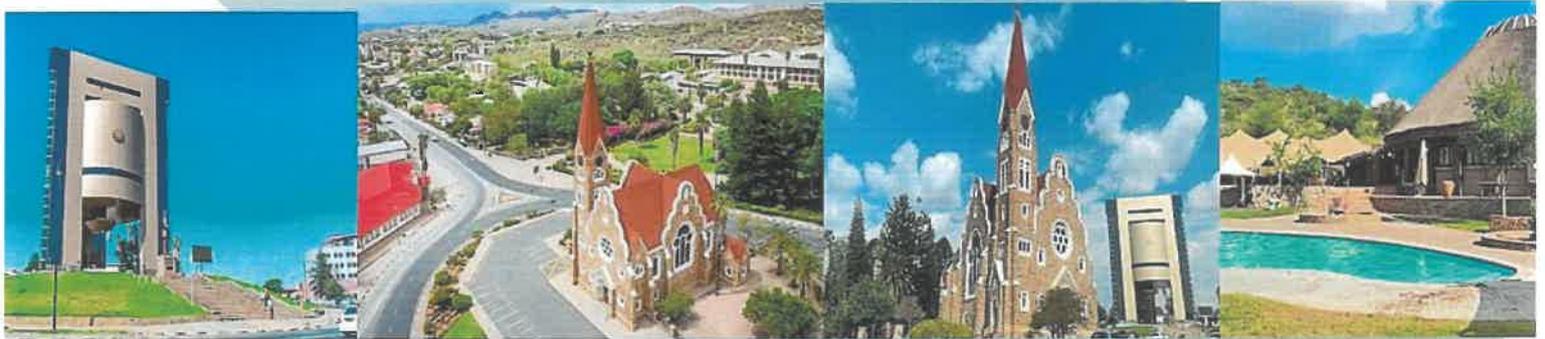
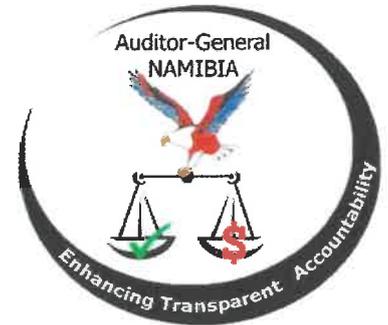




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF WINDHOEK
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Municipality of Windhoek for the financial year ended 30 June 2024 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act 1991 (Act No. 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, December 2025

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MUNICIPALITY OF WINDHOEK FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2024**

1. DISCLAIMER AUDIT OPINION

I have audited the financial statements of the Municipality of Windhoek for the financial year ended 30 June 2024. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the annual financial statements.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on statements.

2. BASIS FOR DISCLAIMER AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is not sufficient and appropriate to provide a basis for my opinion.

A disclaimer audit opinion is being expressed due to the following:

2.1 Accounting of private public partnership transactions*

The financial statements do not disclose the accounting policy for private public partnership (PPP) transactions and related balances. Secondly, the Municipality did not account for transactions and related balances of the PPP arrangements since the related financial statements were not made available by the PPP partners. Thus, auditors could not obtain sufficient appropriate audit evidence regarding the transactions and balances related to PPP arrangements.

Consequently, auditors could not obtain sufficient appropriate evidence to satisfy themselves that the opening accumulated surplus and comparative figures in the current year statement of financial position, statement of financial performance, statement of changes in net assets, cash flow statement and notes to the financial statements for the year then ended are fairly presented. Furthermore, the auditors were also unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded opening balances for the relevant financial statement areas in the statement of financial position, statement of financial performance, statement of changes in net assets, cash flow statement and notes of the annual financial statements.

2.2 Compliance with ministerial directive*

The employee costs incurred are overstated by N\$ 19 852 000, N\$ 72 155 779 and N\$ 24 053 274 for 2024, 2023 and 2022 respectively since the Municipality implemented a 5% salary increment agreed with the labour union, NAPWU instead, of the ministerial approval of 3%. Consequently, auditors were not satisfied with the occurrence of the expenditure incurred.

2.3 Information technology environment*

The impact on the financial statements of the reported deleted client transactions' history and related balances was not assessed and quantified since no forensic investigation was performed. Instead, a review of payment mismatches was performed which noted the discrepancies between Archive and Solaris systems which include delayed transaction posting and missing receipts in the Cash Drawer system. The root causes of the challenges of the IT environment include outdated security policies, password parameters not configured to as per industry best practice, inadequate user access management, lack of audit logging trail to enable monitoring of changes and inadequate privileged access management.

The auditors therefore, could not ascertain the impact of the data manipulation on the 2023 and 2024 financial statements. Furthermore, the auditors were also unable to determine whether any adjustments might have been necessary in respect of the impact of the data manipulation on the relevant financial statement areas in the statement of financial position, statement of financial performance, statement of changes in net assets, cash flow statement and notes of the annual financial statements.

2.4 Land reconciliation*

The Municipality did provide a land reconciliation detailing total land size under its jurisdiction and allocated to the relevant categories by land use. The auditors could therefore not satisfy themselves with the accuracy and completeness of the land recognised under property, plant and equipment, investment property and inventory.

*Audit findings from prior year which are not resolved.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines it necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error.

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

3. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the annual financial statements whether due to fraud, or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient, and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery intentional, omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but, not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, i am required to draw attention in the audit report to the related disclosures in the financial statements, or if such disclosures, are inadequate to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Municipality to cease to continue as a going concern;
- Evaluate the overall presentation structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that I identified during my audit;
- Provide those charged with governance with a statement, that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable related safeguards; and

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

4. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements were submitted by the Accounting Officer to the Auditor-General on later than the dates set in terms of Section 87 (1) of the Local Authorities Act, 1992. The financial statements were submitted on 29 November 2024 instead of 30 September 2024.

5. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Municipality of Windhoek during the audit is appreciated.



WINDHOEK December 2025

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**MUNICIPALITY OF WINDHOEK FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2024
GENERAL INFORMATION**

Country of incorporation and domicile	Republic of Namibia
Legal form of entity	Municipality in terms of section 3 of Local Authorities Act 23 of 1993
Nature of business and principal activities	<p>Principal activities of the Municipal Council of City of Windhoek are:</p> <ol style="list-style-type: none">1. Provide its residents with equitable municipal services;2. Ensure sustainable service delivery to all its inhabitants;3. Promote social and economic development
Council Mayor	Queen O. Kamati (1 December 2023 to present) J. Uapingene (20 January 2023 to 1 December 2023) Deputy Mayor from 1 December 2023 to present M. Piennar-Lombardt (Deputy Mayor - 20 January to 1 December 2023)
Councillors	B. Araeb (MC Chairperson from January 2024) SS. Nujoma (MC Chairperson from March to December 2023) C. Hanases Dr. J. Amupanda Dr. O. Uukule FN. Kahungu I. Keister I. Skrywer J. Hecht N. Larandja SS. Gawanas
	The current council's 5 years' term runs from 1 December 2020 to 30 November 2025

**MUNICIPALITY OF WINDHOEK FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2024
GENERAL INFORMATION**

Grading of local authority	Part of Schedule 1 of Local Authorities Act 23 of 1992
Chief Executive Officer (Accounting Officer)	Moses Matyayi (appointed 1 August 2023) Faniel Maanda (Acting 1 December 2022 to 31 July 2023)
Management team	Archie Nikanor (acting SE: Human Capital and Corporate Services) Faniel Maanda (SE: Housing Property Management and Human Settlement) Obrien Hekandjo (SE: Electricity) Fillemon Neputa (SE: Information and Communication Technology) (appointed 1 August 2023) Jennifer Comalie (SE: Finance and Customer Service) Leevi S. Iлека (City Police) (appointed 1 August 2023) Ludwig Narib (SE: Infra. Water and Technical Services) Pierre van Rensburg (SE: Urban and Transport Planning) Zurilea Steenkamp (SE: Economic Development & Community Services) (appointed 1 November 2022)
Registered office	80 Independence Avenue Windhoek Namibia
Postal address	P.O. Box 59 Windhoek Namibia
Bankers	First National Bank of Namibia
Auditors	Junias Etuna Kandjeke Auditor - General of Namibia 123 Robert Mugabe Avenue Private Bag 13299 Windhoek

**MUNICIPALITY OF WINDHOEK FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2022 AND 2023
GENERAL INFORMATION**

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MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

		2024	2023
		N\$	Restated* N\$
ASSETS			
Current assets		1 925 772 142	1 357 673 697
Cash and cash equivalents	22	595 568 662	268 840 617
Consumer debtors	23	460 178 419	234 877 097
VAT receivable	25	63 917 654	84 811 820
Receivable from exchange transaction	26	304 682 953	246 359 296
Receivable from non-exchange transaction	27	90 794 790	63 595 867
Current portion of long-term receivables	28	11 979 403	12 994 105
Inventory	29	398 650 261	446 194 895
Non-Current Assets		17 034 213 995	17 418 978 489
Investment property	31	4 881 843 043	4 888 187 835
Property plant and equipment	32	12 020 200 930	12 415 333 463
Intangible assets	33	229 348	1 926 646
Non-current investments	30	20 299 398	16 787 680
Long-term receivables	28	111 641 276	96 742 865
TOTAL ASSETS		18 959 986 137	18 776 652 186
LIABILITIES			
Current Liabilities		1 832 386 542	1 899 579 386
Consumer deposits	35	61 754 980	61 382 351
Payables from exchange transactions	34	860 504 610	840 311 083
Payables from Non-exchange Transactions	39	86 160 878	64 865 271
Unspent conditional grants and receipts	40	12 310 445	13 906 424
Bank overdraft	22	-	113 108 946
Employee benefits obligations	24	58 919 000	60 114 000
Finance lease obligation	37	20 906 700	18 457 009
Long-term loans	38	731 829 929	727 434 302
Non-Current Liabilities		1 404 450 375	1 175 223 967
Finance lease obligation	37	57 762 878	45 310 783
Long-term loans	38	213 979 585	145 949 754
Employee benefits obligations	24	1 031 168 000	883 743 000
Provisions	36	101 539 912	100 220 430
TOTAL LIABILITIES		3 236 836 917	3 074 803 353
NET ASSETS		15 723 149 220	15 701 848 833

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE (continued)

Reserves			
Housing fund	41	140 954 737	132 881 733
Betterment fund	42	33 090 916	16 141 575
Accumulated surplus		15 549 103 567	15 552 825 525
NET ASSETS		15 723 149 220	15 701 848 833

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE

		2024	2023
	Note	N\$	N\$
			Restated*
REVENUE			
Revenue from non-exchange transactions		870 820 887	832 696 765
Property rates	2	773 036 559	726 325 414
Other government entities	3	24 966 557	26 857 640
Levies		24 189 931	24 156 030
Public contributions and donations	4	14 385 476	22 467 272
Fines penalties and levies		27 176 010	24 597 206
Licenses and permits		7 066 354	8 293 203
Revenue from exchange transactions		4 108 737 412	3 839 234 742
Service charges	5	3 895 945 915	3 619 329 015
Rental of facilities and equipment	6	33 294 204	35 537 404
Dividends		958 400	771 607
Gains on continued operations	12	3 969 071	2 776 391
Profit on sale of land		6 789 617	31 591 715
Other income	7	70 010 604	48 504 135
Interest on Investment	8	31 752 285	14 445 387
Interest on outstanding debtors	20	66 017 316	86 279 088
TOTAL REVENUE		4 979 558 299	4 671 931 507
EXPENSES		4 913 215 582	5 016 325 980
Bulk purchases	9	2 130 596 781	2 122 656 081
Employee cost	10	1 525 371 205	1 476 810 016
Remuneration of Councilors	11	8 553 420	8 673 316
Losses from other operations	12	57 636	9 218
Depreciation and amortization	13	499 241 484	523 296 639
Impairment of assets		52 410	168 709
Repairs and maintenance	14	311 008 308	261 645 220
Contracted services	15	117 308 123	112 970 780
Debt impairment	16	(182 627 623)	63 742 908
Grants and subsidies	17	5 638 859	3 642 450
General Expenses	18	337 985 660	287 038 296
Finance costs	19	159 956 402	143 024 467
Loss on disposal of assets and liabilities	21	50 600	12 645 908
Collection costs		22 317	1 972
DEFICIT FOR THE YEAR		66 342 717	(344 394 473)

ANNEXURE C

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE**

	Housing Fund	Betterment Fund	Total Reserves	Accumulated surplus	Total Net asset
	N\$	N\$	N\$	N\$	N\$
Opening balance as previously reported	114 597 217	12 372 706	126 969 923	15 581 924 426	15 708 894 349
Correction of error (note 48)				206 935 448	206 935 448
Balance at July 1 2022	114 597 217	12 372 706	126 969 923	15 788 859 874	15 915 829 797
Changes in net assets/equity					
Actuarial Gains (losses) on Defined Benefits Liabilities	-	-	-	112 129 000	112 129 000
Net income (losses) recognized directly in net assets	-	-	-	112 129 000	112 129 000
Deficit for the year	-	-	-	(344 394 473)	(344 394 473)
Total recognized income and expenses for the year	-	-	-	(232 265 473)	(232 265 473)
Funds introduced	18 347 863	-	18 347 863	-	18 347 863
Transfer of income surplus	(68 279)	2 939 042	2 870 763	(2 934 117)	(63 354)
Interest allocated to funds and reserves	4 932	829 827	834 759	(834 759)	-
Total changes	18 284 516	3 768 869	22 053 385	(236 034 349)	(213 980 964)
Balance at June 30 2023	132 881 733	16 141 575	149 023 308	15 552 880 066	15 701 903 374

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE (continued)**

	Housing Fund	Betterment Fund	Total Reserves	Accumulated surplus	Total Net asset
	N\$	N\$	N\$	N\$	N\$
Balance at July 1 2023 as restated	132 881 733	16 141 575	149 023 308	15 552 880 066	15 701 903 374
Changes in net assets/equity					
Actuarial Gains (losses) on Defined Benefits Liabilities	-	-	-	(51 879 000)	(51 879 000)
Net income (losses) recognized directly in net assets	-	-	-	(51 879 000)	(51 879 000)
Deficit for the year	-	-	-	66 342 717	66 342 717
Total recognized income and expenses for the year	-	-	-	14 463 717	14 463 717
Transfer of income surplus	1 290 863	16 949 341	18 240 204	(18 240 216)	(12)
Interest allocated to funds and reserves	6 782 141	-	6 782 141	-	6 782 141
Total changes	8 073 004	16 949 341	25 022 345	(3 776 499)	21 245 846
Balance at June 30 2024	140 954 737	33 090 916	174 045 653	15 549 103 567	15 723 149 220
Note(s)	41	42			

ANNEXURE D

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

	Note	2024 N\$	2023 N\$
Cash flows from operating activities			
Receipts		4 877 869 157	4 562 942 154
Property taxes, levies, and fines		804 269 931	819 892 681
Sale of goods and services		4 003 132 847	3 673 095 547
Government grants and subsidies		37 756 054	54 736 932
Interest		31 752 285	14 445 387
Dividends		958 400	771 607
Payments		(4 407 303 995)	(4 373 93 648)
Compensation of employees		(1 553 235 625)	(1 506 18 338)
Suppliers		(2 813 158 132)	(2 845 356921)
Finance costs		(40 910 238)	(22 397 389)
Net cash flows from operating activities	43	470 565 522	189 006 506
Cash flows from investing activities			
Purchase of property plant and equipment	32	(82 808 348)	(85 501 085)
Proceeds from sale of property plant and equipment	32	(1 300)	(2 560)
Proceeds from sale of financial assets		(3 511 718)	(1 813 058)
Issuance of Long-term Receivables		(9 277 153)	(17 642 314)
Proceeds from settlement of long-term receivables		11 608 512	11 110 666
Net cash flows from investing activities		(83 990 007)	(93 848 351)
Cash flows from financing activities			
Repayment of loans		72 425 458	(17 499 664)
Repayment of Finance lease		(19 166 542)	(14 439 910)
Contributions to housing fund received		-	18 347 863
Net cash flows from financing activities		53 258 916	(13 591 711)
Net (decrease)/increase in cash and cash equivalents		439 834 431	81 566 444
Cash and cash equivalents at the beginning of the year		155 731 671	74 165 227
Cash and cash equivalents at the end of the year	22	595 566 102	155 731 671

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR END 30 JUNE**

	Approved Budget	Final budget	Actual amount on comparable basis	Difference between final budget and actual	Reference
	N\$	N\$	N\$	N\$	
Statement of financial Performance					
Revenue from non-exchange transactions	821 317 028	821 317 028	870 820 887	49 503 859	R1
Property rates	756 879 520	756 879 520	773 036 559	16 157 039	
Transfers from other government entities	24 606 520	24 606 520	24 966 557	360 037	
Public contribution and donations	1 100 000	1 100 000	14 385 476	13 285 476	R2
Fines Penalties and levies	8 258 841	8 258 841	27 176 010	18 917 169	R3
Levies	24 122 147	24 122 147	24 189 931	67 784	
Licenses and permits	6 350 000	6 350 000	7 066 354	716 354	
Revenue from exchange transactions	4 188 407 250	4 188 407 250	4 108 737 412	(79 669 838)	R4
Service charges	3 930 848 402	3 930 848 402	3 895 945 915	(34 902 487)	
Rental of facilities and equipment	35 535 948	35 535 948	33 294 204	(2 241 744)	
Gains on continued operations	-	-	3 969 071	3 969 071	
Revenue from sale of properties	81 445 809	81 445 809	6 789 617	(74 656 192)	R5
Other revenue	40 621 952	40 621 952	70 010 604	29 388 652	
Interest - External investments	14 825 654	14 825 654	31 752 285	16 926 631	R6
Interest - Outstanding Debtors	84 419 771	84 419 771	66 017 316	(18 402 455)	R7
Dividends	709 714	709 714	958 400	248 686	

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE (continued)**

2024	Approved budget	Final budget	Actual amount on comparable basis	Difference between final budget and actual	Reference
	N\$	N\$	N\$	N\$	
Total revenue	5 009 724 278	5 009 724 278	4 979 558 299	(30 165 979)	
Expenditure	4 806 679 247	4 806 679 247	4 913 164 982	(106 536 335)	
Bulk purchases	2 297 628 345	2 297 628 345	2 130 596 781	167 031 564	E1
Employee cost	1 516 789 099	1 516 789 099	1 525 371 205	(8 582 106)	E2
Remuneration of councilors	8 687 438	8 687 438	8 553 420	134 018	
Losses from other operations	30 000	30 000	57 636	(27 636)	
Depreciation and amortization expenses	-	-	499 241 484	(499 241 484)	
Reversal of impairment	-	-	52 410	(52 410)	
Repairs and maintenance	376 689 881	376 689 881	311 008 308	65 681 573	E3
Contracted services	145 173 236	145 173 236	117 308 123	27 865 113	E4
Debt impairment	60 000 000	60 000 000	182 627 623	242 627 623	E5
Grants and other transfer payments	3 270 757	3 270 757	5 638 859	(2 368 102)	E6
General expenses	362 026 774	362 026 774	337 985 660	24 041 114	E7
Interest paid	34 424 912	34 424 912	159 956 402	(125 531 490)	
Collection costs	1 958 805	1 958 805	22 317	1 936 488	
Loss on disposal of assets and liabilities	-	-	(50 600)	(50 600)	
Surplus/(Deficit)	203 045 031	203 045 031	66 342 717	(136 702 314)	

ANNEXURE E

MUNICIPALITY OF WINDHOEK ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)

2024

Note: Council is not required to prepare and publish Budgets for Financial Position and Cash flow thus, exempted in terms of IPSAS 24.5 from preparing the Statement of Comparison of the Budget and Actual Amounts for those statement that are not published.

- R1: Actual exceeds budget as budget was under estimated.
- R2: Actual donations revenue is higher than budget due to council meeting conditions earlier than anticipated coupled with new donations and grants which were not known at the time of the budget.
- R3: Traffic fines were under budget compared to historical trend.
- R4: Actuals is higher than budget due to implementation of drought tariff category C.
- R5: The unfavourable variance was caused by continued depression in the property market and some transactions taking longer to complete than expected coupled with over budgeting.
- R6: The favourable variance is due to increase in repo rate which in turn increased interest rate on investments. This was coupled with increased short term deposits due to delayed implementation of capital projects and improved collection.
- R7: Interest on outstanding debtors is below budget due to write off debtors amounting to N\$170 million and improved collection which evidenced by stabilised debtors and reduction in debt impairment.
- E1: It is over budget as the increase in Manpower's tariff was less than anticipated. Further to that water purchases from suppliers was reduce due to drought and opted to increase underground water extraction.
- E2: Actual employee costs is higher than budget due to 3% salary increase which was not budgeted however cushioned by savings from vacant positions.
- E3: The favourable variance is largely due to savings as result of delayed projects implementation due to late approval of budget.
- E4: The favourable variance is largely due to savings as result delayed projects implementation due to late approval of budget.
- E5: Favourable variance is caused by decrease in debtor's balance due to improved debt collection and write off of debtors deemed non collectible.

ANNEXURE E

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)**

- E6: The favourable variance is largely due to savings as result delayed projects implementation due to late approval of budget
- E7: Included is interest on unfunded Defined benefits obligation and landfill site which are normally not budgeted for as are due future cash flow.

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES**

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) as approved by the line minister in consultation with the Auditor -General in accordance with Section 87 (1) of the Local Authorities Act 23 of 1992 as amended.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement unless specified otherwise. They are presented in Namibia Dollar.

Assets liabilities revenues and expenses were not offset except where offsetting is either required or permitted by a Standard of IPSAS.

A summary of the significant accounting policies which have been consistently applied in the preparation of these annual financial statements are disclosed below. Certain accounting policies are supported by reasonable and prudent judgements and estimates.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the Municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)**

Revenue recognition

Accounting Policy 1.3 on Revenue from Exchange Transactions and Accounting Policy 1.2 on Revenue from Non- Exchange Transactions describes the conditions under which revenue will be recorded by the management of the Municipality.

In making their judgement the management considered the detailed criteria for the recognition of revenue asset out in IPSAS 9 (Revenue from Exchange Transactions) and IPSAS 23 (Revenue from Non- Exchange Transactions). As far as Revenue from Non-Exchange Transactions is concerned (see Basis of Preparation above) and in particular, whether the Municipality when goods are sold had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

Estimation of Meter Readings:

Provisional estimates of consumption based on the consumption history are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced except, at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date an accrual is made based on the average monthly consumption of consumers.

Estimation of unused Prepaid Metered Services:

Estimates of unused consumption of prepaid metered services, based on the consumption history are made at year-end. Sales for prepaid metered services are recognised as revenue upon receipt of payment for these services except, at year-end when estimates for unused consumption up to year-end are reversed from revenue and accrued as payment for services received in advance. These accruals are reversed in the new financial year to revenue again deemed to be consumed after 30 June. In respect of estimates of consumption between the last date of purchase and the reporting date an accrual for payments received in advance is made based on the average monthly consumption of consumers.

Impairment of Financial assets

Accounting Policy 1.10 on Financial Instruments sub-paragraph Impairment of Financial assets describes the process followed to determine the value at which financial assets should be impaired. In making the estimation of the impairment, the management of the Municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the Municipality is satisfied that impairment of financial assets recorded during the year is appropriate.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

Impairment of Trade Receivables:

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their credit worthiness. This is performed per service-identifiable categories across all classes of debtors.

Impairment of Traffic Fines:

Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The Municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not be made at the time of initial recognition.

Useful lives of property, plant and equipment, intangible assets and investment property

As described in Accounting Policies 1.4 1.6 and 1.5 the Municipality depreciates its Property plant & equipment and Investment Property and amortises its Intangible assets over the estimated useful lives of the assets taking into account the residual values of the assets at the end of their useful lives which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, Investment Property and Inventories

Accounting Policy 1.8 on Impairment of Assets, Accounting Policy 1.6 on Intangible Assets – Subsequent Measurement, Amortisation and Impairment and Accounting Policy 1.11 on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

Estimated impairments during the year to Inventory, Property, Plant and Equipment Intangible Assets and Investment Property are disclosed in Notes 29, 32, 33 and 31 to the Annual Financial Statements, if applicable.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

Water inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs; which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end. Refer to Accounting Policy 1.11.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations. Additional disclosure of these estimates of provisions are included in note 36 - Provisions.

Employee benefit obligations (Defined Benefit Plan Liabilities)

As described in Accounting Policy 1.13 Employee Benefits – Post-employment Benefits the Municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the Municipality that were identified are Post-retirement, Health Benefit Obligations Long-service Awards and Severance Pay Liability. The estimated liabilities are recorded in accordance with the requirements of IPSAS 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

1.2 Revenue from exchange transactions

Sale of goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Land

The sale of land is recognised when all parties have signed deed of sale (sale contract) and council has given the buyer the right to occupy and effect changes (or use) on the property and the buyer has settled the purchase price or given council an irrevocable bank guarantees for the equivalent equal or more than the selling price of the property within prescribed period as per deed of sale agreement. The deed of sale defines the terms of the sale which include the selling price the payment terms and the occupation date and rights of the buyer.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

Service Charges

Service Charges are levied in terms of the approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption based on the consumption history are made monthly when meter readings have not been taken. The provisional estimates of consumption are recognised as revenue when invoiced except, at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meter shave been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service Charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage and are levied based on the number of bins on each property.

Service Charges relating to sewerage for residential properties are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are levied based on the extent and or zoning of each property. All other properties are levied based on the water consumption using the tariffs approved by Council and are levied monthly.

Prepaid Electricity and Water

Revenue from the sale of electricity and water prepaid meter cards are recognised at the point of sale. Revenue from the prepaid sales is recognised based on an estimate of the prepaid service consumed as at the reporting date.

Rental income

Revenue from the rental of facilities and equipment is recognised on a Straight-line basis over the term of the lease agreement.

Interest Income

Interest earned on investments is recognised in surplus or deficit on the time proportionate basis that takes into account the effective yield on the investment.

Interest earned on the following investments is not recognised in surplus or deficit:

Interest earned on Councillors' Gratuity Fund is allocated directly to the Creditor: Councillors' Gratuity Fund

Interest earned on unutilised Conditional donations is allocated directly to the Creditor: Unutilised Public Donations, if the unutilised donations are kept in a dedicated separate bank account.

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)**

Dividends

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement where applicable.

Tariff charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Revenue from Agency services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

1.3 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity which represents an increase in net assets other than increases relating to contributions from owners.

Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a Time proportionate basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Government Grants and Receipts

Conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Municipality with no future related costs are recognised in surplus or deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in surplus or deficit.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

Fines

Fines constitute both spot fines and summonses.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The Municipality uses estimates to determine the amount of revenue that the Municipality is entitled to collect that is subject to further legal proceedings.

Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment when such items of property, plant and equipment are brought into use.

1.4. Property, plant and equipment**Initial Recognition**

Property, plant and equipment are initially recognised at cost.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Subsequent Measurement

Subsequently all property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation on assets other than land is calculated on cost using the Straight-line method to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

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

Item	Average useful life
Land	Infinite
Buildings	
Improvements	8 - 80
Leased	5 - 15
Motor Vehicles	10 - 50
Infrastructure	
Electricity	10 - 50
Roads and storm water	8 - 80
Sanitation	10 - 90
Solid waste	5 - 80
Water	10 - 90
Community	
Facilities	8 - 80
Other	
Computer equipment	4 - 8
Emergency equipment	5 - 6
Furniture and fittings	5 - 8
Motor Vehicles	5 - 15
Office equipment	4 - 15
Plant and equipment	4 - 15
Specialized vehicles	5 - 15

Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

Incomplete Construction Work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Leased Assets

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as property, plant and equipment controlled by the Municipality or where shorter the term.

De-recognition

The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

1.5 Investment property

Initial recognition

At initial recognition the Municipality Measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset but, directly recognised in surplus or deficit and measured at cost.

Subsequent Measurement

Investment Property is measured using the Cost model and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the Straight-line method over the useful life of the property which is estimated at 10-80 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an Investment Property is recognised in surplus or deficit.

De-recognition

The gain or loss arising from de-recognition of an item of Investment Property is included in surplus or deficit when the item is derecognised. Gains are not classified as Revenue.

1.6 Intangible assets

Initial recognition

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

For internally generated Intangible Assets, all research expenditure is recognised as an expense as it is incurred and costs incurred on development projects are recognised as Intangible Assets in accordance with IPSAS 31 (Intangible Assets). Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as Intangible Assets and amortised from the point at which the asset is available for use. Development assets are tested for impairment annually.

MUNICIPALITY OF WINDHOEK
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ACCOUNTING POLICIES (continued)

Intangible Assets are initially recognised at cost.

Where an Intangible Asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the assets, but directly recognised in surplus or deficit and measured at cost.

Subsequent Measurement, Amortisation and Impairment

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test. Amortisation is provided to write down the intangible assets on a straight-line basis to their residual values as follows:

Asset class	Useful life
Computer software	3 - 5 years

De-recognition

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount it is recognised in surplus or deficit when the asset is derecognised. Gains are not classified as Revenue

1.7 Leases

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

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)**

1.7.1 The Municipality as Lessee

Finance leases

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or if lower the present value of the minimum lease payments each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments which are allocated between the finance cost and the capital repayment using the Effective Interest Rate Method. Finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating Leases

The Municipality recognises operating lease rentals as an expense in surplus or deficit on a Straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

1.7.2 The Municipality as a Lessor

Amounts due from lessees under Finance Leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from Operating leases is recognised on a Straight-line basis over the term of the relevant lease.

1.8 Impairment of cash-generating assets

The Municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-Cash Generating Assets.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.9 Impairment of non-cash generating assets

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

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

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

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.10 Financial instruments

The Municipality has various types of financial instruments and these can be broadly categorised as financial assets financial liabilities or Residual Interests in accordance with the substance of the contractual agreement.

Initial Recognition

Financial assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The Municipality does not offset a financial asset and a financial liability unless a legally enforceable right to set off the recognised amounts currently exist and the Municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

Fair Value Methods and Assumptions

The fair values of financial instruments are determined as follows:

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

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Type of Financial asset	Classification in terms of IPSAS 41
Non-current Investments – Fixed Deposits	Financial assets measured at amortised Cost
Non-current Investments – Shares	Financial assets at fair value through Surplus or Deficit
Long-term Receivables	Financial assets measured at amortised Cost
Receivables from Exchange Transactions	Financial assets measured at amortised Cost
Receivables from Non-exchange Transactions	Financial assets measured at amortised Cost
Bank Cash and Cash Equivalents – Notice Deposits	Financial assets measured at amortised Cost
Bank Cash and Cash Equivalents – Call Deposits	Financial assets measured at amortised Cost
Type of Financial asset	Classification in terms of IPSAS 41
Bank Cash and Cash Equivalents – Bank	Financial assets measured at amortised Cost
Bank Cash and Cash Equivalents – Cash	Financial assets measured at amortised Cost
Current Portion of Non-current Investments	Financial assets measured at amortised Cost
Current Portion of Long-term Receivables	Financial assets measured at amortised Cost

Trade and Other Receivables (excluding Value Added Taxation, Prepayments and Operating Lease receivables) Loans to Municipal Entities and Loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at Amortised Cost.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)**

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Type of Financial Liability	Classification in terms of IPSAS 41
Long-term Liabilities	Financial liability measured at amortised cost
Payables from Exchange Transactions	Financial liability measured at amortised cost
Payables from Non-exchange Transactions	Financial liability measured at amortised cost
Bank Overdraft	Financial liability measured at amortised cost
Short-term Loans	Financial liability measured at amortised cost
Current Portion of Long-term Liabilities	Financial liability measured at amortised cost

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Initial and subsequent measurement of financial assets and financial liabilities.

Financial assets:

At Fair Value through surplus or deficit

Financial assets at fair value through surplus and deficit are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in surplus or deficit.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

Financial Liabilities:

At Amortised Cost

Any other financial liabilities are classified as other financial liabilities (All Payables Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value net of transaction costs. Trade and Other Payables, interest-bearing debt including Finance Lease liabilities, non-interest-bearing debt and Bank borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in surplus or deficit by applying the effective interest rate.

Bank borrowings consisting of interest-bearing short-term bank loans repayable on demand and over drafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

Impairment of Financial assets:

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence of impairment of financial assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

Financial assets at Amortised Cost

A provision for impairment of accounts receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made where by the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets carried at amortised cost with the exception of consumer debtors where the carrying amount is reduced through the use of an allowance account. When a Consumer debtor is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

De-recognition

Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity except, when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Municipality derecognises financial liabilities when and only when, the Municipality's obligations are discharged, cancelled, or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed in surplus or deficit.

1.11. Inventory

Initial Recognition

Inventories are initially measured at cost except where Inventories are acquired through a non-exchange transactions' and then their costs are their fair value as at the date of acquisition. The cost of Inventory comprises of all costs of purchases costs of conversion and other costs incurred in bringing the Inventory to their present location and condition.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

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ACCOUNTING POLICIES (continued)

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Subsequent Measurement

Consumable Stores Raw Materials, Work-in-Progress and Finished Goods

Inventory sold is valued at the lower of cost and net realisable value. The cost is determined using the FIFO method.

Consumable stores, raw materials, work-in-progress inventory distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost. The cost is determined using the FIFO method.

Water Inventory

Water is regarded as Inventory when the Municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally or where the Municipality has incurred purification costs on water obtained from natural resources (rain rivers springs boreholes etc.). However, water in dams that are filled by natural resources and that has not yet been treated that is under the control of the Municipality but cannot be measured reliably as there is no cost attached to the water is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase cost of conversion and other costs incurred in bringing the Inventory to its present location and condition net of trade discounts and rebates.

Water and purified effluent are valued by using the Weighted Average Method at the lowest of purified cost and net realisable value in so far as it is stored and controlled in the distribution network at year-end.

Other Arrangements

Redundant and slow-moving Inventory identified are written down from cost to current replacement cost if applicable.

Inventory identified to be sold by public auction are written down from cost to net realisable value with regard to their estimated economic or realisable values. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

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ACCOUNTING POLICIES (continued)

Differences arising on the measurement of such Inventory at the lower of cost and current replacement cost or net realisable value are recognised in surplus or deficit in the year in which they arise. The amount of any reversal of any write-down of Inventory arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventory recognised as an expense in the period in which the reversal occurs.

The carrying amount of Inventory is recognised as an expense in the period that the Inventory was sold, distributed, written off, or consumed unless, that cost qualifies for capitalisation to the cost of another asset.

1.12.Provisions and contingencies

The best estimate of the expenditure required to settle the present obligation is the amount that the Municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the Municipality supplemented by experience of similar transactions and in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)**

De-commissioning, restoration and similar liability

Estimated long-term environmental provisions comprising rehabilitation and landfill site closure are based on the Municipality's policy taking into account current technological environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to surplus or deficit.

Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 47.

1.13. Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Short-term employee benefits

The costs of all short-term employee benefits such as leave pays are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year-end and is shown as a creditor in the Statement of Financial Position. The Municipality recognises the expected cost of performance bonuses only when the Municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Post-employment benefits

The Municipality provides retirement benefits for its employees, councillors and both has defined benefit contribution post-employment plans.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

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ACCOUNTING POLICIES (continued)

The Municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit in the period in which the service is rendered by the relevant employees. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Post-retirement Health Care Benefits

The Municipality has an obligation to provide Post-retirement health care benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the Municipality is associated a member (who is on the current Conditions of Service) on retirement is entitled to remain a continued member of the Medical Aid Fund in which case the Municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the Municipality is associated provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in surplus or deficit.

Past-service costs are recognised immediately in surplus or deficit.

Long-service Allowance

The Municipality has an obligation to provide long-service allowance benefits to its qualifying employees. According to the rules of the long-service allowance scheme which the Municipality instituted and operates, an employee (who is on the current Conditions of Service) is entitled to a cash allowance calculated in terms of the rules of the scheme after 20, 25, 30, 35 and 40 years of continued service. The Municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through surplus or deficit.

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ACCOUNTING POLICIES (continued)

Severance Allowance

The Municipality has an obligation to provide severance benefits to its qualifying employees. According to legislation and the rules of the Severance benefits scheme which the Municipality instituted and operates an employee (who is on the current conditions of service) is entitled to a severance payment in the event of death-in-service resignation retrenchment or retirement. The Municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities.

The benefit provided is one week's fixed remuneration per year of uninterrupted service, subject to at least one year's completed service. Annual fixed remuneration is equal to annual Basic salary plus annual Housing allowance plus annual Transport allowance plus annual Scarcity allowance plus Bonus (13th Cheque).

Actuarial gains or losses are recognised immediately in surplus or deficit.

Past-service costs are recognised immediately in surplus or deficit.

1.14. Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Municipality at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost and fair value in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in surplus or deficit.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)

1.15. Borrowing costs

The Municipality uses the Benchmark treatment of borrowing costs as such borrowing costs are recognised as an expense in the period in which they are incurred regardless of how the borrowing costs were applied.

1.16. Related parties

Individuals as well as their close family members and / or entities are related parties if one party has the ability directly, or indirectly to control or jointly control the other party or exercise significant influence over the other party in making financial and or operating decisions. Management is regarded as a related party and comprises the Mayor, Management Committee members Council members Chief Executive Officer and all other Strategic Executive Officers reporting directly to the Chief Executive Officer or as designated by the Chief Executive Officer.

1.17. Budget information

The annual budget figures have been prepared in accordance with the IPSAS's and are consistent with the Accounting policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate, and additional financial statements, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over-or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the Municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation.

The approved budget covers the period from 1 July 2023 to 30 June 2024

Segmental information

The mandate of the Municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the areas within the municipal jurisdiction. The components described below have been identified as individually significant segments for purposes of reporting in terms of IPSAS 18 (Segment Reporting).

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ACCOUNTING POLICIES (continued)

The following services are considered significant to the Municipality and is accordingly managed separately:

- The provision of electricity and infrastructure to ensure delivery of Electricity.
- The provision of roads and infrastructure to ensure a comprehensive and safe Roads Network.
- The provision of equipment and infrastructure to ensure removal and treatment of Solid Waste.
- The provision of infrastructure for removal of excess water and sewerage through a Storm water and Sewerage Network
- The provision of water and infrastructure to ensure delivery of Water.
- The provision of Ambulance, Development Emergency & Fire and Transport Services.
- The provision of Town Planning and Property Management Services.
- The provision of services for Crime Prevention, Disaster and Traffic Management.
- The provision of Business Licencing, Economic Development, Health Parks & Facilities and Burial & Cremation Services.
- The provision of efficient Communication, Customer and Tourism Services to public.
- The provision of Administrative and Technology Services to enable execution of this mandate.

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the Municipality as a whole.

The Municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Inter-segmental transfers are per the Municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of IPSAS as described in these accounting policies.

No changes from were made from prior periods measurement methods used to determine reported segment surplus or deficit.

1.18. Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
ACCOUNTING POLICIES (continued)**

1.20 Net assets

Housing fund

The Housing Fund was established in terms of Section 58 of the Local Authorities Act, 1992 (Act No. 23 of 1992). The Housing Fund contains all proceeds from housing developments, which include proceeds of loans raised rental income, redemption of loans granted sale of houses, interest from investments and other moneys accruing to the fund. Unexpended moneys in the Housing Fund which are not required for immediate use may be invested with such financial institution as may be approved by the Minister.

Monies standing to the credit of the Housing Fund are used only for purposes of the construction acquisition or maintenance of dwellings; loans granted; repayment of loans raised; costs incurred in connection with the administration of housing schemes and any other purpose approved in writing by the Minister.

Betterment Contribution Fund

The Betterment Contribution Fund was established in terms of Section 59 of the Urban and Regional Planning Act (act No. 5 of 2018).

The Betterment Contribution Fund contains all proceeds from betterment contributions and sale of land. Money standing to the credit of the Betterment Contribution Fund shall be applied in such manner as the Minister may approve towards the discharge of any debt of the Municipality or otherwise for any purpose for which capital money may be applied.

Accumulated Surplus

The accumulated surplus contains accumulated surplus after appropriations to and from the Statutory Funds.

1.21. Grants-In-Aid

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Municipality does not:

- (a) Receive any goods or services directly in return as would be expected in a purchase or sale transaction;
- (b) Expect to be repaid in future; or
- (c) Expect a financial return as would be expected from an investment.

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ACCOUNTING POLICIES (continued)

These transfers are recognised in surplus or deficit as expenses in the period that the events giving rise to the transfer occurred.

1.22. Value Added Tax

The Municipality accounts for Value Added Tax in accordance with Section 18 of the Value-Added Tax Act (Act No. 10 of 2000).

1.23. Material losses

Due to their significance, the complete calculation of water and electricity losses is provided including the opening balances, purchases, sales and closing balances where applicable. For electricity the unit rate is the rate per the last purchase for the financial year. For water the unit rate is measured based on the Weighted Average Method as defined by IPSAS 12 (Inventory).

1.24. Commitments

Commitments are future expenditure to which the Municipality committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in surplus or deficit, but are included in the disclosure notes. A distinction is made between capital and current commitments.

1.25. Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in notes to the annual financial statements.

1.26 Heritage assets

Heritage assets are resources controlled by an entity as a result of past events from which future economic benefits are expected to flow to the entity.

1.27 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or in the case of a main division not in accordance with the purpose of the main division.

1.28 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

MUNICIPALITY OF WINDHOEK
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2024	2023
	N\$	N\$
2 Property rates		
Rates received	773 036 559	726 325 414
State	26 353 155	25 119 602
Other	746 683 404	701 205 812
Less: Income forgone	-	-
Valuations	122 180 503 393	113 059 018 161
Agricultural	343 633 190	37 138 400
Commercial	19 880 111 383	22 852 748 176
Farm	3 234 001 503	1 260 128 103
Industrial	7 323 763 605	6 949 929 005
Institutional	8 320 367 943	6 933 817 302
Municipal	11 614 598 634	7 568 527 616
Residential	58 493 030 146	57 592 954 268
State	2 929 187 601	2 931 491 801
Other	10 041 809 388	6 932 283 490

Property Rates are levied on the value of land and improvements; which valuation is performed every five years. The last valuation came into effect on 1 September 2018.

Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions/consolidations.

Brakwater Areas and extended boundaries:

Rates on Site Value of 0 0024111912 c/N\$ (2023: 0 00230736 c/N\$) and on Improvement value of 0.0014283687 c/N\$ (2023:0.0013669 c/N\$) are applied to property valuations to determine assessment rates.

Windhoek Areas:

Rates on Site Value of 0 0120559560 c/N\$ (2023: 0 011537 c/N\$) and on Improvement value of 0 0071431539 c/N\$ (2023: 0 006836 c/N\$) are applied to property valuations to determine assessment rates.

Rebates of 75% (2023: 75%) on agricultural properties, 50% (2023: 50%) on residential properties and 20% (2023: 20%) on properties owned by the State were granted in terms of section 73(4) of the Local Authorities Act (1992, as amended).

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

2. Property rates (continued)

Organisations described in section 75 of The Local Authorities Act (1992, as amended) may be exempted from the payment of rates on annual application.

Organisations and Individuals not covered in section 75 of The Local Authorities Act (1992, as amended) may apply for a reduction in rates on an annual basis. Set criteria is used to evaluate whether they qualify for exemption, and to what extent.

Rates are levied monthly on property owners and are payable by the 15th and 20th of each month depending on the billing cycle. Interest is levied at a rate determined by council on outstanding rates amounts.

	2024	2023
	N\$	N\$
3 Transfer from other government entities	24 966 557	26 857 640
Operating grants		
Road Fund Administration	22 696 740	22 970 534
Capital grants		
Government - Informal Settlement Electrification	2 269 817	3 887 106

Conditions still to be met and related remaining liabilities (see note 40).

4 Public contributions and donations	14 385 476	22 467 272
Public contributions and donations	4 701 516	20 416 513
Public contributions and donations - Bremen	-	1 471 900
Public contributions and donations - EU Solid Waste Project	9 683 960	578 859

Conditions still to be met - remain liabilities (see note 40).

5 Service charges	3 895 945 915	3 619 329 015
Sale of electricity	2 217 476 443	2 070 937 627
Sale of water	980 276 911	886 469 090
Solid waste	397 847 972	383 687 249
Sewerage and sanitation charges	290 682 573	269 131 372
Other service charges	9 662 016	9 103 677

The amounts disclosed above for revenue from Service Charges are in respect of services rendered, which are billed to the consumers on a monthly basis according to approved tariffs

MUNICIPALITY OF WINDHOEK
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
6 Rental of facilities and equipment	33 294 204	35 537 404
Rental income - amenities	20 336 291	20 215 016
Rental forgone	(14 264)	-
Rental of Premises and related	3 205 271	2 899 594
Rental of other facilities	9 766 906	12 422 794

Rental revenue earned on Facilities and Equipment is in respect of non-financial assets rented out

7 Other income	70 010 604	48 504 135
Salary commission	14 341	-
Betterment fees	15 037 517	4 039 042
Bus tickets	6 100 898	6 800 989
Endowment fees	1 927 863	632 284
Building plans and related	6 631 642	6 938 951
Advertising fees	3 831 046	3 655 647
Cemetery fees	1 948 455	1 599 074
Duplicate accounts and cards	893 622	833 615
Sale of Documents Materials & Stores	247 524	1 320 194
Swimming Pool Tickets	1 322 640	1 410 356
Forfeited Moneys	2 915 732	2 275 319
Ambulance Fees	270 066	323 378
Interdepartmental Charges	3 251 064	2 931 337
Fire Brigade Fees	466 965	398 893
Telephone Cost Recovered	892 714	1 210 861
Parking Meter Fees	55 017	313
Town Planning Fees	577 375	394 099
Recovery of Cost	6 780 518	1 638 316
Sundry income	4 086 755	1 552 494
Health care waste risk fees	11 060 381	10 548 973
Parking meter fees	1 675 187	-
Infrastructure sharing fee (City Link)	23 282	-

MUNICIPALITY OF WINDHOEK
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
8 Interest received - investment	31 752 285	14 445 387
Housing and land loans	7 693 439	1 256 603
Call deposits	17 388 493	12 372 719
Fixed deposits	983 443	-
Land sales	448 330	687 600
Bank	5 238 580	128 465
9 Bulk purchases	2 130 596 781	2 122 656 081
Electricity	1 790 080 984	1 618 515 010
Water	340 515 797	504 141 071

Bulk Purchases are the cost of commodities not generated by the Municipality, which it distributes in the municipal area for resale to the consumers. Electricity is purchased from NamPower while Water is purchased from NamWater and WINGCOG.

Included in Bulk Purchases for Electricity is an amount of N\$9 996 458 (2023 N\$8 898 211), being purchases made from Independent Power Producers.

Electricity Losses occur due to inter alia, technical and non-technical losses (Technical losses-inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses-the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported. Distribution losses amounted to 7.50% (2023: 5.02%), see below table for volumes.

Water Losses occur due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported. Distribution losses amounted to 23% (2023: 16%), see below.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	Units	Units
9 Bulk purchases (continued)		
Electricity (Volumes in kWh/year)		
System Input Volume	885 340 343	855 679 720
Billed Consumption	(818 922 621)	(812 715 000)
Distribution Loss	66 417 722	42 964 720
Water (Volumes in kl/year)		
System Input Volume	26 469 148	25 390 211
Billed Consumption	(20 452 293)	(20 011 871)
Aquifer Recharge	-	(1 345 513)
	6 016 855	4 032 827
	2024	2023
	N\$	N\$
10 Employee related costs	1 525 371 205	1 476 810 016
Basic	722 541 571	688 100 755
Medical aid - company contributions	146 711 510	150 704 135
Social Security	2 080 488	2 100 013
Defined contribution plans	126 471 787	123 677 902
Overtime payments	48 323 045	41 575 286
Transport allowance	96 902 970	93 525 540
Housing benefits and allowances	247 650 447	241 379 958
Other allowances	96 998 387	95 187 427
Defined Benefit Plan Expense: current service cost	37 691 000	40 559 000
Chief Executive Officer	3 842 857	348 599
Annual Remuneration	2 070 761	348 599
13th Cheque	62 922	-
Contributions to SSC Medical and Pension Funds	545 350	-
Other	1 163 824	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Since the substantive CEO left in October 2020, no substantive CEO was appointed until 1 August 2022, thus the remuneration paid in 2022/23 is consisting of Acting Allowance only.

	2024	2023
	N\$	N\$
10 Employee related costs (continued)		
Strategic Executives	25 167 734	19 944 002
Annual Remuneration	11 952 346	9 582 126
13 th cheque	1 085 375	918 834
Contributions to UIF Medical and Pension Funds	3 098 440	2 535 038
Other allowances	7 953 543	6 908 004
Termination benefits	645 196	-
Long service award	432 834	-

The Strategic Executive position of Human Capital and Corporate Services and Information and Technology were appointed on 1 August, 2023 and 1 June, 2024 respectively. The annual remuneration includes acting allowance in some Strategic Executive positions due to vacancies or annual leave of one month and more.

Advance to employees

Advances are made to employees in terms of the municipality's policy to assist them with medical expenses and in the event of the death of a dependant. Loans to employees are set out in Note 28.

Head of Procurement Management unit	1 813 971	1 750 522
Annual Remuneration	845 609	820 980
13 th cheque	70 467	68 415
Contributions to UIF Medical and Pension Funds	305 129	283 005
Other allowances	592 766	578 122

In-kind benefits

Councillors may utilise official Council transportation when engaged in official duties.

The Mayor has use of a Council owned vehicle for official duties, and another municipal vehicle which also may be used by the Deputy Mayor when representing the Mayor.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
11 Remuneration of councilors	8 553 420	8 673 316
Mayor	582 289	484 700
Deputy Mayor	480 388	438 493
Management Committee Chairperson	364 521	323 252
Management Committee Members	1 529 354	1 326 616
Councilors	4 353 266	4 952 871
Councilors' Gratuity plan	1 201 070	1 096 600
Audit committee members (sub-committee)	42 532	50 784
12 Gain and losses from operations		
Other gain	3 969 071	2 776 391
Gains in Net Foreign Exchange	29 024	-
Gains on Disposal of Investments	3 940 047	2 776 391
Losses	57 636	9 218
Losses in net Foreign Exchange	57 636	9 218
13 Depreciation and amortization	499 241 484	523 296 639
Property plant and equipment	493 880 923	519 470 610
Investment property	3 663 264	3 826 029
Intangible assets	1 697 297	-
14 Repairs and maintenance	311 008 308	261 645 220
Property plant and equipment	311 008 308	261 645 220

Foreign Exchange gains and losses disclosed above are attributable to continuing operations.

Gains and losses on **Fair Value Investments** disclosed above are attributable to continuing operations.

Though repairs and maintenance does not represent the nature of expenses as per IPSAS 10, separate disclosure is necessary as Ministry of Urban and Rural Development includes specific directive of compliance in annual budget directive. Therefore, it is important that it is evident on the face of the statement of financial performance.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2014	2013
	N\$	N\$
15 Contracted services	117 308 123	112 970 780
Outsourced Services	86 418 950	81 416 882
Professional Services	4 095 948	3 648 546
Other Contracted Services	26 793 225	27 905 352
16 Debt impairment		
Debt impairment	(182 627 623)	63 742 908
17 Grants and other transfer payments	5 638 859	3 642 450
Benevolent Organization	9 646	918 861
Community Projects	4 623 709	1 884 683
Public Festivals	206 260	283 532
Other Grants and Subsidies Paid	761 349	510 703
Katutura Old Age Home	37 895	44 671

Benevolent Organisations are in respect of donations made to charitable organisations, or activities related to charitable organisations, within the municipality's area of jurisdiction.

Community Projects are in respect of the benefit and wellbeing of the general public and social responsibility with the municipality's area of jurisdiction.

Public Festivals are in respect of events, festivals and functions hosted or held by the municipality for the benefit of the general public within the municipality's area of jurisdiction.

Other Grants and Subsidies are in respect of grants made available by the mayor on own discretion.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
18. General expenses	337 985 660	287 038 296
Accreditation	350 329	231 461
Ad hoc Allowances	296 076	322 529
Administration costs	1 611 186	387 418
Advertising	1 180 641	1 118 621
Bank charges	7 092 846	7 049 504
Catering & Entertainment Cost	1 203 324	765 239
Ceremonies	17 316	85 720
Chemicals and Poison	3 859 092	2 495 524
Cleaning	366 410	913 794
Community and public participation	283 468	312 202
Consulting and professional fees	16 734 434	24 354 265
Convention bureau	17 296 526	2 411 631
Disaster Expenditure	276 834	244 309
Fire Fighting Expenses	24 244	108 998
Fuel and oil	39 146 923	36 500 255
Gifts	300 000	262 529
Hiring of Facilities & Equipment	9 760 249	8 221 242
Inspections carried out	454 466	298 913
Insurance	4 965 426	5 297 655
Inter-departmental Transfers	(2 827)	(1 899 674)
Internship expenditure	18 839 125	17 941 060
Land invasion	3 494	109 143
Marketing	3 069 555	2 233 599
Motor vehicle expenses	8 005 017	9 034 514
Pest control	2 087 446	5 772 905
Policies and Strategies	83 349	100 443
Postage and courier	3 330 931	3 709 470
Pre-paid Services Tokens	973 812	959 431
Printing and stationery	7 421 920	5 432 694
Refund Service Charges	2 530 000	3 220 000
Refuse	4 571 737	5 659 285
Regional Council 5% rates and taxes	50 485 276	28 278 738
Research and development costs	1 760 026	2 196 760
Royalties and license fees	4 550 528	2 518 067
Cost of properties sold	23 216 114	35 240 991

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
18. General expenses (continued)		
Sample Tests	110 930	44 806
Service Connections	5 564 993	10 712 987
Software expenses	23 721 722	7 593 913
Staff welfare	413 537	674 254
Subscriptions and membership fees	282 824	422 262
Telephone and fax	5 739 854	5 949 103
Training	16 007 891	8 086 947
Transport and freight	-	1 978
Travel - local	4 909 328	3 348 961
Uniforms	7 334 221	3 045 005
Venue expenses	316 408	739 508
Vocational Training Levy	13 823 152	17 366 634
Work orders	(9 586)	355 514
Other expenses	23 625 093	16 807 189
19 Finance costs	159 956 402	143 024 467
Defined benefits liabilities	113 662 000	109 779 000
Finance leases	7 828 472	5 233 983
Bank	1 663 840	8 670 611
Current borrowings	31 417 926	9 148 409
Landfill Sites	5 384 164	10 192 464
20 Interest on outstanding debtors		
Interest earned on outstanding debtors	66 017 316	86 279 088
21 Loss on Disposal of Asset and Liabilities		
Property plant and equipment	(50 600)	(12 645 908)

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
22 Cash and cash equivalents	595 568 662	155 731 671
Cash on hand	30 750	36 475
Bank balances	140 410 896	11 946 513
Short-term deposits	455 127 016	256 857 629
Bank overdraft	-	(113 108 946)
	595 568 662	155 731 671
Current assets	595 568 662	268 840 617
Current liabilities	-	(113 108 946)

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

The municipality pledged of its Cash and Cash Equivalents as collateral for its financial liabilities. Cessions to the amounts of N\$ 150 946 173 (2023: N\$146 617 410) exist in favour of First National Bank in respect of accounts held by the municipality at First National Bank Namibia and Bank Windhoek Limited respectively. The amounts include a Guarantee in favour of Windhoek Goreangab Operating Company (Pty) Ltd (WINGOC) in relation to a Performance Guarantee in a Private Management Agreement between the two parties. A further unlimited amount exists in favour of First National Bank in respect of credit balances held by the municipality at the bank.

No other restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents. Short-term deposits consist of Call Deposits and Fixed deposits:

Call and Notice Deposits

Short term deposits (in this case call deposits) are investments with a maturity period of less than 3 months and earn interest rates varying from 6.65% to 7.60% (2023: 3.4% to 4.85%) per annum.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
23 Consumer debtors		
Gross balance	955 562 604	1 107 083 198
Electricity	179 985 578	170 269 575
Water	300 247 728	332 802 058
Sewerage	71 817 113	67 356 717
Refuse	104 123 192	122 271 851
Housing rental	12 090 670	11 014 807
Other	287 298 323	403 368 190
Less: Allowance for Impairment	(495 384 185)	(872 206 101)
Electricity	(100 142 681)	(117 761 006)
Water	(183 341 532)	(262 735 107)
Sewerage	(43 737 677)	(48 108 778)
Refuse	(56 682 387)	(88 765 505)
Housing rental	(10 066 441)	(13 018 109)
Other	(101 413 467)	(341 817 596)
Net balance	460 178 419	234 877 097
Electricity	79 842 897	52 508 569
Water	116 906 196	70 066 951
Sewerage	28 079 436	19 247 939
Refuse	47 440 805	33 506 346
Housing rental	2 024 229	(2 003 302)
Other	185 884 856	61 550 594
Electricity	179 985 578	170 269 575
Current (0 -30 days)	79 825 556	69 325 016
31 - 60 days	9 445 929	8 830 105
61 - 90 days	6 203 488	6 504 813
91 - 120 days	4 347 151	4 621 905
121 - 365 days	2 615 888	4 641 259
> 365 days	77 547 566	76 346 477

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
23. Consumer debtors (continued)		
Water	300 247 728	332 814 782
Current (0 -30 days)	117 597 216	79 451 029
31 - 60 days	18 073 183	13 243 908
61 - 90 days	11 851 041	12 020 090
91 - 120 days	7 756 100	10 202 490
121 - 365 days	5 349 967	8 216 291
> 365 days	139 620 221	209 680 974
Sewerage	71 817 112	67 356 717
Current (0 -30 days)	27 251 336	20 987 140
31 - 60 days	3 293 648	3 351 196
61 - 90 days	2 152 531	2 460 837
91 - 120 days	2 030 919	2 101 458
121 - 365 days	1 428 650	1 797 974
> 365 days	35 660 028	36 658 112
Refuse	104 123 191	122 271 850
Current (0 -30 days)	40 979 910	42 051 927
31 - 60 days	5 262 547	6 257 338
61 - 90 days	3 810 736	4 361 575
91 - 120 days	3 919 876	8 386 336
121 - 365 days	2 366 298	4 495 814
> 365 days	47 783 824	56 718 860
Housing debtors	12 090 670	11 014 808
Current (0 -30 days)	1 513 439	1 373 808
31 - 60 days	601 612	520 773
61 - 90 days	599 134	466 984
91 - 120 days	497 439	430 914
121 - 365 days	409 910	337 865
> 365 days	8 469 136	7 884 464

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
23. Consumer debtors (continued)		
Other services	287 298 231	403 368 190
Current (0 -30 days)	30 197 998	27 859 113
31 - 60 days	6 916 023	9 173 637
61 - 90 days	6 068 471	7 820 600
91 - 120 days	5 693 117	7 506 805
121 - 365 days	4 621 722	7 173 514
> 365 days	233 800 900	343 834 521
Reconciliation of allowance for impairment	(495 384 185)	(872 206 101)
Balance at beginning of the year	(872 206 101)	(829 949 241)
Contribution to allowance	199 661 660	(42 256 860)
Reversal of allowance	177 160 256	-

Allowances for Impairment

In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange transactions, the Municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit allowance required in excess of the Allowance for Impairment.

Approach Followed in Calculating Provision for Impairment of Debtors

Risk

Provision for Impairment of Debt is directly linked to the estimated risk of not recovering debt. The Municipality opted to determine the estimated risk of non-payment on an individual debtor/consumer basis. This should relate to a higher accuracy in the final calculations than when fixed percentages are allocated to a class of user or type of debtor.

Payment Percentage per Debtor

To obtain an estimated risk per user/debtor average payment percentage per debtor was calculated. A detail transaction report for the financial period was obtained that indicate all billings as well as receipts per individual debtor. This payment percentage was calculated as follows: Payment Percentage = Total Receipted / Total Billed.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

23. Consumer debtors (continued)

Calculation of Provision for Impairment of Debt

A detailed Debtor's Age Analysis, BP136-6 was extracted from the billing system that indicates the outstanding Debt per User Type and Per Service Type. This Detail Debtor's Age Analysis differentiates between the Gross Balance of the Debt and the VAT portion of the Debt. The Estimated Impairment Percentages as calculated above was then applied to each individual Debtor's Gross outstanding balances excluding VAT to obtain the impairment provision amounts.

An Impairment Percentage per individual Debtor/User was allocated relative to the calculated average Payment Percentage.

An Impairment Percentage per individual Debtor/User was allocated relative to the calculated average payment percentage. The relation between these two factors were allocated as follows:

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MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

23. Consumer debtors (continued)

PMT From	PMT To	Impairment Provision	Cross carrying amount	Provision for Impairment
			N\$	N\$
2024				
0%	25%	100%	318 676 556	318 676 556
26%	50%	75%	58 659 374	43 994 531
51%	85%	50%	180 912 477	90 456 239
86%	100%	0%	397 314 196	-
Total			955 562 603	453 127 325
2023				
0%	25%	100%	733 750 020	733 750 020
26%	50%	75%	71 130 835	53 348 126
51%	85%	50%	170 215 909	85 107 955
86%	100%	0%	136 182 243	-
Total			1 111 279 007	872 206 101

24. Employee benefit obligation

The amounts recognised in the statement of financial position are as follows:

	2024	2023
	N\$	N\$
Carrying value	(1 090 087 000)	(943 857 000)
Present value of the defined benefit obligation - Post-retirement Health Care benefits	(931 411 000)	(797 175 000)
Present value of the defined benefit obligation - Long Service Awards	(10 412 000)	(15 769 000)
Fair value of defined benefit obligation- Severance Payment	(148 264 000)	(130 913 000)
	(1 090 087 000)	(943 857 000)
Non-current liabilities	(1 031 168 000)	(883 743 000)
Current liabilities	(58 919 000)	(60 114 000)

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation

	2024	2023
	N\$	N\$
Post-retirement Health Care Benefits Liability	936 389 000	797 175 000
Opening balance	797 175 000	812 432 000
Benefits paid	(27 779 000)	(29 080 000)
Net expense recognized in the statement of financial performance & net assets	166 993 000	13 823 000

The amounts recognised in the statement of financial position are as follows:

Current service cost (Statement of Financial Performance)	27 779 000	29 810 000
Interest cost (Statement of Financial Performance)	97 894 000	94 439 000
Actuarial losses (gains) (Statement of Net Assets)	41 320 000	(110 426 000)
	166 993 000	13 823 000

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical scheme.

Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependants. Some options also differentiate on the basis of income. All continuation members and their eligible dependants receive a subsidy of 50% of a benchmark, option, depending on which medical aid scheme they participate in, and irrespective of the actual option they are on. However, the subsidy will not exceed 100% of the total contribution due in respect of a continuation member (and their eligible dependants).

Eligible employees will receive a post-employment subsidy in line with the above should they be a member of a medical scheme at retirement upon a member's death-in-service or death-in-retirement the surviving dependants will receive the same subsidy.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

The most recent statutory actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Mr Chanan Weiss, a Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method

The members of the Post-employment Health Care Benefit Plan are made up as follows:

	2024	2023
	N\$	N\$
In-service Members (Employees)	1 786	1 813
In-service Non-members (Employees)	34	42
Continuation Members (Retirees widowers and orphans)	590	563
	2 410	2 418
In-service Members (Employees)	429 725 000	377 818 000
In-service Non-members (Employees)	2 176 000	2 333 000
Continuation Members (Retirees widowers and orphans)	499 510 000	417 024 000
Total members	931 411 000	797 175 000

24. Employee benefit obligation (continued)

The Municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

NHP
NMC
Renaissance

Key assumptions used

Assumptions used at the reporting date

Discount rates used	12.27%	12.53%
Medical cost trend rates	8.00%	8.14%
Expected increase in salaries	-	-

While the expected retirement age of male and female was 59 years (2023: 59 years).

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

General

It is assumed that the employer's health care arrangements and subsidy policy would remain as outlined in the accounting policy and that the level of benefits receivable and the contributions payable would remain unchanged with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable and will continue.

Continuation of Membership:

It is assumed that 90% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

Family profile

It is assumed that female spouses will be five years younger than their male counter parts. Furthermore, it is assumed that 65% of eligible employees on a health care arrangement at retirement will have a spouse dependant on their medical aid. For current retired members, actual medical aid dependants were used and the potential for remarriage was ignored.

Discount rate

IPSAS 39 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments current market rates of the appropriate term should be used to discount shorter term payments and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve

Consequently, a discount rate of 12.27 % (2023: 12.53) per annum has been used. The corresponding index-linked yield at this term is 5.20%. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2024. This was deemed the most suitable alternative in the absence of a readily

Other assumption

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	23 933 000	23 918 000
Effect on defined benefit obligation	146 776 000	133 491 000
Effect on the aggregate of the current service cost and the interest cost	18 884 000	18 913 000
Effect on the defined benefit obligation	119 206 000	106 936 000

The Municipality expects to make a contribution of N\$143 457 000 (2023: N\$125 673 000) to the Defined Benefit Plans during the next financial year.

The history of experienced adjustments is as follows:

	2024	2023	2022	2021	2020
	N\$	N\$	N\$	N\$	N\$
Defined benefit obligation	931 411 000	797 175 000	812 432 000	31 048 000	613 239 000

Long Service Awards Liability

The Municipality offers employees Long Service Awards from five years of completed (continuous) service. The awards made are in the form of bonuses, leave or a long service Endowment as described below:

The entity is under no obligation to cover any unfunded benefits

Bonus Leave:

This benefit is based on employees' basic salary and is awarded upon reaching pre-determined service milestones. In the event of death or termination of services, the benefit is awarded on a pro-rata basis. The pro-rata benefit is not applicable to the 5-year service milestone. This benefit is in the process of being phase out and employees employed after 31 July 2014 are not eligible for this benefit. Employees employed prior to this date are eligible but, the benefit has been limited according to the 2003 and 2011 conditions of service. In effect, depending on date of joining this latter group of employees are entitled to receive up to 2 more of these service-milestone leave awards.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

Long Service Endowment:

As per management's instruction, this benefit is based on basic salaries at date of valuation instead of employees' total earnings which was used in the previous valuation. Under the plan, a Long Service Endowment is payable after 20 years of continuous service and every 5 years of continuous service thereafter, to 40 years to employees. The amount granted is based on pre-determined percentages for each category of service.

The most recent statutory actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Mr Chanan Weiss, a Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end 1 820 (2023: 1 855) employees were eligible for Long-service Awards.

	2024	2023
	N\$	N\$
Balance at beginning of year	15 769 000	24 892 000
Contributions to provision	2 204 000	3 125 000
Expected benefits vesting	(8 031 000)	(12 248 000)
Balance at end of Year	10 412 000	15 769 000
Transfer to Current Provisions	(3 861 000)	(11 143 000)
Total Long Service Awards Liability	6 551 000	4 626 000

General

It is assumed that the employer's long service arrangements would remain as outlined in the accounting policy and that the level of benefits and the contributions would remain unchanged with the exception of inflationary adjustments.

Discount rate

IPSAS 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments current market rates of the appropriate term should be used to discount shorter term payments and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

Consequently, a discount rate of 10.52% (2023: 9.91%) per annum has been used. The first step in the derivation of this yield is to calculate the liability-weighted average of the yields corresponding to the actual terms until payment of long service awards for each employee. The 9.91% is then derived as the liability-weighted average of the yields derived in the first step. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2024. This was deemed the most suitable alternative in the absence of a readily available Namibian bond yield curve.

Movements in the present value of the Defined Benefit Obligation were as follows:

	2024	2023
	N\$	N\$
Balance at the beginning of the year	15 769 000	24 892 000
Current service costs	1 029 000	1 958 000
Interest cost	1 175 000	1 663 000
Benefits paid	(8 031 000)	(12 248 000)
Actuarial losses / (gains)	470 000	(496 000)
Total Recognized Benefit Liability	10 412 000	15 769 000

These unexpected movements (otherwise termed Actuarial Gains and Losses) are separated into four main components: The effect of the change in the basis (assumptions), changes to earnings and to the employee profile and actual benefits vested being different from what was expected as at the previous valuation

	2024	2023
	N\$	N\$
Analysis of actuarial gains and losses:		
Basis Changes:		
- Decrease (Increase) in Net Discount Rate	(304 000)	(845 000)
Change in layout of future earnings increases	-	-
- Earnings increases higher (lower) than assumed	213 000	77 000
- Changes to employee profile different from assumed	561 000	272 000
Balance at the end of the year	470 000	(496 000)

The amount recognised in the statement of financial position are as follow

Present value of fund obligation (unfunded accrued liability)	10 412 000	15 769 000
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MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

The amount recognised in the statement of financial performance and net assets are as follows:

Current service cost	1 029 000	1 958 000
Interest cost	1 175 000	1 663 000
Actuarial losses/(gains)	470 000	(496 000)
	2 674 000	3 125 000

	2024	2023	2022	2021	2020
	N\$	N\$	N\$	N\$	N\$
The history of experienced adjustments is as follows:					
Present value of defined benefit obligation (unfunded)	10 412 000	15 769 000	24 892 000	33 042 000	56 912 000

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

	2024	2023
	N\$	N\$
Increase	507 000	432 000
Effect on the aggregate of the current service cost and the interest cost	68 000	67 000
Effect on the defined benefit obligation	439 000	365 000
Decrease	465 000	394 000
Effect on the aggregate of the current service cost and the interest cost	62 000	60 000
Effect on the defined benefit obligation	403 000	334 000

The municipality expects to make a contribution of N\$1 054 000 (2023: N\$2 053 000) to the defined benefit plans during the next financial year.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

	2024	2023
	N\$	N\$
Severance Payment Liability		
Balance at beginning of year	130 913 000	129 581 000
Contributions to provision	33 565 000	21 261 000
Benefits vesting	(16 214 000)	(19 929 000)
Sub-total	148 264 000	130 913 000
Transfer to Current provisions	(15 219 000)	(16 214 000)
Non-current portion of liability	133 045 000	114 699 000

The Municipality offers employees a Severance Payment in the event of death, in-service dismissal/retrenchment (except for fair dismissal) or retirement / resignation.

The benefit provided is one week's fixed remuneration per year of uninterrupted service, subject to at least one year's completed service. Annual Fixed remuneration is equal to annual Basic salary plus annual Housing allowance plus annual Transport allowance plus annual Scarcity allowance plus Bonus (13th Cheque).

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

At year end 1 820 (2023: 1 855) employees were eligible for Long-service Awards

General

It's assumed that the employer's long service arrangements would remain as outlined in the accounting policy and that the level of benefits and the contributions would remain unchanged with the exception of inflationary adjustments.

Discount rate

IPSAS 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments current market rates of the appropriate term should be used to discount shorter term payments and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

Consequently, a discount rate of 11.59% (2023: 11.86%) per annum has been used. The first step in the derivation of this yield is to calculate the liability-weighted average of the yields corresponding to the actual terms until payment of long service awards for each employee. The 11.59% is then derived as the liability-weighted average of the yields derived in the first step. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2024. This was deemed the most suitable alternative in the absence of a readily available Namibian bond yield curve.

Movement in the present value of the Defined benefit obligation were as follows:

	2024	2023
	N\$	N\$
Balance at the beginning of the year	130 913 000	129 581 000
Current-service cost	8 883 000	8 791 000
Interest cost	14 593 000	13 677 000
Benefits vesting	(16 214 000)	(19 929 000)
Actuarial (gain) / loss	10 089 000	(1 207 000)
Total Recognized Benefit Liability	148 264 000	130 913 000

These unexpected movements (otherwise termed Actuarial Gains and Losses) are separated into four main components: The effect of the change in the basis (assumptions), changes to earnings and to the employee profile and actual benefits vested being different from what was expected as at the previous valuation.

Analyses of Actuarial Gains and Losses:

	2024	2023
	N\$	N\$
Decrease (Increase) in Net Discount Rate	(1 087 000)	(9 769 000)
Earnings increases lower than assumed	1 415 000	724 000
Changes to employee profile different from assumed	9 761 000	7 838 000
Actual benefits vesting lower than expected	-	-
	10 089 000	1 207 000
Present value of fund obligations (Unfunded accrued Liability)	148 264 000	130 913 000

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

24. Employee benefit obligation (continued)

The amount recognised in the statement of financial performance is as follows:

	2024	2023
	N\$	N\$
Current-service cost	8 883 000	8 791 000
Interest cost	14 593 000	13 677 000
Actuarial loss / (gain) through Net Assets	10 089 000	(1 207 000)
	33 565 000	21 261 000

The history of experienced adjustments is as follows:

	2024	2023	2022	2021	2020
	N\$	N\$	N\$	N\$	N\$
Present value of defined benefit obligation	148 264 000	130 913 000	129 581 000	139 303 000	128 200 000

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

Increase:	13 605 000	11 191 000
Effect on the aggregate of the current service cost and the interest cost	1 875 000	1 693 000
Effect on the defined benefit obligation	11 730 000	9 498 000
Decrease	12 196 000	9 770 000
Effect on the aggregate of the current service cost and the interest cost	1 675 000	1 510 000
Effect on the defined benefit obligation	10 521 000	8 260 000

The municipality expects to make a contribution of N\$26 178 000 (2023: N\$23 476 000) to the defined benefit plans during the next financial year.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
25. VAT receivable		
Value Added Tax	63 917 654	84 811 820

VAT is payable in terms of Section 7 of the Value-Added Tax Act. VAT is payable/receivable on receipt of an invoice or payments whichever is the earlier.

No interest is payable to the Commissioner of Inland Revenue if the VAT is paid over timeously but interest for late payments is charged in accordance with the Value-Added Tax Act. The Municipality has financial risk policies in place to ensure that payments are affected before the due date.

26. Receivables from exchange transactions	304 682 953	246 359 296
Trade debtors	38 042 180	42 387 115
Prepayments	139 375 251	60 548 535
Accruals	127 204 204	114 247 196
Debt collection recoverable	61 318	29 176 450

Included in Accruals is an amount of N\$ 127 204 204 (2023: N\$ 114 247 196) in respect of the consumption of metered services not billed as at 30 June.

Receivables from Exchange Transactions are billed monthly. No interest is charged on receivables until the end of the following month. There after interest is charged at a rate determined by Council on the outstanding balance. The Municipality enforces its approved credit control policy to ensure the recovery of receivables.

The Municipality receives applications for basic services that it processes. Deposits are required to be paid for all electricity and water accounts opened. There are no consumers who represent more than 5% of the total balance of receivables.

27. Receivables from non-exchange transaction	90 794 790	63 595 867
Assessment Rates Debtors	165 401 077	163 854 440
Short-term Loans - Staff	21 493 584	19 125 731
Sundry Debtors	18 312 117	17 803 242
Suspense	16 456 410	(2 850 261)
Allowance for impairment	(130 868 398)	(134 337 285)

Short term Loans mainly comprise advances made to staff members for the purpose of studies which are repayable within 36 months. The advances come with free interest.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

27. Receivables from non-exchange transaction (continued)

Sundry Debtors are in respect of Traffic fines issued but not yet paid for and other debits outstanding at year end on normal business transactions entered into by the Municipality.

Suspense accounts are in respect of temporary advances made in the normal month to month operations of the Municipality not recovered at year end.

The Municipality does not hold deposits or other security for its receivables.

None of the receivables have been pledged as security for the Municipality's financial liabilities.

Allowance for Impairment

The Allowance for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Allowance for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability. The above impairment balance is composed of Rates and Taxes N\$113 220 291 (2023: N\$116 958 360) and Traffic fines of N\$ 17 648 107 (2023: N\$17 378 925).

In determining the recoverability of a Rates Assessment, Debtors and Receivables from Non-exchange transactions, the Municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit allowance required in excess of the Allowance for Impairment.

Approach Followed in Calculating Provision for Impairment of Debtors

Risk

Provision for Impairment of Debt is directly linked to the estimated risk of not recovering debt. The Municipality opted to determine the estimated risk of non-payment on an individual debtor/consumer basis. This should relate to a higher accuracy in the final calculations than when fixed percentages are allocated to a class of user or type of debtor.

Payment Percentage per Debtor

To obtain an estimated risk per user/debtor average Payment percentages per debtor was calculated. A detail transaction report for the Financial Period was obtained that indicates all billings/as well as receipts per individual debtor. This payment percentage was calculated as follows: Payment percentage = Total Received / Total Billed.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

27. Receivables from non-exchange transaction (continued)

Calculation of Provision for Impairment of Debt

A detailed Debtor's Age Analysis, BP136 6 was extracted from the billing system that indicates the outstanding debt per user type and per service type. This Detail Debtor's Age Analysis differentiates between the gross balance of the debt and the VAT portion of the Debt. The estimated impairment percentages as calculated above was then applied to each individual debtor's gross outstanding balances excluding VAT to obtain the Impairment provision amounts.

An impairment percentage per individual debtor/user was allocated relative to the calculated average payment percentage. The relation between these two factors were allocated as follows:

2024		Impairment	Cross carrying	Provision for
PMT From	PMT To	Provision	Amount	Impairment
			N\$	N\$
0%	25%	100%	80 491 947	80 491 947
26%	50%	75%	9 272 435	6 954 326
51%	85%	50%	43 333 789	21 666 894
86%	100%	0%	31 945 262	-
Total			165 043 433	109 113 167

2023		Impairment	Cross carrying	Provision for
PMT From	PMT To	Provision	Amount	Impairment
0%	25%	100%	87 791 927	87 791 927
26%	50%	75%	10 470 833	7 853 124
51%	85%	50%	42 626 617	21 313 309
86%	100%	0%	22 680 545	-
Total			163 569 922	116 958 360

27. Receivables from non-exchange transaction (continued)

Computation of impairment of Traffic fines:

Data of traffic fines issued and collected during the year was obtained and then monthly recovery percentage was computed; = total collected traffic fines per month over total traffic fines issued per month. From the monthly recovery percentage, the year's average recovery percentage was computed. Using the annual recovery percentage, the recoverable amount of tickets issued during the last three months of the year was computed, and the actual amount received during the same period was deducted to arrive at amount still to be recovered.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

27. Receivables from non-exchange transaction (continued)

The impairment is equal to the total balance of traffic fines outstanding at the end of the year less the amount still to be recovered. The average recovery rate for the year was 33.13% (2023: 28.89%) while tickets issued during the last three months amounted to N\$7 029 775 (2023: N\$5 779 775); - which resulted in recoverable amount of the last three months at N\$2 328 860 (2023: N\$1 675 267).

Total actual collected during the last three months was N\$1 664 850 (2023: N\$1 250 950), bringing the amount still to be recovered at N\$664 010 (2023: N\$424 317). Total traffic fines balance outstanding at the end of the year was N\$17 803 424 (2023: N\$17 803 424) resulting in an estimated irrecoverable amount of N\$ 18 312 117 (2023: N\$17 378 925).

	2024	2023
	N\$	N\$
28. Long-term receivables		
Total receivables from exchange transactions	123 620 679	109 736 970
Long term receivables	111 641 276	96 742 865
Current Portion of Long-term receivables	11 979 403	12 994 105

The long-term receivables are composed of the following:

DEVELOPMENT AND HOUSING

Housing Loans in terms of the Build Together Housing Scheme are granted to qualifying individuals at an interest rate of 4 % per annum repayable over a maximum period of 20 years.

Housing Loans in terms of the Windhoek Housing Scheme are granted to qualifying individuals at an interest rate of 6 % to 12 % per annum depending on the stipulations of the contract repayable over a maximum period of 20 years.

However, there are ongoing old contracts for both housing schemes that were granted over a period of 340 months.

SALE OF STANDS

Stands in low income are sold on an instalment basis at an interest rate from 0 to 15 % per annum. The loans are repayable over a period of 5 to 8 years, depending on the stipulations of the contract.

VEHICLE LOANS

Senior staff in Job Grading D and higher, are entitled to Vehicle Loans at an interest rate of 5% per annum repayable over a maximum period of 5 years. The maximum loan is determined by the Vehicle allowance applicable to the post.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

28. Long-term receivables (continued)

The municipality does hold the motor vehicles as security for its Long-term Receivables in relation to staff loans, and related properties for the other long-term receivables.

No Long-term receivables have been pledged as security for the Municipality's financial liabilities.

Long term receivables are neither past due nor impaired as management have no concerns over the credit quality of these assets.

The following loans were granted to and outstanding from senior management:

2024	Loans Granted current year	Balance as at 30 June 2024
	N\$	N\$
Strategic Executives		
SE: Finance and Customer Services Comalie J	1 176 939	1 176 939
SE: Housing Property Management & Human Settlement Maanda FI. R.	-	245 606
SE: Economic Development & Community Services Steenkamp ZD		437 721
Chief: City Police Ileka L.S	1 137 600	1 069 271
Chief Executive Officer Matyayi M	1 354 392	1 207 310
	3 668 931	4 136 847
2023		
	Loans Granted current year	Balance as at 30 June 2023
	N\$	N\$
Strategic Executives		
Comalie J	763 573	405 026
SE: Housing Property Management & Humann Settlement	-	402 713
SE: Economic Development & Community Services Steenkamp ZD.	782 861	589 124
	1 546 434	1 396 863

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2024	2023
	N\$	N\$
29. Inventories	398 650 261	446 198 895
Ammunition	156 122	467 934
Consumable stores	2 298 776	2 122 187
Fuel and oil	1 591 163	560 071
Maintenance materials	63 986 779	90 815 816
Land for sale	327 402 763	347 937 351
Spare Parts and Meters	299 853	274 865
Water for distribution	2 884 537	4 016 671
Work-in-progress - Property Developments	30 268	-

Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.

The cost of inventory recognised as an expense during the period was N\$ 115 497 322 (2023: N\$ 118 545 449).

Inventories of N\$ 6 489 497 (2023: N\$ 6 771 571) are expected to be utilized only after more than (12) twelve months.

Inventories of N\$ 6 802 497 (2023: N\$4 546 764) are held as spare parts for infrastructure assets and have been transferred to Property, Plant, and Equipment.

No Inventories have been pledged as collateral for liabilities of the municipality.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

30. Other financial assets

	2024	2023
	N\$	N\$
Designated at fair value		
Listed shares	16 360 532	13 584 141
Listed shares are investment in shares of public companies with no specific maturity dates or interest rates		
Amortized cost		
Fixed deposits	3 938 866	3 203 539
Fixed deposits are investments with a maturity period of more than 12 months and specifically invested to provide gratuity benefits for councilors. Interest dividends and costs accrued to the Creditor Councilors Gratuity Plan.		
Total other financial assets	20 299 398	16 787 680
Non-current assets		
Designated at fair value	16 360 532	13 584 141
Residual interest at cost	3 938 866	3 203 539
	20 299 398	16 787 680

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

31. Investment property

	Cost / Valuation N\$	Accumulated depreciation and impairment N\$	Carrying value N\$
Investment property 2024	4 964 984 659	(83 141 616)	4 881 843 043
Investment property 2023	4 967 666 186	(79 478 351)	4 888 187 835

Reconciliation of investment property

	Opening balance N\$	Other changes and movements N\$	Disposals N\$	Transfers N\$	Depreciation N\$	Total N\$
Reconciliation of investment property – 2024	4 888 187 835	-	-	(2 681 527)	(3 663 265)	4 881 843 043
Reconciliation of investment property – 2023	5 035 155 133	-	(20 625 556)	(122 515 713)	(3 826 029)	4 888 187 835

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

31. Investment property (continued)

All of the Municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the Municipality.

There are no restrictions on the reliability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on Investment Property.

Investment Property carried at Fair Value

The Municipality's Investment Properties are accounted for according to the cost model and therefore no fair value has been determined.

Impairment of Investment Property

No impairment losses have been recognised on Investment Property of the Municipality at the reporting date.

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

32. Property, plant and equipment

	2024		2023	
	Cost Valuation	Accumulated depreciation and impairment	Carrying value	Cost Valuation
	N\$	N\$	N\$	N\$
Land	1 793 241 129	-	1 793 241 129	1 793 241 129
Buildings	637 014 014	(325 744 563)	311 269 451	627 764 242
Leased assets	109 964 841	(71 910 263)	38 054 578	112 627 997
Infrastructure	20 537 457 339	(11 202 884 932)	9 334 572 407	20 481 249 605
Community	602 431 142	(399 122 422)	203 308 720	601 300 074
Other assets	699 095 728	(359 341 083)	339 754 645	669 579 620
Total	24 379 204 193	(12 359 003 263)	12 020 200 930	24 285 762 667
				(11 870 429 204)
				12 415 333 463

ANNEXURE G

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

32. Property, plant and equipment (continued)

Reconciliation of property plant and equipment 2024

	Opening balance	Additions	Disposals	Additions by leases/loans	Transfer	Other changes movements	Depreciation	Impairme nt Loss	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Land	1 793 241 129	-	-	-	-	-	-	-	1 793 241 129
Buildings	316 115 710	10 055 986	-	-	(798 256)	-	(14 103 989)	-	311 269 451
Leased assets	45 674 120	-	-	-	-	-	(7 619 542)	-	38 054 578
Infrastructure	9 719 621 374	58 686 297	-	-	1 586 120	(4 064 682)	(441 256 702)	-	9 334 572 407
Community	217 636 670	-	-	-	1 467 869	(2 560)	(15 793 259)	-	203 308 720
Other assets	323 044 460	14 066 065	(49 300)	17 853 260	-	-	(15 107 431)	(52 409)	339 754 645
Total	12 415 333 463	82 808 348	(49 300)	17 853 260	2 255 733	(4 067 242)	(493 880 923)	(52 409)	12 020 200 930

ANNEXURE G

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

32. Property, plant and equipment (continued)

Reconciliation of property plant and equipment 2023

	Opening balance	Additions	Disposals	Additions by leases/loans	Transfer	Other changes movements	Depreciation	Impairment Loss	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Land	1 793 241 129	-	-	-	-	-	-	-	1 793 241 129
Buildings	330 678 901	248 376	-	-	-	-	(14 811 567)	-	316 115 710
Leased assets	46 748 066	-	-	5 916 565	-	-	(6 990 511)	-	45 674 120
Infrastructure	10 121 412 414	64 373 654	(296 106)	-	(1 549 369)	(4 069 343)	(460 249 876)	-	9 719 621 374
Community	233 913 833	-	-	-	-	-	(16 277 163)	-	217 636 670
Other assets	310 828 599	20 879 055	(12 347 242)	24 994 251	-	-	(21 141 493)	(168 710)	323 044 460
Total	12 836 822 942	85 501 085	(12 643 348)	30 910 816	(1 549 369)	(4 069 343)	(519 470 610)	(168 710)	12 415 333 463

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

32. Property, plant and equipment (continued)

Pledged as security

Land and Buildings (Erven 5377 and 5378) with a carrying amount of N\$209 903 752 (2023: N\$209 903 752) have been pledged under Composite Bonds to secure borrowings of the municipality (see Note 38). Furthermore, the municipality ceded Short-term Insurance for Fire and NASRIA Cover over the said properties for an adequate amount as security for the obligations of the municipality towards the banking institution.

In addition, the municipality's obligations under Finance Leases (see Note 37) are secured by the lessors' title to the leased assets, which have a carrying amount of N\$46 748 066 (2023: N\$46 748 066).

	2024	2023
	N\$	N\$
Capitalized expenditure (excluding borrowing costs)		
Infrastructure	58 686 297	18 781 165
Other assets	41 975 311	52 038 248
	100 661 608	70 819 413
Assets subject to finance lease (Net carrying amount)		
Leased assets	38 054 578	45 674 120

Reconciliation of working in progress 2023

	Included within Infrastructure	Included within Community	Total
	N\$	N\$	N\$
Opening balance	466 081 841	2 798 436	468 880 277
Additions/capital expenditure	63 777 006	4 665 990	68 442 996
Transferred to completed items	(33 277 127)	(4 165 198)	(37 442 325)
	496 581 720	3 299 228	499 880 948

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Reconciliation of working in progress 2024

	Included within Infrastructure	Included within Community	Total
	N\$	N\$	N\$
Opening balance	496 581 720	3 299 228	499 880 948
Additions/capital expenditure	58 686 297	7 741 435	66 427 732
Transferred to completed items	(12 866 580)	-	(12 866 580)
	542 401 437	11 040 663	553 442 100

33. Intangible assets

	Cost Valuation	Accumulated amortization & impairment	Carrying value
	N\$	N\$	N\$
Computer software – 2024	8 486 983	(8 257 635)	229 348
Computer software – 2023	8 486 983	(6 560 337)	1 926 646

Other information

The amortization expense has been included in the line item "Depreciation and Amortization" in the Statement of Financial Performance (see Note 13).

All of the Municipality's intangible assets are held under freehold interests and no intangible assets had been pledged as security for any liabilities of the Municipality.

The following restrictions apply to intangible assets:

Software.

- (i) The systems are non-assignable, non-transferable and the Municipality has no exclusive rights to use the systems.
- ii) The Municipality as the licensee, shall not grant usage of or distribute the systems in its original or modified form to a third party for the third party's benefit.
- iii). The Municipality has no intellectual property rights to the systems.

Significant Intangible Assets

Significant intangible assets that did not meet the recognition criteria for intangible assets as stipulated in IPSAS 32 are the following:

**MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

- i) Website Costs incurred during the last two financial years if applicable, have been expensed and not recognized as Intangible Assets. The Municipality cannot demonstrate how its website will generate probable future economic benefits.

Intangible Assets with indefinite useful lives

The Municipality amortizes all its intangible assets and no of such assets are regarded as having indefinite useful lives. The useful lives of the intangible assets remain unchanged from the previous year.

Impairment of Intangible Assets

No impairment losses have been recognized on intangible assets of the Municipality at the reporting date.

	2024	2023
	N\$	N\$
34. Payables from exchange transactions	860 504 610	840 311 083
Trade payables	275 428 578	276 621 570
Payments received in advance	98 137 035	90 016 107
Staff Bonuses	29 789 847	28 813 942
Staff leave	389 418 174	373 970 760
Retention	10 214 241	7 389 095
Council gratuity plan	3 939 176	3 203 849
Other creditors	6 598 279	13 316 480
VET levy	46 979 280	46 979 280

Council Gratuity Plan:

Gratuities accrued to councillors of the Municipality on a monthly basis subject to certain conditions. The accrual is the contra amount of the investments made during the year in terms of the gratuity plan. Also see Note 30.

Staff Bonuses:

Bonuses accrue to the staff of the Municipality on an annual basis, are subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Staff Leave:

Leave days accrues to the staff of the Municipality on an annual basis, are subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Other Creditors:

Other Creditors comprise of on-lending agreements entered into with KFW, EIB and DBSA for loans received for the construction of infrastructure. In terms of the agreement, the loans are serviced by government. The amount disclosed is in respect of outstanding instalments payable to government by the Municipality.

No interest is charged for the first 30 days from the date of receipt of the invoice. There after interest is charged in accordance with the credit policies of the various individual creditors that the Municipality deals with.

The Municipality did not default on any payment of its Creditors. However, in exceptional cases terms for payment have been re-negotiated by the Municipality.

The municipality's liquidity risk management process is disclosed in Note 49 to the Annual Financial Statements.

	2024	2023
	N\$	N\$
35. Consumer deposits	61 754 980	61 382 351
Electricity	43 500 062	43 586 520
Water	18 254 918	17 795 831

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts the Municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer deposits held.

36. Provisions**Reconciliation of provision 2024**

	Opening Balance	Additions	Change in estimate	Total
	N\$	N\$	N\$	N\$
Provision for Rehabilitation of Landfill Sites	100 220 430	5 384 164	(4 064 682)	101 539 912

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Reconciliation of provision 2023

	Opening Balance	Additions	Change in estimate	Total
	N\$	N\$	N\$	N\$
Provision for Rehabilitation of Landfill Sites	94 097 310	10 192 463	(4 069 343)	100 220 430

Rehabilitation of Land-fill Sites

The Municipality will incur licensing and rehabilitation costs to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost using the average bond yield interest rate.

37. Finance lease obligation

	2024	2023
	N\$	N\$
Present value of minimum lease payments		
- within one year	28 971 495	23 821 087
- in second to fifth year inclusive	69 431 249	55 690 669
	98 402 744	79 511 756
less: future finance charges	(19 733 166)	(15 743 964)
	78 669 578	63 767 792
Present value of minimum lease payments due		
- within one year	20 782 706	18 457 009
- in second to fifth year inclusive	57 886 872	45 310 783
	78 669 577	63 767 792
Non-current liabilities	57 762 878	45 310 783
Current liabilities	20 906 700	18 457 009
	78 669 578	63 767 792

Finance lease liabilities relate to vehicles with lease terms varying from 1 to 5 years (2023: 1 to 5). The effective interest rate on finance leases is 10.52% (2023: 10.55%). Capitalized lease liabilities are secured over the items of vehicles leased.

Interest rates are floating rates, linked to the prime lending rate of the financial institutions thereby, constituting contingent rentals. Straight line payments can therefore not be done in terms of IPSAS 13.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

The risks and rewards of ownership in respect of the property, plant and equipment will transfer to the Municipality at the conclusion of the agreement.

The Municipality's obligations under Finance leases are secured by the lessors' title to the leased assets.

38. Long term loans

At amortised cost

	2024	2023
	N\$	N\$
Bank loan	70 929 707	86 889 561
The First National Bank Loan is repaid over a period of 10 (2023:10) years at an interest rate of Prime less 2% (2023: Prime less 2%) per annum. The Loan is secured by composite bonds to the amount of N\$ 140 000 000 (2023: N\$ 140 000 000) over the property funded.		
Development Bank of Namibia (DBN)	158 435 188	69 498 113
The DBN is repaid over a period of 20 years (2023:0) years at an interest rate of Prime +3 00% (2023: Prime +3%) per annum. The Loan is secured by short term deposit equivalent to 6 months, instalment (or interest during drawdown period). The loan is expected to be fully drawn by 2023/24 FY with repayment starting from 2025/26.		
Government of the Republic of Namibia (On-Lending)	715 530 730	715 530 730

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

The On-lending Loans are repaid over periods varying from 1 to 09 (2023: 2 to 10) years and at interest rates varying from 7.00% to 16.00% (2023:7.00% to 16.00%) per annum. The Loans are not secured. These are loans agreements entered (by government on behalf of City of Windhoek) into with KfW, EIB and DBSA for loans received for the construction of Infrastructure. In terms of the agreement, the loans are serviced by government. The amount disclosed is in respect of outstanding instalments and capital payable to government by the municipality. The Municipality has not been paying the loans

Government of the Republic of Namibia (Direct)

The Direct Loans are repaid over periods varying from 1 to 09 (2023: 2 to 10) years and at interest rates varying from 9 % to 12 % (2023: 9 % to 12 %) per annum. The Loans are not secured.

Total Amortized financial liabilities

	-	-
	913 886.00	1 465 650.00
	-	-
Total Amortized financial liabilities	945 809 511	873 384 054

38. Long term loans (continued)

	2024	2023
	N\$	N\$
Total Amortized financial liabilities	945 809 511	873 384 054
	2024	2023
	N\$	N\$
Non-current liabilities		
At amortized cost	213 979 582	145 949 752
Current liabilities		
At amortized cost	731 829 929	727 434 302
	945 809 511	873 840 054
39. Payables from Non-exchange transactions	86 160 878	64 865 271
Suspense accounts	84 451 663	63 224 610
Sundry deposits	1 709 215	1 640 661

Suspense accounts are in respect of temporary advances received in the normal month-to-month operation of the Municipality not settled at year end.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Sundry Deposits are mostly in respect of security held by the Municipality of houses in the various housing schemes rented to public.

No credit period exists for payables from non-exchanges transactions neither, has any credit period been arranged. No interest is charged on outstanding amounts.

The Municipality did not default on any payment of its creditors. No terms for payment have been renegotiated by the Municipality.

The Municipality's credit risk management processes are disclosed in Note 50 to the annual financial statements.

	2024	2023
	N\$	N\$
40. Unspent conditional grants and receipts:		
Public Contributions	12 310 445	13 906 424
Movement during the year	12 310 445	13 906 424
Balance at the beginning of the year	13 906 424	8 494 404
Income received during the year	12 789 497	9 304 855
	(14 385 476)	(3 892 835)
41. Housing Fund	140 954 737	132 881 733
Housing fund	132 881 733	24 767 603
Contribution received during the year	8 073 004	108 114 130
Reconciliation of Housing Fund:	140 954 737	132 881 733
Balance at beginning of year	132 881 733	114 597 217
Received during the year	8 073 004	18 347 863
Transfers	-	(68 279)
Transfer to accumulated surplus	-	-
Interest received during the year	-	4 932

The Housing Fund was established in terms of Section 58 of the Local Authorities Act, 1992 (Act 23 of 1992).

The Housing Fund contains all proceeds from housing developments, which include proceeds of loans raised, rental income redemption of loans granted sale of houses interest from investments and other moneys accruing to the fund including those received from National and regional government.

Unexpended moneys in the Housing Fund which are not required for immediate use may be invested with such financial institution as may be approved by the Minister.

MUNICIPALITY OF WINDHOEK
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Monies standing to the credit of the Housing Fund are used only for purposes of the construction, acquisition or maintenance of dwellings; loans granted; repayment of loans raised; costs incurred in connection with the administration of housing schemes and any other purpose approved in writing by the Minister.

	2024	2023
	N\$	N\$
42. Betterment fund		
The following funds are established under the Act of Parliament:		
Opening Balance	16 141 575	12 372 706
Income for the year	16 949 341	3 768 869
Betterment Fund	33 090 916	16 141 575

Betterment contribution fund

The Betterment Contribution Fund was established in terms of Section 59 of the Urban and Regional Planning Act (Act No. 5 of 2018).

The Betterment Contribution Fund, known as Compensation contains all proceeds from betterment contributions and sale of land. Money standing to the credit of the Betterment Contribution Fund shall be applied in such manner as the Minister may approve towards the discharge of any debt of the Municipality or otherwise for any purpose for which capital money may be applied.

Endowment Fund

The Endowment Fund was established in terms of Section 66(1) (k) and Section 90 of the Urban and Regional Planning Act (Act No. 5 of 2018). The Endowment Fund contains all proceeds from endowment contributions on sub-divisions of land. Money standing to the credit of the Endowment Fund shall be used to finance and carry out betterment works or for erecting constructing or acquiring amenities or public places in the public interest.

	2024	2023
	N\$	N\$
43. Cash (used in) generated from operations	470 565 522	189 006 506
Deficit	66 342 717	(344 394 473)
Adjustments for:		
Depreciation and amortization expense	499 241 484	523 296 639
Gain on sale of assets and liabilities	50 600	12 645 908
Finance costs - Finance leases	-	-
Impairment deficit	52 410	168 709
Debt impairment	(182 627 623)	63 742 908
Movements in retirement benefit assets and liabilities	146 230 000	(23 048 000)

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

43. Cash (used in) generated from operations (continued)

	2024	2023
	N\$	N\$
Movements in provisions	5 384 164	10 192 463
Cash items directly to net assets	54 528	(63 355)
Actuarial Gains (losses) on Defined Benefits Liabilities recognized to net assets	(51 879 000)	112 129 000
Interest on housing fund	6 782 142	-
Accrued interest	-	655 615.00
Adjustments for:		
Cost of inventory of sold directly from investment property	-	20 625 556
Changes in working capital:		
Inventory	47 970 426	(6 008 720)
Receivables from exchange transactions	(58 323 657)	(80 641 763)
Debt impairment	(42 673 699)	(46 678 422)
Other receivables from non-exchange transactions	(27 198 923)	36 520 828
Payables from exchange transactions	20 193 530	(65 738 057)
VAT	20 894 166	(44 660 005)
Payables from non-exchange transactions	21 295 607	14 353 875
Unspent conditional grants and receipts	(1 595 979)	5 412 020
Consumer deposits	372 629	495 780
Cash generated from operations	470 565 522	189 006 506

Capital commitment

The municipality has entered into a contract on 11 May 2022 with Maxes Offices Machines (Pty) Ltd for "Central digital print services – supply, delivery, installation, commissioning, training and maintenance of print (Reprographic) support equipment" for a three (3) year period, which will give rise to N\$ 888 784 (VAT Inclusive). The contract terminates on 01 May 2025.

The municipality has entered into a contract on 05 October 2023 with Super Drilling cc "Rehabilitation of the Windhoek Aquifer Production artificial recharge and boreholes " for a one (1) year period which will give rise to N\$ 3 000 000 (VAT Inclusive). The contract terminates on 05 October 2024.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Capital commitment (continued)

The municipality has entered into a contract on 19 October 2023 with Vertec cc for "Procurement of services for a comprehensive performance-based maintenance agreement for the provision of lift maintenance" for a five (5) year period, which will give rise to N\$ 1 725 624 (VAT Inclusive). The contract terminates on 19 October 2028.

The municipality has entered into a contract on 10 January 2024 with Faraday's Electrical and Mechanical cc for "The electricity disconnection and reconnection services of defaulting customers for the municipal council of Windhoek" for a two (2) year period, which will give rise to N\$ 8 000 000 (VAT Inclusive). The contract terminates on 10 January 2026.

The municipality has entered into a contract on 13 November 2023 with Epupa Cleaning and General Services cc for "Provision of skip container removal and chipping services at the municipal building rubble refuse sites and transfer stations" for a two (2) year period, which will give rise to N\$ 9 707 976 (VAT Inclusive). The contract terminates on 13 November 2025.

The municipality has entered into a contract on 25 October 2023 with Juxtapose Designs cc for "Provision of communication and marketing services to support waste recycling and minimisation activities for the municipal council of Windhoek (European Union funded Project)" for a two (2) year period, which will give rise to N\$ 6 673 450 (VAT Inclusive). The contract terminates on 25 October 2025.

The municipality has entered into a contract on 25 October 2023 with Element Consulting Engineers (Pty) Ltd for "Consulting services for the design and construction of municipal services infrastructure in the township of Cimbebasia extension four (4) Windhoek" for a thirty-six (36) month period, which will give to N\$ 2 712 240 (VAT Inclusive). The contract terminates on 25 October 2026.

Other commitments

The municipality has entered into a contract on 14 September 2021 with the Ducharme Consulting for "Procurement for the assistance with IPSAS compliant annual financial statements (2021 to 2022)" for a period of Three (3) years which will give rise to N\$ 1 733 100.00 (10% contingency fees for ad-hoc services) (VAT Inclusive). The contract terminates on 14 September 2024.

The municipality has entered into a contract on 29 September 2021 with Windhoek Kaltetechnic Services cc for "Data centre stulz air-conditioning unit maintenance" for a period of three (3) years, which will give rise to a monthly charge of N\$ 31 976 (VAT Inclusive). The contract terminates on 29 September 2024.

MUNICIPALITY OF WINDHOEK
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Other commitments (continued)

The municipality has entered into a contract on 20 June 2023 with Tjiuee Cleaning Experts cc for "Provision of Cleaning Services for Wernhill Taxi Rank Windhoek Central/CBD, CNR of Mandume Ndemufayo and Aupa Frans Indongo Street " for a period of two (2) years, which will give rise to N\$ 404 492 (VAT Inclusive). The contract terminates on 20 June 2025.

The municipality has entered into a contract on 22 July 2022 with The Document Warehouse (Pty) Ltd for "Provision of Document Storage Records and Archives Services for the Municipal Council of Windhoek" for a period of two (2) years which will give rise to N\$ 589 446 (VAT Inclusive). The contract terminates on 22 July 2024.

The municipality has entered into a contract on 26 May 2023 with Zeda Namibia (Pty) Ltd t/a Avis Fleet Namibia for "Leasing of five (5) vehicles (sedans) to the Municipal Council of Windhoek" for a period of eighteen (18) months, which will give rise to N\$ 976 532 (VAT Inclusive). The contract terminates on 26 November 2024.

The municipality has entered into a contract on 17 June 2022 with Mobile Telecommunications Limited, for "Provision of Internet Break Out Lines at the Disaster Recovery (Internet Services) to the Municipal Council of Windhoek" for a period of three (3) years, which will give rise to N\$1 786 952 (VAT Inclusive). The contract terminates on 17 June 2025

The municipality has entered into a contract on 13 October 2022 with Central Technical Supplies (Pty) Ltd, for "Maintenance of the Health Care Risk Waste Technologies" for a period of three (3) years, which will give rise to N\$7 551 860 (VAT Inclusive). The contract terminates on 13 October 2025.

The Municipality has entered into a contract on 02 January 2023 with Epupa Cleaning and General Services cc for "Removal of Skip Containers and Building Rubble at specified locations within Municipal Areas" for a period of two (2) years, which will give rise to N\$8 396 880 (VAT Inclusive). The contract terminates on 02 January 2025.

The municipality has entered into a contract on 20 March 2023 with GFT General Fire Tech GmbH, for "Repair and Maintenance of Live Fire Training Simulators for The Municipal Council of Windhoek" for a period of five (5) years which will give rise to Sterling Pounds 67 445 (VAT Inclusive). The contract terminates on 11 August 2028.

The municipality has entered into a contract on 21 July 2022 with Namibia Post Limited for "Printing and Mailing of Municipal Statements, " for a period of three (3) years, which will give rise to N\$14 156 636 (VAT Inclusive). The contract terminates on 21 July 2025.

The municipality has entered into a contract on 23 September 2022 with Namibia Protection Services (Pty) Ltd, "Transportation of cash for the municipal Council of Windhoek" for a period of two (2) years, which will give rise to N\$ 674 921 (VAT Inclusive). The contract terminates on 23 September, 2024.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Other commitments (continued)

The municipality has entered into a contract on 09 November 2023 with Rennies BCD Travel Namibia (Pty) Ltd for "Provision of local, regional, and international travel services to the Municipal Council of Windhoek" for a period of twelve (12) months, which will give rise to N\$ 235 051 for various line item services to be delivered. The contract terminates on the 09 November 2024.

The municipality has entered into a contract on 10 January 2024 with Faradays Electrical & Mechanical cc for "Electricity Disconnection and reconnection services of defaulting customers for the Municipal Council of Windhoek" for a period of 2 (two) years months, which will give rise to N\$ 8 000 000. The contract terminates on the 10 January 2026.

The municipality has entered into a contract on 08 May, 2024 with Amthshila Investment cc for "Provision of professional landscape and horticultural terrain services" for the Municipal Council of Windhoek facilities for a period of three (3) years which will give rise to N\$ 1 124 010. The contract terminates on the 03 May 2027.

The municipality has entered into a contract on 08 August 2023, with Matrix Consulting Services cc, for "Sampling of groundwater pollution monitoring boreholes around Windhoek" for a period of two (2) years, which will give rise to N\$ 718 405. The contract terminates on the 08 August 2025.

The municipality has entered into a contract on 12 June 2024, with Deloitte and Touche "Procurement of additional services for the provision of audit services to the Municipal Council of Windhoek relating to the information and communication Technology (ICT) services" for a period of three (3) years which will give rise to N\$ 1 965 855. The contract terminates on 12 December 2024.

The municipality has entered into a contract on 15 May 2024 with Namibia Landscape cc for "Provision of professional landscape and horticultural terrain services for the Municipal Council of Windhoek Facilities," for a period of three (3) years, which will give rise to N\$ 1 910 916. The contract terminates on the 15 May 2027.

The municipality has entered into a contract on 08 June 2023 with Tjiuee Cleaning Experts "Provision of cleanifor the Wernhill taxi rank Windhoek central/CBD, CNR of Madume Ndemufayo and Aupa Frans Indongo Street" for a period of two (2) years, which give rise to N\$ 404 492. The contract terminates on the 08 June 2027.

The Municipality has entered into a contract on 27 February 2023 with Salon Africana & Cleaning Services cc for "Provision of Garden and Terrain maintenance service at Gammams water care works" for a period of two (2) years, which will give rise to N\$ 516 000. The contract terminates on the 27 February 2025.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Other commitments (continued)

The Municipality has entered into a contract on 13 May 2024, with Epupa Cleaning and General Services cc "The Levelling of building rubbles and garden refuse at the satellite landfill sites of the City of Windhoek" for a period of three (3) years, which give rise to N\$ 10 428 660. The contract terminates on the 13 May 2027.

The Municipality has entered into a contract on 06 May, 2024, with Epupa Cleaning and General Services cc "Collection and transportation of refuse bags collected in the informal residential areas for disposal at Kuferberg landfill site or any site or facility specified by the Municipal Council of Windhoek", for one (1) year, which will give rise to N\$ 1 265 000. The contract terminates on the 06 May 2025.

The Municipality has entered into a contract on 07 June 2024, with JMG Investments cc for "The provision of cleaning services to the Municipal Council of Windhoek" for a period of three (3) years, which will give rise to N\$ 1 624 454. The contract terminates on the 07 June 2027.

The Municipality has entered into a contract on 22 July 2022 with The Document Warehouse (Pty) Ltd for "Provision of Document Storage, Records and Archives Services for the Municipal Council of Windhoek" for a period of two (2) years, which will give rise to N\$ 589 446 (VAT Inclusive). The contract terminates on 22 July 2024.

The Municipality has entered into a contract on 06 May 2024 with Epupa Cleaning and General Services cc, "Collection and transportation of refuse bags collected in the informal residential areas for disposal at Kuferberg landfill site or any site or facility specified by the Municipal Council of Windhoek", for one (1) year, which will give rise to N\$ 1 265 000. The contract terminates on the 06 May 2025.

The Municipality has entered into a contract on 07 June 2024, with Investments cc for "The provision of cleaning services to the Municipal Council of Windhoek" for a period of three (3) years, which will give rise to N\$ 1 624 454. The contract terminates on the 07 June 2027.

The Municipality has entered into a contract on 22 July 2022 with The Document Warehouse (Pty) Ltd for "Provision of Document Storage, Records and Archives Services for the Municipal Council of Windhoek" for a period of two (2) years, which will give rise to N\$ 589 446 (VAT Inclusive). The contract terminates on 22 July 2024.

The Municipality has entered into a contract on 20 March 2023 with GFT General FireTech GmbH for "Repair and Maintenance of Live Fire Training Simulators for The Municipal Council of Windhoek, for a period of five (5) years, which will give rise to Sterling Pounds 67 445 (VAT Inclusive). The contract terminates on 11 August 2028.

MUNICIPALITY OF WINDHOEK
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Other commitments (continued)

The Municipality has entered into a contract on 21 July 2022 with Namibia Post Limited for "Printing and Mailing of Municipal Statements," for a period of three (3) years, which will give rise to N\$14 156 636 (VAT Inclusive). The contract terminates on 21 July 2025.

The Municipality has entered into a contract on 08 December 2022 with BPI Technologies for "Supply, Delivery, Commissioning and Implementation of a Fully-Fledged Integrated Vehicles Tracking Fuel, Oil and Fleet Management System" for a period of one (1) year, which will give rise to N\$5 811 731 (VAT Inclusive). The contract terminates on 08 December 2023.

The Municipality has entered into a contract on 23 September 2022 with Namibia Protection Services (Pty) Ltd "Transportation of cash for the municipal Council of Windhoek" for a period of two (2) years, which will give rise to N\$ 674 921 (VAT Inclusive). The contract terminates on 23 September 2024.