

NATIONAL WATER AND SEWERAGE CORPORATION



REVIEW OF PERFORMANCE FOR THE PERIOD

JULY - SEPTEMBER 2013

NOVEMBER 2013

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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 we present to you the quarterly report for the period July 2013–September 2013. The report gives a review of performance for the 3 months of the 2nd year of the 6th Corporate Plan for 2012–2015. An addendum for the Performance Contract (PC) V was formulated and awaits signatures from the Ministry of Water and Environment and that of Finance, Planning and Economic Development.

The strategies implemented during the period under review were aimed at continuous performance improvement geared towards attaining the Corporate Vision of being; “**A Leading Water Utility in the World**”. These include the Development of the 5 year Strategic Direction by the Managing Director and in order to achieve the objectives set in the 5 year strategic direction, a program code named step-up 90 days program was introduced and is being implemented in all NWSC areas of operation.

Other strategies during the period included continuous formulation of Declarations to effectively implement the Performance Enhancement and Creativity Contract (PACE), improved Customer Care Services through prompt response to customer needs, as a result, the Corporation was able to register performance as summarized in table 1 below.

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

	Targets for FY 2013/14	Status as September 2013	Remarks
a.	Raise annual Turnover from Ushs.167 billion to Ushs.188 billion (period target Ushs.45.8bn)	Income for the period was Ushs.44.4 billion	An achievement of 97% of the period target (Ushs.45.8bn)
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 34.3%, Kampala, 38.9% and Other Areas, 23.1%.	The target was not attained.
c.	Increase Water production from 232,877 to 238,630 cubic meters per day	Water production was 255,768 cubic meters per day	The achievement for the period is 107% against the annual target
d.	Capacity utilization of at least 90%	Capacity utilization was 75%	Capacity utilisation for period was below target
e.	Maintain staff number of not	Staff number was 1,881	Staff productivity target of 5

	more than 1,793 and achieve staff per thousand connection ratio of 5	equivalent to a staff productivity ratio of 6 staff/1000 connections	staff/1000 connections was not attained during the period
f.	Ensure total staff costs as a percentage of total operating costs is 38%.	Staff costs for the period were 38.5% of the operating expenses.	Staff costs performance was below the annual target but above the 1 st quarter target of 39.5%
g.	Increase collection efficiency (C.E.) from 98% to 102%	Collection efficiency for the period was 98.5%	Performance for the period under review was below the annual target
h.	Install 190 water kiosks/Public Stand posts (PSPs) i.e. 47 for the period	20 PSPs were installed against the period target of 47 PSPs	Period performance was 43% of the target
i.	Extend mains by 135.8kms. (or 34.0kms for the period under review)	13kms were extended by end of September 2013	Period performance was 38% of the target
j.	Increase water connection by 22,780 or an average of 1,898 per month.	7,347 new water connections were installed against the period target of 5,695	129% – of the period target was attained
k.	Increase active connections from 285,418 to 307,956	Total active connections were 296,278 by end of September 2013. This was against the period target of 291,055	102% of the period target (291,055) was attained
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 36,853 accounts out of a total of 333,131 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 99.2%	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 4.4 months	The debt age performance during the quarter was below the 2013/14 annual target, basically 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 is below the annual target.
p.	Achieve a net profit before Depreciation and Tax of Ushs.21 billion (1 st quarter target is 8.3 billion)	Net Profit before depreciation was 13.5 billion	Period target was attained by over 100%

q.	Ensure that water and effluent quality conform to National Standards	Water Quality: <ul style="list-style-type: none"> - Bacteriological : 97.1% - Colour: 90.0% - Turbidity:95.0% - PH: 99.3% - Electrical conductivity:100.0% - Alkalinity:100% - Hardness: 100% - Average: 97.1 - Sewerage Effluent Quality: - BOD: 24.0% - TSS:38.0% 	<ul style="list-style-type: none"> • Water quality standard attained, • Sewerage Effluent standards (BOD and TSS) not attained
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In order to implement the 2012–2015 Corporate Plan, 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 BY DIVISIONS

- i **Engineering services; (Pg 15)** The Division was able to produce an average of 255,768 cubic meters per day, this is higher than what was produced during the same period last year (238,437cu.m/day). Total Supply during the period under review was 23.0 million cu.m compared to the target of 21.9 million cu.m for the period July 2013– September 2013. Other achievements include; extension of 13kms against a target of 34km of water mains extension, installation of 7,347 new water connections against a target of 5,695, 20 PSPs (against a target of 47 PSPs) and 83 new sewer connections (against a target of 65).
- ii **Commercial & Customer Care Services ;(Pg24)** The Division was able to raise water sales / billings worth Ushs.41.2 billion (inclusive of VAT where applicable) and collection of Ushs.40.6 billion, hence a collection/billing ratio of 98.5% (arrears inclusive) against a target of 102%. This is however poor performance compared to the same period last financial year where collection/billing ratio was at 102%. The other achievements for the period included customer care initiatives that were carried out in all areas of our operation, 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.
- iii **Institutional Development and External Services;(Pg28)** The Division carried out evaluation of PACE contracts, and customer care survey. Other activities included; benchmarking with other utilities in the region, execution of external service assignments in different countries, coordination and facilitation of research and training

activities in the corporation among others. As a result revenue of Shs.810million was realized and this accounts for 115% of the budget (Shs.704million).

iv Management Services; (Pg 30) The Division ensured overall adequate staffing, maintained and protected NWSC property, Staff members had access to cost effective medical care services and transport services and ensured a clean and safe environment for all staff. Effective deployment of staff as a result staff productivity of 6 staff/1000 connections was attained. The Division also ensured a good working relationship with the public through effective communication with the various stakeholders.

v Finance & Accounts (Pg 34): The Division attained the income and expenditure targets for the period, hence realizing an operating profit before depreciation of Ushs.13.8 billion. The other achievements included; preparation of the Policy Documents and Papers, implementation of the new connection module, 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.

vi Planning & Capital Development(41): During the period under review, the following were accomplishments of the Division.

- Contract negotiations were successfully held with best evaluated bidder for the Nakivubo and Kinawataka sewers under KWATSAN Project.
- Bid evaluation report for Arua Supervision consultant was approved by the Contracts Committee and forwarded to World Bank for review and approval.
- Evaluations for Bushenyi, Gulu and Mbale design and supervision consultants were conducted and evaluation reports are being prepared.
- Financial modelling consultancy study is on-going. The consultant submitted inception report, it was reviewed and comments sent to consultant.
- Under the Kawempe Urban Poor Project 48 toilets were completed with 43 handed over to caretakers for operations. 07 additional facilities have been prepared and is due for submission for Contracts Committee approval.

vii Internal Audit: The Division ensured that proper procedures were followed in the daily operational and financial activities of the Corporation.

a. CHALLENGES (Pg46):

During the period under review the Corporation continued to face challenges such as the increasing levels of debtors currently at Ushs.58.9 billion, slow implementation of capital works, limited sewerage coverage, water losses (at 34.3%) and poor sewage effluent quality.

b. WAY FORWARD (Pg48):

The Corporation will endeavor to focus on critical areas that are lagging behind in light of the annual targets under the framework of the Corporate Plan and the Five Year Strategic direction. Under the Five Years Strategic Direction a program code-named 90 Days STEP-UP was introduced. The program is already being implemented in form of Workouts in all NWSC Areas of operation. The Workouts involve sensitization on the STEP-UP which stands for the following attributes; Service, Teamwork and Team Spirit, Enthusiasm, and Performance & Productivity

The program aims at improving the above mentioned attributes, through;

- Improving Service reliability and customer services
- Team work and Spirit which form the foundation for sustained performance improvements
- Reviving of staff Enthusiasm with respect to work and NWSC Service delivery efforts which breed energy and action.
- The bottom line arising from service improvement, teamwork and enthusiasm is to improve performance for the Corporation.

In addition, the above programmes will be implemented alongside the undertakings of the Kampala declaration of August 2013. The Kampala Declaration aims at performance improvement over the next twelve (12) months. The strategies are and will be aligned to the following six critical thematic areas of intervention.

- i. Revenue Growth and Increasing Water Coverage
- ii. Cost Optimization
- iii. Operation Efficiency and Asset Management
- iv. Stakeholder Management
- v. Staff Welfare and Learning
- vi. IT Systems and Network Efficiency

1.0 INTRODUCTION

The review period marks the 1st Quarter for the FY 2013/14 and the Second Year of the Corporate Plan for the period 2012–2015 and the Addendum for GoU/NWSC Performance Contract V for the same period. Management is therefore pleased to present to the Board the budgetary and operational performance report for the period July 2013–September 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 framework of the Corporate Strategic goals enshrined within the 2012–2015 Corporate Plan, the following are the goals management intends to achieve during the financial year 2013/2014. These Corporate Plan targets are the basis for setting the annual budget targets some of which are in most cases more stretched than the Corporate plan targets as per the summary table.

- 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–September 2013, the following strategies were implemented in order to meet the above set objectives;

a) Customer Care Weeks

The Management of NWSC through its recent Performance Improvement Programs (PIPs) is emphasizing Customer Care in service delivery. As a result customer care weeks are on-going in parallel with the STEP-UP 90 Days program to sensitize area staff on the importance of NWSC Customers. The Area staff are being sensitized on the best practices and standards of service; this is due to the importance which NWSC Management attaches to its customers. The sensitization of staff is mainly in the areas of;

- NWSC's core business
- NWSC's core values
- The importance of our customers
- Obligations to each other as employees
- Our Customers obligations and
- NWSC's Policies and practices in regard to Customer Care.

b) Performance, Autonomy & Creativity Enhancement (PACE)

Within the framework of PACE, End of Year Performance 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.

- vii. Increasing Water Coverage (Revenue Growth)
- viii. Operational efficiency and improved asset management (Asset Management Efficiency)
- ix. Revenue Growth through increased Water Sales, billings and Collections (Revenue Growth)
- x. Cost Optimization through improved Cost Optimization Measures, Working Ratio, Liquidity, Operational Efficiency and Service Delivery (Cost Optimisation)
- xi. Stakeholder Management through increased productivity of workforce, customer care and quality of raw water (Stakeholder Management)

c) E-Water Bill Payment System

Towards the end of the year ending June 2013 and the beginning of this FY 2013/14, Ezeemoney and Warid telecom were also brought on board making the total number of telecom companies under the e-water bill payment arrangement four, and the total number of banks nineteen. Significant increase in payment of water bills using mobile

money has been noted during the quarter. The Corporation will continue exploring other innovative avenues of improving customer service delivery and ensuring increased willingness to pay by our customers.

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

Towards end of the FY 2012/13, Management introduced two short-term Management programs codenamed; ***Arrears Wipe out Campaign and Suppressed Accounts Reduction Program (SARP)***. These were aimed at reducing the levels of Arrears and the number of suppressed accounts. The mode of implementation is such that Areas ensure that customers adhere to credit limit of one month (a monthly bill) and for Areas that collect 103% of the bills in any particular month; the 3% represents a portion of arrears collected during that particular month and this attracts an incentive to motivate the Area staff and keep the program on-going.

e) 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

f) Information Technology Innovations

The following were the IT innovations during the period under review.

Rolled e-Water Payments solution:, This entailed updating of New connections module user manual, New Connections Module support and maintenance, design and Implementation of the New Sewerage Connection and identifying and mapping HiAffinity tables to the New billing system tables

e-Procurement System: System maintenance and support with new staff and implementation of the system in new Areas, updating user manual with the Bidding and Evaluation module, testing and implementation of the MTO and leave application features, design a mechanism for backward reconciliation between the Billing system and the billing Interface, support and Maintenance of the system with new areas and new users,

NWSC Corporate Website: Website design and maintenance, and availing Social Networks, i.e Face Book and Twitter to be utilized by customers for information and feedback at call center.

Integrated server monitoring solution: Provides monitoring services for all NWSC servers, routers and critical IT processes including disk space usage, processor usage, Custima Databases. Also provides e-mail and sms alerting for crucial faults.

Upgrade of Bandwidth from 128kbps to 512kbps: The upgrade was made as a standard to cover both Kampala Water Branches and all the Upcountry Areas.

Extension of connectivity to the new Areas: The new Areas under phase I include Nebbi, Mityana, Kisoro, Kitgum, and Pader. The WAN connectivity has been done in the towns of Nebbi, and Mityana. The three towns of Kitgum, Pader and Kisoro will be completed by end of November 2013 since the new equipment has been delivered.

Configured new banks to ease financial reporting and payments: Accountants have been given access and configured to Centenary Bank, Standard Chartered and BOU to ease financial reporting and payments.

4.0 ENGINEERING/OPERATIONAL PERFORMANCE

The Section below shows the performance of NWSC operational indicators with respect to the Engineering Services Division for the period July 2013–September 2013.

4.1 Water Production and Capacity Utilization

During the quarter ending September 2013, the Corporation produced water amounting to 255,768 m³ per day and this is over and above the annual target of 238,630 cum per/day. In the same quarter last financial year, 238,437 m³ per day were being produced.

The increase was attributed to the addition of five more new towns of Kisoro, Kitgum, Pader, Mityana and Nebbi. Plant Practical Capacity Utilization for the quarter ending September 2013 was 75% and this was lower compared to same quarter in the last financial year where capacity utilization was 81%. The lower performance may be attributed to the underutilization of the Water facilities in the new areas.

Table 2: Showing Production & Capacity Utilization as at September 2013

Area	Practical capacity m3/day	Total Water Produced m3	Average Production m3/day	Capacity Utilization (%)
Kampala/Mukono	195,000	16,265,015	176,794	91%
Jinja	30,600	1,548,858	16,835	55%
Entebbe/Kajansi	20,000	1,323,987	14,391	72%
Tororo/Malaba	5,267	197,898	2,151	41%
Mbale	12,000	384,006	4,174	35%
Mbarara	11,904	744,537	8,093	68%
Masaka	7,500	502,327	5,460	73%
Lira	8,700	331,307	3,601	41%
Gulu	4,333	316,030	3,435	79%
Kasese	2,400	201,934	2,195	91%
Fort Portal	2,520	220,771	2,400	95%
Kabale	2,600	159,080	1,729	67%
Arua	2,733	190,131	2,067	76%
Bushenyi/Ishaka	2,000	134,320	1,460	73%
Soroti	8,256	196,338	2,134	26%
Hoima	3,000	125,296	1,362	45%
Masindi	2,300	133,100	1,447	63%
Mubende	2,748	109,278	1,188	43%
Lugazi	1,300	77,734	845	65%

Area	Practical capacity m3/day	Total Water Produced m3	Average Production m3/day	Capacity Utilization (%)
Iganga	–	–	–	–
Kisoro	3,400	189,837	2,063	61%
Kitgum	2,539	34,972	380	15%
Mityana	4,800	90,120	980	20%
Nebbi	1,248	44,390	483	39%
Pader	3,000	9,363	102	3%
Total	340,148	23,530,629	255,768	75%

4.2 Water Sales

The total water sales the period July 2013– September 2013 was 15,124,111 m³ against a period target of 15,049,954 and this accounts for over 100% of the period target. Water sales for the same period last FY year, were 13,985,718 m³. This implies sales increased by 1,064,236m³ during the 3 months period. The increase accounts for 8%, however about 11% or 119,817m³ increase is attributed to the sales from the 5 new towns. (*See Table 3 below for details*)

4.3 Non–Revenue Water

Water losses for the period July 2013–September 2013 accounted for 34.3% of total water supplied against an annual target of 30.9%. NRW for Kampala was 38.9% against a target of 36.0%, while in Other Areas; NRW was 23.1% against a target of 15.7%. The water losses are attributed to increased leaks and bursts attributed to road works, illegal users, and increased leaks and bursts caused by the aging network in most areas.

Overall, Non–revenue water increased by 0.7% compared to 33.6% as at 30th June 2013. NRW in Kampala increased by 1.1% over the three months period from 37.8% as at 30th June 2013, and other areas, it slightly increased by 0.1% from 23.1% as at year end 2012/13.

Management has put in place strategies such as, rehabilitation of network in Kampala (Kampala Network Rehabilitation Project), Every Drop Counts, Wet Storm and Meter replacement among others to curb down the NRW problem. (See details in table 2 below) .

Table 3: Water Sales & NRW Water as at September 2013

Area	Water Supplied / System input m³	Water Sold m³	Billing Efficiency (%)	NRW (%)
Kampala	16,274,291	9,951,195	61.1%	38.9%
Jinja	1,318,337	828,066	62.8%	37.2%
Entebbe/Kajansi	1,223,079	944,525	77.2%	22.8%
Tororo	179,228	153,935	85.9%	14.1%
Mbale	365,373	329,366	90.1%	9.9%
Mbarara	724,041	640,921	88.5%	11.5%
Masaka	474,394	324,658	68.4%	31.6%
Lira	287,837	249,267	86.6%	13.4%
Gulu	264,254	202,331	76.6%	23.4%
Kasese	196,380	161,746	82.4%	17.6%
Fort Portal	210,720	176,352	83.7%	16.3%
Kabale	146,941	129,134	87.9%	12.1%
Arua	172,893	121,140	70.1%	29.9%
Bushenyi/Ishaka	118,738	86,792	73.1%	26.9%
Soroti	196,338	169,212	86.2%	13.8%
Hoima	119,631	87,182	72.9%	27.1%
Masindi	122,370	106,312	86.9%	13.1%
Mubende	101,453	91,855	90.5%	9.5%
Lugazi	77,688	65,132	83.8%	16.2%
Iganga	124,160	105,173	84.7%	15.3%
Kisoro	144,703	93,984	64.9%	35.1%
Kitgum	31,606	27,739	87.8%	12.2%
Mityana	83,226	46,392	55.7%	44.3%
Nebbi	39,528	26,891	68.0%	32.0%
Pader	6,739	4,811	71.4%	28.6%
Total NWSC	23,003,948	15,124,111	65.7%	34.3%
Total Other Areas	6,729,657	5,172,916	76.9%	23.1%

4.4 New Water Subscribers

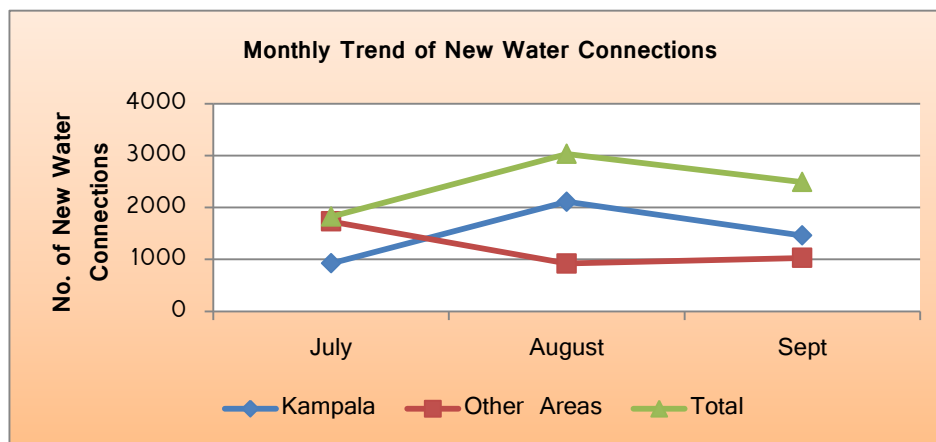
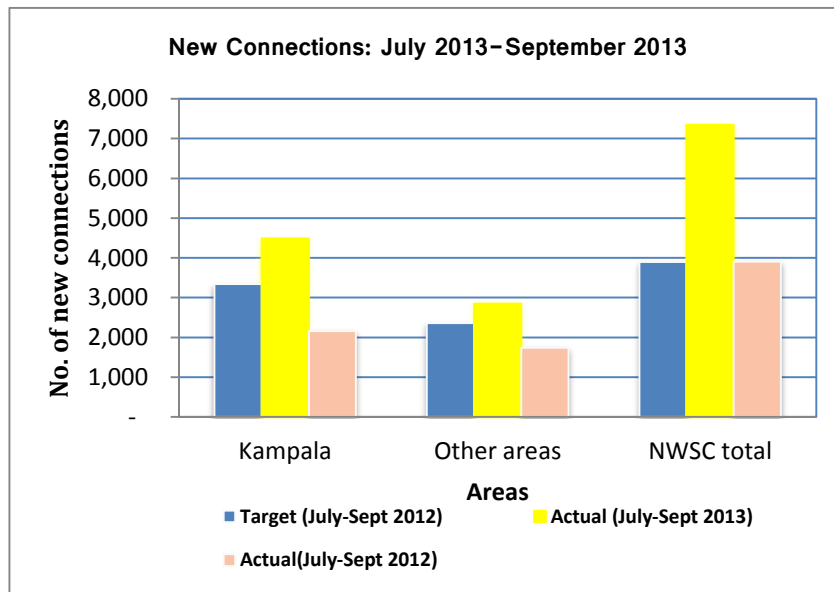
During the period July 2013–September 2013, 7,347 new water connections were installed (4,494 in Kampala and 2,853 in other areas), against a period target of 5,695, an achievement of 129 %. The performance is higher compared to 3,893 connections installed in the same period last year. The increased connections were attributed to availability of new connection materials during period under review.

Table 4: Trend of New Connections July 2013 - September 2013

	July	Aug	Sept	<i>Total Sept 2012</i>	Total Sept 2013
Kampala	923	2,111	1,460	<i>2,162</i>	4,494
Other Areas	901	922	1,030	<i>1,731</i>	2,853
Total	1,824	3,033	2,490	<i>3,893</i>	7,347

Table 5: New Water Connections: July 2013- September 2013

	Annual Target	Target July 2013– Sept.r 2013	<i>September 2012</i>	Actual As at September 2013	% Achieved
Kampala	13,352	3,338	<i>2,162</i>	4,494	135%
Other Areas	9,428	2,357	<i>1,731</i>	2,853	121%
Total New Connections	22,780	5,695	<i>3,893</i>	7,347	129%



4.5 Active and Inactive Water Connections

The total number of active accounts as at 30th September 2013 was 296,278 accounting for 89% of the total accounts (333,131 connections) and 11% of the inactive accounts. The number of active accounts increased by 10% during the review period from, 269,575 accounts as at 30th September 2012 to 296,278 accounts as at 30th September 2013. On the other hand, the percentage of inactive accounts has increased since the same period last year from 10% as at 30th September 2012 to 11% as at end of September 2013. (*See details per area in table 6*)

4.6 Account Analysis: Metered vs. Total No.

The total number of Accounts for the period ending September 2013 was 333,131 and this account for 98% of the annual target of 340,486. The number of metered accounts during the same period was 330,326 or 99.2% of the total accounts. While in the same review period last year, the total number of accounts was 301,411, out of which 301,254 or 99.9% were metered. Hence, since September 2012, the total number of accounts have increased by 11 %.(*See table 6 below*).

Table 6: Status of Accounts as at September 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	189,961	169,221	20,740	189,862	11%	99.9%
Jinja	17,893	15,475	2,418	17,893	14%	100.0%
Entebbe/Kajansi	24,800	21,309	3,491	24,800	14%	100.0%
Tororo/Malaba	4,053	3,679	374	4,053	9%	100.0%
Mbale	11,513	8,572	2,941	9,636	26%	83.7%
Mbarara	11,924	11,612	312	11,944	3%	100.2%
Masaka	8,659	8,612	47	8,659	1%	100.0%
Lira	7,217	6,957	260	7,217	4%	100.0%
Gulu	4,903	3,981	922	4,903	19%	100.0%
Kasese	5,319	4,853	466	4,853	9%	91.2%
Fort Portal	5,565	4,920	645	5,565	12%	100.0%
Kabale	4,725	4,685	40	4,725	1%	100.0%
Arua	5,499	3,731	1,768	5,499	32%	100.0%
Bushenyi/Ishaka	2,262	2,171	91	2,262	4%	100.0%
Soroti	5,599	5,227	372	5,599	7%	100.0%

Area	Total No. of Accounts	Active Accounts	Inactive Accounts	Metered Accounts	% Inactive	Metered A/c's as a % of total a/c's
Hoima	3,985	3,388	597	3,985	15%	100.0%
Masindi	3,769	3,664	105	3,769	3%	100.0%
Mubende	2,936	2,894	42	2,884	1%	98.2%
Lugazi	1,746	1,504	242	1,746	14%	100.0%
Iganga	3,243	3,180	63	3,243	2%	100.0%
Kisoro	2,347	2,260	87	2,347	4%	100.0%
Kitgum	1,277	945	332	1,271	26%	99.5%
Mityana	2,443	2,276	167	2,443	7%	100.0%
Nebbi	1,301	976	325	976	25%	75.0%
Pader	192	186	6	192	3%	100.0%
Total	333,131	296,278	36,853	330,326	11%	99.2%

4.7 Status of Sewer Subscribers

The number of new sewer connections installed during the period July 2013–September 2013 was 83, or 128% of the period target (65 sewer connections). During the same period, the total number of sewer connections was 17,692, out of which 91.9% were active (or 8.1% 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 quarter last financial year (59). Implying, 41% increase in a period of 3months.

Table 7: Status of Sewer Subscribers as at September 2013

Area	Target New Sewer Connections 2013/14	Target July2013–Sept-2013	Actual as at Sept 2012	Actual as at Sept 2013	% Achieved For the Period Target
Kampala/Mukono	140	35	12	11	31%
Jinja	13	3	11	7	>100%
Entebbe/Kajansi	13	3	7	2	67%
Tororo/Malaba	8	2	4	0	0%
Mbale	13	3	4	13	>100%
Mbarara	13	3	1	7	>100%
Masaka	3	1	3	0	0%
Lira	8	2	4	3	>100%
Gulu	9	2	5	26	>100%
Kasese	0	0	0	0	0%

Fort Portal	3	1	0	8	>100%
Kabale	6	1	0	3	>100%
Arua	0	0	0	0	0%
Bushenyi/Ishaka	0	0	0	0	0%
Soroti	2	1	3	1	100%
Hoima	6	1	2	0	0%
Masindi	6	1	2	0	0%
Mubende	0	0	0	0	0%
Lugazi	8	2	0	0	0%
Iganga	8	2	1	2	0%
Kisoro	0	0	0	0	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%
Total	259	65	59	83	128%

4.8 Pro-poor connections

The total number of PSPs installed during the review period (July 2013–September 2013) was 20 PSPs or 43% of the target (47 PSPs). The poor performance is attributed to a shift towards yard taps (which are classified as domestic connections). These are more economical and provide for easier access to piped water services than PSPs. However, this is higher compared to the same review period last financial year where, only 11 PSPs had been installed by end of the review period.

Table 8: Status of New PSPs/Kiosks as at September 2013

Area	Target New PSPs for FY 2013/14	Target July–Sept 2013	Actual as at Sept 2012	Actual as at Sept 2013	% Achievement
Kampala	130	32	72	14	44%
Jinja	13	3	0	1	33%
Entebbe	0	0	0	0	0%
Tororo	8	2	0	1	40%
Mbale	8	2	3	2	100%
Mbarara	15	4	1	0	0%
Masaka	0	0	1	0	0%
Lira	0	0	0	0	0%
Gulu	3	1	0	0	0%
Kasese	0	0	0	0	0%
Fort Portal	0	0	0	0	0%

Kabale	4	1	0	0	0%
Arua	0	0	0	0	0%
Bushenyi	0	0	0	1	>100%
Soroti	2	1	0	0	0%
Hoima	2	1	0	0	0%
Masindi	2	1	0	0	0%
Mubende	0	0	0	0	0%
Lugazi	0	0	0	0	0%
Iganga	2	0	0	0	0%
Kisoro	0	0	0	0	0%
Kitgum	0	0	0	0	0%
Mityana	0	0	0	0	0%
Nebbi	0	0	0	0	0%
Pader	0	0	0	1	>100%
Total	190	47	77	20	43%

4.9 Water and Sewer Mains Extension

During the period July 2013 –September 2013, a total of 13kms of water mains extensions were extended (in Entebbe (7kms), Gulu (4kms) and Lugazi (2kms)), which is 38% of the period target of 33.9kms. This is lower compared to the same review period last financial year where 15 kms of water mains were extended. The performance in mains extensions has comparatively reduced by 15%.

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

4.10 Water and Sewerage Quality

The global Water Quality status for the period July 2013–September 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 and alternative raw water sources among others.

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

Status of Water & Sewerage Quality for the Quarter ending September 2013			
Water Quality	Ingredients	Indicator	Actual Performance September 2013
Compliance with National Standards for Drinking (potable) water 2008	(No. of Samples passing National Standards/ Total Samples Tested) x 100	Bacteriological Quality (%)	97.1
		Color (%)	90.0
		Turbidity (%)	95.0
		Chlorine residual (%)	96.0
		PH (%)	99.3
		Electrical Conductivity (%)	100.0
		Alkalinity: total (%)	100.0
		Hardness: total (%)	100.0
		Average (%)	97.1
Sewerage Quality			
Compliance with all 54 Effluent discharge parameters	(No. of Samples passing National Effluent Standards/ Total Samples Tested) x 100	BOD (%)	24.0
		Total Suspended Solids (%)	68.0

The average performance of 97.1% of water quality indicate that the NWSC is meeting the required water standards for portable water, while the BOD of 24% and suspended solids of 68% indicate that the Corporation is not complying with required standards for effluent discharge.

5.0 COMMERCIAL AND CUSTOMER CARE SERVICES PERFORMANCE

The following section shows the status of performance on commercial and customer care services indicators.

5.1 Collection/Billing Ratio

During the period July –September 2013, total billings amounted to Ushs.41.2billion and collections (inclusive of arrears) amounted to Ushs.40.6 billion, implying a collection/billing ratio of 98.5%. The performance for the period under review was below the annual target of 102%.

It should further be noted that the collection/billing efficiency ratio for the same period last financial year was higher compared to this year's collection efficiency. This may be attributed to the addition of new towns whose collections are still very low.

However, it is envisaged that the annual target will be attained by June 2014, given the ongoing implementation of tactical strategies such as *Arrears Wipe out Campaign and Suppressed Accounts Reduction Programs (SARP)*. In addition, under the framework of the Five Year Direction, the implementation of “90-days STEP-UP” (which stands for: Service, Team Work and Team spirit, Enthusiasm and Performance and Productivity) in form of workouts in all NWSC operation areas, will step up customer willingness to pay. These programs are expected to increase collections through arrears reduction and reactivation of the suppressed accounts.

5.2 Receivables/Arrears

The Corporation's annual target for FY 2013/14 is to reduce arrears from Ushs.45.4 billion to Ushs.41.2billion. However, by end of September 2013, the level of arrears had increased to Ushs. 58.9 billion or an increase of Ushs.13.5 billion since the beginning of the financial year. Out of Ushs.58.9billion, about Ushs. 32.8 billion (56%) is Government arrears; Ushs.13.4 billion is for Domestic category and Ushs.9.7billion for commercial category (**See table 9**). Management has taken cognizant of the situation and is taking measures to reduce the level of arrears e.g. Arrears Wipe-out campaign and suppressed accounts reduction program have been implemented to reduce on the level of arrears.

Table 9: Summary of Total Billings and Collections per Category as at 30th September 2013

Consumer Category	BILLINGS	COLLECTIONS	ARREARS SEPTEMBER 2013
Ministries	4,793,123,633	2,285,924,980	32,813,865,665
Parastatals	725,681,713	680,546,530	373,200,449
Institutions	3,907,966,103	4,296,050,556	2,176,566,567
Comm	15,564,367,799	16,308,958,707	9,662,101,376
Local Auth.	173,853,850	156,896,871	330,714,989
Domestic	15,893,386,998	(16,644,224,863)	13,552,587,179
Foreign Emb.	178,542,760	(195,882,800)	49,584,961
Sub-Total	41,236,922,856	(40,568,485,307)	58,958,621,186

The largest increase in arrears during the period under review was registered in Entebbe (by 34%), Masindi (24%), Gulu (18%), Mbarara (16%), Kasese (15%) and Hoima (14%). The Area by Area performance in terms of billings, collection and arrears is detailed in table 10 below.

Table 10: Table Showing Status of Billings, Collections, Arrears, C/B Ratio as at September 2013 (Fig. in Ushs'000m)– Collections include arrears

Area/City	Billings	Collections	C/B Ratio	Arrears 31 st December 2013	Arrears 30 th June 2013	Decrease(↓) Increase(↑)	Arrears on suppressed Accounts
Kampala	64,042,388,524	60,550,513,805	95%	33,942,167,947	31,443,072	4% ↑	6,331,792
Jinja	5,804,130,755	5,029,329,190	87%	6,458,030,864	6,228,402	9% ↑	1,004,627
Entebbe	5,747,125,221	4,667,469,070	81%	4,577,353,582	4,092,812	34% ↑	603,522
Mbale	2,228,008,981	2,066,091,210	93%	2,145,993,210	2,128,962	2% ↑	369,402
Tororo	888,609,998	839,216,765	94%	1,265,474,667	1,232,447	6% ↑	96,672
Masaka	1,864,217,349	1,769,866,151	95%	969,422,239	869,939	8% ↑	78,020
Mbarara	3,820,492,849	3,510,306,933	92%	4,619,147,763	4,410,157	16% ↑	235,500
Lira	1,541,444,884	1,463,524,831	95%	1,157,703,139	1,119,699	7% ↑	113,527
Gulu	1,491,871,354	1,165,833,641	78%	2,073,377,243	1,920,531	18% ↑	285,169
Kasese	806,161,022	762,139,637	95%	461,384,868	446,025	15% ↑	86,753
Fort Portal	1,007,322,449	889,179,111	88%	494,067,823	453,392	-23% ↓	59,415
Kabale	797,682,236	738,368,134	93%	431,911,251	379,566	13% ↑	18,379
Bushenyi	515,167,019	542,247,867	105%	140,749,206	155,868	-7% ↓	6,768
Soroti	1,017,131,040	941,419,919	93%	903,017,854	837,820	11% ↑	140,475
Arua	677,912,292	623,172,074	92%	575,117,891	535,654	3% ↑	299,760
Masindi	640,002,571	490,427,222	77%	1,082,796,810	1,006,993	24% ↑	77,850
Mubende	487,926,250	397,078,279	81%	631,736,412	606,484	10% ↑	4,987
Hoima	504,819,658	437,083,984	87%	226,227,359	212,488	14% ↑	47,503
Lugazi	352,528,920	344,590,462	98%	125,201,333	122,462	4% ↑	122,968
Iganga	558,478,621	504,312,334	90%	297,459,805	271,680	10% ↑	103,020
Mityana	258,717,152	227,028,658	88%	107,628,961	111,356		
Kosoro	452,251,016	345,329,865	76%	154,391,949	158,403		

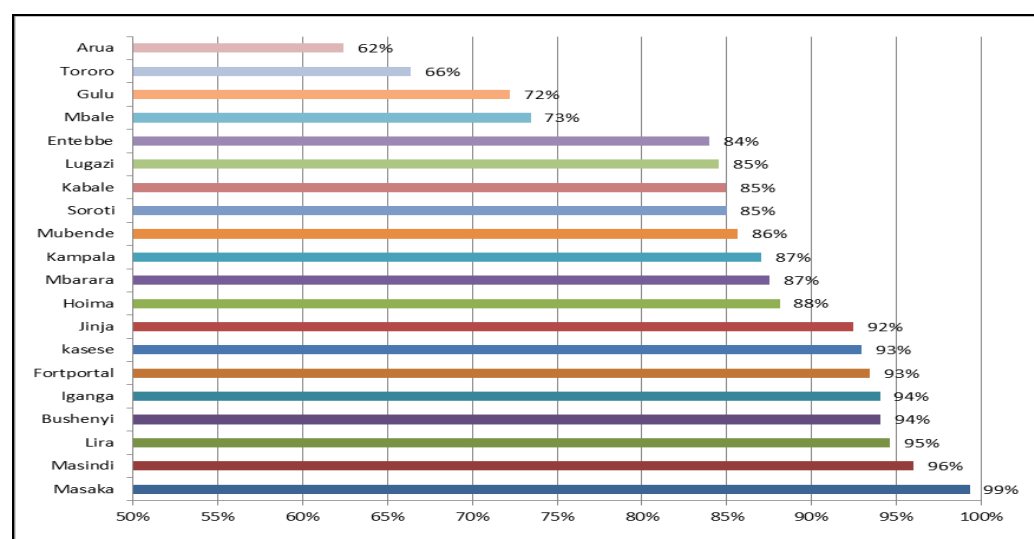
Area/City	Billings	Collections	C/B Ratio	Arrears 31 st December 2013	Arrears 30 th June 2013	Decrease(▼) Increase(▲)	Arrears on suppressed Accounts
Kitgum	124,518,068	86,625,381	70%	121,373,410	124,079		
Nebbi	132,924,106	107,121,912	81%	75,666,296	85,537		
Pader	29,065,674	22,240,654	77%	6,825,020	4,792		
Total	95,790,898,009	88,520,517,089	92%	63,044,226,902	58,958,621	9%▲	10,086,119

5.3 Customer Satisfaction index

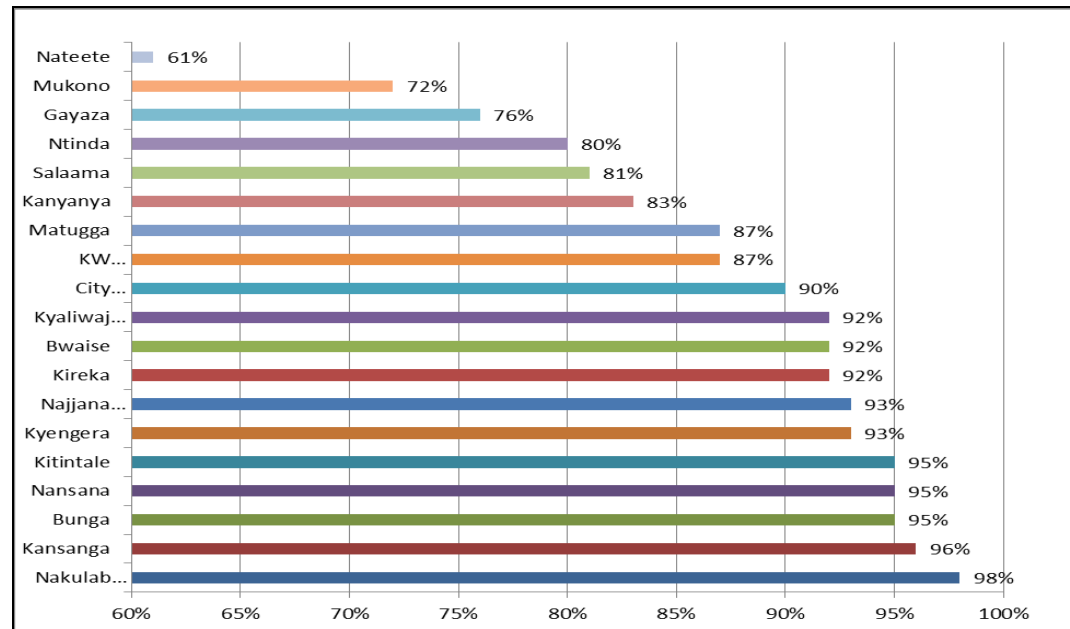
Figure 3.2 and 3.3 below show CSIs for each of the Areas and KW branches surveyed. With the exception of Mbale at 73%, Gulu at 72%, Tororo at 66% and Arua at 62%, all areas recorded a CSI value of 80% and above, implying high levels of customer satisfaction. Masaka scored 99% and recorded the highest CSI values followed by Masindi and Lira that scored 96% and 95% respectively, these areas recorded the highest CSI values. Fort Portal and Iganga have maintained 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 overall results of the survey as indicated in the graph below show that NWSC did not attain the CSI value of 90%

Global Customer Satisfaction Index (CSI)Values



Customer Satisfaction Index (CSI) Values by KW Area



Results for Kampala Water show that Nakulabye and Kansanga had the highest CSI value of 98% and 96% respectively. Nateete had the lowest levels of satisfaction at 61%. Nakulabye did not only record the highest CSI value but also recorded the highest performance improvement for KW Branches from a CSI value of 81% in the last survey to 98%. Also noted is Mukono and Nateete that recorded a drop from 99% to 72% and 87% to 61% respectively.

Although areas like Masaka, Masindi and Lira recorded the highest CSI value, the highest improvement was realised in Jinja from 59% to 92%, followed by Masindi from 68% to 96% and Bushenyi from 89% to 94%. However, there was a performance decline in areas such as Gulu and Arua from 81% to 72% and 67% to 62% respectively. This is attributed to limited water supply as a result of intermittent power supply which in turn affects water production.

6.0 External Services Performance

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

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

- WASA, Trinidad & Tobago : Finalized the mid-term review and submitted the report as well as review of monthly reports for the quarter
- ACP-EU Water Facility with UNESCO – IHE :
- ACP-EU Water Facility with Viteks Evides /GIZ
- UNESCO IHE – Benchmarking course-finalizing the course modules
- AGROPARISTECH-ENGREF – International Executive Masters Programme
- SUWASA – South Sudan (Maridi & Wau):
- TANESCO II and TANESCO III
- Aurangabad Consortium Assignment
- WOP Africa
- MUBS: Finalization of the programme for shortcourses to be run jointly with MUBS and finalized the marketing plan
- Benchmarking activities - Coordinating benchmarking visits: Nairobi City Water, Tanzania Electricity Supply Company Generation , Facilitated a benchmarking/Change Agents training for 41 persons from Rwanda, Burundi, Kenya, Tanzania and Uganda utilities under the LVWATSAN II program.

As a result, Shs 810 million was realised against a target of Shs 704 million and this accounts for 115%. The net income realised before depreciation was Shs 548 million, which more than doubles the period target of Shs 194 million (**see detailed in table 11**).

6.1 External Services Financial Performance

Table 11: Income Statement for External Services for the Period July – September 2013

Item	Actual	Budget	Actual as a % of Budget
INCOME			
Income from Ext. Services	699,871,073	574,997,700	122%
Lab services Income	43,839,667	54,999,780	80%
Other income/International Resource Cent.	66,830,646	74,999,700	89%
Total Income	810,541,386	704,997,180	115%
EXPENDITURE	0	0	
Staff Expenses	(92,805,978)	(119,620,044)	78%
Administrative Cost	(151,758,163)	(197,630,465)	77%
Supplies and Services	(7,873,625)	(72,698,954)	11%
Premises Maintenance	(786,000)	(94,198,372)	1%
Transport & Mobile Plant	(9,213,000)	(19,154,027)	48%
Bank Charges	0	(899,995)	0%
Static plant & pipe networks	0	(6,362,971)	0%
Total Expenditure	(262,436,766)	(510,564,828)	51%
EBITDA	548,104,620	194,432,352	282%

7.0 MANAGEMENT SERVICES DIVISION PERFORMANCE

The following section gives performance of Management Services Division from July 2013 to September 2013.

7.1 Staff Status

By the end of the reporting period July 2013 – September 2013, the total number of staff was 1,818 of which 26% were female. The increase in the number of staff is attributed to increased number of Areas from 23 to 28 towns brought about by the takeover of new towns.

Table 17: Status of Staff as at 30th September 2013

Area	Male	Female	% of Female /Total staff	Total Staff
				30/09/2013
Head Office	200	100	35%	300
Kampala Water	588	190	24%	778
Jinja	68	24	26%	92
Entebbe	66	32	33%	98
Mbarara	65	8	11%	73
Mbale	54	9	14%	63
Tororo	24	7	23%	31
Lira	28	8	22%	36
Gulu	22	3	12%	28
Soroti	28	7	20%	35
Arua	16	4	20%	20
Masaka	37	5	14%	42
Fort Portal	20	5	19%	25
Kasese	18	4	18%	22
Bushenyi / Ishaka	17	6	23%	23
Hoima	16	4	16%	20
Masindi	13	6	38%	19
Kabale	29	3	9%	32
Iganga	13	4	24%	17
Lugazi	12	5	29%	17
Mubende	18	4	22%	22
Kitgum	20	4	26%	24
Pader	3	2	40%	5
Nebbi	11	4	37%	15
Mityana	15	5	34%	20
Kisoro	19	5	27%	24
Total	1,423	458	25%	1,881

7.2 Staff Productivity

During the reporting period, staff productivity was 6 staff per 1000 connections against a target of 5 staff per 1000 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..

7.3 Staff Costs as Percentage of Operating costs.

The staff costs as percentage of operating costs during the period under review were 38.5% against an annual target of 38% and period target of 39.5%. The absolute staff costs were within the budgetary provision and accounted for 80% 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 Scale Adjustment

The Board, Management and Union Joint Negotiation Committee meeting held in September culminated into salary restructuring whereby a new improved structure was jointly approved. Consequently, staff take-home especially for lower scales 3 – 10 significantly improved. The negotiations also addressed inconsistencies in notches and scale overlaps.

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 and Pader. As a result suitable manpower was recruited to manage these towns. Human Resource department was at the forefront of the recruitment and the exercise was diligently carried out

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 approved for consideration and renewal of staff contracts in managerial positions of scale 1 and 2 and the contracts have been duly renewed except for one staff that had a pending disciplinary issue.

7.7 Manpower 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. HR therefore conducted a manpower needs assessment in all divisions and presented a paper to the Board which approved the recruitment process to be started and HR has already initiated this recruitment process.

7.7 Due Diligence exercise for takeover of 6 New Areas

Human Resource was part of the due diligence exercise in preparation for the 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 recruitment as well as transfer exercise is being prepared for staff to those Areas in order to operate effectively when NWSC takes over.

7.8 Transport

The following gives performance of Transport Section from 1st July 2013 – 30th September 2013

- i. The Corporation has started procuring its own field vehicles to reduce leasing cost. In FY 2012/13 – 07 pickups (05 single & 02 double cabins) approved and FY 2013/14 – 14 units of pickups and 02 units of mid-range station wagon were approved. 05 single pickups in FY 2012/13 were Supplied and deployed in the following areas: Bushenyi, Mubende, Masindi, Nebbi and Kitgum. 02 double cabins to be delivered in November 2013. For FY 2012/13 for 14 units of pickups and 02 units of mid-range station wagon. The bids will be opened on 6/11/2013.
- ii. In a bid to reduce the rising costs of transport, a proposal for the extension of wet loan scheme to the plumbers was presented and approved by the Board. The scheme is now operational.
- iii. Proposals for the revision in the Transport policy for mileage and motor vehicle maintenance allowances for management staff were presented and approved by Top Management. A Board Paper seeking approval of the proposed rates was prepared and submitted to CMMS for review and schedule to the Board.
- iv. Process of disposing uneconomical vehicles (Motor vehicles – 16 and cycles – 69) is in progress. Procurement Request to secure independent valuer was raised, pending Contracts Committee approval. This is aimed at reducing high running cost of transport.
- v. A 22 tons Isuzu truck (UAT 799P) was procured and delivered in July 2013. The truck effectively started work in August 2013 after training the three drivers on

how to drive/handle the vehicle. This is in a bid to enhance delivery of materials /chemicals in the areas.

- vi. 477UDR Iveco truck was redeployed to Inventory from Jinja together with the driver to handle short distances delivery of pipes/ chemicals especially in KW and nearby areas such as Jinja, Entebbe, Mityana, Masaka etc.

7.9 Legal

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. The total number of cases did not increase during the period under review.

7.10 Public Relations

During the period July –September 2013, 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. The PR office managed to market e-water and fully participated in the Customer-centric workout programmes in all NWSC operational areas.

7.11 Security Report

Provision of security services for key installations and office premises of the Corporation is out sourced. Most of the sensitive Kampala Water installations are being guarded by Saracen Company, while others are being guarded by Ultimate Security Company.

In other Areas of NWSC operations, office premises and installations of the two big areas of Mbale and Mbarara are guarded by Saracen while Entebbe and Jinja are being guarded by Ultimate Security. The rest of the 19 Areas of NWSC are guarded by other Security firms such as Uganda Securicor and Premier Security Guards. 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–September 2013 is given below;

8.1 Operating Income (Table13)

The operating income for the period July 2013 to September 2013 was Ushs.44.3 billion, against the budgeted amount of Ushs.45.8 billion, implying an achievement of 97%.

8.2 Operating Expenses (Table 13)

The operating expenses for the period July 2013–September 2013 amounted to Ushs. 30.9 billion against a budget provision of Ushs.37.5 billion. The actual expenditure was 82% of the budget.

Out of the total operating expenses, **staff costs** for the period July –September 2013 accounted for 38.5% (against an annual target of 38%) amounting to Ushs.11.8 billion. However, this was within the budgetary provision for the period of 39.5%.

8.3 Profitability (Table 13)

During the reporting period, July 2013– September 2013, operating profit before depreciation amounted to Ushs.13.5 billion against a budget of Ushs.8.3 billion, an achievement of 166%. Profits after depreciation and interest for the same period amounted to Ushs.8.8billion which is over 100% of the budget of Ushs.4.8billion. This is much higher compared to last year's performance for the same period where profits after depreciation were at Ushs.5.2 billion.

8.4 Creditors (Table 16)

It was noted during the period under review, that the position of creditors had improved compared to the situation from shs 15.8 billion as at June 30th to shs 15.1 billion as at 30th Sept 2013. This was attributed to continued management effort to reduce its current liabilities.

8.5 Bank Balances (Table 15)

The total cash at hand and bank as at end of September 2013 amounted to Ushs.25.3 billion. Out of this, Ushs.12.6 billion was in fixed deposits accounts and the balance of Shs. 12.7billion was on current accounts.

8.6 Debtors (Tables 19)

As at end of September 2013, the Debtors position stood at Ushs.58.9 billion compared to Ushs.55 billion last year which represents 5.4% growth.

Table 13: The Income and Expenditure Statement July– September 2013

(All amounts in Ushs.'000)

ITEM	Actual July– Sept 2012.	Actual July– Sep–13	Budget July– Sep 2013	Actual as % of Budget
INCOME				
Water Income	32,520,343	35,138,510	35,804,291	98%
Sewerage Income	6,609,234	6,841,143	6,942,357	99%
Other income	1,796,737	2,464,523	3,097,430	80%
Total Income	40,926,314	44,444,176	45,844,078	97%
EXPENDITURE				
Staff Expenses	11,684,799	11,900,498	14,816,356	80%
Administrative Cost	2,922,363	2,894,700	3,449,605	83%
Static Plant and Pipe Network	9,438,184	10,846,860	12,288,373	88%
Supplies and Services	2,328,419	3,123,169	4,144,759	75%
Premises Maintenance	678,177	782,840	1,207,967	59%
Transport & Mobile Plant	1,247,941	1,348,747	1,618,115	80%
Total Expenditure	28,299,883	30,896,814	37,525,175	82%
Operating Profit Before Depreciation	12,626,431	13,547,362	8,318,903	165%
Depreciation & Amortization	4,715,585	4,371,516	3,495,540	125%
Interest on long term loan	341,732	341,732	155,756	
Operating Profits	7,569,114	8,834,114	4,823,363	187%

Table 14: Statement of Financial Position as at 30th September 2013
(Ushs.'000)

ASSETS	30th Sept. 2013	30th June 2013
NON-CURRENT ASSETS		
Property plant and equipment	460,727,308	464,985,878
Capital Works- in-Progress	72,353,701	64,988,429
Intangible assets	52,317	52,317
Operating lease prepayments	300,638	300,410
	533,433,964	530,327,034
CURRENT ASSETS		
Inventories	19,617,865	19,223,994
Trade and other receivables	101,757,508	98,414,763
Tax recoverable	2,376,045	2,375,630
Short term Bank deposits	12,563,439	14,598,415
Cash and bank balances	12,737,085	12,072,495
	148,893,584	146,685,297
TOTAL ASSETS	682,327,548	677,012,331
EQUITY AND LIABILITIES		
Equity and reserves		
Government funding	249,762,880	249,455,313
Revaluation reserves	23,347,920	23,347,920
Retained earnings	109,522,224	100,501,720
	382,633,024	373,304,953
NON-CURRENT LIABILITIES		
Long term Debt	7,971,457	7,971,457
Service gratuity	-	-
Terminal Benefits	7,871,079	7,871,079
Deferred tax liabilities	32,121,279	32,121,279
Deferred income	228,721,202	224,831,330
	276,685,017	272,795,145
CURRENT LIABILITIES		
Trade and other payables	18,032,007	19,884,690
Deferred income	3,132,631	4,176,841
Borrowings	887,043	2,952,833
Service gratuity	-	2,697,868
Terminal benefits	957,826	1,200,000
	23,009,507	30,912,232
	682,327,548	677,012,330

As at the end of the Quarter the total cash at hand and bank was Ushs 21 billion, which is a 4.6% increase compared to 30th June 2012 balances. Of this

Ushs 12.3 billion was in fixed deposits accounts and the balance of Shs 8.7 billion was in other Corporation current accounts (see details in table 15)

Table 15: Fixed Deposit Balances/Creditors as at 30th September 2013

(Amount in UShs 000)

FIXED DEPOSIT	9/30/2013	6/30/2013
CRANE BANK	1,991,104	2,991,104
BANK OF AFRICA	1,688,877	1,688,877
DFCU BANK	1,420,729	2,086,519
	5,100,710	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	2,030,655	2,030,655
	7,462,729	7,456,562
TOTAL FIXED DEPOSITS	12,563,439	14,223,062
CASH & BANK BALANCES		
Cash at hand		-
Collection Accounts	6,808,237	2,446,097
BOU accounts	3,622,386	3,563,597
Operational accounts	1,744,465	6,101,604
Other bank balances	346,170	336,548
TOTAL & BANK BALANCES	12,737,085	12,447,846
GRAND TOTAL	25,300,524	26,670,908

Table 16: CREDITOR'S SUMMARY, SEPTEMBER 2013

(Amount in UShs 000)

Description	9/30/2013	6/30/2013
Trade Suppliers	9,318,640	9,409,230
Umeme	2,633,998	3,056,684
Medical Bills	347,713	452,045
Telephone	114,438	134,396
Others	2,664,288	3,711,022
TOTAL	15,079,077	16,763,377

Note: During the period under review, Creditors reduced from Shs 16.7 billion as at 30th June 2013 to Shs 15.0 billion as at 30th September 2013. This is partly due the Corporation's effort to reduce the old commitments, and minimize new commitments

Table 17: Aged Creditors Summary September 2013,(Amount in Ushs'000')

Description	9/30/2013 Ushs'000'	0-30 days Ushs'000'	30- 60 days Ushs'000'	Above 60 days Ushs'000'
Trade Suppliers	9,318,640	3,302,989	4,516,534	3,826,597
Umeme	2,633,998	2,633,998	-	-
Medical Bills	347,713	141,905	121,334	84,474
Telephone	114,438	77,559	36,879	-
Others	2,664,288	704,655	526,733	1,432,900
TOTAL	15,079,077	6,861,106	5,201,480	5,343,971

Table 18: Trade Debtors/Arrears Summary by Area, September 2013(Ushs'000')

AREA	Bal. As At 30/09/13	Bal. As At 30/06/13
KAMPALA	31,443,072	28,745,914
JINJA	6,228,402	5,849,071
ENTEBBE	4,092,812	3,886,168
MBALE	2,128,962	2,199,094
TORORO	1,232,447	1,228,868
MASAKA	869,939	858,598
MBARARA	4,410,157	4,393,523
LIRA	1,119,699	1,095,566
GULU	1,920,531	1,689,657
KASESE	446,025	415,564
FORTPORTAL	453,392	613,339
KABALE	379,566	387,369
BUSHENYI	155,868	166,879
SOROTI	837,820	824,941
ARUA	535,654	508,776
MASINDI	1,006,993	968,730
MUBENDE	606,484	602,768
HOIMA	212,488	192,190
LUGAZI	122,462	131,608
IGANGA	271,680	252,110
MITYANA	111,356	-
KISORO	158,403	-
KITGUM	124,079	-
NEBBI	85,537	-
PADER	4,792	-
TOTAL	58,958,621	55,010,731

Table 19: Debtors by Category, September 2013 (All Amounts in Ushs '000')

CATEGORY	Bal. As At 30/09/13	Bal. As At 30/06/13
MINISTRIES	32,813,866	29,561,776
PARASTATALS	373,200	706,925
INSTITUTIONS	2,176,567	2,866,470
COMMERCIAL	9,662,101	8,608,561
LOCAL AUTHORITY	330,715	234,796
DOMESTIC	13,602,172	13,032,203
TOTAL	58,958,621	55,010,731

Table 20: Aged Debtors by Area, September 2013(All Amounts in Ushs '000')

AREAS	180 Above	90–180 days	0–90 days	TOTAL
KAMPALA	17,593,506	3,872,358	9,977,208	31,443,072
JINJA	2,683,295	966,107	2,579,000	6,228,402
ENTEBBE	1,194,306	767,474	2,131,032	4,092,812
MBALE	1,051,915	342,623	734,424	2,128,962
TORORO	878,400	104,720	249,328	1,232,447
MBARARA	2,541,021	635,316	1,233,820	4,410,157
MASAKA	379,859	125,313	364,767	869,939
LIRA	503,797	193,276	422,626	1,119,699
GULU	980,003	252,129	688,399	1,920,531
KASESE	154,767	66,935	224,323	446,025
FORT PORTAL	122,519	57,087	273,792	453,398
KABALE	115,069	53,794	210,703	379,566
BUSHENYI	48,887	17,052	89,869	155,808
SOROTI	427,759	98,593	311,469	837,820
ARUA	289,933	48,234	197,508	535,674
MASINDI	409,789	120,438	476,766	1,006,993
HOIMA	66,873	23,612	122,003	212,488
MUBENDE	350,167	68,577	187,740	606,484
LUGAZI	29,600	12,688	80,173	122,462
IGANGA	110,631	7,810	153,239	271,680
MITYANA	–	–	111,356	111,356
KISORO	–	–	158,403	158,403
KITGUM	–	–	124,079	124,079
NEBBI	–	–	85,537	85,537
PADER	–	–	4,792	4,792
TOTAL	29,932,096	7,834,136	20,708,187	58,958,621

8.7 Ration Analysis

Ratio	As at 30/09/13	As at 30/06/13
Current ration	6.5	4.7
Quick ratio	5.5	4.0
ROCE (%)	2.1	2.0
Debtor days	131	124
Creditor days	39	43

From the table above, 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 taffiff 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 39 days.
- The debtor days have increased from 124 days to 131 days this is mainly due to the high GOU arrears of Shs 32 billion out of the total arrears of Shs 58.5 billion.

9.0 PLANNING AND CAPITAL DEVELOPMENT PERFORMANCE

This Section presents the performance review and status of projects currently being implemented by the Corporation for the period July 2013 – September 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 was expected to be completed in April 13 was extended to 30th Aug.2013 and now Dec 2013.
- Disbursed Euros 12.28Million which is approximately 88% complete.

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 GWK 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 the soil structure.
- A no-objection was received from the financiers and the contractor is currently mobilising materials, equipment & labour.
- Disbursed Euros 15.41Million which is 18% complete.

ii. Kinawataka Waste Water Treatment Plant: Bids were received but were too high beyond the budget. The scope is being scaled down for the re-tendering process to begin.

iii. Nakivubo and Kinawataka Sewers;

- Completed the tendering process.
- A no-objection from KfW was obtained to engage Sogea Satom as a contractor.

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

Consultant: CES Salziger in association with CODA& partners.

Project Status: Total amount disbursed equal to Euros 4.2m as at 30th September 2013.

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

- Procurement of the works contractor is in progress.
- Disbursed Euros 335,186

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

- The consultant Fichtner Water & Transport GmbH was procured.
- Disbursed Euros 6,675 to David Baker for Consultancy during the period under review.

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

- Procurement of the Consultancy works is in progress. Bids were received in April 2013.
- Disbursed Euros 7,500 to David Baker for Consultancy.

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

- A no-objection request to the evaluation report was submitted to the financing partners.

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

- Terms of Reference for the Programme Management Support are being modified.

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.
- Advance payments are being arranged for the different Areas.

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.

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 substantially completed with a few snags to be done.
- The final certificate is 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.838Million

Consultant: ILISO Consulting

Project Status:

- The Consultant is finalizing the design report and tender documents for the new intake.
- Amount disbursed equal to Shs.450Million.
- Procurement of a contractor is in progress.

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

Project Status:

- Amount disbursed equal to Shs.4.3billion as at 30th September 2013 paid by the Ministry of Water and Environment.

10.0 CHALLENGES AS AT SEPTEMBER 2013

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

10.1 Dry zones

The dry zones are still a challenge in some areas especially in Kampala. The Areas 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 Corporation is still faced with high levels of NRW attributed to the old network especially in Kampala, water theft and illegal connections. This has resulted into substantial revenue loss to the Corporation

11.3 Accumulation of Arrears

The arrears status as at 30th September 2013 was Shs 58.9 billion out of which Government Arrears were Shs 32.8 billion, accounting for 55.6%, while Domestic arrears were Shs 13.6 billion, accounting for 23.0%. The area by area arrears position as at 30th June 2013 is detailed in table 11. 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 Taxation

11.4.1 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 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.

11.4.2 Tax Receivable

The high level of Government arrears is exacerbated by the big sums of Tax receivables which as at 30/06/2012 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.

11.4.3 Electricity

The intermittent power supply in some parts of the NWSC operational areas, especially in western and northern Uganda has adversely affected water production and supply. This explains a low customer satisfaction index especially in Gulu and Arua.

12.0 WAY FORWARD/RECOMMENDATIONS FOR FY 2013/14

In line with the PACE end of year evaluation that was held in July 2013, key operational strategies were developed and agreed upon by all stakeholders to ensure that the annual targets for 2013/14 are met by June 2014. These strategies are in line with overall 2012–2015 Corporate Plan theme of “**Enhancing Financial Sustainability and Infrastructure Growth**” with the following subthemes;

- i. **Revenue Growth:** Aimed at ensuring continued and diversified revenue growth
- ii. **Cost Optimization:** Aimed at ensuring cost optimization and Allocative Efficiency.
- iii. **Asset Management Efficiency and Investment:** Aimed at ensuring posterity, productivity and growth of assets and investments.
- iv. **Stakeholder Management:** Aimed at ensuring Company Strength and Stakeholder Management

In addition, management efforts are going to be geared towards the implementation of the Five year Strategic Direction (2013– 2018) that is in harmony with the Corporate plan 2012–2015 and will inform the preparation of the Corporate Plan 2015–2018. The strategic Direction aims 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 Direction are achieving 100% coverage for water and the improvement of sewerage services in the Urban areas by 2018. 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

12.1 90 Days STEP-UP/Customer Care Weeks Programs

In order to attain the objectives set in the 5-Year Strategic Direction, a program code-named 90 Days STEP-UP was introduced. The program is already being implemented in form of Workouts in all NWSC Areas of operation. The Workouts involve sensitization on the STEP-UP (which stands for: Service, Teamwork and Team Spirit, Enthusiasm and Performance & Productivity). The program aims at improving the above mentioned attributes, through;

- Improving Service reliability and customer services
- Team work and Spirit which form the foundation for sustained performance improvements

- Reviving of staff Enthusiasm with respect to work and NWSC Service delivery efforts which breed energy and action.
- The bottom line arising from service improvement, teamwork and enthusiasm is to improve performance for the Corporation.

12.2 Customer Care Weeks

The Management of NWSC through its recent Performance Improvement Programs (PIPs) is emphasizing Customer Care in service delivery. As a result customer care weeks are running in parallel with the STEP-UP 90 Days program to sensitize area staff on the importance of NWSC Customers. The Area staff is being sensitized on the best practices and standards of service; this is due to the importance which NWSC Management attaches to its customers. The sensitization of staff is mainly in the areas of;

- NWSC's core business
- NWSC's core values
- The importance of our customers
- Obligations to each other as employees
- Our Customers obligations and
- NWSC's Policies and practices in regard to Customer Care.

12.3 Implementation of the Kampala Declaration of August 2013

Following the completion of the second half of the FY 2012/13, a Bi-annual PACE Performance Evaluation Workshop was held in August 2013. The performance evaluation workshop is in line with the provisions of the PACE Framework whose objectives include; undertaking periodic performance reviews, timely formulation of corrective and preventive measures, as well as promotion of benchmarking amongst NWSC Areas of Operation, among others. Some of the other key enhancements of the PACE Contracts include; strengthening of water committees, adopting a scientific approach towards target setting, strengthening of incentive sharing among Area staff, and implementation of annual or six months rolling action plans through which the set targets are to be achieved. This is aimed at ensuring continuous improvement in performance, and contributing to the attainment of the Corporation's vision – "To be the Leading Water Utility in the World".

Therefore the Area Management Teams/Partnerships, together with the Head Office Management, with the leadership and coordination of the designated Task Team Leaders, resolved to undertake **Priority Actions and Strategies (highlighted)** to improve performance over the next FY 2013/14. The strategies are aligned to the following six critical thematic areas of intervention.

- i. Revenue Growth and Increasing Water Coverage
- ii. Cost Optimization
- iii. Operation Efficiency and Asset Management
- iv. Stakeholder Management
- v. Staff Welfare and Learning
- vi. IT Systems and Network Efficiency

#	Undertaking	Objective	Action/Strategies
1.	Operation Efficiency and Asset Management	<ul style="list-style-type: none"> Effective and efficient operation and management of corporation assets 	<ul style="list-style-type: none"> Finalize the procurement, delivery and installation of bulk water meters in Jinja and Entebbe and rollout the replacement and installation of bulk meters in other Areas at all major installations and bulk consumers premises; by 30th June 2014 Complete the ongoing pressure management pilot project in Kampala including installation of PRVs by April 2014 and up-scale the lessons in other parts of Kampala Finalize the development of the Asset Management Policy by December 2013 and establish an Asset management unit by; by April 2014 Ensure that the detailed action plans for NRW management for Entebbe and Jinja under the AfWA/FABRI pilot project are developed by 31st December 2013 and the action plans implemented by June 2014 Ensure that the Water Safety Plans for all Areas apart from Jinja are revised by 31st October 2013 and a pilot implemented in Jinja under the auspices of IWA by 30th September 2013 Ensure that the training plan for plumbers to be trained in the Gaba workshop is developed by 31st August 2013 Strengthen and enforce a performance measurement framework for PPM implementation by 30 Sept 2013
2.	IT and Network Efficiency <i>Action Drivers:</i>	<ul style="list-style-type: none"> Effective and efficient Area operation 	<ul style="list-style-type: none"> Upgrade bandwidths for all areas by Dec 2013 Establish and enforce a performance measurement system for IT system availability Survey and ascertain IT requirements for the five new

#	Undertaking	Objective	Action/Strategies
	<ul style="list-style-type: none"> M-IT & AMs 		<p>towns <i>by December 2013</i>, procure,</p> <ul style="list-style-type: none"> Install and connect all the five towns and train the staff by <i>June 2014</i> Establish Areas that are in dire need of new computers and peripherals by <i>September 2013</i> & procure them by June 2014 Put in place alternative connection technology (VPN over internet) by <i>April 2014</i> Use another service provider to provide backup links by <i>April 2014</i>
3.	Revenue Growth	<ul style="list-style-type: none"> Increased water coverage Increased water sales Increase new connections Reduction in NRW 	<ul style="list-style-type: none"> Install prepaid meters on at least 150 large Government accounts and Lobby Government to budget for payment of at least 50% of the outstanding Arrears <i>by Dec 2013</i> Develop and implement security deposit policy to check the Arrears growth and ensure implementation of One month credit limit for all Non-Government Categories by <i>Dec 2013</i> Fast track completion of the network intensification of which includes Lugoba tank construction, Ndejje-Busabala intensification <i>by June 2014</i> Initiate the procurement of pipes and fittings for mains extension in line with the budget and Kampala Declaration by <i>December 2013</i> Priority replacement of aged and defective meters <i>by June 2014</i> Emphasize one month credit limit by <i>September 2013</i> Carryout Creative marketing with financial support from HQ on the benefits of prioritizing payment of water bills i.e through media and strategic alliance meetings starting <i>September 2013</i> Work with municipal authorities to meter & bill customers on sewer who are disconnected starting <i>September 2013</i> Expedite the purified water project: immediately Strengthen water loss teams in all areas: Immediately Ensure availability of new connection materials: immediately
4.	Cost Optimization	<ul style="list-style-type: none"> Improve COM Improve Working Ratio Improve liquidity, 	<ul style="list-style-type: none"> Energy efficiency improvement in Jinja with support from GIZ and KSB pumps: – follow up on report from KSB by <i>September 2013</i>, implement the actions therein and assess the feasibility of up-scaling the lessons to other areas by <i>June 2014</i>

#	Undertaking	Objective	Action/Strategies
		operational efficiency and service delivery	<ul style="list-style-type: none"> Comprehensive energy audits in Kampala, Entebbe, Mbale and Mbarara: Carry out flow & power consumption measurements in Kampala, Mbale & Mbarara by September 2013 and implement the recommendations by June 2014 Follow up on procurement and Upscale salt electrolysis beginning with areas of Masaka, Bushenyi, Tororo, Mbarara e.t.c. which are facing serious quality issues: immediate High transport maintenance costs: NWSC to assess viability of buying its own fleet by October 2013, and thereafter initiate procurement. Head Office to negotiate with Toyota on servicing vehicles from the Areas by September 2013 Calibration of old chemical dozers and initiation of the procurement of new gravity dozers; immediate Ensure that each Area develops clear strategies through the water councils and other means targeting collaboration towards minimizing the damage of pipes during road construction on the pipe network by December 2013
5.	Stakeholder Management	<ul style="list-style-type: none"> To increase business growth To improve the Corporation Image Globally To improve customer satisfaction To institutionalize customer care 	<ul style="list-style-type: none"> Motivate workforce by sorting out inequalities in salary structure, harmonise salary scales with job assignments, standardized grievance handling procedure and put in place a simplified code of conduct by February 2014 Improve customer care through timely response to complaints, information sharing, tailored training in customer care, addressing all complaints: immediately Improve performance efficiency through: <ul style="list-style-type: none"> implementation of WSP in all areas after pilot projects, Establish standard operating procedures capturing staff hygiene, protection of sites and installations. Create awareness among customers on benefits of overhead tank washing. Regionalize Static plant, block mapping and water quality by December 2013. Review and restructure the management and implementation of catchment protection budget to the Areas by December 2013. Create a unit at head office to handle operation and management of sewerage services in all NWSC Areas by December 2013.
6.	Staff welfare and	<ul style="list-style-type: none"> To improve staff welfare and 	<ul style="list-style-type: none"> Include staffing requirements vs workload in the Human

#	Undertaking	Objective	Action/Strategies
	Learning	motivation	<p>resource plan by December 2013</p> <ul style="list-style-type: none"> • HR to look into the issue of casuals: Immediately • Staff in acting position for a period longer than that recommended in the employment Act (2006) should be confirmed : Immediately • Promotions should be effective as a result of appraisals by December 2013 • Contracts should be renewed by November 2013 • Develop a proper staff transfer plan: Immediately • Review staff salaries, medical scheme and allowances based on current market rates by February 2014 • Put in place and implement OSH policy: Immediately • Follow disciplinary procedure as per Employment Act 2006: Immediately • Carry out training needs assessment especially geared to equipment staff with additional skills: By December 2013 • Long service awards to be implemented: Immediately • Carryout Training for managers in management skills and Read and follow regulations and laws especially labour laws: Immediately • Introduce a system to award individual performance: by December 2013

Annex: Area By Area Income Statements for the Period July –September 2013(amt in ‘000)

NATIONAL WATER AND SEWERAGE CORPORATION SUMMARY OF INCOME STATEMENT ON AREA BASIS FOR THE PERIOD JULY - SEPTEMBER 2013				
HEADQUARTERS				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	-	-	-	0%
Sewerage Services	-	-	-	0%
Service Charge	-	-	-	0%
Connection Fees	-	-	-	0%
Reconnection Fees	-	-	-	0%
Septic Tank Emptying / Discharge into S	-	-	-	0%
Fines	-	-	-	0%
Other Water & Sewerage Income	-	-	-	0%
Other Incomes	388,535	1,216,330	1,874,190	65%
External service income	-	-	-	0%
TOTAL OPERATING INCOME	388,535	1,216,330	1,874,190	65%
GOU GRANTS				
TOTAL INCOME	388,535	1,216,330	1,874,190	
OPERATING EXPENSES				
Staff costs	1,190,490	3,778,870	3,579,630	106%
Premises Maintenance	136,451	218,609	323,906	67%
Static Plant & Pipe Network	147,460	483,933	682,254	71%
Transport & Mobile Plant	118,026	210,808	328,818	64%
Supplies & Services	67,742	297,133	1,099,580	27%
Administrative Expenses	378,279	1,255,402	1,847,149	68%
Financial Costs	385,628	728,366	144,999	502%
TOTAL OPERATING EXPENSES	2,424,076	6,973,121	8,006,336	87%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-2,035,541	-5,756,791	-6,132,146	94%
DEPRECIATION EXPENSES	1,185,955	3,557,865	4,267,398	83%
OPERATING PROFITS	-3,221,496	-9,314,656	-10,399,544	90%

KAMPALA WATER AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF BUDGET
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	
INCOME				
Water Sales	6,991,244	21,653,572	22,080,925	98%
Sewerage Services	1,554,063	4,842,315	5,179,473	93%
Service Charge	318,020	953,942	907,590	105%
Connection Fees	112,216	392,858	567,658	69%
Reconnection Fees	46,653	123,664	174,612	71%
Septic Tank Emptying / Discharge into S	16,943	55,974	49,162	114%
Fines	35,825	171,931	331,987	52%
Other Water & Sewerage Income	35,498	102,644	53,668	191%
Other Incomes	32,886	134,329	53,281	252%
TOTAL OPERATING INCOME	9,143,348	28,431,229	29,398,356	97%
OPERATING EXPENSES				
Staff costs	1,470,852	4,263,526	6,217,887	69%
Premises Maintenance	120,915	345,503	424,608	81%
Static Plant & Pipe Network	2,169,915	6,657,462	7,442,155	89%
Transport & Mobile Plant	305,828	700,716	718,397	98%
Supplies & Services	701,147	2,055,784	2,315,699	89%
Administrative Expenses	158,591	639,491	562,875	114%
Financial Costs	1,250	16,724	13,055	128%
TOTAL OPERATING EXPENSES	4,928,498	14,679,206	17,694,676	83%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	4,214,850	13,752,023	11,703,680	118%
DEPRECIATION EXPENSES	119,003	357,008	428,205	83%
OPERATING PROFITS	4,095,847	13,395,015	11,275,475	119%
Working Ratio	0.54	0.52	0.61	

ENTEBBE AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	757,446	2,092,804	2,059,230	102%
Sewerage Services	111,724	254,303	229,510	111%
Service Charge	34,707	102,582	97,035	106%
Connection Fees	13,848	45,022	69,014	65%
Reconnection Fees	2,264	6,235	11,211	56%
Septic Tank Emptying / Discharge into S	61	143	180	79%
Fines	2,438	6,660	5,325	125%
Other Water & Sewerage Income			37	0%
Other Incomes	2,076	8,960	125	7168%
TOTAL OPERATING INCOME	924,564	2,516,709	2,471,667	102%
OPERATING EXPENSES				
Staff costs	183,388	470,658	530,687	89%
Premises Maintenance	14,415	33,866	52,670	64%
Static Plant & Pipe Network	133,903	467,516	465,585	100%
Transport & Mobile Plant	22,741	58,930	56,944	103%
Supplies & Services	22,892	72,416	72,246	100%
Administrative Expenses	18,332	59,823	50,673	118%
Financial Costs	280	1,316	900	146%
TOTAL OPERATING EXPENSES	395,951	1,164,525	1,229,705	95%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	528,613	1,352,184	1,241,962	109%
DEPRECIATION EXPENSES	14,013	42,039	50,423	83%
OPERATING PROFITS	514,600	1,310,145	1,191,539	110%
Working Ratio	0.43	0.47	0.50	

JINJA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	568,629	1,756,254	2,110,863	83%
Sewerage Services	223,828	658,909	685,422	96%
Service Charge	25,270	75,821	69,135	110%
Connection Fees	7,421	31,859	43,004	74%
Reconnection Fees	1,290	1,710	860	199%
Septic Tank Emptying / Discharge into S	68	1,263	1,250	101%
Fines	3,032	5,072	3,125	162%
Other Water & Sewerage Income	-	-	-	0%
Other Incomes	9,689	13,538	19,255	70%
TOTAL OPERATING INCOME	839,227	2,544,426	2,932,914	87%
OPERATING EXPENSES				
Staff costs	141,558	447,255	616,031	73%
Premises Maintenance	12,369	42,759	53,335	80%
Static Plant & Pipe Network	175,608	538,037	602,768	89%
Transport & Mobile Plant	18,392	62,935	70,987	89%
Supplies & Services	21,928	47,577	52,752	90%
Administrative Expenses	29,961	91,610	75,909	121%
Financial Costs	254	779	750	104%
TOTAL OPERATING EXPENSES	400,070	1,230,952	1,472,532	84%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	439,157	1,313,474	1,460,382	90%
DEPRECIATION EXPENSES	29,172	87,517	104,970	83%
OPERATING PROFITS	409,985	1,225,957	1,355,412	90%
Working Ratio	0.48	0.49	0.51	

MBALE AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	225,590	703,435	787,122	89%
Sewerage Services	69,297	221,728	241,762	92%
Service Charge	13,973	41,570	43,091	96%
Connection Fees	5,824	16,046	25,371	63%
Reconnection Fees	1,170	2,841	1,972	144%
Septic Tank Emptying / Discharge into S	75	289	867	33%
Fines	86	2,751	996	276%
Other Water & Sewerage Income	59	59	875	7%
Other Incomes	129	1,618	1,281	126%
TOTAL OPERATING INCOME	316,203	990,337	1,103,337	90%
OPERATING EXPENSES				
Staff costs	105,080	280,111	354,710	79%
Premises Maintenance	3,226	10,957	21,048	52%
Static Plant & Pipe Network	76,683	254,589	300,593	85%
Transport & Mobile Plant	8,371	30,223	37,088	81%
Supplies & Services	27,251	78,026	52,674	148%
Administrative Expenses	17,911	46,925	41,734	112%
Financial Costs	105	471	750	63%
TOTAL OPERATING EXPENSES	238,627	701,302	808,597	87%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	77,576	289,035	294,740	98%
DEPRECIATION EXPENSES	7,296	21,889	26,255	83%
OPERATING PROFITS	70,280	267,146	268,485	100%
Working Ratio	0.75	0.71	0.73	

TORORO AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	111,193	338,118	351,185	96%
Sewerage Services	8,658	27,165	24,581	111%
Service Charge	6,007	17,821	18,744	95%
Connection Fees	2,569	10,184	7,632	133%
Reconnection Fees	809	1,775	1,224	145%
Septic Tank Emptying / Discharge into S	100	490	230	213%
Fines	944	1,346	1,050	128%
Other Water & Sewerage Income	41	82	75	109%
Other Incomes	970	2,561	530	0%
TOTAL OPERATING INCOME	131,291	399,542	405,251	99%
OPERATING EXPENSES				
Staff costs	40,469	122,278	154,487	79%
Premises Maintenance	2,784	12,767	14,916	86%
Static Plant & Pipe Network	67,598	193,218	163,235	118%
Transport & Mobile Plant	6,102	15,566	17,828	87%
Supplies & Services	30,614	72,310	55,928	129%
Administrative Expenses	13,919	45,179	33,907	133%
Financial Costs	105	344	275	125%
TOTAL OPERATING EXPENSES	161,591	461,662	440,576	105%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-30,300	-62,120	-35,325	176%
DEPRECIATION EXPENSES	5,074	15,221	18,256	83%
OPERATING PROFITS	-35,374	-77,341	-53,581	-44%
Working Ratio	1.25	1.17	1.09	

MASAKA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	221,128	698,623	649,245	108%
Sewerage Services	30,347	92,668	94,076	99%
Service Charge	12,364	37,047	35,243	105%
Connection Fees	7,296	28,058	32,130	87%
Reconnection Fees	1,677	3,261	3,850	85%
Septic Tank Emptying / Discharge into S	144	475	450	106%
Fines	1,949	4,289	1,416	303%
Other Water & Sewerage Income	207	2,805	-	0%
Other Incomes	1,612	3,412	5,079	67%
TOTAL OPERATING INCOME	276,724	870,638	821,489	106%
OPERATING EXPENSES				
Staff costs	123,591	237,876	262,314	91%
Premises Maintenance	1,591	8,068	12,329	65%
Static Plant & Pipe Network	78,332	276,079	257,005	107%
Transport & Mobile Plant	4,751	19,787	23,178	85%
Supplies & Services	38,910	105,658	73,246	144%
Administrative Expenses	12,988	39,841	33,013	121%
Financial Costs	151	526	667	79%
TOTAL OPERATING EXPENSES	260,314	687,835	661,752	104%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	16,410	182,803	159,737	114%
DEPRECIATION EXPENSES	7,824	23,473	28,154	83%
OPERATING PROFITS	8,586	159,330	131,583	121%
Working Ratio	0.95	0.80	0.81	

MBARARA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	444,247	1,394,486	1,390,299	100%
Sewerage Services	65,676	190,580	237,905	80%
Service Charge	19,412	58,153	56,790	102%
Connection Fees	9,009	36,190	28,866	125%
Reconnection Fees	470	2,030	3,000	68%
Septic Tank Emptying / Discharge into S	280	831	600	139%
Fines	472	2,339	3,000	78%
Other Water & Sewerage Income	-	-	-	0%
Other Incomes	1,618	6,607	1,800	367%
TOTAL OPERATING INCOME	541,184	1,691,216	1,722,260	98%
OPERATING EXPENSES				
Staff costs	123,640	358,774	365,995	98%
Premises Maintenance	6,480	16,554	17,862	93%
Static Plant & Pipe Network	137,395	398,794	341,772	117%
Transport & Mobile Plant	10,953	32,519	32,848	99%
Supplies & Services	33,810	134,764	86,887	155%
Administrative Expenses	22,636	72,314	57,963	125%
Financial Costs	51	183	495	37%
TOTAL OPERATING EXPENSES	334,965	1,013,902	903,822	112%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	206,219	677,314	818,438	83%
DEPRECIATION EXPENSES	11,513	34,539	41,427	83%
OPERATING PROFITS	194,706	642,775	777,011	83%
Working Ratio	0.62	0.60	0.53	

LIRA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	169,883	521,508	551,942	94%
Sewerage Services	32,902	97,017	96,800	100%
Service Charge	11,823	35,194	34,556	102%
Connection Fees	5,644	13,556	14,634	93%
Reconnection Fees	847	3,070	2,136	144%
Septic Tank Emptying / Discharge into S	355	1,151	330	349%
Fines	1,169	9,162	837	1095%
Other Water & Sewerage Income	28	256	221	116%
Other Incomes		-	1,417	0%
TOTAL OPERATING INCOME	222,651	680,914	702,873	97%
OPERATING EXPENSES				
Staff costs	83,425	190,412	225,657	84%
Premises Maintenance	3,641	8,074	8,900	91%
Static Plant & Pipe Network	74,487	231,288	228,964	101%
Transport & Mobile Plant	6,286	21,627	28,969	75%
Supplies & Services	7,071	24,291	24,789	98%
Administrative Expenses	11,809	35,401	38,447	92%
Financial Costs	285	651	530	123%
TOTAL OPERATING EXPENSES	187,004	511,744	556,256	92%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	35,647	169,170	146,617	115%
DEPRECIATION EXPENSES	7,116	21,348	25,605	83%
OPERATING PROFITS	28,531	147,822	121,012	122%
Working Ratio	0.84	0.76	0.79	

GULU AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	149,409	444,652	421,027	106%
Sewerage Services	52,095	152,546	134,875	113%
Service Charge	7,070	23,734	24,688	96%
Connection Fees	2,977	8,633	13,518	64%
Reconnection Fees	499	578	963	60%
Septic Tank Emptying / Discharge into S	418	1,108	602	184%
Fines	599	1,511	1,620	93%
Other Water & Sewerage Income	279	481	119	404%
Other Incomes	-	1,075	-	0%
TOTAL OPERATING INCOME	213,346	634,318	597,412	106%
OPERATING EXPENSES				
Staff costs	40,824	128,427	157,158	82%
Premises Maintenance	4,014	6,722	6,924	97%
Static Plant & Pipe Network	65,815	195,151	170,380	115%
Transport & Mobile Plant	3,073	15,279	21,882	70%
Supplies & Services	16,311	51,131	24,775	206%
Administrative Expenses	8,556	27,488	23,700	116%
Financial Costs	153	317	240	132%
TOTAL OPERATING EXPENSES	138,746	424,515	405,059	105%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	74,600	209,803	192,353	109%
DEPRECIATION EXPENSES	6,812	20,435	24,510	83%
OPERATING PROFITS	67,788	189,368	167,843	113%
Working Ratio	0.65	0.67	0.68	

KASESE AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF BUDGET
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	
INCOME				
Water Sales	107,521	335,795	340,763	99%
Sewerage Services	-	-	-	0%
Service Charge	7,587	22,616	23,174	98%
Connection Fees	2,631	13,310	10,894	122%
Reconnection Fees	50	170	600	28%
Septic Tank Emptying / Discharge into S	-	-	-	0%
Fines	514	1,370	500	274%
Other Water & Sewerage Income	-	-	-	0%
Other Incomes	-	-	-	0%
TOTAL OPERATING INCOME	118,303	373,261	375,931	99%
OPERATING EXPENSES				
Staff costs	33,386	118,080	124,531	95%
Premises Maintenance	2,022	6,254	6,187	101%
Static Plant & Pipe Network	2,441	6,980	12,416	56%
Transport & Mobile Plant	4,707	15,227	21,897	70%
Supplies & Services	6,758	15,239	13,715	111%
Administrative Expenses	12,093	33,604	33,213	101%
Financial Costs	168	426	450	95%
TOTAL OPERATING EXPENSES	61,575	195,810	212,409	92%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	56,728	177,451	163,522	109%
DEPRECIATION EXPENSES	1,870	5,611	6,730	83%
OPERATING PROFITS	54,858	171,840	156,792	110%
Working Ratio	0.52	0.53	0.57	

FORT PORTAL AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	128,908	402,894	342,896	117%
Sewerage Services	9,246	22,279	24,621	90%
Service Charge	8,054	24,365	24,217	101%
Connection Fees	2,860	13,007	11,723	111%
Reconnection Fees	330	461	450	102%
Septic Tank Emptying / Discharge into S	93	376	6,542	6%
Fines	171	1,223	1,808	68%
Other Water & Sewerage Income		114	220	52%
Other Incomes	170	239	294	81%
TOTAL OPERATING INCOME	149,832	464,958	412,771	113%
OPERATING EXPENSES				
Staff costs	48,731	132,489	170,704	78%
Premises Maintenance	2,085	5,743	7,487	77%
Static Plant & Pipe Network	32,365	111,588	109,643	102%
Transport & Mobile Plant	5,814	19,256	22,739	85%
Supplies & Services	2,410	9,361	12,290	76%
Administrative Expenses	5,000	22,560	19,874	114%
Financial Costs	205	665	751	89%
TOTAL OPERATING EXPENSES	96,610	301,662	343,488	88%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	53,222	163,296	69,283	236%
DEPRECIATION EXPENSES	3,334	10,001	11,996	83%
OPERATING PROFITS	49,888	153,295	57,287	268%
Working Ratio	0.64	0.65	0.84	

BUSHENYI- ISHAKA AREA

ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF BUDGET
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	
INCOME				
Water Sales	68,229	134,473	209,867	64%
Sewerage Services	-	78,980	-	0%
Service Charge	3,712	11,005	10,918	101%
Connection Fees	2,110	7,920	10,129	78%
Reconnection Fees	47	161	35	460%
Septic Tank Emptying / Discharge into S	-	-	-	0%
Fines	101	202	66	306%
Other Water & Sewerage Income	10	28	870	3%
Other Incomes	80	1,511	240	630%
TOTAL OPERATING INCOME	74,289	234,280	232,125	101%
OPERATING EXPENSES				
Staff costs	34,760	103,929	101,761	102%
Premises Maintenance	593	1,853	5,477	34%
Static Plant & Pipe Network	27,264	83,205	90,002	92%
Transport & Mobile Plant	1,527	4,781	8,721	55%
Supplies & Services	12,436	34,144	23,668	144%
Administrative Expenses	7,486	19,423	16,054	121%
Financial Costs	133	480	450	107%
TOTAL OPERATING EXPENSES	84,199	247,815	246,133	101%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-9,910	-13,535	-14,008	97%
DEPRECIATION EXPENSES	5,694	17,082	20,489	83%
OPERATING PROFITS	-15,604	-30,617	-34,497	89%
Working Ratio	1.13	1.07	1.06	

KABALE AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF BUDGET
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	
INCOME				
Water Sales	79,637	282,555	282,611	100%
Sewerage Services	14,537	48,296	56,647	85%
Service Charge	7,365	22,003	21,155	104%
Connection Fees	2,094	6,417	9,030	71%
Reconnection Fees	230	800	597	134%
Septic Tank Emptying / Discharge into S	34	1,013	1,659	61%
Fines	257	1,116	855	131%
Other Water & Sewerage Income	17	144	284	51%
Other Incomes	567	1,503	-	0%
TOTAL OPERATING INCOME	104,738	363,847	372,838	98%
OPERATING EXPENSES				
Staff costs	63,836	151,123	154,877	98%
Premises Maintenance	3,188	11,634	14,023	83%
Static Plant & Pipe Network	30,093	103,120	102,287	101%
Transport & Mobile Plant	8,029	17,384	25,795	67%
Supplies & Services	3,087	10,656	9,050	118%
Administrative Expenses	10,268	27,883	31,769	88%
Financial Costs	68	366	465	79%
TOTAL OPERATING EXPENSES	118,569	322,166	338,266	95%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-13,831	41,681	34,572	121%
DEPRECIATION EXPENSES	4,351	13,054	15,657	83%
OPERATING PROFITS	-18,182	28,627	18,915	151%
Working Ratio	1.14	0.89	0.91	

SOROTI AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	114,221	364,928	404,460	90%
Sewerage Services	12,321	40,105	35,432	113%
Service Charge	8,923	26,657	24,298	110%
Connection Fees	1,905	7,887	13,149	60%
Reconnection Fees	682	2,462	2,655	93%
Septic Tank Emptying / Discharge into S	20	40	88	45%
Fines	89	1,229	750	164%
Other Water & Sewerage Income	906	1,815	525	346%
Other Incomes		-	2,520	0%
TOTAL OPERATING INCOME	139,067	445,123	483,877	92%
OPERATING EXPENSES				
Staff costs	61,709	190,329	166,520	114%
Premises Maintenance	1,354	3,563	8,474	42%
Static Plant & Pipe Network	47,132	157,503	173,206	91%
Transport & Mobile Plant	5,234	17,584	15,770	112%
Supplies & Services	1,194	5,227	18,016	29%
Administrative Expenses	12,181	35,774	25,949	138%
Financial Costs	248	520	600	87%
TOTAL OPERATING EXPENSES	129,052	410,500	408,535	100%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	10,015	34,623	75,342	46%
DEPRECIATION EXPENSES	7,448	22,344	26,800	83%
OPERATING PROFITS	2,567	12,279	48,542	75%
Working Ratio	0.93	0.92	0.85	

ARUA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	77,439	251,277	289,201	87%
Sewerage Services	-	-	-	0%
Service Charge	6,451	23,847	22,380	107%
Connection Fees	1,408	6,441	17,136	38%
Reconnection Fees	340	1,000	991	101%
Septic Tank Emptying / Discharge into S	-	-	-	0%
Fines	-	-	-	#DIV/0!
Other Water & Sewerage Income	636	2,831	800	354%
Other Incomes	-	-	-	0%
TOTAL OPERATING INCOME	86,274	285,396	330,508	86%
OPERATING EXPENSES				
Staff costs	26,128	80,832	134,554	60%
Premises Maintenance	3,087	9,362	15,684	60%
Static Plant & Pipe Network	33,227	107,209	84,881	126%
Transport & Mobile Plant	4,421	18,827	21,435	88%
Supplies & Services	9,899	37,345	21,233	176%
Administrative Expenses	12,425	37,102	33,566	111%
Financial Costs	193	855	525	163%
TOTAL OPERATING EXPENSES	89,380	291,532	311,878	93%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-3,106	-6,136	18,630	-33%
DEPRECIATION EXPENSES	4,628	13,884	16,652	83%
OPERATING PROFITS	-7,734	-20,020	1,978	1112%
Working Ratio	1.04	1.02	0.94	

MUBENDE AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	60,584	199,706	194,638	103%
Sewerage Services	-	-	-	0%
Service Charge	4,613	13,727	13,640	101%
Connection Fees	1,725	7,764	11,415	68%
Reconnection Fees	80	375	750	50%
Septic Tank Emptying / Discharge into S	-	-	-	0%
Fines	315	972	1,200	81%
Other Water & Sewerage Income	-	51	37	138%
Other Incomes	-	-	25	0%
TOTAL OPERATING INCOME	67,317	222,595	221,705	100%
OPERATING EXPENSES				
Staff costs	30,764	99,094	105,522	94%
Premises Maintenance	930	5,009	5,692	88%
Static Plant & Pipe Network	19,478	74,226	83,067	89%
Transport & Mobile Plant	3,046	8,476	8,227	103%
Supplies & Services	4,758	14,883	9,074	164%
Administrative Expenses	8,877	27,316	28,088	97%
Financial Costs	46	192	300	64%
TOTAL OPERATING EXPENSES	67,899	229,196	239,970	96%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-582	-6,601	-18,265	36%
DEPRECIATION EXPENSES	2,446	7,338	8,801	83%
OPERATING PROFITS	-3,028	-13,939	-27,066	48%
Working Ratio	1.01	1.03	1.09	

MASINDI AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	72,193	229,357	238,154	96%
Sewerage Services	8,092	26,714	29,427	91%
Service Charge	5,253	15,640	15,437	101%
Connection Fees	2,257	8,762	8,872	99%
Reconnection Fees	-	-	475	0%
Septic Tank Emptying / Discharge into S	-	-	75	0%
Fines	-	-	200	0%
Other Water & Sewerage Income	-	-	625	0%
Other Incomes	-	-	260	0%
TOTAL OPERATING INCOME	87,795	280,473	293,525	96%
OPERATING EXPENSES				
Staff costs	34,435	103,161	128,494	80%
Premises Maintenance	1,518	7,721	4,881	158%
Static Plant & Pipe Network	32,630	96,300	89,289	108%
Transport & Mobile Plant	5,634	14,836	10,076	147%
Supplies & Services	6,847	21,903	15,717	139%
Administrative Expenses	10,187	30,886	22,241	139%
Financial Costs	94	222	252	88%
TOTAL OPERATING EXPENSES	91,345	275,029	270,950	102%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-3,550	5,444	22,575	24%
DEPRECIATION EXPENSES	5,168	15,504	18,596	83%
OPERATING PROFITS	-8,718	-10,060	3,979	-253%
Working Ratio	1.04	0.98	0.92	

HOIMA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF BUDGET
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	
INCOME				
Water Sales	58,619	186,543	166,747	112%
Sewerage Services	2,517	8,151	9,229	88%
Service Charge	5,322	15,712	15,822	99%
Connection Fees	2,603	6,744	10,059	67%
Reconnection Fees	100	227	420	54%
Septic Tank Emptying / Discharge into S	-	130	304	43%
Fines	136	859	982	87%
Other Water & Sewerage Income	-	-	-	0%
Other Incomes	-	-	-	0%
TOTAL OPERATING INCOME	69,297	218,366	203,563	107%
OPERATING EXPENSES				
Staff costs	51,472	114,663	122,419	94%
Premises Maintenance	660	1,882	5,663	33%
Static Plant & Pipe Network	29,213	94,455	140,103	67%
Transport & Mobile Plant	4,395	12,569	16,878	74%
Supplies & Services	1,928	4,615	9,022	51%
Administrative Expenses	7,965	24,227	23,094	105%
Financial Costs	60	296	360	82%
TOTAL OPERATING EXPENSES	95,693	252,707	317,539	80%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-26,396	-34,341	-113,976	30%
DEPRECIATION EXPENSES	3,203	9,609	11,525	83%
OPERATING PROFITS	-29,599	-43,950	-125,501	65%
Working Ratio	1.38	1.16	1.57	

LUGAZI AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	44,505	143,637	147,054	98%
Sewerage Services	-	-	-	0%
Service Charge	2,425	7,157	7,876	91%
Connection Fees	1,335	3,951	8,994	44%
Reconnection Fees	180	310	200	155%
Septic Tank Emptying / Discharge into S	-	-	-	0%
Fines	50	937	138	679%
Other Water & Sewerage Income	-	-	-	0%
Other Incomes	-	-	-	0%
TOTAL OPERATING INCOME	48,495	155,992	164,262	95%
OPERATING EXPENSES				
Staff costs	39,785	82,706	80,729	102%
Premises Maintenance	2,216	4,302	7,380	58%
Static Plant & Pipe Network	23,846	72,661	71,376	102%
Transport & Mobile Plant	4,656	14,307	16,024	89%
Supplies & Services	1,819	6,342	5,184	122%
Administrative Expenses	6,193	18,737	20,756	90%
Financial Costs	188	476	360	132%
TOTAL OPERATING EXPENSES	78,703	199,531	201,809	99%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-30,208	-43,539	-37,547	116%
DEPRECIATION EXPENSES	1,472	4,416	5,297	83%
OPERATING PROFITS	-31,680	-47,955	-42,844	-12%
Working Ratio	1.62	1.29	1.23	

IGANGA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	65,147	204,902	190,849	107%
Sewerage Services	4,985	16,020	18,477	87%
Service Charge	4,652	13,762	15,401	89%
Connection Fees	2,833	10,745	15,120	71%
Reconnection Fees	20	50	395	13%
Septic Tank Emptying / Discharge into S	-	-	25	0%
Fines	214	499	360	139%
Other Water & Sewerage Income	13	133	112	119%
Other Incomes	-	-	-	0%
TOTAL OPERATING INCOME	77,864	246,111	240,739	102%
OPERATING EXPENSES				
Staff costs	24,350	73,062	104,616	70%
Premises Maintenance	1,369	4,899	9,339	52%
Static Plant & Pipe Network	4,045	10,087	8,240	122%
Transport & Mobile Plant	4,873	14,091	13,201	107%
Supplies & Services	582	1,432	5,326	27%
Administrative Expenses	8,429	28,216	27,538	102%
Financial Costs	128	431	425	101%
TOTAL OPERATING EXPENSES	43,776	132,218	168,685	78%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	34,088	113,893	72,054	158%
DEPRECIATION EXPENSES	3,520	10,561	12,667	100%
OPERATING PROFITS	30,568	103,332	59,387	174%
Working Ratio	0.56	0.54	0.70	

MITYANA AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	31,944	91,904	277,288	33%
Sewerage Services	-	-	-	#DIV/0!
Service Charge	-	8,091	22,380	36%
Connection Fees	3,925	6,380	12,804	50%
Reconnection Fees	-	-	395	0%
Septic Tank Emptying / Discharge into S	-	-	-	#DIV/0!
Fines	3,467	3,467	-	#DIV/0!
Other Water & Sewerage Income	-	-	-	#DIV/0!
Other Incomes	-	-	-	#DIV/0!
TOTAL OPERATING INCOME	39,336	109,842	312,867	35%
OPERATING EXPENSES				
Staff costs	28,265	59,580	110,937	54%
Premises Maintenance	1,019	1,707	4,300	40%
Static Plant & Pipe Network	887	37,483	81,923	46%
Transport & Mobile Plant	1,679	2,291	10,858	21%
Supplies & Services	985	3,254	7,350	44%
Administrative Expenses	6,411	14,314	20,502	70%
Financial Costs		60	525	11%
TOTAL OPERATING EXPENSES	39,246	118,689	236,395	50%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	90	-8,847	76,472	-12%
DEPRECIATION EXPENSES	3,334	10,001	11,996	100%
OPERATING PROFITS	-3,244	-18,848	64,476	-29%
Working Ratio	1.00	1.12	0.76	

KISORO AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	55,745	200,662	300,000	67%
Sewerage Services	82	294	-	#DIV/0!
Service Charge	9,397	17,332	10,170	170%
Connection Fees	805	805	8,818	9%
Reconnection Fees	70	70	200	35%
Septic Tank Emptying / Discharge into S	318	424	-	#DIV/0!
Fines	-	-	-	#DIV/0!
Other Water & Sewerage Income	-	3	-	#DIV/0!
Other Incomes	-	-	-	#DIV/0!
TOTAL OPERATING INCOME	66,417	219,590	319,188	69%
OPERATING EXPENSES				
Staff costs	28,159	71,710	110,938	65%
Premises Maintenance	5,668	7,425	14,442	51%
Static Plant & Pipe Network	57,699	118,066	85,338	138%
Transport & Mobile Plant	2,606	5,532	10,141	55%
Supplies & Services	1,710	5,031	11,914	42%
Administrative Expenses	10,494	21,900	27,996	78%
Financial Costs	56	207	300	69%
TOTAL OPERATING EXPENSES	106,392	229,871	261,069	88%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-39,975	-10,281	58,119	-18%
DEPRECIATION EXPENSES	2,446	7,338	8,801	100%
OPERATING PROFITS	-42,421	-17,619	49,318	-36%
Working Ratio	1.60	1.05	0.82	

KITGUM AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	17,932	53,582	93,970	57%
Sewerage Services	444	444	-	#DIV/0!
Service Charge	1,472	4,388	12,316	36%
Connection Fees	227	316	48,379	1%
Reconnection Fees	50	50	200	25%
Septic Tank Emptying / Discharge into S	-	-	-	#DIV/0!
Fines	-	-	-	#DIV/0!
Other Water & Sewerage Income	-	-	-	#DIV/0!
Other Incomes	-	-	-	#DIV/0!
TOTAL OPERATING INCOME	20,125	58,780	154,865	38%
OPERATING EXPENSES				
Staff costs	31,354	69,177	91,795	75%
Premises Maintenance	513	1,179	6,865	17%
Static Plant & Pipe Network	3,630	20,777	72,788	29%
Transport & Mobile Plant	1,145	2,207	9,489	23%
Supplies & Services	278	1,831	5,134	36%
Administrative Expenses	4,850	15,640	24,910	63%
Financial Costs	21	154	360	43%
TOTAL OPERATING EXPENSES	41,791	110,965	211,341	53%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-21,666	-52,185	-56,476	92%
DEPRECIATION EXPENSES	1,472	4,416	5,297	100%
OPERATING PROFITS	-23,138	-56,601	-61,773	8%
Working Ratio	2.08	1.89	1.36	

PADER AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	3,706	10,148	197,910	5%
Sewerage Services	-	-	-	0%
Service Charge	299	820	3,726	22%
Connection Fees	1,381	1,381	2,994	46%
Reconnection Fees	-	-	800	0%
Septic Tank Emptying / Discharge into S	-	-	-	#DIV/0!
Fines	-	-	-	#DIV/0!
Other Water & Sewerage Income	-	-	-	#DIV/0!
Other Incomes	-	-	-	#DIV/0!
TOTAL OPERATING INCOME	5,386	12,349	205,430	6%
OPERATING EXPENSES				
Staff costs	14,639	28,733	80,034	36%
Premises Maintenance	159	1,622	6,365	25%
Static Plant & Pipe Network	350	2,214	73,308	3%
Transport & Mobile Plant	294	1,142	9,489	12%
Supplies & Services	-	101	5,134	2%
Administrative Expenses	4,562	9,446	24,910	38%
Financial Costs	75	272	360	76%
TOTAL OPERATING EXPENSES	20,079	43,530	199,600	22%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-14,693	-31,181	5,830	-535%
DEPRECIATION EXPENSES	1,472	4,416	5,297	100%
OPERATING PROFITS	-16,165	-35,597	533	-6679%
Working Ratio	3.73	3.52	0.97	

NEBBI AREA				
ITEM	ACTUAL	CUMMULATIVE YEAR TO DATE	CUMMULATIVE BUDGET	ACTUAL AS % OF
	SEPT '13	JUL-SEPT '13	JUL-SEPT '13	BUDGET
INCOME				
Water Sales	16,345	56,625	122,572	46%
Sewerage Services	-	-	-	#DIV/0!
Service Charge	1,498	4,433	7,059	63%
Connection Fees	915	2,911	11,950	24%
Reconnection Fees	-	-	125	0%
Septic Tank Emptying / Discharge into S	-	-	-	#DIV/0!
Fines	-	-	-	#DIV/0!
Other Water & Sewerage Income	-	-	-	#DIV/0!
Other Incomes	89	89	-	#DIV/0!
TOTAL OPERATING INCOME	18,847	64,058	141,706	45%
OPERATING EXPENSES				
Staff costs	22,543	50,837	110,937	46%
Premises Maintenance	2,783	4,024	11,716	34%
Static Plant & Pipe Network	43,675	54,928	93,422	59%
Transport & Mobile Plant	856	2,635	10,858	24%
Supplies & Services	1,872	4,841	5,917	82%
Administrative Expenses	6,949	19,563	22,157	88%
Financial Costs	106	204	525	39%
TOTAL OPERATING EXPENSES	78,784	137,032	255,532	54%
OPERATING PROFITS (LOSS) BEFORE DEPRECIATION	-59,937	-72,974	-113,826	164%
DEPRECIATION EXPENSES	4,628	13,884	16,652	100%
OPERATING PROFITS	-64,565	-86,858	-130,478	133%
Working Ratio	4.20	2.14	1.80	