

NATIONAL WATER AND SEWERAGE CORPORATION



REVIEW OF PERFORMANCE FOR THE PERIOD

JULY -DECEMBER 2013

JANUARY 2014

TABLE OF CONTENTS

Executive Summary.....	iv
1.0 Introduction.....	1
2.0 Performance Targets for FY 2013/14.....	1
3.0 Management Strategies.....	3
4.0 Engineering/Operational Performance.....	6
5.0 Commercial and Customer Care Services.....	15
6.0 External Services.....	18
7.0 Management Services Performance.....	20
8.0 Financial Performance.....	27
9.0 Planning & Capital Development Division.....	34
10.0 Internal Audit Division Performance	41
11.0 Challenges Encountered During the Period July 2013 –December 2013.....	43
12.0 Way Forward.....	45
Annex1: Infrastructure Service Delivery mains extension programme Annex1.....	47
Annex2: Income Statements Area by Area for the period July–December 2013.....	50

LIST OF TABLES

Table 1: Summary of performance for the period July–December 2013.....	v
Table 2: Summary of performance for the period July–December 2013 against PCIV Addendum targets.....	vii
Table 3: Production & Capacity Utilization as at 31 st December 2013.....	6
Table 4: Water Sales & NRW Water as at July –December2013.....	8
Table 5: Trend of New Connections for July–December 2013.....	9
Table 6: New Water Connections: July –December 2013.....	9
Table 7: Status of Accounts as at 31 st December 2013.....	10
Table 8: Status of Sewer Subscribers at 31 st Dec. 2013.....	11
Table 9: Status of PSPs/Kiosks as at 31 st December 2013.....	12
Table 10: Status of water and sewerage quality for the period July–December 2013.....	14
Table 11: Summary of Billings, and Collections per Category July–December 2013.....	15
Table 12: Billings, Collections, and Arrears as at 31 st December 2013.....	16
Table 13: Income & Expenditure Statement for ES, July –December 2013.....	19
Table 14: Staff Status as at 31 st Dec. 2013.....	20
Table 15: Staff productivity trends.....	21
Table 16: Positions recently advertised to fill man power gaps.....	23
Table 17: Income & Expenditure Statement for July 2013 –December 2013.....	27
Table 18: Statement of Financial Position as at 31 st December 2013.....	28
Table 19: Fixed Deposit /Cash and Bank Balances as at 31 st December 2013.....	29
Table 20: Creditors’ position as at 31 st Dec. 2013.....	30
Table 22: Trade Debtors/Arrears Summary by Area as at 31 st December. 2013.....	31

LIST OF ACRONYMS

A/cs	Accounts
AFD	French Development Agency
AfDB	African Development Bank
B/C	Billing/Collection
BOD	Biological Oxygen Demand
CAPEX	Capital Expenditure
CSI	Customer Satisfaction Index
DWD	Directorate of Water Development
EDC	Every Drop Counts
EIB	European Investment Bank
EU	European Union
E-Water	Electronic Water bill Payment
Fig.	Figure
FY	Financial Year
GIS	Geographical Information System
GIZ	Germany International Corporation
GoU	Government of Uganda
H.E	His Excellency
HR	Human Resource
IDAMCs	Internally Delegated Area Management
KfW	Kreditanstalt für Wiederaufbau
KIWASCO	Kisumu Water & Sewerage Company Ltd
KW	Kampala Water
M³	Cubic Meters
MOU	Memorandum of Understanding
MWE	Ministry of Water & Environment
NRW	Non-Revenue Water
NWSC	National Water and Sewerage Corporation
OGWSC	Ogun State Water Corporation
PACE	Performance Autonomy Contract Enhancement
PC (IV)	Fourth Performance Contract
PDP	Performance Development Programme
PPDA	Public Procurement & Disposal Act
PSPs	Public Stand Posts
RWASCO	Rwanda Water & Sanitation Company
SIPs	Service Improvement Plans
TANESCO	Tanzania Electric Supply Company Ltd
TORs	Terms of Reference
TSS	Total Suspended Solid
ULBs	Urban Local Bodies
USD	United States Dollars
Ushs.	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The National Water and Sewerage Corporation (NWSC) Act CAP 317 requires that management prepares Quarterly reviews showing the operational and financial performance of the Corporation for each financial year, and presents them to the Minister of Water and Environment.

In line with the Act, it is with great pleasure that I present to you the quarterly report for the period July–December 2013. The report gives a review of performance for the 6 months period against the annual budget, FY 2013/14. The targets in the annual budget are in line with the 2nd year undertakings of the 6th Corporate Plan for period 2012–2015 and the Performance Contract (PCIV) Addendum (2012–214).

During the period under review, a number of strategies were implemented, aimed at continuous performance improvement. The strategies are geared towards attaining the Corporate Vision of being; **“A Leading Water Utility in the World”**. Key among the strategies was the Development of the 5 year Strategic Direction. The **Five Year Strategic Direction (2013–2018)** is “a brain child” of the newly appointed Managing Director, which is fully aligned to the NWSC Corporate Plan 2012–2015. It contextualizes the NWSC futuristic goals in a longer term perspective and the next Corporate Planning cycle will seamlessly flow in tandem with the Strategic Direction. The Strategic Direction takes into account the dynamic overarching Government Policy direction of transforming the Ugandan economy from peasantry to a modern and prosperous economy, as enshrined within the National Development Plan (NDP) and the Vision 2040. It is also aligned to the ambitious, and achievable Urban Water Sector goal of achieving 100% water coverage in the medium term through building of synergies via the expansion of the mandate of the Corporation to cover all large Urban areas.

In order to achieve the objectives set in the 5 year Strategic Direction, a program code named, **“STEP–UP 90”** was introduced and is being implemented in all NWSC Areas of operation. As part of the STEP–UP 90 programme, Divisions prepared two levels of the Action Plan, the first level being a summary of the Five Year annual deliverables for which the Division has lead responsibility and the second level being the Six months action plan entailing key activities and milestones for the period January to June 2014. During the six months main focus of the Corporation is to undertake extensive network expansion and water supply intensification initiatives in all its operational Areas

Other strategies implemented during the period included the formulation of the Kampala Declaration to effectively implement the Performance Enhancement and Creativity Contract (PACE), improvement of Customer Care Services through prompt response to customer needs. All these strategic undertakings culminated into performance improvement as summarized in table 1 below.

Table 1: Summary of Performance for the period July –December 2013

	Targets for FY 2013/14	Status as December 2013	Remarks
a.	Raise annual Turnover from Ushs.170 billion to Ushs.188.8 billion (period target Ushs.94.4bn)	Income for the period was Ushs.88.1billion	An achievement of 93% of the period target (Ushs.94.4bn)
b.	Reduce overall Non Revenue Water (NRW) from 33.6% to 30.9% -NWSC -30.9% -Kampala-36.0% -Other Areas -15.7%	Overall NRW Water for NWSC was 34.7%, Kampala, 38.8% and Other Areas, 25.1%.	The target was not attained.
c.	Increase Water production from 228,219 to 238,630 cubic meters per day	Average Water production was 253,706 cubic meters per day	The achievement for the period is 106% against the annual target
d.	Capacity utilization of at least 90%	Capacity utilization was 74%	Capacity utilisation for the period was below target. This in part is attributed to the take-over of new towns of Kisoro, Kitgum, Mityana, Nebbi, Pader, Apac/Aduku, Luwero and Wobulenzi whose capacity utilisation is 21%, far below the NWSC average
e.	Maintain staff number of not more than 1,793 and achieve staff per thousand connection ratio of 5	Staff number was 1,858 equivalent to a staff productivity ratio of 6 staff/1000 connections	Staff productivity target of 5 staff/1000 connections was not attained due to expansion of the NWSC activities.
f.	Ensure total staff costs as a percentage of total operating costs is 38%.	Staff costs for the period were 39.8% of the operating expenses.	Staff costs performance target was not attained due to salary adjustments of Scales3-10.
g.	Increase collection efficiency (C.E.) from 98% to 102%	Collection efficiency for the period was 92%	Performance for the period under review was below the annual target because of non-payment from the GoU
h.	Install 190 water kiosks/Public Stand posts (PSPs) i.e. 95 for the period	- 617 Pro-poor connections were installed against the period target of 95 PSPs - 580 of which were prepaid meters under OBA	Performance was over 100% of the target, though more concentrated in Kila due to higher demand. In the areas, demand is shifting towards yard taps and domestic connections
i.	Extend mains by 135.8kms. (or 67.9kms for the period under review)	111.9km were extended by end of December 2013	Period performance 165% of the period target or 82% of the annual target
j.	Increase water connection by 22,780 or an average of 1,898 per month (11,390 for the period under review).	14,437 new water connections were installed against the period target of 11,390	127% - of the period target was attained, partly explained by takeover of new towns.
k.	Increase active connections from 285,418 to 307,956	Total active connections were 303,019 by end of Dec.2013.	This is 98% of the annual target
l.	Reduce Suppressed accounts from 10% to 9% of the total accounts.	The proportion of suppressed accounts by end of the review period was 11% or 38,492 accounts out of a total of 341,511 accounts	The performance during the review period was below the target. However, efforts are being made to woe back all the suppressed accounts through increased reach outs to customers

m.	Carry out universal metering i.e. 100% for Active Accounts.	Metering coverage was at 99.7%	All Active accounts metered.
n.	Reduce average debt age for arrears from 3.8 months to 2.6 months	Debt age for the period was 4 months	The calculation is based on water and sewerage billings. The performance is attributed to high level of Government arrears.
o.	Improve customer satisfaction index from 86% to 90%	The most recent survey still indicates customer satisfaction index (CSI) of 86.0%.	The performance was below the annual target.
p.	Achieve a net profit before Depreciation and Tax of Ushs.21 billion	Net Profit before depreciation was 20.8 billion	Target for the period was attained (96%)
q.	<p>Ensure that water and effluent quality conform to National Standards</p> <p>Compliance with National Standard for Drinking (potable) water, 2008: average:98%</p> <p>Compliance with all 54 Effluent discharge parameters. Average:50%</p>	<p>Water Quality:</p> <ul style="list-style-type: none"> - Bacteriological : 99.5% - Colour: 89.0% - Turbidity:95.0% - Chlorine Residue: 94% - PH: 99.7% - Electrical conductivity:100.0% - Alkalinity:100% - Hardness: 100% - Average: 97.2 - Sewerage Effluent Quality: - BOD: 32.0% - TSS:73.0% - Average:52.5% 	<ul style="list-style-type: none"> • Water quality standard attainable, • Sewerage Effluent standards is above the targeted average but BOD is below standard

Table 2: Summary of Performance, July –December 2013 against PCIV Addendum targets

Key Performance Targets	Year 2 In Line Targets 2013/14	Relative weighting	Performance as at 31 st December 2013	Remarks
FINANCIAL				
Return Capital Employed (%)	2.0%	5.0%	1.5%	Below the annual target but expected to go up by June 2014
Water Sales (million cubic meters)	60.2	12.5%	29.7	Below half year expectation.
Average receivables collection days	99	7.5%	120	Still below the annual target
Capital Works Implemented as a %age of budget	80%	12.5%	25%	Based on the revised budget (Shs 6.1 bn spent out of a revised budget of Shs 24.5bn)
TECHNICAL EFFICIENCY				
NRW (%) Kampala	36.0%	5.0%	38.8%	Below the target
NRW (%) Rest	15.7%	10.0%	25.1%	Below the Target
COMMERCIAL EFFICIENCY				
Increase in New Sewerage Connections	259	5.0%	144	Half year target achieved
Increase In New Water Connections	22,780	12.5%	14,437	63% of the annual target achieved.
CUSTOMER ORIENTATION				
Customer Satisfaction Index	90%	5.0%	94%	Survey still on
QUALITY OF SERVICE / ENVIRONMENT				
Compliance with National Standard for Drinking (potable) water, 2008	98%	5.0%	Average:97.2%	Below target
Compliance with all 54 Effluent discharge parameters.	50%	5.0%	Average: 52.5%	Annual target achievable, however, BOD is below the required standard
PRO POOR ORIENTATION				
Increase in number of connections on subsidized Tariff (PSP Tariff)	2%	5.0%	New PSP=37 Prepaid =580 Total =617 Baseline:7692 Increase:8%	Target achieved
TRANSPARENCY/GOVERNANCE				
Percentage Of Internal and External Audit Recommendations Implemented during the yr.	80%	10.0%	82%	Annual target achievable

NB: There is still a performance gap in regard to water sales, non-revenue water, and capital expenditure.

In order to implement the 2012–2015 Corporate Plan and the Performance Contract (PC), Annual Targets were cascaded to divisions against which Division performances are measured. The section below gives a synopsis of performance during the period under review;

a) SUMMARY OF PERFORMANCE

i Key Strategic Initiatives:

In line with the **NWSC Five Year Strategic Direction (2013 - 2018)** which was developed in the quarter July to September 2013, a number of activities were carried out to operationalise it. As will be recalled, the Strategy is aimed at highlighting the Corporation's contribution towards the National Vision of transforming Uganda from a Peasantry to a self-sustaining economy as outlined in the National Development Plan (NDP). Key among the aspirations of the Strategic Outlook are achieving 100% coverage for water and the improvement of sewerage services in the Urban areas by 2016. The key activities carried out were as follows

- **Launch of the “ Step up 90” Programme** which encompasses the ideals and philosophy of Service, Team Work and Team Spirit, Enthusiasm, and Performance Productivity. All these ideals are crucial for the successful implementation of the Strategic Direction. In line with the Step up Programme, all Areas signed MoU's with the Head office to ensure its successful implementation.
- **Launch of Divisions Action Plans January - June 2014** in which each Division prepared two levels of activities the first being the 5 year annual deliverables for which the Division has lead responsibility, and the second is the six months action Plan entailing key activities and milestones for the period January to June 2014. These action plans are aimed at ensuring delivery of the key objectives of the Strategic Direction.
- **Commencement of the Restructuring Exercise** aimed at ensuring that the existing structure is aligned to the NWSC business processes, available skills, expertise, and the envisaged increased mandate of the Corporation following the takeover of new towns.

ii Engineering services (Pg 6): The Corporation was able to register the following achievements during the review period:

- Average Water produced for the six months period was 253,706 cubic meters per day, this is much higher than the annual target of 238,630 cubic meters per day. Over the 3 months since October 2013, Water production per day increased by 5%, from 241,747 cubic meters per day as at September 2013 to 253,706 cubic meters per day as at December 2013.
- Total Water Supply was 45.5 million cu.m compared to the target of 23.8 million cu.m for the period July 2013–December 2013.
- The water network was expanded by 111.9kms.
- Installation of 14,437 new water connections against a target of 11,390, 617 pro-poor connections (against a target of 95 PSPs) and 144 new sewer connections (against a target of 130).
- Ensured production of quality water and sewerage effluent during the period under review.

- Planned Preventive Maintenance (PPM) schedules in all Areas of NWSC operations were updated.
- Updating of all soft controls for all static plants was also done

iii Commercial & Customer Care Services (Pg 15): Under the Division, the following were the achievements

- The Corporation was able to raise water sales / billings worth Ushs.95.9 billion (inclusive of VAT where applicable). Average monthly billing increased from Ushs.15.2 billion as at June 2013 to Ushs 15.9 billion as at December 2013 , a growth of 5%.
- Collections were Ushs.88.5 billion, hence a collection/billing ratio of 92% (arrears inclusive) against an annual target of 102%. The low collection efficiency, compared to budget is attributed to low collections from the Government which accounted for only 46% of the total billings during the review period. Nevertheless, the average monthly collections increased by 12% from Ushs.13.2 billion as at June 2013 to Ushs.14.8 billion as at December 2013.
- The other achievements for the period included customer care initiatives that were carried out in all areas of operation, cocktailed with “**STEP-UP 90” program (a tactical initiative under the Five strategic Direction)** that was launched in all NWSC operational areas, effective communication to our customers through prompt radio announcements, use of SMS to inform and remind customers of their bill payments and use of free call center to resolve customer problems.

iv Institutional Development and External Services(Pg 18): The Corporation continued carrying Institutional Development Services, including capacity development and monitoring and evaluation activities aimed at enhancing the performance of the Areas. In addition, External services Assignments aimed at furthering South to South Cooperation and benchmarking of Utility within the region. The External services have added to the Corporations finances as well as built internal capacity of staff who have shared best practices with other Utilities within the African region and beyond. Current assignments are being carried out in Tanzania, Kenya, South Sudan, Trinidad and Tobago, Nigeria. The Corporation has also continued to host delegations from different Utilities around the globe.

v Management Services (Pg 20):

- The Corporation undertook a manpower needs assessment, which resulted into the advertising for 89 positions including; Accountants, Human Resource officers, Engineers, and Commercial Officers among others. By end of the quarter the selection and recruitment process was still on-going.

- As part of the Board's oversight function of the Corporation, the Board held 5 Full Board meetings including special Meetings and Board participation in various Corporation activities including NWSC Work out programmes and Project activities.
- 12 Committee meetings were also held as follows:
 - Human Resource, Legal and Administrative Committee – 04 Meetings to receive Quarterly Performance Reports and Reports of significant events in the Management Services Division
 - Finance Committee – 04-to receive and review various procurements special finance papers.
 - Audit Committee – 02 Quarterly Performance Report for the Quarter
 - Technical Committee – 02 –quarterly reports for the quarter.

As part of the **Public relation** activities, the following were carried out;

- The NWSC organized and participated in the Annual International Trade show at UMA show grounds
- NWSC participated at the main National Independence day Celebrations in Rukunjiri, some of our staff matched during the parade while the Board, the MD and a few members of Top Management attended this event.
- The NWSC organized community sensitization with LCs from KW South
- The Corporation partnered with Kawempe Division in tree planting exercise
- The Public Relations & Communication department engaged in field visits to Gaba, Sewerage, KW branches, Entebbe & Jinja to enhance stake holder management
- Engaged in strategic media partnerships by visiting all media houses
- The NWSC developed a stake holder database
- The NWSC commenced the process of developing a Communication Strategy.

vi Finance and Accounts (Pg 27): Under the Division, the following were the key achievements;

- The Corporation was able to attain the income and expenditure targets for the period, hence realizing an operating profit before depreciation of Ushs.20.8 billion.
- The Finance Division finalized the preparation of accounts for the FY 2012/13 which were successfully audited and signed by the Auditor General.
- The value of creditors reduced from 19.8 billion at June 2013 to 18.4 billion at the end of December 2013.
- The Finance Division acquired a number of awards at the FIRE Awards in November 2013 which included; an award for outstanding achievement in Financial Reporting,

Sustainability Reporting, 2013 Financial Reporting Award and improving quality of Financial Reporting.

- The other achievements included; preparation of the Policy Documents and Papers, implementation of the new connection module, signing of the PCIV Addendum, and consistently complied with Public Procurement and Disposal of Public Assets (PPDA) requirements and ensuring prompt provision and maintenance of Information Technology services to all staff.

vii Planning & Capital Development (Pg 34): The following milestones were achieved by the Planning and Capital Development Division by end December 2013.

- Within the auspices of the **Kampala Water Lake Victoria WATSAN Project**, the Contract for the Upgrading of the Gaba Water Treatment Plant was signed on the 29th November 2013 with SOGEA SATOM. This will increase water production in Gaba by 50,000 cu.m per day.
- The Feasibility study for the Katosi Water Treatment Plant commenced with the identification of 3 potential sites.
- Within the framework of the World Bank Water Management and Development Project (WMDP), the Supervision consultant for the Arua project was procured, while the Tender documents for works contract were approved by World Bank's technical advisors. On the other hand, the procurement for consultancies for design and supervision for the Towns of Gulu, Bushenyi, and Mbale reached advanced stages.
- In regard to the Buloba water extension project, 37 kms out of 58 kms were extended by the end of December 2013.
- Within the auspices of the Kampala Sanitation Master Plan Project, the Lubigi sub-system was substantially completed, while works on the construction of Nakivubo Sewage Treatment Plant commenced. A works contract for laying sewers for Kinawataka and Nakivubo catchment areas was signed with M/S Sogea-Satom. The Contractor is already mobilizing and the above works will be completed by December 2015. Funding for the development of Nalukulongo Sewerage system is still being sourced.
- The Corporation has also undertaken deliberate efforts to improve the lives of people living in the urban poor settlements through provision of prepaid meters, construction of latrines and public stand posts in Kawempe Division, Bwaise, Ndeeba-Kisenyi, and Kagugube. 1,200 pre-paid water meters had been installed in these areas by end of the review period benefiting over 700,000 people with improved water supplies.

viii Internal Audit (Pg 41):

- The Division ensured that proper procedures were followed in the daily operational and financial activities of the Corporation,
- Held 2 meetings with the Audit Committee of the Board and Quarterly Audit Reports were presented,
- Acquired an Audit software and brought on board an IT Auditor,
- Annual Plan prepared and approved by the Audit Committee of the Board
- A Risk Management Unit was established within the Audit Division, responsible for ensuring continuity of business processes.
- 80% of the Audit recommendations were acted upon during the review period.

b) CHALLENGES:

Key challenges were related to:

- The ever increasing demand for water buoyed by fast growing construction industry, which created a need for extensions beyond our mandated service boundaries. Whereas this demand presents us an opportunity to grow business, the existing infrastructure cannot adequately support it.
- Existence of dry zones especially in Kampala where pressure problems continue to manifest as a result of the hilly terrain and an aged pipe infrastructure.
- The aged pipe network has also impinged on our ability to substantially reduce the loss of water, which stands at about 34.7%.
- Human and Climatic change factors which have affected water sources in some towns such as Mbarara.
- Other challenges include, increasing levels of debtors currently at Ushs.63.1 billion, 57% of which is owed by the Government, slow implementation of capital works, poor sewerage effluent quality, among others.

These challenges notwithstanding, a number of interventions are already in plan to mitigate the short falls in service delivery.

c) WAY FORWARD :

In line with the NWSC Strategic Direction 2013 – 2018, Three Year Corporate Plan (2012–2015) and the PCIV addendum, the Corporation is to focus on the following key areas in the next 6 months. These are in line with the 4 Balance scorecard perspectives.

- Business Processes and Growth** → The Corporation will continue with the key project activities that are ongoing including; the major donor funded projects, the

projects funded from internal sources, activities to improve water supply reliability and reduce water losses, and activities to improve collaboration with other stakeholders so as to efficiently harness existing water resources. In line with this, the Corporation will launch an **infrastructure Service Delivery mains extension programme** aimed at ensuring the objective of water supply accessibility and reliability are attained. The NWSC will also continue with the process of takeover of Towns in order to enhance synergies and coverage with the Urban Centres.

- ii. **Customer Perspective** → In line with ensuring improved interface with customers, the Corporation will upgrade its Customer Call Centre, and enhance Customer engagement at all levels.
- iii. **Finance Perspective** → In regard to enhancing the financial performance of the Corporation key activities to be undertaken in the next 6 months include expanding the network and improving supply reliability, undertaking of an arrears reduction programme, development of concept papers for resource mobilisation and diversification of NWSC resources through External Services and other sources.
- iv. **Learning and People perspective**→ in line with this perspective, the Corporation will restructure the Corporation to enhance staff productivity and rationalise costs. This will be supplemented by staff capacity building programmes and Research and Development activities.
- v. **Infrastructure Service Delivery mains extension programme (Annex 1)**

One of the key focus areas for the Corporation in the next five years is to carry out network expansion and intensification to increase service coverage (people accessing NWSC water and sewerage services) from the current level of 77% to 100%. The initial efforts of operationalizing the Five Year Strategic Direction are being realized through a tactical programme codenamed “**STEP-UP 90**” programme that was launched for all the Areas. As part of the STEP-UP 90 programme, the Corporation in the next six months will undertake extensive network expansion and water supply intensification initiatives in all its Areas as summarized below.

- vi. **Non-Revenue Reduction Action Plan:** A series of meetings were held with areas and Area Non-Revenue Reduction Action Plans were prepared. Effective implementation of these plans was piloted in Jinja area which is one of the most affected areas. This will be rolled over to the rest of other areas before end of February 2014. The action plans entail the following key interventions:
 - Replacement of bulk meters, faulty meters and 7 years and above old meter
 - Closely monitoring big consumers and accounts with registered declining and zero consumption
 - Effective disconnections of suppressed accounts
 - Installation of bulk meters

- Hold routine follow up meetings to track progress on implementation of Area Non-Revenue Reduction Action Plans.
- vii. Strategies aimed at increasing Revenue/Billings.** Under the framework of the Six Months Action Plan, the following undertakings will be implemented to improve the level of billings.
- Address the issue of commercial losses, illegal sewers, meter bypasses, defective /under registering meters , unbilled sewers and illegal plumbers through Creation of revenue protection Units , village water teams and a data base for illegal users
 - Increase pumping where possible, water rationing and efficient water distribution regimes in areas. This will increase our ability to supply enough water to satisfy customer demands and eliminate the need for alternative water sources
 - Create and enforce the work of main patrol teams to monitor the network and repair leakages immediately
- viii.** Carry out area specific programs to curb down the growing arrears and this will entail rolling out the SARAR program– Suppressed Accounts and Arrears Reduction program to all areas

The above activities will be underlined by programmes aimed at enhancing service delivery to the customers. Key undertakings over the next 6 months will be monitored to ensure that implementation of the planned programmes are not compromised. Furthermore, with the takeover of more towns, the Corporation will ensure that these towns are able to quickly break even, through streamlining and enhancing of their operations.

1.0 INTRODUCTION

The review period marks the Half-Year for the FY 2013/14 and the Second Year of the Corporate Plan, 2012–2015 and the PCIV addendum. Management is therefore pleased to present to the Board the budgetary and operational performance report for the period July 2013–December 2013. The report has the following sections; Executive summary, performance targets, management strategies, divisional performance covering operations, Commercial and Customer services, External services, Management Services, Financial Performance, Capital Works Performance and Internal Audit Performance.

2.0 PERFORMANCE TARGETS FOR FY 2013/14

Within the NWSC strategic framework which is defined by the Corporate Plan 2012–2015 and the PCIV addendum, the financial year 2013/14 goals were set using a Balance Scorecard planning and management tool. These were translated into annual budgetary targets implemented at various tactical levels of the Corporation. The following goals define the NWSC road map for FY 2013/14 towards achievement of the Three Year Corporate Plan Strategic Goals, as well as the Performance Contract targets.

- i. Total Plant Capacity per day: Increase the total plant capacity from 308,000 cum³ per day to 358,000 cum per day
- ii. Increase water production from 228,219 cubic meters to 238,630 cubic meters per day.
- iii. Increase water sales per day from 155,616 cum to 164,931 cum
- iv. Reduce overall Non-Revenue Water (NRW) from 31.8% to 30.9% (Target for Kampala Water is 36.0% and Other Areas 15.7%)
- v. Carry out water mains extensions of 135.8 kms and sewer extensions of 5.6 kms.
- vi. Install 22,780 Nos. new water connections in all areas ie 13,352 in Kampala and 9,428 in other areas
- vii. Install new sewer connections of 259 connections
- viii. Establish 190 public stand posts in all areas and strengthen the existing water vending management system for the urban poor.
- ix. Increase Service coverage from 77% to 79%
- x. Raise Turnover from Ushs.167 billion to Ushs.188billion
- xi. Increase Net Profit before tax from Shs 15bn to Shs 21billion

- xii.** Increase Collections (excluding arrears over one year) from Ushs.12.4 billion in 2013 to Ushs.13.6 billion per month in 2014.
- xiii.** Increase the collection ratio from 100% to 102%
- xiv.** Reduce average debt age for arrears from 3.8 months to 2.6 months
- xv.** Reduce Arrears from the current Ushs 45.4 billion to Ushs 41.2 billion
- xvi.** Achieve a Working Ratio (operating costs exclusive of depreciation to operating revenue) of 0.80.
- xvii.** Ensure that total staff costs as percentage of operating costs are limited to not more than 38%.
- xviii.** Achieve Staff Productivity of 5 staff per 1,000 connections.
- xix.** Enhance customer care in all areas and ensure effective response to customer complaints within 18 hours.
- xx.** Ensure that water and effluent quality conform to National Standards (i.e. National Standards for Portable Water (1994), and National Standards for effluent discharge 1999).

3.0 MANAGEMENT STRATEGIES

During the period, July 2013–December 2013, the following strategies were implemented in order to meet the above set objectives;

a) The Five Year Strategic Direction

With the appointment of a new Managing Director on 27th August 2013, one of his first tasks was to develop a **Five year Strategic Direction (2013– 2018)** aimed at highlighting the Corporation's contribution towards the National Vision of transforming Uganda from a Peasantry to a self-sustaining economy as outlined in the National Development Plan (NDP). Key among the aspirations of the Strategic Outlook are achieving 100% coverage for water and the improvement of sewerage services in the Urban areas by 2016. The focus areas for the Strategic Outlook are:

- Financial sustainability
- Infrastructure growth
- Increased coverage for water and sewerage services
- Learning and innovation, and
- Management of stakeholder aspirations

In order to operationalise the Strategic Direction, the following key milestones were achieved:

- **Launch of the “Step-Up 90” Programme** which encompasses the ideals and philosophy of Service, Team Work and Team Spirit, Enthusiasm, and Performance Productivity. All these ideals are crucial for the successful implementation of the Strategic Direction. In line with the Step up Programme, all Areas signed MoU's with the Head office to ensure its successful implementation.
- **Launch of Division Action Plans January - June 2014** in which each Division prepared two levels of activities the first being the 5 year annual deliverables for which the Division has lead responsibility, and the second is the six months action Plan entailing key activities and milestones for the period January to June 2014. These action plans are aimed at ensuring delivery of the key objectives of the Strategic Direction.
- **Commencement of the Restructuring Exercise** aimed at ensuring that the existing structure is aligned to the NWSC business processes, available skills, expertise, and the envisaged increased mandate of the Corporation following the takeover of new towns.

b) Stakeholder Management

Stakeholder Management is one of the four themes in the Corporate Plan for the period 2012–2015 apart from Revenue Growth, Asset Management and efficiency and

Cost Optimization. NWSC Management has of recent increased communication between its internal and External Stakeholders. The avenues being used include the media (Television, Newspapers, and Radios). This is meant to build synergies between the different stakeholders of the Corporation which in turn will build trust and confidence in all our stakeholders especially Government, the Donor Community and our dear esteemed customers who also includes the staff of NWSC. Internally staff are updated of on-going activities through Departmental weekly meetings, work emails (Lotus notes) and every Friday Breakfast.

c) Performance Improvement Programmes (PIPs)

The Management of NWSC through its recent Performance Improvement Programs (PIPs) emphasizes Customer Care in service delivery. In line with this, “**customer care weeks**” were carried out in all Areas of operation. This twined with the “**STEP-UP 90**” program was geared towards sensitizing the area staff on the best practices and customer service standards, given the importance NWSC attaches to her customers; and cost optimization strategies. The sensitization was in line with the NWSC’s core business, Core Values, importance of our customers, Obligations to each other as employees, Customers obligations and NWSC’s Policies and practices in regard to Customer Care.

d) Performance, Autonomy & Creativity Enhancement (PACE)

PACE is being operationalized within the framework Performance Improvement Program (PIP), code named; “STEP-UP 90”. The last evaluation was carried out in July 2013, and undertakings and strategies in form of the **Kampala Declaration** were formulated. These were aligned to the following five critical thematic areas of intervention.

- i. Increasing Water Coverage (Revenue Growth)
- ii. Operational efficiency and improved asset management (Asset Management Efficiency)
- iii. Revenue Growth through increased Water Sales, billings and Collections (Revenue Growth)
- iv. Cost Optimization through improved Cost Optimization Measures, Working Ratio, Liquidity, Operational Efficiency and Service Delivery (Cost Optimisation)
- v. Stakeholder Management through effective communication, customer care programmes, catchment management programmes and improved quality of raw water.

e) Asset Management and Efficiency

In line with the above Asset Management and Efficiency, during the period under review, Planned Preventive Maintenance (PPM) schedules in all Areas of NWSC operations were updated. Updating of all soft controls for all static plants was done during the review

period.

f) Arrears Wipe out Campaign (AWOC) and Suppressed Accounts Reduction Program (SARP)

Management continued with implementation of the Management programs codenamed; **Arrears Wipe out Campaign and Suppressed Accounts Reduction Program (SARP)**. These are aimed at reducing the levels of Arrears and the number of suppressed accounts. The mode of implementation entails enforcement of the customer credit limit of one- month bill. The momentum of this program is hinged on an incentive framework that targets a collection ratio of 103%

g) Pro- Poor Strategy

The Corporation continued undertaking pro-poor activities through implementation of the Urban Poor Project in Kawempe Division, implementation of prepaid meter connections in Bwaise under Output Based Project. As a result 580 prepaid meters were installed under the OBA arrangement.

h) Information Technology Innovations

The following were some of the IT innovations during the period under review;

- **New billing system:** The New Connections Module user manual was developed and circulated. The Readings and Billing modules were completed and are being piloted in the new areas, commencing with the towns of Luwero and Wobulenzi.
- **Billing Interface:** A facility to enable accountants to add payments to the system for transactions that are on the statement but are not reflected on the interface was designed. This was done in particular to handle payments from banks that are not yet utilizing the billing interface facility and the EFT payment. Training and support of staff in the new areas was also carried out, the new areas were Kitgum, Pader, Mityana, Kisoro and Nebbi.
- **Complete Upgrade of Band width from 128kbps to 512kbps** to cover both Kampala Water Branches and all the Upcountry Areas.
- **Installation and configuration of IT systems to the new areas i.e.** Extension of WAN Connectivity, setting up of Custima billing systems, setting up and configuration with NWSC applications(iScala, E-Procurement, Billing Interface, Crystal Reports, Citrix and Lotus Notes)
- Migrated connectivity to all the Areas from Point-to-point to Multi-Protocol Label Switching (MPLS) networks to increase reliability
- Setup and implemented lotus notes traveler 8.5 rel 3 as a cheaper alternative to Blackberry service
- **E-Procurement System:** The system user manual was updated with the Bidding and Evaluation module.

4.0 ENGINEERING/OPERATIONAL PERFORMANCE

The Section details the Corporation performance during the review period with respect to Engineering Services related performance indicators.

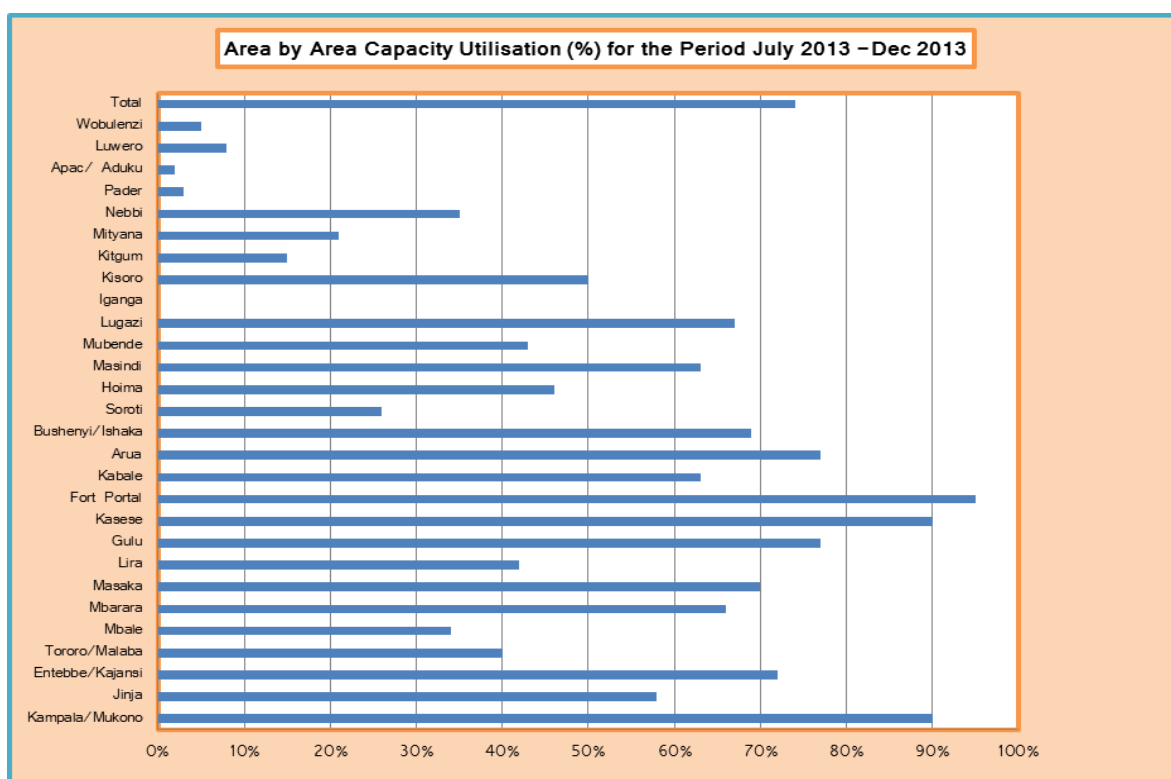
4.1 Water Production and Capacity Utilization

The average water production during period under review was 253,706 m³ per day, over and above the annual target of 238,630 cum per/day. In the same period last year, 236,031 m³ per day were produced, an indication of progressive performance by 7% over a period of 12 months. Increase in production is partly attributed takeover of the new towns. Plant Capacity Utilization reduced from 80% as at 30th June 2013 to 74% attributed to the low capacity utilization of newly taken over towns that averages at 21%. See Table 3 below)

Table 3: Showing Production & Capacity Utilization as at 31st December 2013

Area	Practical capacity m3/day	Total Water Produced m3	Average Production m3/day	Capacity Utilization (%)
Kampala/Mukono	195,000	32,170,459	174,839	90%
Jinja	30,600	3,255,010	17,690	58%
Entebbe/Kajansi	20,000	2,637,454	14,334	72%
Tororo/Malaba	5,267	387,704	2,107	40%
Mbale	12,000	747,442	4,062	34%
Mbarara	11,904	1,456,073	7,913	66%
Masaka	7,500	967,438	5,258	70%
Lira	8,700	668,472	3,633	42%
Gulu	4,333	616,568	3,351	77%
Kasese	2,400	398,977	2,168	90%
Fort Portal	2,520	440,837	2,396	95%
Kabale	2,600	301,571	1,639	63%
Arua	2,733	387,543	2,106	77%
Bushenyi/Ishaka	2,000	253,350	1,377	69%
Soroti	8,256	399,831	2,173	26%
Hoima	3,000	256,128	1,392	46%
Masindi	2,300	266,198	1,447	63%
Mubende	2,748	219,802	1,195	43%
Lugazi	1,300	159,220	865	67%
Iganga	-	-	-	-
Kisoro	3,400	315,325	1,714	50%
Kitgum	2,539	68,162	370	15%
Mityana	4,800	182,136	990	21%
Nebbi	1,248	80,417	437	35%
Pader	3,000	18,980	103	3%
Apac/ Aduku	1,286	5,239	28	2%
Luwero	952	14,703	80	8%
Wobulenzi	810	6,804	37	5%
Total	343,196	46,681,842	253,706	74%
New Areas	18,035	691,766	3,760	21%

**Iganga Area gets water from Jinja*



From the graph , it is evident that the capacity utilisation for the new areas is much lower than the rest of other areas,with the lowest capacity registered in Apac/Aduku (2%), Pader(3%), and Wobulenzi (5%).

4.2 Water Sales

Total water sales registered during the review period was 29.7 million cubic meters against a target of 30.1 million cubic meters. This accounts for over 99% of the period target. Water sales for the same period last financial year 2012/13 were 27.7 million cubic meters, an increase of 7%. (*See Table 4 below for details*)

4.3 Non–Revenue Water

Water losses for the period July–December 2013 were 34.7% of water supplied against an annual target of 30.9%. NRW for Kampala was 38.8% against a target of 36.0%, while in Other Areas, it was 25.1% against a target of 15.7%. The water losses are attributed to increased leaks and bursts due to road works, illegal users, and increased leaks and bursts caused by the aging network in most areas. Overall Water losses increased by 0.4% compared to 34.3% as at 30th September 2013. However, NRW in Kampala reduced by 0.1% over the three months period, from 38.9% as at 30th September 2013. In other areas, it increased by 2% points from 23.1% as at September 2013 to 25.1% as at end of December 2013 (*See details in table 4 below*). Management has put in place strategies such as, rehabilitation of network in Kampala (Kampala Network

Rehabilitation Project), Replacement and installation of new of bulk meters, replacement of faulty meters and 7 years and above old meter, closely monitoring big consumers and accounts with registered declining and zero consumption, and effective disconnections of suppressed accounts.

Table 4: Water Sales & NRW Water as at December 2013

Area	Water Supplied / System input m ³	Water Sold m ³	Billing Efficiency (%)	NRW (%)
Kampala	31,963,642	19,572,084	61.2%	38.8%
Jinja	2,840,403	1,626,169	57.3%	42.7%
Entebbe/Kajansi	2,440,366	1,883,210	77.2%	22.8%
Tororo	354,204	306,185	86.4%	13.6%
Mbale	709,181	643,334	90.7%	9.3%
Mbarara	1,403,446	1,220,825	87.0%	13.0%
Masaka	914,651	613,293	67.1%	32.9%
Lira	586,211	501,141	85.5%	14.5%
Gulu	531,342	408,838	76.9%	23.1%
Kasese	388,624	306,050	78.8%	21.2%
Fort Portal	419,900	332,730	79.2%	20.8%
Kabale	278,300	244,421	87.8%	12.2%
Arua	355,548	255,155	71.8%	28.2%
Bushenyi/Ishaka	226,558	167,672	74.0%	26.0%
Soroti	399,831	343,390	85.9%	14.1%
Hoima	235,211	167,215	71.1%	28.9%
Masindi	244,171	211,903	86.8%	13.2%
Mubende	199,996	180,213	90.1%	9.9%
Lugazi	157,458	128,854	81.8%	18.2%
Iganga	241,640	212,278	87.8%	12.2%
Kisoro	235,123	152,845	65.0%	35.0%
Kitgum	66,508	45,388	68.2%	31.8%
Mityana	171,812	96,204	56.0%	44.0%
Nebbi	72,187	48,061	66.6%	33.4%
Pader	13,662	10,236	74.9%	25.1%
Apac/ Aduku	5,239	3,667	70.0%	30.0%
Luwero	6,804	5,824	85.6%	14.4%
Wobulenzi	6,804	5,824	85.6%	14.4%
Total NWSC	45,468,821	29,693,009	65.3%	34.7%
Total Other Areas	13,505,179	10,120,925	74.9%	25.1%

4.4 New Water Subscribers

During the period July–December 2013, 14,437 new water connections were installed (8,625 in Kampala and 5,812 in other areas), against a period target of 11,390, an achievement of 127 %. The performance is much higher than what was registered during the same period last financial year, where 12,487 connections were installed, an increase of 16%.

Table 5: Trend of New Connections July - December 2013

	July	Aug	Sept	Oct	Nov	Dec	Half year Total July-Dec. 2013	Half year Total July-Dec. 2012
Kampala	923	2,111	1,460	1,867	1,379	885	8,625	4,306
Other Areas	901	922	1,030	832	1,085	1,042	5,812	3,624
Total	1,824	3,033	2,490	2,699	2,464	1,927	14,437	7,930

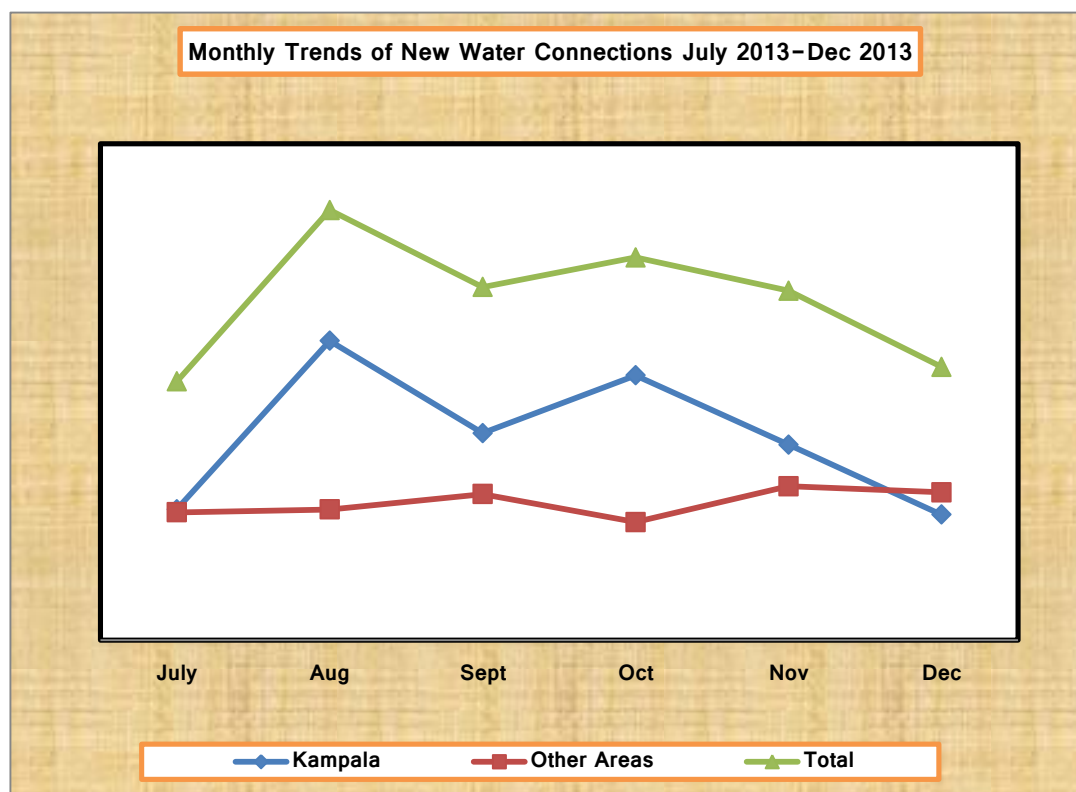
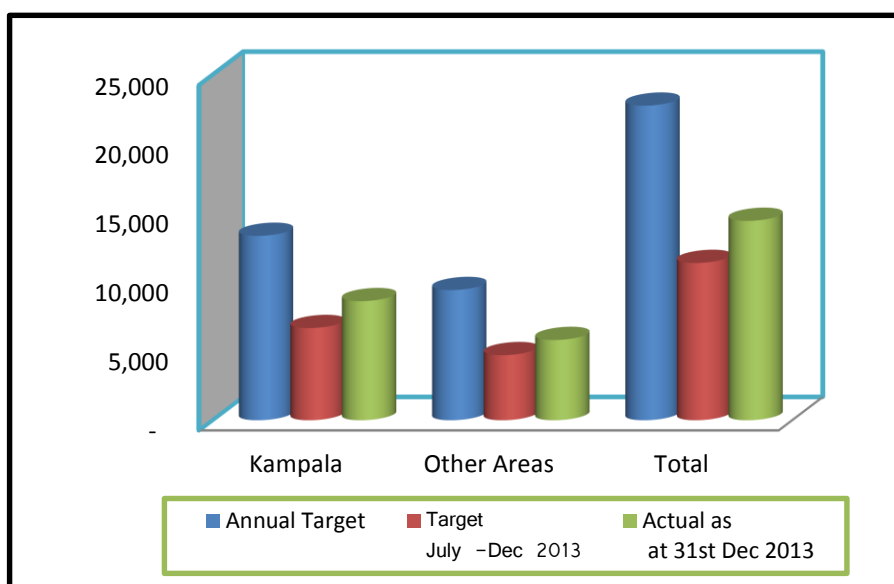


Table 6: New Water Connections: July- December 2013

	Annual Target	Target July 2013- Dec. 2013	<i>December 2012</i>	Actual As at December 2013	% Achieved
Kampala	13,352	6,676	4,306	8,625	129%
Other Areas	9,428	4,714	3,624	5,812	123%
Total New Connections	22,780	11,390	7,930	14,437	127%



4.5 Active and Inactive Water Connections

The total number of active accounts as at 31st December 2013 was 303,019, accounting for 89% of the total accounts (341,511 connections) – 11% of the inactive accounts. The number of active accounts increased by 6% during the review period from, 285,418 accounts as at 30th June 2013 to 303,019 accounts as at 31st December 2013. On the other hand, the percentage of inactive accounts has increased by 1% since June 2013 and the absolute number of inactive accounts has increased by 21% from 31,874 accounts to 38,874 accounts as at 31st December 2013. (*See details per area in table 7*)

4.6 Account Analysis: Metered vs. Total No.

The total number of Accounts for the period ending December 2013 was 341,511 and this accounts for over 100% of the annual target of 340,486. The total number of accounts increased by 8% from 317,292 accounts as at 30th June 2013 to 341,511 as at 31st December 2013. The number of metered accounts during the same period was 340,420 or 99.7% of the total accounts. (*See table 7 below*).

Table 7: Status of Accounts as at December 2013

Area	Total No. of Accounts	Active Accounts	Inactive Accounts	Metered Accounts	% Inactive	Metered A/c's as a % of total a/c's
Kampala/Mukono	194,086	172,736	21,350	193,988	11%	99.9%
Jinja	18,305	15,384	2,921	18,305	16%	100.0%
Entebbe/Kajansi	23,818	21,647	2,171	23,818	9%	100.0%
Tororo/Malaba	4,136	3,754	382	4,136	9%	100.0%
Mbale	11,713	8,591	3,122	11,713	27%	100.0%
Mbarara	12,210	11,777	433	11,777	4%	96.5%

Area	Total No. of Accounts	Active Accounts	Inactive Accounts	Metered Accounts	% Inactive	Metered A/c's as a % of total a/c's
Masaka	8,926	8,880	46	8,926	1%	100.0%
Lira	7,396	7,142	254	7,396	3%	100.0%
Gulu	5,009	3,927	1,082	5,009	22%	100.0%
Kasese	5,489	4,912	577	4,912	11%	89.5%
Fort Portal	5,619	4,923	696	5,619	12%	100.0%
Kabale	4,764	4,445	319	4,764	7%	100.0%
Arua	5,546	3,840	1,706	5,546	31%	100.0%
Bushenyi/Ishaka	2,335	2,242	93	2,335	4%	100.0%
Soroti	5,672	5,022	650	6,233	11%	109.9%
Hoima	4,040	3,465	575	4,040	14%	100.0%
Masindi	3,851	3,664	187	3,851	5%	100.0%
Mubende	3,002	2,961	41	2,951	1%	98.3%
Lugazi	1,758	1,511	247	1,758	14%	100.0%
Iganga	3,283	3,010	273	3,283	8%	100.0%
Kisoro	2,401	2,263	138	2,450	6%	102.0%
Kitgum	1,418	1,171	247	1,422	17%	100.3%
Mityana	2,527	2,373	154	2,527	6%	100.0%
Nebbi	1,351	1,037	314	1,037	23%	76.8%
Pader	316	314	2	316	1%	100.0%
Apac/ Aduku	972	740	232	740	24%	76.1%
Luwero	784	644	140	784	18%	100.0%
Wobulenzi	784	644	140	784	18%	100.0%
Total	341,511	303,019	38,492	340,420	11%	99.7%

4.7 Status of Sewer Subscribers

The number of new sewer connections installed during the period July–December 2013 was 144, or 112% of the period target (130 sewer connections). The total number of sewer connections as at 31st December 2013 was 18,268, out of which 94% were active (or 6% were inactive). The detailed performance of each area's performance is given in the table below. The number of new sewer connections installed this year is higher compared to what was installed in the same period last financial year 2012/13 (109), an increase of 32%.

Table 8: Status of Sewer Subscribers as at December 2013

Area	Target New Sewer Connections 2013/14	Target July–Dec–2013	Actual as at December 2012	Actual as at December 2013	% Achieved For the Period Target
Kampala/Mukono	140	70	22	21	30%
Jinja	13	6	18	19	317%

Entebbe/Kajansi	13	6	7	5	83%
Tororo/Malaba	8	4	4	0	0%
Mbale	13	6	9	18	300%
Mbarara	13	6	3	9	150%
Masaka	3	6	5	1	17%
Lira	8	6	8	5	83%
Gulu	9	6	19	45	750%
Kasese	0	0	0	0	0%
Fort Portal	3	2	1	10	500%
Kabale	6	2	0	3	150%
Arua	0	0	0	0	0%
Bushenyi/Ishaka	0	0	0	0	0%
Soroti	2	1	5	3	300%
Hoima	6	3	2	1	33%
Masindi	6	3	3	1	33%
Mubende	0	0	0	0	0%
Lugazi	8	4	0	0	0%
Iganga	8	4	3	2	50%
Kisoro	0	0	0	1	0%
Kitgum	0	0	0	0	0%
Mityana	0	0	0	0	0%
Nebbi	0	0	0	0	0%
Pader	0	0	0	0	0%
Apac/Aduk	0	0	0	0	0%
Luwero	0	0	0	0	0%
Wobulenzi	0	0	0	0	0%
Total	259	130	109	144	111%

4.8 Pro-poor connections

The total number of propoor connections installed during the period were 617, a growth of 8% against a PCIV addendum target of 5%. The total number of PSPs installed during the period were 37 as detailed below.

Table 9: Status of New PSPs/Kiosks as at December 2013

Area	Target New PSPs for FY 2013/14	Target July-Dec 2013	Actual as at Dec 2012	Actual as at Dec 2013	% Achievement
Kampala	130	64	17	15	23%
Jinja	13	6	0	1	17%
Entebbe	0	0	1	0	0%
Tororo	8	4	0	1	25%
Mbale	8	4	1	4	100%
Mbarara	15	7	0	0	0%
Masaka	0	0	0	0	0%
Lira	0	0	1	0	0%
Gulu	3	2	0	0	0%

Kasese	0	0	0	2	0%
Fort Portal	0	0	0	0	0%
Kabale	4	2	7	0	100%
Arua	0	0	1	0	0%
Bushenyi	0	0	0	2	0%
Soroti	2	1	0	0	0%
Hoima	2	1	1	1	0%
Masindi	2	1	0	0	0%
Mubende	0	0	0	0	0%
Lugazi	0	0	1	0	0%
Iganga	2	0	1	0	0%
Kisoro	0	0	0	0	0%
Kitgum	0	0	0	0	0%
Mityana	0	0	0	7	0%
Nebbi	0	0	0	0	0%
Pader	0	0	0	4	0%
Apac/Aduk	0	0	0	0	0%
Luwero	0	0	0	0	0%
Wobulenzi	0	0	0	0	0%
Total	190	91	31	37	41%

4.9 Water and Sewer Mains Extension

During the period July –December 2013, a total of 111.90 kms of water mains extensions were extended in Kampala/Mukono, (38.40 km), Jinja (2.0km), Entebbe/Kajansi (5.0km), Mbale (25.0km), Mbarara (1.40km), Masaka (10.0km), Gulu (4.0km), Kasese (3.0km), Arua (1.60km), Bushenyi/Ishaka (11.0km), Lugazi (2.0km), Kitgum (6.0km), Pader (2.50km) which is 165% of the period target of 67.8kms or 82% of the annual target of 135.5km. This is much higher compared to only 15kms made in the same review period last financial year 2012/13. Hence the two similar periods compared together, performance has improved by over 100%.

In regard to sewer, the Corporation has not realized any extension since the beginning of the FY 2013/14. This is attributed to competing demand amidst limited cash flow. In addition the demand for sewer compared to water connections is low given the nature of the sewer tariff which is unattractive. Hence most people opt for onsite sanitation facilities.

4.10 Water and Sewerage Quality

The global Water Quality status for the period July 2013–December 2013 was good bacteriologically but there is need to improve on color removal in most the Areas. In regard to BOD all areas performed poorly in BOD for final effluents, this requires serious management intervention in order to improve the quality of the final effluents. (See details in the table below)

Management is looking at the following interventions to improve on water quality; adequate process control, adequate operation and maintenance regimes, improved process technology (like continuous use of polymers & salt electrolysis for on-site chlorine generation) and alternative raw water sources among others.

On the other hand management is considering the following to improve on sewage effluent quality; timely desludging of ponds, use of wetlands or rock filters for effluent polishing, adequate operation and maintenance regimes, and stringent measures to control discharge of strong municipal and industrial effluents into sewers and minimize storm water entry among others.

Table 10: Status of Water & Sewerage Quality for the period July 2013 to December 2013

Water Quality	Ingredients	Indicator	Actual Performance December 2013
Compliance with National Standards for Drinking (potable) water 2008	(No. of Samples passing National Standards/ Total Samples Tested) x 100	Bacteriological Quality (%)	99.5
		Color (%)	89.0
		Turbidity (%)	95.0
		Chlorine residual (%)	94.0
		PH (%)	99.7
		Electrical Conductivity (%)	100.0
		Alkalinity: total (%)	100.0
		Hardness: total (%)	100.0
		Average (%)	97.2
Sewerage Quality			
Compliance with all 54 Effluent discharge parameters	(No. of Samples passing National Effluent Standards/ Total Samples Tested) x 100	BOD (%)	32.0
		Total Suspended Solids (%)	73.0

The average performance of 97.2% of water quality indicate that the NWSC is meeting the required water standards for portable water, while the BOD of 32% and suspended solids of 73% indicate that the Corporation is meeting GoU average target of 50% but short of meeting the required standards for effluent discharge into the environment.

5.0 COMMERCIAL AND CUSTOMER CARE SERVICES PERFORMANCE

The following section details the performance of the Corporation on commercial and customer care services related indicators.

5.1 Collection/Billing Ratio

During the period July –December 2013, total billings amounted to Ushs.95.9billion and collections (inclusive of arrears) amounted to Ushs.88.5 billion, hence a Collection/Billing Ratio of 92%. The performance for the period was below the annual target of 102%. It is envisaged that the annual target will be attained by June 2014, given the ongoing implementation of the second Phase of tactical programs, *Arrears Wipe out Campaign and Suppressed Accounts Reduction Programs (SARP)*. The programs are expected to increase collections through arrears reduction and reactivation of the suppressed accounts.

5.2 Receivables/Arrears

During the FY 2013/14, the Corporation targeted to reduce arrears from Ushs.57.14 billion as at June 2013 to Ushs.41.2billion. By end of the review period, 31st December 2013, the level of arrears had increased to Ushs. 63.2 billion, out of which, Ushs. 37.2 billion (59%) was Government arrears; Ushs.12.8 billion (20.3%) was for Domestic category and Ushs 13.2 billion for other categories (41%) (*See table 11*). **This is attributed to Government Nonpayment of arrears. However, Arrears Net of Government reduced by 5% from Shs 27.2 billion to Shs 25.9 billion as at December 2013.** Management has taken cognizant of the situation and shall continue implementing stringent measures to reduce the level of arrears e.g. Arrears wipe-out campaign and suppressed accounts reduction. The process for installation of pre-paid meters in all Government premises is also under way.

Table 11: Summary of Total Billings and Collections per Category as at 31st December 2013

Consumer Category	Billings	Collections	Arrears Dec-13	Arrears June-13	%increase	As % of Total
Ministries	11,492,267,105	5,337,224,266	37,225,590,085	29,940,816,133	24%	59%
Parastatal	1,725,059,753	1,614,074,249	358,477,318	499,172,426	-28%	0.60%
Institutions	9,310,741,835	9,167,341,753	2,510,895,255	3,175,218,599	-21%	4%
Commercial	36,219,981,601	36,341,948,055	9,819,504,174	9,845,712,779	0%	15.60%
Local Authority	409,718,169	392,768,946	313,970,640	295,486,813	6%	0.50%
Domestic	36,420,349,746	35,350,991,840	12,841,121,744	13,299,601,897	-3%	20.30%
Foreign	335,261,184	350,763,512	60,590,509	83,791,846	-28%	0.10%
Total	95,913,379,393	88,555,112,621	63,130,149,725	57,139,800,583	10%	100%
Net Government	84,421,112,288	83,217,888,355	25,904,559,640	27,198,984,450	-5%	41%

Table 12: Table Showing Status of Billings, Collections, Arrears, C/B Ratio as at December 2013 (Ushs'000m)– Collections include arrears

Area/City	Billing	Collections	C/B Ratio	Arrears, 31st Dec 2013	Arrears,30th June 2013	Increase/Decrease(-)
Kampala	64,042,389	60,550,514	95%	33,834,238	30,960,382	9%
Jinja	5,804,131	5,029,329	87%	6,458,031	5,949,269	9%
Entebbe	5,747,125	4,667,469	81%	4,585,310	3,644,467	26%
Mbale	2,228,009	2,066,091	93%	2,145,755	2,076,927	3%
Tororo	888,610	839,217	94%	1,265,475	1,275,149	-1%
Masaka	1,864,217	1,769,866	95%	969,422	901,124	8%
Mbarara	3,820,493	3,510,307	92%	4,619,148	4,497,226	3%
Lira	1,541,445	1,463,525	95%	1,157,703	1,119,569	3%
Gulu	1,491,871	1,165,834	78%	2,076,325	1,820,207	14%
Kasese	806,161	762,140	95%	451,551	435,953	4%
Fort Portal	1,007,322	889,179	88%	493,957	392,141	26%
Kabale	797,682	738,368	93%	431,911	387,088	12%
Bushenyi	515,167	542,248	105%	140,765	176,671	-20%
Soroti	1,017,131	941,420	93%	903,018	857,517	5%
Arua	677,912	623,172	92%	575,118	541,563	6%
Masindi	640,003	490,427	77%	1,082,797	967,049	12%
Mubende	487,926	397,078	81%	631,736	563,595	12%
Hoima	504,820	437,084	87%	226,227	196,354	15%
Lugazi	352,529	344,590	98%	125,201	122,279	2%
Iganga	558,479	504,312	90%	297,430	255,270	17%
Mityana	258,717	227,029	88%	107,647	-	-
Kisoro	452,251	345,330	76%	154,392	-	-
Kitgum	124,518	86,625	70%	121,373	-	-
Nebbi	132,924	107,122	81%	76,246	-	-
Pader	29,066	22,241	77%	6,825	-	-
Luwero	60,513	19,615	32%	78,234	-	-
Wobulenzi	40,393	12,007	30%	45,590	-	-
Aduku	8,722	1,328	15%	25,945	-	-
Apac	12,854	1,646	13%	42,778	-	-
Total	95,913,379	88,555,113	92%	63,130,150	57,139,801	10%

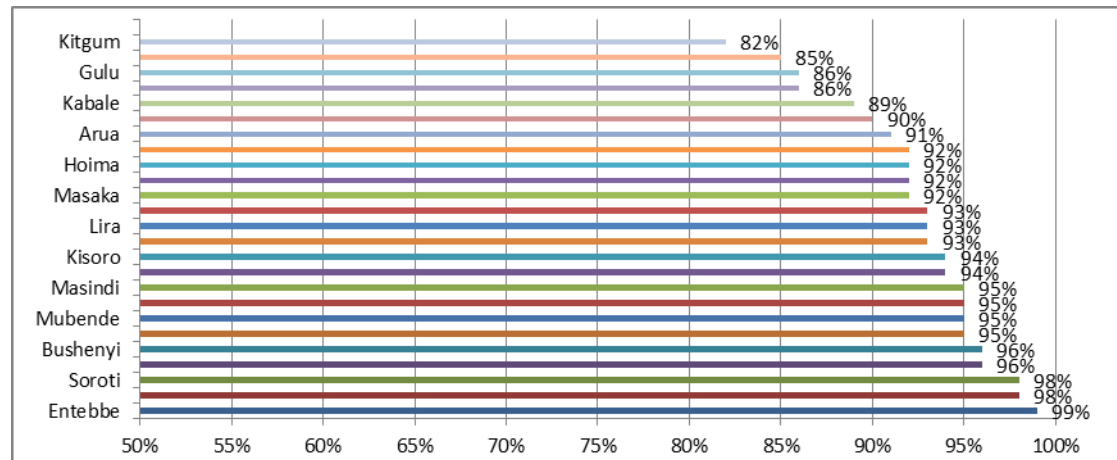
•NB: The empty cells in the above table are the new towns whose data was not available last year

5.3 Customer Satisfaction index

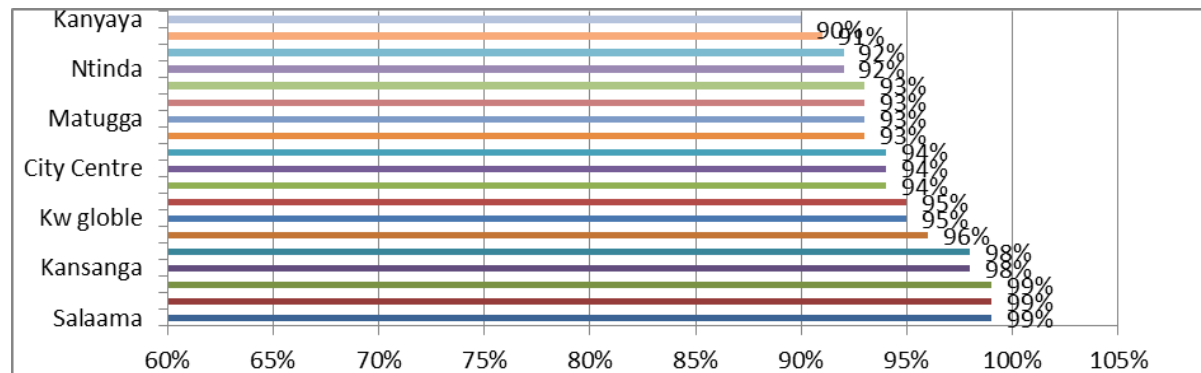
The graphs below show CSIs for each of the Areas and KW branches surveyed. All areas recorded a CSI value of 80% and above, implying high levels of customer satisfaction. Entebbe scored 99% recorded the highest CSI values followed by Fortportal and Soroti that scored 98% these areas recorded the highest CSI values. Fortportal and Soroti have increased their positions from the previous survey as the areas with the highest CSI values, indicating their continued commitment to ensuring high levels of customer satisfaction.

The results of the survey as indicated in the graph below show that NWSC attained a CSI value of 94% which is above the GOU value of 80%.

Global Customer Satisfaction Index (CSI)Values



Customer Satisfaction Index (CSI)Values by KW Area



Results for Kampala Water show that Salaama, Nakulabye and Kireka had the highest CSI value of 99% and Kanyanya had the lowest levels of satisfaction at 90%. Salaama, Nakulabye and Kireka did not only record the highest CSI value but also recorded the highest performance improvement for KW Branches from a CSI value of 81 and 89% in the last survey to 99%. Also noted is Mukono that recorded a drop from 99% to 92%

Although areas like Entebbe, Fort portal and Soroti recorded the highest CSI value, the highest recorded improvement in customer satisfaction was in Entebbe which rose from a CSI value of 84% to 99%, this was followed by Fort Portal that moved from 93% to 98% and Soroti that moved from 85% to 98%. However, there was a slight decline in performance of other areas like Masaka that fell from a CSI value of 99% to 92%.

6.0 External Services Performance

This section highlights the performance of External services during the period under review (July to December 2013).

During the period, the NWSC carried out External Services activities with the following key partners.

- **Water and Sewerage Authority (WASA), Trinidad & Tobago:** Facilitated the final evaluation of the PIP and preparation of the successor programme, and finalized the decentralization strategy and framework
- **European Union African Caribbean Pacific (EU ACP) Water Facility in association with UNESCO - IHE (Nakuru Water and Sanitation Company Ltd (NAWASSCO) ,Dar Es Salaam Water and Sewerage Company (DAWASCO) and National Water and Sewerage Corporation (NWSC)**
- **European Union African Caribbean Pacific (EU ACP) Water Facility with Vitens Evides /GIZ**
- **UNESCO IHE – Benchmarking course – Finalize the training materials and close the contract**
- **AGROPARISTECH-ENGREF – International Executive Masters.**
- **Sustainable Water and Sanitation for Africa III (SUWASA II) South Sudan – South Sudan**
- **TANESCO II – Amendment No.1**
- **Water Operator Partnerships – Africa (WOP – Africa**
- **Makerere University Business School (MUBs)**
- **Benchmarking activities:** hosted and facilitated four (04) Benchmarking tours from Tanzania medical stores, Ghana water company Limited, FIFAG of Mozambique, and Water and Sanitation for the Urban Poor (WSUP), UK
- **Aurangabad Consortium Assignment:**
- **Source of new assignments with :** Uganda Bureau of Statistics (UBOS), Ministry of Water (MOW) ,Tanzania in partnership with Consulaqua, Germany ,Energy Water and Sanitation Authority (EWSA),World Bank :Chittagong ,World Bank: Karnataka, India, SUWASA – South Sudan (Maridi & Wau): Sub Consultancy with Consulaqua for Capacity Development for Tanzania Water & Sanitation Authorities

By end of December 2013, the total annual budgeted income generated amounted to **US\$ 1.213billion** i.e. **43%** target achievement with a working ratio of **0.35**. The detailed revenue and expenditure breakdown for the review period is summarized in **Table 13**.

6.1 External Services Financial Performance

Table 13: Contracts executed and direct expenses incurred during the Period July - December 2013

REVENUE	July–Sept 2013	Oct–Dec 2013	Cumm July–Dec 2013
Contracts	618,615,652	229,767,698	848,383,350
WASA_TRINIDAD & TOBAGO	129,315,322	79,136,378	208,451,700
EU ACP – UNESCO IHE			–
EU ACP – VITENS EVIDES INT. (VEI)	232,206,504		232,206,504
APT– IEM IMPLEMENTATION	103,664,400	51,261,900	154,926,300
SUWASA III	44,166,844		44,166,844
TANESCO II_Amendment No. 1	109,262,582	99,369,420	208,632,002
AURANGABAD _ INDIA			–
Water Quality	43,839,667	47,600,205	91,439,872
IREC Facility	57,093,735	102,182,935	159,276,670
Benchmarking Visits	117,379,527	–	117,379,527
Other Revenue (Net Exch.Gain)	225,374	(3,588,126)	(3,362,752)
Total Revenue	837,153,956	375,962,712	1,213,116,668
Direct Expenses			
Actual Works –Experts	83,084,295	93,200,403	176,284,698
Benchmarking & Orientation (including venue costs)	54,048,300	8,175,150	62,223,450
Exploratory/Sourcing costs	116,500	59,622,289	59,738,789
AirTickets (Actual works)	13,982,952	48,621,487	62,604,439
Contract–related expenditures		920,500	920,500
Bid preparation (Bank guarantees, staff allowances &	–		–
IREC–related expenditures	25,785,790	28,221,280	54,007,070
General One off	3,160,000	500,000	3,660,000
Total Direct Expenses	180,177,837	239,261,109	419,438,947
Reveu Less Expenses	656,976,119	136,701,603	793,677,721
Ratio of Revenue to Direct Expenses	0.22	0.64	0.35
Revenue Budget ,FY2013/14			2,820,000,000
Target achieved			43%
Additional OPEX Against the Cost Centre Company 23			
Employee related	92,805,978	146,485,028	239,291,006
Premises	–	763,000	763,000
Supplies and Services	2,056,200	4,298,580	6,354,780
Administrative Expenses	5,813,800	0	5,813,800
Total Additional OPEX	100,675,978	151,546,608	252,222,586
Overall Total Expenditure	280,853,815	390,807,717	671,661,533
Overall Working Ratio	0.34	1.04	0.55
Contribution to Head office payments	673,572,350	222,155,450	895,727,800

7.0 MANAGEMENT SERVICES DIVISION PERFORMANCE

The following section gives performance of Management Services Division from July–December 2013. It gives an update on the achievements and milestones of Management Services Division for the period July to December 2013.

7.1 Staff Status

By the end of the reporting period July – December 2013, the total number of staff was 1,858 from the previous number of 1773 by the end of June 2013. 24% of the staff were female. The total head count increased by 85 staff in the quarter and the increase is majorly attributed to increased number of Areas from 23 to 28 towns brought about by the takeover of new towns of Kisoro, Mityana, Nebbi, Pader and Kitgum.

Table 14: Status of Staff as at 31st December 2013

Area	Male	Female	% of Female /Total staff	Total Staff
				31/12/2013
Head Office	190	105	36%	295
Kampala Water	584	188	24%	772
Jinja	66	27	29%	93
Entebbe	66	28	30%	94
Mbarara	66	8	11%	74
Mbale	54	8	13%	62
Tororo	23	7	23%	30
Lira	27	5	16%	32
Gulu	26	4	13%	30
Soroti	27	8	23%	35
Arua	15	4	21%	19
Masaka	35	4	10%	39
Fort Portal	18	7	28%	25
Kasese	19	3	14%	22
Bushenyi / Ishaka	17	6	23%	23
Hoima	16	2	11%	18
Masindi	15	4	21%	19
Kabale	28	4	13%	32
Iganga	14	2	13%	16
Lugazi	12	5	29	17
Mubende	20	4	17%	24
Kitgum	20	4	26	24
Pader	4	2	33%	6
Nebbi	11	4	37%	15
Mityana	13	6	32%	19

Area	Male	Female	% of Female /Total staff	Total Staff
				31/12/2013
Kisoro	19	4	17%	23
Total	1405	453	24%	1,858

7.2 Staff Productivity

During the reporting period, staff productivity was 6 staff per 1000 connections against a target of 5 staff per 1,000 connections. The performance during the period was below the target, and this is again attributed to take over of new towns whose total connections are still low compared to the staffing levels.

Table 15: Staff Productivity Trends

Year	2008/09	2009/10	2010/11	2011/12	2012/2013
Staff Numbers	1,517	1,589	1,691	1,751	1858
Staff/1000 water connections	7	6	6	6	6

7.3 Staff Costs as Percentage of Operating costs.

The staff costs as percentage of operating costs during the period under review were 39.8% against an annual target of 38%. However, the absolute staff costs were within the budgetary provision and accounted for 92% of the budget. The Corporation is working towards achieving the annual target of 38% and shall continue implementing staff cost rationalization in line with the general cost optimization strategy.

7.4 Staff Motivation and Salary Enhancement

On the 16th September 2013, the Board, Management and Union held a Joint Negotiation Committee meeting which culminated in the restructuring of the whole salary structure. A new improved structure has been put in place. In the new salary structure, scales 3 – 10 were aligned in terms of notches and amounts which have significantly improved.

The salary structure has been scaled down with the removal of scale 9 and 10. The staff previously in scale 9 and 10 have been put in scale 8 with a minimum gross pay of Shs 735,688 up from Shs 587,846. All the staff in scale 3 – 10 have got a significant increment on their salaries and their take home has improved which has led to increased morale and motivation to work among staff.

The Joint Negotiation Committee (JNC) also made significant achievements regarding reducing of gaps between scales 2, 3 and 4, removed inconsistencies in notches and made them more meaningful and removed overlaps in scales.

7.5 Recruitment of staff for the New Areas

Effective July 2013, NWSC took over the management of the new towns of Kisoro, Mityana, Nebbi, Kitgum, Pader, Nebbi, Pader, Luwero, Wobulenzi and Apac. As a result of this takeover, there was urgent need for manpower to run those Areas. Human Resource was at the forefront of carrying out a manpower needs assessment of the new Areas, designing organizational structures and spearheading the recruitment of the staff in the new Areas. This exercise was diligently done and all the suitable manpower recruited and is now working.

7.6 Staff Performance Appraisals and Contract Renewals

The performance of all the staff in the Corporation was duly appraised and this formed a basis for renewal of contracts which had expired.

A Board paper was presented and the Board approved the renewal of staff contracts in managerial positions of scale 1 and 2. The contracts have been duly renewed as per the Board approval.

7.7 Review of Manpower in Areas and Casuals Employment

Human Resource together with Internal Audit and Operations Departments audited Areas on staffing needs and the cost implications of hiring casual staff visa-vis substantive staff, adequacy of formal staff deployment and any staffing gaps which need to be filled. Recommendations were made to Top management. Staff gaps in Areas of Kampala Water, Kabale, Mubende, Mbarara, Tororo, Fort portal and Iganga have been filled to improve the efficiency of Area operations.

7.8 Manpower Planning and Succession Planning

NWSC has been losing staff through resignations and retirements which has left manpower gaps in some of the Departments. There is also dire need to recruit and train suitable staff in various fields especially Engineering as part of our long term manpower development plan and succession planning.

The Human Resource Department conducted a manpower needs assessment in all divisions and presented a paper to the Board which approved the recruitment process to be started. A total of 79 jobs were advertised in the newspapers. A preliminary assessment of the applicants has been done awaiting the eligible candidates to undergo an aptitude test.

Table 16: Positions recently advertised to fill manpower gaps

No	Position	Total Applications received per position
1.	Engineers	28 Positions
2.	Electronics/Electrical Engineers	10 Positions
3.	Mechanical Engineers	07 positions
4.	Senior Sociologists	01 Position
5.	Surveyor	05 Positions
6.	Senior Accounts Officer	01 Position
7.	Accounts Officers	05 Positions
8.	Procurement Officers	02 Positions
9.	Senior Procurement Officer	01 Position
10.	Senior Information Systems Auditor	01 Position
11.	Commercial Officer – Billing	03 Positions
12.	Commercial Officer – Revenue	05 Positions
13.	Senior Legal Officer	01 Position
14.	Senior Human Resources Officer	01 Position
15.	Human Resource Officers	03 Positions
16.	Security Officers	05 Positions

7.9 Due Diligence exercise for takeover of 6 New Areas

Human Resources Department was part of the team that carried out a due diligence exercise in preparation for takeover of the new Areas of Luwero, Wobulenzi, Wakiso, Aduku, Paidha and Apac. An assessment of the manpower needs of each of the new Areas was done and a recruitment and transfer of operational staff has been carried out to kick start operations in those Areas in line with the established structures.

7.10 Occupational Safety and Health

During the period under review, 13 cases of accidents were recorded one of them being fatal that led to the death of a member of staff in a car accident. 3 staff were also involved in a car accident but escaped with injuries. The rest of the accidents were operational accidents in the course of staff doing their normal duties. All the above cases have been reported to the Insurance Company and the process of compensation is ongoing.

The Corporation is also in the process of strengthening the occupational safety and health of its workers by putting in place a fully-fledged Occupational Safety and Health unit that will strengthen the implementation and coordination of workplace safety and health.

7.11 Transport Section

The following is the performance of Transport Section during the period under review – 1st July 2013 – 31st December 2013

- i. The Corporation started procuring its own field vehicles to reduce the cost of leasing vehicles. In FY 2012/13, purchase of 07 pickups (05 Single & 02 Double Cabins) was approved. During the review period, Five (05) units of Single Cabin pick-ups were purchased and deployed in the following areas: Bushenyi, Mubende, Masindi, Nebbi and Kitgum. Two (02) units of Double Cabins are ready for delivery.
- ii. In the first half of the FY 2013/14 – 14 units of pickups and 02 units of mid-range Station Wagon were approved for procurement. Evaluation has been completed. The vehicles will be delivered between March 2014 and May 2014.
- iii. A 22 tons Isuzu truck (UAT 799P) was procured and delivered in July 2013. This is in a bid to enhance delivery of materials /chemicals in the areas.
- iv. Under KW– LV WATSAN Project the Corporation also received one (01) station wagon and three (03) double cabin pickups. The vehicles are to be used for leak detection, illegal use and Asset Management in KW.
- v. During the period under review, a proposal to reduce the rising costs of transport through extension of wet loan scheme to the plumbers was presented and approved by the Board. This is a scheme where staff are recommended to get loans in the bank and purchase motorcycles. The motorcycles are used to carry out work of the Corporation and the staff are paid allowances. The scheme is now operational.
- vi. During the same period proposals for review of the Transport policy for mileage and motor vehicle maintenance allowances for management staff was presented to and approved by Top Management. A Paper seeking approval of the proposed rates is to be presented to the Board.
- vii. The process of disposing off uneconomical vehicles (16 Motor vehicles 69 Motor cycles) is in progress. The process of procuring an independent valuer is almost complete. This is also aimed at reducing high running cost of transport.
- viii. The transport section enhanced delivery of materials and chemicals in the nearby areas of Jinja, Entebbe, Mityana, and Masaka by redeploying an Iveco truck registration No. 477UDR from Jinja together with the driver to handle short distances for delivery of pipes and chemicals. This is to optimize transport use.

7.12 Board & Legal Affairs

During the period under review, management through the Legal Department continued to ensure that all statutory and regulatory requirements were complied with and the Department ably defended all suits for and against the Corporation.

Out of 24 cases filed against NWSC in Courts of law by July, 2013, 10 were land cases and out of these, 6 were claims of ownership of NWSC land, 4 were related to the Corporation taking over project land without compensation. The total number of cases has not increased during the period under review.

7.13 Board Affairs.

During the period under review, the Board held 3 Special Board meetings and 13 Committee meetings.

7.14 Valuation of Corporation Assets.

The process of valuation of the Corporation's assets in the newly taken over towns has commenced.

7.15 Acquisition of Land titles

The process of acquisition of titles for NWSC land without titles is ongoing. During the period, 04 titles were acquired for properties in Lira. The process of acquisition of titles for land in newly taken over Areas has commenced.

7.16 Public Relations Department

During the period under review, the Public Relations (PR) office continued to ensure promotion of all Corporation events, marketing and publicity campaigns for all Corporation causes, while maintaining a cordial working relationship with the media and other corporate partners.

In partnership with the respective Branch Managers, the PR office organized and held Local water committee meetings for Bwaise/Kanyanya, Bunga/Salaama, Kansanga and Kyaliwajjala.

The Department also entered into framework contracts for advertisements with 7 radio stations and also renewed contracts for advertisements with 4 newspapers. During this period, social media publicity of corporation events increased by 60% on e-networks.

The PR department through negotiations reduced media expenditure by use of complementary media interviews which gave NWSC a lot of free mileage and social media which is free and has a good mileage.

7.17 Security Section

Provision of security services for key installations and office premises of the Corporation is out sourced. Three sensitive installations under Head office i.e. Head office, Managing Director's residence and Gaba water works are being guarded by Saracen Uganda Ltd, while the rest of the installations and premises within Kampala region are being guarded by Ultimate Security Company Ltd.

The four major operation Areas of NWSC i.e. Mbale, Jinja, Entebbe and Mbarara office premises and installations are also guarded by Saracen Company.

In all areas, no significant reports of unusual incidents were reported during the period under review.

8.0 FINANCIAL PERFORMANCE

The summary of financial performance for the reporting period July 2013–December 2013 is given below;

8.1 Operating Income (Table17)

The operating income as at end of December 2013 was Ushs.88.1 billion, against a budget of Ushs.94.4 billion, implying an achievement of 93%.

8.2 Operating Expenses (Table 17)

Overall operating expenses amounted to Ushs. 67.3 billion against the budgeted target of Ushs.72.8billion. This implies 92% of the budget was actually spent. In regard to staff costs as a percentage of operating expenses, staff costs accounted for about 39.8% or Ushs.26.8 billion.

8.3 Profitability (Table 17)

During the reporting period ending December 2013, operating profit before depreciation amounted to 20.8 billion against the budgeted amount of Ushs.21.6 billion (96% of the budget). While, profits after depreciation amounted to shs.10.5 billion against a budget of Ushs 10.6 billion.

Table 17: The Income and Expenditure Statement July 2013– December 2013 (Ushs.'000)

Item	Actual 2012/13	Actual July–Dec 2013	Budget July–Dec 2013	Actual as a % of Budget
INCOME				
Water Charges	123,170,807	64,591,843	68,402,400	94%
Sewerage Charges	26,407,400	13,456,049	14,228,159	95%
Service Charge	5,711,360	3,167,524	3,088,018	103%
Connection Fees	2,123,923	1,224,843	2,046,568	60%
Reconnection Fees	531,321	307,526	417,035	74%
Septic Tank Emptying / Discharge into Sewerage	264,057	124,114	124,722	100%
Fines	680,817	431,686	712,434	61%
Other Water & Sewerage Income	295,219	373,389	121,700	307%
Other Incomes	11,194,076	4,395,182	5,247,104	84%
TOTAL BILLED INCOME	170,378,980	88,072,156	94,388,138	93%
Government Grants		–	–	
TOTAL INCOME	170,378,980	88,072,156	94,388,138	93%
EXPENSES				

Item	Actual 2012/13	Actual July-Dec 2013	Budget July-Dec 2013	Actual as a % of Budget
Staff Costs	51,749,096	26,779,456	28,829,878	93%
Premises Maintenance	4,104,116	1,666,507	2,317,868	72%
Static plant & Pipe Network	41,086,089	22,667,533	24,112,425	94%
Transport and Mobile Plant	5,893,930	2,762,091	3,167,939	87%
Supplies & Services	13,973,147	6,823,404	8,202,495	83%
Administrative Expenses	13,536,920	6,472,943	6,026,214	107%
Financial Costs	218,277	111,445	141,139	79%
TOTAL EXPENSES	130,561,575	67,283,379	72,797,957	92%
OPERATING PROFITS(LOSS) BEFORE DEPRECIATION AND INTEREST(EBITDA)	39,817,405	20,788,777	21,590,181	96%
DEPRECIATION EXPENSES	19,592,114	9,745,652	10,486,625	93%
OPERATING PROFIT (EBIT)	20,225,291	11,043,125	11,103,556	99%
INTEREST CHARGES	1,274,171	513,550	513,550	100%
NET PROFIT BEFORE TAX	18,951,120	10,529,575	10,590,006	99%
Working Ratio -Ratio of Operating Costs(excluding depreciation)	0.82	0.81	0.82	

8.4 Statement of Financial Position (Table 18)

The total asset base during the period under review increased from Ushs 530.3 billion as at 30th June 2013 to Ushs 533.9 billion as at 31st December 2013. Whereas the current assets increased by 51.6 billion from 677 billion to 732 billion , current liabilities reduced by Ushs 8.0 billion from Ushs 30.9 billion as at 30th June 2013 to Ushs 22.9 billion at 31st December 2013. This is indication of strong liquidity position and solid business operations within the Corporation ,which increase accounts receivable and cash while keeping short-term liabilities in check.

Table 18: Statement of Financial Position as at 31st December 2013 (Ushs.'000)

ASSETS	31-Dec 2013 Ushs '000	30-Jun 2013 Ushs'000
Non-current Assets		
Property plant and equipment	455,357,050	464,985,878
Capital Works- in-Progress	78,264,088	64,988,429
Intangible assets	52,317	52,317
Operating lease prepayments	300,638	300,410
	533,974,093	530,327,034
CURRENT ASSETS		
Inventories	20,658,118	19,223,994
Trade and other receivables	103,170,994	98,414,763

ASSETS	31-Dec 2013 Ushs '000	30-Jun 2013 Ushs'000
Tax recoverable	2,465,431	2,375,630
Short term Bank deposits	14,682,509	14,598,415
Cash and bank balances	57,353,060	12,072,495
	198,330,112	146,685,297
TOTAL ASSETS	732,304,205	677,012,331
EQUITY AND LIABILITIES		
Equity and Reserves		
Government funding	250,447,766	249,455,313
Revaluation reserves	23,347,920	23,347,920
Retained earnings	111,030,797	100,501,720
	384,826,483	373,304,953
NON-CURRENT LIABILITIES		
Long term Debt	7,382,084	7,971,457
Service gratuity	-	-
Terminal Benefits	9,669,416	7,871,079
Deferred tax liabilities	32,121,279	32,121,279
Deferred income	275,402,109	224,831,330
	324,574,888	272,795,145
CURRENT LIABILITIES		
Trade and other payables	18,980,172	19,884,690
Deferred income	2,088,420	4,176,841
Borrowings	1,476,416	2,952,833
Service gratuity	-	2,697,868
Terminal benefits	357,826	1,200,000
	22,902,834	30,912,232
	732,304,205	677,012,330

8.5 Bank Balances (Table 19)

The total cash at hand and bank as at end of December 2013 more than doubled from Ushs 26.6 billion as at 30th June 2013 to Ushs.72.0 billion as at 31st December 2013. Of this, Ushs 14.7 billion (out of which Ushs 7.5 billion was from Non-Core Houses) was on fixed deposits accounts. The balance of Shs 57.3 billion was in other Corporation current accounts (Ushs 10.4 billion) and BOU project accounts (Ushs 46.9 billion).

Table 19: Fixed Deposits/Cash and Bank Balances s as at 31st December 2013 (UShs 000)

	12/31/2013	6/30/2013
FIXED DEPOSITS		
Crane Bank	2,991,104	2,991,104
Bank Of Africa	1,688,877	1,688,877
DFCU Bank	2,470,729	2,086,519

	12/31/2013	6/30/2013
	7,150,710	6,766,500
NON-CORE HOUSES		
Equity Bank	1,428,916	1,428,916
UBA	–	2,027,106
Orient Bank	1,019,548	–
Crane Bank	1,013,725	–
Equity Bank	1,969,885	1,969,885
BOA	2,099,725	2,030,655
	7,531,799	7,456,562
TOTAL FIXED DEPOSITS	14,682,509	14,223,062
CASH AND BANK BALANCES		
Cash at hand	–	–
Collection Accounts	4,808,237	2,446,097
Operational accounts	5,622,132	6,438,152
BOU accounts (Projects)	46,922,691	3,563,597
TOTAL CASH & BANK BALANCES	57,353,060	12,447,846
GRAND TOTAL	72,035,569	26,670,908

8.6 Creditors (Table 20)

The position of creditors increased from Ushs 16.7 billion as at 30th June to Ushs 18.5 billion as at 31st June 2013. Commitments have increased due to takeover of new towns.

Table 20: Creditor's Summary, December 2013(Ushs 000)

Description	12/31/2013	6/30/2013
Trade Suppliers	12,959,021	9,409,230
Umeme	2,600,880	3,056,684
Medical Bills	368,762	452,045
Telephone	97,083	134,396
Others	2,440,876	3,711,022
TOTAL	18,466,622	16,763,377

Table 21: Aged Creditors Summary December 2013, (Ushs'000')

Description	12/31/2013	0-30 days	30- 60 days	Above 60 days
Trade Suppliers	12,959,021	4,434,270	4,906,997	3,617,754
Umeme	2,600,880	2,600,880	–	–
Medical Bills	368,762	153,905	134,334	80,523
Telephone	97,083	68,204	28,879	–
Others	2,440,876	816,655	691,321	932,900
TOTAL	18,466,622	8,073,914	5,761,531	4,631,177

8.7 Debtors (Tables 22)

As at the end of the review period, the debtors position was Ushs 63.1 billion compared to Ushs55.0 billion as at 30th June 2013 which represents 15% growth in Arrears. See table 22, 23 and 24

Table 22: Trade Debtors/Arrears Summary by Area, December 2013(Ushs'000')

Area	Bal. As At 31/12/13	Bal. As At 30/06/13
Kampala	33,834,238	28,745,914
Jinja	6,458,031	5,849,071
Entebbe	4,585,310	3,886,168
Mbale	2,145,755	2,199,094
Tororo	1,265,475	1,228,868
Masaka	969,422	858,598
Mbarara	4,619,148	4,393,523
Lira	1,157,703	1,095,566
Gulu	2,076,325	1,689,657
Kasese	451,551	415,564
Fort portal	493,957	613,339
Kabale	431,911	387,369
Bushenyi	140,765	166,879
Soroti	903,018	824,941
Arua	575,118	508,776
Masindi	1,082,797	968,730
Mubende	631,736	602,768
Hoima	226,227	192,190
Lugazi	125,201	131,608
Iganga	297,430	252,110
Mityana	107,647	-
Kisoro	154,392	-
Kitgum	121,373	-
Nebbi	76,246	-
Pader	6,825	-
Luwero	78,234	-
Wobulenzi	45,590	-
Aduku	25,945	-
Apac	42,778	-
Total	63,130,150	55,010,731

Table 23: Debtors by Category, December 2013 (All Amounts in Ushs '000')

CATEGORY	Bal. As At 31/12/13	Bal. As At 30/06/13
Ministries	35,825,590	29,561,776
Parastatal	358,477	706,925
Institutions	2,510,895	2,866,470
Commercial	9,819,504	8,608,561

CATEGORY	Bal. As At 31/12/13	Bal. As At 30/06/13
Local Auth.	313,971	234,796
Domestic	14,301,713	13,032,203
Total	63,130,150	55,010,731

Table 24: Aged Debtors by Area, December 2013(All Amounts in Ushs '000')

Areas	180 Above	90–180 Days	0–90 Days	Total
Kampala	18,593,506	3,972,358	10,977,208	33,834,238
Jinja	3,083,295	1,066,107	2,579,000	6,458,031
Entebbe	1,594,306	867,474	2,031,032	4,585,310
Mbale	1,051,915	342,623	734,424	2,145,755
Tororo	978,400	204,720	349,328	1,265,475
Mbarara	2,941,021	935,316	1,633,820	969,422
Masaka	379,859	125,313	364,767	4,619,148
Lira	503,797	193,276	422,626	1,157,703
Gulu	1,080,003	452,129	644,129	2,076,325
Kasese	154,767	66,935	224,323	451,551
Fort portal	122,519	57,087	273,792	493,957
Kabale	115,069	53,794	210,703	431,911
Bushenyi	48,887	17,052	89,869	140,765
Soroti	427,759	98,593	311,469	903,018
Arua	289,933	48,234	197,508	575,118
Masindi	409,789	120,438	476,766	1,082,797
Hoima	66,873	23,612	122,003	631,736
Mubende	350,167	68,577	187,740	226,227
Lugazi	29,600	12,688	80,173	125,201
Iganga	110,631	7,810	153,239	297,430
Mityana	–	–	107,647	107,647
Kisoro	–	–	154,392	154,392
Kitgum	–	–	121,373	121,373
Nebbi	–	–	76,245	76,246
Pader	–	–	6,825	6,825
Luwero			78,234	78,234
Wobulenzi			45,590	45,590
Aduku			25,945	25,945
Apac			42,778	42,778
Total	32,332,096	8,734,136	22,063,917	63,130,150

8.8 Ration Analysis

From the table below, the following can be noted.

- The Corporation has current and quick ratio above (1) which is an indication that it is able to pay off its short term obligations.
- The ROCE is low. This is mainly attributed to the low tariff and the fact that most of the major investments have social component hence the low return on the investments.
- The Corporation has been able to reduce its creditor period from 43 days to 41 days.
- The debtor days have increased from 124 days to 144 days. This is mainly due to the high GOU arrears of Shs 35 billion out of the total arrears of Shs 63 billion.

8.9 Table 25: Ration Analysis

Ratio	As at 31/12/13	As at 30/06/13
Current ration	8.7	4.7
Quick ratio	3.1	4.0
ROCE(%)	2.9	2.0
Debtor days	120.7	124
Creditor days	41	43

9.0 PLANNING AND CAPITAL DEVELOPMENT PERFORMANCE

This Section presents the performance review and status of projects currently being implemented by the Corporation as at December 2013.

9.1 Kampala Sanitation Programme (KSP) Phase I, Lake Victoria Protection Project (LVP)

Project Objective: To ensure improvements in urban hygiene, sanitation and protection of Kampala's natural environment.

Project Scope: The project is being implemented in stages; LVP 1 (Immediate Works) and LVP 2 (Major Works).

i) Lake Victoria Project 1– LVP 1 (Immediate Works)

The immediate works include; Construction of Lubigi sewage and faecal sludge treatment plant (SFSTP), minor rehabilitation and extension of the sewer network, rehabilitation of the Bugolobi sewage treatment works (STW), and industrial effluent study. The Immediate Measures Project is packaged into two;

- a) Preliminary works involving Lubigi site preparatory works and Bugolobi STW rehabilitation works.
- b) Main works involving construction of the Lubigi SFSTP and the rehabilitation and extension of the sewer network.

Duration: 01/03/2011 to 31/04/2013

Consultant: Fichtner Water & Transportation in association with M&E Associates.

Contractor: Spencon Services Ltd

Funding Agency: KfW /EU/ and GoU/NWSC

Project Cost: Euros 14.0 Million

Project Status:

- Preliminary works were substantially completed.
- Main works which were expected to be completed in April 2013, however works were extended to 30th Aug.2013 and it is envisaged by end of Jan 31st 2014, 97% of the works shall be complete, the only outstanding works include; laying a pipe size of approximately 300mm and final touches on the man holes. It is envisaged that by 31st January 2014 all the pending works will be complete. Financial disbursement accounted for 88% completion or Euros 12.28Million had already been disbursed.

a) Lake Victoria Project 2 -LVP 11(Major Works)

Project Scope: The major works entail construction and operation of;

- Nakivubo Waste Water Treatment Plant (WWTP)
- Construction of Kinawataka Waste Water Treatment Plant
- Rehabilitation and extension of Nakivubo Sewer Network and Construction of Kinawataka Sewer Network.

Duration: 02/01/2012 to 31/07/2015

Funding Agency: KfW (Euros 10 Million), AfDB (Euros 38 Million) and Government of Uganda/NWSC (Euros 36 Million)

Project Cost: Euros 84 Million.

Consultant: Lahmeyer GKW Consult (previously *Poyry Environment GmbH*) in association With PEC.

Contractor: OTV/CEMENTERS/ROKO Consortium

Project Status:

i. Nakivubo Waste Water Treatment Plant

- The site was changed from Nakivubo to Bugolobi as a new site due to unsuitable underground soil conditions at the original site.
- All necessary approvals for the contract Addendums for the site relocation have been signed. The works are expected to be completed within 7 months.
- The reviewed contract amount is now Euro 50.8 Million.

ii. Kinawataka Waste Water Treatment Plant;

- The tender for KWWTP was cancelled due to budgeting constraints; the consultant is currently reviewing the original scope.

iii. Nakivubo and Kinawataka Sewers;

- A contract with Sogea Satom signed on the 12th December 2013 amounting to Euros 25,197,140.77. An advance payment of Euro 5,039,428.15 was processed equally from both KfW and GOU. Work is expected to last approx. 548 days.

9.2 Kampala Water Lake Victoria WATSAN Project

Project Objective: The project aims at addressing water supply challenges in greater Kampala metropolitan area.

The key project objectives include;

- Improving water supply reliability through rehabilitation of Gaba I & II treatment works
- Restructuring of the Kampala water distribution network
- Construction of a new treatment plant in Katosi (East of Kampala)
- Construction of satellite reservoirs, and non-revenue water reduction, among others.

Duration: 28/04/2011 to 31/12/2017

Funding Agency: KfW/ EIB/ AFD /EU Infrastructure Trust Fund and GoU/NWSC

Project Cost: Euros 212 Million (KfW Euros 20m ,EIB Euros 75m, AFD Euros 75m, EU-ITF Euros 8m & GoU/NWSC Euros 34m)

Project Scope: For purposes of simplifying implementation, the project is packaged as follows;

- **Package 1:** Immediate measures involving minor works at Gaba I& II and water network.
- **Package 2:** Water network modeling& master planning, and re-zoning and extension
- **Package 3:** Gaba refurbishment and optimization
- **Package 4:** Katosi water treatment plant and Water quality monitoring
- **Package 5:** Improvement of water supply and sanitation in the informal settlements
- **Package 6:** Accompanying measures including asset management, and capacity building

Project Status: Total amount disbursed equal to Euros 4.2m as at 31st December 2013.

A total of Euros 8,000,000 under the second tranche from KfW (2,000,000), EIB (3,000,000) and ADB (3,000,000) was disbursed to our bank of Uganda Euro account for the WATSAN project.

The procured vehicles were all delivered a station wagon already paid, while payment for the three pickups is being processed.

i) Package 1&3, Refurbishment of Gaba & Limited Network Improvements.(Est.cost Euros 30m)

- **Consultant:** CES Salzigiter in association with CODA & partners, contract sum Euros 934,765, of which Euros 412,620 meant for phase 1 (lump sum based) of the contract all paid.
- A contract for the works was signed on the 29th November 2013, with Sogea Satom amounting to Euros, 31,876,368 for 18 months. And an advance payment is being processed amounting to Euro 5,651,957.58 from the BOU account.

‘ii) Package 2: Water Network Modeling & Master Planning, Re-zoning & Extension. (Est.cost Euros 118.65 million)

- The consultant Fichtner Water & Transport GmbH provided an inception report.

‘iii) Package 4: Katosi Water Treatment Plant and Water Quality Monitoring. (Estimated cost Euros 29.30 million)

- A consultancy contract with BRL Ingenierie S.A was signed on the 29th November 2013 amounting to Euros 918,103 for a contract period of 24 consecutive months from the date of commencement. Awaiting their advance payment invoice.

10.0 Disbursed Euros 7,425 to David Baker for Consultancy as the final payment.

‘iv) Package 5: Improvement of Water Supply and Sanitation in the informal settlements. (Estimated cost Euros 10million)

- A consultancy contract with Fitchner was signed on the 29th November 2013 amounting to Euros 499,313. Work expected to begin in February 2014.

‘V) Package 6: Accompanying measures including asset management, and capacity building. (Estimated cost 16 million)

- Terms of Reference were redrafted and resubmitted to the development partners for review.

9.3 Uganda Water Management and Development Project (UWMDP)

Project Objective: To improve water supply and sewerage services in Arua, Gulu, Mbale and Bushenyi.

Duration: 01/01/2013 to 31/12/2018

Project Funding: World Bank

Project Cost: US dollars 55 million

Project Status:

- Bank Accounts in UGX & USD were opened in Bank of Uganda.
- Within the quarter we received USD 6,163,442 on the USD account for this project.
- The design and bidding documents for Arua done by Guaff are complete awaiting bank approval and this will be followed with the signing of a consultancy contract with Fitchner approximately Euros 1,115,534.

- For the towns of Mbale, Bushenyi and Gulu, the process is at Technical evaluation report stage.

Financial Modelling and Minimum Cost Investment Analysis

This is part of the UWMDP and its undertaking was a WB pre-condition for signing the funding agreement for the UWMDP. The work was to assist NWSC in:

- Predicting the impacts of capital investment projects on its cash flows.
- Sequencing of capital investments in accordance to minimum investment cost planning criteria (i.e. the planning that gets the best value for each unit of money invested).

Duration: 16th August 2013

Project Funding: World Bank

Project Cost: US dollars 227,000

Project Status:

- A contract No. NWSC/HQ/SRVCS/11-12/157553 was signed with NIRAS A/S International Consulting on the 16th August 2013 and all the four expected certificates have been received three of which paid with exception of the fourth and final certificate which is being processed.

9.4 Gulu Water Supply Project, Emergency Works Stage 2– Additional works

Project Objective: The emergency works were a stop-gap measure to improve water supply in Gulu town while funds are being sought for implementation of the major scope.

Project Scope: It involved improvements to the pipe work at the water treatment plant and improvements to the existing distribution network.

Consultant: Gauff consultants in association with M&E Associates

Contractor: Zhonghao Overseas Construction Company Ltd,

Project Cost: Ushs.8.4 billion.

Funding Agency: GoU/NWSC

Status:

- The additional works were substantially completed.
- The final certificate is yet to be submitted by the Contractor, the major outstanding snag involving repair of concrete tank leaks was completed in December 2013, and defects liability certificate issued to contractors. The final certificate is expected next quarter.

9.5 Bushenyi Water Supply Project, Immediate Measures Stage II

Project Objective: The project is aimed at addressing the immediate water needs of Bushenyi Town.

Project Scope: It involved intake modifications at Nyaruzinga water works and water supply extension to Kyamuhunga and groundwater investigations.

Consultant: Kagga& Partners.

Contractor: Vambeco Enterprises Ltd

Project Cost: Ushs. 2.67 Billion

Funding Agency: NWSC

Project Status:

- The Project was completed in December 2013 and all the snags had been fixed. The completed works were handed over to the NWSC – Bushenyi in December 2013.
- The final certificate, completion report and as built drawings are yet to be submitted by the Contractor.

9.6 Soroti Intake Redevelopment Project

Project Objective: To secure water abstraction for Soroti water supply system through the construction of the new intake.

Project Cost: Ushs.5.14 Billion

Consultant: ILISO Consulting

Project Status:

- The Consultant is finalizing the design report and tender documents for the new intake.
- Procurement of works contractor is being finalized, contracts negotiations were successfully held and minutes are to be presented to the contracts committee next quarter, contract signing is anticipate in February 2014.

9.7 Buloba Water Supply Project

Project Objective: To extend and improve water supply to Buloba and the surrounding areas.

Project Cost: Ushs.8.2billion

Contractor: M/s Zhonghao Overseas Ltd for a period of 12 month and contract was signed 18th April 2013.

Project Status:

- The second invoice for the works was received and submitted to the ministry for payment amounting to Shs 1,157,586,055 on 19th December 2013. Cumulatively a

total of Ushs 5.4 million is deemed to have been paid which represents 66% of the original contract value.

- Two invoices for consultancy from BEC Engineers were received amounting to Ushs 12.3 million already paid by NWSC and 20.3 Million awaiting payment.

9.8 Kampala Urban Pro-poor Project, Kawempe

Project Objective: The project is aimed at addressing the sanitation needs and challenges of the urban poor residing in the informal settlements of Kawempe Division Kampala.

Project Scope: To construct 56 toilets.

Project Cost: Ushs. 1.436 million

Project Status: The Project was completed and toilets handed over to the Community for use. A project variation order was signed on the 30th December 2013 worth Shs. 101,241,644m and extending the contract period to 28th February 2014.

10.0 AUDIT DIVISION PERFORMANCE

In keeping track of the Governance and Transparency indicator, Audit reviewed Areas' response to audit queries for the period July to December 2013.

During year 3 of the PACE contract; a number of recommendations were made to management. The average performance with regard to actions taken by management in attending to these audit recommendations was at 81.25% as of 28th January 2014. The performance detailed in the table below is for the actions or responses as at the 31st January 2014.

The Towns of Masindi Area and the 5 Areas NWSC acquired during the period under review were not visited. However, these Areas shall be visited by the end of the financial year as per the Division's annual plan.

Table 24: Showing Individual Area Performance

Area	Total number of recommendations made	Number acted upon	Percentage	Target
	No	No	%	%
Mbarara	38	28	73.68%	100.00%
Entebbe	39	33	84.62%	100.00%
Kampala	54	36	66.67%	100.00%
Masaka	14	12	85.71%	100.00%
Jinja	92	67	72.82%	100.00%
Mbale	35	27	77.14%	100.00%
Lira	28	25	89.28%	100.00%
Kabale	16	15	93.75%	100.00%
Gulu	27	24	88.88%	100.00%
Arua	28	24	85.71%	100.00%
Soroti	40	37	92.50%	100.00%
Tororo	20	12	60.00%	100.00%
Fort Portal	65	53	81.53%	100.00%
Kasese	65	53	81.53%	100.00%
Masindi	00	00	00.00%	100.00%
Iganga	32	29	90.62%	100.00%
Lugazi	19	18	94.73%	100.00%
Hoima	30	25	83.33%	100.00%
Mubende	17	17	100.00%	100.00%
Bushenyi	23	21	00.00%	100.00%
Kisoro	00	00	00.00%	100.00%
Mityana	00	00	00.00%	100.00%
Kitgum/Pader	00	00	00.00%	100.00%
Nebbi	00	00	00.00%	100.00%
Total	682	556	81.52%	100.00%

The following were among the key pending issues in most of the NWSC operational areas

- Delayed payment of creditors

- Fencing and pursue titles for all land and property to avoid encroachers
- Delayed payment of creditors
- Failure to meet new connection targets by areas
- Follow up banks to ensure posting of receipts missing on interface, reconciling of all payments and updating the billing system, proper assessment of annualized incomes for 2012/2013 and submission of taxes to URA and reduction of actual water bills for staff in Corporation houses monthly in Kampala Area.

The above 5 new towns of Kisoro, Kitgum, Nebbi, Mityana and Pader were not visited during the period under review.

11.0 CHALLENGES AS AT DECEMBER 2013

The following were the challenges that the Corporation encountered during the period under review;

11.1 Dry zones

The dry zones are still a challenge in some areas especially in Kampala where pressure problems continue to manifest as a result of the hilly terrain and an aged pipe infrastructure. The Areas most affected include some parts of Kawempe, Mpererwe, Namugongo, Lubowa, Sseguku, Kyengera, Gayazza and Nansana. The dry zones are mainly caused by low pressure caused by the old and poor network system. It is envisaged that the problem will be solved with the implementation of Kampala Lake Victoria Water and Sanitation Project (KW LVWATSAN), whose implementation has kicked off.

11.2 Non–Revenue Water

The aged pipe network has also impinged on our ability to drastically curb the loss of water, which stands at about 36%.

11.3 Accumulation of Arrears

The arrears status as at 30th December 2013 was Shs 63.1 billion out of which Government Arrears were Shs 35.8 billion, accounting for 57%, while Domestic arrears were Shs 14.1 billion, accounting for 22%. The high level of arrears is mainly attributed to limited commitment by the Government to make adequate budgetary provision for water bills which leads to accumulation of arrears and consequently affecting the Corporation cash flow. The constrained cash flow explains low Capex performance.

11.4 Limited Infrastructure for Expansion

The ever increasing demand for water, buoyed by fast growing construction industry, created a need for extensions beyond our mandated service boundaries. Whereas this demand presents us an opportunity to grow business, the existing infrastructure cannot adequately support it.

11.5 Taxation

11.5.1 Uganda Revenue Authority (URA)Tax liability

Following a comprehensive audit carried out by Uganda revenue authority for the period 2005–2009, Shs 20.5 billion was assessed as a tax liability due from National Water and Sewerage Corporation. The Corporation has since settled principle VAT tax liability and remained with Shs 20.15billion. This amount comprises Shs 17.45 billion assessed

tax liability on interest accruing from Shs 85 billion loan that was converted to equity following a parliamentary resolution of 14th February 2008, and Sh.2.7 billion that relates to VAT claimed on civil works. The Corporation objected the assessment of the tax liability due and the matter was referred to the High Court and the ruling was in favour of the NWSC. However, URA appealed to the court of appeal and should the court ruling be not in favour of the Corporation, this will have an adverse impact on the cash flow.

11.5.2 Tax Receivable

The high level of Government arrears is exacerbated by the big sums of Tax receivables which as at 31/12/2012 amounted to Shs 7.285 billion, out of which Shs 1.65 billion was as a result of withholding tax on interest earned on fixed deposits and Shs 5.63 billion was in form of VAT receivable.

11.6 Electricity

The intermittent power supply in some parts of the NWSC operational areas, especially in western and northern Uganda still adversely affects water production and supply, hence impinging service delivery in the affected areas.

12.0 WAY FORWARD

In line with the NWSC Strategic Direction 2013 – 2018, the Corporation is to focus on the following key areas in the next 6 months. These are in line with the 4 Balance scorecard perspectives.

- ii. **Business Processes and Growth** → The Corporation will continue with the key project activities that are ongoing including; the major donor funded projects, the projects funded from internal sources, activities to improve water supply reliability and reduce water losses, and activities to improve collaboration with other stakeholders so as to efficiently harness existing water resources. In line with this, the Corporation will launch an **infrastructure Service Delivery mains extension programme** aimed at ensuring the objective of water supply accessibility and reliability are attained (**see annex 1**). The NWSC will also continue with the process of takeover of Towns in order to enhance synergies and coverage with the Urban Centres.
- iii. **Customer Perspective** → In line with ensuring improved interface with customers, the Corporation will upgrade its Customer Call Centre, and enhance Customer engagement at all levels.
- iv. **Finance Perspective** → In regard to enhancing the financial performance of the Corporation key activities to be undertaken in the next 6 months include expanding the network and improving supply reliability, undertaking of an arrears reduction programme, strengthening of Non-Revenue Water reduction squads, development of concept papers for resource mobilisation and diversification of NWSC resources through External Services and other sources.
- v. **Learning and People perspective**→ in line with this perspective, the Corporation will restructure the Corporation to enhance staff productivity and rationalise costs. This will be supplemented by staff capacity building programmes and Research and Development activities.
- vi. **Infrastructure Service Delivery mains extension programme (Annex 1)**

One of the key focus areas for the Corporation in the next five years is to carry out network expansion and intensification to increase service coverage (people accessing NWSC water and sewerage services) from the current level of 77% to 100%. The initial efforts of operationalizing the Five Year Strategic Direction are being realized through a tactical programme codenamed “**STEP-UP 90**” programme that was launched for all the Areas. As part of the STEP-UP 90 programme, the Corporation in the next six months will undertake extensive network expansion and water supply intensification initiatives in all its Areas as summarized below.

- vii. **Non-Revenue Reduction Action Plan:** A series of meetings were held with areas and Area Non-Revenue Reduction Action Plans were prepared. Effective implementation of these plans was piloted in Jinja area which is one of the most affected areas. This will be rolled over to the rest of other areas before end of February 2014. The action plans entail the following key interventions:
- Replacement of bulk meters, faulty meters and 7 years and above old meter
 - Closely monitoring big consumers and accounts with registered declining and zero consumption
 - Effective disconnections of suppressed accounts
 - Installation of bulk meters
 - Hold routine follow up meetings to track progress on implementation of Area Non-Revenue Reduction Action Plans.
- viii. **Strategies aimed at increasing Revenue/Billings.** Under the framework of the Six Months Action Plan, the following undertakings will be implemented to improve the level of billings.
- Address the issue of commercial losses, illegal sewers, meter bypasses, defective /under registering meters , unbilled sewers and illegal plumbers through Creation of revenue protection Units , village water teams and a data base for illegal users
 - Increase pumping where possible, water rationing and efficient water distribution regimes in areas. This will increase our ability to supply enough water to satisfy customer demands and eliminate the need for alternative water sources
 - Create and enforce the work of main patrol teams to monitor the network and repair leakages immediately
- ix. Carry out area specific programs to curb down the growing arrears and this will entail rolling out the SARAR program– Suppressed Accounts and Arrears Reduction program to all areas

The above activities will be underlined by programmes aimed at enhancing service delivery to the customers. Key undertakings over the next 6 months will be monitored to ensure that implementation of the planned programmes are not compromised. Furthermore, with the takeover of more towns, the Corporation will ensure that these towns are able to quickly break even, through streamlining and enhancing of their operations.

ANNEX 1:

NATIONAL WATER AND SEWERAGE CORPORATION- INFRASTRUCTURE INTERVENTIONS TO BOOST WATER SUPPLY AND SEWERAGE SERVICES: PERIOD JANUARY-JUNE 2014

ANNEX 1 A: Water Mains Extension: January-June 2014

i. Kampala Water mains extension/Network Interventions for the period: January-June 2014

#	Dry zone	Distance (metres)	Areas to benefit
1.	Mutundwe hill	2,100	Wankulukuku booster-Mutundwe hill
2.	Lugoba hill	700	Lugoba hill top
3.	Kololo ¹	700	Kololo Booster -Kololo hill and surrounding areas
4.	Lubugumu/Ndejje	2,000	Ndejje/Lubugumu
5.	Kira – Kasangati road	1,500	Kira round bout – Kasangati road
6.	Bulindo/Mulawa	1,500	Kira Roundabout- Mulawa/Bulindo/Kiwologoma
7.	Luthuli Avenue	2,000	Replace old 6” GI pipe to improved service reliability along Luthuli Avenue, Bugolobi
8.	Kitebi	1,000	Along Wamala road towards Bunamwaya, Kitebi
9.	Bukerere road - Seeta	1,500	Bukerere - Seeta road
10.	Kirinya - Bukasa	6,100	Kirinya, Kirinya-Bukasa
11	Miscellaneous extensions	30,000	Various areas in Kampala Water Branches

ii. Other NWSC Areas, Water Mains Extension for the period: January-June 2014

	Area	Distance (metres)	Beneficiaries/Areas of extension
1	Arua	2,950	Mvara Ociba Congo, Mvara Secondary-Congo one, Euata-Kuluva By-Pass, Gili Gili road
2	Bushenyi	33,500	Rukunjiri Road, Numpa road , Katonya Road, Kitakuuka, Nyabwina, Rugyeyo, Nyadozo, Ibal e II Trading centre , Kigarama, and Nyamizi
3	Entebbe	7,750	Kitooro road from Upland Supermarket,Kiwamirembe,Kitende B – Kawoto, Lutembe beach road, Manyago road, Buzzi, Westminster, Lugonjo road, Mpala Katuba, Avocado line,
4	Fort portal	5,500	Kijura road in Rwengaju, Kyamasongi, Kijura Rd, Kyakaigo, Bukwali and Kasese road
5	Gulu	3,000	Ocan Ben road in Olayilong, Ojok Jovani Rd Kasubi, Wi aworanga Lacor, Layibi market, Alokolum Rd Cereleno Area,
6	Hoima	10,100	Kyarwabuyamba, Mandela SS to King SS,Kikwete, Karegete road, Fort Portal road, Kigaragara, Kampala road, Kyarwabuyamba, Harvard road, Kizige road, Kasingo
7	Iganga	9,500	Buseyi, Bugumba Nampirika, Bugumba, Nakigo, Iganga market
8	Jinja	9,500	Ntinda Rd, Budumbuli located in Bugembe town council, Bujagali, Malindi, Mpummude along Kateyamba Rd, Mafubira along Sakabusolo Rd, Mafubira along Sakabusoro Rd,
9	Kabale	6,800	Kagarama, Bubare sub-county, Nyamiyaga in Bubare sub county, Kengoma/Kitojo, Kitumba, Kigirime, Kyanamire, Nyamiyaga, Nyarushabara, Lake Bunyonyi

	Area	Distance (metres)	Beneficiaries/Areas of extension
10	Kasese	7,000	Replacement of Gravity Transmission Main from water works to Kasese Town to increase water supply in the whole of Kasese town.
11	Lira	6,500	Camp David, Adekokwok, Telela Omito, Mains extensions, Intensifications
12	Lugazi	9,400	Nkoko, Kitega, Kikaula, Nakazadde and Kinyoro, Nkoko, Kyanja, Kikaula, Kitega, Nakazadde and Kinyoro, Interconnection of Mukono line
13	Masaka	8,400	Buggya to Kayijja, Villa Maria to Kakunyu, Buggya to Kayijja, Kisoso
14	Masindi	5,000	Kisarabwire, Kihande, and Kihuuba, Kisarabwire
15	Mbale	8,000	Musoto, Busamaga, Namatala, Maluku, Wanale
16	Mbarara	16,500	Makenke- Biharwe, Koranorya, Karugangama, Bunutsya 2, Kakiika, Bunutsya 1, Katojo and Ngara,
17	Mubende	7,200	Kibyayi Trading center, Bakijulula, Biwanga, Caltex
18	Soroti/Kaberaido	3,300	Amen A, Orwadai, Okrut close, Lalle road,
19	Tororo/Malaba	8,500	Tororo Air strip, Kwapa Rd near St. Benedictine Tech Inst and along Kapinya Rd, Kapinya, Kwapa, Air field- Nyagongera
20	Kisoro	4,000	Kashinje, Nyakabande to Nyirangakoro
21	Pader	1,500	District road, Pader Hotel, Red cross,
22	Nebbi	17,000	Omyer, Nyaravur
23	Mityana	15,000	Busubuzi, Nama, St. Mauritius secondary school and the surrounding area
24	Luwero	2,000	Kikubajinja, Kasana, Kalongo, Mabanda
25	Wobulenzi	2,000	Katikamu, Kisawe, Bukalasa
26	Apach/	2,000	Apokoro-Police station, along Apokoro road
27	Aduku	2,000	Aduku-Apach road and the surrounding areas
28	Paidha	2,000	Paidha-Goli Trading centre

ANNEX1 B: Sewer Mains Extension: January-June 2014

Area	Total Length (metres)	Beneficiaries
Kampala	2,975	Makerere/Sir Apollo Kaggwa, Kira road Tuffnel drive, Kabalagala Trading centre, Ntinda Trading Centre, and Naguru Katali
Jinja	500	Walukuba west along Kyabazinga Rd
Masaka	170	Blessed Sacrament SSS
Tororo	1,100	Tororo Hospital
Gulu	1,000	Ogwor Aru road
Mbale	1,000	Namatala
Lira	1,300	Central Division- Teso Bar and Ayer road
Iganga	500	Bikhado Sewer Mains
Total	8,545	

ANNEX 1C: Other Planned Infrastructure Interventions: January- June 2014

	Area	Intervention
1	KAMPALA METROPOLITAN	<ul style="list-style-type: none"> Installation of booster stations in Ndejje, Mutundwe, Lugoba Drilling of 6 production wells/boreholes in: Gayaza (2 wells), Sonde (2 wells), wakiso (2 wells) Commission pipe work and pump units for Lugoba, Ndejje and Mutundwe and carry out reticulation of distribution system Completion of construction works for Buloba Water supply Project Commencement of construction works for KW-LV Watsan (Package 1&3: Refurbishment of Gaba 1 & II and water network interventions)

	Area	Intervention
		<ul style="list-style-type: none"> • Substantial completion of Lubiji Sewerage System, under Kampala Sanitation program • Commence the construction of Bugoloobi Waste water treatment Plant under the Kampala Sanitation Programme • Kampala Sanitation Programme Sewer Network– complete site office and commencement of construction works
2	Jinja / Njeru	Installation of a high capacity pump at Bugembe Booster station, Repair /overhaul Masese low lift and high lift pump, Supply of Generator
3	Tororo	Install a new raw pump set, Install overhauled standby power Generator for the Water works.
4	Mbale	Repair of Bunkhoko and Nakaloke booster, Installation of a standby Generator for Manafwa water works
5	Mbarara	Installation of a new pump delivered by the Ministry of Energy, Installation of a 75 KW motor
6	Kasese	Replacement of 7 KM of Gravity Transmission Main from water works to Kasese Town, Drilling of 2 production wells in Mobuku –Kasese
7	Fort Portal	Installation of a booster station at Kyegobe to serve Gweri, Kamwenge Road: Harubaho, Ibaale, Kanyambeho, Construction of 30No. PSPs for the urban poor
8	Arua	Installation of 2 booster pumps and re-instatement of additional high lift and raw water pumps
9	Hoima	Drilling of 2 new production wells, Carry out automation of all boreholes in Hoima service area and re-drill and install borehole pumps at borehole sites
10	Mubende	Install a standby pump at Katoma water treatment plant, Install a high lift pump for Katoma and deepen boreholes:1,2 &3
11	Lugazi	Drilling of 2 production wells/Boreholes
12	Mityana	Repair of backwash , pre-chlorination and dosing pumps for Mityana water works system
13	Kisoro	Installation of a standby high capacity booster pump at Tank hill, a standby power Generator for intake pumping station and a standby high capacity pump for intake pumping station
14	Kitgum	Re-instate functionality of boreholes in Kitgum service area
15	Nebbi	Installation of a standby raw water pump
16	Apach	Overhaul borehole pump, replace motor for the hospital borehole and repair reservoir bulk flow meter
17	Luwero	<ul style="list-style-type: none"> - Drilling of 2 production wells/bore holes - Install a high lift pump at the tank house
18	Wobulenzi	- Sink 2 boreholes borehole of 17 cum per hour at Katikamu
19	Soroti	Install a booster station in Atuboi

ANNEX 2:

Area by Area Income Statements for the Period July -December 2013(Us\$'000)

HEADQUARTERS					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	-	-	-	0%	100%
Sewerage Services	-	-	-	0%	100%
Service Charge	-	-	-	0%	100%
Connection Fees	-	-	-	0%	100%
Reconnection Fees	-	-	-	0%	100%
Septic Tank Emptying / Discharge into Sewers	-	-	-	0%	100%
Fines	-	-	-	0%	100%
Other Water & Sewerage Income	-	-	-	0%	100%
Other Incomes	363,783	2,521,104	3,748,381	14%	86%
External service income	-	-	-	0%	0%
TOTAL OPERATING INCOME	363,783	2,521,104	3,748,381	14%	86%
GOU GRANTS					
TOTAL INCOME	363,783	2,521,104	3,748,381		100%
OPERATING EXPENSES					
Staff costs	1,572,840	7,562,601	7,105,772	106%	-6%
Premises Maintenance	34,998	416,621	647,811	64%	36%
Static Plant & Pipe Network	117,370	2,473,573	1,364,508	181%	-81%
Transport & Mobile Plant	32,247	439,087	657,636	67%	33%
Supplies & Services	131,077	1,139,146	2,199,161	52%	48%
Administrative Expenses	706,296	2,992,098	3,691,642	81%	19%
Financial Costs	1,675,140	9,791,469	289,999	>100%	<0%
TOTAL OPERATING EXPENSES	4,269,968	24,814,595	15,956,529	17%	83%
OPERATING PROFIT (LOSS)	-3,906,185	-22,293,491	-12,208,148	18%	82%

KAMPALA WATER AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	6,877,613	42,552,423	44,161,851	16%	84%
Sewerage Services	1,688,722	9,782,614	10,358,946	17%	83%
Service Charge	329,016	1,917,575	1,815,180	17%	83%
Connection Fees	96,766	637,754	1,135,316	15%	85%
Reconnection Fees	31,531	239,020	349,225	13%	87%
Septic Tank Emptying / Discharge into Sewers	15,916	111,653	98,325	14%	86%
Fines	59,155	320,205	663,973	18%	82%
Other Water & Sewerage Income	67,472	468,283	107,338	14%	86%
Other Incomes	3,822	18,953	15,500	20%	80%
TOTAL OPERATING INCOME	9,170,013	56,048,480	58,705,654	16%	
OPERATING EXPENSES					
Staff costs	2,450,053	10,548,443	12,435,773	23%	77%
Premises Maintenance	87,630	741,806	849,216	12%	88%
Static Plant & Pipe Network	1,886,073	12,817,468	14,884,309	15%	85%
Transport & Mobile Plant	156,322	1,330,897	1,436,793	12%	88%
Supplies & Services	540,655	4,126,792	4,631,398	13%	87%
Administrative Expenses	225,677	1,394,576	1,125,750	16%	84%
Financial Costs	6,098	37,599	26,110	16%	84%
TOTAL OPERATING EXPENSES	5,352,508	30,997,581	35,389,349	17%	83%
OPERATING PROFIT (LOSS)	3,817,505	25,050,899	23,316,305	15%	85%

ENTEBBE AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	634,232	4,171,898	4,118,459	15%	85%
Sewerage Services	69,400	511,103	459,021	14%	86%
Service Charge	35,511	208,585	194,069	17%	83%
Connection Fees	14,223	91,611	138,028	16%	84%
Reconnection Fees	4,193	17,169	22,422	24%	76%
Septic Tank Emptying / Discharge into Sewers	254	534	360	48%	52%
Fines	2,396	13,080	10,650	18%	82%
Other Water & Sewerage Income	2,442	10,714	75	23%	77%
Other Incomes	434	4,481	250	10%	90%
TOTAL OPERATING INCOME	763,085	5,029,175	4,943,334	-15%	115%
OPERATING EXPENSES					
Staff costs	311,182	1,098,183	1,061,373	28%	72%
Premises Maintenance	7,382	78,461	105,340	9%	91%
Static Plant & Pipe Network	149,520	956,850	931,170	16%	84%
Transport & Mobile Plant	21,205	133,643	113,887	16%	84%
Supplies & Services	18,914	147,481	144,492	13%	87%
Administrative Expenses	19,706	120,872	101,347	16%	84%
Financial Costs	333	2,150	1,800	15%	85%
TOTAL OPERATING EXPENSES	528,242	2,537,640	2,459,409	21%	79%
OPERATING PROFIT (LOSS)	234,843	2,491,535	2,483,925	9%	91%

JINJA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	630,226	3,463,617	4,221,726	18%	82%
Sewerage Services	220,655	1,280,123	1,370,844	17%	83%
Service Charge	25,485	151,276	138,270	17%	83%
Connection Fees	7,796	62,762	86,007	12%	88%
Reconnection Fees	690	6,086	1,720	11%	89%
Septic Tank Emptying / Discharge into Sewers	169	1,543	2,500	11%	89%
Fines	1,988	31,124	6,250	6%	94%
Other Water & Sewerage Income	2,492	10,108	-	25%	75%
Other Incomes	1,230	16,209	38,510	8%	92%
TOTAL OPERATING INCOME	890,731	5,022,848	5,865,827	18%	82%
OPERATING EXPENSES					
Staff costs	195,226	1,005,282	1,232,061	19%	81%
Premises Maintenance	11,867	88,904	106,669	13%	87%
Static Plant & Pipe Network	191,718	1,084,717	1,205,537	18%	82%
Transport & Mobile Plant	18,914	126,817	141,974	15%	85%
Supplies & Services	16,995	108,587	105,505	16%	84%
Administrative Expenses	45,597	166,725	174,319	27%	73%
Financial Costs	311	1,699	1,500	18%	82%
TOTAL OPERATING EXPENSES	480,628	2,582,731	2,967,565	19%	81%
OPERATING PROFIT (LOSS)	410,103	2,440,117	2,898,262	17%	83%

MBALE AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	211,394	1,389,741	1,574,243	15%	85%
Sewerage Services	61,774	417,561	483,524	15%	85%
Service Charge	13,887	83,315	86,184	17%	83%
Connection Fees	6,591	33,674	50,743	20%	80%
Reconnection Fees	1,050	6,230	3,944	17%	83%
Septic Tank Emptying / Discharge into Sewers	50	743	1,728	7%	93%
Fines	86	4,776	1,991	2%	98%
Other Water & Sewerage Income	460	2,299	1,750	20%	80%
Other Incomes	-	900	2,563	0%	100%
TOTAL OPERATING INCOME	295,292	1,939,239	2,206,670	15%	85%
OPERATING EXPENSES					
Staff costs	99,411	603,004	709,419	16%	84%
Premises Maintenance	3,833	25,028	42,095	15%	85%
Static Plant & Pipe Network	93,802	504,644	601,185	19%	81%
Transport & Mobile Plant	9,065	61,785	74,176	15%	85%
Supplies & Services	22,499	166,113	105,349	14%	86%
Administrative Expenses	18,776	93,581	83,468	20%	80%
Financial Costs	287	1,063	1,500	27%	73%
TOTAL OPERATING EXPENSES	247,673	1,455,218	1,617,192	17%	83%
OPERATING PROFIT (LOSS)	47,619	484,021	3,234,384	10%	90%

TORORO AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	99,108	662,181	702,371	15%	85%
Sewerage Services	6,643	50,990	49,162	13%	87%
Service Charge	5,911	35,669	37,488	17%	83%
Connection Fees	4,875	24,916	15,264	20%	80%
Reconnection Fees	830	3,555	2,449	23%	77%
Septic Tank Emptying / Discharge into Sewers	90	1,001	460	9%	91%
Fines	220	2,040	2,100	11%	89%
Other Water & Sewerage Income	1,325	4,669	150	28%	72%
Other Incomes	222	2,319	1,060	10%	90%
TOTAL OPERATING INCOME	119,224	787,340	810,504	15%	85%
OPERATING EXPENSES					
Staff costs	49,844	262,866	308,974	19%	81%
Premises Maintenance	7,441	29,455	29,832	25%	75%
Static Plant & Pipe Network	62,211	385,589	326,469	16%	84%
Transport & Mobile Plant	39	24,806	35,656	0%	100%
Supplies & Services	23,853	137,658	111,855	17%	83%
Administrative Expenses	12,690	88,362	67,814	14%	86%
Financial Costs	104	653	550	16%	84%
TOTAL OPERATING EXPENSES	156,182	929,389	881,150	17%	83%
OPERATING PROFIT (LOSS)	-36,958	-142,049	-70,646	26%	74%

MASAKA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	208,976	1,331,080	1,298,491	16%	84%
Sewerage Services	30,024	186,516	188,151	16%	84%
Service Charge	12,719	74,760	70,486	17%	83%
Connection Fees	8,286	61,418	64,260	13%	87%
Reconnection Fees	1,492	6,813	7,700	22%	78%
Septic Tank Emptying / Discharge into Sewers	93	822	900	11%	89%
Fines	684	7,907	2,832	9%	91%
Other Water & Sewerage Income	928	4,321	4,759	21%	79%
Other Incomes	900	6,269	5,400	14%	86%
TOTAL OPERATING INCOME	264,102	1,679,906	1,642,979	16%	84%
OPERATING EXPENSES					
Staff costs	126,231	558,272	524,628	23%	77%
Premises Maintenance	3,623	16,284	24,658	22%	78%
Static Plant & Pipe Network	107,256	554,403	514,011	19%	81%
Transport & Mobile Plant	4,485	39,366	46,355	11%	89%
Supplies & Services	36,732	192,530	146,492	19%	81%
Administrative Expenses	13,144	82,147	66,025	16%	84%
Financial Costs	220	1,044	1,333	21%	79%
TOTAL OPERATING EXPENSES	291,691	1,444,046	1,323,502	20%	80%
OPERATING PROFIT (LOSS)	-27,589	235,860	319,477	-12%	112%

MBARARA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	418,814	2,702,509	2,780,598	15%	85%
Sewerage Services	71,093	406,967	475,809	17%	83%
Service Charge	19,726	117,142	113,580	17%	83%
Connection Fees	6,943	59,286	57,732	12%	88%
Reconnection Fees	1,080	4,400	6,000	25%	75%
Septic Tank Emptying / Discharge into Sewers	195	1,678	1,200	12%	88%
Fines	-	3,038	6,000	0%	100%
Other Water & Sewerage Income	621	2,160	-	0%	100%
Other Incomes	784	10,541	16,100	0%	100%
TOTAL OPERATING INCOME	519,256	3,307,721	3,457,019	16%	84%
OPERATING EXPENSES					
Staff costs	156,923	789,854	731,990	20%	80%
Premises Maintenance	4,570	34,906	35,665	13%	87%
Static Plant & Pipe Network	120,071	776,897	683,544	15%	85%
Transport & Mobile Plant	10,137	68,454	65,696	15%	85%
Supplies & Services	29,126	223,953	173,773	13%	87%
Administrative Expenses	27,393	144,016	115,926	19%	81%
Financial Costs	63	501	991	13%	87%
TOTAL OPERATING EXPENSES	348,283	2,038,581	1,807,585	17%	83%
OPERATING PROFIT (LOSS)	170,973	1,269,140	1,649,434	13%	87%

LIRA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	186,517	1,050,204	1,103,884	18%	82%
Sewerage Services	28,636	187,486	193,599	15%	85%
Service Charge	12,101	71,230	69,112	17%	83%
Connection Fees	5,887	29,197	29,269	20%	80%
Reconnection Fees	1,367	6,245	4,273	22%	78%
Septic Tank Emptying / Discharge into Sewers	170	1,772	660	10%	90%
Fines	1,897	12,906	1,675	15%	85%
Other Water & Sewerage Income	249	683	442	36%	64%
Other Incomes	-	-	2,835	0%	0%
TOTAL OPERATING INCOME	236,824	1,359,723	1,405,749	17%	83%
OPERATING EXPENSES					
Staff costs	67,319	377,467	451,315	18%	82%
Premises Maintenance	3,392	21,298	17,800	16%	84%
Static Plant & Pipe Network	62,207	422,370	457,628	15%	85%
Transport & Mobile Plant	4,111	40,366	57,938	10%	90%
Supplies & Services	10,909	51,934	49,577	21%	79%
Administrative Expenses	11,632	71,933	76,893	16%	84%
Financial Costs	107	1,206	1,060	9%	91%
TOTAL OPERATING EXPENSES	159,677	986,574	1,112,211	16%	84%
OPERATING PROFIT (LOSS)	77,147	373,149	293,538	21%	79%

GULU AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	161,840	908,993	842,055	18%	82%
Sewerage Services	51,850	314,312	269,750	16%	84%
Service Charge	7,098	45,341	49,375	16%	84%
Connection Fees	5,399	20,961	27,036	26%	74%
Reconnection Fees	530	2,308	1,926	23%	77%
Septic Tank Emptying / Discharge into Sewers	54	1,452	1,202	4%	96%
Fines	342	2,196	3,239	16%	84%
Other Water & Sewerage Income	263	1,007	238	26%	74%
Other Incomes	-	1,160	-	0%	100%
TOTAL OPERATING INCOME	227,376	1,297,730	1,194,821	18%	82%
OPERATING EXPENSES					
Staff costs	91,826	318,243	314,316	29%	71%
Premises Maintenance	2,067	15,917	13,848	13%	87%
Static Plant & Pipe Network	55,720	368,355	340,759	15%	85%
Transport & Mobile Plant	3,976	39,888	43,765	10%	90%
Supplies & Services	6,449	94,250	49,549	7%	93%
Administrative Expenses	10,148	57,716	47,399	18%	82%
Financial Costs	59	578	480	10%	90%
TOTAL OPERATING EXPENSES	170,245	894,947	810,116	19%	81%
OPERATING PROFIT (LOSS)	57,131	402,783	384,705	14%	86%

KASESE AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	101,799	636,586	681,527	16%	84%
Sewerage Services	-	-	-	0%	100%
Service Charge	7,675	45,628	46,348	17%	83%
Connection Fees	3,889	22,116	21,787	18%	82%
Reconnection Fees	60	380	1,200	16%	84%
Septic Tank Emptying / Discharge into Sewers	-	-	-	-	0%
Fines	1,027	4,366	1,001	24%	76%
Other Water & Sewerage Income	-	-	-	0%	0%
Other Incomes	-	-	-	-	0%
TOTAL OPERATING INCOME	114,450	709,076	751,863	16%	84%
OPERATING EXPENSES					
Staff costs	65,323	265,018	249,063	25%	75%
Premises Maintenance	1,683	12,417	12,374	14%	86%
Static Plant & Pipe Network	6,446	24,750	24,832	26%	74%
Transport & Mobile Plant	4,447	30,374	43,795	15%	85%
Supplies & Services	3,920	30,204	27,430	13%	87%
Administrative Expenses	11,666	65,123	66,427	18%	82%
Financial Costs	75	731	900	10%	90%
TOTAL OPERATING EXPENSES	93,560	428,617	424,821	22%	78%
OPERATING PROFIT (LOSS)	20,890	280,459		7%	93%

FORT PORTAL AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	114,957	763,425	685,791	15%	85%
Sewerage Services	5,666	41,865	49,242	14%	86%
Service Charge	8,103	48,464	48,434	17%	83%
Connection Fees	3,084	19,660	23,446	16%	84%
Reconnection Fees	250	1,301	900	19%	81%
Septic Tank Emptying / Discharge into Sewers	34	495	13,085	7%	93%
Fines	660	4,208	3,616	16%	84%
Other Water & Sewerage Income	-	549	439	0%	100%
Other Incomes	-	-	588	0%	100%
TOTAL OPERATING INCOME	132,754	879,967	825,541	15%	85%
OPERATING EXPENSES					
Staff costs	54,310	316,248	341,407	17%	83%
Premises Maintenance	4,322	14,236	14,975	30%	70%
Static Plant & Pipe Network	36,030	222,298	219,286	16%	84%
Transport & Mobile Plant	5,933	37,509	45,478	16%	84%
Supplies & Services	4,531	21,041	24,462	22%	78%
Administrative Expenses	8,850	50,205	39,748	18%	82%
Financial Costs	185	1,252	1,503	15%	85%
TOTAL OPERATING EXPENSES	114,161	662,789	686,859	17%	83%
OPERATING PROFIT (LOSS)	18,593	217,178	138,682	9%	91%

BUSHENYI- ISHAKA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	58,277	414,431	419,734	14%	86%
Sewerage Services	-	-	-	0%	100%
Service Charge	3,851	22,377	21,836	17%	83%
Connection Fees	2,667	16,850	20,258	16%	84%
Reconnection Fees	24	207	70	12%	88%
Septic Tank Emptying / Discharge into Sewers	-	-	-	0%	0%
Fines	202	373	132	54%	46%
Other Water & Sewerage Income	-	23	1,740	0%	100%
Other Incomes	80	1,751	480	5%	95%
TOTAL OPERATING INCOME	65,101	456,012	464,250	14%	86%
OPERATING EXPENSES					
Staff costs	42,161	229,669	201,255	18%	82%
Premises Maintenance	1,467	5,941	10,954	25%	75%
Static Plant & Pipe Network	27,102	163,805	180,004	17%	83%
Transport & Mobile Plant	2,323	10,395	17,442	22%	78%
Supplies & Services	11,235	66,962	47,337	17%	83%
Administrative Expenses	8,440	39,086	32,107	22%	78%
Financial Costs	102	970	900	11%	89%
TOTAL OPERATING EXPENSES	92,830	516,828	489,999	18%	82%
OPERATING PROFIT (LOSS)	-27,729	-60,816		46%	54%

KABALE AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	91,614	553,016	565,222	17%	83%
Sewerage Services	20,617	85,000	113,293	24%	76%
Service Charge	6,969	43,498	42,311	16%	84%
Connection Fees	-	8,974	18,060	0%	100%
Reconnection Fees	-	980	1,193	0%	100%
Septic Tank Emptying / Discharge into Sewers	-	1,137	3,317	0%	100%
Fines	-	2,485	1,711	0%	100%
Other Water & Sewerage Income	-	844	525	0%	100%
Other Incomes	-	1,165	-	0%	0%
TOTAL OPERATING INCOME	119,200	697,099	745,632	17%	83%
OPERATING EXPENSES					
Staff costs	67,859	355,985	309,754	19%	81%
Premises Maintenance	2,085	30,924	28,046	7%	93%
Static Plant & Pipe Network	43,051	211,467	204,573	20%	80%
Transport & Mobile Plant	5,124	45,333	51,590	11%	89%
Supplies & Services	2,485	20,399	18,100	16%	84%
Administrative Expenses	10,300	63,353	63,538	15%	85%
Financial Costs	116	750	930	18%	82%
TOTAL OPERATING EXPENSES	131,020	728,211	676,531	18%	82%
OPERATING PROFIT (LOSS)	-11,820	-31,112	69,101	38%	62%

SOROTI AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	120,894	732,236	808,919	17%	83%
Sewerage Services	13,785	78,350	70,865	18%	82%
Service Charge	8,593	52,857	48,597	16%	84%
Connection Fees	3,618	16,632	26,299	22%	78%
Reconnection Fees	1,320	6,047	5,310	22%	78%
Septic Tank Emptying / Discharge into Sewers	-	70	177	0%	100%
Fines	89	2,764	1,500	3%	97%
Other Water & Sewerage Income	2,013	6,676	1,050	30%	70%
Other Incomes	-	-	5,040	0%	100%
TOTAL OPERATING INCOME	150,312	895,632	967,757	17%	83%
OPERATING EXPENSES					
Staff costs	45,977	262,007	333,039	18%	82%
Premises Maintenance	1,149	7,768	16,948	15%	85%
Static Plant & Pipe Network	67,633	308,468	346,412	22%	78%
Transport & Mobile Plant	1,574	25,623	31,540	6%	94%
Supplies & Services	7,474	33,041	36,032	23%	77%
Administrative Expenses	6,440	62,093	51,898	10%	90%
Financial Costs	160	1,033	1,200	15%	85%
TOTAL OPERATING EXPENSES	130,407	700,033	817,069	19%	81%
OPERATING PROFIT (LOSS)	19,905	195,599	150,688	10%	90%

ARUA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	101,823	531,276	578,401	19%	81%
Sewerage Services	-	-	-	0%	100%
Service Charge	6,644	43,604	44,761	15%	85%
Connection Fees	2,253	12,267	34,272	18%	82%
Reconnection Fees	1,241	3,035	1,981	41%	59%
Septic Tank Emptying / Discharge into Sewers	-	-	-	0%	100%
Fines	86	426	-	20%	80%
Other Water & Sewerage Income	1,364	6,358	1,600	21%	79%
Other Incomes	-	114	-	0%	100%
TOTAL OPERATING INCOME	113,411	597,080	661,015	19%	81%
OPERATING EXPENSES					
Staff costs	33,566	172,038	269,107	20%	80%
Premises Maintenance	2,994	19,225	31,368	16%	84%
Static Plant & Pipe Network	39,323	219,628	169,762	18%	82%
Transport & Mobile Plant	1,863	37,096	42,871	5%	95%
Supplies & Services	9,351	72,240	42,465	13%	87%
Administrative Expenses	12,697	66,805	67,131	19%	81%
Financial Costs	126	1,273	1,049	10%	90%
TOTAL OPERATING EXPENSES	99,920	588,305	623,753	17%	83%
OPERATING PROFIT (LOSS)	13,491	8,775	37,262	154%	-54%

MUBENDE AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	65,128	388,111	389,276	17%	83%
Sewerage Services	-	-	-	0%	100%
Service Charge	4,718	27,759	27,281	17%	83%
Connection Fees	2,508	13,133	22,830	19%	81%
Reconnection Fees	120	785	1,500	15%	85%
Septic Tank Emptying / Discharge into Sewers	-	-	-	0%	100%
Fines	342	2,057	2,400	17%	83%
Other Water & Sewerage Income	-	51	75	0%	100%
Other Incomes	-	14	50	0%	100%
TOTAL OPERATING INCOME	72,816	431,910	443,412	17%	83%
OPERATING EXPENSES					
Staff costs	33,753	195,906	211,043	17%	83%
Premises Maintenance	1,327	11,990	11,384	11%	89%
Static Plant & Pipe Network	19,270	147,499	185,087	13%	87%
Transport & Mobile Plant	4,096	18,241	16,453	22%	78%
Supplies & Services	2,814	31,596	18,149	9%	91%
Administrative Expenses	4,024	52,096	56,177	8%	92%
Financial Costs	136	486	600	28%	72%
TOTAL OPERATING EXPENSES	65,420	457,814	498,893	14%	86%
OPERATING PROFIT (LOSS)	7,396	-25,904	498,893	-29%	129%

MASINDI AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	81,478	469,862	476,308	17%	83%
Sewerage Services	10,057	45,233	58,855	22%	78%
Service Charge	-	26,363	30,874	0%	100%
Connection Fees	2,749	13,491	17,745	20%	80%
Reconnection Fees	-	22	950	0%	100%
Septic Tank Emptying / Discharge into Sewers	-	30	150	0%	100%
Fines	10,803	10,904	400	99%	1%
Other Water & Sewerage Income	-	-	1,250	0%	100%
Other Incomes	-	-	520	0%	100%
TOTAL OPERATING INCOME	105,087	565,905	587,052	19%	81%
OPERATING EXPENSES					
Staff costs	35,006	215,113	256,988	16%	84%
Premises Maintenance	1,266	12,139	6,840	10%	90%
Static Plant & Pipe Network	32,551	198,184	181,501	16%	84%
Transport & Mobile Plant	6,619	30,201	20,152	22%	78%
Supplies & Services	9,397	49,433	31,433	19%	81%
Administrative Expenses	9,959	60,908	44,483	16%	84%
Financial Costs	61	417	504	15%	85%
TOTAL OPERATING EXPENSES	94,859	566,395	541,901	17%	83%
OPERATING PROFIT (LOSS)	10,228	-490	541,901	-2087%	2187%

HOIMA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	55,541	356,080	333,495	16%	84%
Sewerage Services	2,226	15,529	18,459	14%	86%
Service Charge	5,424	31,910	31,645	17%	83%
Connection Fees	2,079	12,778	20,118	16%	84%
Reconnection Fees	158	605	840	26%	74%
Septic Tank Emptying / Discharge into Sewers	59	316	607	19%	81%
Fines	171	1,098	1,964	16%	84%
Other Water & Sewerage Income	-	-	-	0%	100%
Other Incomes	-	-	-	0%	100%
TOTAL OPERATING INCOME	65,658	418,316	407,128	16%	84%
OPERATING EXPENSES					
Staff costs	40,417	240,574	244,838	17%	83%
Premises Maintenance	441	3,315	11,327	13%	87%
Static Plant & Pipe Network	38,916	202,641	275,707	19%	81%
Transport & Mobile Plant	2,641	21,939	33,756	12%	88%
Supplies & Services	1,692	11,917	14,045	14%	86%
Administrative Expenses	8,069	48,775	46,188	17%	83%
Financial Costs	82	744	720	11%	89%
TOTAL OPERATING EXPENSES	92,258	529,905	626,581	17%	83%
OPERATING PROFIT (LOSS)	-26,600	-111,589		24%	76%

LUGAZI AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	43,755	284,340	294,109	15%	85%
Sewerage Services	-	-	-	0%	100%
Service Charge	2,482	14,529	15,753	17%	83%
Connection Fees	2,152	8,446	17,988	25%	75%
Reconnection Fees	49	469	400	10%	90%
Septic Tank Emptying / Discharge into Sewers	-	-	-	-	0%
Fines	-	987	275	0%	100%
Other Water & Sewerage Income	-	-	-	-	0%
Other Incomes	-	-	-	-	0%
TOTAL OPERATING INCOME	48,438	308,771	328,525	16%	84%
OPERATING EXPENSES					
Staff costs	28,482	161,641	161,459	18%	82%
Premises Maintenance	1,784	12,174	14,761	15%	85%
Static Plant & Pipe Network	18,946	137,504	142,752	14%	86%
Transport & Mobile Plant	4,440	24,170	32,048	18%	82%
Supplies & Services	577	8,848	10,367	7%	93%
Administrative Expenses	6,193	36,050	41,511	17%	83%
Financial Costs	70	814	720	9%	91%
TOTAL OPERATING EXPENSES	60,492	381,201	403,618	16%	84%
OPERATING PROFIT (LOSS)	-12,054	-72,430	-75,093	17%	83%

IGANGA AREA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	75,654	410,730	381,698	18%	82%
Sewerage Services	6,115	33,318	36,955	18%	82%
Service Charge	4,808	28,001	30,801	17%	83%
Connection Fees	3,635	20,075	30,240	18%	82%
Reconnection Fees	80	250	790	32%	68%
Septic Tank Emptying / Discharge into Sewers	-	70	50	0%	100%
Fines	302	906	720	33%	67%
Other Water & Sewerage Income	-	133	225	0%	100%
Other Incomes	-	-	-	-	0%
TOTAL OPERATING INCOME	90,594	493,483	481,479	18%	82%
OPERATING EXPENSES					
Staff costs	43,030	169,704	209,232	25%	75%
Premises Maintenance	1,891	9,680	18,678	20%	80%
Static Plant & Pipe Network	1,374	15,458	16,480	9%	91%
Transport & Mobile Plant	2,242	25,525	26,402	9%	91%
Supplies & Services	244	3,174	10,652	8%	92%
Administrative Expenses	8,377	52,826	55,076	16%	84%
Financial Costs	160	866	850	18%	82%
TOTAL OPERATING EXPENSES	57,318	277,233	337,370	21%	79%
OPERATING PROFIT (LOSS)	33,276	216,250	144,109	15%	85%

MITYANA					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	33,972	195,886	554,576	17%	83%
Sewerage Services	-	534	-	0%	100%
Service Charge	3,671	18,877	44,761	19%	81%
Connection Fees	3,520	12,151	25,607	29%	71%
Reconnection Fees	79	79	790	100%	0%
Septic Tank Emptying / Discharge into Sewers	-	-	-	-	0%
Fines	-	3,467	-	0%	100%
Other Water & Sewerage Income	-	-	-	-	0%
Other Incomes	-	-	-	-	0%
TOTAL OPERATING INCOME	41,242	230,994	625,734	18%	82%
OPERATING EXPENSES					
Staff costs	31,040	145,302	221,875	21%	79%
Premises Maintenance	7,780	13,775	8,601	56%	44%
Static Plant & Pipe Network	16,975	104,510	163,844	16%	84%
Transport & Mobile Plant	1,504	6,529	21,717	23%	77%
Supplies & Services	2,720	26,110	14,699	10%	90%
Administrative Expenses	6,542	33,919	41,004	19%	81%
Financial Costs	36	195	1,049	18%	82%
TOTAL OPERATING EXPENSES	66,597	330,340	472,789	20%	80%
OPERATING PROFIT (LOSS)	-25,355	-99,346	152,945	26%	74%

KISORO					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	44,034	315,547	599,998	14%	86%
Sewerage Services	6,488	18,547	-	35%	65%
Service Charge	3,567	28,332	20,340	13%	87%
Connection Fees	1,267	9,397	17,635	13%	87%
Reconnection Fees	60	598	400	10%	90%
Septic Tank Emptying / Discharge into Sewers	699	2,182	-	32%	68%
Fines	-	-	-	-	0%
Other Water & Sewerage Income	328	331	-	99%	1%
Other Incomes	-	-	-	-	0%
TOTAL OPERATING INCOME	56,443	374,934	638,373	15%	85%
OPERATING EXPENSES					
Staff costs	29,809	164,147	221,875	18%	82%
Premises Maintenance	1,864	18,944	28,884	10%	90%
Static Plant & Pipe Network	28,371	180,801	170,675	16%	84%
Transport & Mobile Plant	3,011	15,551	20,282	19%	81%
Supplies & Services	2,181	10,528	23,827	21%	79%
Administrative Expenses	12,076	54,750	55,992	22%	78%
Financial Costs	32	363	600	9%	91%
TOTAL OPERATING EXPENSES	77,344	445,084	522,135	17%	83%
OPERATING PROFIT (LOSS)	-20,901	-70,150	116,238	30%	70%

KITGUM					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	12,578	91,222	187,941	14%	86%
Sewerage Services	-	-	-	-	0%
Service Charge	1,856	9,403	24,633	20%	80%
Connection Fees	691	3,322	96,757	21%	79%
Reconnection Fees	271	331	400	82%	18%
Septic Tank Emptying / Discharge into Sewers	-	-	-	-	0%
Fines	-	-	-	-	0%
Other Water & Sewerage Income	-	-	-	-	0%
Other Incomes	-	-	-	-	0%
TOTAL OPERATING INCOME	15,396	104,278	309,731	15%	85%
OPERATING EXPENSES					
Staff costs	52,726	198,939	183,589	27%	73%
Premises Maintenance	1,700	6,520	13,729	26%	74%
Static Plant & Pipe Network	6,796	40,542	145,575	17%	83%
Transport & Mobile Plant	2,358	8,007	18,979	29%	71%
Supplies & Services	587	4,629	10,267	13%	87%
Administrative Expenses	11,520	39,164	49,820	29%	71%
Financial Costs	165	479	720	34%	66%
TOTAL OPERATING EXPENSES	75,852	298,280	422,679	25%	75%
OPERATING PROFIT (LOSS)	-60,456	-194,002	-112,948	31%	69%

PADER					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	-	-	-	0%	0%
Sewerage Services	5,067	22,586	131,939	22%	78%
Service Charge	549	2,076	7,452	26%	74%
Connection Fees	356	2,716	5,987	13%	87%
Reconnection Fees	-	-	800	0%	100%
Septic Tank Emptying / Discharge into Sewers	-	-	-	-	0%
Fines	-	-	-	-	0%
Other Water & Sewerage Income	-	-	-	-	0%
Other Incomes	-	-	-	-	0%
TOTAL OPERATING INCOME	5,972	27,378	146,178	22%	78%
OPERATING EXPENSES					
Staff costs	20,889	86,513	160,069	24%	76%
Premises Maintenance	519	3,512	12,729	15%	85%
Static Plant & Pipe Network	1,075	7,619	146,615	14%	86%
Transport & Mobile Plant	595	2,899	18,979	21%	79%
Supplies & Services	384	1,826	10,268	21%	79%
Administrative Expenses	6,692	30,120	49,820	22%	78%
Financial Costs	149	672	720	22%	78%
TOTAL OPERATING EXPENSES	30,303	133,161	399,200	23%	77%
OPERATING PROFIT (LOSS)	-24,331	-105,783	-253,022	23%	77%

NEBBI					
ITEM	ACTUAL YEAR TO DATE DEC'13	CUMMULATIVE YEAR TO DATE JUL-DEC'13	CUMMULATIVE BUDGET JUL-DEC'13	ACTUAL AS % OF BUDGET	VARIANCE
INCOME					
Water Sales	15,092	99,986	245,145	15%	85%
Sewerage Services	-	-	-	0%	0%
Service Charge	1,609	9,142	14,118	18%	82%
Connection Fees	3,294	9,158	23,900	36%	64%
Reconnection Fees	260	510	250	51%	49%
Septic Tank Emptying / Discharge into Sewers	-	-	-	0%	0%
Fines	-	200	-	0%	100%
Other Water & Sewerage Income	43	43	-	100%	0%
Other Incomes	-	90	-	0%	100%
TOTAL OPERATING INCOME	20,298	119,129	283,413	17%	83%
OPERATING EXPENSES					
Staff costs	29,041	132,253	221,875	22%	78%
Premises Maintenance	460	9,111	23,432	5%	95%
Static Plant & Pipe Network	7,653	91,933	186,844	8%	92%
Transport & Mobile Plant	1,448	8,984	21,717	16%	84%
Supplies & Services	1,903	15,786	11,834	12%	88%
Administrative Expenses	9,103	61,139	44,314	15%	85%
Financial Costs	27	301	1,049	9%	91%
TOTAL OPERATING EXPENSES	49,635	319,507	511,065	16%	84%
OPERATING PROFIT (LOSS)	-29,337	-200,378	-227,652	15%	85%