943 677)	(212 538 388)
Total equity	971 529 015	898 680 905
Total capital	806 585 338	686 142 517
Gearing ratio	0%	0%

#### Loan covenants

Under the terms of the major borrowing facilities, the Corporation is required to comply with the following financial covenants:

- Interest cover ratio of not less than 3 times calculated as EBITDA/interest expense.
- Debt to equity ratio of not more than 1.25 times.
- Debt service cover ratio (DSCR) of no less than 1.0 times.

The Corporation has complied with these covenants throughout the reporting period.

### 18. Income tax

The income tax expense for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 19. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

### 20. Critical accounting estimates and assumptions

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### (a) Provision for impairment of trade receivables

The Corporation considers all trade receivable balances that have been outstanding for over 90 days as impaired. The Corporation applies this policy consistently and the Corporation's management is of the view that, even though this is an accounting estimate, it is the best estimate of the amount that may not be recovered from the Corporation's customers. Refer to note 9.1 for disclosure on the provision for impairment of trade receivables.

#### (b) Review of useful lives

The Corporation depreciates items of property, plant and equipment based on the useful lives of these items. The useful lives of the items are management's best estimates. The useful lives are disclosed in accounting policy 2 and they are reasonable in management's view. These useful lives determine the amount of depreciation recognised in the statement of comprehensive income each year (refer to note 7).

#### (c) Income taxes

Judgement is required in determining whether the Corporation is liable for tax or not. There may be transactions and calculations for which the ultimate tax determination may be uncertain. The Corporation recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

#### (d) Lease Liability

Judgement is required in determining the amount which the Corporation is liable to pay on its leased assets in the future. The rate implicit on the lease may be determined as the most reliable estimate based on available information as at the end of each financial period when the liability is re-assessed. Normally, the going prime lending rate is the rate available to the Corporation as an estimate of the incremental borrowing rate that may be used as the rate implicit on the lease.

#### (e) Net realizable value of inventory

Judgement is required in determining the amount which the Corporation considers as the best estimate for net realisable value on its inventory. The Corporation does not sell its inventory but rather issues it for use. The Corporation therefore considers value in use as the net realizable value for its inventory. Judgement is applied in the consideration of usability of stock within the warehouses of the Corporation.

# FINANCIAL STATEMENTS

## Summary of Significant Accounting Policies (continued)

for the year ended 31 March 2025

### 20. Critical accounting estimates and assumptions (continued)

#### (f) Impairment of non-financial assets

Valuation was performed on Eco Water cash generating unit (CGU) in 2024. There was an indication that the cash generating unit was impaired. Recoverable amount of the cash generating unit was based on value in use. The Discounted Cashflow method was used to estimate the value in use. The estimate of the free cashflows determined are discounted at an appropriate rate. The cashflow are based on future cashflows that can be generated. The cashflow exclude any inflow or outflow from future restructuring, improvement and enhancing value of the asset. The cashflow forecast is for 8 years. The below assumptions were used on the value in use calculation:

Assumption	Approach used to determine values
<b>Cashflows</b>	
Revenue growth of 30% per annum	Expected cash costs in the CGUs. This is based on the historical experience of management.
Expenses increase by 11% year on year	Expected cash costs in the CGUs. This is based on the historical experience of management.
Maintenance capital of 0.5% of revenue	Expected cash costs in the CGUs. This is based on the historical experience of management.
Terminal growth rate of 4.4%	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts.
<b>Discount rate</b>	
Discount rate: weighted average cost of capital (WACC) – 21.4%–24.4%	Reflect specific risks relating to the industry entity operate in as well as the country specific risk.
<b>Components of WACC</b>	
Risk free rate – 3.5%	Risk free rate based on the US treasury bond rate provided by S&P Capital IQ plus a sovereign risk.
Country risk premium – 8%	Country risk rating provided by Damodaran.
Market risk premium – 6%	Market risk premium is as per Stern Stewart and Co market risk premium research.
Beta – 0.28	Beta of comparable companies in the similar industry.
Small stock premium – 3.5%–5.2%	Market capitalisation of the Eco water cash generating unit.
Alpha (Specific risk) – 6.0%–7.5%	Corporation specific risk.
Capital Structure – 7.9% debt and 92.1% equity	Capital of the Corporation. Percentage of debt and equity per the financial statements.
Pre-tax cost of debt – 10.3%	Prime rate in Eswatini as at 31 March 2023.
Incremental borrowing rate – N/A	
Tax rate – 27.5%	Current tax on companies per tax legislation.

### 21. Comparatives

No changes were noted that may require adjustment of comparable figures in the current year. Comparable figures are in line with prior period signed financial statements figures.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025 E	2024 E
<b>1. Material other expense items</b>		
The Corporation has identified the items below needing separate disclosure for better understanding of the performance of the Corporation. These items are included in “other expenses” on the statement of comprehensive income.		
Auditors’ remuneration		
• Audit fees	2 010 633	1 218 630
Impairment loss raised on non-financial assets	-	33 033 901
Impairment loss raised on financial assets	5 132 597	18 358 440
Fees for services	28 372 259	31 062 845
• Public Enterprise Unit management fees	11 315 364	16 126 018
• Other services	17 056 895	14 936 827
Directors’ emoluments for services as directors	273 988	331 393
Staff related Expenses	17 192 597	16 126 018
Printing and stationery costs	2 334 153	3 095 444
(Profit)/Loss on disposal of property, plant, and equipment	741 957	(4 208 251)
Repairs and maintenance expenditure		
• Property, plant and equipment	25 391 180	22 270 555

### 2. Revenue

Water charges	459 754 054	449 555 270
Sewer charges	100 909 292	98 544 946
Penalty charges	3 575 358	6 089 121
Miscellaneous water supply services	2 361 380	1 933 057
Connection charges – new customers	3 784 565	3 738 378
Trade effluent charges	6 717 853	7 814 672
	577 085 210	567 675 444

Revenue is recognised for the major business activities using the methods outlined below:

*Water, sewer and basic charges – residential and commercial*

**Timing of recognition:** The Corporation supplies water to both commercial and residential customers and provides sewage disposal services to the same. Revenue from water and sewer services is recognised based on usage of water by customers. Basic charges are charged per customer with an active connection without regard to usage on a monthly basis.

**Measurement of revenue:** Water and sewer usage charges are charged per gazetted rates on the usage of customers. Basic charges are also based on a flat rate gazetted charge per type of connection. Revenue is measured at the fair value receivable from the customers at time of billing.

*Connection charges*

**Timing of recognition:** Customers are charged a fee for new connections and reconnections to receive water and sewer services from the Corporation. Revenue is recognised when the connection fee is payable by the customer (fees are usually payable when the service – connection – is rendered).

**Measurement of revenue:** The revenue is measured at the fair value receivable from the customer when the service is rendered.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 2. Revenue (continued)

#### Penalty charges

**Timing of recognition:** Penalties are charged to customers who have had their water and sewer services disconnected. The revenue is recognised when the customer pays the penalty for disconnection.

**Measurement of revenue:** The revenue is measured at the amount received from the customer when paying the penalty.

#### Trade effluent charges

**Timing of recognition:** Trade effluent disposal services are offered to commercial industrial customers that produce liquid waste from their processes. The charges are billed to customers based on amount of effluent disposed, and revenue is recognised when the service is rendered based on volumes of trade effluent disposed.

**Measurement of revenue:** The Corporation measures revenue at the fair value receivable from the customer at the time of rendering of the trade effluent disposal services.

#### Miscellaneous water supply services

**Timing of recognition:** Other water supply services revenue is recognised when the Corporation is entitled to receive payment from the rendering of those miscellaneous services, or the supply of miscellaneous water related goods. This is when all rights and rewards related to the goods/services have been transferred to the customer.

**Measurement of revenue:** The Corporation measures revenue at the fair value receivable from the customer at the time of supply of the goods and/or services.

### 3. Finance income and costs

	2025 E	2024 E
<i>Finance income</i>	42 826 853	45 942 769
Interest from financial assets at amortised cost	33 560 930	34 536 258
Fair value changes in financial assets held at fair value	9 265 923	11 406 511
<i>Finance costs</i>	(8 555 546)	(10 690 665)
Interest expense on financial borrowings	(8 046 671)	(10 224 798)
Interest expense – lease liability	(508 875)	(465 867)
Net finance income	34 271 307	35 252 104

#### Finance income

It is the Corporation's policy to include fair value changes in financial assets measured at fair value through profit and loss, interest income from financial assets at amortised cost, interest earned from financial assets that are held for cash management purposes as finance income.

#### Finance costs

Finance costs is interest charged on borrowings and interest of lease liability.

### 4. Employee benefits expenses

Salaries, wages, and allowances	172 280 754	143 945 014
Provident fund contribution	1 428 502	1 234 882
Medical aid contribution	10 140 576	8 676 474
Retirement benefits	15 651 044	13 029 947
	199 500 876	166 886 317

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 5. Income tax expense

The Corporation's income tax expense is as follows:

	2025 E	2024 E
• Current tax	-	4 716 191
• Deferred tax charge (Note 14)	(4 976 042)	17 456 806
	(4 976 042)	22 172 997
<b>Numerical reconciliation of income tax expense</b>		
Profit before income tax	67 872 068	92 639 281
Tax calculated at statutory tax rate (27.5%)	18 664 819	25 475 802
<b>Tax effects of:</b>		
Expenses not deductible for tax purposes	372 343	9 702 648
Income not taxable	(16 580 643)	(13 109 777)
Prior period deferred tax adjustment	-	104 324
Effects of tax rate change	(7 432 561)	-
<b>Income tax expenses</b>	<b>(4 976 042)</b>	22 172 997

### 6. Other income

Ecowater sales	4 459 345	4 874 883
Amortisation of deferred grant income	60 293 247	47 671 918
Rental income	4 602 751	3 853 526
Sundry income	4 945 753	11 778 751
<b>Total</b>	<b>74 301 096</b>	68 179 078

Other income to the Corporation is classified as such on the following bases:

#### Ecowater sales

Sales of Ecowater bottled water is classified as other income by the Corporation.

#### Rental income

Rent payable to the Corporation by tenants renting out land and office space from the Corporation. The office space rented out is insignificant to classify it as investment property in terms of IAS 40 – *Investment Property*.

#### Government grant amortisation

Government grants amortised relate to developmental projects funded by the government and other funders through the government. There are no unfulfilled conditions or other contingencies attaching to these grants. The Corporation has not benefitted directly from any other forms of government assistance other than the funding of water development projects.

**Deferral and presentation of grants:** grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

#### Sundry income

Sundry income includes other incidental income not in the main business activities of the Corporation.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 7.1 Property, plant and equipment

Year ended 31 March 2025

	Opening net Carrying amount E	Additions E	Disposals E	Transfers from Capital projects E	Depreciation Charge E	Reclassification E	Closing net Carrying amount E
Land and buildings	271 453 611	-	(23 996)	24 741 025	(6 433 472)	-	289 737 168
Dams and reservoirs	122 395 911	-	(31 581)	146 653 356	(7 798 583)	-	261 219 103
Treatment works	377 253 740	-	-	119 174 298	(10 290 265)	-	486 137 773
Mains and reticulation	828 115 766	918 502	(18 296)	96 471 111	(32 103 437)	-	893 383 646
Mechanical electrical plant and systems	234 070 349	6 861 606	(145 704)	197 479 821	(32 135 953)	-	406 130 119
Furniture and equipment	22 802 947	590 268	(142 534)	8 507 867	(7 193 909)	-	24 564 639
Motor vehicles and mobile plant	50 624 202	24 906 985	(1 673 177)	-	(11 026 837)	-	62 831 173
Capital work in progress (note 8)	1 097 858 245	725 766 986	-	(593 027 478)	-	(4 325 210)	1 226 272 543
<b>Total</b>	<b>3 004 574 771</b>	<b>759 044 347</b>	<b>(2 035 288)</b>	<b>-</b>	<b>(106 982 456)</b>	<b>(4 325 210)</b>	<b>3 650 276 164</b>

At 31 March 2025

	Cost E	Accumulated Depreciation E	2025 Net carrying Amount E	2024 Net carrying Amount E
Land and buildings	369 326 034	(79 588 866)	289 737 168	271 453 611
Dams and reservoirs	316 967 925	(55 748 822)	261 219 103	122 395 911
Treatment works	588 476 011	(102 338 238)	486 137 773	377 253 740
Mains and reticulation	1 176 443 697	(283 060 051)	893 383 646	828 115 766
Mechanical electrical plant and systems	602 842 937	(196 712 818)	406 130 119	234 070 349
Furniture and equipment	75 887 852	(51 323 213)	24 564 639	22 802 947
Motor vehicles and mobile plant	115 964 439	(53 133 266)	62 831 173	50 624 202
Capital work in progress	1 226 272 543	-	1 226 272 543	1 085 245
<b>Total</b>	<b>4 472 181 438</b>	<b>(821 905 274)</b>	<b>3 650 276 164</b>	<b>3 004 574 771</b>

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 7.1 Property, plant and equipment (continued)

Year ended 31 March 2024

	Opening net Carrying amount E	Additions E	Disposals E	Transfers from Capital projects E	Depreciation Charge E	Reclassification E	Impairment Charged E	Closing net Carrying amount E
Land and buildings	319 224 619	48 208 205	-	535 147	(5 948 436)	(83 342 489)	(7 223 435)	271 453 611
Dams and reservoirs	112 317 834	524 250	-	13 913 096	(4 037 139)	-	(322 130)	122 395 911
Treatment works	384 486 942	-	-	833 095	(7 913 066)	4 541	(157 772)	377 253 740
Mains and reticulation	821 674 775	-	(1 934)	34 590 283	(27 736 385)	28 166	(439 139)	828 115 766
Mechanical electrical plant and systems	266 822 188	-	(152 001)	10 877 414	(19 791 223)	-	(23 686 029)	234 070 349
Furniture and equipment	23 331 784	-	(264 123)	5 280 218	(5 431 604)	19 607	(132 935)	22 802 947
Motor vehicles and mobile plant	36 665 369	-	(2 182 140)	26 088 960	(8 875 513)	(13)	(1 072 461)	50 624 202
Capital work in progress (note 8)	826 887 443	364 102 919	-	(92 137 820)	-	(994 297)	-	1 097 858 245
<b>Total</b>	<b>2 791 410 954</b>	<b>412 835 374</b>	<b>(2 600 198)</b>	<b>(19 607)</b>	<b>(79 733 366)</b>	<b>(84 284 485)</b>	<b>(33 033 901)</b>	<b>3 004 574 771</b>

At 31 March 2024

	Cost E	Accumulated Depreciation E	2024 Net carrying Amount E	2023 Net carrying Amount E
Land and buildings	345 177 563	(73 723 952)	271 453 611	319 224 619
Dams and reservoirs	170 419 035	(48 023 124)	122 395 911	112 317 834
Treatment works	469 301 713	(92 047 973)	377 253 740	384 486 942
Mains and reticulation	1 079 149 597	(251 033 831)	828 115 766	821 674 775
Mechanical electrical plant and systems	398 790 984	(164 720 635)	234 070 349	266 822 188
Furniture and equipment	67 413 614	(44 610 667)	22 802 947	23 331 784
Motor vehicles and mobile plant	95 779 402	(45 155 200)	50 624 202	36 665 369
Capital work in progress	1 097 858 245	-	1 097 858 245	826 887 443
<b>Total</b>	<b>3 723 890 153</b>	<b>(719 315 382)</b>	<b>3 004 574 771</b>	<b>2 791 410 954</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 7.1 Property, plant and equipment (continued)

Leased assets (motor vehicles and trailers) included in property plant and equipment are as follows:

	2025 E	2024 E
Cost	162 577 413	162 065 491
Accumulated depreciation	(35 664 348)	(29 362 864)
Net carrying amount	126 913 065	132 702 627

Land and building owned by the Corporation are as follows:

	2025 E	2024 E
Land purchased at Shiselweni Forest (Nkawini T/Works)	3 500	3 500
Portion 457 of farm No. 2 Hhohho District	110 000	110 000
Lot No. 585 Extension 3 – Checkers, Hhohho	180 000	180 000
Portion 1165 of farm 188	195 000	195 000
Portion 1259 of farm Dalriach No. 188	280 000	280 000
Portion 8 of farm No. 1194 Hhohho District	290 000	290 000
Erf No4 – Second street Nhlanguano	550 000	550 000
Portion 1016 of farm2 Mbabane	650 000	650 000
Portion 79 – Land adjacent to Ezulwini Headquarters	820 000	820 000
Portion 61 (a Portion of Portion 61) of Farm 51, Hhohho	950 001	950 001
Portion 78 (a Portion of Portion 61) of Farm 51, Hhohho	500 000	500 000
PLot 237 Matsapha	1 558 800	1 558 800
Lot No. 2437 Extension 23 – Golf Course, Hhohho	1 760 000	1 760 000
Portion 387 (a Portion of Portion 300) of Dalriach No. 188	2 150 000	2 150 000
Portion 95 (a Portion of Portion 61) of farm 51 Ezulwini	4 500 000	4 500 000
Portion 95 (a Portion of Portion 15) of farm 51 No. 300 Matsapha	10 046 288	10 046 288
Portion 56(a Portion of Portion 46) of farm no.51 situated in the Hhohho district of Eswatini	8 575 503	8 575 503
Portion 124 (of Portion 49) of farm 57, Hhohho	4 850 000	4 850 000
Lot 618 Nhlanguano extension 4–Nhlanguano staff housing	–	–
Lot 619 Nhlanguano extension4–Nhlanguano staff housing	130 000	130 000
Lot 41 of Lavumisa township–Lavumisa vacant land	90 000	90 000
Lot 42 of Lavumisa township–Lavumisa staff houses – plumber	–	–
Lot 39 of extension 2 mankayane–old reservoirs	–	–
Lot 44 of extension 2 mankayane–old dam and treatment plant	3 150 000	3 150 000
Portion 1 of Lot 273 Manzini–old sewer ponds	440 000	440 000
Portion 1 of Lot 868 Manzini–vacant land along mzimnene	1 200 000	1 200 000
Lot 357 of Woodlands township ext 2 Mbabane–Woodlands township sewer pump and sump	392 850	392 850
Lot 358 of Woodlands township ext 2 Mbabane–proposed Woodlands staff housing	392 850	392 850
Lot 31 of Mabuya township Mbabane–Mabuya township sewer pump and sump	226 350	226 350
Farm 328 (Bham Bham) Lubombo	1 367 756	1 367 756
99 year lease of Lot 337 at Mhobodleni measuring 3 759M	131 565	131 565
Woodlands Township Lot 523 5094SQM	78 246	78 246
Portion 1187 of Farm 2 Mbabane–Checkers Old Staffhouses	1 353 821	1 353 821
Portion 1186 of Farm 2 Mabane EWSC New Checkers Staff Houses	1 987 949	1 987 949
Lot 618 Nhlanguano Extension 4 Nhlanguano Staff Housing	127 440	127 440
Lot 189 Hlathikhulu – Hlathikhulu Reservoir 2	378 840	378 840

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 7.1 Property, plant and equipment (continued)

	2025 E	2024 E
Lot 301 Hlathikhulu Extension 4 – Hlathikhulu Supervisor Houses	276 720	276 720
Lot 302 Hlathikhulu Extension 4 – Hlathikhulu Staff Houses	276 720	276 720
Portion 20 of Farm 1170 Lavumisa Township – Lavumisa Treatment Plant	1 059 200	1 059 200
Lot 42 of Lavumisa Township – Lavumisa Staff Houses	91 636	91 636
Lot 39 of Extension 2 Mankayane – Old Reservoirs	341 840	341 840
Lot 844 of Ngwane Park Manzini – Ngwane Park Reservoir	274 720	274 720
Portion 2 of Lot 1139 Manzini – Kelly Booster Pump	712 000	712 000
Portion 1193 of Farm 1209 Ngwenya-Upper Fonteyn Reservoir	451 440	451 440
Remainder of Lot 188 of Matsapha Township – Matsapha Raw Water Pumphouse	7 200 000	7 200 000
Portion 5 of Farm 1209 Ngwenya-Ngwenya EWSC Staff Houses	1 300 000	1 300 000
Lot 1759 of Msunduzi Extension 4 Mbabane – Gobholo Sewer Ponds	236 670	236 670
Lot 1760 of Msunduzi Extension 4 Mbabane – Old Gobholo Staff Houses	93 345	93 345
Lot 1958 of Msunduzi Extension 4 Mbabane – Staff Housing No.2 at Gobholo	69 520	69 520
Remainder of Portion 5 of farm 188 Mbabane – Staff Housing No.2 at Gobholo	1 616 900	1 616 900
Lot 620 Nhlanguano Extension 4 – Nhlanguano Staff Housing	119 880	119 880
Lot 621 Nhlanguano Extension 4 – Nhlanguano Staff Housing	119 880	119 880
Lot 546 of Pigg's Peak Township – Pigg's Peak EWSC Revenue Offices	287 000	287 000
Lot 325 of Siteki Regional and Revenue Offices	383 000	383 000
Lot 343 of Siteki EWSC Siteki Old Plant and Yard	690 240	690 240
Lot 309 of Siteki – Siteki Senior Staff Housing	272 030	272 030
Lot 310 of Siteki – Siteki Senior Staff Housing	238 150	238 150
Lot 311 of Siteki – Siteki Senior Staff Housing	214 060	214 060
Lot 312 of Siteki – Siteki Senior Staff Housing	208 560	208 560
Building at depreciated cost	223 786 898	205 503 341
	289 737 168	271 453 611

The cost of assets which are fully depreciated but still in use are as follows:

	2025 E	2024 E
Fencing	9 897 157	1 559 665
Mains Reticulation and Meters	8 507 068	6 029 109
Motor vehicles	568 025	2 431 660
Laboratory Equipment	7 220 963	2 741 436
Heavy Duty Vehicles	172 495	742 375
Furniture & equipment	4 776 472	1 778 862
Office Equipment	565 050	4 014 519
Mobile plant	319 650	343 739
IT hardware and systems	10 073 412	1 894 253
Water tanker and trailer	–	56 182
Plant and Machinery	42 711 068	1 262 803
Motorcycles	–	278 630
	84 811 360	23 133 233

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 7.2 Right of use of assets and lease liabilities

	2025 E	2024 E
Acquisition cost	15 062 949	9 251 162
Accumulated depreciation	(7 832 599)	(6 516 360)
Net value	7 230 350	2 734 802
Opening balance	2 734 802	1 405 161
Additions	5 811 787	3 322 042
Depreciation	(1 316 239)	(1 992 401)
Balance as at year end	7 230 350	2 734 802
<b>Lease liabilities</b>	<b>7 690 127</b>	<b>3 586 248</b>
Current	4 715 481	2 302 739
Non-current	2 974 646	1 283 509
<b>Maturity analysis of lease liabilities</b>		
Less than one year	2 974 645	1 283 509
One year to five years	5 991 402	3 705 316
	8 966 048	4 988 825
Less future finance charges	(1 275 920)	(1 402 577)
	7 690 127	3 586 248
<b>Reconciliation of lease liability</b>		
Opening balance	3 586 248	1 912 332
Interest expense capitalised for the period	508 875	465 867
Additions	5 811 787	3 322 042
Lease payments – Capital	(1 707 908)	(1 648 126)
Lease payments – interest	(508 875)	(465 867)
Balance at year end	7 690 127	3 586 248
The statement of profit or loss shows the following amounts relating to leases		
Expense relating to short-term leases	480 689	177 216
Interest expense (included in finance cost)	(508 875)	(465 867)

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 8. Capital projects in progress

	2025 E	2024 E
Internal projects (Note 8.1)	262 003 779	213 195 920
Government Funded Projects (Note 8.2)	121 111 112	420 606 908
African Development Bank funded projects (Note 8.3)	365 486 909	230 104 020
External loan and grant funded projects (Note 8.4)	477 670 743	233 951 397
Total capital work in progress (Note 7.1)	1 226 272 543	1 097 858 245

The movement in the capital projects in progress during the year is as follows:

#### 8.1. Internal projects

Opening net carrying amount	213 195 920	168 059 548
Additions	92 174 977	95 138 265
Reclassification	-	-
Disposal/derecognised	-	(710 907)
Commissioned – transfers to property plant and equipment	(43 367 118)	(49 290 986)
Closing net carrying amount	262 003 779	213 195 920

#### 8.2. Government funded projects

Opening net carrying amount	420 606 908	385 241 725
Additions	35 529 365	35 600 116
Reclassification	-	-
Disposal/derecognised	(1 515 165)	(234 933)
Commissioned – transfers to property plant and equipment	(333 509 996)	-
Closing net carrying amount	121 111 112	420 606 908

#### 8.3. African Development Bank funded projects

Opening net carrying amount	230 104 020	202 247 573
Additions	354 343 296	27 856 447
Disposal/derecognised	(2 810 040)	-
Commissioned – transfers to property plant and equipment	(216 150 363)	-
Closing net carrying amount	365 486 909	230 104 020

#### 8.4. External loan and grant funded projects

Opening net carrying amount	233 951 397	71 338 597
Additions	243 719 346	205 508 091
Commissioned – transfers to property plant and equipment	-	(42 846 834)
Disposal/derecognised	-	(48 457)
Closing net carrying amount	477 670 543	233 951 397

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 9. Financial assets and liabilities

This note provides information about the Corporation's financial instruments including:

- an overview of all financial instruments held by the Corporation;
- specific information about each type of financial instrument;
- accounting policies; and
- information about determining the fair value of the instruments including judgements and estimation uncertainty involved.

The Corporation holds the following financial instruments:

	Assets at fair value through profit and loss E	Assets at amortised cost E	Total E
<b>31 March 2025</b>			
<b>Assets as per statement of financial position</b>			
Trade and other receivables	-	396 615 067	396 615 067
Investments	96 004 706	28 566 230	124 570 936
Cash and cash equivalents	-	383 366 717	383 366 717
	96 004 706	808 548 014	904 552 720
<b>Liabilities as per statement of financial position</b>			
Borrowings	-	218 423 040	218 423 040
Trade and other payables	-	408 268 110	408 268 110
	-	626 691 150	626 691 150
<b>31 March 2024</b>			
<b>Assets as per statement of financial position</b>			
Trade and other receivables	-	284 409 249	284 409 249
Investments	129 555 598	51 179 439	180 735 037
Cash and cash equivalents	-	381 576 835	381 576 835
	129 555 598	717 165 523	846 721 121
<b>Liabilities as per statement of financial position</b>			
Borrowings	-	169 038 447	169 038 447
Trade and other payables	-	227 167 168	227 167 168
	-	396 205 615	396 205 615

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 9. Financial assets and liabilities (continued)

#### 9.1. Trade and other receivables

	2025 E	2024 E
Trade receivable	275 379 739	293 565 447
Less: provision for impairment of receivables	(125 748 485)	(121 204 356)
Net trade accounts receivable	149 631 254	172 361 091
Staff receivables	1 527 238	1 054 590
UDP and Government advance payment	243 035 065	98 837 402
Sundry receivables	6 155 773	12 156 166
	400 359 330	284 409 249

Trade and other receivables are recognised and classified on the criteria below:

#### Classification as trade and other receivables

Trade receivables are amounts due from customers for goods and services performed in the ordinary course of business. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

#### Advance payments

These are advance payments to contractors for projects undertaken by the Corporation for construction works that have not been completed and/or invoiced by the contractor.

#### Sundry receivables

These amounts generally arise from transactions outside the main business operating activities of the Corporation. Collateral is not normally obtained. All sundry receivables are due within 12 months and are classified as current.

#### Fair values of trade and other receivables

Due to the short-term nature of the current receivables their carrying amount at amortised cost is considered to be the same as their fair value.

#### 9.2. Investments

	2025 E	2024 E
Financial assets at amortised cost (i)	28 566 230	51 179 439
Financial assets at fair value through profit or loss (ii)	96 004 706	129 555 598
	124 570 936	180 735 037

#### (i) Financial assets at amortised cost

##### Non-current assets

- Promissory notes

	28 566 230	51 179 439
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# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 9. Financial assets and liabilities (continued)

#### 9.2. Investments (continued)

##### (i) Financial assets at amortised cost (continued)

###### Promissory notes

The Corporation is invested in promissory notes through African Alliance which pay interest periodically at a floating rate linked to prime and mature at specified dates that are more than 12 months from the reporting date. The fair value of the promissory notes approximates its carrying amount at year end which is its amortised cost.

###### Classification of financial assets at amortised cost

The Corporation classifies investments at amortised cost if:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- 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.

Financial assets at amortised cost are included in non-current assets except for those with maturities less than 12 months from the end of the reporting period which would be classified as current assets.

###### Impairment and risk exposure

An impairment on the promissory notes recognised and its not material. All investments at amortised cost are denominated in Emalangeni. As a result, there is no exposure to foreign currency risk.

##### (ii) Financial assets at fair value through profit or loss

	2025 E	2024 E
<b>Non-current assets</b>	<b>3 614 977</b>	3 614 977
• SBS Permanent shares	3 614 977	3 614 977
<b>Current assets</b>	<b>92 389 729</b>	125 940 621
• Stanlib Unit Trust Account	1 312 975	20 921 495
• African Alliance Managed Fund	91 076 754	105 019 126
	<b>96 004 706</b>	129 555 598

###### African Alliance Managed Fund and Stanlib Unit Trust Account

The Corporation has invested funds with African Alliance and Stanlib Eswatini for capital appreciation. African Alliance and Stanlib Eswatini acts as the investment managers where they invest the funds on behalf of the Corporation in equity debt and other securities at the investment managers' professional discretion. The Corporation has ready access to make withdrawals from these funds as such the investments are classified as current.

###### SBS Permanent shares

The Corporation is holding the investment at the Swaziland Building Society as security for housing loans taken out by the Corporation's staff from Swaziland Building Society. The Corporation is therefore holding this investment as a non-current asset.

###### Classification of financial assets at fair value through profit or loss

The Corporation classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term i.e. are held for trading/capital appreciation. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period or can readily be withdrawn; otherwise, they are presented as non-current assets.

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 9. Financial assets and liabilities (continued)

###### Amounts recognised in profit or loss

See note 3 for changes in fair value in financial assets that has been recognised in profit or loss.

###### Impairment and risk exposure

Information about the Corporation's exposure to price risk is provided in accounting policy 17.

#### 9.3. Cash and cash equivalents

	2025 E	2024 E
Cash at bank and in hand	282 143 361	248 148 302
Deposits at call	101 223 356	133 428 533
	<b>383 366 717</b>	381 576 835

###### Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include **E6 486 487** (2024: E6 241 633) which are subject to certain restrictions on usage by the Corporation. The cash is held in a call account as a guarantee for a certain construction project in favour of the contractor. The deposit will only be accessible to the Corporation upon completion of the project.

###### Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

#### 9.4. Trade and other payables

Trade accounts payable and accruals	130 694 129	100 599 204
Capital projects accruals	176 313 076	65 507 380
Contractors' retention	64 664 986	24 722 460
Consumer deposits	36 595 919	36 338 124
	<b>408 268 110</b>	227 167 168

###### Trade accounts and other payables

Trade and other payables arise from the normal course of business. These are creditors due to be paid and normal accruals raised from dealings with suppliers. Normal terms with suppliers are usually unsecured and payable within 30 days.

###### Capital projects accruals

These are accruals relating to construction projects that the Corporation has undertaken.

###### Contractors' retention

The contractors' retention represents liabilities the Corporation owes to contractors in respect of construction projects which are still within the defects period per the construction contract.

###### Consumer deposits

These are upfront deposits by customers that are paid at initial application of an account with the Corporation. The amount is claimable by the customer when they close their account if they so wish.

###### Fair values of trade and other payables

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 9. Financial assets and liabilities (continued)

#### 9.5. Borrowings

	2025			2024		
	Current E	Non-current E	Total E	Current E	Non-current E	Total E
<i>Secured</i>	-	-	-	-	-	-
Bank loans	23 320 011	148 876 246	172 196 257	11 402 239	119 669 174	131 071 413
Finance lease	14 502 627	30 912 962	45 415 589	10 684 256	25 579 649	36 263 905
<b>Total secured</b>	<b>37 822 638</b>	<b>179 789 208</b>	<b>217 611 846</b>	<b>22 086 495</b>	<b>145 248 823</b>	<b>167 335 318</b>
<i>Unsecured</i>	-	-	-	-	-	-
Eswatini government	811 194	-	811 194	1 703 129	-	1 703 129
<b>Total unsecured</b>	<b>811 194</b>	<b>-</b>	<b>811 194</b>	<b>1 703 129</b>	<b>-</b>	<b>1 703 129</b>
<b>Total borrowings</b>	<b>38 633 832</b>	<b>179 789 208</b>	<b>218 423 040</b>	<b>23 789 624</b>	<b>145 248 823</b>	<b>169 038 447</b>

Agreement Name	Financier/ Agent	Loan Amount/ Facility	Duration	Repayment terms	Interest rate
Swaziland Government loan	Swaziland Government	E811 194	276 months	Interest & principal amount is payable twice a year on the first of January and July every year. Principal repayments are E1 202 617 biannually.	Inflation rate +2%
Standard bank vehicle asset finance	Standard Bank Swaziland	E16 945 127	60 Months	Each lease is payable within a maximum period of 5 years.	Prime less 1% per annum
Nedbank Finance Lease	Nedbank Swaziland	E17 687 008	60 Months	Each lease is payable within a maximum period of 5 years	Prime less 1% per annum
Eswatini Bank Loan Facility	Eswatini Bank	E6 836 525	60 Months	Monthly instalments of E251 500.00	Prime less 1% per annum
Standard Bank Loan Southwest Regional Offices & Hawane Wood	Standard Bank Eswatini	E8 826 816	48 months	Monthly instalments of capital E500 000.00	Prime plus 0.5% per annum
Standard Bank Loan EWSC Head Office Extension & Upgrade	Standard Bank Eswatini	E76 896 722	120 Months	Monthly capital repayments of E500 000 plus monthly interest.	Prime plus 0.5% per annum
FNB HQ Furniture and fittings	FNB	E11 994 704	60 Months	The loan to be repaid in biannual instalments of capital and interest at E650 000.	Prime -0.5%
FNB Finance lease	FNB	E10 764 537	60 Months	Each lease is payable within a maximum period of 5 years	Prime
FNB Projects Financing Smart Metering/Plant Rehabilitation/Pipe Replacement	FNB	E67 638 830	84 months	The loan to be repaid in quarterly instalments of capital and interest over the remaining 72 months on expiry of the 1-year grace period. The loan interest payments will fluctuate in line with movements in prime.	Prime less 0.5% per annum

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 9. Financial assets and liabilities (continued)

#### 9.5. Borrowings (continued)

##### Secured liabilities and assets pledged as security

The entire **E182 979 711** (2024: E131 071 413) of the bank loans are secured in the following manner by the below listed assets:

- Portion 79 of Farm 51 and portion 80 of Farm 51, Ezulwini, Hhohho, Mortgage bond E111 150 000
- Portion 1187 Old checkers E11 200 000
- Portion 1186 New Checkers E9 250 000
- Lot 14 Nhlanguano E11 300 000
- Lot 2347 Extension 23 Mbabane E6 300 000, Hhohho.
- Cession of insurance policy over the water treatment plant Line with Nedbank's.
- Cession over fixed deposit account with a minimum capital of E15 million held at Eswatini Bank
- Deed of Hypothecation for E21m over Water Treatment Plant.
- Lien over leased assets
- Cession over insurance over financed assets
- Deed of hypothecation of E31 100 000 and E38 050 000

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

##### Unsecured liabilities

In December 1995 a subsidiary loan agreement was entered into with the Eswatini Government in terms of which the Corporation was granted E43 294 200 to be used in financing rehabilitation and expansion of water and sewerage services in certain designated urban areas. This loan was named the IBRD urban development loan.

The entire balance of E811 194 (2024: E1 703 129) is unsecured.

##### Compliance with loan covenants

The Corporation has complied with all financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.

##### Finance leases

The Corporation leases various plant and equipment as disclosed in note 7 under various finance lease agreements. Under the agreements the ownership of the assets passes to the Corporation at no significant additional cost at upon settlement of the amounts owed.

	2025 E	2024 E
Less due within 1 year	16 892 829	10 684 256
Due after 12 months but not later than 5 years	37 070 937	25 579 649
<b>Total liability</b>	<b>45 415 589</b>	<b>36 263 905</b>
Finance lease liabilities – minimum lease payments		
Not later than 1 year	16 924 837	13 950 440
Later than 1 year and not later than 5 years	37 006 923	29 437 568
<b>Total lease payments</b>	<b>53 963 766</b>	<b>43 388 008</b>
Future finance charges on finances	(8 548 177)	(7 124 103)
<b>Present value of future finances liabilities</b>	<b>45 415 589</b>	<b>36 263 905</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 9. Financial assets and liabilities (continued)

#### 9.5. Borrowings (continued)

*Fair value*

The fair values of the borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Interest on these borrowings are linked to the prevailing prime borrowing rate.

#### 9.6. Recognised fair value measurements

**Recurring fair value measurements**

	Level 1 E	Level 2 E	Level 3 E	Total E
<b>31 March 2025</b>				
<b>Financial Assets</b>				
Financial assets at FVPL	-	96 004 706	-	96 004 706
<b>Total financial assets</b>	-	96 004 706	-	96 004 706
<b>31 March 2024</b>				
<b>Financial Assets</b>				
Financial assets at FVPL	-	129 555 598	-	129 555 598
<b>Total Financial Assets</b>	-	129 555 598	-	129 555 598

There were no transfers between levels 1 2 and 3 for recurring fair value measurements during the year.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Corporation is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data the instrument is included in level 3.

Specific valuation technique used to value financial instruments recognised above is the use of quoted market prices or dealer quotes for similar instruments.

ITEM AND DESCRIPTION	VALUATION TECHNIQUE	MAIN INPUTS AND ASSUMPTIONS
Financial investments Financial investments are non-trading financial assets and primarily comprise money market instruments.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date. Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued.	For level 2 fair value hierarchy items: • discount rate • spot prices of the underlying instruments

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 10. Inventories

	2025 E	2024 E
Chemicals	2 752 143	1 230 783
Building materials	305 384	286 263
Petrol and diesel	306 799	784 479
Spares fittings and pipes	11 683 673	10 998 847
Ecowater	2 626 431	1 727 608
	<b>17 674 430</b>	<b>15 027 980</b>

*Assigning costs to inventories.*

Inventories are reported at the lower of cost or net realisable value on the first-in first-out model.

*Amounts recognised in profit or loss.*

Inventories recognised as an expense during the year amounted to **E73 773 056** (2024: E72 600 522). These were included in "raw materials & consumables used" in profit or loss.

There was no inventory written down to net realisable value in the current or prior period.

### 11. Share capital

Issued and fully paid up

30 222 580 ordinary shares of E1 each	30 222 580	30 222 580
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All authorised ordinary shares have been issued and fully paid up.

### 12. Provisions

Provision for leave pay (12.1)	5 138 971	4 054 873
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#### 12.1. Provision for leave pay

Balances at the beginning of the year	4 054 873	3 453 700
Raised during the year	2 447 696	1 447 142
Utilised during the year	(1 363 598)	(845 969)
Balances at year end	5 138 971	4 054 873

The leave pay provision is related to vested leave pay to which employees are entitled. The provision arises as employees render services that increase their entitlement to future compensated leave. The accrual is utilised when employees who are entitled to leave pay leave the employment of the Corporation or when the accrued entitlement is utilised.

Based on experience the Corporation does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The Corporation is also unable to estimate the amount to be settled in the next 12 months due to the uncertainties associated with the leave provision and employee behaviour patterns.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 13. Deferred grants

	2025 E	2024 E
<b>Eswatini Government:</b>		
Nhlangano – Water supply and treatment plant	515 553 493	530 961 450
Urban Development Projects (Packages 6 7 8 10 18 A & B and 20)	48 927 054	51 144 244
Pigg's Peak Dam	2 217 989	2 323 898
Hlatikhulu Treatment Works	1 454 412	1 537 917
Siteki – Lomahasha water supply	117 132 345	121 543 382
Ezulwini – Lobamba Water Supply	14 873 720	15 517 816
Lukhaba Gravity Mains	2 622 455	2 756 411
Mankayane Water Supply	5 863 090	7 117 406
Enhlambeni Water Supply	8 040 133	8 409 433
Government forex subvention	20 434 730	21 488 679
Currency ratio subvention – Package 18	35 531 681	37 234 026
Land transferred from the Government to EWSC	29 835 011	30 051 985
Grant funding for Property Burnt during 2021 Riots	1 130 470	763 554
Property Transferred by Eswatini Government to EWSC	24 710 500	25 319 283
Raw water for Tex Ray factory	3 801 574	3 974 669
Sikhuphe Water Supply	78 060 316	79 792 696
Matsapha Sewer treatment plant relocation	263 524 906	270 901 582
Hlane Water Supply	21 593 647	22 261 797
Imphilo reservoir	760 865	793 946
Mbabane Water Supply Augmentation	21 071 085	21 345 966
Luphohlo Mbabane Water Supply	78 000 000	78 000 000
Water supply connection to new parliament buildings	7 329 111	–
<b>European Union financial project</b>		
Siphofaneni Somntongo and Matsanjeni water supply	233 158 421	239 984 986
<b>Eswatini National Housing Board Grants:</b>		
Makholokholo Project	488 290	516 831
<b>Eswatini National Trust Commission:</b>		
Mlawula Workstation	503 483	526 369

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

### 13. Deferred grants (continued)

	2025 E	2024 E
<b>Micro Projects</b>		
Nhlambeni water supply	2 667 023	2 751 175
Makhewu water supply	1 657 313	1 708 393
Mbikwakhe water supply	1 933 993	1 998 460
Mhlumeni water supply	5 130 344	5 285 200
Nsongweni Water Supply	15 750 705	16 074 861
Maseyisini water Supply	14 185 672	14 185 672
KADEDA Water Supply Scheme	548 487	584 369
Qomintaba Water Supply Scheme	1 999 529	–
Mpolonjeni water Supply	4 609 589	4 862 785
Mayaluka water Supply	928 005	955 300
Matsetsa water Supply	1 461 189	1 504 165
Mankayane mabovini water supply	1 367 134	1 408 562
Manyisa Mpolonjeni	6 735 341	6 735 341
Bambisanani water supply scheme	248 992	256 105
Buhle Betfu Water Supply Scheme	3 744 887	–
Phambili Phambili Water Supply Scheme	1 542 207	–
<b>African Development Bank/Eswatini Government financed grant</b>		
Manzini region sanitation and water Supply	452 161 100	170 669 085
Ezulwini sanitation and water Supply	474 628 511	488 835 527
<b>World Bank/Eswatini Government</b>		
Eswatini sanitation and water Supply	372 542 345	190 429 862
<b>Total deferred grants</b>	<b>2 900 461 147</b>	<b>2 482 513 188</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

2025  
E

2024  
E

### 14. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2025 E	2024 E
Deferred tax assets:		
• Deferred tax asset to be recovered after more than 12 months	28 474 974	25 984 617
• Deferred tax asset to be recovered within 12 months	1 284 743	1 115 089
	<b>29 759 717</b>	27 099 706
Deferred tax liabilities:		
• Deferred tax liability to be settled after more than 12 months	(102 277 741)	(105 649 289)
• Deferred tax liability to be settled within 12 months	(1 807 588)	(752 071)
	<b>(104 085 329)</b>	(106 401 360)
<b>Deferred tax liability - net</b>	<b>(74 325 612)</b>	(79 301 654)

The gross movement on the deferred income tax account is as follows:

	2025 E	2024 E
Opening balance	(79 301 654)	(61 844 848)
Statement of comprehensive income charge (Note 5)	4 976 042	(17 456 806)
<b>End of year</b>	<b>(74 325 612)</b>	(79 301 654)

The movement in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

	Accelerated depreciation E	Tax losses E	Provisions E	Right of use E	Lease liability E	Total E
<b>Deferred income tax liability</b>						
<b>At 01 April 2024</b>	(105 649 290)	-	26 113 489	(752 071)	986 218	(79 301 654)
Charged to income statement (note 5)	3 371 549	2 974 602	(1 250 905)	(1 055 517)	936 313	4 976 042
<b>At 31 March 2025</b>	<b>(102 277 741)</b>	<b>2 974 602</b>	<b>24 862 584</b>	<b>(1 807 588)</b>	<b>1 922 531</b>	<b>(74 325 612)</b>
At 01 April 2023	(95 339 294)	10 309 505	23 045 468	(386 419)	525 892	(61 844 848)
Charged to income statement (note 5)	(10 309 996)	(10 309 505)	3 068 021	(365 652)	460 326	(17 456 806)
At 31 March 2024	(105 649 290)	-	26 113 489	(752 071)	986 218	(79 301 654)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. Deferred tax assets and liabilities have been offset and disclosed on a net basis in the financial statements since they relate to income taxes levied by the same tax authority (Eswatini Revenue Services) on the same taxable entity and the entity intends to settle its tax liabilities and assets on a net basis.

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

2025  
E

2024  
E

### 15. Notes to the statement of cash flows

#### 15.1. Cash generated from operations

	2025 E	2024 E
Profit before tax	67 872 068	92 639 281
Adjustment for items not involving cash flow:		
Grant amortisation (Refer Note 15.3)	(60 293 247)	(47 671 918)
Impairment loss on Eco water investment	-	33 033 901
Depreciation (Refer Note 7.1 & 7.2)	108 298 695	81 725 767
Loss/(profit) on disposal of property plant and equipment	741 957	(4 208 251)
Interest income (Refer Note 3)	(33 560 930)	(34 536 258)
Fair value gains on financial assets (Refer Note 3)	(9 265 923)	(11 406 511)
Expected credit losses provision	5 132 597	18 358 440
Interest expenses (Refer Note 3)	8 555 546	10 690 665
	<b>87 480 763</b>	138 625 116
Working capital changes:	59 044 380	(142 970 272)
Increase in inventories	(2 646 450)	(4 546 441)
Decrease in trade and other receivables (Refer to Note 15.7)	(120 494 210)	(137 448 879)
Increase/(decrease) in trade and other payables	181 100 942	(1 576 125)
Increase in provisions	1 084 098	601 173
	<b>146 525 143</b>	(4 345 156)

#### 15.2. Reconciliation of cash flows arising from financing activities related to borrowings

	2025 E	2024 E
Borrowings at the beginning of the year	169 038 447	55 559 422
• Current	23 789 624	18 224 963
• Non-current	145 248 823	37 334 459
Cash flows	49 384 593	113 479 025
• Proceeds from borrowings	76 349 859	150 934 891
• Repayment of borrowings	(26 965 266)	(37 455 866)
Borrowings at the end of the year	218 423 040	169 038 447
• Current	31 279 659	23 789 624
• Non-current	187 143 381	145 248 823
Borrowings at the end of the year	218 423 040	169 038 447

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

2025  
E

2024  
E

### 15. Notes to the statement of cash flows (continued)

#### 15.3. Reconciliation of deferred grant

Opening balance	2 482 513 188	2 379 734 644
Grant amortised	(60 293 247)	(47 671 918)
Grant from donated land	-	(33 920 696)
Grant received	478 241 206	184 371 158
Closing balance	2 900 461 147	2 482 513 188

#### 15.4. Reconciliation of interest received

Interest income in the year	35 560 930	34 536 258
Accrued interest	(7 632 692)	(5 334 144)
Non - cash interest	-	(2 424 865)
Interest received relating to prior period	3 736 742	-
	29 664 979	26 777 249

#### 15.5. Reconciliation of Property, plant, and equipment additions

Additions per movement schedule	759 044 347	412 835 374
Non-cash flow additions	-	(48 732 455)
	759 044 347	364 102 919

#### 15.6. Proceeds from Investments Reconciliation

Opening balance	180 735 037	163 994 382
Interest for the period	9 265 923	11 406 511
Accrued interest	7 632 692	5 334 144
Closing Balance	(124 570 936)	(180 735 037)
	73 062 717	-

#### 15.7. Reconciliation of movement in trade and other receivables

Opening balance	284 409 249	161 034 065
Provision raised	(5 132 597)	(18 358 440)
Provision utilised	588 468	4 284 745
Closing balance	(400 359 330)	(284 409 249)
	(120 494 210)	(137 448 879)

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

2025  
E

2024  
E

### 16. Unrecognised items

#### 16.1. Capital expenditure commitments:

Contracted	1 349 380 420	1 304 998 081
Authorised but not yet contracted	478 128 023	912 431 450
Total future capital expenditure	1 827 508 443	2 217 429 531

#### 16.2. Leasing arrangements:

The Corporation has leased some of its space to third parties with rentals payable monthly. Minimum lease payments receivable on leases are as follows:

Minimum lease payments under non-cancellable operating leases not recognised in the financial statements are receivable as follows:

Within one year	749 424	501 673
Later than one year but not later than five years	1 133 090	704 472
	1 882 514	1 206 145

### 17. Retirement benefits

The Eswatini Water Services Corporation Pension Fund is a defined contribution plan was established on 1 April 1999 and is administered by Negotiated Benefit Consultant Pty Ltd.

### 18. Contingent liabilities

The Corporation does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised.

The Corporation has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liability will arise from the contingent liability.

### 19. Related party transactions

#### Key management personnel compensation

Short-term employee benefits	10 345 807	8 905 396
Post-employment benefits	1 858 650	1 453 766
	12 204 457	10 359 162

Key management personnel are those people having authority and responsibility for planning directing and controlling the activities of the Corporation. Members of the executive committee are considered key management personnel at the Corporation.

# FINANCIAL STATEMENTS

## Notes to the Financial Statements (continued)

for the year ended 31 March 2025

	2025 E	2024 E
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### 20. Leasing commitments

The Corporation has multiple lease agreements under non-cancellable leases expiring within 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for the minimum lease payments in relation to non-cancellable leases are payable as follows:

	2025 E	2024 E
Within one year	2 974 646	1 283 509
Later than one year but not later than five years	5 991 402	3 705 316
	<b>8 966 048</b>	4 988 825

### 21. Raw materials and consumables used

	2025 E	2024 E
Ecowater Bottles	3 191 397	3 324 019
Water purification chemicals	14 256 281	15 152 589
Plumbing material	59 063 461	53 857 177
Electricity	90 713 062	75 694 127
Vehicle Maintenance	11 895 077	11 475 667
Fuel	13 375 769	16 231 121
	<b>192 495 047</b>	175 734 700

The Corporation's raw material and consumables used comprises of raw materials and consumables which are purchased for provision of water services to the public. These include water purification chemicals, plumbing material, electricity, vehicle maintenance and fuel. The Corporation recognises costs of sales when the expense is incurred i.e when the items are utilised in the process of providing water to the public.

### 22. Subsequent events

There are no events that have occurred after the reporting period that would require adjustment to or additional disclosure in these financial statements.

## DETAILED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

	2025 E	2024 E
<b>REVENUE</b>	<b>577 085 210</b>	567 675 444
<b>Cost of sales</b>	<b>(192 495 047)</b>	(175 734 700)
Ecowater Bottles	3 191 397	3 324 019
Water purification chemicals	14 256 281	15 152 589
Plumbing material	59 063 461	53 857 177
Electricity	90 713 062	75 694 127
Vehicle Maintenance	11 895 077	11 475 667
Fuel	13 375 769	16 231 121
	<b>384 590 163</b>	391 940 744
<b>Gross profit</b>	<b>74 301 096</b>	68 179 078
<b>OTHER INCOME</b>	<b>4 459 345</b>	4 874 883
Ecowater sales	60 293 247	47 671 918
Amortisation of deferred grant income	4 602 751	3 853 526
Rental income	4 945 753	11 778 751
Sundry income		
	<b>34 271 307</b>	35 252 104
<b>NET INTEREST INCOME</b>	<b>42 826 853</b>	45 942 769
Investment Income	(8 555 546)	(10 690 665)
Interest expense		
	<b>(425 290 498)</b>	(402 732 645)
<b>LESS EXPENSES</b>	<b>(741 957)</b>	4 208 251
Profit/(loss) on Sale of fixed assets	(4 258 952)	(3 121 853)
Protective Clothing	493 823	(1 440 125)
Staff Uniforms	(137 166)	(326 285)
Medicare & First Aid	(3 441 157)	(2 129 122)
Health and Safety	(1 057 208)	(2 144 434)
Sports & Social	(7 046 132)	(7 792 573)
Licence	(3 317 523)	(2 998 033)
Celebrations	(292 414)	(695 312)
Corporate gifts	(2 308 816)	(2 830 688)
Printing stationery & designs	(1 179 292)	(1 054 464)
Cleaning Materials	(2 671)	(15 500)
Other Printing	-	(220 760)
Periodicals and Books	(187 234)	(720 129)
Office Furniture	(1 690)	(85 160)
Office Equipment Repairs	(536 842)	(429 084)
Office Equipment	(4 221 780)	(2 566 661)
Telephones	(4 892 168)	(3 520 546)
MTN Cell phone expenses	(273 988)	(331 393)
Board Members Fees	(2 010 633)	(1 218 630)
Audit Fees	(584 739)	(829 298)
Legal Fees	(572 121)	-
Compensation for resettlement	(13 275 363)	(16 126 018)
Other Professional Fees	(27 198)	-
Collection Fees & Customs Tax	(607)	-
Fines		

# FINANCIAL STATEMENTS

## Detailed Statement of Comprehensive Income (continued)

for the year ended 31 March 2025

	2025 E	2024 E
Local Travelling Expenses	(2 115 427)	(1 786 982)
Foreign Travelling Expenses	(2 768 433)	(1 425 274)
Subsistence	(350 503)	(1 596 855)
Allowances	(2 058 424)	(2 145 826)
Rents Offices	(579 524)	(86 628)
Rents Houses	(26 119)	(90 588)
Rates	(879 295)	(2 821 666)
Insurances	(5 193 428)	(5 383 388)
Advertising & Publicity	(2 075 956)	(2 378 041)
Promotional events	(1 912 158)	(1 244 475)
Subscriptions	(1 061 758)	(528 944)
Computer Charges	(773 522)	(311 555)
Bank Charges	(2 903 673)	(2 204 476)
Services	(17 056 895)	(14 936 827)
Organisational Recruitment & Review expenses	(139 928)	(56 747)
Social responsibility	(476 820)	(723 845)
Conference Hire expenses	(341 521)	(402 648)
Staff Meeting Expenses	(2 257 656)	(1 655 953)
Courier Charges	(53 667)	(101 477)
Management car travelling expenses	(11 985 059)	(10 302 377)
Training expenses	(3 656 366)	(2 694 587)
Commission Charges	(968 917)	(1 894 532)
Surveys & research	(1 177 131)	(290 584)
Provision for Bad Debts	(5 132 597)	(18 358 440)
Emergency Response	-	(110 374)
Rent Other Fees	(641 102)	(578 808)
Mechanical Spares	-	(153 874)
Instruments Spares	-	(20 088)
Damaged Goods	(272)	(13 164)
Protective Clothing	(101 642)	(136 385)
Printing Stationary & design	(22 666)	(28 496)
Cleaning Material	(24 101)	(20 969)
Marketing & Promotion	-	(120 000)
Postages	(649 869)	(92 079)
Licence Fees	-	-
Discounts Allowed	(80 901)	(1 891)
Entertainment Expenses	(151 769)	-
Bank Transfer	-	-
Impairment loss	-	(33 033 901)
Depreciation	(108 298 695)	(81 725 767)
Employee benefits expense	(199 500 876)	(166 886 317)
<b>Profit before tax</b>	<b>67 872 068</b>	<b>92 639 281</b>
Income tax expense	4 976 042	(22 172 997)
<b>Profit after tax</b>	<b>72 848 110</b>	<b>70 466 284</b>

The supplementary information does not form part of the annual financial statements and is unaudited.

## ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
CBD	Central Business District
CSR	Corporate Social Responsibility
DBSA	Development Bank of Southern Africa
EWSC	Eswatini Water Services Corporation
GIS	Geographic Information Systems
IBNET	International Benchmarking Network for Water and Sanitation
IOD	Injury on Duty
IT	Information Technology
KPI	Key Performance Indicators
LoNa	Lomahasha/Namaacha Water Supply Project
M&E	Mechanical and Electrical
ML	Mega Litres
MNRE	Ministry of Natural Resources and Energy
NDP	National Development Plan
NRW	Non-Revenue Water
OD	Organisational Development
PEU	Public Enterprises Unit
SACAS	South African Certification and Auditing Services
SADC	Southern African Development Community
SACU	Southern African Customs Union
SDG	Sustainable Development Goals
SHEQ	Safety, Health, Environment and Quality
WSP	Water Safety Plan
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant





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