

National Water and Sewerage Corporation

Integrated Annual Report

2017/18

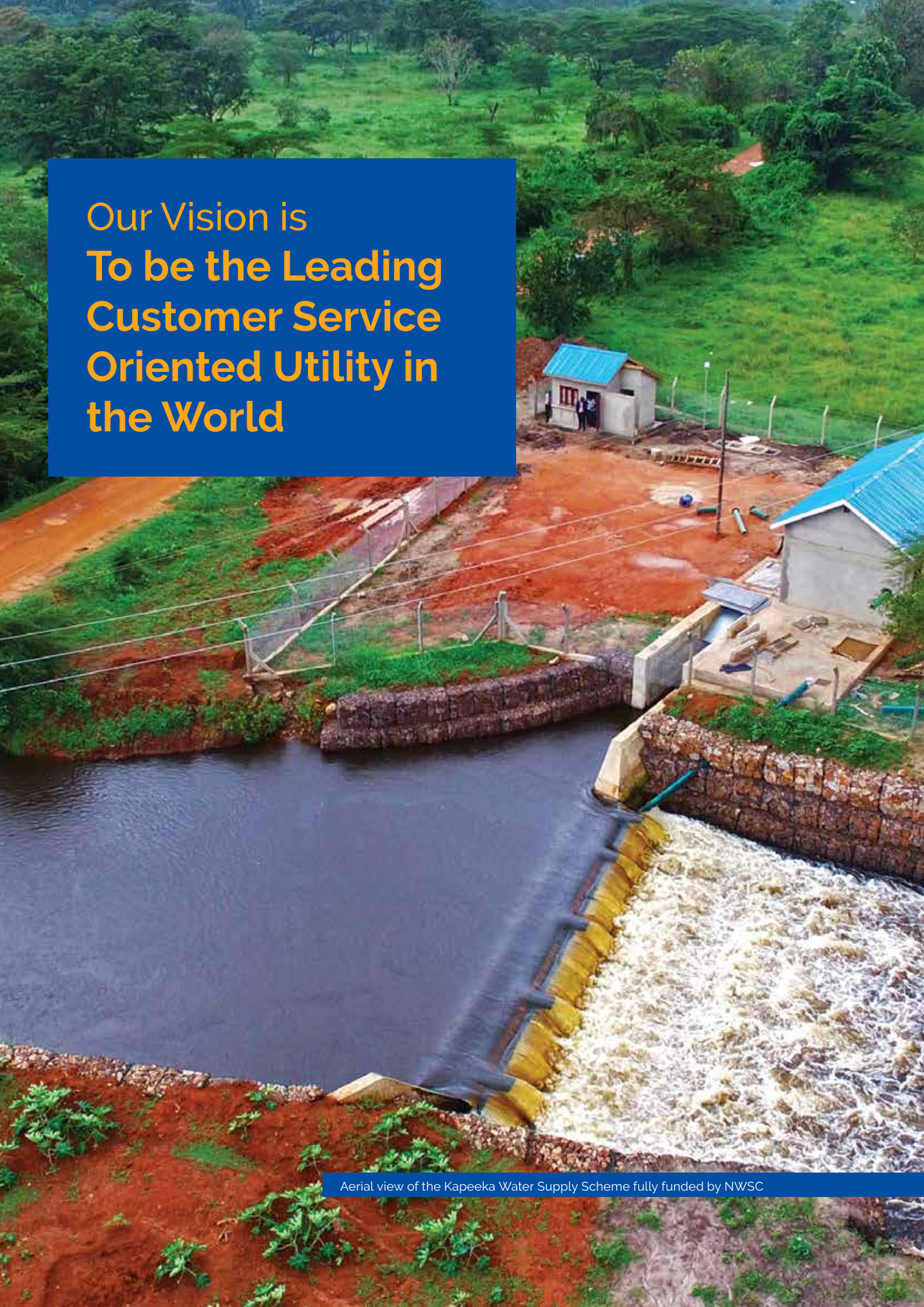


Continuous Improvement for Sustainable
& Equitable Service Delivery

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Our Vision is
To be the Leading
Customer Service
Oriented Utility in
the World



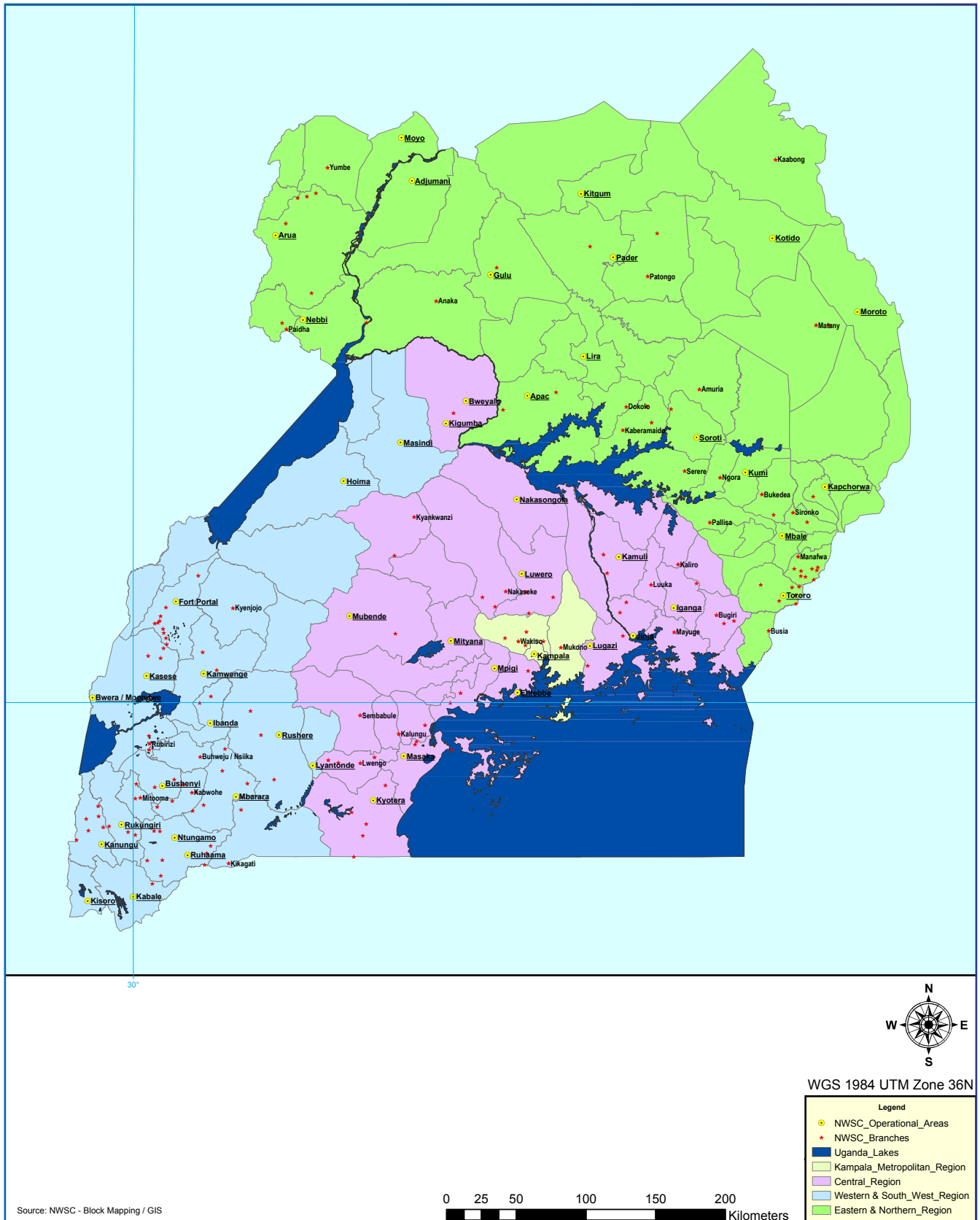
Aerial view of the Kapeeka Water Supply Scheme fully funded by NWSC

List of Acronyms and Abbreviations

ACORD	Association for Cooperative Operations Research and Development
AfDB	African Development Bank
AfWA	African Water Association
BOD	Biological Oxygen Demand
BSc	Bachelor of Science
CEO	Chief Executive Officer
CRM	Customer Relationship Module
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DFCU	Development Finance Company of Uganda
DMA	District Meter Area
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EIB	European Investment Bank
ESAMI	Eastern and Southern Africa Management Institute
ES	External Services
EU	European Union
FY	Financial Year
GIS	Geographical Information Systems
GoU	Government of Uganda
IAS	International Accounting Standards
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IPILC	Intergraded Program to Improve the Living Conditions in Gulu
IREC	International Resource Centre
IWMDP	Integrated Water Management Development Program
KfW	Kreditanstalt Fur Wiederaufbau
Kms	Kilometers
KS-WSP	Kampala South Water and Sanitation Project
KSP	Kampala Sanitation Project
KSW&SP	Kampala South Water and Sanitation Project
KW	Kampala Water
LSA	Long Service Award
LVWATSAN	Lake Victoria Water and Sanitation Project
M ³	Cubic Meters
MD	Managing Director
Mgt	Management
MTAC	Management Training and Advisory Centre
MWE	Ministry of Water and Environment
NDP	National Development Plan
NEMA	National Environment Management Authority (NEMA)
Nos.	Numbers
NRM	National Resistance Movement

NRW	Non-Revenue Water
NSSF	National Social Security Fund
NWSC	National Water and Sewerage Corporation
PhD	Doctor of Philosophy
pH	Potential of Hydrogen
PSPs	Public Stand Posts
SCAP 100	100% Service Coverage Acceleration Project
SC	Sub-county
SDGs	Sustainable Development Goals
SWAS	School Water and Sanitation Clubs
SWC	South Western Cluster Project (Isingiro, Mbarara and Masaka)
TB	Town Board
TC	Town Council / Trading Centre
TSS	Total Suspended Solids
UGX.	Uganda Shillings
UIPE	Uganda Institution of Professional Engineers
UK	United Kingdom
URA	Uganda Revenue Authority
USD	United States Dollar
VAT	Value Added Tax
VEI	Vitens Evides International
WACOCO	Water Community Communication Clubs
WATSAN	Water and Sanitation
WEDC	Water Engineering and Development Centre
WHO	World Health Organization
WMDP	Water Management and Development Project (Gulu, Arua and Bushenyi)
WMDP	Water Management Development Program
WTP	Water Treatment Plant

Our Geographical Coverage (236 Towns)



Growth in Geographical Coverage Since 1972

The NWSC was established in 1972. At that time, there were only 3 towns of Kampala, Jinja and Entebbe under its jurisdiction. Over the years, we have expanded our geographical coverage to reach more Ugandans. By 2013, the Corporation was operating in 27 towns. For the period 2013 to 2017, NWSC witnessed a rapid growth in coverage from 27 to 218 towns. During the FY 2017/18, the Corporation took over the operations of 18 additional towns, bringing the total number of towns under NWSC to 236 by end of June 2018. The diagram below illustrates our geographical expansion since 1972.





Our new Head Office at
Plot 3 Nakasero Road, Kampala-Uganda



About NWSC

Our Legal Framework

National Water and Sewerage Corporation is a Government Parastatal which was established by Decree No. 34 of 1972 following a study on the need to improve water and sanitation services in the large urban centres of Uganda. The Corporation was re-established by the National Water and Sewerage Act of 1995.

The Legal Framework governing the operations of National Water and Sewerage Corporation is defined by the National Water and Sewerage Corporation Act, 1995, Cap. 317, Laws of Uganda. The principal business of the Corporation is to manage and provide water and sewerage services in areas entrusted to it. As at 30th June 2018, the Corporation was operating in 236 towns across the country.

Our Customers

The Corporation served more than 587,863 water subscribers at the end of the reporting period of which 12,305 are pro-poor (PSPs) customers whose tariff is subsidized.

Our Employees

NWSC is endowed with 3,452 skilled, experienced, and motivated staff.

Vision & Mission

Our Vision is **"To be the Leading Customer Service Oriented Utility in the World"** and our Mission is **"To sustainably and equitably provide cost effective quality water and sewerage services to the delight of all stakeholders, while conserving the environment."**

Our Concern for the Environment

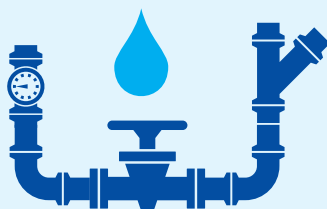
Our business is directly dependent on the environment. We are conscious about the threat posed by climate change to our business and to the society in which we operate. We have incorporated environmental protection strategies in our business model. Our environmental concern goes beyond mere compliance with laws and regulations but also includes voluntary measures.

Our 2017-18 **Key Highlights**



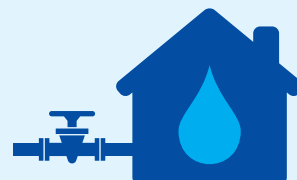
Network Coverage (Number of towns)

Number of Towns Increased from **218** to **236**.



Network Length

Extended water network by **2,021 kms** and Sewer mains by **24 kms**.



Connections (New)

We connected **50,341** new water consumers and **272** new sewer consumers.



Pro-Poor Connections

Connected **3,342 Public Stand posts** to increase access to safe water by the under privileged members of the community.



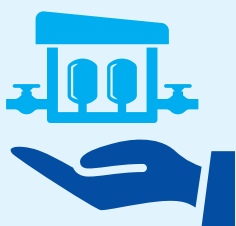
Turnover

Increased Annual Turnover from UGX 321 billion to UGX **388 billion**.



Operating Profit

Operating Profit Before Depreciation increased from UGX 71 billion to UGX **92 billion**.



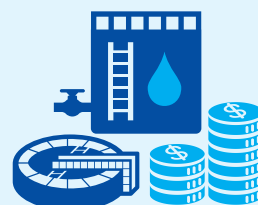
Asset Base

The asset base increased from UGX 1.4 trillion as at June 2017 to UGX 1.7 trillion in June 2018.



Equity

Equity increased from UGX 503 billion as at June 2017 to UGX 555 billion as at end of June 2018.



Investments

The Corporation invested UGX 334 billion into the refurbishment and development of new Water and Sewerage infrastructure compared to UGX 226 billion in 2017.



Employment

Created 320 additional employment opportunities, bringing the total number of people employed to 3,452



Tax Compliance

Contributed UGX 58 billion in taxes paid.



Head Office Block

Completed and commissioned a new Head Office block located in the Central business district of Kampala City, Plot 3, Nakasero Road.

Annual Trend Of Our Key Performance Indicators (KPIs)

Table 1: Annual Performance 2013-2018

Key Performance Indicator	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Water Services					
Number of Towns (Nos.)	66	110	170	218	236
Water Service Coverage (%)	77	76	78	78.2	83.7**
Water Production (Million m ³)	93.8	99.6	106.0	120.7	126.2
Water supply (Million m ³)	92.5	96.4	102.8	116.2	120.1
Water Sales (Million m ³)	61.1	66.4	73.9	80.2	82.9
Non-Revenue Water (%)	33.7	31.2	28.0	30.9	31.0
New Water Connections (Nos.)	28,068	33,982	38,836	40,712	50,341
Connections taken over with New Towns	20,970	17,626	15,419	11,752	12,865
Total Water Connections (Nos.)	366,330	418,031	472,193	524,057	587,863
New Public Stand posts (Nos.)	921	924	1,129	1,164	3,342
Total Public Stand posts (Nos.)	9,638	10,562	10,841	10,424	12,305
New water mains extensions (km)	470.3	1,340.9	887.6	910.6	2,021.4
Extensions taken over in New Towns (km)	853.7	190.0	547.4	1,220.6	700.0
Total water pipe network (km)	6,994	8,525	9,960	12,113	14,466
Sewerage Services					
Sewerage Service coverage (%)	6.4	6.4	6.4	6.4	21.5
New Sewer Connection (Nos.)	360	235	388	316	272
Total Sewer Connections (Nos.)	18,810	19,045	20,355	21,072	21,616
New Sewer extensions (km)	16.8	38.2	18.46	22.28	24.02
Financial Performance					
Turnover (Billion) - (UGX.) (Net VAT)	184.5	211.8	276.06	320.96	388
Billing (Billion) - (UGX.) -VAT Inc.	196.4	225.9	292.3	346.81	390.2
Collections (Billion) - (UGX.) - VAT Inc.	154.4	198.5	284.1	322.72	384.7
Collection Efficiency (%)	96	105	97	93	99
Debt Age (Months)	4.0	2.8	2.6	3.0	2.9
EBITDA (Billion) - (UGX.)	32	33	61	71	92
Staff Number (Nos.)	2,263	2,752	2,860	3,131	3452
Staff Productivity (Nos.)	6	6	6	6	6

** Based on the baseline survey on service coverage:

- Service coverage within NWSC municipal boundaries is 83.7%
- Service coverage outside NWSC municipal boundaries is 54.2%
- Service coverage both within and outside NWSC municipal boundaries is 74.3%



H.E President Yoweri K. Museveni cutting the Tape at the Commissioning of the Gaba-Namasuba Project.

About this Report

This report is presented in accordance with the Global Reporting Initiatives 4 (GRI4) Guidelines on reporting. It is prepared in accordance with applicable accounting standards, the National Water and Sewerage Corporation Act 1995, Cap. 317, Laws of Uganda; the Water Act 1997, Cap. 152, Laws of Uganda and the Public Finance Management Act 2015. The report has 2 key sections; the Annual Report and the Financial Statements for FY 2017/18.

The first section contains a message from the Board Chairman; a message from the Managing Director and insights into the governance and leadership of the Corporation. It also contains the sustainability report which measures, discloses and gives accountability about our commitment to meet our present obligation without compromising the ability of the future generation to meet their own needs.

We have also highlighted in this section, our various stakeholders and role of the Board in balancing their

competing needs. The section further highlights the key areas of focus for the Board over the next 3 years which include business growth, green economy, business viability, good governance, corporate citizenship and infrastructure growth. It ends with the operational performance in line with the key performance indicators which include among others; service coverage, water production, growth of connections, non-revenue water and performance on capital projects.

The second section contains the Financial Statements which were prepared in accordance with the International Financial Reporting Standards. They include the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash flows and the Notes to the Financial Statements. The key accounting policies that have been adopted are also explained.



Members of Parliament tour the Gaba Water Treatment Plant after rehabilitation

Awards and Recognition



The NWSC Team receive the Fire Award Certificate for 2017 - From Left (3rd) is Deputy Managing Director - Finance and Corporate Strategy, Mrs. Sylvia. A Tumuheirwe & 2nd Right is Senior Manager Finance & Accounts, Mr. Silver Emudong; Extreme Right is Manager Revenue & Accounts, Mrs. Angella Musoke.



Global Credit Rating Co.

Local Expertise • Global Presence



CREDIT RATING ANNOUNCEMENT

GCR assigns National Water and Sewerage Corporation a rating of AA_(UG); Outlook Stable

Johannesburg, 25 October 2018 -- Global Credit Ratings has today assigned the National Water and Sewerage Corporation a long term national scale Issuer rating of AA_(UG), and a short term rating of A1_(UG). The outlook is accorded as Stable. The ratings are valid until 31 October 2019.

SUMMARY RATING RATIONALE

Global Credit Ratings has accorded the above credit ratings to National Water and Sewerage Corporation ("NWSC", "the Corporation") based on the following key criteria:

NWSC provides piped clean water to around 11 million people, with its jurisdiction covering the core economic centres of the country. The Corporation is central to the Government of Uganda's efforts to raise the population's living standards, as evidenced by the exponential growth in areas under its jurisdiction. Accordingly, government support can be considered very high.

NWSC has demonstrated sustained robust operating performance, which has seen connections rise by 40% over the FY13 to FY18 review period and water production increase by 50%. NRW decreased from 60% in 1998 to 31% at FY18, but further reduction are hampered by the aging infrastructure and faulty meters in Kampala, although levels are being reduced in new jurisdictions. Overall, the level of NRW compares favourably with water providers in other developing countries.

NWSC benefits from an efficient and sustainable tariff mechanism, which has allowed average tariffs to escalate at a sufficient rate to cover the rising unit production costs of water (including depreciation), notwithstanding some contraction in the differential. This positive margin between the average tariff charged and the costs per unit has ensured NWSC's ongoing financial profitability without the need for external operating subsidies, and represents a key rating strength. Favourable tariffs and rising volumes have seen revenue more than double over the 5-year review period. While cost pressures have resulted from taking over new areas, operating improvements implemented have led to stronger margins in subsequent years. Thus, although the EBITDA margin declined to 16.1% in FY15, it recovered to 22.5% in FY16, before spiking to 27.1% in FY18 (due to increased income from other sources). Such wide earnings margins have facilitated strong profitability over the review period, and provide sufficient headroom for NWSC to absorb short term cost pressures.

Debt utilisation has been limited, but NWSC has settled all obligations on time and in full, establishing a positive debt servicing track record. The Corporation only maintains an overdraft facility, but access to funding is likely to be forthcoming from local financial service firms. More significantly, NWSC enjoys substantial access to grant funding from a wide range of development institutions and donors. The Corporation is in constant contact with these organisations to ensure that funding is available for projects when needed, but the lack of secured funding facilities or contractual commitments does weaken GCR's assessment of liquidity.

Although the substantial capex in the pipeline implies project delivery risk, NWSC has demonstrated a strong ability to bring large capex projects to fruition.

The negotiation and maintenance of substantial secured funding commitments from a wide range of finance institutions would support financial stability and could lead to positive ratings movement. Continued strong service delivery and growth in earnings, could also support ratings progression. Conversely, project delays, particularly if funded with debt, could result in some debt service pressure. Perceived reduction in support from the Government of Uganda and/or development institutions could also result in negative rating action.

GLOSSARY OF TERMS/ACRONYMS USED IN THIS DOCUMENT AS PER GCR'S CORPORATE GLOSSARY

Budget	Financial plan that serves as an estimate of future cost, revenues or both.
Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Debt	An obligation to repay a sum of money. More specifically, it is funds passed from a creditor to a debtor in exchange for interest and a commitment to repay the principal in full on a specified date or over a specified period.
Gearing	With regard to corporate analysis, gearing (or leverage) refers to the extent to which a company is funded by debt and can be calculated by dividing its debt by shareholders' funds or by EBITDA.
Impairment	Reduction in the value of an asset because the asset is no longer expected to generate the same benefits, as determined by the company through periodic assessments.
Long-Term Rating	A long term rating reflects an issuer's ability to meet its financial obligations over the following three to five year period, including interest payments and debt redemptions. This encompasses an evaluation of the organisation's current financial position, as well as how the position may change in the future with regard to meeting longer term financial obligations.
Risk	The possibility that an investment or venture will make a loss or not make the returns expected. There are many different types of risk including basis risk, country risk, credit risk, currency risk, economic risk, inflation risk, liquidity risk, market or systemic risk, political risk, settlement risk and translation risk.
Short-Term Rating	A short term rating is an opinion of an issuer's ability to meet all financial obligations over the upcoming 12 month period, including interest payments and debt redemptions.

For Further Information:

Global Credit Rating Co. (<https://globalratings.net/>)

Challenges

The Corporation is faced with the following key challenges:

- **Non-Revenue Water (NRW):** currently stands at 31% and is caused by technical and commercial losses.
- **Government budget** for utilities does not match with the actual GoU bills leading to accumulation of arrears.
- **Climate change and variability** affecting reliability of water sources.
- **Inadequate infrastructure** that cannot cope with the population growth/urbanisation rate.
- **Inadequate investment/infrastructure financing** especially GoU counterpart funding for projects
- **Inadequate physical planning** leading to high costs for securing project sites and wayleaves
- **Delayed approvals** by third party Authorities and Agencies
- **Unregulated human activities** in water catchment areas

The following measures have been put in place to address the above challenges:

- **Physical planning:** maintaining close collaboration with planning authorities right from project inception.
- **Approvals by third party authorities and agencies:** continuous proactive engagement.
- **Source protection:** implementation of source protection plans in collaboration with key stakeholders.
- **Non-Revenue Water:** put in place systems, programmes and implement priority investments
- **Accumulation of Government arrears:** continuously engage Government to ensure adequate budgeting and timely release of funds
- **Climate change and variability:** partner with other stakeholders in implementation of mitigation measures
- **Inadequate infrastructure:** Prioritize infrastructure growth through the various NWSC development programs, fast track the implementation of the on-going projects and improve investment efficiency
- **Inadequate investment/infrastructure financing:** pursue alternative financing options and advocate for more allocation of GoU counterpart funding





Effects of human activity on the River Rwizi catchment in Mbarara



Eng. Dr. Christopher Ebal
Chairman, NWSC Board of Directors

Message from the Board Chairman

NWSC is an organization with 46 years history of providing clean, safe water and reliable sewerage services to Ugandans since it was established in 1972. This responsibility drives the Board and the entire NWSC team to continuously improve what we do to serve our esteemed customers. We understand the importance of reliable services to the growth of our economy and to the quality of life of every Ugandan.

The Financial Year 2017-18 was a period of continuous improvement in terms of service delivery and engagement with our stakeholders internally and externally. The Board has developed the new Vision for the future – **'To be the Leading Customer Service oriented Utility in the World'**.

In order to achieve our Vision, the Board developed the Corporate Plan (2018-2021) which was launched by the **Rt. Hon Prime Minister, Dr. Ruhakana Rugunda**. The theme of the Plan is; **Accelerated Sustainable Growth and Service Reliability Through Innovation**. It has synergies with SDGs, NDP II, Vision 2040 and the NRM Manifesto (2016-2021), especially on the need to provide universal access to clean and affordable water.

While pursuing the need for strong financial performance and a healthy Balance Sheet, the Board has not lost sight of the fact that there is need for equity in the provision of water and sanitation services. More than 3,000 public stand posts were installed to make water accessible by the under privileged members of the community. The Board recently reduced the price of water for public stand posts to **UGX 21** per 20-litre jerrycan in a bid to make water more affordable to the urban poor customers.

The Board is aware of the impact of climate change to our business and society. We have approved a number

of initiatives which are intended to address the adverse impact of climate change. The Corporation is actively involved in protecting and restoring the degraded water sources by working in collaboration with NEMA, Local Leaders and local communities in areas where we operate. We continued to implement the **"One Million Tree Planting Campaign"** which was launched a year ago. Up to 200,000 trees were planted in the year under review bringing the total number to 500,000.

The Corporation registered strong financial performance and met most of the targets set and agreed with the GoU through the Performance Contract. We registered growth in the geographical coverage from 218 to 236 towns and water mains were extended by over 2,000 kms. All these are aimed at bringing services to more Ugandans.

We are pleased to inform our stakeholders that in a bid to ensure improved service delivery, the following projects were completed during the year; Bushenyi Water Supply Project, Package Sewage Treatment Plant for Kisoro Town, Kapeeka Water Supply Project, Masindi Water Production Improvement – Phase 1.

There are a number of other projects which are still being implemented and are at different levels of progress. The Board and Management are working round the clock to ensure completion of the on-going projects.

On behalf of the Board of Directors, I take this opportunity to thank the Government of Uganda, the Development Partners, our esteemed customers, the Management and staff of NWSC and all the key stakeholders for the contributions they continued to make during the year.

For GOD and my Country.



Eng. Dr. Christopher Ebal
Chairman NWSC Board of Directors



Mitigating the risk of climate change; The Board Chairman, Eng. Dr. Christopher Ebal plants a tree in Kasese.



Eng. Johnson Amayo, DMD-Technical Services (left) briefing Board members on progress of works on the Kapeeka Water Supply Project



Providing for the Urban poor; An elderly woman fetches water from a newly commissioned public standpost.



Dr. Eng. Silver Mugisha
Managing Director

Message from the Managing Director

It gives me pleasure to present to our stakeholders, the report and financial statements for the year 2017-18. We continued to register improvements during the year. Our turnover increased by 11% from UGX 322 billion to UGX.388 billion, operating profit increased by 32% from UGX 71 billion to UGX 92 billion largely due to growth in income and operational efficiency. We connected 50,341 new water consumers bringing the total number of water subscribers to more than 587,000 connections.

Improved Water Service Delivery for a better life.

Our Vision of being '***the leading customer service oriented utility in the World***' is guiding our 3,452 employees towards the future and we feel positive about our way forward. Our values reflect the underlying organizational culture, as well as our future direction. *Together we deliver professional, reliable water supply with integrity and team spirit. We are result-oriented, innovative and provide excellent services to over 587,000 Subscribers on a daily basis.*

Progress on Investment Projects

The Corporation faces the challenge of increasing demand for water throughout the country due to urbanization and high population growth. We have put a lot of emphasis on developing and improving the water and sanitation infrastructure to meet the growing demand. In addition to the projects which were completed during the year, NWSC is in the process of implementing the following Capital Projects;

- **The Nakivubo Waste Water Treatment Plant** is being implemented to address the sanitation challenges in and around Kampala. The plant will also generate 630 Kilowatts of electricity from bio-gas. The overall progress on the project is 98%.
- **The Nakivubo and Kinawataka Sewer Project** involves laying 34 kms of sewers to improve sanitation in and around Kampala. 26.7 kms of pipes so far have been laid. The project will be completed by January 2019.
- **Kinawataka pre-treatment and pumping project;** the plant will do preliminary treatment of sewage and transfer it to Bugolobi for final treatment. As at June 2018, 51% of the civil works had been completed. The project is expected to be commissioned in January 2019.
- **Gulu Water Supply and Development Project;** the project involves upgrading and expanding the existing water and sewerage infrastructure in Gulu. A new faecal sludge treatment unit will also be constructed. 30% of the work has been accomplished and the project will be commissioned in February 2019.
- **New Water treatment plant in Katosi-Kampala East;** The project involves construction of a new treatment plant of 160 million litres per day, 10km transmission main to Nsumba Hill and a 40 million litre reservoir. The construction of the treatment plant and the transmission main have commenced and they are expected to be commissioned in December 2020.

In addition to the above Projects, there are many other infrastructure projects which are being implemented by the Corporation and are at different levels

of completion. A number of projects are also still at the planning stage and funds are being sourced for their implementation. Details of completed, on-going and planned projects are provided in the report.

SCAP 100 Project

The Financial Year 2017/18 marked the first year of implementation of the SCAP100 Project. UGX 213 billion is expected to be invested in the project over a 3-year period. 7,500 kms of water mains will be laid to cover 12,000 villages and 140,000 PSPs will be installed. Government has committed to provide 42% of the funds for the project and the balance will be financed using our internally generated funds. We are pleased to inform our stakeholders that this project was implemented smoothly in the reporting period. Up to 2,021 kms of water pipes have been extended, 3,342 PSPs were installed and 2,123 villages were reached.

Staff Motivation and Teamwork

The achievements registered over the year wouldn't have been possible without the motivation, teamwork and professionalism of our dear staff. I am very grateful and proud to work with such a great team. We have deliberate schemes for ensuring continuous training and development of our staff and we take great pride in our staff retention schemes. We pay particular attention to the health and safety of our staff while they work with us. Management highly appreciates the staff for continued commitment and dedication to the Corporation.

Customers

At NWSC everything we do is aimed at ensuring customer satisfaction and delight. We leave no stone unturned in ensuring that we provide adequate, safe and reliable water supply to all our consumers at all times. In order to meet this objective, we rely very heavily on the feedback we get from our customers. We have seen improved levels of

engagement by our consumers and increasing willingness to fully pay our water bills.

We have realigned the organization by regionalizing our service centres across the country and as a result we are now more responsive. We have created a team dedicated to community support using the Customer Relationship Module (CRM). Each Customer has a contact of the Customer Relationship Manager who can be contacted for any assistance required at any given time.

On behalf of Management, I would like to wholeheartedly thank our dear customers for the unwavering support they have given us throughout the years. We encourage them to continue engaging with us.

I take this opportunity to thank the Government of Uganda through the Ministry of Water and Environment and that of Finance Planning and Economic Development for their continued support and guidance. Also, I would like to sincerely thank our Development Partners for standing with us and supporting our projects over the years. In addition, we acknowledge and appreciate the support rendered to the Corporation by our dear customers, suppliers and staff.

Finally, I would like to sincerely thank the Board of Directors for the continued guidance and support they give Management.

May GOD bless you all



Dr. Eng. Silver Mugisha
Managing Director



Our Governance and Leadership

Overview

There are two layers of leadership that govern the affairs of the Corporation; The Board of Directors and Executive Management. These bodies are independent but complement each other in the execution of our mandate.

The Board of Directors

The NWSC Board is comprised of 8 Non-Executive Board members and one (1) Executive Board member, the Managing Director. According to the NWSC Act CAP 317 Section 8(1), the laws of Uganda 2000, appointment of Board of Directors (except for the Managing Director who is appointed by the Board) shall be done by "the Minister of Water and Environment" and this appointment will be for three years, with eligibility for reappointment for another term. The Board is accountable to the Minister.

The Board plays the following key Roles;

- Development of policies to guide the operations of the Corporation, taking into account the interest of the various stakeholders.
- To put in place the Corporate Plan which serves as a broad framework for guiding management in the medium term.
- Approval of major capital expenditure.
- Risk management and monitoring of operational and financial performance.
- Reviewing and approving accounting policies, financial statements and annual reports.
- Approving and reviewing the

Corporation's annual budgets and forecasts.

- Authorizing material borrowings and changes to the Corporation's capital structure.
- Appointment of the Managing Director, Management and staff.
- Overseeing and reviewing the effectiveness of the risk management and internal control systems.
- Formulating medium and long term plans of the Corporation, including development strategy, major Investments, acquisitions and disposal of major assets.

The Board delegates certain responsibilities to its committees to assist it in carrying out its functions. The recommendations of the Board committees are presented to the full Board for review and final approval. In this respect, five (5) Board committees have been set up, namely:

Audit Committee

Role: Oversight of integrity of financial statements and performance reports.

Risk Management Committee

Role: Overseeing the identification, classification and management of risks.

Human Resources, Legal and Administration Committee

Role: Developing Human Resource policies, health and safety, corporate structure, recruitments, retention, termination and managing legal affairs of

the Corporation.

Finance and Planning Committee

Role: Oversight of resource mobilization and utilization, annual budgets, 3-Year Corporate Plans, Strategy and implementation.

Technical Services Committee

Role: Oversight on capital development projects and operational efficiency of the existing infrastructure.

Key Board Achievements for the FY 2017/18

- Oversaw the completion of the following infrastructure projects; Bushenyi water supply project, Package Sewage Treatment Plant for Kisoro Town, Kapeeka Water Supply Project, Masindi Water Production Improvement – Phase 1.
- The Board also monitored, reviewed and guided management on the progress of the on-going infrastructure projects. A number of challenges have been identified in our areas of operation and various strategies have been initiated to address them.
- Oversaw the completion of the New Head Office Block in Nakasero and Iganga Area Office, which have provided more workspace and conducive working environment.
- Successfully launched the SCAP100 Project which is intended to extend water to 12,000 villages all over NWSC areas of operation.



- Developed and launched the Corporate Plan (2018-2021) and the Budget for FY 2018/19. The Board also reviewed the progress made during the year in the implementation of the Strategic Direction (2016-2021). These documents are the key pillars that guide the operations of the Corporation in the medium term.
- Oversaw the geographical expansion of the Corporation from 218 to 236 towns across the Country.
- Accelerated the "One Million Tree Planting Campaign" with 500,000 trees already planted.

Key Priority Areas for the Board over the next 3 Years

- Oversee the implementation of the Corporate Plan (2018-2021) and the Strategic Direction (2016-2021) in line with the overall objectives of ensuring universal access to clean, safe and affordable water.
- Successfully deliver the following infrastructure projects among others;
 - The implementation of the

Kampala Water Lake Victoria WATSAN project.

- Kampala Sanitation Projects; (Nakivubo Wastewater Treatment Plant, Kampala Sewers, and Kinawataka Pre-treatment Plant Projects), aimed at improving the sewerage coverage and the sanitation situation in Kampala.
- Water Management and Development Projects; Gulu Phase 1 refurbishment and expansion of water and sewerage systems.
- Integrated Water Management Development Programme; Gulu Phase 2 water and sewerage expansion programme, Mbale water and sewerage expansion, Adjumani water supply and sanitation programme.

- Continue implementation of SCAP100 Project.

- Initiate projects to alleviate water crises in Sembabule, Kyotera, Mbarara, Masaka, Isingiro, Kasese, Fort Portal, Lira, etc

- Explore the possibility of obtaining market financing for fast tracking the implementation of some infrastructure projects.

Board Skills, Experience, Gender and Age

The Board has appropriate balance of skills, experience and diversity of expertise to enable it discharge its duties and responsibilities effectively. Table 2 below shows the individuals that served on the Board during the FY 2017/18.

Board Gender Composition



Table 2: Board Skills, Experience, Gender and Age

Name	Professional Background	Occupation	Gender	Age Range
Eng. Dr. Christopher Ebal (Board Chairman)	Engineer	Commissioner Engineering and Technical Services (Judiciary)	M	51-55
Mrs Ruth. Asiimwe Kanyaruru (Vice Chairperson of the Board)	Economist	Development Consultant	F	51-55
Dr. Cecilia Atim Oyet (Chairperson Human Resource Committee)	Veterinary Doctor	Ordained Pastor	F	51-55
Mrs. Faridah .M. Mpiima (Board Member)	Communication Skills & Literature	Board Member Nakivubo War memorial Stadium	F	35-40
Mr. Nduhura Mwebaze Dennis (Chairman Finance Committee)	Social Worker	Country Director for ACORD	M	46-50
Mrs. Ziria Aliza Ndifuna (Chairperson Risk Committee)	Mgt. Accountant	Consultant Allied Mgt. Consultants	F	56-60
Mr. Henry Kibirige (Chairman Audit Committee)	Banking and Financial Specialist	Board Member Centenary Bank	M	70-75
Eng. Aaron M. Kabirizi (Chairman Technical Committee)	Engineer	Director, Directorate of Water Development (MWE)	M	55-60
Dr.Eng. Silver Mugisha (Managing Director)	Engineer	Managing Director, NWSC	M	46-50

Directors Remuneration

The total remuneration paid to the Board of Directors during the period under review is summarized in Table 3 below

Table 3: Directors Remuneration (UGX)

Directors	2018	2017
Managing Director	512,820,000	530,000,000
Non-Executive Directors	481,364,709	181,000,000
Total	994,184,709	711,000,000

The Managing Director is an Executive Director and full time staff who is entitled to monthly salaries and allowances. All other Directors are Non-Executive Directors and receive only retainer fees and allowances.

Evaluation of Board Effectiveness & Achievements

The Corporation hired a consultant to independently evaluate the effectiveness and achievements of the Board over the past 3-years and give advice to the Board on the Areas for improvement. The Consultant used the following methodology for evaluating the Board achievements;

- **Engagement with the Board;** this involved discussions of the plans, strategies, contingencies, performance and challenges.
- **Questionnaire;** the questions covered 54 attributes under the following categories; the role of the Board, Governance, performance, conformance, oversight functions, strategic process, financial stability, continuity plan, supervision of management, conflict of interest and the Corporation's sustainability.

The scores were rated as; excellent (100%), very satisfactory (80-99%),

satisfactory (70-79%), fair (50-69%) and poor (below 50%). The results of the evaluation were as follows;

Excellent scores were achieved in the following cases;

- Board actively involved in the strategic review.
- Studying and challenging management reports before making resolutions.

Very satisfactory scores were achieved in the following cases;

- Board communication to management of their roles and responsibilities.
- Development and review of professional and financial policy manual.
- Development and pursuance of a vibrant stakeholder relationship policy.
- Alignment of the NWSC Policy with the operational environment.
- Raising the Corporation risk to a strategic objective level and establishment of the Risk Department.

Satisfactory scores; included;

- Establishment of oversight system (independent audit, regular reports and reviews).

Fair Scores; were in the following areas;

- Regular reviews of the relevance and competency of the Board committees.
- Regular evaluation of the Board, Board Chair, Managing Director and Corporation Secretary.

Commendations; The Board was commended for the following;

- Numerous accolades and awards Local, Continental and International
- Outstanding contribution in the Water Africa Utility Week.

The Board took serious note of the achievements and areas that need improvement as highlighted by the consultant. The Board is committed to work towards consolidating the achievements and has already put in place mechanisms to deal with areas where performance was less than satisfactory.

Our Board Members Profiles

Eng. Dr. Christopher Ebal; Eng. Ebal holds a PhD in Construction Management, Masters in Business Administration from ESAMI/Maastricht School of Management, Netherlands and an MSc (Construction Management (with Distinction) from Loughborough University, UK and a BSc. Engineering from Makerere University, Kampala. His other post graduate qualifications include a Diploma in Project Management from Swaziland and a Diploma in Business Administration, Jersey Britain and several certificates in various management disciplines.

He is a registered civil engineer and a fellow of the Uganda Institution of Professional Engineers and has over 30 years' experience in the field of infrastructure and construction engineering. He is currently the Head of Infrastructure in the Judiciary and a Corporate member of UIPE and Chairman of Higstan Technical Services Limited, Kampala, among others.

Table 4: Board Meetings for FY 2016/17 and FY 2017/18

Meetings	FY 2016/17	FY 2017/18
No. of Board Meetings	5	5
No. of Special Board Meetings	8	8
Audit Committee Meetings	4	4
Risk Management Committee Meetings	2	4
Human Resources and Legal Administration Committee meetings	4	4
Finance and Planning Committee Meetings	6	5
Technical Services Committee Meetings	4	4

Mrs. Ruth Asiimwe Kanyaraju:

Mrs. Kanyaraju is a Development Economist with more than 28 years of working experience. She holds a Master's Degree in Development Studies majoring in Local and Regional Developments, with a focus on Project Planning and Management, Promotion of Local Economic Development, Gender and Development, Decentralisation and Empowerment for Eradication of Poverty from the Institute of Social Studies (ISS) in The Hague, Netherlands. She holds a Bachelor's degree in Economics and Rural economy from Makerere University, a Post Graduate training in Project Planning and Management focusing on Gender mainstreaming into Development Programmes from Aalborg Technical College, Ramboll in Denmark. She served as a Policy Analyst in the Ministry of Information Communication and Technology (ICT). She is currently the Chairperson, District Service Commission Lyatonde District Local Government.

Dr. Cecilia Atim Oyet: Dr. Oyet holds a Bachelor of Veterinary Medicine (B.V.M) from Makerere University. She is a Board Member of "From Nobody to Somebody" and has pioneered the formation of Winning Women, the Women's Department of the Life Line Ministry. She spearheaded the formation of the Rural Farmer's Scheme Pilot Project in Lango and the Corporate Credit Section of Centenary Bank. She is an ordained Pastor of the Life Line Ministries and also Board Member of Lango Transformation Trust/Relocation.

Eng. Aaron Kabirizi: Eng. Kabirizi holds a Master's of Science in Water and Waste Water Engineering from WEDC Loughborough University of Technology, United Kingdom and a Bachelor of Science in Civil Engineering from Makerere University, Kampala, Uganda. He has worked in various positions in the Ministry of Water and Environment in Uganda for about 30 years, rising from Pupil Engineer, Principal Engineer, Assistant Commissioner, to Commissioner.

Presently, he is the Director, Directorate of Water Development, Ministry of Water and Environment, Uganda. Eng. Kabirizi has vast experience in waste

and sanitation sector in the field of Policy formulation, Strategic Planning, Decentralized Implementation, Gender and Social Analysis and Procurement, among others. He is a member of the Uganda Institution of Professional Engineers.

Dr. Eng. Silver Mugisha: Dr Mugisha holds a Ph.D. in Engineering and Economics of Makerere University, Uganda. His PhD research, which was carried out in collaboration with PURC of University of Florida, USA focused on areas of performance monitoring, incentive design and productivity analysis. Dr Mugisha who is currently the Managing Director of NWSC, was previously a Chief Manager in charge of Institutional Development and External Services, at the National Water and Sewerage Corporation (NWSC).

Dr. Mugisha has been with NWSC since 1994 and has risen through the ranks of the Corporation. He has worked on external consultancies, in various organizations in Uganda, Kenya, Tanzania, Zambia, Nigeria, Ethiopia, Rwanda, India, Trinidad and Tobago among others. He has been a Board Member of the International Water Association (IWA) since 2014 and later become the Vice President of IWA. He is also the Vice President of the African Water Association (AfWA). He is a Fellow of the International Water Association and Sense Research School of the Netherlands.

Ms. Ziria Aliza Ndifuna: Ms Ndifuna holds a Master's in Business Administration from Maastricht/ESAMI and a Bachelor of Commerce (Accounts) from Makerere University Kampala and several other Post Graduate qualifications in various fields. She is a Financial and Strategic Management Expert who has served in various organizations in senior positions as Chief Accountant, Senior Management Analyst, Principal Consultant, rising through ranks to become Head Consultancy Division and Head Entrepreneurship Division in Management Training and Advisory Centre (MTAC).

Ms Ndifuna served as a National Expert and Institutional Specialist in the Uganda Government Restructuring and Re-organization (1993 – 2000). She

has also participated in the divestiture of various Government departments, including the department of Museums and Antiquities and, the department of Records and Archives. Ms Ndifuna served as the Vice Chairperson of the Local Government Finance Commission for the period 1999 – 2008.

Mr. Henry B. Kibirige: Mr Kibirige holds a Bachelor of Arts from Makerere University, and has vast experience in Banking, Administration and Corporate Governance.

Mr Kibirige has served in various institutions including Bank Of Uganda, East African Community, Uganda Development Bank and Uganda Insurance Commission. He also served as project coordinator with Citi Bank Uganda Limited. Currently he serves on the Boards of Kitebi Senior Secondary School, Lion Assurance Company Limited and Centenary Bank where he is the Chairman of the Audit Committee. Mr Kibirige is also the Chairman of the Audit committee of the NWSC Board of Directors.

Mr. Nduhura Dennis Mwebaze:

Mr. Nduhura holds a Master of Arts in Development Studies from the University of East Anglia, Norwich, United Kingdom and a Bachelor of Arts in Social Administration from Makerere University, Kampala, Uganda.

Mr. Nduhura is the Vice Chairman of Equal Opportunities Commission; he held the position of Country Director for Cooperation and Research in Development (ACORD), an African-led International Alliance working for Social Justice and Development in Africa. He has carried out research work and consultancies for ACORD, World Food Programme, DANIDA, Plan International, ASPS/Ministry of Agriculture, Animal Industry and Fisheries.

Mrs. Faridah Mayanja Mpiima: Mrs. Faridah holds a Masters Degree in Urban Governance and Management; a Bachelor of Arts Degree in Literature and Communication skills; is a Board Member of Nakivubo War Memorial Stadium and is a business woman.

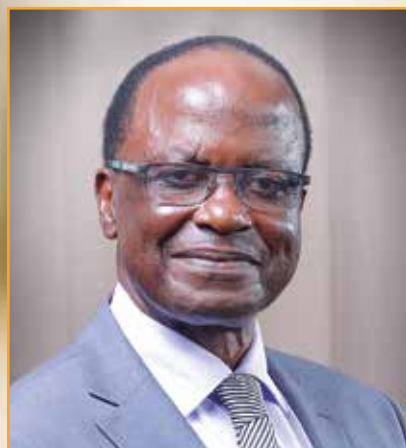
Our Board Of Directors



Eng. Dr. Christopher Ebal
Chairman Board of Directors
Reappointed: March 2016.



Mrs. Ruth Asimwe Kanyaraju
Vice Chair Person Board of Directors
Reappointed: March 2016.



Mr. Henry Kibirige
Chairman Audit Committee of the Board
Appointed: March 2016.



Ms. Ziria Aliza Ndifuna
Chair Person Risk Committee of the Board
Reappointed: March 2016.



Mr. Nduhura Dennis Mwebaze
Chairman Finance Committee of the Board
Reappointed: March 2016.



Dr. Cecilia Atim Oyet
Chairperson, Human Resources, Legal and
Administration Committee of the Board.
Reappointed: March 2016.



Eng. Aaron Kabirizi
Chairman Technical Services Committee
of the Board
Reappointed: March 2016.



Mrs. Faridah M. Mpiima
Board Member
Appointed: 2018



Dr. Eng. Silver Mugisha
Managing Director



Ms. Edith Kateete
Corporation Secretary

Our Executive Management



Dr. Eng. Silver Mugisha
Managing Director



Eng. Johnson Amayo
Deputy Managing Director Technical
Services

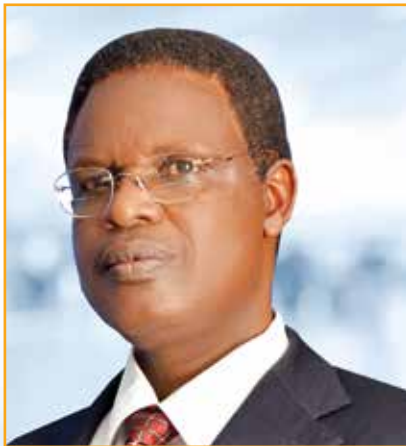


Mrs. Sylvia A. Tumuheirwe
Deputy Managing Director Finance and
Corporate Strategy

The Board delegates the day-to-day running of the Corporation to the Managing Director who works with 12 Executives, heading various strategic Business Streams and functional Directorates. The Executive Management is the highest technical decision-making body in the Corporation and central to its role is the implementation of the Board's strategy and policy direction and ensuring that all business activities are aligned in this respect.



Ms. Edith Kateete
Deputy Managing Director Board Affairs
and Management



Eng. Alex Gisagara
Director Engineering Services



Mrs. Prossy A. Lubowa
Director Internal Audit



Mr. George E. Okol
Director Commercial and Customer Services



Mr. Paddy Twesigye
Director Planning and Capital
Development



Mr. Francis Owot
Director Finance, Accounts and Revenue.



Dr. Rose Christine Kaggwa
Director Business and Scientific Services



Eng. Andrew Sekayizzi
General Manager Kampala Water

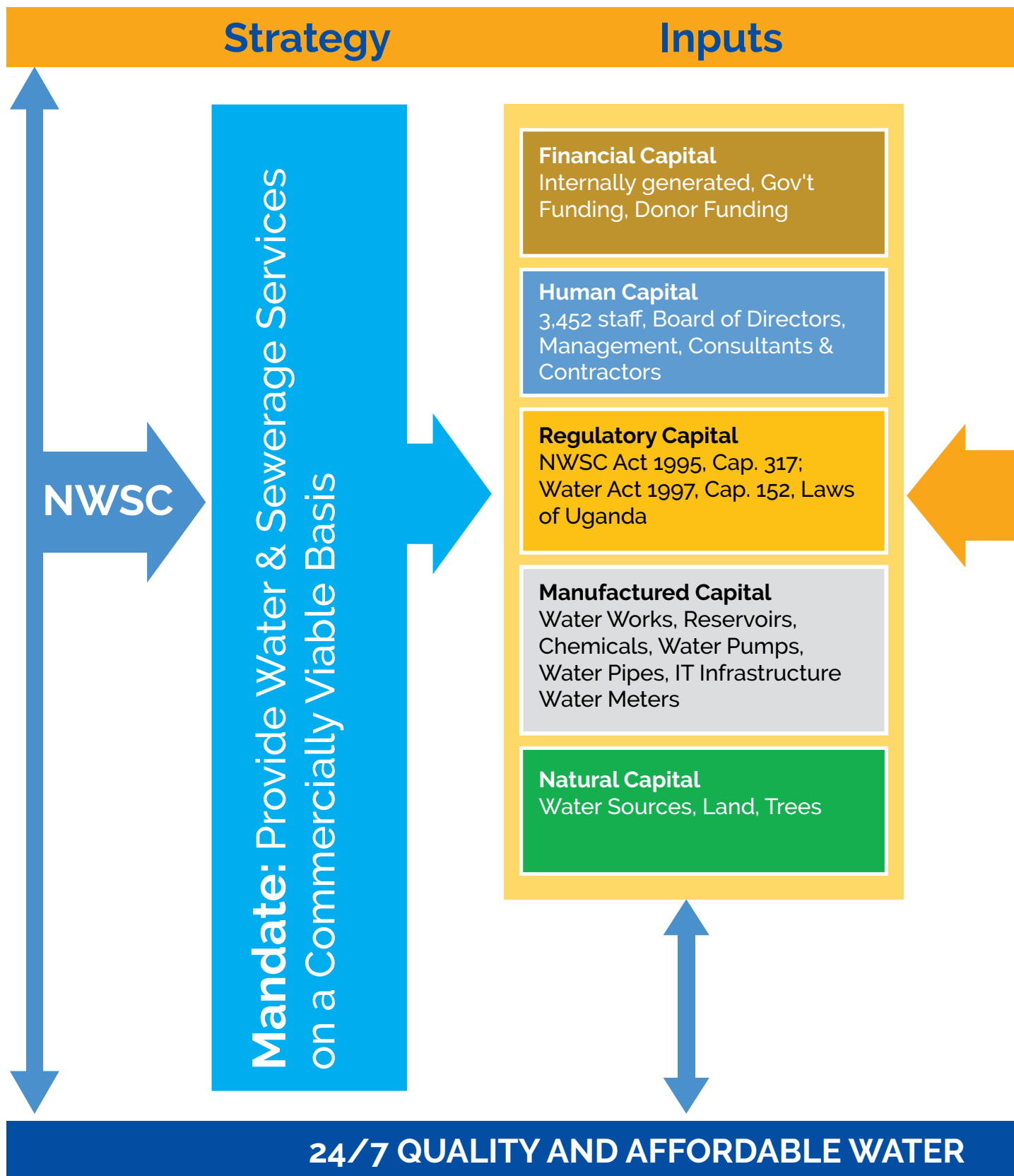


Ms. Christine Amucu
Director Human Resources.

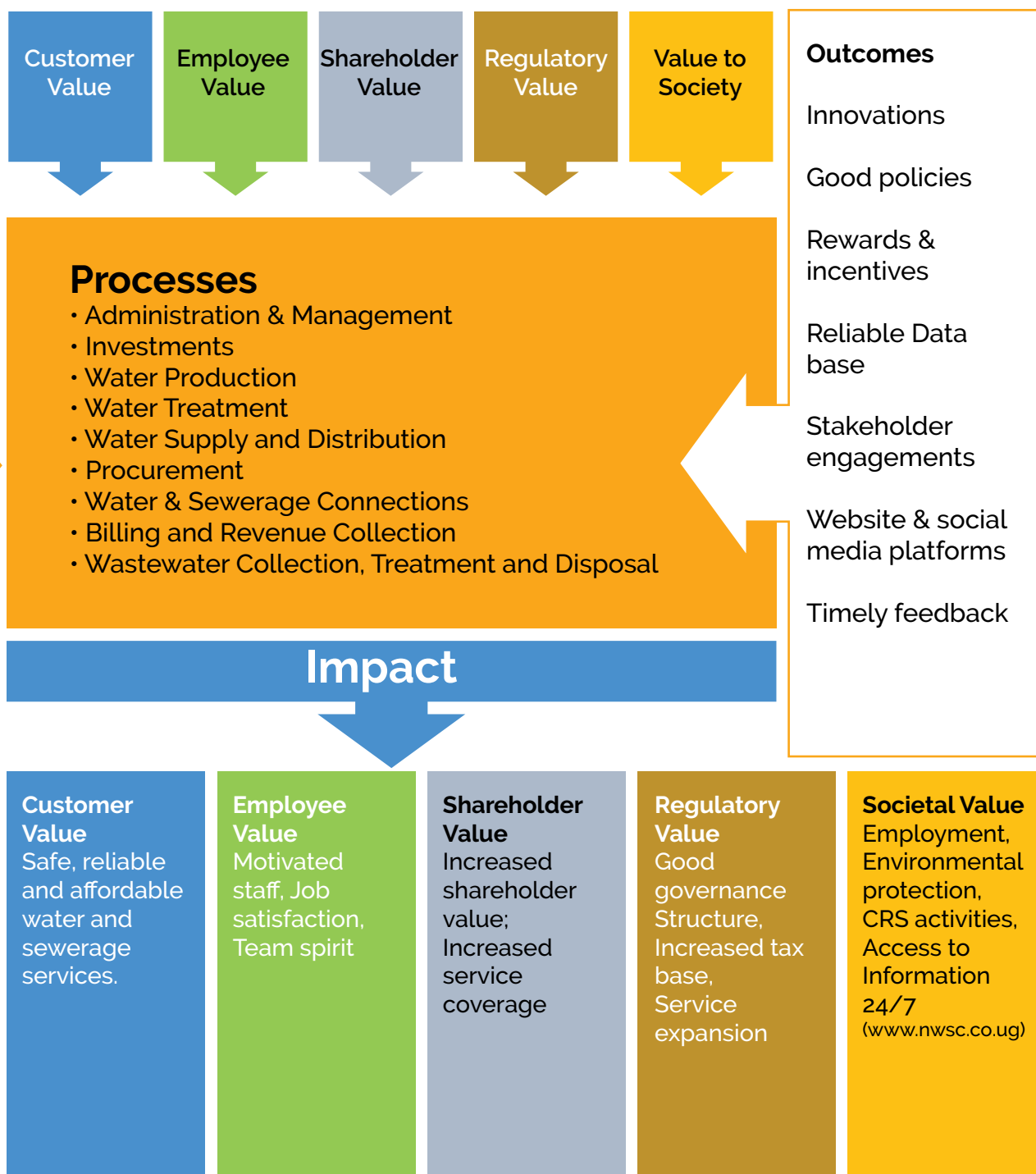


Mr. Jude Mwoga
Director Information and Business Solutions

Our Value Creation Model



Outcomes and Impact



AND SEWERAGE SERVICES

Our Sustainability Approach

The Corporation's sustainability approach is premised on the need to meet its present development needs without compromising the ability of future generations to meet their own needs. We recognise that in our business, there is interdependence of economic, social and environmental factors. We take account of the interests of the poor in planning for society. The measures that the Corporation has put in place to address sustainability issues go beyond the legal requirements and industry standards.

Our Sustainability approach is in line with the Corporation's Mission **"to sustainably and equitably provide cost effective and quality Water and Sewerage services to the delight of all stakeholders while conserving the environment"**.

The responsibility for implementing sustainability policies rests with the responsible Heads of Business Streams, Directorates and Departments. Internal Audit and Risk Management Departments are charged with the responsibility of monitoring and reporting on the status of compliance with the sustainability framework.

This report measures, discloses and gives an accountability to our internal and external stakeholders on the Corporation's performance towards sustainable development in line with the guidelines issued by the Global Reporting Council. We are also guided by the United Nations Sustainable Development Goals (SDGs), Agenda 2030 on Social and Economic Development. These goals include; eradication of poverty, ending hunger and achieving food security, good health, quality education, minimising the negative impact of climate change on the environment, gender equality, clean

water and sanitation, affordable and clean energy and social justice.

The report provides a balanced presentation of the sustainability performance, results and outcomes of NWSC for the FY 2017/18.

The sustainability guidelines are summarised under the following categories.

- Financial Sustainability
- Environmental and Ecological Sustainability
- Stakeholder Engagement
- Corporate Social Responsibility
- Human Resource Sustainability.

Financial Sustainability

The NWSC Act 1995, Cap. 317, Laws of Uganda requires the Corporation to operate on sound commercial practice (viable basis) and ensure that the revenues are sufficient to provide for depreciation, amortisation, operation and maintenance costs, with a reasonable return on investment. In line with this requirement, the Corporation has made the following progress.

Turnover

Our turnover has been growing on an annual basis. During the FY 2017/18, the turnover grew by 20% from UGX.322billion to UGX.388billion. The growth in turnover is a result of deliberate steps to extend the water networks, stabilise water supply in the existing towns and growth in the number of towns from 218 to 236. The FY 2017/18 marked the first year of the implementation of the SCAP100 Project, which led to the extension of water mains by 2,021kms and the connection of 50,341 new water consumers. The benefits of SCAP100 Project were felt on our turnover especially in the 2nd half period of the year.

The Corporation has also diversified income sources to include income from External Services (ES) Contracts, hire of IREC facilities and Investment Incomes. The revenues from these additional incomes are reinvested to improve services to our customers.

Expenditure

The Corporation has put a lot of emphasis on cost optimisation despite the volatile economic environment in which it operates. Cost optimisation measures include; the decision to lease rather than purchase motor vehicles and the clustering of towns which are in the same location to be jointly managed. Operating expenditure amounted to UGX 294 billion in the FY 2017/18 compared to UGX 251 billion the previous year, representing an increase of 17%.

The increase in expenditure is largely



attributed to the costs incurred in fixing the water challenges in the 18 towns which were handed over to the Corporation during the year. The Corporation also opened 36 new sub-branches in Kampala Metropolitan Area in the bid to take services closer to the people. The new sub-branches contributed to growth in administrative and employee costs. .

Operating profits increased from UGX 71 billion in 2016/17 to UGX 92 billion in the current reporting period. NWSC put a lot of emphasis on infrastructure investments to ensure that the current and future demands for the water and sewerage services are met. All the profits made by the Corporation since its establishment have been reinvested in the water production and distribution systems.

The Government of Uganda and Development Partners have continued to provide funds for major capital investments in the Corporation. The total amount invested in the FY 2017/18 was UGX 334 billion compared to UGX 226 billion for the FY 2016/17.

Environmental and Ecological Sustainability

There is a strong connection between our business and the environment. The water we supply comes from the environment and the sewage we collect is treated and discharged into the environment. The impact of climate change has presented enormous challenges to the Corporation. Some of the water sources are drying up due to prolonged droughts and encroachment on the catchment areas. The Corporation is making every effort to ensure that we continue to run our business in a way that takes environmental concerns seriously.

NWSC works closely with NEMA to ensure full compliance with the environmental laws. We undertake environmental impact assessment studies before undertaking any major project.

The Corporation has embarked on a program to protect our water sources in all the towns where we operate. This program involves sensitising the people who live near our water sources, working with the local leaders to evict people who are encroaching on the catchment areas and planting trees and grass along the catchment areas. During the reporting period the Corporation continued with the campaign to plant 'one million trees' per year. The campaign was launched last financial year and will run for three (3) years. The seedlings are provided by the National Forestry Authority (NFA) and the planting is undertaken by the Corporation across the country.

The Corporation has adopted the use of solar energy to power the plant operations in 20 small towns. The Corporation has also developed and is implementing source protection plans for all new projects.

All waste from our operations which are harmful to the environment are disposed of according to the NEMA guidelines and are closely supervised by the agency.

In order to ensure improved sanitation in our areas of operation, the Corporation has continued to increase the sewerage network on a yearly basis. The Kampala Sanitation Project which involves construction of modern sewage treatment plants and construction of 34 km of sewers will go a long way in addressing sanitation concerns in Kampala. The Corporation also provides faecal sludge treatment points for customers that are not within close proximity to the sewerage network. All sewage collected is treated to National Standards before being discharged to the environment. The total volume of sewage treated and discharged in the FY 2017/18 was 95 million litres compared to 93.4 million litres in FY 2016/17.

During the Financial Year FY2017/18, the Corporation spent UGX 68 billion on energy compared to UGX 63 billion in FY 2016/17. The increase in energy costs is attributed to increase in geographical coverage, production and electricity tariffs.



NWSC involves Pupils of Mpondwe Primary School in a treeplanting exercise.

Stakeholder Engagement

Customers

The Corporation serves a diverse categories of consumers which include; Domestic, Commercial, Institutional, Foreign missions and Public Stand Posts. We have made deliberate efforts to grow the number of customers served in each category. NWSC values every consumer and takes it as an obligation to supply all of them with clean and reliable water and sewerage services. We ensure that water supplied to our consumers is safe for human consumption. Regular tests are carried out to confirm that the quality meets WHO standards.

The Corporation puts a lot of emphasis on ensuring that there is reliable water supply and sewerage services for all our consumers. We have invested heavily in programmes which are aimed at taking services to more people. In this respect 2,021 kms of water mains and 24 kms of sewer mains were extended in the FY 2017/18. In addition 6 major water infrastructure projects were substantially completed. There are many mini water production schemes that have also been set up across the Country to improve water production.

The Corporation is also in advanced stages of completing the Bugolobi Waste Water Treatment Plant and Kinawataka Pre-treatment Plant and Lifting Station which will improve sanitation in Kampala Area and also generate electricity. Many other water and sewerage infrastructure projects around the Country are being implemented to improve services to our customers.

NWSC aims at making water affordable to all. The benefits of efficiency gains realized are passed on to customers through affordable tariffs. The Corporation has deliberately reduced the tariff for the PSPs to UGX 21 per 20-litre jerrycan to aid access to clean water by the urban poor population. The new PSP tariff became effective 1st July 2017.

We value the feedback from our



NWSC Gulu area rewards their customers for paying their water bills promptly.

customers and have set up many avenues for customers to communicate with us, including a toll free telephone line, social media platforms and NWSC website. Annual customer satisfaction surveys are carried out to directly engage with our customers. 85% of customers surveyed during the year, expressed satisfaction with our services.

The 15% of customers who were not satisfied cited the following concerns; low water pressure, timely and accurate water bills, responsiveness in solving complaints, slow response in effecting new connections and inconvenience in the process of bill payment. The Corporation has taken note of these concerns and will work towards addressing them. During the FY 2017/18, 147,708 complaints were received out of which 138,567 were resolved (94%).

The Government/Regulators/Owner

The Corporation is wholly owned by the Government of Uganda. We are proud of the contribution that the Government is making in the water sector. The Government objective is to ensure 100% access to water by every Ugandan. The Corporation is committed to making a

positive contribution towards that goal. The Government and the Corporation are implementing the SCAP 100 Project (100% Service Coverage Acceleration Project) which will take water to 12,000 cells and villages from July 2017 to June 2020.

The Corporation is proud of its contribution to the economy. We paid UGX 58 billion in taxes during the FY 2017/18 compared to UGX 39.2 billion in the FY 2016/17. NWSC was recognized as one of the most complaint tax payers in 2017 and 2018.

Trade Unions

The Corporation allows freedom of association for its staff. There is a good working relationship between Trade Unions and NWSC. Regular discussions are held with the unions to negotiate terms of employment and other issues affecting staff (3,452 staff as at June 2018) which has led to harmonious industrial relations over the years.

Development Partners

The Corporation has over the years been supported by Development Partners especially with the infrastructure

financing. The key Development Partners include; KFW, AfDB, AFD, the World Bank, EU and EIB. We are also pleased to have Danish Business Finance entering into a lot of development partnerships with the Corporation. We have developed good working relationship with the Development Partners. NWSC takes keen interest in ensuring that donor funds are handled with the highest level of transparency and accountability and that the funds are utilized without delay.

During the FY 2017/18, the Development Partners supported the Corporation to the tune of UGX 182 billion compared to UGX 106 billion in the FY 2016/17. The key projects financed by the Development Partners during the period include; Kampala Sanitation Programme, Lake Victoria Water and Sanitation Project, Water Management and Development Project. Other projects which Development Partners are willing to support were at the planning stage during the financial year and they include;

- The South Western Cluster (Masaka, Mbarara and Isingiro) to be financed by AFD.
- Integrated Program to improve Living conditions in Gulu Phase 2; to be financed by the World Bank and KFW.

- Mbale, Gulu Phase 2 and Adjumani Integrated Water Management Development Projects to be financed by the World Bank.
- Kampala South WATSAN Project (KSWSP). The consultancy is being financed by the Danish Embassy and the downstream investment is expected to be financed by the Danish Business Finance.

Suppliers

The Corporation trades with over 450 suppliers providing various inputs sourced from within and from outside Uganda. The Corporation is aware of the impact of our business with these suppliers on the local and International economy. During the Financial Year under review, UGX 260 billion was paid to suppliers compared to 170 billion in the FY 2016/17.

Corporate Social Responsibility (CSR)

The Corporation is involved in carrying out activities which contribute to the improvement in the social welfare of the most vulnerable people in our society. During the year under review, the Corporation donated UGX 1.3 billion to good causes including donations to

religious institutions, medical support to terminally ill patients and provision of sanitation facilities to the urban poor communities. UGX 1.1 billion was spent on CSR activities in the FY 2016/17.

More than 321 institutions and communities benefitted from this initiative in the FY 2017/18 compared to 440 in FY 2016/17. The Corporation actively participates in community welfare programs like cleaning hospitals, cleaning markets and repainting of Zebra Crossings.

Human Resource Sustainability

The Corporation aims at having highly trained, skilled, healthy and motivated workforce to ensure continuity of our business. We have put in place transparent recruitment, development and retention programs. During the year under review, 320 staff were recruited bringing the total number of employees to 3,452 as at June 2018. 1,324 employees were trained in various disciplines in the year under review.

Compensation and Reward

In order to retain staff, we have competitive remuneration schemes. Our staff are paid salaries and they also

His Grace Archbishop of Kampala Archdiocese, Dr. Cyprian Kizito Lwanga leads the Chairman Board of Directors, Managing Director and other NWSC staff during a visit of Bakateyamba Home of the Elderly and Needy.



earn incentives based on performance. Annual gratuities are paid to staff who successfully complete the 12-months period of service.

Retirement Benefits

The Corporation promptly makes payments to NSSF, being mandatory contribution to their retirement. NWSC is also in the process of setting up a Provident Fund which is over and above the mandatory requirement of NSSF.

These schemes are aimed at ensuring that the Corporation continues to attract and retain a committed workforce and that adequate provisions are made towards their retirement. A total of UGX 112 billion was paid to staff in salaries, allowances, and welfare in the FY 2017/18 compared to UGX 98 billion in the FY2016/17.

The Corporation increased the retirement age of staff from 55 to 60 years to ensure that it does not lose the benefit of experience and skills that mature staff have developed over the years. This extension is also meant to give reassurance to employees that they will continue to enjoy the full salary and employment benefits for the additional

five years, thereby giving them more time and resources to prepare for their retirement.

Long Service Award

The Corporation has also put in place a Long Service Award (LSA) scheme whereby building materials are given to employees who retire after serving for a minimum of five (5) years. During the financial Year 2017/18, UGX 107 million was spent on long service awards compared to UGX 120 million the year before.

Staff Welfare

The Corporation has in place attractive welfare schemes to cater for our staff and their families. The Medical scheme is designed to treat the employees and their immediate family members. All our staff are insured.

We have activities for sports and recreation for staff including Water Football Club which is in the Big League. The Corporation caters fully for the funeral arrangements and expenses for the fallen employees and their immediate family members.

Research, Training and Development

The Corporation is aware of the benefits that can be derived from research and innovation. A research and innovation policy is in place and staff are encouraged to take advantage of it. During the FY 2017/18, UGX 700 million was spent in financing research projects undertaken by staff compared to UGX 800 million spent in FY 2016/17. The Corporation also plays a crucial role in supporting the internship programs for Ugandan students undertaking various courses in the Universities and Institutions of higher learning. During the FY 2017/18, 1,500 students benefited from the internship programs compared to 1,700 in the FY 2016/17.

Gender Composition

The Corporation is an equal opportunities employer. Our staff are of diverse background. We do not discriminate on the basis of gender, religion, tribe or disability. Table 5 shows the gender composition in the Corporation.

Health and Safety at work

The Corporation attaches a lot of



A training session at the NWSC International Resource Centre

attention to the health and safety of our employees, customers and the general public. Occupational safety and health guidelines have been developed and are monitored for compliance. All field staff are provided with adequate protective wear and work uniforms. All offices are equipped with firefighting equipment which are regularly serviced. Staff are entitled to Annual leave of 30 days, compassionate leave of 7 days and maternity leave for female staff of 60 working days.

NWSC has also put in place mechanisms to ensure security of the office premises and installations.

Table 5: Gender Composition of Staff and Board of Directors

Category	Female	Male	Total
Board of Directors	4	5	9
Employees			
Executive Management	5	8	13
Other Staff	1,053	2,386	3,439
Total Number of Staff	1,058	2,394	3,452

Table 6: Summary of NWSC Sustainability Performance

Category	FY 2017/18	FY2016/17
Financial Sustainability		
Turnover (UGX '000)	388,000,000	321,000,000
Operating Expenditure (UGX '000)	294,000,000	251,000,000
Operating Profits (UGX '000)	94,000,000	71,000,000
Investment made (UGX '000)	320,000,000	226,000,000
Asset base (UGX '000)	1,700,000,000	1,400,000,000
Number of Towns	236	218
Environmental & Ecological Sustainability		
Number of Towns using Solar Pumps (Nos)	22	20
Number of towns using electrolysis instead of Chlorination	25	25
Volume of Sewerage treated and Discharged (Million litres)	95.0	93.4
Expenditure on Energy (In UGX Billions)	68	63
Stakeholder Engagement		
Domestic Customers served	479,729	430,189
Commercial/ Industrial customers served	78,761	72,151
Institutional/Government customers served	17,368	15,825
PSP consumers served	13,728	10,424
Total number of consumers served	587,863	524,657
Water Mains Extension (kms)	2,171	910.57
Sewer Mains Extension (kms)	24	26.14
Number of customer complaints received	147,708	98,130
Number of Customer complaint handled	138,567	97,043
Resolution rate (%age of complaints resolved)	94%	99%
Number of Staff employed	3,443	3,131
Payment to staff (employee costs) UGX '000	112,000,000	97,000,000
Corporate Social Responsibility		
Amount spent on donations (UGX '000)	1,300,000	1,100,000
Number of beneficiaries of donations	321	440
Amount paid in taxes (UGX '000)	58,000,000	39,200,000
Human Resource Sustainability		
Number of Staff recruited	310	271
Number of Employees over 55 Years	117	34
Amount spent in long time awards (UGX '000)	107,720	120,000
Amount spent on research and training (UGX '000)	3,200,000	2,847,334
Number of interns Trained	1,500	1,700



Women participants at the 2018 AfWA Conference held at IREC-Bugolobi Kampala



Rewarding Staff - Eng. Andrew Sekayizzi GM-Kampala Water receives an Award during the NWSC Annual Evaluation Workshop



NWSC Young Water Professionals led by the Patron of SWAS Clubs, Mrs. Sylvia A. Tumuhirwe (3rd right) participate in a community cleaning exercise in Gaba Market.



NWSC donates to Bakateyamba Group of Nsambya as part of the Corporate Social Responsibility.



Energy Saving Solar Panels at Manafwa Water Treatment Plant, Mbale. NWSC is installing similar solar systems around the country as part of the Green Energy initiative.



NWSC technicians undergoing practical hands-on training at the Gaba Vocational Skills Development Facility (VSDF).



NWSC staff join St. Kizito Secondary School in a neighbourhood cleaning exercise.

Water for all: An elderly lady and young children drawing water from a newly installed PSP



School Water And Sanitation Clubs



Mrs. Sylvia T. Alinaitwe

Deputy Managing Director - Finance and Corporate Strategy and SWAS Patron

SWAS started off with over 50 schools in the first year. By the end of the FY 2017/18, 500 schools were participating in the Club. The membership of the Clubs are drawn from urban and rural schools from all the four regions of the Country; North & North Eastern, West & South Western, Central and Kampala Metropolitan Region.

The main objectives of setting up the SWAS Clubs are to;

- Create awareness about water, sanitation and environment in the Country through sensitization and empowerment of children of school going age.
- Strengthen stakeholder participation in water, sanitation and environmental issues.
- Foster debate, sharing of information and knowledge about water, sanitation and environment.

The SWAS Clubs are sponsored and guided by the NWSC. Mrs. Sylvia Alinaitwe Tumuheirwe who is our Deputy Managing Director- Finance and Corporate Strategy, is also the Patron of the Clubs. She is supported by a committee of 10 NWSC Staff who are assigned by management.

The main activities of the Clubs include; tree planting, debating, essay and poem competitions relating to water, sanitation and environmental issues and public exhibitions. These activities are financed by the Corporation through the Annual

NWSC launched the School Water & Sanitation (SWAS) Clubs in October 2014. This was after NWSC realized that School children are a critical segment of our society and need to be involved in Water, Sanitation and Environmental issues at an early age, to ensure sustainability of our business. Children are often victims of poor sanitation and hygiene, and it is important to sensitize them about water, sanitation and hygiene. They are the future leaders and decision makers for the Country. It is therefore necessary to influence them to be concerned and to care for the environment while they are still young.

Budget. During the FY 2017/18, the Corporation spent UGX1.1billion on SWAS activities.

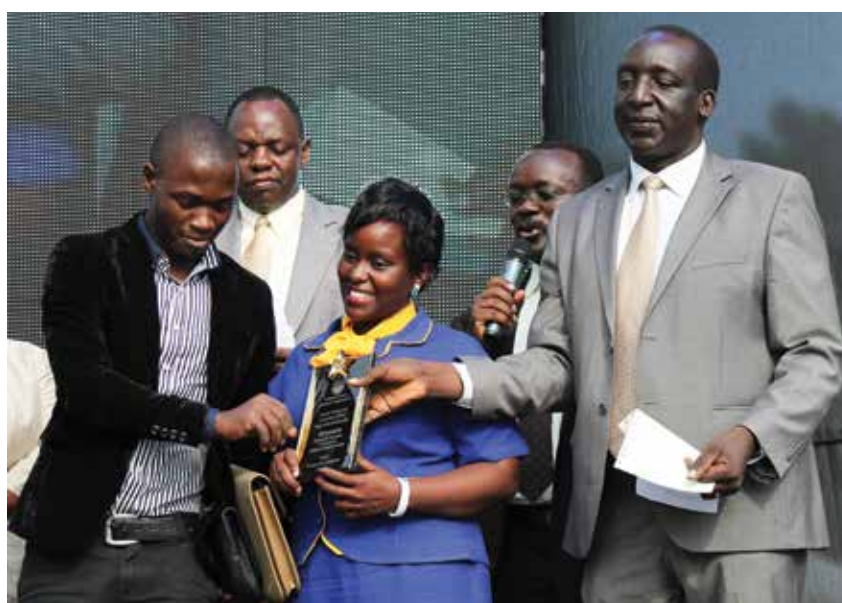
The following achievements have been registered by the SWAS Clubs around the Country:

- 500 schools are now participating in SWAS Club activities.
- The participating schools have dedicated 2 days in a year for engaging in water, sanitation and environmental activities.
- Over 500,000 Trees planted by the SWAS Clubs since 2014.
- The Clubs have been engaging the Communities around their schools on the need to protect the environment.

- Annual conventions have been held in each of the four regions at which school children exhibited their skills in science, technology and environment. Over 2,000 school children and members of the public attended the various exhibitions in the FY 2017/18.

The Corporation has the following plans for the future of SWAS Clubs.

- Expand the SWAS Clubs to include more schools across the country.
- To Partner with other key stakeholders who are involved in environmental protection to bring to the lime light the issues of climate change.



The Board Chairman, Eng. Dr. Christopher Ebal hands over a trophy to winners of a Primary School SWAS Competition.



Secondary School SWAS Club Members receive a Certificate of Excellence from the Corporation Secretary, Ms. Edith Kateete.



SWAS Club members demonstrate the water treatment process during the Annual SWAS Convention in Kampala.



Members of Budo Junior SWAS Club members pose for a photo after participating in an exercise of cleaning their environment.





Stakeholder Engagement and Materiality

The Corporation has a diverse range of stakeholders who include; Consumers, Government, Development Partners, Suppliers, Employees and the Community. While focusing on the implementation of supplying water and sewerage services, we take into consideration the need to balance this mandate with the needs of all the stakeholders.

We constantly engage with our stakeholders to understand their dynamic expectations and strive to meet them. Our main stakeholders and the importance attached to them are summarized in the table below;

Table 7: Stakeholder Analysis

Stakeholders	Importance	How We Engage With Them
Consumers	<ul style="list-style-type: none"> • Pay their bills • Consume our services • Give us feedback. • Market our services. • Support our growth. 	<ul style="list-style-type: none"> • Monthly meter readings and issuing of bills. • Prompt communication on service interruptions. • Annual update of customer charter. • Annual customer satisfaction surveys (CSS). • Social media platforms for customer interactions and engagements which includes; NWSC website, twitter, WhatsApp, Facebook, Youtube and Instagram. • 24 hour toll free call Centre. • Various payment options that are convenient to our customers. These include; Bank counters, direct debit, mobile money and NWSC app. • 184 branch offices spread to various parts of the Country. • E-Branch where customers can access various services like new connections.
Government	<ul style="list-style-type: none"> • Sole equity owner. • Commitment to support the provision of universal access to water. • Providing investment financing. • Providing Policy and Regulatory framework. 	<ul style="list-style-type: none"> • Present Budgets, work plans and strategies for approval. • Make quarterly and annual reports to Government. • Participate in Parliamentary Committee meetings to present our plans, achievements and challenges. • Working closely with other Departments in the implementation of Government programs. • Payment of taxes which supports Government programs.
Development Partners	<ul style="list-style-type: none"> • Contribute funding to our capital development projects. • Support capacity development programmes 	<ul style="list-style-type: none"> • Provide work plans and reports on a quarterly basis. • Participate in Donor Conferences to understand their changing priorities. • Participate in project review meetings with the Development Partners.
Employees	<ul style="list-style-type: none"> • They run the business. • They interface with all other stakeholders. • Possess key skills required in our business. 	<ul style="list-style-type: none"> • Clear working terms and conditions of services • Written Work instructions, health and safety guidelines. • Regular meetings between Staff and Management. • Laid down procedures for resolving conflicts. • Staff social activities like sports, weekly breakfasts, and training workshops. • Bi-Annual Performance Appraisals and Reviews. • Whistle Blower Policy to encourage staff report wrong doings. • Coaching and mentoring with the Management teams. • Regular visits to branch offices by Management and Board.

Suppliers	<ul style="list-style-type: none"> • Provide in-puts required to our business. • Provide working capital.(Credit sales) • Provides services/ works that support our business. 	<ul style="list-style-type: none"> • Advise the suppliers on the in-puts required. • Regular negotiation and review of business terms • Prompt payments of the amount owed to suppliers. • Provision of Semi-Annual Accounts. • Regular meetings with individual suppliers to resolve any trade conflicts. • Direct calls • Comfort letters to facilitate access to creditors. • Confirmation of supplier balances to their auditors.
Community	<ul style="list-style-type: none"> • Gives us feedback • They are affected by our actions. • Keep an eye on our assets and infrastructure. • Assist in implementation of our projects. 	<ul style="list-style-type: none"> • Set up Water Community Communication Clubs (WACOCO) to sensitize communities about our services. • Visiting public places to market our services. • Public talk shows and sensitization programs. • School Water & Sanitation Clubs (SWAS) to create awareness about water, sanitation and environment among children and youth. • Press releases to educate the general masses about our plans, programs and challenges. • Participate in programs/seminars/workshops geared towards creating community awareness and inclusion in planning/implementation of programmes.



Executive Members of NWSC Management Interact with Stakeholders during Stakeholders Consultative meeting.



Sensitising the Public on NWSC Services: Eng. Andrew Ssekayizi-GM-Kampala Water and Senior Manager Public Relations Mr. Samuel Epedel on a Radio Talk Show



A young girl draws water from a newly constructed water scheme during the launching ceremony. This is part of SCAP100 Project being implemented jointly by GoU and the Corporation.

Our Strategy to 2021



Our Strategy is broadly guided by our Vision: “to be the **Leading Customer Service Oriented Utility in the World**” and our Mission: “to **Sustainably and Equitably Provide Cost Effective Quality Water and Sewerage Services to the Delight of all Stakeholders, while Conserving the Environment.**”

During the reporting period, the Corporation prepared the Corporate Plan to guide our business planning and operations for the period 2018-2021. The theme adopted was; “**Accelerated sustainable growth and service reliability through innovation**”. The Plan was launched on the 20th July 2018 by the Rt. Hon. Prime Minister, Dr. Ruhakana Rugunda.

Our Strategic Focus Areas (SFAs) over the next three years will be on the following;

i. Service Coverage

Focus will be on geographical expansion, infrastructure development and establishment of a meter assembling plant through partnerships.

The Corporation plans to increase water service coverage from approximately 83.7% to 100% and sewerage service coverage from 6.4% to at least 30%.

ii. Green Economy and Resilience to Climate Change

Protection of raw water sources and adoption of alternative sources of energy (solar systems).

iii. SMART Technologies

In-house development of pre-paid metering system.

iv. Business Viability and Sustainability

The Corporation will continue with measures for the promotion of cost effective technological innovations for water production (electrolyser systems, ion exchange, dual filtration etc.) and production of biofuel from sewage sludge to achieve the following;

- Increase water supply from 328 million Litres/day to at least 385 million Litres/day, and ensure

- 24/7 water supply reliability.
- Increase the customer base from 587,863 to at least 770,000 water connections
- Increase annual turnover from UGX 388 billion to UGX 406 billion
- Reduce Non-Revenue Water from 30.9% to less than 28%.
- Ensure compliance to National Standards for Water Supply and Wastewater discharge.
- Ensure annual customer satisfaction index of at least 70%.
- Ensure a debt age of less than 2.5 months, and creditor days of less than 60
- Implement all capital projects within the projected costs and timelines while ensuring quality works.
- Upgrade ISO Certification from 9001:2008 to 9001:2015.

v. Good Governance

Ensure compliance with good

governance principles and practices, and achieve at least 80% response to audit queries. The Corporation shall operationalise the Whistle Blowers Policy to protect members of the public who may wish to report wrong doing.

vi. Corporate Citizenship

- Raise the sanitation profile through establishment of a sanitation financing facility.
- Implement and participate in Corporate Citizenship Programmes.
- Ensure at least 90% compliance to environmental and social safeguards when implementing capital projects.

viii. Human Capital and Capacity Development

- Carry out restructuring of NWSC.
- Establish the NWSC Training

Institute.

- Implement policies, and enhance Work-Life balance.

The Corporation signed the Performance Contract with the Government of Uganda (PC VI) which will cover the period 2018-2021. The contract sets out the key performance parameters and the minimum performance targets. The performance Contract is in line with the Corporate Plan.

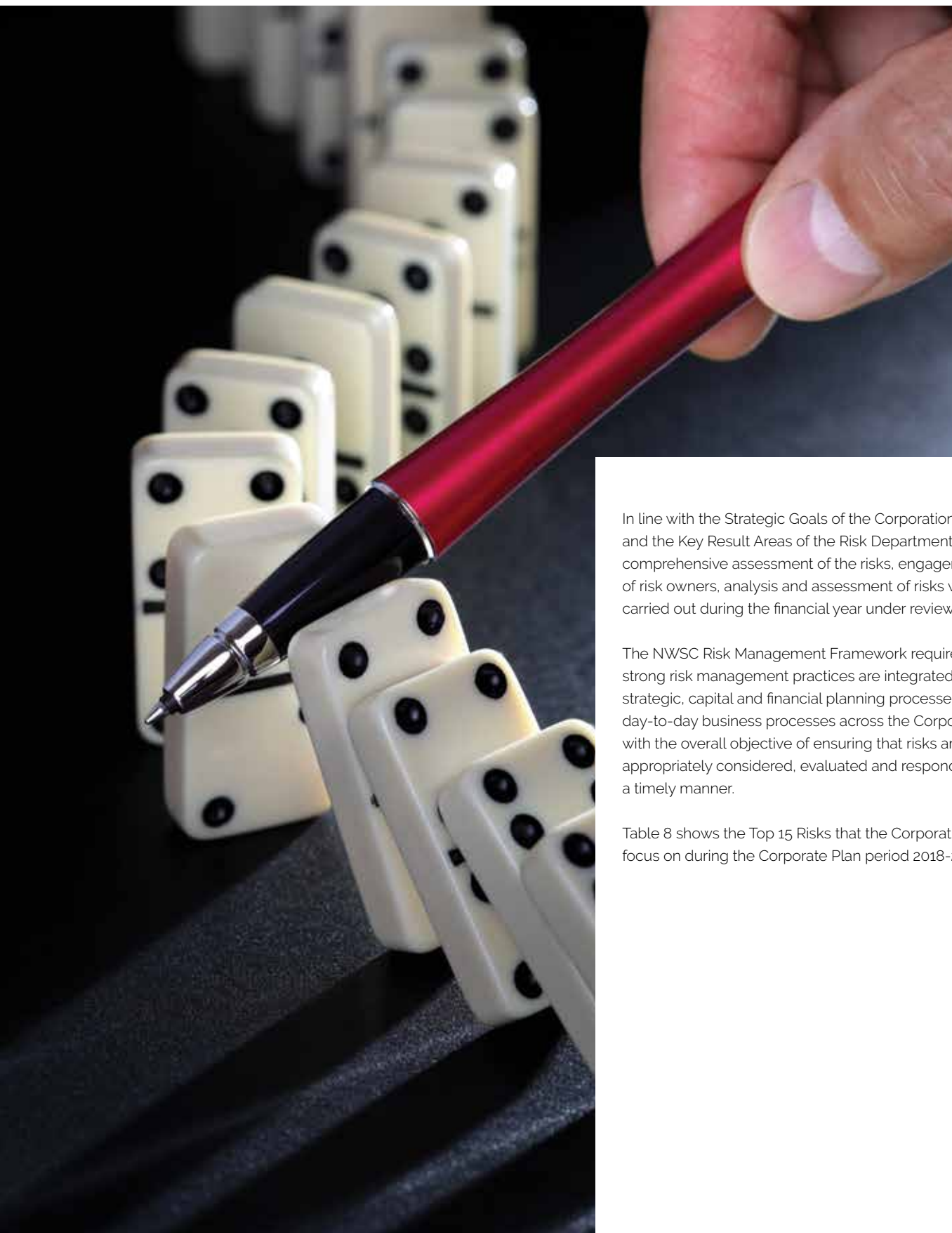
In order to ensure the achievement of the Corporate Plans and the GoU Performance Contract targets, the Board has developed the Strategic Direction (2016-2021) with more ambitious targets.

The achievements of the Strategic Direction will lead to achievement of the Corporate Plan. The Strategic Direction is broken down on annual basis and implemented through the annual budgeting processes.



The Rt. Hon. Prime Minister, Dr. Ruhakana Rugunda Launching the Corporate Plan 2018-2021. Looking on are-The Minister of State for Water, Hon. Ronald Kibuule (Centre), Board Chairman-Eng. Dr.Christopher Ebal (left of the Minister) & NWSC MD-Dr.Eng. Silver Mugisha (Right to the Minister).

Risk Management



In line with the Strategic Goals of the Corporation and the Key Result Areas of the Risk Department, a comprehensive assessment of the risks, engagement of risk owners, analysis and assessment of risks were all carried out during the financial year under review.

The NWSC Risk Management Framework requires that strong risk management practices are integrated in key strategic, capital and financial planning processes and day-to-day business processes across the Corporation, with the overall objective of ensuring that risks are appropriately considered, evaluated and responded to in a timely manner.

Table 8 shows the Top 15 Risks that the Corporation will focus on during the Corporate Plan period 2018-2021.

Table 8: NWSC's top 15 Risks

#	Risk Title	Strategic Goal Impacted
1	Persistent culture of illegal water use	Goal No. 3: Business Growth
2	Lengthy court procedures (Other courts)	Goal No. 3: Business Growth
3	Newly gazetted towns taken over, that do not break even.	Goal No. 3: Business Growth
4	Lack of wayleaves & access routes for network expansion & extension.	Goal No. 1: Service Coverage
5	Depleting raw water sources / Climate changes.	Goal No. 2: Water Production and Supply Reliability.
6	Failure of suppliers to make timely and full deliveries for key inputs (i.e. chemicals & electro-mechanical equipment).	Goal No. 2: Water Production and Supply Reliability.
7	Failure of suppliers to make timely and full deliveries for key inputs (i.e. pipes, fittings & water meters).	Goal No. 3: Business Growth
8	Pollution, wetland degradation and encroachment of raw water sources.	Goal No. 5: Water and wastewater quality
9	Climate change significantly affecting raw water quality.	Goal No. 5: Water and wastewater quality
10	Inflated cost of land for projects.	Goal No. 8: Capital Investment Efficiency (i.e. implementation)
11	Unreasonable demands from some of the PAPs.	Goal No. 9: Environmental & Social Safeguards
12	Discharge of waste of unacceptable quality into NWSC sewer systems.	Goal No. 5: Water and wastewater quality
13	Stringent effluent discharge standards.	Goal No. 5: Water and wastewater quality
14	Failure of prepaid metering technology to measure consumption accurately.	Goal No. 7: Working Capital Management
15	Connectivity downtimes	Goal No. 6: Customer Satisfaction



Our Performance for 2017-18



Water production

Water produced is water that has gone through a treatment process and is ready for consumption. Water production increased by 5%, from **120.7 million m³** in the financial year 2016/17 to **126.2 million m³** in the reporting period. The increase is attributed to infrastructure upgrades through the Water Stabilization Programme and implementation of other capital development projects. This has increased access to clean and safe water to people of Uganda. Table 9 shows the breakdown of water production per region.

Table 9: Annual Water Production (million m³) trends (FY 2013/14-FY 2017/18)

Region	2013/14	2014/15	2015/16	2016/17	2017/18	Growth	Target	% Achieved
Kampala	63.8	63.8	66.3	77.2	79.0	2%	84.1	94%
Central	15.4	16.9	18.3	18.6	20.3	10%	23.2	88%
Eastern & Northern	7.0	9.8	9.5	10.8	12.3	16%	12.0	104%
Western and Southwestern	7.6	9.1	11.9	13.2	14.6	10%	15.1	96%
NWSC Global	93.8	99.6	106.0	120.7	126.2	5%	134.5	94%

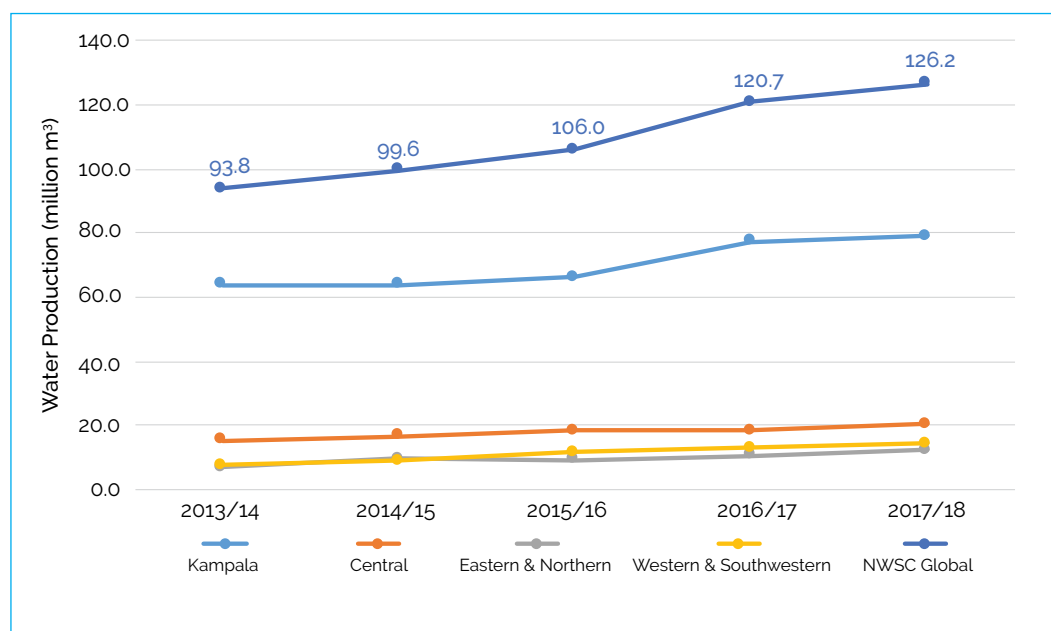


Figure 1: Trend analysis of water production for the last five years

Capacity Utilization

This is a measure of the extent to which the capacity of the water production infrastructure is being used. During the FY 2017/18, the Corporation recorded 78% capacity utilization, an improvement of 1% from the previous year. This improvement is due to increased investment in water production infrastructure. However the capacity utilization in Kampala Area is very high (93%), implying the need for increased investments in water production infrastructure for Kampala.

The Corporation is implementing the **Katosi Water Supply Project** which is expected to increase production by **160 million litres per day** by December 2020 to serve Eastern Kampala and the surrounding Areas. Another planned project is the construction of a new production facility in Bwerenga to serve the southern part of Kampala. Feasibility studies for this project have been completed.

Table 10: Daily capacity utilization as at June 2018.

Region	Practical Capacity (m ³ /day)	Production (m ³ /day)	Capacity Utilization	
			2017/18	2016/17
Kampala	233,840	216,533	93%	92%
Central	87,485	56,209	64%	63%
Eastern & Northern	65,567	34,489	52%	55%
Western & Southwestern	56,978	39,644	70%	74%
NWSC Global	443,870	346,875	78%	79%



Fort Portal Water Treatment Plant



Lirima Gravity Water Treatment Plant
Namisindwa District

Water supplied

This is the water that enters the distribution system. The Corporation registered growth in water supply of **3%** from **116.2 million** to **120.1 million m³** in financial year 2017/18 as a result of increased production achieving **92%** of the annual target.

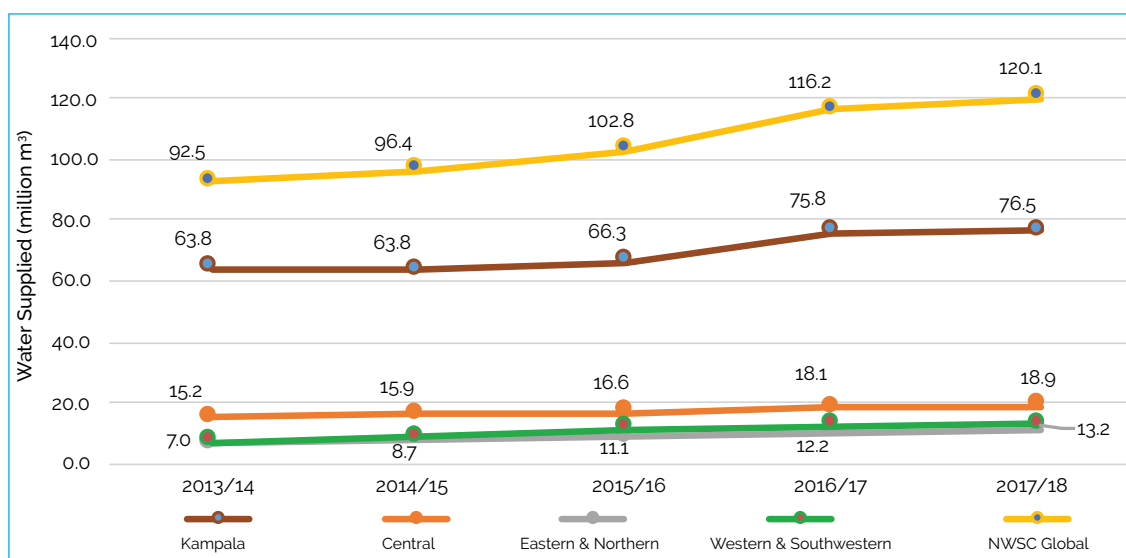


Figure 2: Summary of water Supply in million m³ for the period 2013/14 to 2017/18

Water sales

This is the volume of Water that actually reaches the customer and is billed. The volume of water sold increased by **4%**, from **80.2 million m³** in the FY 2016/17 to **82.9 million m³** in the FY 2017/18. The increase in water sales was a result of increased growth in customer base due to the implementation of SCAP100 Project and completed major infrastructure projects.

Table 11: Five-year trend of Water Sales in million m³ from 2013/14 to 2017/18

Region	2013/14	2014/15	2015/16	2016/17	2017/18	Growth	Target	% Achieved
Kampala	40.3	42.5	45.2	47.7	48.8	2%	56.3	87%
Central	9.7	11.1	12.9	14.6	14.8	3%	18.7	80%
Eastern & Northern	5.4	6.1	7.1	8.4	9.2	10%	10.3	89%
Western & Southwestern	5.7	6.7	8.7	9.6	10.1	5%	12.6	80%
NWSC Global	61.1	66.4	73.9	80.2	82.9	4%	97.8	85%

Non-Revenue Water

This is water that is supplied into the distribution system but is not billed. Non-Revenue Water is attributed to;

- Damages caused to water pipes due to road construction.
- The old pipe network which requires replacement
- Under registering of meters due to old age of some meters.
- Water theft through illegal connections.

The Corporation recorded Global NRW of 31% in the FY 2017/18, same as the position in the FY 2016/17. Kampala Water registered Non-Revenue Water of 36.2%. The main reason for the high NRW for Kampala is the old transmission and distribution networks. The Regions outside Kampala registered the following NRW figures for FY 2017/18; Central Region (21.8%), Northern & Eastern (19.5%) and Western & Southwestern (21.9%).

The Corporation has put in place the following measures to reduce Non-Revenue Water;

- Procurement of 10,000 water meters earmarked for replacing the faulty meters.
- Strengthening of Water Loss Prevention Programs to investigate and prosecute the illegal water users.
- Setting up 24/7 teams to respond to reported water leakages and bursts.
- The Corporation is sourcing for funds to replace the old pipe network as a long term measure, especially in Kampala Water.

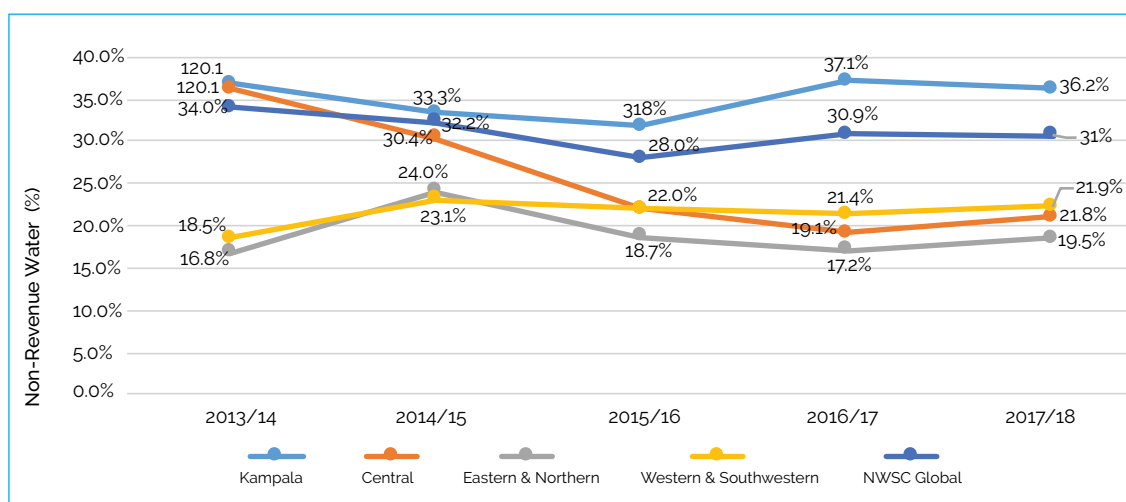


Figure 3: Five-year trend of Non-Revenue Water from 2013/14 to 2017/18

Water quality

It is the Corporation's mandate to supply clean and portable water in all areas entrusted to it. We carry out routine checks to ensure that the water supplied to our customers meets the National Standards for portable drinking water 2008 and WHO Guidelines.

The parameters that are regularly monitored include; Bacteriological, colour, turbidity, chlorine residual, pH, Electrical conductivity, Alkalinity and Hardness.

The Corporation met both the National Standards and WHO Guidelines for portable drinking water (see summary Table 12 below).

Table 12: Status of water quality performance as at 30th June 2018

Water Quality	Ingredients	Indicator	Actual Perf.
Compliance with National Standards for Drinking (potable) Water 2008	(No. of Samples passing National Standards/Total samples tested) X 100	Bacteriological Quality (%)	99
		Colour (%)	87
		Turbidity (%)	97
		Chlorine residual (%)	97
		pH (%)	100
		Electrical Conductivity (%)	100
		Alkalinity Total (%)	100
		Hardness Total (%)	100
		Average (%)	98
WHO Guidelines			97%
National Standard			98%



Pipes being laid under the SCAP100 Project.

NWSC plumbers laying and extending the pipe network under the SCAP100 Project.

Sewage Effluent Quality

The Corporation monitors the Biological Oxygen Demand (BOD) and the Total Suspended Solids (TSS) to determine the quality of the sewage effluent. 41% of the number of effluent discharge samples met the National Standards for both BOD and TSS compared to the target of 50%. This translates to 80% target achievement.

Table 13: Status of sewer quality performance as at 30th June 2018

Sewage Parameters	Performance (%)
Biological Oxygen Demand (BOD)	37
Total Suspended Solids (TSS)	44
Average	41
Target	50
% Target Achieved	82

NWSC is faced with challenges related to vandalism of sewer appurtenances, irresponsible use of sewerage system by some members of the public and encroachment on land meant for sewerage facilities. The above factors have contributed to the above underperformance.

In an effort to address the challenges, the Corporation has acquired specialized equipment for desludging the ponds. We also inspect all trucks to ensure that no hazardous wastes are dumped in our ponds. NWSC has initiated legal actions to deal with the individuals who have encroached on the land meant for sewerage facilities.

Water Service Coverage

NWSC operated in 218 towns as at the end of June 2017. Additional 18 towns were taken over during the reporting period, bringing the total number of towns served to 236 by June 2018.

The Corporation has been implementing the SCAP100 Project under which 2,021kms of water mains were extended. We are also implementing the Water Supply Stabilization Programme (WSSP) which is aimed at boosting water supply through network intensification, installation of boosters, reservoirs, construction of production wells and replacement of pumps. SCAP100 and WSSP are intended to increase access to safe, reliable and affordable water.

The water service coverage (Number of people served against the target population) stood at 83.7% (within municipal boundaries) as at June 2018, up from 78.2% at the end of FY 2016/17.

Table 14: Five-year trend of Water Service coverage from 2013/14 to 2017/18

Indicator	2013/14	2014/15	2015/16	2016/17	2017/18
% of population served	76.5%	76.2%	78.0%	78.2%	83.7%
Number of Service Towns	66	110	170	218	236

New Water Connections

New water connections represent the number of customers who have been connected to the distribution network. A total **50,341** new consumers were connected during the year, against the target of **50,500** water connections. The customer base grew by **12%** from **524,657** in the FY 2016/17 to **587,863** at end of June 2018. The growth in customer base was a result of expansion into new towns and extension of water mains under the SCAP100 Project.

Table 15: Five-year trend of New Water Connections from 2013/14 to 2017/18

Region	2013/14	2014/15	2015/16	2016/17	2017/18		Target	% Achieved
					Actual	Growth		
Kampala	15,324	14,982	18,951	20,577	25,147	26%	22,725	114%
Central	6,106	7,630	8,253	8,330	9,883	22%	11,530	88%
Eastern & Northern	3,341	5,026	4,796	5,271	6,215	26%	6,690	100%
Western & Southwestern	3,297	6,344	6,836	6,534	9,096	45%	9,555	99%
Total New water connections	28,068	33,982	38,836	40,712	50,341	28%	50,500	103%
Total Customer base	366,330	418,031	427,193	524,657	587,863	12%	585,744	>100%

NB: The above figures do not include connections from the newly acquired towns.

Functionality of Water Connections

This is the number of water connections that are active/in service compared to the total number of water connections. Inactive accounts refer to customers who are connected to our services but are not using our water due to disconnections for nonpayment or other reasons.

As at 30th June 2018, **525,286** water connections out of a total of **587,863** were active (88%), and **62,577** connections were inactive (12%). Nearly all our accounts (99.9%) are metered.

Table 16: Status of water connections as at 30th June 2018

Region	Active Accounts	Inactive Accounts	Total Connections	Metered Connections	Metering Efficiency
Kampala	250,905	32,835	283,740	283,740	100.0%
Central	110,396	9,138	119,534	119,435	99.9%
Eastern & northern	72,113	14,280	86,393	85,839	99.4%
Western & Southwestern	91,872	6,324	98,196	98,096	99.9%
NWSC Global	525,286	62,577	587,863	587,110	99.9%

Public Stand Posts (Kiosks)

The Corporation's mandate is to provide water to all people in Areas entrusted to it. We are well aware of the high number of poor people who are unable to afford water connections to their homes. Public Stand Posts are a convenient way through which such members of the community can access, clean and affordable water. Our target is to ensure that every 200 people in a cell/village within our operational areas have access to a public standpipe. The tariff at the public stand posts is subsidized to **UGX 21 per jerrycan** (net of VAT).

During the financial year 2017/18, the Corporation installed **3,342** new PSPs bringing the total number of PSPs to **12,305**.

Sewerage Services

NWSC operates centralized sewerage systems for collecting, treating and discharging effluent in 16 out of 236 towns. During the FY 2017/18, 272 new sewer connections were made (68%) out of a target of 400. The total sewer connections stood at 21,616 in June 2018. Of these, 19,220 sewer connections (89%) were active, while 2,396 were inactive (11%).

The sewerage coverage (number people accessing our sewerage services compared to the target population) at the end of the financial year stood at 21.5%. The sewerage service coverage is still low due to the limited pipe network coverage.

During the Period under review, the corporation completed the Arua Sewerage System. Under this project additional 170 new sewer connections were made and another 100 connections are to be made in FY2018/19.

The Corporation is planning to implement the **Sanitation Investment Plan (2019-2024)** which will involve construction of public toilets, sewage ponds, extension of sewer network, deployment of cesspool emptier trucks, construction of faecal sludge treatment facilities and improvement of sewage treatment facilities in an effort to improve access to sanitation.

Table 17: Status of Sewer Connections as at 30th June 2018

Region	Total Sewer Connections				New Sewer Connections		
	Active Accounts	Inactive Accounts	Total Connections	Inactive Accounts (%)	Actual perf	Annual Target	% achieved
Kampala	8741	1317	10058	13%	114	159	72%
Central	4,743	228	4971	5%	71	57	125%
Eastern & Northern	3,809	674	4,483	15%	71	151	47%
Western & Southwestern	1,927	177	2,104	8%	16	33	48%
NWSC Global	19,220	2,396	21,616	11%	272	400	68%*

Tariff structure

The NWSC Act section 5(b) mandates the Corporation to set tariffs and charges for services provided, as well as levy rates, with the approval of the Minister.

The NWSC tariff structure comprises of four categories with variable tariff rates. Public stand posts are charged the lowest tariff of UGX 21 per 20-litre Jerry can. The PSP tariff is subsidized to ensure affordability for water by all.

The sewer tariff is based on water consumption. Domestic consumers are charged 75% of their water consumption. Other category of consumers (Institutions and Commercial) are charged 100% of their water consumption. The same tariff structure applies to all service areas under NWSC jurisdiction for purposes of ensuring equity in pricing and accessibility to water and sewerage services.

Table 18: Water & Sewerage Tariff Structure for the FY 2017/18

Customer Category	Water tariff 2017/18 (UGX/m ³)	Tariff per 20-Litre Jerrican (UGX/m ³)	Sewerage Tariff 2017/18 (UGX/m ³)
Public Standpipe	1,060	21	n/a
Domestic	3,605	72	2,703
Institutions / Government	3,344	67	3,344
Comm <500m ³ /m	4,102	82	4,102
Comm 500-1500m ³ /m	4,102	82	4,102
Comm >1500m ³ /m	3,278	66	3,278
Average Commercial	3,827	77	3,827
Average Water tariff	2,855	57	2,855

Unit Cost of Production

The unit cost of production increased by 12% from UGX 2,078 Per m³ in June 2017 to UGX 2,327 in June 2018. The upward trend in the unit cost of production is attributed to;

- The deterioration in the quality of raw water hence requiring more chemicals to treat.
- The increase in the unit cost of electricity impacted heavily on production costs since electricity accounts for over 20% of the production costs.
- Depreciation of the Uganda Shilling against the major currencies which affected the input costs of imported items such as chemicals.

Customer Satisfaction Index

This indicator measures the level of customer satisfaction with NWSC services. Our customer base includes Domestic / households, Government / institutions, Commercial/Industrial and Public stand posts. The support and trust of our customers and the public is critical to the achievements of our objectives. In this regard, the Corporation is proactive in ensuring that customers, communities as well as other stakeholders are engaged to capture their views and opinions about service delivery.

The Corporation conducts bi-annual Customer satisfaction surveys to gauge the perception of the Public about; water supply reliability, water pressure, water quality, timely and accurate water bills, responsiveness in solving complaints, responsiveness in effecting new connections, convenience of bill payment process and office ambience.

The results of the surveys are summarized into the Weighted Average Customer Satisfaction Index. During the FY 2017/18, the Corporation registered a customer satisfaction level of 85% against a target of 70%.



School children delight in the NWSC services for their health

Financial Performance

Total Billing grew from **UGX 346.8 billion** in the FY 2016/17 to **UGX 390.2 billion** in the FY 2017/18. The growth in billing was mainly attributed to increase in the volume of water sold arising from increase in water production, increase in a number of towns and increased service coverage due to SCAP100 Project.

Total Collections increased from **UGX 322.7 billion** in the FY 2016/17 to **UGX 384.7 billion** in the FY 2017/18. The collection efficiency (ratio of total collection/billing) was **99%** compared to **93%** in FY 2016/17.

The total arrears at the end of the FY 2017/18 was **UGX 93.2 billion**. Government Ministries make up 44% of the total Arrears. The rest of the debts (56%) were owed by the other categories of consumers.

Table 19: Water collection, billings and arrears per consumer category in UGX '000

Category	Billing (VAT Inclusive)	Collections (VAT Inclusive)	CB Ratio	Arrears 2016/17 (VAT Inclusive)	Arrears 2017/18 (VAT Inclusive)	Growth	Debt Age (Months)
Ministries	43,643,411	44,629,244	102%	43,096,420	41,177,826	-4%	11.3
Parastatals	3,325,788	2,988,335	90%	194,946	283,968	46%	1.0
Institutions	35,997,962	36,016,546	100%	4,006,314	3,883,446	-3%	1.3
Comm	129,211,626	127,277,026	99%	13,875,630	15,956,360	15%	1.5
Local Auth.	1,298,427	1,573,622	121%	390,709	105,104	-73%	1.0
Domestic	169,500,046	164,741,947	97%	24,849,842	30,483,862	23%	2.2
Embassies	1,123,251	1,139,327	101%	100,488	85,612	-15%	0.9
PSPs	6,096,861	6,290,946	103%	1,269,900	1,179,519	-7%	2.3
TOTAL	390,197,372	384,656,993	99%	87,784,249	93,155,697	6%	2.9

100% Service Coverage Acceleration Project (SCAP100)

The FY 2017/18 marked the first year of implementation of SCAP100 Project. The Corporation set out to extend 2,500 Km of water mains, install 7,290 Public Stand posts, connect 55,370 new consumers and reach out to 3,032 villages in the first year. A number of accompanying measures aimed at supporting the expansion were also implemented.

The total financing requirement for SCAP100 over the three year period 2017-2020 is UGX 213 billion or UGX 71 billion per annum. The Corporation has committed to finance 58% of the budget, totalling to an average of UGX 41 billion per year. GoU committed to finance 42% of the budget, totalling to UGX 30 billion per annum.

During the FY 2017/18, Government released UGX 22.5 billion for SCAP100 activities. The total amount of funds allocated to the project in the FY 2017/18 in Table 20 below;

Table 20: Financing for the SCAP 100 Project (UGX)

ITEM	NWSC	GoU	TOTAL
COMMITMENT	41,000,000,000	30,000,000,000	71,000,000,000
EXPENDITURE			
Pipes	18,621,692,683	22,877,761,287	41,499,453,970
Fittings	3,677,520,791	0	3,677,520,791
Reservoirs, Boosters, Production wells, Pumps, Generators, land acquisition	15,407,518,393	0	15,407,518,393
Labor for Civil works	5,427,500,000	0	5,427,500,000
TOTAL EXPENDITURE	43,134,231,867	22,877,761,287	66,011,993,154
OVER / (UNDER) COMMITMENT	2,134,231,867	(7,122,238,713)	(4,988,006,846)

There was a shortfall in GoU funding of UGX 7.1 billion while NWSC spent UGX 43.1 billion (UGX 2.1 billion) more than had been planned. The overall shortfall in funding for SCAP100 was UGX 5 billion.

As at 30th June 2018, 2,021 km of pipes had been laid against a target of 2,500Km, 2,123 villages had been reached against the target of 3,032. Approximately 3,342 PSPs had been installed. In addition, 50,341 new water consumers had been connected against a target of 50,500. The table below summarizes the status of implementation of SCAP100 project as at June 2018 in all NWSC Areas of operation.

Table 21: Status on SCAP 100 Project

Regions	Length/Pipes		Villages		PSPs Implemented (No.)	No. of New Customers
	Annual Target (km)	Implemented (km)	Annual Target (No.)	Villages Covered (No.)		
West & South West	779	817	1,383	706	1,064	9,096
Northern & Eastern	702	520	799	707	1,173	6,215
Central Region	720	476	758	517	975	9,883
Kampala Water	338	358	92	193	130	25,147
Total	2,540	2,021	3,032	2,123	3,342	50,341





Water intake Pipe laid during the Masindi Water Supply Project

Performance on Capital Development Projects

The Government of Uganda has a target to ensure that all Ugandans have access to safe water and improved sanitation by 2040. The country is also faced with high population growth which has led to increased demand for water for domestic consumption and for production. Many of the existing water infrastructure require major refurbishments and overhaul to maintain or improve their capacities.

The Corporation attaches a lot of importance in ensuring that investments in water infrastructure matches the current and future demand. We also want to support Government in achieving the Goal of Universal access to clean water and improved sanitation. The costs of investing in the water infrastructure is substantial. The Corporation cannot fully meet all the investment needs based on the existing water and sewerage tariff (which can only cover operating costs, depreciation and minor investments). We are very grateful to GoU and the Development Partners for the support that they have continued to render towards the implementation of our major investment needs.

During the FY2017/18, the Corporation invested UGX.334billion in various infrastructure projects. The investments were funded from the following sources;

Table 22: Expenditures on Capital Development Projects during the FY 2017/18 (UGX)

#	Source of Funds	FY 2017/18	FY 2016/17
1.	GoU ('000)	92,000,000	21,000,000
2.	Development Partners('000)	182,000,000	83,000,000
3.	NWSC('000)	60,000,000	50,000,000
	Total('000)	334,000,000	154,000,000

NWSC successfully implemented a number of Infrastructure Development Projects during the reporting period. The status of the various projects implemented during the FY 2017/18 is summarized in Table 23 under the following sub-headings;

- **WATSAN Projects Completed**

These are projects which were fully completed or achieved substantial completion during the reporting period and they are operational. The snags which are outstanding on some of these projects are minor and are being addressed during the defects liability period. There are seven major water infrastructure projects which were completed during the reporting period.

- **WATSAN Projects under Implementation**

These are projects which have not reached completion stage. The level of progress on each of these projects is mentioned in the table below. There are thirteen projects which are in this category.

- **WATSAN Projects at the Planning Stage**

The Corporation has identified a number of Areas that require Capital Investments to address the water and sewerage services challenges. We are at various stages of planning and sourcing funds for these projects and hope to commence implementation as soon as the planning is completed and funds secured.



Aerial View of the New Bugolobi Waste Water Treatment Plant

Table 23: Capital Development Projects

PROJECT	OBJECTIVE	SCOPE	STATUS
PROJECTS COMPLETED DURING FY 2017/18			
Water Management and Development Project (WMDP) - Bushenyi Water Supply Project	To improve water supply and sewerage services in Bushenyi Municipality and surrounding areas.	<ul style="list-style-type: none"> New 3,150,000-litre water treatment plant in Kitagata. New 1,600,000-litre capacity reinforced concrete reservoir at Kikuba hill in Bushenyi New 90 cubic meter reservoir at Ibanga Hill in Kitagata Sub County Renovation of the existing 90 cubic meter reservoir at Ibanga hill Laying 17km transmission main. 	<ul style="list-style-type: none"> Project was substantially completed and the water supply system is operational. Defects liability period ends December 2018.
Water Management and Development Project (WMDP)- Arua Water Supply and Sanitation Project	To improve water supply and sewerage services in Arua Municipality and surrounding areas.	<ul style="list-style-type: none"> Refurbishment and upgrading of the current water treatment plant Increasing the storage capacity for treated water from 1,400,000 litres to 5,000,000 litres. Construction of a new sewerage system Construction of 10 public toilet facilities in the central business district and Dadamu. Expansion of water distribution systems. 	<ul style="list-style-type: none"> Project was substantially completed and the water supply system is operational. Defects liability period ends February 2019.
Kampala Water Lake Victoria WatSan Project: Rehabilitation of Gaba I & II treatment Plants and New Gaba -Namasuba Transmission	The Kampala Water Lake Victoria WatSan Project aims at addressing water supply challenges in greater Kampala metropolitan area up to the year 2035.	<ul style="list-style-type: none"> Upgrading (60% increment) & rehabilitation of Ggaba I & II Construction of new 8000m³ storage reservoir at Namasuba Laying 9.6km 700mm Gaba/ Namasuba pipeline Modification at Muyenga reservoirs Replacement of section of 800m, 500mm Naguru Main. 	The system is under operation, Defects Liability Period for works contractor ended in September 2018.
New Soroti Intake project	The project was developed to replace the old intake for Soroti water supply system that was washed away during the Teso floods of 2010.	<ul style="list-style-type: none"> Construction of Intake Structure comprising of inlet sump and pump room Supply and installation of 3No. Pumps (including other electro mechanical equipment) delivering 288m³/h each Installation of 125m DN 300mm delivery main Supply and installation of standby generator Extension of overhead power supply to the new intake plant Construction of stabilized murram access road (100m) linking the Intake Works to Soroti Highway. 	All major snags were handled and technical commissioning done in August 2017.
Kapeeka Water Supply Project	The project was aimed at developing new water supply system for Kapeeka town.	<ul style="list-style-type: none"> 4000m³/d Water intake plant 4000m³/d Water treatment plant 600m³ reservoir 15km Water network (transmission & distribution) 04No. Staff houses 	<ul style="list-style-type: none"> The System was handed-over to NWSC; new connections are being effected. Snags handling was completed. Project awaits political commissioning.

Masindi Water Production Improvement Project.	This project involved improvement of water production by construction of additional water treatment units.	<ul style="list-style-type: none"> • 01no. Coagulation/Flocculation unit • 01no. clarifier • 01no. filter 	<ul style="list-style-type: none"> • Technical commissioning of the plant was successfully done. • Plant capacity has increased from 1,700 m³/day to 3,700 m³/day.
Lake Victoria Protection Project Stage 2 (LVP2):- Community Mobilization	This component was to support implementation of the Kampala Sanitation Programme.	<ul style="list-style-type: none"> • Sensitization of potential customers • Design services for the new connections 	<ul style="list-style-type: none"> • Final consultation workshop with major stakeholders including NEMA, KCCA was successfully held in October 2017. • Investment worth Euros 10Million is required for execution of the secondary and tertiary networks.
PROJECTS UNDER IMPLEMENTATION			
Lake Victoria Protection Project -Nakivubo Waste Water Treatment Plant.	Improvement of the sewerage and sanitation situation in Kampala with an overall objective of protecting Lake Victoria against pollution.	The Plant consists of; <ul style="list-style-type: none"> • Inlet pump station • Screens & Aerated grit chambers • Primary Sedimentation tank • Aerated trickling filter unit • Digesters, biogas-holding tanks & Bio filters. 	<ul style="list-style-type: none"> • All units except digester works are complete, overall progress is 97% Complete. • Expected completion date for the project is 31st Oct 2018.
Lake Victoria Protection Project -Nakivubo and Kinawataka sewer project	To improve the sewerage and sanitation situation in Kampala.	<ul style="list-style-type: none"> • Laying (11.9km) of sewer mains in Nakivubo and 12.7km in Kinawataka. • Construction of associated works including manholes and tie-in works. 	<ul style="list-style-type: none"> • 26.7 km of sewer mains were laid and the project is 91% Complete.
Lake Victoria Protection Project -Kinawataka Pre-treatment and pumping station.	To improve the sewerage and sanitation situation in Kampala.	<ul style="list-style-type: none"> • Pre-treatment consisting of inlet pump station, screens & Aerated grit chambers. • Pumping Station for pumping sewage from Kinawataka Sewerage System to Nakivubo Sewerage System. 	<ul style="list-style-type: none"> • All concrete structures were completed and overall project progress is at 70%.
Kampala Water Lake Victoria WatSan Project -Water network rehabilitation, extension and rezoning (Package 2B)	To improve water supply reliability through the upgrading & rehabilitation of water supply systems.	<ul style="list-style-type: none"> • Transmission mains of 126 km. • Tertiary mains of 216 km. • Booster pumping stations, Reservoirs of volume 30 – 200 m³ (03 No.). • District Meter Areas (DMAs) (5No.) of sizes DN 80 mm to DN 500 mm. 	<ul style="list-style-type: none"> • AfD gave a no-objection to the shortlisted prequalified consultants for detailed design for shortlisting report was secured • RFPs were issued and the bidding process is in advanced stage
Kampala Water Lake Victoria WatSan Project -New Water treatment plant in Katosi-Kampala East	To improve water supply reliability through the upgrading & rehabilitation of water supply systems.	<ul style="list-style-type: none"> • Intake plant of 240 million litres/day capacity • New water treatment plant of 160 million litres/day capacity • About 10 km 1200 mm DI pumping main to Nsumba hill • Reservoir of 10,000-40,000 litres at Nsumba hill. 	The construction of the Water Treatment Plant has commenced and is expected to be completed by December 2020.
Kampala Water Lake Victoria WatSan Project -Katosi – Kampala Drinking Water Transmission main (Package 4B)	To improve water supply reliability through the upgrading & rehabilitation of water supply systems.	<ul style="list-style-type: none"> • About 50km Transmission main (from Nsumba Hill to Ssonde Hill) of sizes 1200-1400mm for gravity main, and 600mm for pumping main. • Reservoir of 15,000 litres at Ssonde hill Booster station at Namugongo. 	<ul style="list-style-type: none"> • Foundation works at Namugongo booster station site were completed, Earthworks at Ssonde reservoir site are in progress

Kampala Water Lake Victoria WatSan Project -Technical Implementation Consultant (TIC) under Water and Sanitation in Informal Settlements (Package 5B)	To improve water supply reliability through the upgrading & rehabilitation of water supply systems.	<ul style="list-style-type: none"> Nalukolongo faecal sludge treatment plant (400m³/d) 240 toilet stances in 17 Government schools. 80 toilet stances in Public toilets. 	<ul style="list-style-type: none"> Draft Pre-qualification documents awaiting KfW No-objection Detailed designs approved, review of tender documents is being finalized.
Water Management and Development Project (WMDP)- Gulu Water Supply and Sanitation Project	To improve water supply and sewerage services in Gulu.	<ul style="list-style-type: none"> Upgrading and expansion of the existing water treatment plant to from 4,000 to 10,000,000 litres of water per day. Upgrading of the existing water supply and distribution network Construction of a new intake Construction of a faecal sludge reception and treatment centre Upgrading and expansion of the existing wastewater treatment plant. 	<ul style="list-style-type: none"> Overall work progress is 30%.
Integrated Program to improve Living conditions in Gulu – (Phase II Nile option)	The project is aimed at bridging the gap left by the Uganda Water Management and Development Project. The project scope will be co-funded by KfW and the World Bank (under IWMDP).	<ul style="list-style-type: none"> Water treatment plant at Karuma (works to be funded by KfW). Bulk transfer from Karuma to Gulu and the six towns enroute to Gulu (works to be funded by the World Bank). 	<ul style="list-style-type: none"> Geotechnical investigations completed. Detailed design of all water supply infrastructure is being carried out.
Kampala South- WatSan Project (KSWSP)	The Overall Objective of the project is to improve the quality of life, health and economy of people in the south and west of greater Kampala.	<ul style="list-style-type: none"> Feasibility studies for the development of the new WTP abstraction system, primary bulk storage reservoir, pumping main, distribution system, a faecal Sludge Treatment Plant and Supply of Water in Informal Settlements. 	<ul style="list-style-type: none"> Feasibility study report is currently under review.
Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara-Masaka Areas- South Western Cluster	To improve the living standards and productivity of the population in the project areas through provision of good quality water and improved sanitation services.	<ul style="list-style-type: none"> Up-grading, expansion and development of water and sanitation infrastructure in Masaka, Mbarara, Isingiro and the neighboring towns. 	<ul style="list-style-type: none"> The feasibility study was concluded in December 2017. Procurement of consultants for detailed designs and preparation of tender documents for construction to be concluded in November 2018. The project construction works are expected to begin in January 2020.
Package Sewage Treatment Plants for Fort Portal	The project aimed at addressing wastewater disposal challenges in Fort Portal town.	<ul style="list-style-type: none"> Design, supply, installation and operation of sewage treatment plants. 	<ul style="list-style-type: none"> Items for the plant were delivered on site. Assembling, installation and operationalization of the plant to be completed 31st December 2018.
Kapchorwa Water Supply Project	The project is aimed at improvement of water supply services in Kapchorwa town.	<ul style="list-style-type: none"> Construction of New Water works (3000 m³/day capacity) and 4 km DN 200 mm Delivery main. 	<ul style="list-style-type: none"> Pipe laying works at 80% progress Contract for Water Treatment Plant was signed and site handed over.
PROJECTS AT PLANNING STAGE			
Integrated Water Management and Development Project (IWMDP) – Adjumani Water Supply and Sanitation Project.	To improve water supply and sewerage services in Adjumani and the surrounding Areas.	<ul style="list-style-type: none"> Water supply and sanitation infrastructure improvements in Adjumani-Pakele and neighbouring towns. 	<ul style="list-style-type: none"> Process of sourcing funds for the project is underway. Clearance by the GoU for loan proposal being awaited.

Integrated Water Management and Development Project (IWMDP) – Mbale Water Supply and Sanitation Project.	The proposed project covers water supply and sanitation infrastructure improvements in Mbale municipality and the neighboring areas.	<p>Construction of;</p> <ul style="list-style-type: none"> • A new raw water intake along Namatala River. • Raw water transmission main from the Namatala to Bungokho Water Treatment Plant. • New Mbale transmission main to Mbale town. • A new reservoir and pressure break tanks. <p>Rehabilitation of;</p> <ul style="list-style-type: none"> • Bungokho Water Treatment Works to achieve 9,450 m³/day. • Nabijo and Nabiyonga Intakes. • Namatala and Doko Waste Water Treatment Ponds. • Manafwa Treatment Works to original design capacity of 9,000 m³ per day. 	<ul style="list-style-type: none"> • Process of sourcing funds for the project on-going. Clearance by the GoU for loan proposal being awaited.
Development of WatSan Infrastructure for The Hoima - Masindi Areas (Albertine Graben Cluster North)	Project is aimed at water and sanitation infrastructure development in Albertine Region.	Feasibility study, and preliminary design	<ul style="list-style-type: none"> • Feasibility design report submitted. • Efforts are being made to explore different financing options.
Kyotera Water Works and Bulk Transfer to neighbouring towns	To improve water supply reliability in Kyotera and the surrounding areas.	<ul style="list-style-type: none"> • The project involves water abstraction and treatment at Malembo landing site along Lake Victoria. • Transfer of water to Kyotera, Kalisizo, Sanje, Kakuuto, Mutukula, Rakai, Lyantonde and Kalisizo. 	<ul style="list-style-type: none"> • Evaluation of works tenders for the Intake and Water Treatment Component was completed. • The Corporation is sourcing for funds to implement the project.
Kapeeka - Phase 2 water supply and Sanitation Project	Improve Water and Sewerage Services for Industrial Parks	<ul style="list-style-type: none"> • Upgrade the water supply system to meet industrial demand. • Construction of a sewerage system for Kapeeka Industrial Park. 	<ul style="list-style-type: none"> • Project is at design stage and works are to commence in the FY2018/19.

Our International Footprint



Dr. Rose Kaggwa
Director Business & Scientific Services



NWSC carried out reforms between 1998 and 2014, which resulted into the rapid expansion of the customer base, reduction of Non-Revenue Water (NRW), improvement of staff productivity, quadrupling of the annual turnover, a change of staff behavior and attitude and sustained corporate surplus. Encouraged by the above achievements, the Corporation conceived an idea of setting up the **External Services Unit** to share basic experiences with the sister utility companies in the Country, Region and Internationally.

The Vision of the External Services Unit is '*To be a provider of world-class high impact innovative solutions*' and our mission is '*To provide professional, innovative and customer-focused performance enhancement solutions in an efficient and cost effective manner*'.

The first person to Head the External Services Department was Dr. Eng. Silver Mugisha our current Managing Director. Dr. Eng. Mugisha is credited for setting up the unit from scratch, advising the Board on the methods of operations, forging alliances in various utilities and growing the revenue base of the unit until it broke-even. After the appointment of Dr. Eng. Mugisha to the position of Managing Director in 2013, the Board appointed Dr. Rose Kaggwa, who had been deputizing Dr. Eng. Mugisha in the External Services Unit, to be the Director Business and Scientific Services which oversees the External Services Business.

The core business of the ESU are:

- **Advisory Services** in Utility Management, Performance Planning and Management and modernization of utilities
- **Technical Assistance** in:-
 - Water Quality Testing/

- Monitoring
 - GIS Surveying and Mapping
 - ICT Service
 - Billing and Customer Care Management

- **Water Utility Capacity development** including tailor-made training programs, Staff Attachments, on-the-job training and vocational training
- Provision of **Conferencing and Training** facilities at the NWSC International Resource Centre.

The NWSC External Service (ES) capitalizes on NWSC's unique experiences, expertise and home-grown solutions in Utility turnaround. It creates synergies within utility providers that result in improved service delivery and sustainable utility operations. NWSC is, therefore, key in fostering both South-South and North-South Cooperation amongst utility companies.

NWSC ES, since inception, has been able to partner with several water and electricity utilities in Bangladesh, Benin, Burkina Faso, Ethiopia, Ghana, India, Kenya, Liberia, Malawi, Mali, Mozambique, Nigeria, Rwanda, Sierra

Leone, South Sudan, Tanzania, Trinidad and Tobago, Zambia and Uganda.

In the Financial Year 2017/2018, the External Services unit was able to raise UGX 7.1 billion (1.9m USD). Four (4) contracts were successfully completed bringing the total number of contracts completed since inception to Seventy seven (77). Five (5) new contracts were signed for assignments in Oyo State Water Board (Nigeria), Liberia Water & Sewerage Corporation, Bauchi State Water and Sewerage Corporation (Nigeria), South Sudan Urban Water Corporation and Lilongwe Water Board (Malawi).

The revenues generated from External Services business was used to construct and set-up a modern training & workshop facility at Bugolobi (International Resource Centre-IREC) in 2012. This facility is used for training, workshops and benchmarking by participants from all over the country and from across the continent. Other revenues generated by the External Services after the completion of the IREC facility have been invested in the NWSC operations to improve services to our customers.

The NWSC External Services Unit is also pleased to be the leading partner in the implementation of the following projects;

- **Alternative Approaches and Tools** for Improved Water Supply and Sanitation for Towns in Northern Uganda project funded by the Netherlands Enterprise Agency;
- **The Dream Pipe Project** funded by Department of International Development (DFID), UK, that looks at ways of reducing Non-Revenue Water in Kampala;
- **Utility Support to Capacity Development** for Sustainable Water Services within Uganda (CaDeSWas), a Water Operator's Partnership with Vitens Evides International (VEI), Netherlands geared at building capacity of the NWSC in Asset Management and Pro-poor services;
- **Strengthening Training Institutions** of Uganda and Rwanda (STUUR Project) funded by the Dutch Government and;
- **Sewerage Water Operator Partnership** funded by the Bill & Melinda Gates Foundation. The foundation strengthens the ability of the NWSC to further support utilities in the region.

The team also participated in

international exhibitions that included the International Water Association (IWA) Development congress held in Argentina in November 2017 and the Africa Water Association International Congress and exhibition held in Mali in February 2018.

The highlight of the External Services activities during the year were the planning, preparations and hosting of the 79th Africa Water Association Science Technical Council. The event took place between the 16 – 19th July 2018 at the NWSC International Resource Centre (IREC), Bugolobi.

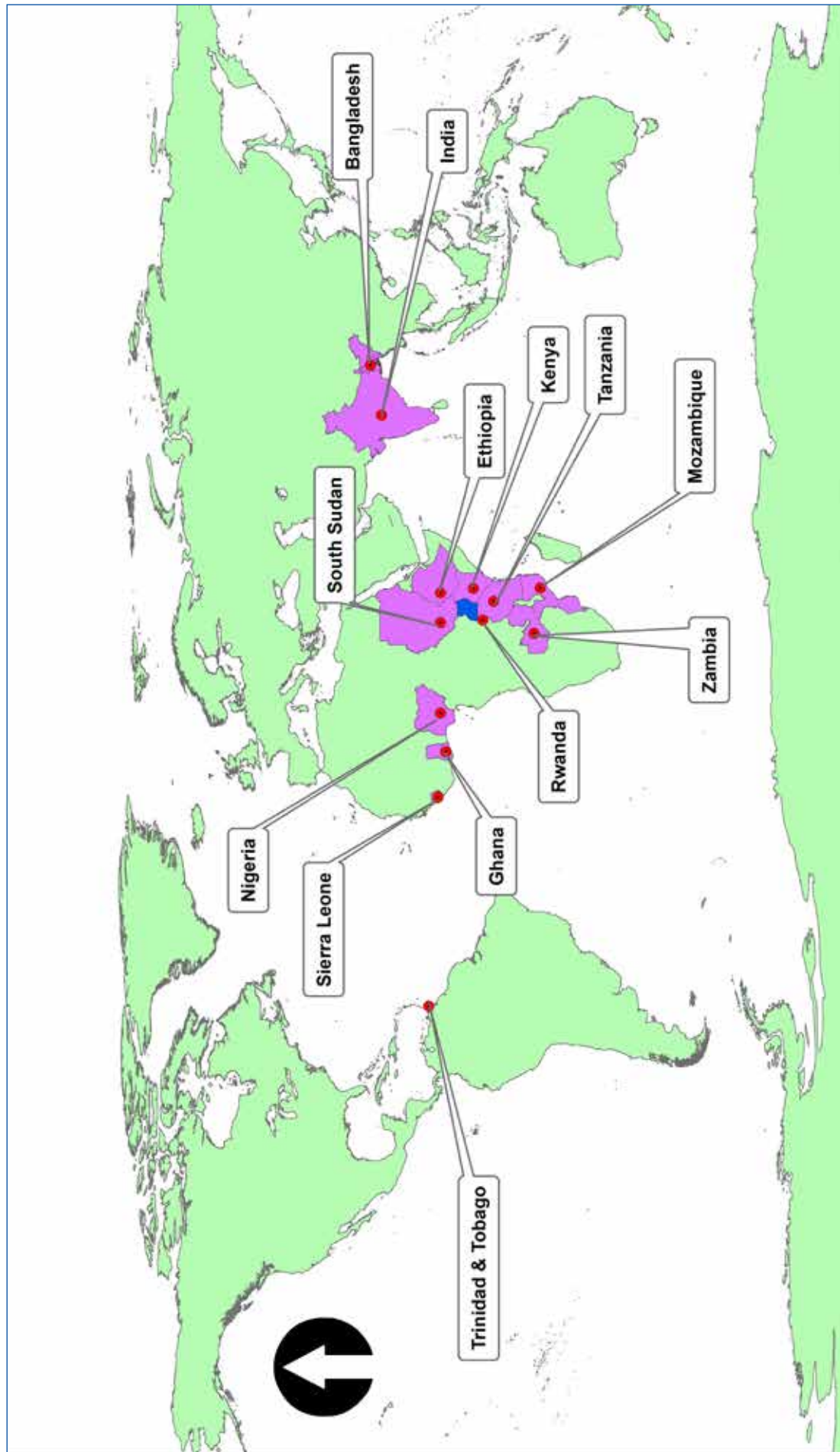
The event brought together over 400 utility CEOs and Technocrats from Africa and beyond. The participants deliberated on the strategic priorities of the water sector in Africa under the theme, *"Harnessing ICT to accelerate sustainable water and sanitation for all"*. A colorful exhibition was held that attracted over twenty (20) International and local Corporate entities.

The Africa Water Association (AfWA) is a 31 year old professional body of establishments, enterprises and utilities operating in the areas of drinking water, sanitation and environment in Africa. AfWA has over 100 utility members drawn from 40 countries.



Delegates at the Africa Water Association (AfWA) Conference at International Resource Centre (IREC)-Bugolobi-Kampala Uganda)

Global map showing our international footprint





Financial Statements

For the year ended 30th June 2018



Report Of The Directors

The Directors hereby submit their report together with the Financial Statements for the National Water and Sewerage Corporation for the year ended 30th June 2018.

Activities

The NWSC Act 1995 mandates the Corporation to provide water and sewerage services in areas entrusted to it on a commercially viable basis.

Results

The financial performance of the Corporation during the reporting period is summarized in the table below.

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Income	387,791,671	321,806,567
Profit before depreciation and amortisation	92,267,234	70,866,157
Depreciation and amortisation	(33,377,986)	(31,885,358)
Finance cost	(891,744)	(2,542,489)
Tax charge	(6,808,601)	(9,727,177)
Profit for the year	51,188,903	26,711,113

Income

i) Water and Sewerage Income

This is the main source of revenue to the Corporation. Water and Sewerage income increased by 11% from UGX 306 billion in the year ending 30th June 2017 to UGX 340 billion in 2018. This improvement was largely due to increased water sales resulting from the takeover of 18 new towns during the year.

The Corporation also commenced the implementation of the SCAP '100' Project, which resulted in the extension of water to 3,032 villages and connection of 50,341 new water consumers. The volume of water sold increased from 80 million cubic meters in the previous year to 83 million cubic meters in the reporting period.

ii) Other Income

During the reporting period, UGX 14 billion was realized from Other Operating Incomes compared to UGX 3 billion in the previous year. The main reasons for the increase in other income are; the exchange gains on translation of forex denominated balances and increased activities on the External Services Business.

iii) Deferred Income

During the reporting period, UGX 33 billion was realized as Deferred Income compared to UGX 11 billion in the previous year. The increase in the Deferred Income was largely attributed to the Revenue Grants from the Government of Uganda which was provided for the implementation of SCAP '100' activities in the Financial Year 2017/18.

Operating Costs

Staff Costs

Staff costs, increased by 15 % from UGX 98 billion in 2017 to UGX 112 billion in the current year. This was mainly due to takeover of 18 new towns and the creation of 35 sub branches in Kampala which resulted in an increase in staff numbers from 3,131 in June 2017 to 3,452 by the end of June 2018.

Report Of The Directors continued ►

Administrative Costs

Administrative expenses increased by 53% from UGX 34billion in 2017 to UGX 52 billion in 2018. The increase is mainly attributed to expenditure relating to the 18 new towns and the creation of 35 sub branches for Kampala Water. The Corporation also recognised an expenditure of UGX. 3billion relating to the derecognition of the former Nakasero Residential Flats. There was also increased expenditure on External Service (ES) activities by UGX 4 billion, which led to the growth in ES income from UGX 2 billion in 2017 to UGX 7 billion in the current period.

Static Plant and Pipe Network Maintenance

Static plant and pipe network maintenance costs increased by 11% from UGX 75 billion in the previous year to UGX 82 billion in 2018. This was mainly due to the need to address operational challenges in the 18 new towns, increased water production and the aged pipe network. High electricity and fuel costs also contributed to the increase in this expenditure.

Supplies and Services

Supplies and services costs increased by 8% from UGX 25 billion in 2017 to UGX 27 billion in 2018 mainly due to increased chemical costs to meet increased water production. This item also includes expenditure amounting to UGX.2billion to set up the new Data Recovery Centre in Entebbe.

Premises Maintenance Costs

Premises maintenance costs increased by 13% from UGX 8 billion in 2017 to UGX 9 billion in 2018. Additional expenditure was incurred on rent, rates, telephone, and maintenance of the new towns and new sub branches.

Transport expenses

Transport costs increased by 18% from UGX 11 billion in 2017 to UGX 13 billion in 2018. This was mainly due to the increase in the Corporation fleet to cater for the new towns and sub branches. This expenditure was also affected by the increase in fuel prices during the year.

Finance Costs

Finance costs reduced from UGX 3 billion in 2017 to UGX 0.9 billion in 2018 due to the partial redemption of the overdraft facility. In addition, the Corporation renegotiated a reduction in the rate of interest on the facility.

Dividends

The Directors do not propose any dividend payment for the Financial Year 2017/18. Profits generated will be reinvested to expand the infrastructure and increase access to water and sewerage services.

Non-Revenue Water (NRW)

The Non-Revenue Water (NRW) increased from 30.9% in 2017 to 31% in the current year. The Board is concerned about the high levels of NRW, especially in Kampala Water (36.2%). The NRW in other regions was as follows; Central Region (21.8%), Northern Region (18.6%) and Western Region (21.9%).

The Corporation will address the NRW challenges as follows;

- Network intensification in all Areas of operation.
- Use of private investigators to monitor instances of illegal use.
- Meter replacements.
- Procurement of bulk meters for District Metering.

Report Of The Directors continued ►

- Strengthening the community liaison and Water Committees to identify and report leakages and illegal water consumption.

The Corporation is sourcing for funds for replacing the old networks especially in Kampala as a long term measure. We should note however, that it is not feasible to achieve 100% billing of water produced. The best International practice for NRW for large cities in developing countries is about 25%.

Land

During the reporting period, the Corporation took over additional towns from Government which had no titles. We obtained 42 land titles in 2017/18. The process of acquiring the titles for all our properties is continuing.

Our Auditors

In accordance with section 15 of the Public Enterprise Reform and Divestiture Act, the Financial Statements of the Corporation shall be audited once every year by the Auditor General or an Auditor appointed by him to act on his behalf.

During the year, the Auditor General reappointed PKF Uganda. Certified Public Accountants to carry out the audit of the Corporation on his behalf and report directly and solely to him.

By order of the Board,



Edith Katete
Corporation Secretary

18th December 2018

Corporate Governance Report

The Board And Management

The National Water and Sewerage Corporation's Board and Management are committed to ensuring the best principles of Corporate Governance. These principles are applied throughout all the operations of the Corporation.

The Board

The Board of Directors is the policy making body of the Corporation and it makes the policies on behalf of the Government of Uganda. The Board of Director's functions and responsibilities are set out in the National Water and Sewerage Corporation Act 1995, Cap. 317, Laws of Uganda, and these include: -

- a) Developing policies and strategies to be followed by the Corporation in achieving its objectives and carrying out its functions.
- b) Ensuring that Management performs its functions and exercises its powers in a proper, efficient and economical manner in accordance with policies and strategies established by the Board.
- c) While Management remains responsible for the day to day running of the affairs of the Corporation, there are specific decisions that have to be referred to the Board for its approval in its oversight role.

Board Constitution

The Board comprises of eight Government appointed Directors plus the Managing Director of the Corporation. One of the directors is the Director of the Directorate of Water Development.

In appointing the Directors, the Hon. Minister of Water and Environment appoints persons having qualifications in the following fields;

- a) Knowledge and experience in the Water Sector.
- b) Public Finance, Banking or Economics.
- c) Business Management.
- d) Commerce and Industry.
- e) Environmental Management.
- f) Public Health.

Meetings of the Board

The Board meets at least once every three months. Board Committee meetings take place every quarter or as and when there is business. The Board operates through 5 committees which have been mentioned under Governance and Leadership. (Pages 20 to 27)

Statement Of Director's Responsibilities

The National Water and Sewerage Corporation Act 1995, Cap. 317, Laws of Uganda, requires the Directors to prepare Financial Statements for each Financial Year which give a true and fair view of the state of affairs of the Corporation as at the end of the Financial Year and of the operating results for that year. The Directors are also required to ensure that the Corporation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

The Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and in the manner required by the National Water and Sewerage Corporation Act 1995, Cap. 317, Laws of Uganda. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the National Water and Sewerage Corporation Act 1995, Cap. 317, Laws of Uganda. The Directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Corporation and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Corporation will not remain a going concern for at least the next twelve months from the date of this statement.



Board Chairman



Managing Director



Director

Report Of The Auditor General On The Financial Statements Of National Water And Sewerage Corporation For The Year Ended 30th June 2018

The Rt. Hon. Speaker Of Parliament

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of National Water and Sewerage Corporation for the year ended 30th June 2018. These financial statements comprise the Statement of Financial Position as at 30th June 2018, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, the accompanying schedules and a summary of significant accounting policies and other explanatory notes, as set out on pages 83 to 104.

In my opinion, the accompanying financial statements, give a true and fair view of the financial position of the Corporation as at 30th June 2018, and of the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the National Water and Sewerage Act 1995, Cap. 317, Laws of Uganda.

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the audited entity in accordance with the Constitution of the Republic of Uganda (1995) as amended, the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Revenue Recognition

The revenue from water is recognized based on periodic meter readings or estimates thereof when readings can not be taken. Readings can not be taken when: i) The Corporation is unable to access clients premises in which case the period of consumption is determined as the last three months consumption average. ii) For unmetered clients in newly acquired areas whose delay in connection is as a result of meter shortages. Estimates in this case are guided by pre-determined Corporation rates depending on the estimated number of people and consumption thereof and on previous historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Board plays a significant role in offering guidance and clarity on reading estimates. Because of the judgement they use in this assessment, the audit of revenue is a key audit matter. Further details of revenue recognition are under section c) of summary of significant accounting policies.

My approach was to verify if indeed revenue was correctly recognised by undertaking the following procedures:

- Reviewed the Corporation's policies and reconciled the procedures followed against the estimated meter readings.
- Assessed accuracy and reliability of historical information used in computation of estimates
- For unmetered clients, reconciled the suitability of tariffs used against actual customer type, numbers and nature of transaction.
- Reviewed a sample of customer files for dispute of customer bills and their resolution.
- Based on the procedures performed, I noted no significant issues to report on this matter.

Recoverability of Trade Receivables

The Corporation has receivables that take a long time to clear. In Note 29 to the financial statements, the Corporation made a provision for impairment of receivables of UGX 6,081,184,000 (2017: UGX 5,464,421,000). This provision however excluded about 56% (2017: 60%) of the long outstanding receivables which are due from Ministries, Departments and Agencies of Government.

My approach was to assess the recoverability of trade receivables by undertaking the following:

- Performed analytical reviews to compare the receivables balance in relation to previous periods and obtain reasons for any fluctuations.
- Tested for subsequent clearance of the balances to confirm their recoverability.
- Examined the aging analysis of the receivables' listing to identify potentially irrecoverable balances.
- Inquired about the Corporation's plan to recover outstanding balances from Government.

Based on the procedures performed, I noted no significant issues to report on this matter.

Impairment of underground assets given their complexity and age

The Corporation's assets are complex in nature and spread across the country. More assets were acquired whose age and condition can not be easily assessed and due to the existing uncertainties, assessing the level of impairment of these assets is complex and can be subjective. This makes the audit of the impairment of underground assets a key audit matter.

I therefore:

- Inquired about and reviewed the Corporation's policy on assessment of the impairment indicators.
- Assessed reliability and relevance of assumptions and information used in testing for impairment.
- Checked for existence of internal and external indicators of impairment and how these were addressed by the Corporation.
- Checked adequacy of impairment allowances in respect of accumulated data on reported pipe network burst and leakages.
- Reviewed the progress made on the assessment and revaluation of all assets of the Corporation.
- Reviewed the records held in the GIS system for purposes of tracking the aging of the pipe network.

Based on the procedures performed, I noted no significant issues to report on this matter.

Other Information

The directors are responsible for the other information. The other information comprises the director's report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or in my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Emphasis of Matter

Without qualifying my opinion, I draw your attention to Notes 79 and 83 to the financial statements;

Failure to revalue Property, Plant and Equipment

Note 24 describes management's failure to carry out revaluation of the Corporation's Property Plant and Equipment

(PPE) as required by the accounting policy. The Committee on Statutory Authority and State Enterprises (COSASE) had recommended the PPE to be revalued within six months, which was not done.

Management stated that the procurement process for the consultant took longer than anticipated but the Consultant was contracted and was on the ground.

I recommended that management ensures that the Consultant expedites the revaluation process.

Absence of land titles for assets taken over

Note 17 relates to the Government of Uganda capital contribution to the Corporation. A principal component, the value of non-current assets was not incorporated in the Note. In addition, most of the properties for the gazetted towns, especially land, had no certificates of title and therefore not transferred to the names of the Corporation.

In the circumstances, the value of Government of Uganda capital contribution is understated and there is risk of persons trespassing, encroaching on and grabbing the Corporation's land.

In my previous report, management had promised to recruit a surveyor to fast track the land acquisition process, however this has not been completed.

Management Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the National Water and Sewerage Act 1995, Cap. 317, Laws of Uganda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor General's responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty

exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Other Reporting Responsibilities

As required by the National Water and Sewerage Act 1995, Cap. 317, Laws of Uganda, I report to you, based on my audit, that:

- I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;
- In my opinion proper books of account have been kept by the Corporation, so far as appears from my examination of those books;
- The Corporation's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

Report on the audit of Compliance with legislation

In accordance with sections 13 and 19(1) of the National Audit Act, 2008, I have a responsibility to report material findings on the compliance of National Water and Sewerage Corporation with specific matters in key legislations. I performed procedures to identify findings but not to gather evidence to express assurance.

The material finding(s) in respect of the compliance criteria for the applicable subject matters are as follows;

Absence of abstraction and waste discharge permits

The Water abstraction and Wastewater Discharge Act, 1998 together with the Water Act Cap 152 provides for the establishment of regulations for controlling water abstraction and wastewater discharge through use of permits. Consequently, the Corporation is required to obtain permits for all its abstraction and water waste discharge points. I was however availed only 13 abstraction permits, despite the Corporation having 281 abstraction points. In addition, the Corporation lacked an up-to-date wastewater discharge points register.

The noncompliance with Acts may attract penalties and the absence of an up-to-date register may result in environmental related concerns.

I advised management to ensure that all the required abstraction and wastewater discharge permits are obtained and that an up-to-date register is maintained for the same.



John F. S. Muwanga
AUDITOR GENERAL

Statement Of Comprehensive Income

	Note	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Income			
Water & Sewerage Income	5	340,119,685	306,434,221
Other Incomes	6	14,002,394	2,876,651
Deferred Income	23	33,479,807	11,415,964
Investment Income	7	189,785	1,079,731
		387,791,671	321,806,567
Expenditure			
Employee expenses	8	112,306,586	97,921,791
Administrative expenses	9	51,596,880	34,107,447
Static Plant and Pipe Network	10	82,306,421	74,594,388
Supplies and Services	11	26,843,282	24,759,306
Premises Maintenance	12	9,225,473	8,439,530
Transport & Mobile Plant	13	13,245,795	11,117,947
		295,524,437	250,940,410
Operating Profit Before Depreciation		92,267,234	70,866,157
Depreciation & Amortisation			
Depreciation & Amortisation	15	(33,377,986)	(31,885,358)
Operating Profits Before Finance Costs		58,889,248	38,980,799
Net Finance Cost			
Net Financial Cost	14	(891,744)	(2,542,489)
Net Profit Before Tax		57,997,504	36,438,310
Tax Charge	16&22	(6,808,601)	(9,727,177)
Profit for the year		51,188,903	26,711,133
Other Comprehensive Income		-	-
Total Comprehensive Income		51,188,903	26,711,133

Accounting policies on pages 83 to 91, together with the notes on pages 91 to 104 form an integral part of these Financial Statement.

Statement Of Financial Position

		30-Jun 2018	30-Jun 2017
		UGX '000	UGX '000
Equity			
Equity And Reserves			
Government Funding	17	317,097,695	317,070,743
Revaluation Reserves	-	9,826,355	13,727,597
Retained Earnings	-	228,196,668	173,106,523
Total Equity		555,120,718	503,904,863
Non-Current Liabilities			
Terminal Benefits	21	5,836,014	6,070,791
Deferred Tax Liabilities	22	68,345,566	61,569,191
Deferred Income	23	883,854,539	670,959,212
		958,036,119	738,599,195
		1,513,156,837	1,242,504,058
Represented By			
Non-Current Assets			
Property Plant and Equipment	24	813,901,575	784,149,673
Capital Works- In-Progress	25	623,790,514	387,033,783
Intangible Assets	26	55,318	254,805
Operating Lease Prepayments	27	2,339,144	399,358
		1,440,086,551	1,171,837,619
Current Assets			
Inventories	28	33,566,422	25,266,757
Trade and Other Receivables	29	222,117,534	141,291,959
Tax Recoverable	16	3,541,062	3,414,721
Short Term Bank Deposits	30	1,489,196	4,382,146
Cash and Bank Balances	31	44,959,482	62,810,530
		305,641,470	237,166,113
Total Assets		1,745,728,022	1,409,003,731
Current Liabilities			
Trade and Other Payables	32	183,448,207	142,688,615
Deferred Income	23	33,479,807	11,415,964
Borrowings	19	4,569,619	4,854,055
Annual Terminal Benefits	20	11,073,552	7,541,039
		232,571,185	166,499,675
Net Current Assets		73,212,172	70,666,438
		1,513,156,837	1,242,504,058

The Financial Statements and their notes set out on pages 79 to 104 were approved by the Board of Directors on 18th Dec 2018 and were signed on its behalf by:



Board Chairman



Managing Director



Director

Accounting policies on pages 83 to 91, together with the notes on pages 91 to 104 form an integral part of these Financial Statements.

Statement Of Changes In Equity

	Government Funding UGX '000	Revaluation Reserve UGX '000	Retained Earnings UGX '000	Total Equity UGX '000
At 1 July 2016	316,473,876	17,628,839	142,494,148	476,596,863
Profit for the year	-	-	26,711,133	26,711,133
Assets Taken over	596,867	-	-	596,807
Transfer of excess depreciation	-	(3,901,242)	3,901,242	-
At 30th June 2017	317,070,743	13,727,597	173,106,523	503,904,863
Prior year adjustment 38	-	-	-	-
Re-stated At 1 st July 2017	317,070,683	13,727,597	173,106,523	503,904,803
Net profit for the year	-	-	51,188,903	51,188,903
Assets Taken over 17	26,952	-	-	26,952
Transfer of excess depreciation	-	(3,901,242)	3,901,242	-
At 30th June 2018	317,097,635	9,826,355	228,196,668	555,120,658
At 30th June 2018	317,097,635	9,826,355	228,196,668	555,120,658

Accounting policies on pages 83 to 91, together with the notes on pages 91 to 104 form an integral part of these Financial Statements

Statement Of Cash Flows

	Note	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Operating Activities			
Cash Generated from Operations	35	6,355,043	87,593,528
Income Tax Paid			
Net Cash Generated from Operating Activities		6,355,043	87,593,528
Investing Activities			
Additions to Capital Work In Progress		(236,756,731)	(170,438,263)
Purchase of Property, Plant And Equipment		(23,359,436)	(56,710,523)
Purchase of Computer Software		0	(10,837)
Prepayment of Operating Lease		1,862,993	122,264
Tax Paid		(35,352)	-
Interest Received		189,785	1,079,731
Net Cash Used In Investing Activities		(258,098,740)	(225,935,956)
Financing Activities			
Payments of Borrowings		(1,176,180)	(4,854,055)
Proceeds from Grants		234,959,169	(94,751,467)
Net Cash Used in Financing Activities		233,782,989	(99,605,522)
Increase In Cash And Cash Equivalents		(17,851,048)	(38,736,905)
Movement in Cash and Cash Equivalents			
At Start of The Year		62,810,530	101,547,435
Increase/(Decrease)		(17,851,048)	38,736,905
At Year End		44,959,482	62,810,530

Accounting policies on pages 83 to 91, together with the notes on pages 91 to 104 form an integral part of these Financial Statements.

Notes To The Financial Statements

1 Summary Of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Corporation takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

The financial performance of the Corporation is set out in the Director's report and in the statement of profit or loss and the other comprehensive income. The financial position of the Corporation is set out in the statement of financial position.

The NWSC is a Statutory Public Corporation empowered under the NWSC Act CAP 317 Laws of Uganda 2000 as a body corporate, to enter into such Contracts and act as a Water Supply and Sewerage Authority in Uganda. The Ministry of Water and Environment is mandated under the Water Act CAP 152, Laws of Uganda 2000 to enter into Performance Contracts with Water and/or Sewerage Authorities appointed in accordance with Section 46 of this Act, to provide water supply and sewerage services to the people of Uganda efficiently and economically and it is understood that the areas specified on page 5 are already declared Water and Sewerage Supply Areas, and National Water and Sewerage Corporation (NWSC) has been appointed as such the Water and Sewerage Authority.

The Performance Contract (PC 6) which is the main instrument for regulating water supply and sewerage services provided and managed by NWSC was renewed and is deemed to take effect on and from the 1st day of July 2018 and for a period of three (3) years or until it is terminated in accordance with the provisions of this agreement or any other governing law in Uganda. Accordingly, the directors are of the opinion that the Corporation is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the National Water and Sewerage Corporation Act, 1995, Cap. 317, Laws of Uganda. The statement of comprehensive income represent the Statement of financial transactions during the year referred to in the Act. The statement of financial position is as referred to in the Act.

New and amended standards adopted by the Corporation

A number of new and revised Standards and Interpretations have been adopted in the current year. Their adoption has had no material impact on the amounts reported in these financial statements.

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective for the year presented:

Notes to the Financial Statements continued ►

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' (Annual Improvements to IFRSs 2014–2017 Cycle, issued in December 2017) - The amendment, applicable to annual periods beginning on or after 1st January 2018, clarifies that exemption from applying the equity method is available separately for each associate or joint venture at initial recognition.
- Amendments issued in June 2017 to IFRS 2 'Share - based Payment' which are effective for annual periods beginning on or after 1st January 2018 clarify the effects of vesting conditions on cash settled schemes, treatment of net settled schemes and modifications for equity settled schemes.
- Amendments to IAS 40 'Transfers of Investment Property' (issued in December 2017) that are effective for annual periods beginning on or after 1 January 2018, clarify that transfers to or from effective for annual periods beginning on or after 1 January 2018, clarify that transfers to or from of property has occurred.
- Amendment to IFRS 1 (Annual Improvements to IFRSs 2014–2016 Cycle, issued in December 2016) that is effective for annual periods beginning on or after 1 January 2018, deletes certain short-term exemptions and removes certain reliefs for first-time adopters.
- Amendments to IFRS 4 titled Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance contracts' (issued in September 2017) that are effective for annual periods beginning on or after 1 January 2018, include a temporary exemption from IFRS 9 for insurers that meet specified criteria and an option for insurers to apply the overlay approach to designated financial.
- IFRS 9 'Financial Instruments' (issued in July 2014) will replace IAS 39 and will be effective for annual periods beginning on or after 1 January 2018. It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and de-recognition.
- IFRS 9 requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.
- In respect of financial liabilities, the most significant effect of IFRS 9 where the fair value option is taken will be in respect of the amount of change in fair value of a financial liability designated at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.
- In respect of impairment of financial assets, IFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract.
- In respect of hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risks.
- IFRS 15 'Revenue from Contracts with Customers' (issued in May 2014) effective for annual periods beginning on or after 1st January 2018, replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and their interpretations (SIC-31 and IFRIC 13,15 and 18). It establishes a single and comprehensive framework for revenue recognition based on a five-step model to be applied to all contracts with customers, enhanced disclosures, and new or improved guidance.
- IFRS 16 'Leases' (issued in January 2016) effective for annual periods beginning on or after 1st January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.
- IFRS 17 'Insurance Contracts' (issued May 2017) effective for annual periods beginning on or after 1st January 2021 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.

Notes to the Financial Statements continued ►

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (issued in December 2016) effective for annual periods beginning on or after 1st January 2018, clarifies that the exchange rate to use in transactions that involve advance consideration paid or received in foreign currency is the one at the date of initial recognition of the non-monetary asset or liability.

The directors expect that the future adoption of IFRS 9, IFRS 15 and IFRS 16 may have a material impact on the amounts reported. However, it is not practicable to provide a reliable estimate of the effects of the above until a detailed review has been completed. The directors do not expect that adoption of the other Standards and Interpretations will have a material impact on the financial statements in future periods. The entity plans to apply the changes above from their effective dates noted above.

b) **Key sources of estimation and uncertainty**

In the application of the accounting policies, the directors are required to make the judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Impairment premium receivables** - the directors review the portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the directors make judgment as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.
- **Useful lives of property and equipment and intangible assets** - Directors review the useful lives and residual values of the items of plant and equipment and intangible assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

c) **Significant judgments made by management in applying the Company's accounting policies**

Directors have made the following judgments that are considered to have the most significant effect on the amounts recognised in the financial statements:

- **Revenue Recognition** - In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the performance of services and sale of goods set out in IAS 18 and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Corporation's liability in respect of rectification work, and the agreed limitation on the customers' ability to require further work or to require the replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of an appropriate provision for the rectification costs.

d) **Revenue Recognition**

Revenue comprises the fair value of the consideration received or receivable for sale of services, in the ordinary course of business and is stated net of Value Added Tax (VAT).

The Corporation recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Corporation and when specific criteria have been met for each of the Corporation's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to the Financial Statements continued ►

The Corporation recognizes all revenues at the time of billing. Should the Corporation consider that the criteria for revenue recognition are not met for a transaction, revenue recognition would be delayed until such a time as the transaction becomes fully earned.

- (i) Sale of water is recognized based on periodic meter readings or estimates thereof when readings cannot be taken;
- (ii) Sewerage income is recognised based on the water billing for the month multiplied by the rate applicable to the client's classification/category;
- (iii) Sales of services is recognized in the period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a percentage of the total services to be provided;
- (iv) Sales of goods are recognised upon delivery of products and customer acceptance;
- (v) Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate applicable;

(e) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda Shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from translation are dealt with in the statement of Comprehensive income in the year in which they arise.

(f) Property, plant and equipment

All property, plant and equipment are initially recorded at cost and therefore stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Freehold and leasehold land, buildings and plant and machinery are subsequently shown at market value, based on periodic valuations and is not less subsequent amortisation for leasehold land. Freehold land is not depreciated.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation are credited to other comprehensive 'income except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the retained earnings to revaluation reserve.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year which they are incurred.

Notes to the Financial Statements continued ►

Depreciation on other assets is calculated using the straight-line method to write down the cost of each asset, to its residual value over the estimated useful life using the following annual rates:

	Rate%
Civil structures and buildings	1%
Technical Structures	3%
Pipe works	3%
Electro - mechanical equipment	3%
IT and office equipment	20%
Office furniture and fittings	20%
Transport equipment	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit.

(g) **Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years. Intangible assets comprise the accounting, billing and audit software.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Corporation, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development staff costs and an appropriate portion of relevant overheads.

(h) **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Management determines all classification of financial instruments at initial recognition.

Financial assets

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

The Corporation's financial assets which include trade and other receivables and cash and cash equivalents fall into the following category:

Notes to the Financial Statements continued ►

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. All assets with maturities greater than 12 months after the reporting date are classified as non-current assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest rate method. Changes in carrying amount are recognised in profit or loss.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognised in the statement of profit or loss under administrative expenses when there is objective evidence that the company will not be able to collect all amounts due per the original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganisation, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

The amount of the impairment loss is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are recognised in profit or loss.

Financial liabilities

The company's financial liabilities which include trade and other payables fall into the following category:

Financial liabilities measured at amortised cost

These include borrowings, trade and other payables, deferred income and annual terminal benefit. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs under the effective interest rate method.

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Notes to the Financial Statements continued ►

All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the expected term of the relevant lease.

(i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average cost basis less provisions for impairment. The cost of finished goods and work-in-progress comprises raw materials, direct labour and other direct costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(o) Capital and revenue grants

Grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, (revenue grant) it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, (capital grant) it is recognised in the profit and loss account on a systematic basis over the expected useful life of the relevant asset.

(p) Government funding

Government contribution to the activities of the Corporation in form of assets transferred and long term debt capitalized into equity are classified as government funding within equity.

(q) Cash and Cash Equivalents

For the purpose of the cash flow statement, Cash and cash equivalents comprises cash in hand, deposits held at call with banks, and financial assets with maturities of less than 91 days, net of bank overdrafts and money market lines.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

Notes to the Financial Statements continued ►

(r) Retirement benefit obligations

The Corporation and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

(s) Annual Terminal Benefits

The Corporation operates an annual contract gratuity scheme. Under the scheme, the Corporation's employees are paid their contract gratuity at the end of each year of service. All the Corporation's employees have renewable contracts that run for three years.

The Corporation recognizes a liability and an expense for bonuses based on prior year performance. The Corporation recognizes a provision where contractually obliged or where there is past practice that has created a constructive obligation.

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognized as an expense.

2 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions for future operating losses are not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

3 Taxation

The tax expense for the period comprises current and deferred income tax. Tax is recognized in the profit and loss account except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity respectively.

Current tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred Income Tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

Notes to the Financial Statements continued ►

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

4 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

5 Water And Sewerage Income

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Water and sewerage charges	318,802,059	283,386,508
Service charges	10,870,647	10,015,027
Connection fees	5,720,346	7,353,563
Reconnection fees	877,352	765,880
Other water and sewerage incomes	3,849,282	4,913,243
	340,119,685	306,434,221

6 Other Income

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Decrease in Provision for Obsolete Stock	34,414	36,170
Other Income	7,351,918	2,876,651
Total Other Income	14,002,394	2,876,651

Notes to the Financial Statements continued ►

7 Investment Income

	30-Jun 2018	30-Jun 2017
	UGX '000	UGX '000
Interest receivable on bank deposits	189,785	1,079,731
	189,785	1,079,731

8 Employee Expenses

	30-Jun 2018	30-Jun 2017
	UGX '000	UGX '000
Employee emoluments	111,734,896	97,216,560
Workmen's compensation	262,495	466,210
Funeral expenses	309,194	239,021
Total	112,306,586	97,921,791

The following items are included within the employee emoluments:-

Basic pay	50,027,049	42,809,201
Housing expense	12,244,444	10,732,596
Medical expense	6,320,828	5,335,207
National Social Security Fund contributions	8,096,024	7,037,039
Lunch, transport and soap allowance	5,139,963	4,488,817
Car and cycle allowance	5,143,704	3,228,642
Performance / overtime allowance	2,454,645	2,144,396
Work bonus	4,769,325	5,716,796
Leave transport and allowance	1,616,639	1,445,321
Annual Terminal Benefits	15,287,649	13,739,683
Shift allowance and gross wages	427,722	319,377
Terminal benefits interest	206,904	219,485
Total	111,734,896	97,216,560

Notes to the Financial Statements continued ►

9 Administrative Expenses

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Board expenses	935,520	596,636
Meeting expenses	4,082,408	2,934,548
Local travels	8,558,175	6,440,228
Foreign travels	2,891,727	2,718,128
Publicity	8,271,849	4,599,106
Entertainment	176,471	613,656
General insurance	432,760	238,655
Legal and professional expenses	547,078	691,355
Training expenses and allowances	2,710,876	2,847,334
Donations and subscriptions	1,251,209	1,097,317
Lunch and transport	7,570,657	5,575,538
Contribution to staff sports	376,969	341,363
Process bench marking	220,073	237,093
Security	3,750,548	3,280,925
Bad debts - water services	2,354,531	283,087
Stock losses (Stock write down)	130	1,542
Staff transfer	240,362	234,631
Other professional charges	3,798,871	790,029
Bank charges	394,444	391,901
Research Expense	5,000	-
Performance Review Expenses	38,521	52,978
Audit fees	180,233	140,000
Courier	1,504	1,397
Loss on Sale of Fixed Assets	2,806,965	
Total	51,596,880	34,107,447

10 Static Plant And Pipe Network Expenses

Electricity	56,183,777	53,365,510
Plant repairs & maintenance	4,542,146	5,491,762
Pipe network repairs & maintenance	14,923,385	11,884,984
Fuel and lubricants	4,938,472	3,412,810
Plant Insurance	706,422	130,890
Sand For Filters	236,961	144,427
Desludging Sewerage Ponds	223,377	140,246
Water abstraction permits	422,377	7,709
Catchment Restoration	129,096	16,050
Total	82,306,421	74,594,388

Notes to the Financial Statements continued ►

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
11 Supplies And Services Expenses		
Water treatment chemicals	17,343,605	16,871,301
Equipment repairs and minor purchase	612,237	601,867
Printing, stationery and publications	1,121,073	791,616
Tools and light plant	618,470	778,858
Uniforms and protective wear	366,400	692,363
Computer license	2,245,902	1,956,283
Office supplies	1,814,056	1,428,268
Lease of data communication links	1,952,881	1,628,488
Lab Equipment and reagents	768,658	10,263
Total	26,843,282	24,759,306
12 Premises Expenses		
Rent, rates and telephone	3,077,599	3,452,774
Repairs and maintenance	3,961,988	3,120,758
Insurance	-	110,381
Cleaning materials	754,868	509,182
Electricity	682,751	582,584
Water	279,965	262,006
Fixtures and fittings	468,301	401,845
Total	9,225,473	8,439,530
13 Transport And Mobile Plant Expenses		
Fuel and lubricants	6,636,514	5,207,288
Repairs and maintenance	1,255,644	934,059
Hire of transport	4,568,574	4,613,285
Insurance	550,922	235,797
License, road toll and taxes	234,143	127,518
Total	13,245,795	11,117,947
14 Finance Expenses		
Exchange loss	-	1,190,509
Interest on Over draft Facility	891,744	1,351,979
Total	891,744	2,542,489

Notes to the Financial Statements continued ►

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
15 Depreciation And Amortisation		
Depreciation (Note 24)	33,164,515	31,704,780
Amortisation of intangibles (Note 26)	167,752	172,874
Amortisation of operating lease(Note 27)	45,719	7,704
	33,377,986	31,885,358
16 Income Tax Expense		
Current income tax	8,972,000	35,352
Deferred income tax (Note 22)		9,691,825
Income tax expense	8,972,000	9,727,177

The tax on the Corporation's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Profit before income tax	57,997,504	36,438,310
Tax calculated at the statutory income tax Rate of 30% (2018, 2017 - 30%)	17,399,252	10,931,493
Tax effects of:		
Income not subject to tax Note 23	(10,043,943)	(3,424,789)
Expenses not deductible for tax purposes	(7,355,309)	(7,254,685)
Rental Tax	32,226	35,352
Income tax expense	32,226	35,352

The movement in current Income tax recoverable for the year is as follows:

At start of year	3,414,721	3,160,660
Income tax paid	126,341	254,061
At end of year	3,541,062	3,414,721

17 Government Funding

At the start of the year	317,070,743	316,473,936
Assets taken over during the year	26,952	596,807
As at 30 th June	317,097,695	317,070,743

Government funding represents a build-up of various Government of Uganda capital contributions to the Corporation. The principal components are: - The value of assets taken over by the Corporation when new towns were handed over to them. During the year, the Corporation took over 18 towns. However, the non-current assets taken over are not incorporated in the note 17 above. The Corporation is in the process of revaluating all its assets to ascertain their fair value so that they can be incorporated in the financial year 2018/19. The amount of UGX 26.9 million included in the note relates only to receivables inherited.

18 Revaluation Reserve

The revaluation surplus represents the surplus on the revaluation of all assets net of deferred income tax and is non-distributable.

In 2008, the Corporation revalued all its assets. The revaluation exercise was done by Bellar Consult in association with M&E. The revaluation was as at 31st January 2008 and covered all Corporations' assets at this point in time. The balance in Revaluation Reserves is disclosed in the Statement of Changes in Equity on page 81 of this report.

19 Borrowings

	2018 UGX '000	2017 UGX '000
Stanbic Bank Uganda	-	499,765
Interest	-	(499,731)
Interest and principal payments	-	(499,731)
Bank of Africa Overdraft	(4,569,618)	(4,854,089)
Total Borrowings	(4,569,618)	(4,854,089)
<u>Movement</u>		
At the start	4,854,055	9,468,473
Interest on overdraft	891,744	1,315,979
Proceeds from borrowings		
Accrued Interest		
Repayments (Loan and Overdraft)	(1,176,180)	(5,930,397)
	4,569,619	4,854,055

The Stanbic Bank Uganda Limited loan facility of UGX 17.7 billion was advanced for a period of seven years including a two-year grace period and was due semi-annually. Interest was charged at the rate of 11.5% per annum. The facility was obtained for financing the extension of the Ggaba Intake Plant. The project was substantially completed as at 30th April 2011. The loan and interest was fully settled during the Financial Year 2016/17.

The overdraft facility was obtained from Bank of Africa to bridge the working capital. Interest and principal payments is deducted from Bank of Africa Collections Account.

20 Annual Terminal Benefits

	2018 UGX '000	2017 UGX '000
At start of year	7,541,039	7,013,452
Charge for the year	15,287,650	13,739,684
Payments during year	(11,755,137)	(13,212,097)
At end of year	11,073,552	7,541,039

Notes to the Financial Statements continued ►

21 Terminal Benefits (Ring-fenced)

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
At start of year	6,070,791	5,936,938
Accrued interest	206,904	219,485
Adjustment	(70,786)	-
Payments during the year	(370,895)	(85,632)
At end of year	5,836,014	6,070,791
Due within one year	-	-
Due after one year	5,836,014	6,070,791
Total	5,836,014	6,070,791

During the Financial Year 2006/07 the terminal benefits scheme was replaced with the annual terminal benefits scheme. The accumulated balance relating to the terminal benefits scheme at that point was ring-fenced. The Corporation paid 50% of the accumulated terminal benefits. The remaining 50% attracts interest of 3% per annum until paid. The outstanding terminal benefits are paid to the employees upon resignation or on attaining the retirement age of 60 years.

22 Deferred Income Tax

Deferred income tax is calculated using the enacted income tax rate of 30% (2017: 30%).

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

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
At start of year	61,569,191	51,877,366
Charge to statement of comprehensive Income (Note 16)	6,776,375	6,410,051
At end of year	68,345,566	61,569,191

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in the statement of comprehensive income (SCI), and deferred income tax charge/(credit) in equity are attributable to the following items:

Year ended 30th June 2018

	01 July 2017 UGX '000	Charged/ -(credited) to SCI UGX '000	30 th June 2018 UGX '000
Deferred Income Tax Liabilities			
Property, Plant And Equipment:			
- On Historical Cost Basis	144,110,864	11,307,354	155,418,218
- On Revaluation Surpluses	4,118,279	(1,170,371)	2,947,908
Deferred Tax Assets	-	-	-
Retirement Benefit Obligations	(2,104,036)	2,104,036	-
Tax Losses Carried Forward	(82,873,368)	(5,289,940)	(88,163,308)
Other Temporary Differences			
Provision For Bad Debts	(1,639,326)	(185,029)	(1,824,355)
Provision For Obsolete Stock	(43,222)	10,325	(32,897)
Leave Pay Provision			
Net Deferred Income Tax Liability	61,569,191	6,776,375	68,345,566

Notes to the Financial Statements continued ►

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
23 Deferred Income		
As at 1 st July	682,375,177	587,623,710
GoU Contribution to KSP and LV WATSAN	22,778,605	20,882,526
Contributions from Development Partners		
Kampala Sanitation Project	90,900,447	36,739,061
WATSAN project AFD/KFW/EU	12,403,354	12,494,459
Donor Funds IDA-WMDP	16,011,107	36,051,385
KFW-IPIL Project	9,739,953	-
KSW&SPDANIDA	2,118,440	-
Western Cluster Donor	2,387,070	-
Sub-total	950,814,153	693,791,141
Released to income statement	(33,479,807)	(11,415,964)
	917,334,346	682,375,177
Less due within one year	33,479,807	11,415,964
Due after more than one year	883,854,539	670,959,212

Notes to the Financial Statements continued ►

24. Property, Plant & Equipment

	Civil Structures UGX '000	Land Freehold UGX '000	Pipe Works UGX '000	Technical Structures UGX '000	Electrometer Equipment UGX '000	Furniture & Equipment UGX '000	IT and Office Equipment UGX '000	Transport Heavy UGX '000	Transport Light UGX '000	Total UGX '000
COST OR VALUATION										
At 1 st July 2016	272,274,006	5,774,095	419,660,507	67,552,665	180,461,698	11,751,141	14,392,764	42,000	10,725,945	982,634,821
Acc depn	(22,301,670)	-	(80,498,186)	(14,532,159)	(56,020,462)	(7,485,484)	(10,664,240)	(42,000)	(6,940,947)	(198,485,148)
Adjustment										-
Closing net book value 30/06/17	249,972,337	5,774,095	339,162,321	53,020,506	124,441,235	4,265,657	3,728,525	-	3,784,998	784,149,673
At 1st July 2017	272,274,006	5,774,095	419,660,507	67,552,665	180,461,698	11,751,141	14,392,764	42,000	10,725,945	982,634,821
Additions										
As at 30 th June 2018	9,953,023	1,014,135	44,031,910	1,038,477	4,278,192	3,186,671	1,750,207	-	107,765	65,360,379
Government assets taken over								-		
Reclassification from WIP										
Disposals	(3,147,660)									(3,147,660)
Restated Bal as at 30 th June 2018	279,079,369	6,788,230	463,692,417	68,591,143	184,739,889	14,937,812	16,142,971	42,000	10,833,710	1,044,847,540
DEPRECIATION										
At 1 st July 2017	(22,301,670)	-	(80,498,186)	(14,532,159)	(56,020,462)	(7,485,484)	(10,664,240)	(42,000)	(6,940,947)	(198,485,148)
Charge for the year	(3,182,989)	-	(14,408,370)	(2,450,308)	(7,684,770)	(2,215,390)	(1,498,459)	-	(1,724,228)	(33,164,515)
Disposal	340,695									340,695
Adjustment			363,003							363,003
At 30 th June 2018	(25,143,964)	-	(94,543,554)	(16,982,467)	(63,705,232)	(9,700,874)	(12,162,699)	(42,000)	(8,665,175)	(230,945,964)
NET BOOK VALUE										
As at 30 th June 2018	253,935,406	6,788,230	369,148,863	51,608,675	121,034,657	5,236,938	3,980,273	-	2,168,534	813,901,575

Notes to the Financial Statements continued ►

In 2008, the Corporation revalued all its assets. The revaluation exercise was carried out by Independent professional valuers. The revaluation was carried as at 31st January 2008. The book values of the properties were adjusted to the revalued amounts and the resultant surplus net of deferred income tax was credited to the revaluation reserve in shareholders' equity.

The Corporation policy is to revalue assets regularly but the exercise has not been carried out for the past ten years. Our core assets are of specialized nature and do not have readily available market values, thus, the revaluation impact may not be significant. The Corporation appointed a consultant to carry out a comprehensive revaluation of all its assets. The results of revaluation exercise will be incorporated in our books as at 30th June 2019.

25 Capital Work in Progress

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Work in Progress- general	35,168,155	22,870,253
Work In Progress - Gulu	9,642,925	2,926,560
Albertine Graben Hoima	2,373,430	1,927,272
Uganda Water Development	98,865,796	60,456,589
Kampala NW Rehabilitation Devt	3,544,696	2,346,427
Bushenyi Water Supply Project	-	117,563
Urban Poor Project	-	69,969
Kampala Sanitation Project	396,735,626	261,714,961
KW-LV WATSAN Project	72,129,767	28,700,538
Arua Project		1,179,974
Soroti Project	5,330,120	4,723,677
	623,790,514	387,033,783

26 Intangible Assets

Intangible Assets 1 st July 17	838,761	827,925
Additions	-	10,837
Total	838,761	838,761
Amortisation		
Acc.Depn Intangible Asset 1 st July 17	(615,691)	(411,083)
Charge for the year	(167,752)	(172,874)
At 30th June 18	(783,443)	(583,957)
NBV as at 30th June 18	55,318	254,805

Notes to the Financial Statements continued ►

27 Operating Land lease prepayments

Cost

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
At 1 st July	469,242	346,978
Additions	1,862,993	122,264
At 30 th June	2,454,747	469,242

Amortisation

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
At 1 st July	(69,884)	(62,180)
Charge for the year	(45,719)	(7,704)
	(115,603)	(69,884)
At year end	2,339,144	399,358

28 Inventories

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Stationery	446,810	644,460
Chemicals	2,191,784	2,926,828
Pipes and fittings	19,648,021	14,503,936
Pump Spares	6,236,706	3,765,309
Fuel & lubricants	34,638	36,974
Stock in transit	5,118,123	-
Provision for slow moving stock	(109,660)	4,030
	33,566,422	25,266,757

29 Trade and Other Receivables

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Water And Sewerage Debtors	93,155,154	87,826,776
Less: Provision for Impairment losses	(6,081,184)	(5,464,421)
Less: Adjustment	-	840,062
Water & Sewerage Debtors - Net	87,073,970	81,522,293
Prepayments	2,106,006	1,447,757
Other Receivables	123,000,617	49,893,020
Value Added Tax	9,936,941	6,748,765
	222,117,534	141,291,959

Movements on the provision for impairment of trade receivables are as follows:

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
At Start of Year	4,624,359	5,204,325
Provision in the Year	2,348,072	276,528
Reduction during the Year	-	(16,432)
Provision no longer required	(891,174)	(840,062)
At end of Year	6,081,257	4,624,359

Notes to the Financial Statements continued ►

30 Short Term Bank Deposits

	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
DFCU Call Account	1,489,196	395,807
DFCU fixed deposit	-	2,303,290
DFCU Bank Fixed Deposit 2	-	1,683,049
Total Short Term Deposits	1,489,196	4,382,146

31 Cash At Bank And In Hand

Cash in Hand	10,298	10,741
Cash Collection Accounts	3,203,033	1,776,688
Stanbic Loan Account	35	35
Bank of Uganda Account	34,260,340	57,915,842
Bank Balances (operating Accounts)	7,485,777	3,107,224
	44,959,482	62,810,530

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:-

Cash and Bank Balances as above	44,959,482	62,871,422
Short Term Bank Deposits(Note 30)	1,489,196	4,382,146
Bank Over -Draft Facility	(4,569,618)	(4,854,089)
	41,879,060	62,399,479

32 Trade and Other Payables

Trade Payable	64,890,140	49,531,525
Rechargeable Works	333,334	394,642
Accruals	24,319,831	20,085,884
Project Accruals	54,844,980	40,665,876
Retention Money	28,654,482	10,945,951
Letters of Credit	9,457,888	20,749,062
Customer Deposits	947,552	315,675
	183,448,207	142,688,615

33 Contingent Liabilities

I. URA V NWSC

The Corporation is a defendant in court case with URA. The amount being claimed from the Corporation by URA is approximately UGX 17.5 billion. The Corporation won the case in the Tax Appeals Tribunal. URA appealed the ruling. Based on professional advice received, no material liabilities are expected to arise from the legal cases.

II. Buwule Kasasa V NWSC

Buwule Kasasa sued the Corporation claiming unpaid ground rent and applied to court for an order to re-enter Land Comprised in Plot Nos. 37 & 81 Kyadondo Block 237 Mutungo, Kampala which houses the NWSC Reservoirs at Mutungo. The plaintiff was awarded all prayers and costs through Arbitration.

NWSC appealed to the High Court but was unsuccessful. A further appeal was lodged before the Court of Appeal. Mediation have commenced with NWSC seeking outright purchase of the property.

The arbitral award has been claimed by the Plaintiff. The cost of the suit is anticipated at UGX 300 million. In the event that the agreement has been reached for the purchase, the land will be revalued to guide the parties in the negotiation of the purchase price.

34 Operating Lease Commitments

The Corporation leases land under non-cancellable operating lease. The lease terms are between 5 and 199 years, and the majority of the lease agreements are renewable at the end of the lease period at market rate.

35 Cash Generated From Operations

Reconciliation of profit before income tax to cash generated from operations:

	Note	30-Jun 2018 UGX '000	30-Jun 2017 UGX '000
Profit before income tax		57,997,504	35,598,248
Adjustments for:			
Interest income	7	(189,785)	(1,079,731)
Interest expense	14	891,744	1,351,979
Grant income	23	(33,479,807)	(11,415,964)
Depreciation	15	33,164,515	31,704,780
Effects of prior year adjustments			
Amortisation of intangibles	26	167,752	172,874
Amortisation of prepaid operating lease rentals	27	45,719	7,704
Changes in working capital:			
Trade and other receivables	29	(80,825,575)	(2,001,718)
inventories	28	(8,409,325)	1,662,508
trade and other payables	33	40,759,593	32,047,474
Service Gratuity	20	(3,532,513)	(527,587)
terminal benefits	21	(234,777)	133,853
Cash (utilised in)/generated from operations		6,355,043	87,654,920

36 Related parties

The Corporation is wholly owned by the Government of Uganda. The following transactions were carried out with related parties. Being the sole distributor of water in the country, the Corporation supplies water to all government institutions that are connected to the water network.

Key Management Compensation

Key management includes directors (executive and non-executive) and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	30 th Jun 2018 UGX '000	30 th Jun 2017 UGX '000
Salaries and other short-term employment benefits	1,613,836	1,675,161
Termination Benefits	424,672	409,821
Bonus	208,447	194,331
Total key management compensation	2,246,955	2,279,313
ii) Directors' remuneration		
Managing Directors remuneration	512,820	530,699
Fees for services as a director	-	-
Other emoluments (included in key management compensation above)	851,938	180,400
	1,364,758	711,100

37 Events after the Reporting Period

There are no material reportable events after the reporting period.

38 Prior year adjustment

There was a prior year adjustment relating foreign translation effects of UGX 693.57 million.

39 Comparatives

For Comparative purposes, some prior year notes may have been re-stated to match current year presentation and disclosure.



Annexes and key contacts



Annex 1: Water Production (m³) and Capacity Utilization (%)

Area	Design Capacity m ³ /day	Practical capacity m ³ /day	Total Water Produced m ³	Average Production m ³ /day	Capacity Utilization
Kampala	235,684	233,840	79,034,697	216,533	93%
Central Region					
Jinja	31,584	30,988	6,938,529	19,010	61%
Entebbe	24,500	20,000	6,535,195	17,905	90%
Masaka	9,926	8,308	2,513,768	6,887	83%
Mubende	3,000	1,920	567,463	1,555	81%
Lugazi	1,500	1,332	435,198	1,192	90%
Luweero	7,192	6,792	983,130	2,694	40%
Mityana	6,574	6,278	493,241	1,351	22%
Kigumba	936	560	135,991	373	67%
Bweyale	1,104	888	142,342	390	44%
Kyotera	2,260	1,785	588,366	1,612	90%
Iganga	2,656	2,000	320,679	879	44%
Kamuli	1,923	868	212,871	583	67%
Mpigi	5,200	3,240	355,613	974	30%
Sembabule	1,044	1,044	39,857	653	63%
Sub Total	99,398	86,003	20,262,243	56,057	65%
Eastern & Northern Region					
Tororo	5,650	3,506	1,137,764	3,117	89%
Mbale	14,994	13,448	2,664,603	7,300	54%
Soroti	7,694	4,378	1,072,454	2,938	67%
Lira	8,700	8,700	2,077,492	5,692	65%
Gulu	10,568	9,517	1,315,207	3,603	38%
Arua	16,200	16,200	1,515,206	4,151	26%
Pader	5,736	3,481	232,355	637	18%
Nebbi/Paidha	5,430	4,533	689,647	1,889	42%
Kitgum	4,282	1,230	276,434	757	62%
Apac/Aduku	1,136	1,092	158,077	433	40%
Moroto	1,675	700	177,004	485	69%
Adjumani	2,376	1,824	230,945	633	35%
Busia	3,100	2,812	327,391	897	32%
Kapchorwa	680	560	126,910	348	62%
Kumi	837	457	101,290	278	61%
Kotido	792	210	46,104	169	80%
Moyo	288	228	44,382	163	71%
Manafa	6,700	6,680	90,774	249	4%
Koboko	400	400	29,585	325	81%
Sub Total	97,238	79,957	12,313,624	34,064	43%
Western & Southwestern					
Mbarara	16,000	16,000	5,045,133	13,822	86%
Bushenyi	6,189	6,189	1,285,822	3,523	57%
Fort Portal	5,450	3,706	1,227,826	3,364	91%
Kasese	3,720	3,333	1,163,124	3,187	96%
Hoima	3,305	3,300	894,266	2,450	74%
Masindi	4,500	3,000	770,427	2,111	70%
Kabale	3,152	2,880	715,788	1,961	68%
Kisoro	3,400	1,833	474,411	1,300	71%
Rukungiri	1,239	1,059	246,915	676	64%
Ibanda	1,705	1,705	380,487	1,042	61%
Kamwenge	1,725	1,725	226,664	621	36%
Kanungu	1,360	1,329	284,998	781	59%
Lyantonde	2,100	2,100	532,477	1,459	69%
Rushere	2,300	2,300	174,960	479	21%
Ntungamo	2,120	2,120	459,820	1,260	59%
Mpondwe	4,800	4,800	405,112	1,110	23%
Ruhama	1,307	1,307	132,274	362	28%
Lwengo	963	685	160,364	439	64%
Subtotal	65,334	59,371	14,580,868	39,948	67%
Total	497,655	459,170	126,191,432	346,602	75%

Annex 2: Volume of Water Supplied (m³) and Sold (m³) for the FY 2017/18

Area	Water Supplied (m ³)	Water Sold (m ³)	Billing Efficiency	NRW
Kampala	76,519,612	48,818,945	63.8%	36.2%
Central Region				
Jinja	5,786,397	4,305,871	74.4%	25.6%
Entebbe	6,141,873	4,903,271	79.8%	20.2%
Masaka	2,312,655	1,835,287	79.4%	20.6%
Mubende	551,140	506,575	91.9%	8.1%
Lugazi	434,875	335,333	77.1%	22.9%
Luwero	946,090	809,296	85.5%	14.5%
Mityana	471,931	330,917	70.1%	29.9%
Kigumba	133,992	119,540	89.2%	10.8%
Bweyale	142,342	117,791	82.8%	17.2%
Kyotera	507,011	381,115	75.2%	24.8%
Iganga	1,066,590	810,282	76.0%	24.0%
Kamuli	176,428	151,805	86.0%	14.0%
Mpigi	284,154	212,659	74.8%	25.2%
Sembabule	26,701	19,815	74.2%	25.8%
Sub Total	18,982,179	14,839,557	78.2%	21.8%
Eastern & Northern Region				
Tororo	1,137,764	1,018,512	89.5%	10.5%
Mbale	2,586,957	2,141,934	82.8%	17.2%
Soroti	1,072,454	942,421	87.9%	12.1%
Lira	2,009,689	1,302,472	64.8%	35.2%
Gulu	1,139,939	983,837	86.3%	13.7%
Arua	1,072,985	892,188	83.2%	16.8%
Pader	216,288	143,400	66.3%	33.7%
Nebbi/Paidha	584,884	480,067	82.1%	17.9%
Kitgum	266,958	233,301	87.4%	12.6%
Apac/Aduku	158,077	135,684	85.8%	14.2%
Moroto	177,004	150,896	85.3%	14.7%
Adjumani	227,717	162,613	71.4%	28.6%
Busia	312,252	266,988	85.5%	14.5%
Kapchorwa	126,506	92,148	72.8%	27.2%
Kumi	101,290	62,743	61.9%	38.1%
Kotido	46,104	44,485	96.5%	3.5%
Moyo	44,382	39,912	89.9%	10.1%
Manafa	90,774	60,892	67.1%	32.9%
Koboko	29,585	26,177	88.5%	11.5%
Sub Total	11,401,609	9,180,670	80.5%	19.5%
Western & Southwestern Region				
Mbarara	4,683,887	3,469,316	74.1%	25.9%
Bushenyi	1,153,290	854,325	74.1%	25.9%
Fort Portal	1,168,783	987,190	84.5%	15.5%
Kasese	1,128,836	893,419	79.1%	20.9%
Hoima	606,467	416,763	68.7%	31.3%
Masindi	714,674	545,212	76.3%	23.7%
Kabale	649,283	545,171	84.0%	16.0%
Kisoro	456,059	329,335	72.2%	27.8%
Rukungiri	244,293	176,868	72.4%	27.6%
Ibanda	367,945	293,752	79.8%	20.2%
Kamwenge	221,201	177,401	80.2%	19.8%
Kanungu	284,998	231,010	81.1%	18.9%
Lyantonde	412,621	240,049	58.2%	41.8%
Rushere	163,860	141,352	86.3%	13.7%
Ntungamo	317,743	257,059	80.9%	19.1%
Mpondwe	372,461	288,204	77.4%	22.6%
Ruhama	132,274	102,836	77.7%	22.3%
Lwengo	128,631	89,547	69.6%	30.4%
Subtotal	13,207,306	10,038,809	76.0%	24.0%
Total NWSC	120,110,705	82,877,981	69.0%	31.0%
Other Areas	43,591,093	34,059,036	78.1%	21.9%

Annex 3:

Status of the NWSC Pipe Network (Km) as at June 2018

Area	Water Mains Extensions (Km)		Sewer Mains Extensions (Km)	
	New Water Mains	Total Pipe Network	New Sewer Mains	Total Pipe Network
Kampala	358.06	3,358.59	7.20	273.14
Central Region				
Jinja	51.08	697.68	1.93	77.13
Entebbe	11.40	430.75	-	56.48
Masaka	27.90	387.60	1.41	21.40
Mubende	17.30	146.00	-	-
Lugazi	18.30	102.54	-	-
Luweero	56.77	641.77	-	-
Mityana	28.80	206.70	-	-
Kigumba	20.60	133.70	-	-
Bweyale	28.20	146.70	-	-
Kyotera	57.60	174.60	-	-
Iganga	47.23	207.23	-	5.36
Kamuli	25.00	79.95	-	-
Mpigi	5.30	148.30	-	-
Sembabule	34.30	233.30	-	-
Sub Total	429.78	3,736.82	3.34	160.37
Eastern & Northern Region				
Tororo	71.40	359.52	0.75	16.48
Mbale	24.64	607.64	1.50	35.30
Soroti	40.10	267.60	1.00	22.00
Lira	27.82	268.22	1.00	18.40
Gulu	39.92	230.37	-	16.47
Arua	38.20	258.03	-	-
Pader	9.20	115.20	-	-
Nebbi/Paidha	33.80	168.50	-	-
Kitgum	5.48	100.98	-	-
Apac/Aduku	20.30	85.90	-	-
Moroto	9.50	65.50	-	-
Adjumani	19.00	91.40	-	-
Busia	28.80	64.20	0.40	-
Kapchorwa	22.57	55.07	-	-
Kumi	1.50	60.30	-	-
Kotido	6.50	46.50	-	-
Moyo	3.00	30.00	-	-
Manafa	10.20	14.20	-	-
Koboko	6.00	87.00	-	-
Sub Total	417.93	2,976.14	4.65	108.65
Western & Southwestern Region				
Mbarara	65.90	550.40	3.93	28.21
Bushenyi	125.38	686.38	-	-
Fort Portal	58.33	278.08	0.50	3.10
Kasese	22.12	239.12	-	-
Hoima	25.90	177.80	-	4.60
Masindi	18.90	205.90	1.00	7.20
Kabale	34.80	248.40	3.00	12.94
Kisoro	14.40	172.05	-	3.50
Rukungiri	55.10	239.30	-	-
Ibanda	15.65	111.65	-	-
Kamwenge	77.40	146.40	-	-
Kanungu	58.47	381.87	-	-
Lyantonde	59.00	185.00	-	-
Rushere	71.44	245.44	-	-
Ntungamo	47.70	253.70	-	-
Mpondwe	20.80	79.00	-	-
Ruhama	31.00	181.00	-	-
Lwengo	13.35	13.35	-	-
Subtotal	815.64	4,394.84	8.43	59.55
Total	2,021.41	14,466.38	23.62	601.71

Annex 4: Status of Water Connections (No.) as at 30th June 2018

Area	Total Connections	Active Connections	Inactive Connections	Metered Connections	% of Inactive Connections	% of Metered Connections	New Connections
Kampala	283,740	250,905	32,835	283,740	12%	100.0%	25,147
Central Region							
Jinja	26,641	24,820	1,821	26,581	7%	99.8%	1,770
Entebbe	32,031	29,426	2,605	32,031	8%	100.0%	2,631
Masaka	15,959	15,605	354	15,959	2%	100.0%	1,027
Mubende	4,864	4,406	458	4,860	9%	99.9%	279
Lugazi	3,375	3,079	296	3,375	9%	100.0%	381
Luweero	8,848	8,404	444	8,848	5%	100.0%	1,163
Mityana	4,741	4,462	279	4,741	6%	100.0%	532
Kigumba	1,602	1,379	223	1,602	14%	100.0%	126
Bweyale	1,243	1,178	65	1,243	5%	100.0%	182
Kyotera	3,994	3,749	245	3,990	6%	99.9%	496
Iganga	9,148	7,452	1,696	9,148	19%	100.0%	705
Kamuli	2,313	2,078	235	2,313	10%	100.0%	296
Mpigi	3,635	3,218	417	3,607	11%	99.2%	288
Sembabule	1,140	1,140	0	1,137	0%	99.7%	7
Sub Total	119,534	110,396	9,138	119,435	8%	99.9%	9,883
Eastern & Northern Region							
Tororo	8,065	6,753	1,312	8,055	16%	99.9%	872
Mbale	16,979	13,805	3,174	16,772	19%	98.8%	1,177
Soroti	7,915	5,030	2,885	7,899	36%	99.8%	511
Lira	11,735	9,977	1,758	11,459	15%	97.6%	672
Gulu	7,593	6,935	658	7,569	9%	99.7%	626
Arua	7,853	6,815	1,038	7,853	13%	100.0%	479
Pader	2,983	2,937	46	2,979	2%	99.9%	171
Nebbi/ Paidha	5,467	4,800	667	5,458	12%	99.8%	258
Kitgum	3,267	2,697	570	3,267	17%	100.0%	320
Apac/Aduku	1,849	1,644	205	1,848	11%	99.9%	228
Moroto	914	718	196	914	21%	100.0%	123
Adjumani	2,107	1,761	346	2,107	16%	100.0%	285
Busia	2,442	2,159	283	2,442	12%	100.0%	249
Kapchorwa	1,178	1,004	174	1,174	15%	99.7%	116
Kumi	1,016	999	17	1,016	2%	100.0%	14
Kotido	718	483	235	718	33%	100.0%	20
Moyo	850	602	248	850	29%	100.0%	16
Manafa	2,415	1,980	435	2,415	18%	100.0%	78
Koboko	1,047	1,014	33	1,044	3%	99.7%	-
Sub Total	86,393	72,113	14,280	85,839	17%	99.4%	6,215
Western & Southwestern Region							
Mbarara	21,634	20,868	766	21,634	4%	100.0%	2,309
Bushenyi	11,288	11,077	211	11,288	2%	100.0%	961
FortPortal	9,968	8,980	988	9,968	10%	100.0%	881
Kasese	8,649	7,662	987	8,616	11%	99.6%	544
Hoima	5,303	4,890	413	5,295	8%	99.8%	287
Masindi	5,338	4,752	586	5,336	11%	100.0%	421
Kabale	6,576	6,086	490	6,574	7%	100.0%	448
Kisoro	3,468	3,203	265	3,466	8%	99.9%	201
Rukungiri	2,868	2,644	224	2,868	8%	100.0%	324
Ibanda	4,073	3,856	217	4,068	5%	99.9%	350
Kamwenge	2,273	2,210	63	2,258	3%	99.3%	375
Kanungu	3,602	3,333	269	3,597	7%	99.9%	420
Lyantonde	2,164	1,991	173	2,164	8%	100.0%	463
Rushere	1,266	1,249	17	1,264	1%	99.8%	333
Ntungamo	3,080	2,893	187	3,054	6%	99.2%	273
Mpondwe	3,362	3,264	98	3,362	3%	100.0%	195
Ruhama	1,533	1,444	89	1,533	6%	100.0%	190
Lwengo	1,751	1,470	281	1,751	16%	100.0%	121
Subtotal	98,196	91,872	6,324	98,096	6%	99.9%	9,096
Total	587,863	525,286	62,577	587,110	11%	99.9%	50,341

Annex 5: Status of Pro-Poor Connections as at June 2018

Area	Active PSPs	Inactive PSPs	Total PSPs	New PSPs
Kampala	2,322	1,317	3,639	130
Central Region				
Jinja	662	68	730	116
Entebbe	195	19	214	73
Masaka	252	3	255	42
Mubende	74	4	78	29
Lugazi	128	8	136	59
Luwero	143	6	149	241
Mityana	149	-	149	75
Kigumba	33	1	34	13
Bweyale	71	3	74	43
Kyotera	93	4	97	75
Iganga	296	26	322	62
Kamuli	50	6	56	70
Mpigi	69	1	70	77
Sembabule	44	-	44	-
Sub Total	2,259	149	2,408	975
Eastern & Northern Region				
Tororo	354	75	429	142
Mbale	468	86	554	94
Soroti	155	65	220	75
Lira	352	81	433	78
Gulu	149	28	177	52
Arua	155	15	170	129
Pader	71	5	76	22
Nebbi/Paidha	199	3	202	200
Kitgum	30	2	32	22
Apac/Aduku	104	-	104	92
Moroto	36	26	62	12
Adjumani	34	6	40	48
Busia	77	1	78	57
Kapchorwa	20	2	22	62
Kumi	16	1	17	-
Kotido	14	11	25	13
Moyo	10	13	23	20
Manafa	64	4	68	55
Koboko	44	-	44	-
Sub Total	2,352	424	2,776	1,173
Western & Southwestern Region				
Mbarara	323	14	337	107
Bushenyi	574	9	583	46
Fort Portal	335	51	386	60
Kasese	177	20	197	80
Hoima	71	4	75	63
Masindi	82	10	92	35
Kabale	182	27	209	85
Kisoro	86	21	107	-
Rukungiri	177	15	192	85
Ibanda	81	7	88	12
Kamwenge	132	1	133	130
Kanungu	355	36	391	95
Lyantonde	123	3	126	55
Rushere	72	2	74	8
Ntungamo	161	4	165	41
Mpondwe	166	1	167	16
Ruhama	111	3	114	105
Lwengo	44	2	46	41
Subtotal	3,252	230	3,482	1,064
Total	10,185	2,120	12,305	3,342

Annex 6: Status of Sewer Connections as at 30th June 2018

Area	Active Connections	Inactive Connections	Total Connections	New Sewer Connections
Kampala	8,741	1,317	10,058	114
Central Region				
Jinja	3,796	168	3,964	61
Entebbe	374	15	389	9
Masaka	439	11	450	1
Mubende	-	-	0	0
Lugazi	-	-	0	0
Luwero	-	-	0	0
Mityana	-	-	0	0
Kigumba	-	-	0	0
Bweyale	-	-	0	0
Kyotera	-	-	0	0
Iganga	134	34	168	0
Kamuli	-	-	0	0
Mpigi	-	-	0	0
Sembabule	-	-	0	0
Sub Total	4,743	228	4,971	71
Eastern & Northern Region				
Tororo	420	161	581	7
Mbale	1,992	269	2,261	18
Soroti	297	152	449	14
Lira	373	55	428	7
Gulu	725	37	762	25
Arua	2	-	2	0
Pader	-	-	0	0
Nebbi/Paidha	-	-	0	0
Kitgum	-	-	0	0
Apac/Aduku	-	-	0	0
Moroto	-	-	0	0
Adjumani	-	-	0	0
Busia	-	-	0	0
Kapchorwa	-	-	0	0
Kumi	-	-	0	0
Kotido	-	-	0	0
Moyo	-	-	0	0
Manafa	-	-	0	0
Koboko	-	-	0	0
Sub Total	3,809	674	4,483	71
Western and Southwestern				
Mbarara	623	50	673	4
Bushenyi	-	-	0	0
FortPortal	148	17	165	4
Kasese	-	-	0	0
Hoima	90	14	104	0
Masindi	190	21	211	2
Kabale	717	72	789	0
Kisoro	159	3	162	6
Rukungiri	-	-	0	0
Ibanda	-	-	0	0
Kamwenge	-	-	0	0
Kanungu	-	-	0	0
Lyantonde	-	-	0	0
Rushere	-	-	0	0
Ntungamo	-	-	0	0
Mpondwe	-	-	0	0
Ruhama	-	-	0	0
Lwengo	-	-	0	0
Subtotal	1,927	177	2,104	16
Total	19,220	2,396	21,616	272

Annex 7:

Water Service Coverage (%) Per Area under NWSC as at June 2018

SN:	Area	Service Coverage (%)	
		Within Municipal Boundaries	Outside Municipal Boundaries
1	Kampala City		97
	Kampala Water	71	36
	Mukono	65	68
2	Entebbe/ Kajjansi	91	64
3	Jinja/ Njeru	79	72
4	Iganga	53	41
5	Luuka	NA	63
6	Mayuge	NA	44
7	Masaka	87	68
8	Ssembabule	NA	35
9	Mityana	36	11
10	Mpigi	NA	59
11	Buikwe	51	63
12	Luweero	NA	45
13	Mubende	54	35
14	Bweyale	NA	36
15	Kamuli	33	24
16	Kyotera	NA	64
17	Apac / Aduku	49	32
18	Arua	52	31
19	Mbale	62	35
20	Bukedea	NA	40
21	Bugiri	71	NA
22	Adjumani	NA	70
23	Gulu	50	31
24	Lira	55	44
25	Kitgum	58	16
26	Pader	NA	67
27	Nebbi	71	22
28	Zombo	NA	51
29	Soroti	54	25
30	Sironko	NA	46
31	Moroto	72	27
32	Busia	NA	14
33	Kapchorwa	NA	16
34	Tororo	71	26
35	Bushenyi/Ishaka	51	50
36	Fort Portal	71	31
37	Kabale	45	19
38	Kanungu	NA	29
39	Kasese	48	46
40	Kisoro	68	21
41	Hoima	52	34
42	Ibanda	58	18
43	Lyantonde	NA	42
44	Mbarara	66	36
45	Masindi	34	56
46	Mpondwe	NA	53
47	Ntungamo	68	53
48	Rubirizi	NA	50
49	Rushere	NA	25
50	Rukungiri	33	32
NWSC Global		84	54

Annex 8: Commercial Performance FY 2017/18

Area	Billing (Ushs.)	Collections (Ushs.)	C/B Ratio	Arrears (Ushs.)	Debt Age (Months)
Kampala	234,316,533,046	233,972,118,386	100%	36,860,400,028	2
Central Region					
Jinja	21,749,464,528	23,381,837,164	108%	8,459,450,638	5
Entebbe	23,128,427,366	23,652,982,004	102%	6,702,321,373	3
Masaka	9,092,264,756	7,931,157,148	87%	3,668,701,412	5
Mubende	2,126,114,702	2,204,875,179	104%	786,069,871	4
Lugazi	1,354,766,397	1,350,326,313	100%	251,536,228	2
Luweero	3,315,232,216	3,119,663,473	94%	733,103,202	3
Mityana	1,332,823,934	1,307,538,470	98%	245,696,098	2
Kigumba	498,496,715	466,139,162	94%	134,060,976	3
Bweyale	476,424,873	456,748,804	96%	73,983,263	2
Kyotera	1,598,416,163	1,554,372,514	97%	308,556,761	2
Iganga	3,044,770,156	2,929,186,943	96%	823,389,551	3
Kamuli	624,152,989	587,588,695	94%	132,446,871	3
Mpigi	903,526,532	845,148,113	94%	152,607,818	2
Sembabule	71,414,126	32,143,379	45%	63,435,365	11
Sub Total	69,316,295,453	69,819,707,359	101%	22,535,359,425	4
Eastern & Northern Region					
Tororo	4,634,273,901	4,146,468,481	89%	1,681,509,460	4
Mbale	12,018,930,018	10,853,329,808	90%	8,038,220,800	8
Soroti	4,060,339,538	3,925,382,218	97%	1,318,879,383	4
Lira	5,572,580,159	5,324,434,880	96%	1,846,242,221	4
Gulu	5,410,195,385	4,774,220,295	88%	3,268,427,260	7
Arua	3,725,115,553	3,604,524,876	97%	912,547,911	3
Pader	607,171,398	540,973,522	89%	197,907,904	4
Nebbi/Paidha	1,788,202,128	1,518,300,321	85%	714,215,846	5
Kitgum	983,763,300	995,670,661	101%	288,141,874	4
Apac/Aduku	513,514,321	496,524,105	97%	126,213,551	3
Moroto	556,642,504	566,088,877	102%	217,035,355	5
Adjumani	662,546,280	598,906,515	90%	183,737,040	3
Busia	975,756,370	939,187,156	96%	213,175,814	3
Kapchorwa	385,072,772	350,525,558	91%	102,887,742	3
Kumi	251,249,864	223,140,849	89%	81,658,000	4
Kotido	187,207,033	153,125,425	82%	32,434,821	2
Moyo	159,543,981	135,581,672	85%	41,010,314	3
Manafwa	251,227,463	187,803,932	75%	112,296,350	5
Koboko	42,752,325	35,154,045	82%	12,041,055	3
Sub Total	42,786,084,293	39,369,343,197	92%	19,388,582,703	5
Western & Southwestern Region					
Mbarara	16,020,193,664	14,709,460,803	92%	7,121,280,315	5
Bushenyi	3,457,230,325	3,318,968,794	96%	586,749,568	2
Fort Portal	4,363,865,495	4,218,236,316	97%	1,168,460,948	3
Kasese	3,546,194,669	3,438,208,601	97%	820,367,141	3
Hoima	1,876,279,107	1,733,315,118	92%	547,978,535	4
Masindi	2,553,190,642	2,626,704,099	103%	1,433,967,450	7
Kabale	2,768,137,066	2,705,099,358	98%	699,615,139	3
Kisoro	1,452,538,297	1,379,423,683	95%	282,529,396	2
Rukungiri	727,220,927	720,532,926	99%	153,775,684	3
Ibanda	1,224,141,357	1,181,626,967	97%	245,700,252	2
Kamwenge	711,043,018	718,175,349	101%	107,227,636	2
Kanungu	851,487,404	811,594,785	95%	210,938,071	3
Lyantonde	947,736,824	909,438,580	96%	100,881,279	1
Rushere	532,093,668	505,295,843	95%	86,387,782	2
Ntungamo	1,008,523,859	886,113,847	88%	378,390,704	5
Mpondwe	1,019,822,586	956,282,951	94%	297,158,907	3
Ruhama	380,228,603	365,913,019	96%	75,242,725	2
Lwengo	338,531,990	311,432,732	92%	54,703,576	2
Subtotal	43,778,459,503	41,495,823,773	95%	14,371,355,107	4
Total	390,197,372,295	384,656,992,716	99%	93,155,697,263	3

Annex 9: Break Even Analysis for the FY 2017/18

Area	Income (Ushs. 000)		Expenses (Ushs. 000)		Working Ratio (%)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Head Office	7,606,903	47,447,033	60,209,822	75,184,648	342%	158%
Kampala	184,347,578	204,543,158	101,531,368	112,775,819	55%	55%
Central Region						
Jinja	17,666,720	18,899,496	8,301,778	8,847,947	47%	47%
Entebbe	18,712,356	19,885,809	7,561,284	8,062,046	40%	41%
Masaka	6,674,751	7,767,914	4,934,904	5,258,447	74%	68%
Mubende	1,818,252	1,836,982	1,637,795	1,727,998	90%	94%
Lugazi	1,011,768	1,207,610	1,184,173	1,451,717	117%	120%
Luweero	1,999,329	2,941,701	2,541,498	3,246,211	127%	110%
Mityana	1,110,744	1,204,111	1,450,628	1,781,394	131%	148%
Kigumba	374,720	430,773	562,847	665,551	150%	155%
Bweyale	456,714	433,833	692,193	772,185	152%	178%
Kyotera	1,299,796	1,430,923	1,740,254	1,901,752	134%	133%
Iganga	2,537,276	2,691,134	1,851,124	2,150,397	73%	80%
Kamuli	493,538	565,343	666,137	841,113	135%	149%
Mpigi	658,456	817,868	1,064,984	1,426,620	162%	174%
Sembabule	0	71,176	0	155,397	#DIV/0!	218%
Sub Total	54,814,420	60,184,673	34,189,599	38,288,775	62%	64%
Eastern & Northern Region						
Tororo	4,177,788	4,082,051	3,849,843	3,478,779	92%	85%
Mbale	8,940,134	10,398,825	5,986,075	6,289,535	67%	60%
Soroti	3,200,283	3,481,922	2,603,679	2,963,929	81%	85%
Lira	4,109,906	4,870,911	3,434,366	4,173,837	84%	86%
Gulu	3,901,954	4,731,824	2,939,763	3,956,118	75%	84%
Arua	2,394,288	3,135,929	2,204,706	2,640,681	92%	84%
Pader	435,496	527,093	843,301	1,243,226	194%	236%
Nebbi/Paidha	1,343,008	1,549,368	1,869,249	2,055,058	139%	133%
Kitgum	790,400	972,311	1,008,048	1,211,362	128%	125%
Apac/Aduku	398,897	460,574	927,447	1,057,140	233%	230%
Moroto	426,147	483,564	830,657	860,025	195%	178%
Adjumani	474,723	596,271	557,598	706,506	117%	118%
Kapchorwa	304,370	336,391	494,626	749,117	163%	223%
Kumi	-	236,768	-	579,938	-	245%
Kotido	-	145,301	-	349,970	-	241%
Moyo	-	140,202	-	-	-	0%
Sub Total	30,897,394	36,149,305	27,549,358	32,315,221	89%	89%
Western & Southwestern Region						
Mbarara	12,396,829	13,755,328	7,987,948	8,660,216	64%	63%
Bushenyi	2,833,343	3,073,080	2,819,789	3,102,065	100%	101%
Fort Portal	3,260,261	3,862,335	2,409,832	2,892,494	74%	75%
Kasese	2,809,592	3,112,956	1,280,646	1,591,987	46%	51%
Hoima	1,495,815	1,612,790	1,596,792	1,819,040	107%	113%
Masindi	1,740,071	2,252,811	1,424,319	1,715,292	82%	76%
Kabale	2,315,673	2,417,514	2,016,499	2,168,223	87%	90%
Kisoro	1,117,786	1,263,462	1,545,440	1,395,898	138%	110%
Rukungiri	638,824	657,125	798,465	1,168,940	125%	178%
Ibanda	946,473	1,088,096	525,192	641,848	55%	59%
Kamwenge	507,933	641,777	731,796	1,118,405	144%	174%
Kanungu	707,721	754,947	899,575	936,760	127%	124%
Lyantonde	662,175	858,492	1,629,428	1,913,469	246%	223%
Rushere	331,955	538,692	714,351	864,978	215%	161%
Ntungamo	791,928	885,021	997,739	1,140,572	126%	129%
Mpondwe	673,410	875,407	487,180	676,749	72%	77%
Ruhama	309,941	362,816	739,043	746,084	238%	206%
Lwengo	-	295,716	-	724,161	#DIV/0!	245%
Subtotal	33,539,730	38,308,365	28,604,034	33,277,181	85%	87%
Total	321,206,025	386,632,534	252,084,181	291,841,644	78%	75%

All scores below 100% indicate that the Area is breaking even. 19/52 Areas are breaking even before depreciation and 15/52 after depreciation.

Annex 10: Unit Cost of Production (Ushs.) for the FY 2017/18

Area	Volume of Water Produced m ³		Total Costs (Ushs. "000") 2017/18			Cost Per M3 (Ushs.)		
	2016/17	2017/18	Operating	Depreciation	Total	2017/18	2016/17	Growth
Head Office	-	-	75,184,648	6,035,138	81,219,786	-	-	-
Kampala	77,200,804	79,034,697	112,775,819	15,378,119	128,153,938	1,621	2,044	-21%
Central Region								
Jinja	6,912,557	6,938,529	8,847,947	1,777,872	10,625,819	1,531	2,006	-24%
Entebbe	6,381,783	6,535,195	8,062,046	1,152,887	9,214,933	1,410	1,883	-25%
Masaka	2,500,388	2,513,768	5,258,447	762,896	6,021,343	2,395	2,828	-15%
Mubende	606,292	567,463	1,727,998	234,321	1,962,319	3,458	3,592	-4%
Lugazi	404,509	435,198	1,451,717	123,601	1,575,318	3,620	3,730	-3%
Luweero	790,805	983,130	3,246,211	525,950	3,772,161	3,837	4,298	-11%
Mityana	423,362	493,241	1,781,394	117,087	1,898,481	3,849	4,168	-8%
Kigumba	124,878	135,991	665,551	133,049	798,600	5,872	5,972	-2%
Bweyale	165,087	142,342	772,185	104,620	876,805	6,160	5,234	18%
Kyotera	500,588	588,366	1,901,752	203,219	2,104,971	3,578	4,322	-17%
Iganga	248,557	320,679	2,150,397	582,429	2,732,826	8,522	10,169	-16%
Kamuli	177,826	212,871	841,113	125,194	966,307	4,539	4,827	-6%
Mpigi	312,621	355,613	1,426,620	15,745	1,442,365	4,056	3,963	2%
Sembabule	-	39,857	155,397	0	155,397	3,899	0	-
Sub Total	19,549,253	20,262,243	38,288,775	5,858,870	44,147,645	2,179	2,568	-15%
Eastern & Northern Region								
Tororo	1,322,774	1,555,929	3,478,779	475,693	3,954,472	2,542	4,165	-39%
Mbale	2,292,870	2,664,603	6,289,535	788,909	7,078,444	2,656	3,505	-24%
Soroti	1,064,690	1,072,454	2,963,929	611,151	3,575,080	3,334	3,541	-6%
Lira	2,073,465	2,077,492	4,173,837	562,031	4,735,868	2,280	2,456	-7%
Gulu	1,104,049	1,315,207	3,956,118	707,991	4,664,109	3,546	3,845	-8%
Arua	1,209,677	1,515,206	2,640,681	217,489	2,858,170	1,886	2,530	-25%
Pader	202,104	232,355	1,243,226	51,477	1,294,703	5,572	4,929	13%
Nebbi/Paidha	605,534	689,647	2,055,058	95,417	2,150,475	3,118	3,749	-17%
Kitgum	301,339	276,434	1,211,362	148,071	1,359,433	4,918	4,327	14%
Apac/Aduku	143,269	158,077	1,057,140	78,893	1,136,033	7,187	7,429	-3%
Moroto	159,583	177,004	860,025	125,780	985,805	5,569	6,464	-14%
Adjumani	165,980	230,945	706,506	43,864	750,370	3,249	4,128	-21%
Kapchorwa	143,228	126,910	749,117	23,574	772,691	6,088	4,007	52%
Kumi	-	101,290	579,938	0	579,938	5,726	0	-
Kotido	-	46,104	349,970	569	350,539	7,603	0	-
Moyo	-	44,382	0	0	0	0	0	-
Koboko	-	29,585	0	0	0	0	0	-
Sub Total	10,788,562	12,313,624	32,315,221	3,930,909	36,246,130	2,944	3,443	-15%
Western & Southwestern								
Mbarara	4,731,568	5,045,133	8,660,216	1,431,706	10,091,922	2,000	2,521	-21%
Bushenyi	1,210,764	1,285,822	3,102,065	622,795	3,724,860	2,897	3,303	-12%
Fort Portal	1,117,003	1,227,826	2,892,494	385,208	3,277,702	2,670	2,991	-11%
Kasese	1,131,140	1,163,124	1,591,987	166,906	1,758,893	1,512	1,807	-16%
Hoima	622,085	894,266	1,819,040	294,460	2,113,500	2,363	3,548	-33%
Masindi	732,514	770,427	1,715,292.00	438,269	2,153,561	2,795	2,962	-6%
Kabale	714,997	715,788	2,168,223	410,721	2,578,944	3,603	3,911	-8%
Kisoro	476,903	474,411	1,395,898	166,086	1,561,984	3,292	3,954	-17%
Rukungiri	246,641	246,915	1,168,940	113,617	1,282,557	5,194	4,127	26%
Ibanda	354,626	380,487	641,848	38,525	680,373	1,788	2,106	-15%
Kamwenge	186,782	226,664	1,118,405	66,255	1,184,660	5,227	4,710	11%
Kanungu	266,193	284,998	936,760	105,094	1,041,854	3,656	4,302	-15%
Lyantonde	373,010	532,477	1,913,469	183,575	2,097,044	3,938	5,272	-25%
Rushere	108,041	174,960	864,978	152,213	1,017,191	5,814	8,067	-28%
Ntungamo	389,731	459,820	1,140,572	269,390	1,409,962	3,066	3,737	-18%
Mpondwe	401,032	405,112	676,749	50,815	727,564	1,796	1,897	-5%
Ruhama	134,999	132,274	746,084	47,337	793,421	5,998	6,281	-4%
Lwengo	-	160,364	724,161	0	724,161	4,516	0	-
Subtotal	13,198,028	14,580,868	33,277,181	4,942,972	38,220,153	2,621	3,036	-14%
Total	120,736,647	126,191,432	291,841,644	36,146,008	327,987,652	2,599	2,362	10%

Annex 11: Number of Staff and Staff Productivity as at 30th June 2018

Area	Male	Female	Total Staff	% of Female Staff	Water Connections	Staff Productivity
Head Office	288	227	515	44%	-	-
Kampala	760	332	1092	30%	283,740	4
Central Region						
Jinja	97	37	134	28%	26,641	5
Entebbe	73	41	114	36%	32,031	4
Masaka	43	22	65	34%	15,959	4
Mubende	16	7	23	30%	4,864	5
Lugazi	13	7	20	35%	3,375	6
Luweero	40	21	61	34%	8,848	7
Mityana	14	8	22	36%	4,741	5
Kigumba	11	4	15	27%	1,602	9
Bweyale	13	2	15	13%	1,243	12
Kyotera	21	19	40	48%	3,994	10
Iganga	36	16	52	31%	9,148	6
Kamuli	14	5	19	26%	2,313	8
Mpigi	13	10	23	43%	3,635	6
Sembabule	9	1	10	10%	1,140	9
Sub Total	413	200	613	33%	119,534	5
Eastern & Northern Region						
Tororo	34	13	47	28%	8,065	6
Mbale	84	26	110	24%	16,979	6
Soroti	36	14	50	28%	7,915	6
Lira	51	14	65	22%	11,735	6
Gulu	52	10	62	16%	7,593	8
Arua	42	10	52	19%	7,853	7
Pader	20	6	26	23%	2,983	9
Nebbi/Paidha	30	8	38	21%	5,467	7
Kitgum	16	5	21	24%	3,267	6
Apac/Aduku	17	7	24	29%	1,849	13
Moroto	9	4	13	31%	914	14
Adjumani	11	1	12	8%	2,107	6
Busia	11	4	15	27%	2,442	6
Kapchorwa	17	2	19	11%	1,178	16
Kumi	9	4	13	31%	1,016	13
Kotido	12	2	14	14%	718	19
Moyo	5	4	9	44%	850	11
Manafwa	11	5	16	31%	2,415	7
Koboko	1	2	3	67%	1,047	3
Sub Total	468	141	609	23%	86,393	7
Western & Southwestern Region						
Mbarara	95	30	125	24%	21,634	6
Bushenyi	47	21	68	31%	11,288	6
FortPortal	39	12	51	24%	9,968	5
Kasese	35	14	49	29%	8,649	6
Hoima	15	8	23	35%	5,303	4
Masindi	20	4	24	17%	5,338	4
Kabale	30	7	37	19%	6,576	6
Kisoro	18	3	21	14%	3,468	6
Rukungiri	15	8	23	35%	2,868	8
Ibanda	8	5	13	38%	4,073	3
Kamwenge	16	8	24	33%	2,273	11
Kanungu	15	5	20	25%	3,602	6
Lyantonde	14	8	22	36%	2,164	10
Rushere	18	9	27	33%	1,266	21
Ntungamo	24	8	32	25%	3,080	10
Mpondwe	18	7	25	28%	3,362	7
Ruhama	17	4	21	19%	1,533	14
Lwengo	12	6	18	33%	1,751	10
Subtotal	456	167	623	27%	98,196	6
Total	2,385	1,067	3,452	31%	587,863	6

Annex 12: Area Compliance to Audit Recommendations Made in the FY 2017/18

Area	Recommendations Made (No.)	Recommendations Acted Upon (No.)	(%) Performance	Target (%)
Kampala	213	187	88%	100%
Central Region				
Entebbe	25	22	88%	100%
Mubende	31	30	97%	100%
Kigumba	28	23	82%	100%
Bweyale	22	19	86%	100%
Iganga	18	17	94%	100%
Mpigi	32	28	88%	100%
Sub Total	156	139	89%	100%
Eastern & Northern Region				
Tororo	25	19	76%	100%
Mbale	33	30	91%	100%
Soroti	29	22	76%	100%
Lira	33	24	73%	100%
Gulu	31	27	87%	100%
Arua	31	27	87%	100%
Pader	20	16	80%	100%
Adjumani	23	21	91%	100%
Busia	31	26	84%	100%
Kapchorwa	34	29	85%	100%
Sub Total	290	241	83%	100%
Western & Southwestern Region				
Mbarara	22	19	86%	100%
Bushenyi	23	19	83%	100%
Fort Portal	24	20	83%	100%
Kasese	38	36	95%	100%
Hoima	10	10	100%	100%
Kamwenge	43	34	79%	100%
Kanungu	43	34	79%	100%
Rushere	20	17	85%	100%
Ruhama	24	19	79%	100%
Subtotal	247	208	84%	100%
Total	906	775	86%	100%

Annex 13: Customer Satisfaction Index for the FY 2017/18

Area	No. of Customers	Sample Size	Response Rate	Customer Satisfaction Index (%)
Kampala	283,740	7,350	68%	84%
Central Region				
Jinja	26,641	730	86%	80%
Entebbe	32,031	948	87%	84%
Masaka	15,959	475	90%	80%
Mubende	4,864	129	50%	84%
Lugazi	3,375	89	97%	86%
Luweero	8,848	244	79%	84%
Mityana	4,741	129	86%	82%
Kigumba	1,602	41	100%	93%
Bweyale	1,243	34	85%	95%
Kyotera	3,994	109	96%	86%
Iganga	9,148	225	84%	85%
Kamuli	2,313	60	76%	83%
Mpigi	3,635	88	69%	81%
Sembabule	1,140	-	0%	-
Sub Total	119,534	3,301	85%	85%
Eastern & Northern Region				
Tororo	8,065	198	100%	87%
Mbale	16,979	452	60%	83%
Soroti	7,915	160	95%	88%
Lira	11,735	291	49%	82%
Gulu	7,593	203	60%	81%
Arua	7,853	208	96%	87%
Pader	2,983	87	100%	86%
Nebbi/Paidha	5,467	142	61%	85%
Kitgum	3,267	79	100%	81%
Apac/Aduku	1,849	48	96%	87%
Moroto	914	22	93%	93%
Adjumani	2,107	51	100%	75%
Busia	2,442	64	44%	73%
Kapchorwa	1,178	30	100%	81%
Kumi	1,016	29	88%	88%
Kotido	718	13	100%	84%
Moyo	850	17	100%	88%
Manafwa	2,415	58	60%	84%
Koboko	1,047	29	100%	88%
Sub Total	86,393	2,181	75%	84%
Western & Southwestern Region				
Mbarara	21,634	614	80%	85%
Bushenyi	11,288	324	64%	89%
Fort Portal	9,968	266	100%	89%
Kasese	8,649	228	68%	83%
Hoima	5,303	143	98%	86%
Masindi	5,338	138	105%	82%
Kabale	6,576	178	77%	85%
Kisoro	3,468	94	80%	85%
Rukungiri	2,868	76	100%	89%
Ibanda	4,073	113	74%	88%
Kamwenge	2,273	64	77%	83%
Kanungu	3,602	94	85%	85%
Lyantonde	2,164	58	0%	0%
Rushere	1,266	35	75%	88%
Ntungamo	3,080	86	72%	90%
Mpondwe	3,362	97	88%	81%
Ruhama	1,533	43	65%	83%
Lwengo	1,751	43	100%	86%
Subtotal	98,196	2,694	79%	86%
Total	587,863	15,526	74%	85%

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Twitter: [@nwsc](https://twitter.com/nwsc)
Facebook: www.facebook.com/waterug
Toll Free: 0800200977, 0800300977

KAMPALA METROPOLITAN

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KAMPALA WATER BRANCHES

CITY CENTER BRANCH

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MUKONO BRANCH

Jinja Road
Tel: 0313-315696/611

NATEETE BRANCH

Plot 615 Gamba Plaza, Nalukolongo
Tel: 0313-315680/682

BUNGA BRANCH

Plot 947 GABA Road-Bunga
Tel: 0313-315538/509

KYALIWAJJALA BRANCH

Along Kira Road
Tel: 0313-315594

NAKAWA BRANCH

Tel: 0313-315656

NAKULABYE BRANCH

2nd floor Mamu Supermarket
Tel: 0313-315670/1

NDEJJE BRANCH

Opposite Rainbow Junior school
Tel: 0752-919248/0717-315434

MASANAFU BRANCH

Opposite Cleanex Petrol Station.
Tel: 0752-919354/0717-316635

SEETA BRANCH

KALAHARI BUILDING
Next to Kalahari Bar and Restaurant.
Tel: 0313-315559

SALAAMA BRANCH

Salaama Road
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WAKISO BRANCH

Kirumira Road
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URBAN PRO-POOR BRANCH

Kisenyi: 0313-315693

NANSANA BRANCH

Hoima Road
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KANSANGA (NSAMBYA) BRANCH

GABA road- Kabalagala
Tel: 0313-315610/1/2

KIREKA BRANCH

Wabyona Plaza ground floor.
Tel: 0313-315669/518

KASANGATI BRANCH

Gayaza road Kasangati trading center
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NTINDA BRANCH

Kigobe Rd-Bangkok Road Junction.
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MATUGGA BRANCH

Bombo - Gulu highway
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KYENGERA BRANCH

Kyengera Masaka highway
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KANYANYA BRANCH

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NAJJANANKUMBI

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Tel: 0313-315630/1

BULENGA BRANCH

Bulenga Trading Centre
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BWAISE BRANCH

Bombo road,
Tel: 0313-315640/2/6

LUZIRA BRANCH

Near UMEME Office
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KAKIRI BRANCH

Tel: 0752-919218/0717-314144

CENTRAL REGION

JINJA AREA

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JINJA TOWN CENTER

Plot 7 bell avenue Jinja
P.O Box: 301, Jinja
0751-127013

NJERU BRANCH

Mbiko town
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BUGEMBE/KAGOMA BRANCH

Opposite Bugembe stadium
Tel: 0751-122590

BUWENGU BRANCH

Tel: 0751-122673

NAMULESA BRANCH

Tel: 0772-540906

KAGOMA BRANCH

Tel: 0751-117898

ENTEBBE AREA

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KAWUKU BRANCH

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KAJJANSI BRANCH

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ABAITA BRANCH

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MASAKA AREA

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BUKAKATA BRANCH

Tel: 0752919671

KALUNGU BRANCH

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LUKAYA BRANCH

Office Addresses and Contacts continued ►

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MPUGWE BRANCH
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LUKKA BRANCH
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Tel: 0752-916560

MAYUGE BRANCH
Kaguta Road
P.O Box 94 Iganga Town
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P.O Box 94 Iganga
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BUGIRI BRANCH
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BUWUNI BRANCH
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BWEYALE / KIRYADONGO AREA
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KIRYANDONGO BRANCH
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LUWERO AREA
Plot 2 Kiwoko road
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BOMBO OFFICE
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WOBULENZI BRANCH
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SEMUTO BRANCH
Tel: 0751-114446

NAKASEKE BRANCH
Tel: 0751-120392/0717-315866

KAPEEKA BRANCH
Tel: 0751-117970

NAKASONGOLA BRANCH
Tel: 0751-117970

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MUTUKULA BRANCH
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Tel: 0751-110421

KAKUUTO BRANCH
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Tel: 0751-110421

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ATIRIRI BRANCH
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BUKEDEA BRANCH
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BUGEMA BRANCH
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ADUKU BRANCH
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IBUJE BRANCH
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NGORA BRANCH
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KABONG BRANCH
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YUMBE BRANCH

Moyo Road
P.O Box 59 Yumbe
Tel: 0776500858

WESTERN & SOUTHWESTERN REGION

MBARARA AREA

Plot 3 Galt road
P.O Box 1371, Mbarara
Tel: 0485-421547/0751121172

MBARARA TOWN CENTRE

Tel: 0751-124758/0717-315425

BIHARWE BRANCH

Tel: 0751-122758/0717-316490

KABEREBERE BRANCH

Tel: 0752-916538/0717-316688

RUBINDI BRANCH

Tel: 0751-117473

KINONI BRANCH

Tel: 0751-117473

NYEIHANGA BRANCH

Tel: 0751-122591

KASHAKA BRANCH

Tel: 0751-110472

BUSHENYI AREA

Plot 3 Tank Hill, Bushenyi Municipality
P.O Box 339, Bushenyi
Tel: 0485-42339

KATERERA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-120826

KITAGATA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-120372

KYABUGIMBI BRANCH

P.O Box 339, Bushenyi
Tel: 0751-127227

MITOOMA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-126961

RUTOOKYE BRANCH

P.O Box 339, Bushenyi
Tel: 0703-014642

KASHENSHERO BRANCH

P.O Box 339, Bushenyi
Tel: 0751-126863

RUBIRIZI BRANCH

P.O Box 339, Bushenyi
Tel: 0751-113979/0717-315474

KABIRA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-126929

BUGONGI BRANCH

P.O Box 339, Bushenyi
Tel: 0751-127121/0717-315474

KABWOHE BRANCH

P.O Box 15, Kabwohe/ Itendero
Tel: 0752-919266/0717-316551

ISHAKA BRANCH

P.O.BOX 339 BUSHENYI
Tel: 0751127049

RYERU BRANCH

Tel: 0751-127049

MAGAMBO BRANCH

Tel: 0751-127049

BUHWEJU-NSIIKA BRANCH

Tel: 0752-917085

KASESE AREA

Plot 1 Rukidi Street
P.O Box 356, Kasese
Tel: 0392-548282/0751114643

HIMA BRANCH

Tel: 0751-114807

BUGOYE BRANCH

Tel: 0751-114643

NYAKIGUMBA BRANCH

Tel: 0751-110665

BWERA/MPONDWE

Tel: 0752-919472

KATWE-KABATOORO BRANCH

Tel: 0703-904450

FORT PORTAL AREA

P.O Box 805, Fort Portal
Tel: 0483-427793,
0392-548331/0751110665

KIBITO/RUBONA

Tel: 0751-127282

KICHWAMBA BRANCH

Tel: 0751-127049

KICUCU BRANCH

Tel: 0751-110665

KASUNGANYANJA BRANCH

Tel: 0751-110665

RUGENDABARA BRANCH

Tel: 0751-114643

KATEBWA BRANCH

Tel: 0751-110665

KABALE BRANCH-KABALORE

Tel: 0751110665

RUBOONA BRANCH

Tel: 0751-110665

KYENJOJO BRANCH

Tel: 0752929340 / 0751119525

MASINDI AREA

Plot 29/31, Masindi Port Road.
P.O Box 545, Tel: 0465-20607/0751127787

HOIMA AREA

Plot 12, Kampala Road.
P.O Box 275, Hoima
Tel: 0465-40686

KYAMUKUBI BRANCH

Tel: 0751110665

KABALE AREA

P.O Box 627, Kabale
Tel: 0486-3153380/381/0751118541

MUHANGA BRANCH

Tel: 0751-120762

KISORO AREA

P.O Box 273, Kisoro
Tel: 0717-315445

RUKUNGIRI AREA

P.O Box 29, Rukungiri
Tel: 0751-117079/0705380700

Office Addresses and Contacts continued ►

KEBISONI BRANCH

Ntungamo road
Tel: 0751-115474

BUYANJA BRANCH

Ntungamo road
Tel: 0751-111838

RWERERE BRANCH

Kanungu road
Tel: 0774-020163

NYAKAGYEME BRANCH

Ntungamo road
Tel: 0751111177

KYANGYENYI BRANCH

Tel: 0751122784

KANUNGU AREA

P.O Box 26, Kanungu
Tel: 0751-120660/0717-314113

KIHIHI BRANCH

Amama road
P.O Box 26 Kanungu
0751-110717

KAMBUGA BRANCH

Rukungiri road opp Kambuga Hospital
Tel: 0751-110637

KANYAMPANGA BRANCH

Tel: 0751-120660

KANYANTOROGO BRANCH

Butogota road
Tel: 0751-110567

KATEETE BRANCH

Rugando road
Tel: 0751-110640

NYAMIRAMA BRANCH

Kihihi road
Tel: 0751-110580

BUTOGOTA BRANCH

Tel: 0751-110760

IBANDA AREA

P.O Box 307, Ibanda
Tel: 0752-916543

RWENKOBWA BRANCH

Tel: 0752-916543

LYANTONDE AREA

Plot 47 Block 78 Kabula
P.O Box 33, Lyantonde
Tel: 0752-919140

KALIRO BRANCH

Tel: 0773-007584

KAMWENGE AREA

P.O Box 1546, Kamwenge
Tel: 0751-123844

ISHONGORO BRANCH

Tel: 0751-117740

KABUNGA BRANCH

Tel: 0785-010058

KAHUNYE BRANCH

Tel: 0751-117606

NTUNGAMO AREA

P.O Box 384 Ntungamo
Tel: 0751-120027/0717-315616

RUBAARE BRANCH

Tel: 0751-116676 / 0717-315398

RWASHAMAIKIRE-KAGARAMA

Tel: 0751-115989

RWENTOBO BRANCH

Kabale road
Tel: 0751-115989

KAGARAMA BRANCH

Rukungiri Road
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Tel: 0200907595

KYAMPENE –RUGARAMA

Tel: 0751-116676

RUHAAMA AREA

P.O Box 70, Ruhaama - Ntungamo
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KITWE BRANCH

Tel: 0751-118978/0717-316607

KIKAGATE BRANCH

Tel: 0751-118978

MIRAMA HILLS BRANCH

Tel: 0751-118978

RUSHERE AREA

P.O Box 03 Rushere
Tel: 0751-123311

KIRUHURA BRANCH

Tel: 0704-333724

KAZO BRANCH

Tel: 0703-904483

SANGA BRANCH

Tel: 0772-963328

LWENGO AREA

Tel: 0752-916859

KINONI-MASAKA BRANCH

Tel: 0752-916859

KYAZANGA BRANCH

Tel: 0752-9168

NWSC Bankers

Centenary Bank

Plot 44 Mapeera House Kampala Road
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Kampala

Stanbic Bank

Umoja House Nakasero
P.O Box 7131
Kampala

Standard Chartered Bank

Plot 5 Speak Road
P.O Box 7111
Kampala

Equity Bank

Plot 390 Muteesa 1 Road Katwe
P.O Box 10184
Kampala

Bank of Africa

Plot 45 Jinja Road
P.O Box 2750
Kampala

DFCU Bank

Plot 26 Kyadondo Road
P.O Box 70
Kampala

Citi Bank

Centre Court 4 Ternan Avenue
P.O Box 7505
Kampala

Bank of Baroda

Plot 18 Kampala Road
P.O Box 7197
Kampala

Barclays Bank

Plot 2 Hannington Road
P.O Box 7101
Kampala

Post Bank

Plot 4/6 Nkrumah Road
P.O Box 7189
Kampala

Finance Trust Bank

Plot 4 Katwe Road
P.O Box 3290
Kampala

KCB Bank

Plot 7 Commercial Plaza
P.O Box 7399 Kampala

Cairo International Bank

Plot 30 Kampala Road
P.O Box 7052
Kampala

United Bank of Africa

Spear House Plot 22 Jinja Road
P.O Box 7396 Kampala

Guaranty Trust Bank

Plot 56 Kira Road
P.O Box 7323
Kampala

Diamond Trust Bank

Plot 17/19 Diamond Trust Building
Kampala Road
P.O Box 7155
Kampala

Tropical Bank

Amis Kintu Plot 27 Kampala Road
P.O Box 9485/7292
Kampala

Eco Bank

Plot 4 Parliament Avenue
P.O Box 7368
Kampala

Orient Bank

Plot 16/18 Nyonyi Gardens Kololo
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Kampala

NC Bank

Plot 4/6 Rwenzori Towers Nakasero
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Plot 6/8, Nakasero Lane
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