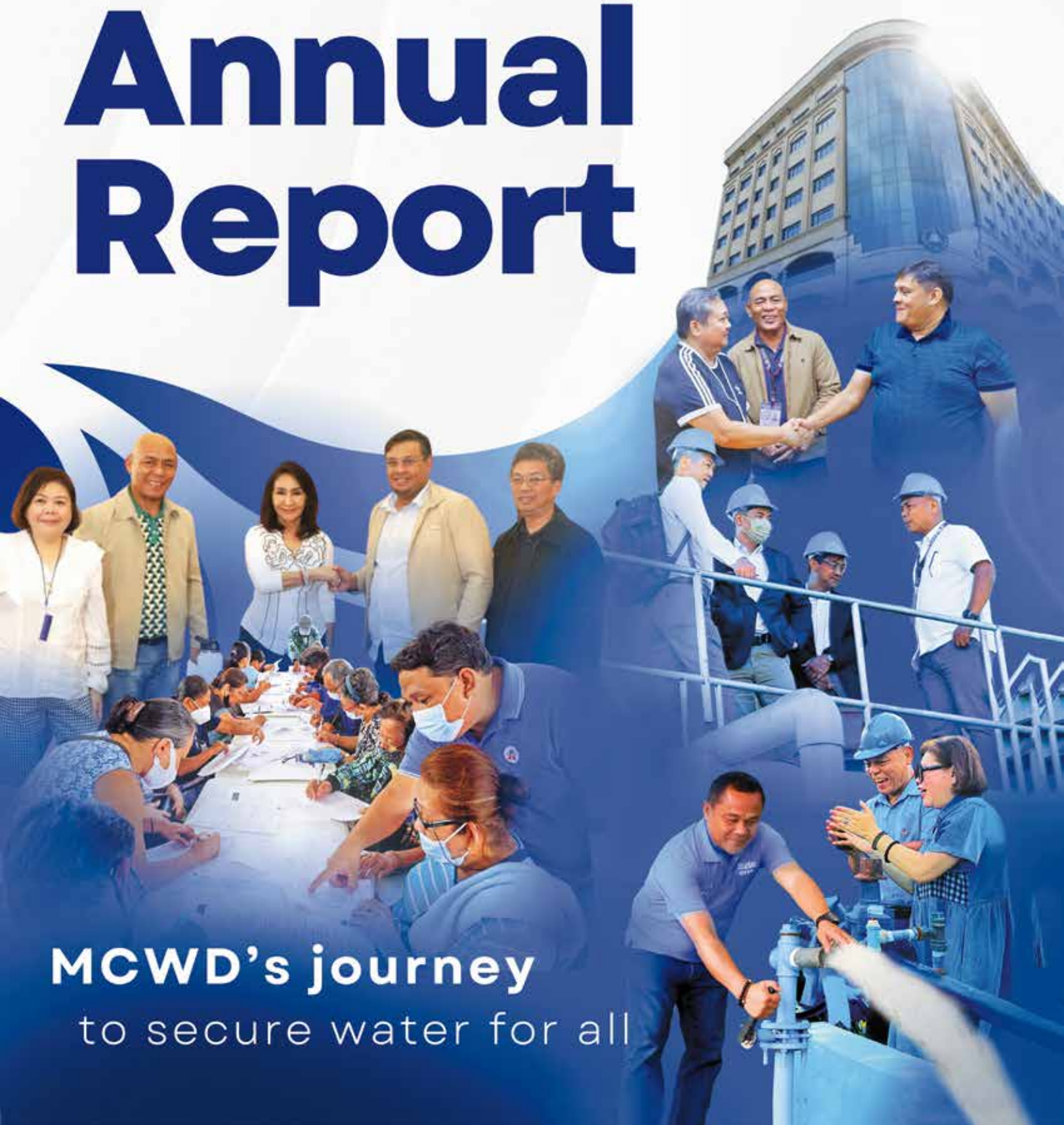
2023 Annual Report

MCWD
Metro Cebu Water District



MCWD's journey
to secure water for all

Table of Contents

About the Cover	1
Vision and Mission	2
Core Values	3
Message of the Chairperson of the Board of Directors	4
Message of the General Manager	5
One Year Review	6
Operational Highlights	16
Completed Projects	17
Organizational Structure	18
Financial Statements	19

ABOUT THE COVER

MCWD is putting a lot of effort into ensuring everyone has enough water. The growing population and environmental changes are posing challenges that MCWD has to address with a proactive approach. The ongoing journey to secure water for all emphasizes the commitment and dedication of MCWD in partnership with its stakeholders and partners.

Vision and Mission

Vision

MCWD envisions itself to be a progressive and economically viable utility firm that provides adequate, safe, potable, and affordable water and an effective sewerage system for Metro Cebu.

Mission

We are committed to undertake continuing exploration and development activities, aimed at the preservation and sustainability of our water resources. We must always adhere to sound practices in preserving our natural environment.

Our capability to provide proper services must continuously improve by designing and managing the growth of infrastructure in an innovative, timely, safe and cost-effective manner and conforming to internationally accepted standards.

We shall operate and maintain our facilities in an optimal manner, making total quality an integral part of our performance.
It is then indispensable to nurture a highly-motivated workforce, with a strong collaboration, deeply committed to professionalism, and firmly focused on productivity.

The workforce shall be upheld and inspired by a competent management team dedicated to the common good of MCWD.

All these tasks must be accompanied by sound and prudent financial management with the overriding goal of providing better services to the people of Metro Cebu.

CORE VALUES

INSPIRE

INtegrity - more than being honest, one must be truthful and incorruptible

Spirit of service - render personal sacrifice: to attain the goals and objectives by providing quality service beyond the demand of the customers.

Professionalism - exhibiting a courteous, conscientious and generally business-like manner in workplace and conformance to technical and ethical standards of a profession

Innovativeness - transform from traditional ways into more effective ways through use of modern technology

REsiliency - quickly adapt to disruptions and adversities while continuously run the operations, unite its people in the face of challenges

MESSAGE FROM **BOD CHAIRPERSON**



I am grateful that the many challenges encountered in 2023 further marked a turning point for the water district, as it emerged stronger and more resilient in dealing its complexity. Recognizing and understanding the unique bio-physical characteristics and the exceptional topographic location as well as the fragile nature of water resources in our susceptible island of Cebu, is crucial. MCWD is at the forefront of providing this essential service, ensuring that households and businesses have access to clean and safe water for drinking, sanitation, and hygiene purposes. However, the intricacy of the challenges laid beforehand have exposed the vulnerabilities faced by the district, such as limited resources and antiquated infrastructure, as well as the need for better emergency preparedness and response.

As we look ahead, MCWD must continue to build a more resilient and sustainable future, most importantly the long term solution to eventually resolve the water supply problem. This will require a multi-faceted approach, involving collaboration and partnerships between MCWD, government, and other stakeholders. Despite the challenges faced, the water district has made significant progress in gradually meeting the growing demand for water, promoting conservation efforts, developing infrastructure, and managing its finances efficiently. While the cost of desalinated water is more costly, MCWD believes it is the most sustainable and reliable source at this time considering the depleted aquifer, contamination of underground sources, and the very limited surface water sources. We have awarded various bulk water supply projects with pure sea-water source and is expected to start flowing in the 2nd quarter of 2024.

In our quest to serve the residents in upland barangays, MCWD has allocated sufficient amount for the implementation of pipeline expansion programs in Barangays Pulangbato, Guba, Agsungot, Binaliw and Cambinocot. Notice of Awards were already issued to qualified contractors thus, execution will commence in due time. MCWD is optimistic that water becomes available to these barangays before the end of 2024. Furthermore, MCWD has ongoing exploration to also provide water to different unserved areas.

We have seen the resilience and dedication of our employees to fulfill our mandate, and have also been warmed by the support from the consumers, stakeholders, suppliers and different government leaders.

With continued efforts and strategic planning, the district is well-positioned to overcome future challenges and fulfill its responsibility of ensuring a steady supply of water to the community. We acknowledge the role of government and civil society in collaborative and meaningful partnership to achieve sustainability of water for all.

Serve it well, MCWD.

JOSE DALUZ III

MESSAGE FROM **OUR GENERAL MANAGER**



Warm greetings, dearest colleagues and stakeholders!

Allow me to extend my sincerest thank you to each of you for your unwavering support over the past year. Your dedication and hard work have been critical to our journey, and I promise to remain committed to leading MCWD to even greater heights.

This year, we faced significant challenges, particularly the attempt to take over MCWD by external forces since February 2023. Yet, the resilience and unity demonstrated by all employees have been remarkable. Such cohesiveness has protected our corporation, and I urge everyone to continue standing firm for MCWD.

We remain steadfast in our dedication to serving our consumers. It is this collective hard work that drives us. Over the past few years, we have weathered significant trials, from the global COVID-19 pandemic to the devastation of Typhoon Odette. These events tested our resilience and unity, yet we faced each challenge with determination and strength.

In 2023, thanks to the outstanding efforts of our dedicated team, our average daily production reached 276,959 cubic meters per day (cmd), surpassing our target by an impressive 6,851 cmd.

However, as of December 2023, we had 205,882 active Service Connections (SC), which, while slightly below our target of 219,419, highlights our substantial progress and potential for growth. Our Non-Revenue Water (NRW) percentage stood at 33.38%, falling short of the target of 29.47% by 3.91 percentage points. This indicates areas for improvement, and with our ongoing efforts, we are confident we can achieve better results moving forward.

To address NRW, MCWD has implemented several initiatives, including active leak detection and repair, the revival of district metering areas, and pipeline rehabilitation. This year alone, we allocated over P158 million for pipe rehabilitation, P149 million for new transmission lines, and another P488 million for new distribution lines.

MCWD is actively implementing water sourcing strategies to expand our services to areas that have been outside our grid for almost half a century. A mountain barangay in Compostela, which has been longing for MCWD water for decades, is now connected to our network. Additionally, nine mountain barangays in Cebu City are expected to soon enjoy affordable and potable water from MCWD. We will continue to find ways to increase coverage, especially in far-flung areas.

MCWD is immensely grateful to Gov. Gwendolyn Garcia for prioritizing consumer welfare and public service, ensuring that the termination of the Cebu Manila Water Development (CMWD) Inc. bulk water supply contract does not affect MCWD's services.

The offer from the Cebu Provincial Government to supply a minimum of 35,000 cubic meters of water per day to MCWD through an emergency purchase has averted the potential adverse effects of the termination while we search for another supplier.

Our recent projects have added a total of 125,000 cmd, including the Lusaran Bulk Water Supply, which provides 30,000 cmd, and desalination projects in Mandaue City and Cebu City, which will provide an additional 50,000 cmd when fully operational. In Lapu-Lapu City, the Bulk Water Supply projects will add a total of 20,000 cmd. Furthermore, we have four major desalinated bulk water supply projects in the pipeline, which will contribute another 100,000 cmd.

Despite the challenges, MCWD remains financially stable. New water rates, if approved, judicious spending, and the successful implementation of our programs for developing new water sources and improving our infrastructure are essential in maintaining our operations.

Our achievements thus far would not have been possible without the hard work, dedication, and unity of everyone at MCWD. I am incredibly proud of what we have achieved together and encourage you to keep up the great work.
Heartfelt congratulations to all for a job well done! Going forward, I believe the strategic initiatives we have already commenced will be the foundation for long-term sustainable success and value for all our stakeholders.
Let's continue working together with passion and dedication to protect and improve our indispensable resource–water, the lifeblood of our communities.

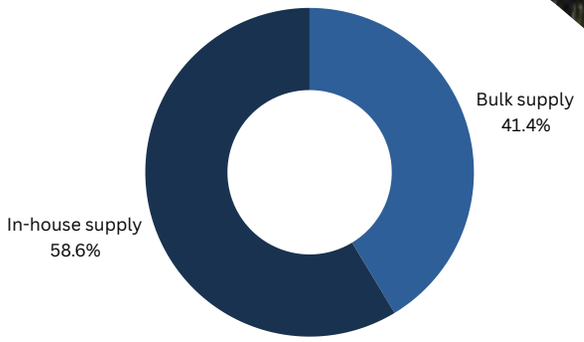
EDGAR H. DONOSO



ONE YEAR REVIEW

Production

As we reflect on the accomplishments and challenges of the past year, it is with immense pride that we share the remarkable achievements of our water district, particularly in the domain of water production.



In 2023, we have not only met but exceeded the set targets for water production. The average daily production reached a total of 276,959 cubic meters per day (cmd) exceeding the target of 270,108 cmd by 6,851 cmd.

With a yield of 162,431 cmd, our in-house sources contributed significantly to the total production since it exceeded the capacity target by 3,573 cmd. This could be attributed to our groundwater wells performing effectively.

For water to reach to more households, two production wells were commissioned in Barangays Bankal and Agus in Lapu-Lapu City to serve 4,000 residents. Another 5,000 cmd brackish water was delivered by Mactan Rock Industries in June 2023 in Pusok, Lapu-Lapu City.

This development was aimed to ensure that potable water is accessible and sufficient for Mactan Island especially during an El Niño phenomenon.

Nothing is impossible when MCWD, the local government units and the communities are all into achieving the same goal. After decades of water scarcity, residents in Brgy. Cabadiangan, Compostela finally had water from the tap. In March, we laid out 390 meters of pipe in the barangay and installed three stub-outs in which each can accommodate up to 20 service connections. The second expansion project – laid a 1.3-kilometer pipes and installation of 13 stub-outs - was commissioned in September. Each stub-out was designed to accommodate up to 20 service connections. The water supply distributed to these areas came from Mactan Rock Industries Inc., which is operating a plant in Brgy. Cabadiangan.



Compostela Mayor Felijur Quiño (right) officially inaugurates the newly installed stub-out, signaling the commencement of the potable water supply in Brgy. Cabadiangan. In this momentous occasion, he is joined by MCWD General Manager Edgar H. Donoso (center) and Cabadiangan Brgy. Captain Prisco Antolihao, both witnesses to this significant milestone.



Bringing MCWD's service closer to the people. Residents of Brgy. Cabadiangan fill out the application form for new water service connection during the MCWD on-site water application at the Cabadiangan Elem. School covered court on September 20, 2023, to spare them from visiting the main office to submit their application.

Also, one of the key factors in the increased production was the bulk water supply coming from J.E. Hydro & Bio-Energy Corporation sourced from the Lusaran River in Cebu City, adding a volume of 5,000 cmd from their 15,000 cmd; Mactan Rock Industries Inc. (MRII) increasing their production capacity to 15,000 cmd from 10,200 cmd in Brgy. Gabi, Cordova; and Abejo Waters Corp. from 4,800 cmd to 7,000 cmd in Brgy. Pit-os, Cebu City.

As we are dedicated to improving the service hours of our water supply for people to enjoy it 24/7, we continue to look for more water sources to add to our existing volume of water. This will be addressed with the 25-year partnership we entered into with the Joint Venture between Watermatic International Ltd. and Tubig Pilipinas Group Inc. for a bulk water supply project. The agreement stipulates for the latter to deliver an average volume of 15,000 cmd to be supplied exclusively to Talisay City.



MCWD Board of Directors Chairperson Atty. Jose Daluz III and General Manager Edgar Donoso represent the signing of a bulk water supply agreement with representatives from Watermatic International Ltd. and Tubig Pilipinas Group Inc. held in a congressional office in Minglanilla on August 8, 2023 with Talisay City Mayor Gerald Anthony "Samsam Gullas, Jr. withnessing the event."

It was, likewise, expected for MRII to deliver another 15,000 cmd after signing another bulk water supply contract in July. As part of the agreement, MRII will maintain a water supply plant in Suba-Basbas, Lapu-Lapu City, and water will be injected in Basak Road, with a pipeline extending 2.7 kilometers from its plant to the injection point. These achievements show that we remain steadfast in our commitment to delivering quality water services and ensuring the well-being of those we serve.

Throughout the year, we were relentless in our pursuit of excellence, coupled with a strategic planning diligently crafted and executed. As a result, we had not only met the unforeseen challenges, but also proactively met the growing demands of the people of Metro Cebu.

We have been implementing innovative solutions to improve efficiency and effectiveness in our services. More pipeline expansion projects are expected to be completed in the coming months as we signed a contract in August with Philkonstrak Development Corp. to implement a P100-million transmission and distribution pipeline project with a length of 3,440 meters, along Agus to Mactan Circumferential Road, Lapu-Lapu City. Ongoing pipeline expansion projects include 10 distribution lines along P. Rodriguez St. that can serve 15,000 new service connections, and on General Aviation Road and Bangkal Road. These projects are in preparation for the 20,000 cmd desalinated seawater bulk supply.

NON-REVENUE WATER REDUCTION PROGRAM

In an effort to minimize non-revenue water (NRW), MCWD has implemented several strategic initiatives over the past year. These initiatives have focused on improving the efficiency of leak detection and repair, utilizing advanced technology, and improving water distribution through district metering. Our efforts have brought in significant accomplishments, contributing to more sustainable water management and reduced water loss.

- **Hiring of Leak Repair Teams**

We hired 65 personnel to focus on leak repair. They are equipped with the skills and tools necessary to address leaks promptly and efficiently.

- **Acquisition of Leak Detection Equipment**

To support our leak repair teams and enhance our leak detection capabilities, we invested in three water leak detectors to better detect underground leaks that are not visible to the naked eyes.

- **District Metering Activation**

With the aim of enhancing our leak detection and repair efforts, we also focused on improving our water distribution network through activation of our District Metering Area (DMA). By segmenting our water distribution system into district metered areas, we have been able to monitor water flow with more accuracy and identify inconsistencies in data indicating leaks. Out of 55 DMAs, 13 were activated located in areas where leaks are frequently reported such as Cebu City, Mandaue City and the Municipality of Liloan.

Awards and Recognitions

MCWD is honored to have been recognized by its partners and stakeholders for its contributions to community development. These accolades are testimonies to our continued support and collaboration to achieve our shared goals. These awards inspire us to remain steadfast in fostering positive relationships with our partners, whether local or international, to ensure mutual success.





GM Edgar Donoso accepts the Mayor's Special Award from Cebu City Mayor Michael Rama and Vice Mayor Raymond Garcia during the 86th Cebu City Charter Day celebration on February 24, 2023. The Cebu City Government recognizes MCWD for its role in the pursuit of a Singapore-like Cebu City and making water supply accessible to the residents.



Public Information staff Cesar Pelarca, on behalf of MCWD, receives a Benevolent Donors Award from the Municipality of Consolacion during its Pasidungog Nite 2023. The award is given in recognition of MCWD's heartfelt and generous assistance to the municipality by providing free water during the pandemic.



On April 19, 2023, GM Donoso, Board of Directors Earl Bonachita and Jodelyn May Seno represent MCWD during the turnover of the JICA grant at the Cebu City Social Hall in the presence of Cebu City Vice Mayor Raymond Garcia and Cebu City Administrator Atty. Collin Rosell.

Access to Sanitation and Septage Management Program

It is MCWD's mission to safeguard public health and the environmental protection as well by implementing an effective septage management program, thus making access to proper sanitation a reality for all.

Another milestone for MCWD in 2023 was the turnover of the P2-billion or over P800 million grant from the Japan International Cooperation Agency (JICA) intended for the construction of septage treatment facility. This facility can treat wastewater from 100 cu.m. per day to 530 cu.m. per day taken from septic tanks of MCWD's customers and even those who are not yet connected to MCWD. In this project, MCWD's counterpart is P200 million for on site development and other necessities.

To increase the awareness on the importance of desludging of septic tanks, we continue to build stronger ties with the local government units, inviting the barangay council and health workers to lectures on our Septage Management Program and a tour in our Septage Treatment Facility in Cordova for a better understanding of the program.



Barangay Buagsong Council and Barangay Health Workers participate in the lecture on MCWD's Septage Management Program and tour around the Septage Treatment Facility in Cordova in June.



Sharing of best practices with other water districts

Categorized as "Category A Water District" in the country, MCWD's goal is to create a positive impact in the water industry by sharing its best practices to smaller water districts through benchmarking activities.

Our success is not only measured by the size of our operations but by the productive impact and constructive influence we have in the water industry.

In 2023, representatives from water districts from Luzon and Mindanao conducted their benchmarking activities in MCWD. The fruitful sharing of knowledge, methods, ideas and experiences marked the beginning of collaborative and collective efforts to making a beneficial outcome to the communities we serve.



Metropolitan Tuguegarao Water District with GM Donoso



Surigao Water District with MCWD Human Resources Department personnel

Punta Princesa City Water District with MCWD Public Information Division (PID), and Information & Communications Technology Department representatives



GENDER AND DEVELOPMENT



MCWD's dedication to advancing a workplace that upholds equality, principles of Gender and Development (GAD) are its guide.

We have initiated a series of capacity-building activities for our officials and rank and file employees. These are not just mere trainings, but an effort to remove obstacles and create an environment where every employee finds the support and initiative they rightfully deserve.

February 15 – 17

GAD Training (Basic Concepts, Gender Analysis, and Gender Mainstreaming) to MCWD's Managers and concerned employees conducted by Davao City Water District subject matter experts.

February to December

Conducted Gender Sensitivity Training to MCWD employees (scheduled on Fridays)

March

Celebrated National Women's Month

May

Celebrated Mother's Day

June

Celebrated Father's Day
Benchmarking visit by Surigao Metropolitan Water District to MCWD on Gender and Development

November 24

GAD Planning and Budgeting Session of the MCWD GFPS Committee

December 6

Conducted VAWC Seminar to MCWD Employees in observance of 18-Day Campaign to End Violence Against Women with subject matter experts, Atty. Fionah Bojos and Atty. Magdalena Lepiten

Corporate Social Responsibility

The incorporation of Corporate Social Responsibility in MCWD has become part of its core values and principles. We extend beyond providing water services by including health and sanitation activities beneficial for the communities we are serving and even those who are not. Our initiatives to protect the environment is worth mentioning as well, as they stand as a declaration to our unwavering commitment to corporate social responsibility.

• Health and Sanitation Promotion

In 2023, we conducted lectures on water conservation to learners in schools in the mountain barangays of Cebu City and in a barangay in Talisay City. Sharing tips to children on how to save water in school and in their homes is one of the goals of this program. We educate them the significance of maintaining hygiene and sanitation to prevent from illnesses and diseases, which they can acquire anywhere. By instilling these good habits early on, we hope to contribute to the betterment of our society's overall health and environmental sustainability.

March 15 – Lecture on Water Conservation, Handwashing and Feeding Program at Lurasan Elementary School

March 22 – Lecture on Water Conservation, Handwashing and Feeding Program at Paril Elementary School in celebration of World Water Day



Public Information Division Manager Edna A. Inocando imparts practical water conservation tips to selected Grades 1 to 3 earners from Paril Elementary School.

April 28 – Lecture on Water Conservation, Handwashing and Feeding Program at Binaliw Elementary School

May 25 – Lecture on Water Conservation, Handwashing and Feeding Program at Guba Elementary School

June 16 – Lecture on Water Conservation, Handwashing and Feeding Program at Cambinocot Elementary School

July 27 – Lecture on Water Conservation, Handwashing and Feeding Program in Barangay San Roque, Talisay City

August 7 – Vivant Foundation Inc. donated P150,000-worth of school supplies (plastic envelopes, notebooks, pencils, crayons, writing pads, sharpeners, erasers and rulers) to MCWD. These are given to recipients of handwashing activities.

October 4 - Turnover of handwashing facility donated by MCWD and Vivant Foundation Inc. to Yati Elementary School in Liloan. The foundation funds and oversee the construction of the handwashing facility while MCWD provides the resources and expertise in conducting handwashing demonstrations in schools or barangays.

October 13 – Lecture on Water Conservation, Handwashing and Feeding Program at Tayud Elementary School as Global Handwashing Day celebration



GM Edgar Donoso accepts the school supplies donated by Vivant Foundation Inc. represented by its Executive Director Shem Garcia (center) and Asst. Vice President Grant Clark.



BOD Atty. Danilo V. Ortiz (2nd from right) and Vivant Foundation Inc. Executive Director Shem Jose W. Garcia (4th from left) at the ribbon-cutting ceremony for the newly constructed handwashing facility at Yati Elementary School. They are also joined by officials from MCWD and Department of Education.



School learners from Tayud Elementary School apply the step-by-step handwashing techniques they learned from MCWD's handwashing demonstration.

· Environmental Care

Efforts to mitigate the effects of water shortage, MCWD donated empty drums to LGUs intended for water storage, and forest-tree and fruit-bearing seedlings for environmental sustainability.



Compostela Municipal Council



Tayud Barangay Hall, Liloan



More than 200 officials and employees plant 200 bamboo seedlings in Brgy. Buot-Taup as part of MCWD's anniversary celebration in November.

• Free Water

The water district highlights Corporate Social Responsibility by extending its community impact through the provision of complimentary water services, addressing the essential needs of the local population.

January - Free cold drinking water during Sinulog festivities

June 12 – 125th Phil. Independence Day Barangayan sa Sugbu

Aug. 27 – Free water during the Pasigarbo sa Sugbu 2023: Festival of Festivals in Carcar City



People at the Barangayan sa Sugbu enjoy drinking the cold water provided by MCWD for free for the event.

Operational Highlights

In 2023, MCWD exceeded the average daily production target by 2.5%, indicating a positive operational performance.

Although the other key indicators are challenging, we are intensifying our efforts to surpass our targets, implementing strategic initiatives and innovations to ensure resilience and continued growth in the face of these challenges.

276,959

cubic meters per day

PRODUCTION

183,271

cubic meters per day

BILLED VOLUME

205,882

NUMBER OF SERVICE CONNECTION

33.38%

NON-REVENUE WATER (NRW)

Completed Projects

CONTRACTED:

Ø500mm x 2,680 lm. DI Transmission Line Along Lobregat Property in Brgy. Busay to JY Square, Brgy. Lahug, Cebu City
Completion date: 05/10/2023
Project cost: P115,394,405.38

Design and construction of 2 units 3,000 cubic meter-capacity Modular Water Tank, Brgy. Busay, Cebu City
Completion date: May 10, 2023
Project cost: P103,500,000.00

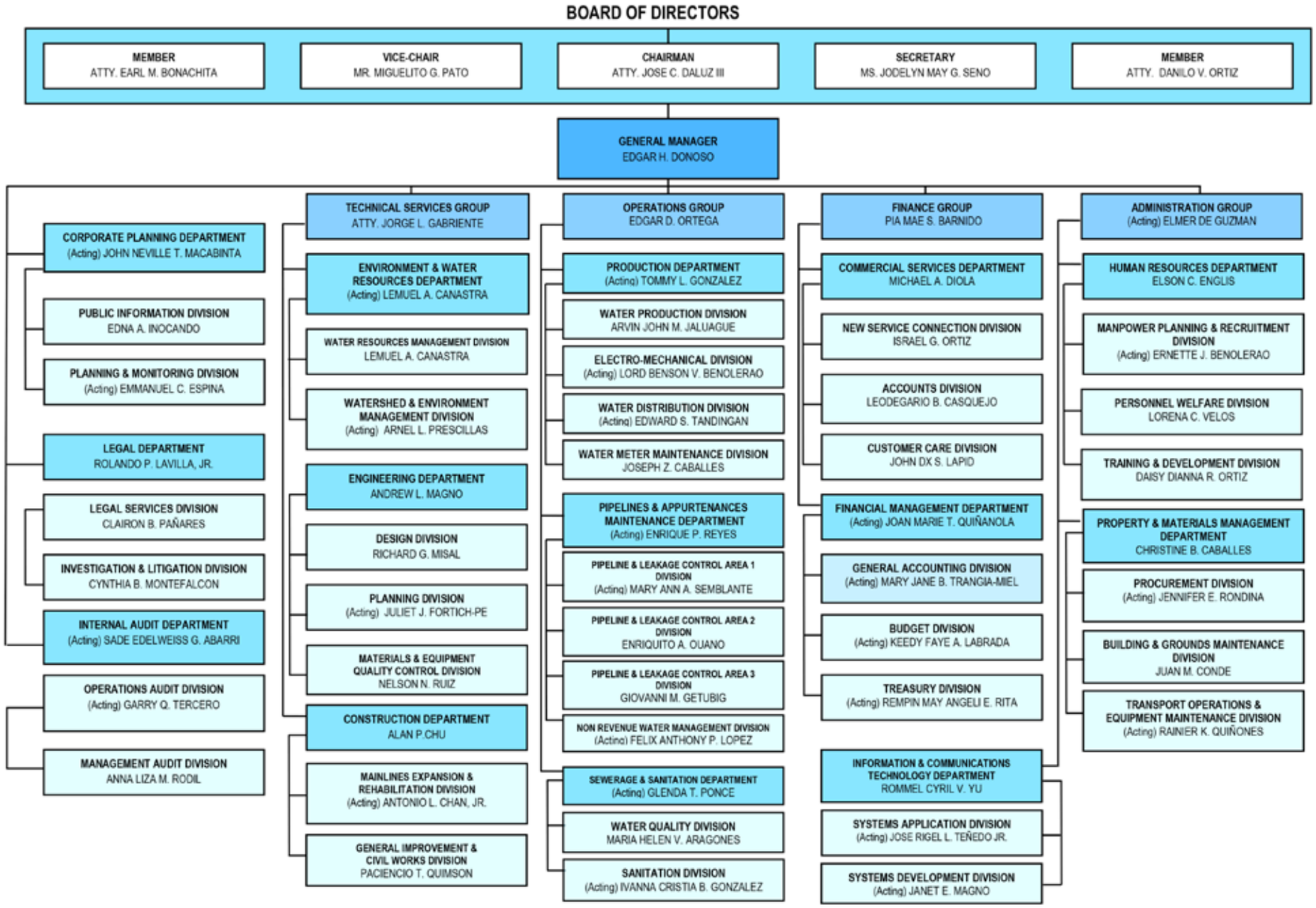
IN-HOUSE:

Ø75mm x 1271.0 ln.m. PVC Pipeline Expansion Project at Cabadiangan, Compostela, Cebu
Completion date: 11/20/2023
Project cost: P5,325,600

Metropolitan Cebu Water District

TABLE OF ORGANIZATION

As of December 31, 2023



METROPOLITAN CEBU WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
CORPORATE FUND
AS AT DECEMBER 31, 2023
(With Comparative Figures For The Year Ended December 31, 2022)

	Note		2023		2022
ASSETS					
Current Assets					
Cash and Cash Equivalents	**6**	₱	**1,408,478,479.50**	₱	1,224,357,446.09
Other Investments	**7**		**86,530.00**		86,530.00
Receivables	**8**		**715,922,310.55**		552,515,894.87
Inventories	**9**		**218,960,584.41**		227,623,637.50
Other Current Assets	**13**		**68,288,882.64**		49,379,434.72
Total Current Assets			**2,411,736,787.10**		2,053,962,943.18
Non-Current Assets					
Investment Property	**10**		**23,317,949.92**		25,000,611.04
Property, Plant and Equipment	**11**		**3,124,127,566.70**		3,082,712,084.51
Intangible Assets	**12**		**38,537,058.41**		38,853,771.70
Deferred Tax Assets			**6,327,050.07**		6,153,360.33
Other Non-Current Assets	**13**		**33,130,473.66**		38,776,119.04
Total Non - Current Assets			**3,225,440,098.76**		3,191,495,946.62
Total Assets			**5,637,176,885.86**		5,245,458,889.80
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Financial Liabilities	**14**		**190,808,587.20**		60,042,282.96
Inter-Agency Payables	**15**		**129,477,945.29**		120,075,894.10
Trust Liabilities	**16**		**7,634,489.93**		30,000,708.82
Deferred Credits/Unearned Revenue	**17**		**97,049,029.44**		75,197,135.64
Provisions	**18**		**99,533,369.77**		82,330,384.91
Other Payables	**19**		**310,912,244.76**		218,571,288.37
Total Current Liabilities			**835,415,666.39**		586,217,694.80
Non-Current Liabilities					
Financial Liabilities	**14**		**313,926,979.21**		171,854,463.08
Trust Liabilities	**16**		**429,894,324.49**		427,084,056.69
Other Payables	**19**		**3,722,489.87**		14,198,904.86
Total Non-Current Liabilities			**747,543,793.57**		613,137,424.63
Total Liabilities			**1,582,959,459.96**		1,199,355,119.43
EQUITY					
Revaluation Surplus			**818,465,817.51**		818,465,817.51
Retained Earnings/(Deficit)			**3,235,751,608.39**		3,227,637,952.86
Total Equity			**4,054,217,425.90**		4,046,103,770.37
Total Liabilities and Equity		₱	**5,637,176,885.86**	₱	5,245,458,889.80

See accompanying Notes to Financial Statements.

METROPOLITAN CEBU WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
CORPORATE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures For The Year Ended December 31, 2022)

	Note		2023		2022
Income					
Service and Business Income	**21**	**₱**	**2,055,967,702.23**	₱	1,819,623,451.56
Shares, Grants and Donations	**21**		**5,642,701.03**		34,044,620.55
Other Non-Operating Income	**21**		**9,918,252.60**		10,710,984.29
Total Income			**2,071,528,655.86**		1,864,379,056.40
Expenses					
Personnel Services	**22**		**646,754,700.39**		589,819,176.58
Maintenance and Other Operating Expenses	**23**		**1,166,496,766.41**		1,055,812,195.36
Financial Expenses	**24**		**11,846,993.21**		11,686,769.43
Non-Cash Expenses	**25**		**187,181,533.62**		181,222,890.64
Total Expenses			**2,012,279,993.63**		1,838,541,032.01
Profit Before Tax			**59,248,662.23**		25,838,024.39
Income Tax Expense/(Benefit)			**(236,693.30)**		(107,261.00)
Profit After Tax			**59,011,968.93**		25,730,763.39
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)	**26**		**(10,490,753.90)**		(10,445,558.57)
Net Income			**48,521,215.03**		15,285,204.82
Other Comprehensive Income/(Loss) for the Period			**-**		-
Comprehensive Income/(Loss)		**₱**	**48,521,215.03**	₱	15,285,204.82

See accompanying Notes to Financial Statements.

METROPOLITAN CEBU WATER DISTRICT
CONDENSED STATEMENT OF CASH FLOWS
CORPORATE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures For The Year Ended December 31, 2022)

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Collection of lncome/Revenue		₱ **2,006,510,899.74**	₱ 1,794,428,596.49
Trust Receipts		**15,342,709.40**	8,229,684.77
Other Receipts		**665,098,643.75**	345,701,167.62
Total Cash Inflows		**2,686,952,252.89**	2,148,359,448.88
Cash Outflows			
Payment of Expenses		**2,103,257,039.03**	1,677,053,885.07
Purchase of Inventories		**77,760,579.46**	94,289,913.44
Remittance of Personnel Benefit Contributions and Mandatory Deductions		**118,818,605.61**	122,659,603.48
Other Disbursements		**207,021,748.86**	179,990,058.31
Total Cash Outflows		**2,506,857,972.96**	2,073,993,460.30
Net Cash Provided by Operating Activities		**180,094,279.93**	74,365,988.58
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Receipts of Interest Earned		**9,854,431.92**	7,614,491.58
Adjustments (Transfer of Funds from Restricted to Cash Account)		**-**	83,750,318.39
Total Cash Inflows		**9,854,431.92**	91,364,809.97
Cash Outflows			
Purchase/Construction of Property, Plant and Equipment		**238,147,604.24**	234,230,648.16
Total Cash Outflows		**238,147,604.24**	**234,230,648.16**
Net Cash Used in Investing Activities		**(228,293,172.32)**	**(142,865,838.19)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Inflows			
Proceeds from Domestic and Foreign Loans		**271,703,867.20**	-
Total Cash Inflows		**271,703,867.20**	-
Cash Outflows			
Payment of Long-Term Liabilities		**35,044,757.77**	19,652,335.56
Payment of Interest on Loans and Other Financial Charges		**4,339,183.63**	11,522,676.36
Total Cash Outflows		39,383,941.40	31,175,011.92
Net Cash Provided by/(Used in) Financing Activities		**232,319,925.80**	(31,175,011.92)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**184,121,033.41**	(99,674,861.53)
Cash and Cash Equivalents, January 1		**1,224,357,446.09**	1,324,032,307.62
CASH AND CASH EQUIVALENTS, DECEMBER 31	**6**	₱ **1,408,478,479.50**	₱ 1,224,357,446.09

See accompanying Notes to Financial Statements.

#REF!

METROPOLITAN CEBU WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
CORPORATE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures For The Year Ended December 31, 2022)

		Revaluation Surplus		Retained Earnings/ Deficit		TOTAL
BALANCE AT JANUARY 1, 2022	**₱**	**818,465,817.51**		**3,185,222,503.75**		**4,003,688,321.26**
CHANGES IN EQUITY FOR 2022						
Add/(Deduct):						
Comprehensive Income for the year		-		15,285,204.82		15,285,204.82
Prior Period Errors		-		27,130,244.29		27,130,244.29
Other Adjustments				-		-
BALANCE AT DECEMBER 31, 2022		**818,465,817.51**		**3,227,637,952.86**		**4,046,103,770.37**
CHANGES IN EQUITY FOR 2023						
Comprehensive Income for the year				48,521,215.03		48,521,215.03
Prior Period Errors				(88,113,238.28)		(88,113,238.28)
Other Adjustments				47,705,678.78		47,705,678.78
BALANCE AT DECEMBER 31, 2023	**₱**	**818,465,817.51**	**₱**	**3,235,751,608.39**	**₱**	**4,054,217,425.90**

METROPOLITAN CEBU WATER DISTRICT
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CORPORATE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

PARTICULARS	Budgeted Amounts 2023		Actual Amounts on Comparable Basis	Difference Final Budget Vs. Actual
	Original	Final		
RECEIPTS				
Tax Revenue				
Services and Business Income	2,646,984,869.03	2,646,984,869.03	2,006,510,899.74	640,473,969.29
Shares, Grants and Donations	-	-		-
Gains	20,865,199.41	20,865,199.41	9,854,431.92	11,010,767.49
Others	874,441,125.83	874,441,125.83	952,145,220.35	(77,704,094.52)
Total Receipts	**3,542,291,194.27**	**3,542,291,194.27**	**2,968,510,552.01**	**573,780,642.26**
PAYMENTS				
Personnel Services	623,147,653.82	694,658,527.48	617,163,947.90	77,494,579.58
Maintenance and Other Operating Expenses	1,955,047,282.66	1,946,840,926.05	1,654,423,602.07	292,417,323.98
Capital Outlay	955,602,284.79	1,438,814,188.55	238,147,604.24	1,200,666,584.31
Financial Expenses (Principal + Interest)	46,915,434.31	46,915,434.31	39,383,941.40	7,531,492.91
Others	323,481,261.67	319,912,372.04	235,270,422.99	84,641,949.05
Total Payments	**3,904,193,917.25**	**4,447,141,448.43**	**2,784,389,518.60**	**1,662,751,929.83**
NET RECEIPTS/PAYMENTS	**(361,902,722.98)**	**(904,850,254.16)**	**184,121,033.41**	**(1,088,971,287.57)**

1. GENERAL INFORMATION

The Financial Statements of Metropolitan Cebu Water District (MCWD) were authorized for issue through Board Resolution No. 04-080-2024 dated April 25, 2024.

In 1910, the Cebu Municipal Council created the Osmeña Waterworks System (OWS), which was the first and only major water source used to operate and manage the water facility of the City. However, due to the rising water demand of the people in 1970's, which OWS failed to address coupled by its recurring financial losses, a transition management was created.

Thus, when Presidential Decree 198 or the Local Water Utilities Act of 1973 was created to provide promising loans, trainings and other assistance to autonomous water districts, the Cebu City Government, under the mayorship of Engr. Eulogio Borres, approved Resolution No. 873 on May 9, 1974 to create Metropolitan Cebu Water District (MCWD), the "Water District". In turn, Mayor Borres turned over OWS assets and facilities that served as its initial capital. It started its full commercial operations on February 1, 1975.

In March 1992, the Supreme Court declared all water districts as a Government-Owned and Controlled Corporations (GOCC). Hence, MCWD stopped operating as a Quasi-Public Corporation. Everything that has to be done must conform to Civil Service Commission (CSC), the Department of Budget of Management (DBM), and the Commission on Audit (COA) rules and regulations.

MCWD continues to be true to its Mission-Vision to protect and sustain Metro Cebu's limited water resources, while living out its commitment to provide safe, potable and affordable water to Metro Cebu. Today, MCWD provides water to the cities of Cebu, Talisay, Mandaue and Lapu-Lapu, and the municipalities of Consolacion, Liloan, Compostela, and Cordova.

The District was registered with the Bureau of Internal Revenue on February 13, 1997asaGOCC.Its principal office is located at corner Lapu-Lapu and Magallanes Streets, San Roque (Ciudad), Cebu City.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) prescribed by the Commission on Audit through COA Resolution No. 2015-003 dated April 6, 2015.

The accounting policies have been consistently applied throughout the years presented.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The consolidated financial statements are presented in Philippine Peso (₱), which is also the country's functional currency.

The preparation of Financial Statements in compliance with the adopted PFRS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the Financial Statements and their effects are disclosed in the notes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1Basis of Accounting

The Water District's financial statements are prepared on an accrual basis in accordance with the PFRS.

3.2Financial Instruments

a. Financial assets

i. Initial Recognition

Financial assets within the scope of PFRS 9-Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through income or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The Water District determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets those require delivery of assets within a timeframe established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Water District commits to purchase or sell the asset.

The Water District's financial assets include: cash and cash equivalents; trade and other trade receivables; loans and other loans receivables; quoted and unquoted financial instruments; and derivative financial instruments.

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Financial assets at fair value through income or loss

Financial assets at fair value through income or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through income or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through income or loss are carried in the Statement of Financial Position at fair value with changes in fair value recognized in income or loss.

As of December 31, 2023 and 2022, no financial assets have been classified at fair value through profit or loss (FVPL).

2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the income or loss.

Included in this category are the Water District's accounts receivables, due from related parties and other non-related parties, and refundable deposits.

3. Held to Maturity (HTM) Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity wherein the Water District has the positive intention and ability to hold to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in income or loss.

As of December 31, 2023 and 2022, no financial assets have been classified as HTM investments.

iii. Derecognition

The Water District derecognizes a financial asset or where applicable, a part of a financial asset or part of Water District of similar financial assets when:

1. The contractual rights to the cash flows from the financial asset expired or waived; and

2. The Water District has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in PFRS9-Financial Instruments: Recognition and Measurement; and either the entity has:

   - transferred substantially all the risks and rewards of ownership of the financial asset; or

   - Neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the asset

iv. Impairment of Financial Asset

The Water District assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The borrowers or a group of borrowers are experiencing significant financial difficulty;
2. Default or delinquency in interest or principal payments;
3. The probability that they will enter bankruptcy or other financial reorganization;

4. Observable data indicates that there is a measurable decrease in estimated future cash flows, such as changes in arrears or economic condition that correlate with defaults.

v. Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Water District first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Water District determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in income or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the Water District. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in income or loss.

b. Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of PFRS 9 are classified as financial liabilities at fair value through income or loss, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Water District's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

1. Financial liabilities at fair value through income or loss

Financial liabilities at fair value through income or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through income or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9.

Gains or losses on liabilities held for trading are recognized in income or loss.

2. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in income or loss when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective

carrying amounts is recognized in income or loss.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.4 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

a. Raw materials: purchase cost using the weighted average cost method

b. Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Water District.

3.5 Investment Property

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment property is measured using the cost model and is depreciated over its estimated useful life of 30 years.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

The Water District uses the cost model for the measurement of investment property after initial recognition.

Depreciation is computed using the straight-line method over its estimated useful life.

3.6 Property, Plant and Equipment

a. Recognition

An item is recognized as property, plant and equipment (PPE) if it meets the characteristics and recognition criteria as PPE.

The characteristics of PPE are as follows:

i. tangible items;

ii. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

iii. are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

i. it is probable that the future economic benefits or service potential associated with the item will flow

to the entity;

ii. the cost or fair value of the item can be measured reliably; and

iii. the cost is at least ₱15,000.00.

b. Measurement at Recognition

An item recognized as PPE is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non cash-exchange transaction its cost is its fair value as at recognition date.

Cost includes the following:

i. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

ii. expenditure that is directly attributable to acquisition of the items; and

iii. initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. Measurement after Recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the Water District recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in income or loss as incurred.

d. Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation Method

The straight line method of depreciation is adopted unless another method is more appropriate for Entity's operation. The residual value of the PPE is deducted in computing for its depreciation.

iii. Estimated useful life

The Water District uses the life span of PPE prescribed by LWUA in determining the specific estimated useful life for each asset based on its experience.

iv. Residual value

The Water District uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

e. Impairment

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

f. Derecognition

The Water District derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income or loss when the asset is derecognized.

3.7 Leases

a. Water District as a lessee

i. Finance lease

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of the leased item to the Water District.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Water District

also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured at the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in income or loss.
An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Water District will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

ii. Operating Lease

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to the Water District. Operating lease payments are recognized as an operating expense in income or loss on a straight-line basis over the lease term.

b. Water District as a lessor

i. Finance Lease

The Water District recognizes lease payments receivable under a finance lease as assets in the statement of financial position. The assets are presented as receivable at an amount equal to the net investment in the lease.

The finance revenue is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

ii. Operating lease

Leases in which the Water District does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for PPE are applied to similar assets leased by the entity.

3.8 Intangible Assets

a. Recognition and Measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably. Intangible assets acquired separately are initially recognized at cost.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless itiscapitalizedinaccordancewiththecapitalizationtreatmentpermitted in PAS 23, Borrowing Costs.

b. Subsequent expenditure on an acquired in-process research and development project

Subsequent expenditure on an in-process research or development project acquired separately and recognized as an intangible asset is:

i. recognized as an expense when incurred if it is research expenditure;

ii. recognized as an expense when incurred if it is development expenditure that does not satisfy the criteria for recognition as an intangible asset; and

iii. added to the carrying amount of the acquired in-process research or development project if it is development expenditure that satisfies the recognition criteria for intangible assets.

c. Intangible assets acquired through non-exchange transaction

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date these were acquired.

d. Internally Generated Intangible Assets

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in income or loss in the period in which the expenditure is incurred.

e. Recognition of an expense

Expenditure on an intangible item is recognized as expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

f. Subsequent measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful lives.

The straight line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with indefinite useful life is not to be amortized.

Intangible assets with indefinite useful lives or intangible assets not yet available for use are assessed for impairment annually and whenever there is an indication that the assets may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in income or loss as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income or loss when the asset is derecognized.

3.9 Provisions, Contingent Liabilities and Contingent Assets

a. Provision

Provisions are recognized when the Water District has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Water District expects some or all of a provision to- be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement, net of any reimbursement.

Provisions are reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

b. Contingent liabilities

The Water District does not recognize a contingent liability, but discloses details of any contingencies in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

c. Contingent assets

The Water District does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Water District in the notes to financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.10Changes in Accounting Policies and Estimates

The Water District recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The Water District recognizes the effects of changes m accounting estimates prospectively through income or loss.

The Water District corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or

b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.11 Foreign Currency Transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

a. Foreign currency monetary items are translated using the closing rate;

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

c. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in income or loss in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.12 Revenue from Non-exchange Transactions

a. Recognition and measurement of assets from non-exchange transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
ii. The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

b. Recognition of revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As the Water District satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

c. Measurement of revenue from non-exchange transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

d. Measurement of liabilities on initial recognition from non-exchange transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

e. Taxes

Taxes and the related fines and penalties are recognized when collected or when these are measurable and legally collectible. The related refunds, including those that are measurable and legally collectible, are deducted from the recognized tax revenue.

f. Fees and fines not related to taxes

The Water District recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

g. Gifts and donations

The Water District recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

h. Transfers

The Water District recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

i. Services in-kind

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

j. Transfers from other government entities

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Water District and can be measured reliably.

3.13 Revenue from Exchange Transactions

a. Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable.

b. Rendering of services

The Water District recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

d. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Water District.

e. Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

f. Dividends

Dividends or similar distributions are recognized when the Water District's right to receive payments is established.

g. Rental Income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and included in revenue

h. Royalties

Royalties are recognized as they are earned in accordance with the substance of the relevant agreement.

3.14 Budget Information

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget.

3.15Impairment of Non-Financial Assets

a. Impairment of cash-generating assets

At each reporting date, the Water District assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Water District estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Water District estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used

to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in income or loss.

b. Impairment of non-cash-generating assets

The Water District assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Water District estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. The Water District classifies assets as cash-generating assets when those assets are held with the primary objective generating a commercial return. Therefore, non-cash-generating assets would be those assets from which the Water District does not intend (as its primary objective) to realize a commercial return.

3.16Employee Benefits

The employees of Water District are members of the Government Service Insurance System (GSIS) which provides life and retirement insurance coverage.

The Water District recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

3.17Measurement Uncertainty

The preparation of financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates include the useful life of a capital asset, estimated employee benefits, rates for amortization, impairment of assets, and accrual of expenses.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

4. CHANGES IN ACCOUNTING POLICIES

The Water District adopted the new accounting policy on the recognition of the grants received in the year 2018.

5. PRIOR PERIOD ADJUSTMENTS

The Water District has determined the prior period adjustments of ₱88,113,238.28 for calendar year ended December 31, 2023 and ₱27,130,244.29 for the calendar year ended December 31, 2022.

As a result, the prior period adjustments affected the prior year's accumulated income/(loss) and cumulative effect on beginning accumulated income/(loss) for the current year.

6. CASH AND CASH EQUIVALENTS

This account consists of the following:

		2023		2022
Cash on Hand	₱	**850,000.00**	₱	8,376,685.16
Cash in Bank - Local Currency		**350,461,939.97**		181,343,825.05
Cash in Bank – Foreign Currency		**6,279,254.93**		7,323,742.50
Cash Equivalents		**1,050,887,284.60**		1,027,313,193.38
Total	₱	**1,408,478,479.50**	₱	1,224,357,446.09

Cash equivalents are investments that can readily be converted into cash. Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. These short-term investments are invested in the Development Bank of the Philippines and in the Land Bank of the Philippines.

All collections of the water district are promptly deposited in the depository banks. The cash on hand at the end of the year are those collections that remain as deposit in transit, crediting to the bank accounts at the beginning of the succeeding year.

7. OTHER INVESTMENTS

This account represents investments at:

		2023		2022
Investments in Stock – PLDT	₱	**86,530.00**	₱	86,530.00

8. RECEIVABLES

8.1 Receivables

This account consists of the following:

		2023		2022
Accounts Receivable (Water Fees and Other Charges)	₱	**511,432,142.34**	₱	407,143,176.78
Less: Allowance for Impairment – AR		**(18,656,249.52)**		(14,850,259.11)
Suspense Account		**(302,018.62)**		(286,762.90)
Accounts Receivable, net		**492,473,874.20**		392,006,154.77
Interest Receivable		**2,440,245.03**		2,042,536.96
Other Receivables		**221,008,191.32**		158,467,203.14
Total	₱	**715,922,310.55**	₱	552,515,894.87

Penalties and Franchise fees are recognized only when cash is received.

8.2 Aging/Analysis of Water Fee Receivables

Accounts	Total	Not Past Due	Past Due	
			30-60 days	>60 days
Water Fees	**₱ 340,680,239.01**	110,159,960.01	23,889,098.23	206,631,180.77

9. INVENTORIES

This account is composed of the following:

		2023		2022
Inventory Held for Consumption				
Office Supplies Inventory	₱	**19,874,157.45**	₱	17,369,811.20
Chemical and Filtering Materials		**(1,414,468.48)**		723,316.45
Other Supplies and Materials Inventory		**200,500,895.44**		209,530,509.85
Total Inventories	₱	**218,960,584.41**	₱	227,623,637.50

10. INVESTMENT PROPERTY

This account represents the two-storey building owned by the Water District which was leased out to Prince Warehouse Club for a fifteen (15)-year period under an operating lease contract which ended on September 2021. This property is among the collateral securities mortgaged to the Development Bank of the Philippines (DBP).

For the calendar year ended December 31, 2023, the balance is as follows:

		2023		2022
Investment Property – Building Carrying Amount, January 1	₱	**25,000,611.04**	₱	26,683,272.08
Additions/ Acquisitions during the year		**0.00**		0.00
Other Changes (Revaluation Surplus)		**0.00**		0.00
Total		**25,000,611.04**		26,683,272.08
Depreciation (As Per Statement of Comprehensive Income)		**(1,682,661.12)**		(1,682,661.04)
Other Changes		**0.00**		0.00
Other Changes (Revaluation Surplus)		**0.00**		0.00
Carrying Amount, December 31 (As Per Statement of Financial Position)	₱	**23,317,949.92**	₱	25,000,611.04
Gross Cost(Balance Per Statement of Financial Position)		**47,659,500.00**		47,659,500.00
Accumulated Depreciation		**(24,341,550.08)**		(22,658,888.96)
Carrying Amount, December 31 (As Per Statement of Financial Position)	₱	**23,317,949.92**	₱	25,000,611.04

11. PROPERTY, PLANT AND EQUIPMENT

This account is composed of the following:

Particulars	Land	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furnitures, Fixtures and Books	Other Property Plant and Equipment	Construction in Progress	Total
As at December 31, 2023									
Carrying Amount, January 1, 2023	**₱ 895,381,280.91**	**₱ 1,377,392,433.76**	**₱ 221,618,201.58**	**₱ 32,172,895.10**	**₱ 82,653,798.60**	**₱ 8,119,384.19**	**₱ 207,721,945.75**	**₱ 257,652,144.69**	**₱ 3,082,712,084.58**
Additions/Acquisitions	-	1,822,327.78	31,806,848.93	4,335,950.32	3,166,800.00	717,200.00	48,921,373.66	168,494,585.16	259,265,085.85
Total	**895,381,280.91**	**1,379,214,761.54**	**253,425,050.51**	**36,508,845.42**	**85,820,598.60**	**8,836,584.19**	**256,643,319.41**	**426,146,729.85**	**3,341,977,170.43**
Disposals/ Reclassifications	-	(16,144,638.96)	(529,571.15)	(3,622,524.75)	-	(626,045.27)	(12,072,710.54)	(25,513,010.72)	**(58,508,501.39)**
Depreciation (As per Statement of Comprehensive Income)	-	(88,302,473.71)	(18,771,432.02)	(17,175,978.49)	(16,578,269.84)	(1,726,962.38)	(34,212,481.02)	-	**(176,767,597.46)**
Additions/Reclassifications on Accumulated Depreciation	-	7,909,106.59	15,914.91	2,434,020.82	-	388,097.64	6,679,355.16	-	**17,426,495.12**
Carrying Amount, December 31, 2023 (As per Statement of Financial Position)	**895,381,280.91**	**1,282,676,755.46**	**234,139,962.25**	**18,144,363.00**	**69,242,328.76**	**6,871,674.18**	**217,037,483.01**	**400,633,719.13**	**3,124,127,566.70**
Gross Cost (Asset Account Balance per Statement of Financial Position)	**895,381,280.91**	**3,912,849,442.89**	**884,737,102.55**	**253,433,268.81**	**249,199,494.96**	**50,295,244.57**	**639,082,744.05**	**400,633,719.13**	**7,285,612,297.87**
Accumulated Depreciation	-	(2,630,172,687.43)	(650,597,140.30)	(235,288,905.81)	(179,957,166.20)	(43,423,570.39)	(422,045,261.04)	-	**(4,161,484,731.17)**
Carrying Amount, December 31, 2023 (As per Statement of Financial Position)	**₱ 895,381,280.91**	**₱ 1,282,676,755.46**	**₱ 234,139,962.25**	**₱ 18,144,363.00**	**₱ 69,242,328.76**	**₱ 6,871,674.18**	**₱ 217,037,483.01**	**₱ 400,633,719.13**	**₱ 3,124,127,566.70**

Particulars	Land	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furnitures, Fixtures and Books	Other Property Plant and Equipment	Construction in Progress	Total
As at December 31, 2022									
Carrying Amount, January 1, 2022	**₱ 895,381,280.91**	**₱ 1,347,100,904.44**	**₱ 225,849,783.52**	**₱ 23,602,852.37**	**₱ 71,972,136.57**	**₱ 9,894,362.88**	**₱ 170,937,362.20**	**₱ 220,719,394.00**	**₱ 2,965,458,076.89**
Additions/Acquisitions	0.00	129,679,033.67	16,683,172.16	27,313,860.00	25,682,000.00	-	67,568,283.75	150,182,637.24	417,108,986.82
Total	**895,381,280.91**	**1,476,779,938.11**	**242,532,955.68**	**50,916,712.37**	**97,654,136.57**	**9,894,362.88**	**238,505,645.95**	**370,902,031.24**	**3,382,567,063.71**
Disposals/ Reclassifications	0.00	1,800.00	-	-	-	(16,800.00)	-	(113,249,886.55)	**(113,264,886.55)**
Depreciation (As per Statement of Comprehensive Income)	0.00	(90,200,767.59)	(18,143,020.05)	(18,743,817.41)	(15,000,337.97)	(1,758,178.69)	(30,783,700.20)	-	**(174,629,821.91)**
Additions/Reclassifications on Accumulated Depreciation	0.00	(9,188,536.76)	(2,771,734.05)	0.07	-	-	-	-	**(11,960,270.74)**
Carrying Amount, December 31, 2022 (As per Statement of Financial Position)	**895,381,280.91**	**1,377,392,433.76**	**221,618,201.58**	**32,172,895.03**	**82,653,798.60**	**8,119,384.19**	**207,721,945.75**	**257,652,144.69**	**3,082,712,084.51**
Gross Cost (Asset Account Balance per Statement of Financial Position)	**895,381,280.91**	**3,927,171,754.07**	**853,459,824.77**	**252,719,843.24**	**246,032,694.96**	**50,204,089.84**	**602,234,080.93**	**257,652,144.69**	**7,084,855,713.41**
Accumulated Depreciation	**0.00**	(2,549,779,320.31)	(631,841,623.19)	(220,546,948.21)	(163,378,896.36)	(42,084,705.65)	(394,512,135.18)	-	**(4,002,143,628.90)**
Carrying Amount, December 31, 2022 (As per Statement of Financial Position)	**₱ 895,381,280.91**	**₱ 1,377,392,433.76**	**₱ 221,618,201.58**	**₱ 32,172,895.03**	**₱ 82,653,798.60**	**₱ 8,119,384.19**	**₱ 207,721,945.75**	**₱ 257,652,144.69**	**₱ 3,082,712,084.51**

On March 17, 2006, a contract of loan was entered with DBP to refinance the existing long-term loans with LWUA. Under the terms and conditions of the contract, this loan shall be secured by a real estate mortgage consisting of land and building. Documentary stamp tax amounting to ₱2,503,850 was paid on March 14, 2006. Total land area put up as collateral for the loan is 8,453 square meters.

On July 5, 1991, some properties were appraised by Asian Appraisal Co. Inc., an independent appraiser. On the said date, the properties were assessed to have a sound value of ₱694,403,360 which resulted to an appraisal increment of ₱575,535,327.

The net appraisal increment that resulted from the revaluation in 1991 was credited to the account "Revaluation Increment in Property" and is shown under "Capitalization" in the Balance Sheet. Depreciation is computed based on the carrying value of the property using the straight-line method over their estimated useful lives.

On December 31, 2005 and 2006, accumulated depreciation of revaluation surplus amounting to ₱391,537,558 and ₱390,457,797, respectively, was closed to retained earnings in accordance to SFAS/IASNo.16 "Piecemeal Realization of Revaluation Surplus".Starting2007, the new balance of the Revaluation Increment in Property is ₱183,997,770.

On year 2016, some of the real properties were appraised by an independent appraiser. But because of the lack of data of the real cost of the properties at the time they were acquired, some of the properties that were appraised were recorded in the books in 2016 while appraisal increase of the rest of the properties were then recorded in 2018.

12. INTANGIBLE ASSET

This account is composed of the following:

		2023		2022
Computer Software				
Carrying Amount, January 1	₱	**38,853,771.70**	₱	42,352,929.07
Additions-Purchased/Acquired thru exchange on non-exchange transaction		**4,544,208.65**		1,087,499.93
Total		**43,397,980.35**		43,440,429.00
Amortization Recognized (As Per Statement of Comprehensive Income)		**(4,860,921.94)**		(4,586,657.30)
Other Changes (Adjustment on Amortization)				0.00
Carrying Amount, December 31 (As Per Statement of Financial Position)	₱	**38,537,058.41**	₱	38,853,771.70
Total Intangible Assets				
Gross Cost (Asset Account Balance per Statement of Financial Position)	₱	**106,302,866.65**	₱	101,758,658.00
Accumulated Amortization (including accumulated impairment loss)		**(67,765,808.24)**		(62,904,886.30)
Carrying Amount, December 31 (As Per Statement of Financial Position)	₱	**38,537,058.41**	₱	38,853,771.70

13. OTHER ASSETS

This is composed of the following:

		2023			2022	
		Current	Non-Current		Current	Non-Current
Advances	₱	437,661.08	0.00	₱	451,784.19	0.00
Prepayments		67,851,221.56	0.00		48,927,650.53	0.00
Deposits		0.00	18,510,985.59		0.00	24,156,630.97
Restricted Fund		0.00	13,251,313.17		0.00	93,263,115.90
Other Assets		0.00	1,368,174.90		0.00	1,368,174.90
Total	₱	**68,288,882.64**	**33,130,473.66**	₱	49,379,434.72	38,776,119.04

14. FINANCIAL LIABILITIES

This account consists of the following:

		2023		2022
Payables				
Accounts Payable	₱	**71,314,815.82**	₱	37,557,931.50
Due to Officers and Employees		**2,911,506.85**		600,478.52
Bills/Bonds/Loans Payable				
Loans Payable - Domestic		**114,238,928.86**		19,652,335.54
Tax Refunds Payable				
Tax Refund Payable		**2,343,335.67**		2,231,537.40
Total Financial Liabilities- Current		**190,808,587.20**		60,042,282.96
Bills/Bonds/Loans Payable				
Loans Payable - Domestic		313,926,979.21		171,854,463.08
Financial Liabilities –Non Current		**313,926,979.21**		171,854,463.08
Total Financial Liabilities	₱	**504,735,566.41**	₱	231,896,746.04

The loans with the Local Water Utilities Administration (LWUA) were credit lines that were obtained to finance the various projects of the Water District. Interest rates from these loans ranged from 10% to 14% per annum and were supposed to be

amortized over a period from 20 to 26 years.

On March 17, 2006, a contract of loan was entered with Development Bank of the Philippines (DBP) in order to refinance the existing long-term loans from LWUA. Salient terms and conditions of the contract are the following:

a. Term - 15 years to commence on the month following the release of the loan;

b. Interest rate - 8.5% per annum computed using the annuity method;

c. Interest differential/savings to be deposited to a Escrow Account;

d. Loan to be secured by a real estate mortgage.

However, starting April 2015, DBP has lowered the interest rate to 6%. On September 21, 2016, DBP has approved to extend in favor of the Water District an additional term loan in the principal amount of ₱600,000,000.00. Terms and conditions of the contract are as follows:

a. Term–15years,inclusive of two (2) years grace period payable in one hundred fifty six (156) monthly amortization to commence at the end of the 25th month from the date of the initial drawdown;

b. Interest rate – 6% per annum computed using the annuity method;

c. Loan to be secured by a real estate mortgage.

The first drawdown of the loan was on April 2017 while the second drawdown was on December 2017 in the amount of ₱6,582,730.19 and ₱240,317,632.17, respectively. Additional loans were made for the year 2023 totaling ₱271,703,867.20.

15. INTER-AGENCY PAYABLES

This account is composed of the following:

		2023		2022
Due to BIR	₱	**30,414,119.89**	₱	25,058,834.51
Due to GSIS		**6,911,144.53**		6,625,090.57
Due to Pag-IBIG		**418,748.99**		482,827.53
Due to PhilHealth		**918,286.65**		2,517,823.95
Due to LGUs		**90,815,645.23**		85,391,317.54
Total	₱	**129,477,945.29**	₱	120,075,894.10

Due to LGUs account comprised of revenue share due to the different Local Government Units for water extracted from their respective jurisdiction in accordance with the Local Government Code.

16. TRUST LIABILITIES

This account is composed of the following:

		2023			2022	
		Current	Non-Current		Current	Non-Current
Security Deposits Payable	₱	**7,634,489.93**	**0.00**	₱	30,000,708.82	0.00
Customer's Deposit Payable		**0.00**	**429,894,324.49**		0.00	427,084,056.69
Total	₱	**7,634,489.93**	**429,894,324.49**	₱	30,000,708.82	427,084,056.69

17. DEFERRED CREDITS/UNEARNED INCOME

This account is composed of the following:

		2023		2022
Other Deferred Credit	₱	**23,159,451.97**	₱	22,809,451.97
Other Unearned Revenue		**73,889,577.47**		52,387,683.67
Total	₱	**97,049,029.44**	₱	75,197,135.64

The unearned revenue is the amount recorded by the water district for all the grants received by the water district from Japanese International Cooperation Agency and from LWUA. MCWD recognizes government grants in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate, in compliance with Philippine Accounting Standards (PAS) 20.

18. PROVISIONS

This account is composed of the following:

		2023		2022
Leave Benefits Payable	₱	**99,533,369.77**	₱	82,330,384.91
Total	₱	**99,533,369.77**	₱	82,330,384.91

19. OTHER PAYABLES

This account is composed of the following:

	2023	2022
Retention Payable	₱ 49,041,273.12	₱ 34,694,148.84
Other Payables	261,870,971.64	183,877,139.53
Other Payables - Current	**310,912,244.76**	218,571,288.37
Other Payables (Operating Reserves)	3,722,489.87	14,198,904.86
Other Payables – Non-Current	**3,722,489.87**	14,198,904.86
Total Other Payables	**₱ 314,634,734.63**	₱ 232,770,193.23

Amount set-up as reserve for retirement benefits (operating reserves) is based on the existing MCWD Retirement Plan with respect to those who are already entitled thereto. This is intended for the employees who were hired prior to April 1993.

20. CONTINGENT LIABILITY

a) MCWD has a present obligation to the Cebu City Government for Real Property Taxes of real properties situated within the latter's jurisdiction. These properties became the subject of foreclosure proceedings in 2012. The total delinquency amounted to ₱112M as of 2019. However, questions arose as to the taxability of some properties as they have been declared as watersheds and therefore, exempt while others have different other claimants or owners. Negotiations are on-going as to the settlement of this obligation.

b) Franchise Tax Liability for the fiscal year 2003 payable to the Bureau of Internal Revenue (BIR) had appending resolution with the Court of Tax Appeal (CTA). MCWD appealed that the interest and surcharges be condoned. However, on April 2014, a decision from the CTA was released and MCWD is liable for the amount of ₱28,645,421.74. Recently, MCWD filed a Motion for Reconsideration on the decision of CTA and the former is now waiting resolution of this matter.

21. INCOME

This account consists of the following:

	2023	2022
Service Income		
Sewerage/ Garbage Fees	₱ **34,454,250.68**	₱ 32,160,313.57
Business Income		
Rent/Lease Income	(48,541.00)	984,064.89
Waterworks System Fees	1,990,170,279.39	1,751,563,785.59
Fines and Penalties – Business	21,137,249.93	23,321,367.69
Income Interest	10,254,463.23	11,593,919.82
Sub-Total	**2,021,513,451.55**	1,787,463,137.99
Total Service and Business Income	**2,055,967,702.23**	1,819,623,451.56
Shares, Grants and Donations		
Income from Grants and Donations in Cash	4,419,330.91	6,071,377.18
Income from Grants and Donations in Kind	1,223,370.12	27,973,243.37
Sub-Total	**5,642,701.03**	34,044,620.55
Other Non-Operating Income		
Income/(Loss) from Non-Utility Operations	(1,027,196.95)	(1,594,879.66)
Miscellaneous Income	10,945,449.55	11,608,334.78
Gain on Foreign Exchange (FOREX)	-	697,529.17
Sub-Total	**9,918,252.60**	10,710,984.29
Total Income	**₱ 2,071,528,655.86**	₱ 1,864,379,056.40

22. PERSONNEL SERVICES

This account consists of the following:

	2023	2022
Salaries and Wages		
Salaries and Wages-Regular	₱ 265,894,570.99	₱ 254,820,993.56
Salaries and Wages-Contractual	62,409,582.13	51,335,048.17
Sub-Total	**328,304,153.12**	306,156,041.73
Other Compensation		
Personnel Economic Relief Allowance	18,666,109.22	18,705,973.79
Representation Allowance	4,086,193.19	4,030,375.00
Transportation Allowance	4,082,693.19	4,030,375.00
Clothing / Uniform Allowance	4,582,600.00	4,594,920.00
Honoraria	10,587,862.75	8,943,004.20
Longevity	11,282,710.23	11,101,377.28
Overtime and Night Pay	25,959,912.46	27,804,195.37

	2023	2022
Year-end Bonus	26,659,846.99	25,593,138.90
Cash Gift	3,967,750.00	3,929,250.00
Hazard Pay	24,000.00	-
Other Bonuses and Allowances	68,298,999.66	52,431,472.71
Sub-Total	**178,198,677.68**	161,164,082.25
Personnel Benefit Contributions		
Retirement & Life Insurance Premiums	38,617,750.00	37,345,874.89
Pag-IBIG Contributions	937,900.00	939,200.00
PhilHealth Contributions	6,070,300.45	5,167,503.47
Provident/Welfare Fund Contributions	45,309,534.35	43,402,216.59
Sub-Total	**90,935,484.80**	86,854,794.95
Other Personnel Benefits		
Retirement Gratuity	388,986.00	1,026,311.60
Terminal Leave Benefits	42,734,966.65	31,675,914.57
Other Personnel Benefits	6,192,432.14	2,942,031.48
Sub-Total	**49,316,384.79**	35,644,257.65
Total ₱	**646,754,700.39** ₱	589,819,176.58

23. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2023	2022
Traveling Expenses		
Traveling Expenses-Local ₱	2,661,026.42 ₱	105,150.70
Sub-Total	**2,661,026.42**	**105,150.70**
Training Expenses	**5,948,026.79**	**2,131,898.26**
Supplies and Materials Expenses		
Office Supplies Expense	7,048,784.27	7,479,679.31
Fuel, Oil and Lubricants Expenses	11,730,563.82	14,028,799.84
Chemicals & Filtering Supplies Expenses	6,694,256.90	6,304,557.80
Semi Expendable Machinery and Equipment Expenses	520,500.00	1,250.00
Semi Expendable Furniture, Fixtures and Books Expenses	66,744.00	0.00
Other Supplies and Materials Expenses	85,014,816.89	69,029,979.65
Sub-Total	**111,075,665.88**	**96,844,266.60**

	2023	2022
Utility Expenses		
Electricity Expenses	16,931,682.19	16,736,655.25
Water Expenses	1,075,053.76	1,028,328.65
Sub-Total	**18,006,735.95**	**17,764,983.90**
Communication Expenses		
Postage Expenses	33,317.00	23,461.31
Telephone Expenses	2,621,794.16	2,000,801.32
Internet Subscription Expenses	4,977,605.28	3,889,425.06
Cable, Satellite, Telegraph and Radio Expenses	27,370.00	9,775.00
Sub-Total	**7,660,086.44**	**5,923,462.69**
Awards/Rewards, Prizes and Indemnities		
Awards/Rewards Expenses	3,951,898.01	4,890,000.00
Indemnities	171,618.80	
Sub-Total	**4,123,516.81**	**4,890,000.00**
Generation, Transmission and Distribution Expenses	**923,050,795.65**	**830,159,138.38**
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	4,218,817.05	4,145,236.73
Sub-total	**4,218,817.05**	**4,145,236.73**
Professional Services		
Consultancy Services	360,000.00	940,000.00
Auditing Services	74,054.86	73,296.97
Other Professional Services	840,000.00	700,000.00
Sub-total	**1,274,054.86**	**1,713,296.97**
General Services		
Janitorial Services	3,762,521.08	2,799,872.82
Security Services	50,410,739.49	48,617,796.80
Other General Services	72,000.00	48,000.00
Sub-Total	**54,245,260.57**	**51,465,669.62**
Repairs and Maintenance		
Repairs and Maintenance - Buildings and Other Structures	3,076,866.49	3,915,165.02
Repairs and Maintenance - Machinery and Equipment	3,613,369.58	4,372,011.27
Repairs and Maintenance - Transportation Equipment	2,237,617.36	2,397,427.35
Repair and Maintenance - Other Property, Plant and Equipment	951,904.67	1,068,953.85

	2023	2022
Sub-Total	**9,879,758.10**	**11,753,557.49**
Taxes, Insurance Premiums and Other Fees		
Insurance Expenses	3,562,985.07	3,396,070.85
Taxes, Duties and Licenses	2,891,284.18	1,666,706.91
Sub-Total	**6,454,269.25**	**5,062,777.76**
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	4,217,201.82	3,515,130.00
Printing and Publication Expenses	3,170,921.46	3,261,938.40
Transportation and Delivery Expenses	3,168,946.98	3,532,669.07
Rent/Lease Expenses	760,429.69	3,917,075.13
Membership Dues and Contributions to Organizations	114,100.00	10,550.00
Subscription Expenses	11,936.84	43,862.50
Donations	1,333,671.34	1,307,283.37
Directors and Committee Members' Fees	1,693,600.00	1,606,589.85
Major Events and Conventions Expenses	1,471,282.03	1,344,782.06
Other Maintenance and Operating Expenses	1,956,662.48	5,312,875.88
Sub-Total	**17,898,752.64**	**23,852,756.26**
Total	**₱ 1,166,496,766.41**	**₱ 1,055,812,195.36**

24. FINANCIAL EXPENSES

This account is composed of the following:

	2023	2022
Management Supervision/Trusteeship Fees	₱ -	₱ 164,093.07
Interest Expense	11,846,993.21	11,522,676.36
Total	**₱ 11,846,993.21**	₱ 11,686,769.43

25. NON-CASH EXPENSES

This account consists of the following:

	2023	2022
Depreciation		
Investment Property	**₱ 1,682,661.04**	**₱ 1,682,661.04**
Property, Plant and Equipment		
Infrastructure Assets	88,302,473.71	90,200,767.59
Buildings& Other Structures	18,771,432.02	18,143,020.05
Machinery & Equipment	17,175,978.49	18,743,817.41
Transportation Equipment	16,578,269.84	15,000,337.97
Furniture, Fixtures & Books	1,726,962.38	1,758,178.69
Other Property, Plant, and Equipment	34,212,481.02	30,783,700.20
Sub-Total	**176,767,597.46**	**174,629,821.91**
Total Depreciation	**178,450,258.58**	**176,312,482.95**
Amortization - Intangible Assets	**4,860,921.94**	**4,586,657.30**
Impairment Loss - Loans and Receivables	**3,805,990.41**	**323,750.39**
Loss on Foreign Exchange (FOREX)	**64,362.69**	**323,750.39**
Total	**₱ 187,181,533.62**	**₱ 181,222,890.64**

26. FINANCIAL ASSISTANCE / SUBSIDY / CONTRIBUTION

	2023	2022
Financial Assistance to Local Government Units	₱ 10,490,753.90	₱ 10,445,558.57
Total	**₱ 10,490,753.90**	**₱ 10,445,558.57**

27. KEY MANAGEMENT PERSONNEL

a. The key management personnel of the Water District are the General Manager, the Members of the Governing Body, and the members of the Senior Management Group. The governing body consists of members appointed by the Mayor. The senior management group consists of the Assistant General Manager for Finance, Assistant General Manager for Administration, Assistant General Manager for Operation, Assistant General Manager for Pipelines and the Department Managers.

b. The aggregate remuneration of members of the governing body and the number of members determined on a fulltime equivalent basis receiving remuneration within this category, are:

Particulars	Aggregate Amount
Salaries and Wages	₱ 15,704,297.74
Other Compensation and Personnel Benefits	11,418,612.81
Other Personnel Benefits	2,816,436.14
Total	**₱ 29,939,346.69**

28. SUPPLEMENTARY TAX INFORMATION UNDER REVENUE REGULATIONS NO. 15-2010

The Bureau of Internal Revenue (BIR) issued on November 25, 2010 Revenue Regulation15-2010regardingthe provision of additional disclosures in the notes to financial statements on information on taxes, duties, and license fees paid or accrued during the taxable year.

In compliance with the requirements set forth by the aforementioned regulation, the Water District reported the following types of taxes, duties and license fees paid or accrued for the year ended December 31, 2023:

27.1 Value-Added Tax (VAT)

This account consists of the following:

Particulars		2023
Taxable Transactions (Gross)	₱	6,993,316.46
Tax Rate		12%
Output Tax		749,283.91
Less : Input Tax		(97,568.98)
Less : Creditable VAT		(1,406.28)
Total VAT Payment	**₱**	**650,308.65**

27.2Withholding Taxes (W/T)

This account consists of the following:

Particulars		2023
W/T –Tax on Compensation (1601-C)	₱	31,751,390.43
W/T – Creditable Income Taxes (1601-E/1601-EQ)		30,122,632.36
W/T – Other Percentage Taxes (1600)		87,414,422.47
Total Withholding Tax	**₱**	**149,290,468.26**

Percentage Tax

Particulars		2023
Percentage Tax on Franchises (2551-Q)	₱	43,345,964.54
Less: Creditable Percentage Tax Withheld		(660,787.44)
Net Percentage Tax on Franchises	**₱**	**42,685,177.10**

27.3 All Other Taxes

This account consists of the following:

Taxes, Duties and Licenses		2023
BIR Registration / Doc Stamps / Certification fee	₱	1,111,411.97
Processing & Permit Fees – Legal		36,356.30
Taxes - Real Property Taxes / Donor's Tax		1,743,515.91
Total	**₱**	**2,891,284.18**

Republic of the Philippines
Metropolitan Cebu Water District
Magallanes, cor. Lapu-Lapu Sts., Cebu City
(032) 254-8434 local 0 www.mcwd.gov.ph
Like us on Metropolitan Cebu Water District (MCWD)

Solomon Water

Safe water for a healthy nation



ANNUAL REPORT 2021

ANNUAL REPORT 2021

Solomon Islands Water Authority

Our Vision

Safe water for a healthy nation

Our Mission

"To provide reliable and safe water supply and sewerage systems within our area of operations in Solomon Islands, while working in partnership with the community to plan, deliver and operate infrastructure in a manner that seeks to minimize the social and environmental impacts of our activities."

Our Values

Purposeful	*Everything we do is aimed at delivering a better service.*
Challenging	*We strive for continuous improvement.*
Customer Focused	*We aim to exceed the expectations of our customers.*
One Team	*We strive to work together as one team to achieve our corporate objectives*
Ethical	*We are open and honest about performance and meet our commitments in a reasonable manner.*

Chairman's Foreword

It gives me great pleasure to present the 2021 Annual Report for Solomon Islands Water Authority, trading as Solomon Water.

As with the prior year, 2021 has continued to be challenging, given the subdued operating environment in the Solomon Islands due primarily to Covid-19 and the consequent border closures.

Kongulai, the main source of water to Honiara, continues to be a significant challenge for Solomon Water due to the continued need for shutdown of supply, consequently adversely affecting Solomon Water's revenue base. We look forward to the successful outcome from the re-bid for construction of a new treatment plant.

I am thankful to the Australian and New Zealand Governments for their funding support during the year in progressing some important projects and capital purchases.

I also remain grateful to the Asian Development Bank and World Bank, without whose support Solomon Water would not have been able to undertake the Kongulai treatment plant and other projects of strategic significance. However, the funding shortfall and tightness in Solomon Water's own cash flow, particularly in the event of continued subdued economic conditions, raises concerns about the need to be selective in projects that can be undertaken.

Of strategic importance is also the poor payment habits of customers on their water bills against growing operating expenses as Solomon Water ramps up its efforts on NRW management.

Thanks to strong cooperation from our Accountable Ministers, we have a full complement of directors, having replaced two in 2021. I thank the former Chairman, Carson Korowa and director Trevor Palmer who provided many years of dedicated service to Solomon Water. The Board is grateful for their contribution. I welcome new members Tony Makabo and George Rausi.

I thank my fellow board members, Accountable Ministers, Executive and staff for their efforts in supporting Solomon Water through a challenging 2021.

Donald Marahare

Chairman of the Board

Chief Executive's Overview

Contrary to our budget assumption of an easing of the impact of Covid-19 in the second half of 2021, borders continued to remain closed thereby resulting in subdued economic conditions in the Solomon Islands. However, thanks to Government for a tariff increase, complemented by growth in customer numbers and improved collection efforts, collections improved 12% in 2021 over prior year. Despite this achievement, Solomon Water continues to carry a large debt over 90 days as customers, particularly residential, which continues to demonstrate poor payment behaviour.

Solomon Water's cash flow was strengthened by a $30 million grant from the Australian Government and $7 million grant from the New Zealand Government. We are grateful for these payments which would have otherwise had to be met from Solomon Water's own cash flow. Funds have been mainly allocated to bolstering water availability and security in various locations in Kombito, Rove and Point Cruz, and Auki.

Non-revenue water continues to be a serious challenge, with weak economic conditions contributing to illegal activities. Also contributing to (commercial) NRW was the continuing failure of pre-paid meters. Despite this, Solomon Water improved its overall NRW % - physical and commercial - from 60% in 2020 to 55% in 2021. This is due to significant investment in additional staff, NRW monitoring, leak detection and repairs, closer alignment between Operations and commercial teams, and improved reporting systems.

Re-tendering for the Kongulai Water Treatment Plant was necessary due to bids not being compliant with requirements of the bidding documents. The tender closed on 1 November and evaluation was in progress as at year-end. Plant construction is estimated to commence in June 2022, with completion expected in July 2023. This will allow Solomon Water to produce water regardless of weather and catchment conditions. We took steps to try and reduce the impacts caused by illegal activities that are causing the dirty water. The rehabilitated White River borefield was commissioned in May 2021 to allow limited ongoing water production when other supplies are shut down.

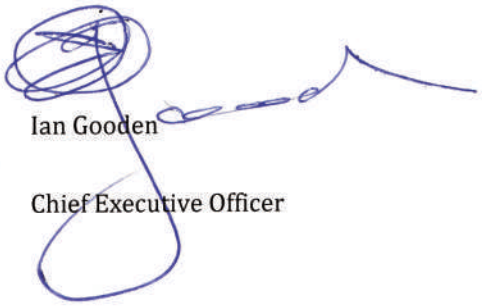
While there remains some work to complete the White River Pump Station refurbishment project, the facility has been operational and contributing water to the Solomon Water network since early 2021.

Solomon Water is thankful to Government for CSO payments and 3-year tariff increase - these supplemented revenue in 2021. Despite this, and donor funding from ADB and World Bank, Solomon Water faces a significant funding shortfall, particularly to cover its large capex works program. This has forced Management to be selective in prioritizing only the most essential projects.

The Covid-19 pandemic disrupted operations and affected productivity although the more severe effects of the virus was contained due to Solomon Water staff being fully vaccinated. Management continued to review productivity and organisational efficiency. Implementation of Pronto, the new ERP, commenced and 'go live' is expected in third quarter 2022. The automation of several manual tasks and report generation across the organisation is expected to significantly improve efficiency

and speed of decision making. We are confident that such investment will contribute to faster and better decision making in the future.

I am thankful to the Board and my dedicated Executive team and staff for the many achievements despite the difficulties brought about by the second year of the pandemic.



Ian Gooden

Chief Executive Officer

About Solomon Islands Water Authority

Who we are

Solomon Islands Water Authority is a water and sewerage business supplying potable water and collecting municipal effluent in the urban centres of Honiara. It also provides potable water services to Auki, Noro and Tulagi.

Solomon Islands Water Authority is an enterprise wholly owned by the Solomon Islands Government and uses the approved brand name Solomon Water for marketing and operational purposes.

What we want to achieve

Our Vision is:

Safe water for a healthy nation

How we will get there

We aim to provide reliable and safe water supply and municipal effluent collection services, to be profitable and sustainable, and to develop our business for the long-term benefit of Solomon Islands. We will do this by:

- Working closely with customers and stakeholders
- Delivering our services at reasonable cost
- Developing our people
- Investing in the right resources to provide a better service
- Educating and informing the public
- Continually improving how we do things
- Being a good employer

Statutory Functions of Solomon Water

The statutory functions of Solomon Water are defined in Section 7 of the Solomon Islands Water Authority Act, 1993 as follows:

a) to control, regulate, develop, manage, conserve and utilise urban water resources in the best interests of Solomon Islands;
b) to formulate national policies relating to the control and use of urban water resources;
c) to ensure that the water supplied for consumption meets the prescribed water quality standards;
d) to provide, construct, operate, manage and maintain, buildings, works, systems and services for impounding, conserving and supplying water for domestic, industrial, commercial and other purposes;
e) to provide, construct, operate, manage and maintain buildings, works, systems and services for the conveyance, treatment and disposal of sewage, disposal of trade and industrial waste and other connected purposes;
f) and any other like function

Corporate Governance

Solomon Islands Water Authority was established under the Solomon Islands Water Authority Act 1993 and is governed under the State Owned Enterprises Act 2007.

Role of the Board

The Board is responsible for policy formulation, oversight of the operations and general administration of the affairs of Solomon Water as stipulated under SOE Act 2007, Section 6(4). The Board reports to the two Accountable Ministers responsible for Solomon Water - the Minister of Finance and Treasury, and the Minister of Mines, Energy and Rural Electrification.

Board Composition

Appointment of Board Directors is as stipulated under State Owned Enterprises Regulations 2010. Current Solomon Water Board is made up of the following persons:



Board Chair
Donald Marahare



Cynthia Wickham
Deputy Chair person



John Belande



Gloria Hong



George Rausi



Dr. William Paraiarato



Tony Makabo

Board members, Carson Korowa and Trevor Palmer, whose terms had expired have now been replaced by Tony Makabo and George Rausi in November 2021. At the end of 2021 the Chairperson had not yet been appointed and Deputy Chairperson, Cynthia Wickham fulfilled the role pending appointment of a new Chairperson.

An audit sub-committee chaired by Gloria Hong supports good governance and reviews reports and audits carried out by our Internal Auditor.

Organisational Structure

Solomon Water has 221 staff in four departments operating under the direction of the Chief Executive as shown in the diagram below.



Chief Executive Officer
Ian Gooden



Head of Corporate Services
Michelle Maelaua



Strategic Manager
Ray Andresen



Chief Operations Officer
Scravin Tongi



Chief Financial Officer
Unni Kesavan



Head of Project Management Unit
Richard Farrell

Report on the Operations of Solomon Islands Water Authority

The Statement of Corporate Objectives (SCO) 2022 – 2024 identified 15 key strategic issues and challenges for Solomon Water through to 2024 and beyond, and these are listed below with comments on progress to date:

Strategic Issue identified	Annual Report Comments
Stakeholder Engagement	
Stakeholder Engagement - Whilst significantly improved in recent years, we recognize the need to continue to improve our engagement and relationship with key stakeholders to improve their understanding of major strategic issues of importance to SW, such as tariff requirements, land access, major projects, safe water quality, logging impacts and the need for further donor funds. It is planned to continue with regular newsletters, media releases and campaigns, and increase discussions with Government Ministers and senior staff.	We continue to engage with stakeholders and government ministries and believe the improved relationships are evident. Securing time with some ministers / ministries can be difficult.
Strategic Plan Implementation	
Donor funding - Securing further donor funds to support the Strategic Plan projects remains a high priority. ADB and World Bank funds of USD 52 m became effective during 2020 and we await the EU funding effectiveness in early 2022 to make all of our approved funding of around USD 72m able to be used. With the current programme of works, the current funding will be exhausted by end 2023. Some projects ready for construction in early 2022 cannot proceed to market due to lack of funds. Funding remains well below the Strategic Plan required amount of around USD 188 m, which has been significantly exacerbated by rising tender prices as a result of the pandemic. We continue to pursue other funding sources and are in discussion with several potential funding partners. **We request Government's support in assisting SW to secure further funding, particularly grant funds.**	Effectiveness of the EU funding has still not occurred due to a co-financing agreement between ADB and EU still to be executed. No further funds for the Urban Water Supply and Sanitation Sector Project (UWSSSP) programme has been secured and the funding gap continues to grow due to increased cost driven by the pandemic and general inflation. The current funding shortfall exceeds USD 25m, and we urgently request SIG to allocate more funds to the UWSSSP programme. Some funding was provided by DFAT and MFAT, however this was generally for other specified projects and does not contribute significantly to the UWSSSP.
Strategic	
Lungga water treatment plant - The urgent need for a major new water source for Honiara to accommodate the growing population has been identified as the Lungga River. A feasibility study has been completed and funding sources are being explored. Several meetings have been held with the People's Republic of China design	There has been no further progress on this important project during 2021. As this project will not now be ready for commissioning in the next 4 years alternative options to boost Honiara water production have to be considered and DFAT is

Strategic Issue identified	Annual Report Comments
teams, but we have not received any formal advice if this project is to be funded or not, and if so when this might occur. Discussions are being held with 1 other party regarding potential PPP or other funding for the plant. It is clear now that the plant will not be operational by the start of the Pacific Games in November 2023, and alternative options to provide sufficient water are being explored.	supporting the construction of several boreholes to boost supply in east Honiara.
Water supply for Gizo and Munda - The Board has agreed to take over responsibility for provision of water supply to Gizo and Munda, subject to CSO from SIG and donor assistance for major upgrading works. Limited operation of the Gizo water supply could take place in late 2022 assuming the requirements above are met, followed by full operation of Gizo and Munda once construction of the new supplies are completed. These projects cannot be funded at present due to insufficient donor funds. A request for $5.6 m CSO for Gizo establishment has been lodged with SIG. **SW requests adequate CSO from Government to allow establishment of operations in Gizo as well as further donor funds for the capital works required.**	Design and bid documents for the construction of new water supplies for both Gizo and Munda have been delayed due to travel restrictions affecting consultants work in country and will now be ready by Q3 2022. We have had tentative discussions with another donor for partial funding of Gizo and this should be resolved in early 2022. Munda remains unfunded. Government has also not provided CSO towards establishment of SW operations in Gizo. **We request Government to consider supporting these important provincial projects.**
Operational and Technical	
Illegal and unmanaged logging – SW and its customers have been very severely impacted since 2019 through environmental damage caused to the catchments serving Kongulai spring through improperly managed as well as illegal logging. Logging continues in the Kongulai today causing ongoing shutdowns affecting about 40 % of Honiara. This will continue into 2022 following rain in the upper catchment until it is stopped and the catchment regenerates or the new $160 m Kongulai water treatment plant is commissioned in late 2022. Even once the plant is built, management of the catchment to reduce sediment in the water will be required for the plant to operate effectively. Commissioning of the refurbished White River pump station and 2 boreholes was completed during 2021 and this is helping to provide water during times of shutdown. **The net cash impact on SW through illegal logging exceeds $30 m to date, and despite**	The effects of illegal and unmanaged logging have had a cash impact on Solomon water of more than $40 m in cash from 2019 to 2021. This has had a severe impact on SW finances. Unconsented and illegal sawmilling and logging in the Kongulai catchment in the first half of 2021 has again caused many problems and forced shutdowns to the supply and put the health of tens of thousands of people at risk. We urge Government to act strongly to stop these illegal activities. Solomon water finally took a High Court injunction one illegal operator to stop this activity, but further action from Government to stop such activities and ensure ongoing illegal activities are stopped is needed. Re - tendering for the Kongulai Water Treatment Plant as none of the tenderers met the required criteria occurred and a contract is expected to be awarded in early 2022.

Strategic Issue identified	Annual Report Comments
many requests to Government agencies, the logging has not been stopped. SW again requests firm intervention from Government to stop illegal activities in the catchment.	Construction commencement is anticipated in Q3 2022. Refurbishment of the White River pump station and 2 boreholes to augment production when Kongulai is shutdown was completed in May 2021 at a cost of over $7 m. This project will provide up to an extra 2 million litres of water per day to augment supplies. Further borehole upgrade and drilling is planned for 2022.
Non-Revenue Water (NRW) – Significant improvements in NRW reduction has occurred during 2021 which has dropped losses from around 59% to 50% of the volume of water produced. This is attributable to major restructuring of the activity, increased staffing and funding from New Zealand which has allowed us to purchase vehicles, plant and equipment. The main causes of loss are the result of physical leakage, direct unmetered connections and theft of water through illegal connections. Ongoing reductions are expected, although significant progress towards our target of 30% will not occur until large lengths of old and leaking pipelines are replaced. **We currently do not have sufficient funds for these works and request Government support to secure further donor funds or CSO to assist pipe renewals.**	NRW has remained stubbornly high at 56% during the first half of 2021, and this is thought to be due to more customers stealing water due to a deterioration in people's financial circumstances associated with Covid – 19. Difficulties with pre-paid CashWater meters have also impacted NRW and revenue. We have invested significant specialist human and financial resources in tackling NRW and the benefits are starting to show with losses reducing. It is anticipated that NRW will begin to trend downwards more aggressively in the second half of this year. **Further donor funds are required for pipe replacements before significant NRW reductions will occur**.
Municipal wastewater collection and disposal – The standard and extent of Honiara's municipal sewerage system is limited and under-capacity. The environmental impact of the discharge of raw effluent to the sea and rivers is serious and cannot be underestimated as it has serious implications for tourism, community health, and hygiene, especially as uncontrolled informal settlements around Honiara increase and frequently use the rivers and sea for washing, bathing and drinking. Detailed design of sewer pumping stations, rising mains and ocean outfalls is almost complete and construction of these should commence in 2022 subject to donor funds becoming available. Considerable sewer related works are required to provide adequate services to the Pacific Games facilities and we await confirmation from Government for the funds for this work.	Sewer outfall rehabilitation and sewage pumping station refurbishment studies under the UWSSP has been completed and detailed design of the new infrastructure has been delayed by the pandemic and is almost complete. Further modelling of the wastewater impact in the Honiara bay area has been required by the Ministry of Environment and this work is underway but will delay the implementation of this project. The projects should now be ready for tender for construction in late 2022 or early 2023. Unfortunately, there are insufficient donor funds to complete both the Ranadi and NRH sections of the works and there are potential

Strategic Issue identified	Annual Report Comments
	implications for sewerage servicing for the Pacific Games and for construction progress on the Kukum highway road upgrade. The Ranadi component of the system has had to be split into several smaller projects and the games components accelerated. **We continue to request support from Government to resolve these critical issues.** Installation of a new ocean outfall at Rove has been delayed due to MID planned road works in the immediate vicinity. We are working with the designers to accommodate the new outfall in this area.
Financial	
Financial sustainability – previous year's SCO and Annual Reports have highlighted that SW requires a few more years of sustained performance before it could be considered financially self-sufficient. We are in the process of implementing an essential capital works program in line with the Strategic Plan to upgrade and expand the water and sewerage network, and significantly improve its reliability and efficiency. Current levels of revenue supplemented by partial donor funding are insufficient to cover these costs. The impacts of the Covid – 19 pandemic for SW have been significant with reduced revenue and consequent drastic expenditure cuts and deferment of capital works to balance the reduced revenue, particularly during 2020. This SCO assumes that the difficult financial conditions will continue until at least June 2022 before a slow recovery begins.	Finance processes continue to be strengthened; a result of which SW again received an unqualified audit opinion on its 2021 financial statements. A one-off impairment charge on SW's failed prepaid meters is expected to result in a net loss. SW continues to experience tight cash flow due to weak cash collection against an increasing opex and capex base. Land acquisitions for the donor funded projects (reservoirs, Trunk mains and sewage upgrades) are significant and SW again requests government support for these costs.
Water and Wastewater Tariff – As noted in Section 3 above, to ensure the ongoing financial sustainability of SW and to meet the costs of essential capital works cited above. A comprehensive Cost of Service Study and Tariff review was completed and submitted to Government in August 2021 for a proposed tariff increase of 12.4 % for 2021, 5% % for 2023 and 4 % for 2024. **We await a positive response from Government on the tariff and CSO as stated above and this SCO is prepared on the assumption of a tariff increase as requested for 2022-2024**	SW is thankful to the Government for the Tariff increase of 9.6% for 2021. Regrettably the $3m CSO promised to offset the higher than required increase was not provided by Government. Delays in approving the increase also resulted in around $800k revenue loss in January and February. For the 2022-24 years, the ADB-appointed consultant proposed specific CSO levels for each year to support the requested tariffs to ensure cash flow sustainability. While we are grateful to Government for the tariff increases, Government's denial of the extra

Strategic Issue identified	Annual Report Comments
	2021 CSO required adversely affected SW's work programme for 2021. **SW requires significant support for power, land acquisitions, non-donor funded capex and further CSO support for Solomon Water to remain financially sustainable. We trust Government will accede to our request.**
Electricity costs – Electricity and other utilities account for about 26% of our total cash operating costs. We have attempted to negotiate discounted tariff or other means to reduce these costs from Solomon Power without success. The recent Solomon Power tariff reduction has done little to assist SW, and our subsidy of domestic power customers has actually increased as a result. We are upgrading many pump motors to high efficiency motors and anticipate that these costs will have quick returns through reduced energy costs.	Solomon Water continues to suffer with high power costs and again requests Government's support to assist in reducing these costs if it is committed to ensuring affordable water for the people of the Solomon Islands.
Community Service Obligation – We are grateful to government for providing a CSO of $3.7 m in 2020. The CSO funding is specific to supporting unsustainable provincial operations. It should be noted that SW supplies water to areas of Guadalcanal province surrounding Honiara as well as informal settlements within Honiara for which CSO is eligible, but not provided. During 2022 SW may commence limited operations in Gizo and this operation will not provide any financial return until a full supply is commissioned in late 2023, subject to increased donor funding. A CSO of $5.6 m has been requested for the establishment of operations in Gizo. **Our CSO request for establishment of operations in Gizo has been submitted to Government and we await a positive outcome.**	We are grateful to Government for the CSO of $3.1 m allocated for 2021. This amount falls short of the costs required to sustain the operations of the Provincial centres and peri-urban areas surrounding Honiara and in Guadalcanal province. As mentioned above it also falls short of the consultant's recommendation for a sustainable SW. Government did not support the request from MMERE, Western province government and SW for a CSO to allow establishment of operations in Gizo in 2021. Construction of the Gizo water supply should commence in early 2023 and we again request CSO to assist in Solomon water's establishment and depot / customer care centre construction.
Land access	
Issues through use of Customary Land – The security of water resources and water supply continues to be threatened on a regular basis by landowners (customary or otherwise) claiming compensation for the abstraction of water or access to water infrastructure. Government support in this area has been appreciated, and we request further attention to the Kongulai lease and Kohove catchment logging issues, as well as titles issued over the foreshore and seabed surrounding Honiara which will impact upgrades to the sewer outfalls.	Land access is an on-going major problem, with little progress by SIG. The first half of 2021 has been particularly difficult with ongoing threats and difficulties from landowners at Tulagi and Ziata as well as severe disruption to supply at Kongulai and Kombito due to illegal earthworks and sawmilling / logging. Much of this is historical from lease agreements or unresolved compensation matters since the supplies were established many years ago.

Strategic Issue identified	Annual Report Comments
SW appreciates the establishment by Cabinet of the Water Sources Restitution Technical Working Group and looks forward to the group being able to provide tangible outcomes in the various catchments where we operate. Associated with the comments regarding unmanaged logging above, SW has now had its request for funds from the Global Environment Fund (GEF) approved and awaits their effectiveness before the end of 2021. The funds will be used to commence catchment protection schemes which may assist landowners to secure revenue from their lands without resorting to logging. Recruitment of key personnel to effect this programme has already been completed.	Significant problems with informal settlements inside water catchments areas in Auki and Panatina continue and submissions for protection of these catchments have been made to the Land Board. Land Board has approved an allocation for the Auki Catchment area although formal agreement for the designated catchment areas is still pending. Approval of the USD 4.5 m GEF funds have now been achieved and recruitment of key personnel and contractors to implement this programme is well underway. A Government working group to assist with land issues has been established but little progress has been made. **Stronger Government support is essential to manage this issue, and it is proposed that resumption of lands or compulsory acquisition of lands be undertaken where appropriate.**
Land acquisitions - SW has significant land needs to provide new infrastructure for water services. We are also attempting to manage a significant backlog in historic land management issues and secure water catchment areas for the protection of water sources into the future. **SW has lodged a request to Government for support to enable required lands to be secured from both private and Government sources and we request administrative and financial support in this objective.**	Ongoing problems with little progress by Government to assist. Significant problems occur with settlers inside water catchment areas and we are taking steps to manage this. Illegal and unmanaged logging and sawmilling in the Kongulai water catchment area is ongoing as is illegal quarrying in the Kombito catchment. These 2 water sources supply almost 50% of Honiara's water and these activities are causing much disruption to the city water supply. Stronger Government support is essential to manage this issue, and it is proposed that compulsory acquisition of lands be undertaken where appropriate.
Organisational Effectiveness	
Enterprise Resource Planning (ERP) software - The current ERP system (General ledger, financial planning and inventory management) has not adequately met the business of needs of SW. Australian company Pronto has been awarded a contract to supply their ERP system and implementation of this is anticipated in April 2021.	Delays in implementation of Pronto and SW's statutory audit due to travel restrictions have occurred. Implementation is ongoing with completion anticipated by mid-2022.

Strategic Issue identified	Annual Report Comments
Organisational capacity - Weaknesses in the capacity of the organisation to manage efficiently and effectively have been reduced but some remain. The executive leadership has stabilised and the current focus on rebuilding staff relationships, organisational capacity and culture is well advanced. Ongoing difficulties in securing quality and skilled staff, particularly in engineering, accounting and project management roles remain a concern.	Organisational capacity continues to strengthen, although international training opportunities have been limited. In order to manage the rapidly growing workload and customer base, considerable recruitment is currently underway. Recruitment of quality and skilled staff remains a serious issue.

Objectives, Proposed Actions and Performance Targets

The tables on the following pages outline the objectives, proposed actions and Levels of Service targets that were established as part of the Strategic Plan development in 2017. It should be noted however that actual implementation of the Strategic Plan did not properly commence until 2018, and the targets have been included in the Urban Water Supply and Sanitation Services Plan (UWSSSP) which has a forecast period of 2018 to 2025. Funding for the plan has been delayed through factors outside of Solomon Water's control and consequently real progress against the objectives will also be delayed.

The most right-hand column of the tables reports on progress through 2021.

各指標値

Table 1: Solomon Water Corporate Objectives

Service Area	Proposed 5 Year Objectives (2017-2022)	2021 Progress
Coverage of Water Supply Systems	70% of properties within all service areas have access to network	59% of customers within the service areas have access to network. A total of 1199 new customer connections were made during 2021.
Drinking Water Quality	Implement risk-based drinking water management framework with appropriate health based targets and water safety plans in accordance with current WHO Guidelines for Drinking Water Quality	Honiara, Auki, Noro and Tulagi are now on 100% chlorine disinfection. Water Safety Plan for Honiara is in place and operational. Draft water safety plans for Noro, Auki and Tulagi completed, to be reviewed and approved in Q1 2022.
Water Supply to informal settlements	Seek SIG direction on appropriate supply options for informal settlements / peri-urban areas Contribute to UN Sustainable Development Goals improved water supply targets	Formal policy on supply to settlement areas has been relaxed to allow Cash Water meter installations. Some of the Cash Water installations noted above have been in informal areas, and an Urban WASH programme is under design for 2021 implementation. DFAT funding has facilitated water supply to vulnerable communities with construction of new pipelines and customer connections well underway.
Coverage of wastewater systems	Approximately 20% of residential and majority of non-residential customers within Honiara service area have access to wastewater network	9% of population within service area connected to the wastewater system in Honiara, 0% for other provincial centres. Once significant upgrades to the Honiara Wastewater system are carried out, further properties can be connected. Insufficient funding is available to carry out the above improvements.
Sewerage treatment standard	Screening and effective dilution of all sewerage pumped from wastewater network to waterways	No treatment of sewerage occurs at present. Once the planned 2 new sewer outfalls are constructed, basic screening will be provided and deep sea discharge will significantly improve the recreational water quality in Honiara foreshore areas. Insufficient funding is available to upgrade all of Honiara's wastewater network and either the Ranadi industrial areas or the CBD area will be upgraded at this stage. Once further funding is made available through the donor programme, the balance of the current city network can be upgraded.

Energy Consumption	All capital decisions with electrical energy requirements above 20kW will be assessed on a net present value assessment taking into account capital and operating costs	A donor funded energy assessment of selected electrical installations was conducted during 2019, with several recommendations for improved efficiency and electricity cost savings implemented. Many pump change outs to more efficient motors have now occurred resulting in reductions in energy consumption.
Emergency Management	Risk assessments carried out and emergency response plans prepared for all risks identified that cannot be addressed by remedial action.	Significant progress has been made on preparation of Business continuity plans and other risk mitigation initiatives. These were implemented and tested during the November 2021 riots. Covid -19 response plans were also improved as the pandemic conditions changed through 2021.
Financial Sustainability	SW meets full financial requirements of SOE Act, with contribution from donors and CSOs.	Ongoing compliance with reporting requirements. Medium term financial sustainability is absolutely dependent on Tariff reviews and CSO payments as per the independent consultant's recommendations. There remains insufficient profit generated to fund the SW funded capital works required to maintain our assets in appropriate condition. A significant funding opportunity exists within the donor funded UWSSSP and ongoing requests for further assistance have yielded little benefit.
Lifecycle management	Develop Lifecycle management targets as part of an asset management plan. Adopt and implement a maintenance management system to manage all routine and breakdown maintenance.	An Asset management specialist was appointed in 2020, and a consulting firm appointed in 2021 to develop an Asset management plan and system. This project is underway with completion anticipated in late 2022.
Climate Change/Resilience	Identify and assess extreme climate and climate change risks and commence development of mitigation and adaption strategies	Climate change mitigation and adaption strategies incorporated into design of new assets under UWSSSP.
Strategic Planning	Implement 5 Year Action Plan and review 30 year Strategic Plan in 2021	Implementation of plans ongoing with significant progress made despite ongoing travel restrictions. 2 major projects were tendered but neither could be awarded. The Kongulai water treatment plant and Honiara reservoirs contracts were retendered in late 2021 and contract awards are anticipated in Q1 2022.

Levels of Service

The levels of service are the standard of performance established as the benchmark for SW to achieve. These relate to the broader corporate objectives and regional benchmarks.

Table 2: Solomon Water Level of Service

Service Area	Indicator	2017 Baseline Performance	5 Year Target (2017 - 2022)	2021 Outcome
Drinking Water Quality	Compliance with drinking water guidelines (% of samples complying)	48%	E-Coli - 98% Coliform – 95%	E. Coli compliance 99.6 % (Honiara only) Coliform compliance 96.2% (Honiara only) Provincial towns sampling not yet at WHO standards.
Water Supply Service Continuity	Continuity of service (Hrs./day) at minimum pressure	22	24	Honiara - 22.7 hrs/day. Ongoing shutdown of Kongulai supply following heavy rain remains the biggest challenge. Auki – 24hrs/day, Tulagi – 23.6hrs/day and Noro – 23.9hrs/day
	Customers with continuous supply (%)	93%	95%	Ongoing shutdown of Kongulai supply following heavy rain remains the biggest cause for disruptions to the continuous supply of water.
	Frequency of Water main breaks (breaks/km/yr)	2.6	2.2	1.02 breaks / km /year for trunk mains 200 mm and larger. Baseline figure includes small diameter reticulation and service lines
Water Loss Management	Non-Revenue Water –NRW (%)	62%	45%	Honiara – 54.4%, Auki – 57.1%, Noro – 47.9% and Tulagi – 66.2%
	Extent of water metering (%)	88%	95%	97.9% of connected customers have water meters.
Water Supply Systems Pressures	Minimum pressure at water meter (m)	Unknown	10	Average around 8 m.
	Maximum pressure at water meter (m)	Unknown	70	100 m in some areas.
Demand Management	Residential water consumption (L/person/d)	177	170	Average around 150 l/person/d

Water Security	Frequency of water restrictions and/or rationing due to raw water capacity limitations	Unknown	1 month per year	49 days of restricted supply to parts of Honiara due to Kongulai and Kombito supply shutdowns because of high turbidity water following heavy rain.
Wastewater Service Continuity	Frequency of sewer main blockages (blockages/km/yr.)	6.7	5.0	8.31. Higher number of incidences due to 2 commercial customers building over our sewer pipes which necessitated relocation of pipes. Pipe relocation completed in November 2021.
Wastewater Effluent Quality	Compliance with required effluent quality targets (% of samples complying)	Unknown	Develop targets	To be developed as sewer upgrades progress in coming years
Financial	Collection period (average days for collection)	146	90	141 days. Lengthened collection period due to economic downturn
	Collection ratio (income as % of billed revenue)	84%	90%	67 % Reduced collection due to economic downturn
	Staff per 1,000 water & wastewater connections	18	12	14.6. Increased number of staff due to large capital works programme as well as significant customer growth.
Customer Complaints	Customer complaints /1,000 connections	Unknown	200	127 Increased complaints mainly due to Cash Water defects

Solomon Islands Water Authority

Financial Statements

For the year ended

31 December 2021

SOLOMON ISLANDS WATER AUTHORITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Statements

SOLOMON ISLANDS WATER AUTHORITY

Contents **Page**

Directors' report	1 - 2
Directors' declaration	3
Independent auditor's report	4 - 6
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 36

SOLOMON ISLANDS WATER AUTHORITY

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Solomon Islands Water Authority (the "Authority") as at 31 December 2021 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

Directors

The names of the Directors in office at the date of this report and any time during the financial year and up until the date the financial statements were authorised for issue are as follows:

Carson Korowa	Board Chairman (resigned on 25 November 2021)
Cynthia Wickham	Deputy Chair
Trevor Palmer	Board member (resigned on 24 November 2021)
Donald Marahare	Board member (Appointed Chairman 20 April 2022)
John Belande	Board member
Gloria Hong	Board member
Dr William Parairato	Board member
Anthony Makabo	Board Member
George Rausi	Board Member

State of affairs

In complying with the Solomon Islands Water Authority Act and the State Owned Enterprises Act of 2007, the Directors hereby submit the financial statements of the Authority consisting of the statement of financial position as at 31 December 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Authority for the year then ended.

Principal activities

The principal activity of the Authority during the year was the treatment and distribution of water in the Solomon Islands. There was no significant change in the nature of this activity during the financial year.

Results

The total comprehensive loss for the year was SBD 7,164,777 (2020 income: SBD 17,657,147).

Dividends

The Directors recommend that no dividends be declared and proposed for the year (2020: SBD Nil).

Reserves

The Directors acknowledge that no transfer be made to or from reserves.

Receivables

The Directors took reasonable steps before the Authority's financial statements were made out to ascertain that action had been taken in relation to writing off of all known bad debts and allowance made for impairment losses.

At the date of this report, the Directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Non-Current Assets

The Directors took reasonable steps before the Authority's financial statements were made out to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Authority. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise. The Directors also took reasonable steps to assess useful life of items of property, plant and equipment to reflect the current use of assets as shown in the accounting records of the Authority.

SOLOMON ISLANDS WATER AUTHORITY

DIRECTORS' REPORT (continued)

Non-Current Assets (continued)
As at the date of this report, the Directors are not aware of any circumstances which would render the values attributed to non-current assets in the Authority's financial statements misleading.

Going concern
In the opinion of the Directors, the Authority is a going concern.

Unusual circumstances
The results of the operations of the Authority during the financial year have not, in the opinion of the Directors, been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

Other circumstances
As at the date of this report:
(a) No charge on the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
(b) No contingent liabilities have arisen since the end of the financial year for which the Authority could become liable; and
(c) No contingent liabilities or other liabilities of the Authority have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Authority to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the Authority's financial statements, which would render any amounts stated in the financial statements to be misleading.

Directors' benefits
Since the beginning of this financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Authority) by reason of a contract made by the Authority with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Significant events during the year
During the year a number of Covid-19 cases were detected in quarantine. To counter the likelihood of community infection, the borders remained closed. This had an adverse impact on the Solomon Islands economy. Refer to Note 2(e) COVID-19 impact for details.

The riots in Honiara, while not having a significant financial impact on the Authority, temporarily disrupted its operations due to its impact on the lives of staff and their inability to travel to work.

Events subsequent to balance date
There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Donald Marahare was appointed Chairman of the Board of the Authority in March 2022.

Dated at Honiara, Solomon Islands, this 30th day of June 2023.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Director

Director

SOLOMON ISLANDS WATER AUTHORITY

STATEMENT BY DIRECTORS

In the opinion of the Directors:

(a) the accompanying statement of profit or loss and other comprehensive income of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the year ended 31 December 2021;

(b) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the changes in equity for the year ended 31 December 2021;

(c) the accompanying statement of financial position of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2021;

(d) the accompanying statements of cash flows of the Authority is drawn up so to give a true and fair view of the cash flows of the Authority for the year ended 31 December 2021;

(e) at the date of this statement there are reasonable grounds to believe the Authority will be able to pay its debts as and when they fall due; and

(f) all related party transactions have been adequately recorded in the books of the Authority.

Dated at Honiara, Solomon Islands, this 30th. day of June 2023.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Director

Director

Solomon Islands
Office of the Auditor-General

Independent Auditor's Report to the Members of Solomon Islands Water Authority

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Solomon Islands Water Authority ("the Authority") which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 26.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). 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 Authority in accordance with International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, and the ethical requirements that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - comparative information

I draw attention to Note 26 to the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2021 and 31 December 2020 have been restated. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and my auditor 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 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards, and for such internal control as management determines 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, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor'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 auditors' 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 International Standards of Supreme Audit Institutions (ISSAIs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' 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 auditors' report. However, future events or conditions may cause the Authority 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.

Independent Auditor's Report to the Members of Solomon Islands Water Authority

Report on the Audit of the Financial Statements (Continued)

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

Report on Other Legal and Regulatory Requirements

I have obtained all the information and explanations which, to the best of my knowledge and belief, are necessary for the purposes of my audit.

In my opinion, except for the effects of the matter I have drawn attention to in the *Emphasis of Opinion* section of my report:

i) proper books of account have been kept by the Authority, sufficient to enable financial statements to be prepared, so far as it appears from my examination of those books;

ii) to the best of my knowledge and according to the information and explanations given to us, the financial statements give the information required by the Solomon Islands Water Authority Act, 1992, and

iii) the Authority did not comply with the requirements of the State-Owned Enterprises Act 2007, which requires the audited financial statements to be submitted to the Minister within 3 months of the financial year end to which the financial statements related. The signed statements were presented to me on 30 June 2023.



David Teika Dennis
Auditor General
30 June 2023

Office of the Auditor-General
Honiara, Solomon Islands

SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 SBD	2020 restated SBD
Continuing operations			
Revenue from contracts with customers	5	118,679,205	98,257,235
Other income (1)	6	15,425,436	19,784,297
		134,104,641	**118,041,532**
Expenses			
Corporate expenses (1)	7	(22,028,311)	(11,754,737)
Depreciation and amortisation		(20,015,935)	(11,409,775)
Salaries and employee benefits	8	(41,503,767)	(33,582,079)
Impairment of financial assets	4 (i)	(11,917,307)	(7,513,150)
Repairs and maintenance		(12,058,804)	(5,874,053)
Tools and uniforms		(2,901,906)	(1,227,548)
Utilities		(27,925,834)	(25,887,837)
Water treatment		(1,936,467)	(1,243,955)
		(140,288,331)	**(98,493,134)**
Finance income	9 (a)	105,643	38,203
Finance costs	9 (b)	(1,086,730)	(1,929,454)
Net (loss) / profit for the year (1)		**(7,164,777)**	**17,657,147**
Other comprehensive income		-	-
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year (1)		**(7,164,777)**	**17,657,147**

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

(1). The comparative information is restated on account of errors. See note 26.

SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021	2020 restated	2019 restated
Assets		**SBD**	**SBD**	**SBD**
Current assets				
Cash and cash equivalents	10	30,011,684	28,532,137	9,366,569
Trade receivables	11	22,162,218	16,324,529	15,827,135
Contract assets	12	4,520,881	4,101,076	2,783,803
Debt securities	15	29,771,909	10,000,000	10,000,000
Inventories	13	14,937,209	7,474,971	8,460,042
Other receivables and prepayments	14	5,563,532	3,227,359	3,196,280
		106,967,433	**69,660,072**	**49,633,829**
Non-current assets				
Property, plant and equipment (1)	16	335,157,748	326,455,725	282,219,691
Intangible assets	17	-	-	248,888
Right-of-use assets	18 (i)	4,614,110	3,299,836	2,770,649
		339,771,858	**329,755,561**	**285,239,228**
Total assets		**446,739,291**	**399,415,633**	**334,873,057**
Liabilities				
Current liabilities				
Trade and other payables	19	17,257,628	12,340,372	15,858,666
Employee benefits liability	20	2,262,186	1,607,628	1,379,099
Contract liabilities	12	1,025,206	1,623,186	908,877
Lease liabilities	18 (ii)	1,031,073	891,862	950,344
Deferred revenue (1)	21	3,100,000	3,696,272	3,028,969
Payable to related parties	24 (e)	894,067	184,443	720,464
		25,570,160	**20,343,763**	**22,846,419**
Non-current liabilities				
Lease liabilities	18 (ii)	3,836,880	2,564,534	1,893,974
Employee benefits liability	20	1,390,074	1,254,637	-
Deferred revenue (1)	21	162,830,504	113,087,890	100,978,622
Payable to related parties	24 (e)	33,465,261	35,353,620	-
		201,522,719	**152,260,681**	**102,872,596**
Total liabilities		**227,092,879**	**172,604,444**	**125,719,015**
Equity				
Capital contribution	22	59,625,874	59,625,874	59,625,874
Asset revaluation reserve		104,088,846	104,088,846	104,088,846
Retained earnings (1)		55,931,692	63,096,469	45,439,322
Total equity		**219,646,412**	**226,811,189**	**209,154,042**
Total equity and liabilities		**446,739,291**	**399,415,633**	**334,873,057**

Signed for and on behalf of the Board of Directors.

Director

Director

The statement of financial position is to be read in conjunction with the notes to the financial statements.

(1). The comparative information is restated on account of errors. See note 26.

SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Capital Contribution SBD	Asset Revaluation Reserve SBD	Retained Earnings SBD	Total SBD
Balance at 1 January 2020 as previously reported		**59,625,874**	**104,088,846**	**45,439,322**	**209,154,042**
Impact of correction of error	26	-	-	-	-
Restated balance as at 1 January 2020		**59,625,874**	**104,088,846**	**45,439,322**	**209,154,042**
Total comprehensive income for the year					
Profit for the year		-	-	17,657,147	17,657,147
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	17,657,147	17,657,147
Restated balance at 31 December 2020		**59,625,874**	**104,088,846**	**63,096,469**	**226,811,189**
Restated balance at 1 January 2021		**59,625,874**	**104,088,846**	**63,096,469**	**226,811,189**
Total comprehensive income for the year					
Loss for the year		-	-	(7,164,777)	(7,164,777)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		-	-	(7,164,777)	(7,164,777)
Balance at 31 December 2021		**59,625,874**	**104,088,846**	**55,931,692**	**219,646,412**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2021

	Note	2021 SBD	2020 SBD
Operating activities			
Net (loss) / profit		**(7,164,777)**	**17,657,147**
Adjustment to reconcile profit to net cash flows			
Non-cash:			
Amortisation of deferred revenue	6	(3,055,314)	(3,696,272)
Amortisation of discount on interest free loan	9 (b)	-	217,037
Amortisation of discount on low interest loan	9 (b)	872,069	1,431,558
Allowance for doubtful debts	4 (i)	11,917,307	7,513,150
Depreciation and amortisation of assets	16 & 17	20,015,935	11,409,775
Interest expense on lease liability	9 (b)	214,661	203,208
Inventory obsolescence	7	-	1,039,705
Impairment of property, plant and equipment	7	962,444	-
Impairment of cash at bank and term deposits	7	723,128	-
Gain on disposal of property, plant and equipment	6	(224,165)	-
Loss on disposal of property, plant and equipment	7	-	-
Working capital adjustments:			
Non-cash:			
Increase in trade receivables		(17,754,996)	(8,010,544)
Increase in other receivables		(2,336,173)	(31,079)
Increase in contract assets		(419,805)	(1,317,273)
(Increase) / decrease in inventory		(5,809,780)	540,615
(Increase) / decrease in trade and other creditors		4,917,256	(3,518,294)
Movements in employee benefit liabilities	20	789,995	1,483,166
(Decrease) / increase in contract liabilities		(597,980)	714,309
Net cash flows from operating activities		**3,049,805**	**25,636,208**
Investing activities			
Acquisition of plant and equipment	16	(35,811,005)	(55,011,410)
Proceeds from sale of plant and equipment		5,726,747	-
Investment in debt securities	15	(20,099,424)	-
Interest from Debt Invesments		-	2,134,199
Net cash flows used in investing activities		**(50,183,682)**	**(52,877,211)**
Financing activities			
Proceeds from related party borrowings	24 (e)	1,670,792	48,445,148
Repayments of related party borrowings	24 (e)	(3,721,595)	(937,500)
Payment of lease liabilities	18 (a) (ii)	(1,141,816)	(1,101,077)
Receipt of donor grants		52,201,656	-
Net cash flows from financing activities		**49,009,037**	**46,406,571**
Net decrease in cash and cash equivalents		1,875,160	19,165,568
Cash and cash equivalents at the beginning of the year		28,532,137	9,366,569
Cash and cash equivalents at end of year	10	30,407,297	28,532,137

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

SOLOMON ISLANDS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Reporting entity

Solomon Islands Water Authority (the "Authority") is a state owned enterprise established under the Solomon Islands Water Authority Act 1993. The address of the Authority's registered office is Mendana Avenue, Honiara, Solomon Islands.

The principal activity of the Authority during the year was the treatment and distribution of water in the Solomon Islands. There were no significant changes in the nature of this activity during the year.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 30/6/23.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except where stated otherwise.

(c) Functional and presentation currency

The financial statements are presented in Solomon Bokolo Dollars (SBD), rounded to the nearest dollar, which is the Authority's functional currency.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Depreciation rates	Note 3(f)
Leases - term and discount rate	Note 3(h) (i)
Impairment of financial instruments	Note 3(j) (vi)
Impairment of non-financial asset	Note 3(l)

(e) COVID-19 Impact

As disclosed in the Directors' Report (Significant events during the year), community transmission of Covid-19 was first identified in January 2022 in Solomon Islands. However, the economy began to be impacted with the closure of national borders in early 2020.

As a way of countering the risk of reduced revenue, the Authority invested in a number of staff connected to revenue generation. These included staff in the Non-Revenue Water team, Operations field staff and Collections. The Authority ensured that all staff were fully vaccinated. This minimised the number of staff being severely affected. As per Solomon Islands Government protocols, the Authority insisted on walk-in customers, contractors and consultants also being fully vaccinated. The number of walk-in customers initially decreased due to this requirement thereby affecting collections in the early phase of the Covid-19 community transmission.

Border closures have resulted in specialist consulting skills not being able to be brought in country resulting in the Authority absorbing more risk on projects than it otherwise would. Internal estimates point to a 30% to 40% increase in project costs due to increased materials and shipping costs.

The Authority's COVID-19 Preparedness Resource Plan was severely tested in the advent of the community outbreak and updates were made to protocols.

3. Significant accounting policies

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

(a) Foreign currencies

Transactions in foreign currencies are initially recorded by the Authority at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(b) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Authority recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers.

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Water sales	Customers obtain control of water when the goods are delivered to and have been accepted by using the water at their premises. Invoices are generated on a monthly basis and are usually payable within 30 days. No discounts are provided to the customers.
Installation	The Authority charges for service and waste water installation in order to provide water to customers'. This is an up-front fee that the customer pays in order to receive water at their premises. The fees do not transfer a distinct good or service to the customer and therefore is not a separate performance obligation. The fee is included in the transaction price and allocated to the performance obligation identified in the contract, being provision of water to the customer.
Survey	The Authority charges survey fees when a customer applies for a new connection and which relates to the Authority performing a survey to determine whether it will be able to provide water services to the customer based on water pressure and/or land issues in the area where the customer is located. This is charged to customers in order to provide water to their premises. This is an up-front fee. The fees do not transfer a distinct good or service to the customer and therefore is not a separate performance obligation. The fee is included in the transaction price and is allocated to the performance obligation identified in the contract, being provision of water to the customer.

3. Significant accounting policies (continued)

(b) Revenue (continued)

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Plumbing and investigation	The Authority charges plumbing and investigation fee when a customer requests for plumbing works to be carried out after the water meter to their homes. The fees do not transfer a distinct good or service to the customer and therefore is not a separate performance obligation. The fee is included in the transaction price and is allocated to the performance obligation identified in the contract, being provision of water to the customer.
Standing and unmetered	The Authority charges standing fees on a monthly basis which relates to account maintenance and administration. Additionally, the Authority also charges unmetered fees to all domestic and commercial customers on a monthly basis regardless of the usage. The charges are for cases where meters are faulty, connections are connected without a meter due to meter shortages in the stores, meters buried because of landslides or deposits or meters are faulty. These charges continue until the meter is replaced with a functional meter. The fees do not transfer a distinct good or service to the customer and therefore is not a separate performance obligation. The fee is included in the transaction price and is allocated to the performance obligation identified in the contract, being provision of water to the customer.
Reconnection, disconnection, meter testing, service amplification and water and sewer main extension	The Authority charges reconnection fees to reconnect a disconnected customer. Disconnection fee is charged to disconnect services on customer request or due to unpaid balances. The Authority charges meter testing fee when customers request for their meters to be tested to determine if it is working properly. Service amplification fees are charged when customers request for the current smaller sized pipes to be replaced with larger sized pipes due to increase demand. The Authority also charges water and sewer main extension fees when customers request to extend the current waste water service line or to divert the line from its current location. The Authority recognises revenue when the related service is provided to the customer i.e. point-in time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Authority has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

(c) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as debt securities, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income on the statement of profit or loss and other comprehensive income.

3. Significant accounting policies (continued)

(d) Grants

The Authority recognises an unconditional grant in profit or loss as other income when the grant becomes receivable. Other grants related to non-monetary assets are initially recognised as deferred income at fair value if there is a reasonable assurance that they will be received and the Authority will comply with the conditions associated with the grant. Grants related to the acquistion or construction of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Authority for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which expenses are recognised.

(e) Income taxes

The income and revenue of the Authority is not subject to taxation under the Solomon Islands Water Authority Act 1993.

(f) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Costs include expenditure that is directly attributable to the acquisition of the items.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

Subsequent measurement

The cost of replacing part of a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Authority and its costs can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The impairment accounting policy for goodwill and intangible assets with indefinite lives similarly applies to other non-financial assets, including property, plant and equipment.

Revaluation of property, plant and equipment

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. Depreciation on revalued assets is charged to profit or loss.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Water systems and plant and equipment are shown at fair value based on valuation by external and independent valuers, revalued by Deloitte (Australia) in 2015. Due to the specialised nature of the assets, the depreciated replacement cost approach was used to assess the fair value of the majority of the water infrastructure assets. The market approach was used to value a small number of mobile plant assets.

3. Significant accounting policies (continued)

(f) Property, plant and equipment (continued)

Depreciation
Depreciation is calculated using straight line method subject to the particular asset using rates as follows:

Buildings	2.50% - 5.56%
Water systems	1.27% to 50%
Plant and equipment	5.56% to 50%
Furniture and fittings	16.67% to 20%
Motor vehicles	16.67% to 33.33%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Refer to Note 16(c) for the changes in estimates for useful life of assets by the Authority during the year.

(g) Intangible assets
Intangible assets comprises of softwares for the Authority. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(h) Leases
At inception of a contract, the Authority assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee
At commencement or on modification of a contract that contains a lease component, the Authority allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Authority has elected not to separate non-lease components and account for the leases and non-lease components as a single lease component.

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusred for any lease payments made at or before the commencement date, plus any initatial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. Significant accounting policies (continued)

(h) Leases (continued)

i. As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Authority by the end of the lease term or the cost of the right-of-use asset reflects that the Authority will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Authority's incremental borrowing rate. The Authority uses its incremental borrowing rate as the discount rate.

The Authority determines its incremental borrowing rate by obtaining interest rates from its financial institution and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Authority is reasonably certain to exercise, lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Authority is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, if the Authority changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

The Authority presents right-of-use assets and lease liabilities in the statement of financial position.

Short term leases and leases of low-value assets

The Authority has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

The Authority does not have any leases where it acts as a lessor.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. Significant accounting policies (continued)

(j) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Authority makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Authority's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de recognition are not considered sales for this purpose, consistent with the Authority's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3. Significant accounting policies (continued)

(j) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Authority considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Authority considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- Terms that limit the Authority's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognised in profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Authority's statement of financial position) when:

- The rights to receive cash flows from the asset have expired: or
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. Significant accounting policies (continued)

(j) Financial instruments (continued)

iii. Derecognition (continued)

Financial assets (continued)

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Authority continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Financial liabilities

The Authority derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Authority also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Modifications of financial instruments

If the terms of financial instruments are modified, the Authority evaluates whether the cash flows of the modified instrument are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset and liability are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified instrument carried at amortised cost are not substantially different, then the modification does not result in de recognition of the financial asset and liability. In this case, the Authority recalculates the gross carrying amount of the financial asset and liability, and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vi. Impairment

The Authority recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Authority measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

3. Significant accounting policies (continued)

(j) Financial instruments (continued)

vi. Impairment (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment and including forward-looking information.

The Authority assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Authority considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Authority in full, without recourse by the Authority to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:
- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Authority expects to receive); and
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Authority assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the customers or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a receivable by the Authority on terms that the Authority would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3. Significant accounting policies (continued)

(j) Financial instruments (continued)

vi. Impairment (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Authority determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Authority's procedures for recovery of amounts due.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

A provision for stock obsolescence is established where there is objective evidence that the Authority will not be able to collect the cost of inventory due to obsolescence or damage. Provision is raised on a specific basis based on the condition of the inventory. The carrying amount of inventories is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When an inventory item is obsolete or damaged, it is written off against the allowance account.

(l) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

Property, plant and equipment	Note 3(f)
Intangible assets	Note 3(g)

The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Authorities of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Authority bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Authority's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

3. Significant accounting policies (continued)

(l) Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Authority estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and cash on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

(n) Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee entitlements

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

i. Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Authority deducts and pays 5 per cent of the employees' gross salaries and contributes 7.5 per cent of employee's gross salaries to the Solomon Islands National Provident Fund. Obligations for contributions are recognised as employee benefit expense in profit or loss in the period during which services are rendered by employees.

ii. Short term benefits

Short-term employee benefit are measured on an undiscounted basis and are expensed in the profit or loss as the related services is provided.

(p) Trade and other payables

Liabilities for trade creditors and other amounts are at cost (inclusive of Consumption Tax where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Authority. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial period.

3. Significant accounting policies (continued)

(q) Comparative figures

Certain comparative amounts have been restated, rectified and represented as a result of a correction of period period error. (See Note 26).

(r) New standards, amendments and interpretations issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted; however, the Authority has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Authority's financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of Material (Amendments to IAS 1 and IAS 8);
- Definition of a Business (Amendments to IFRS 3).
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice statement 2)
- Definition of accounting estimates (Amendments to IAS 8)
- Deferred tax related to assets and liabilities arising from a single transaction (Amendment to IAS 12)
- Insurance contracts (Amendment to IFRS 17)

4. Financial risk management

Overview

The Authority has exposure to the following financial risks:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

This note presents information about the Authority's exposure to each of the above risks and the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Authority's risk management framework. The Authority's risk management policies are established to identify and analyse the risks faced by the Authority, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority's activities. The Authority, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Authority's Board oversees how management monitors compliance with the Authority's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Authority. The Board is assisted in their oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and processes, the result of which is reported to the Board.

The above risks are limited by the Authority's financial management policies and procedures as described below:

4. Financial risk management (continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Authority's receivables from customers, cash at bank and debt securities.

The carrying amount of financial assets and contract assets represents the maximum credit exposure.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

	2021 SBD	2020 SBD
Impairment loss on trade receivables and contract assets arising from contracts with customers	11,917,307	7,513,150

Trade receivables and contract assets

Customer credit risk is managed subject to the Authority's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and water services disconnected where domestic and commercial accounts are outstanding greater than 30 days.

An impairment analysis is performed at each reporting date collectively for all customer accounts. The calculation is based on actual incurred historic data. The carrying amount of financial assets represent the maximum exposure. The Authority evaluates the concentration of risk with respect to trade receivables as high.

Expected credit loss assessment for trade receivables and contract assets

The Authority uses a provision matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December.

	Weighted-average loss rate	Gross carrying amount	Loss allowance	Credit impaired
31 December 2021	SBD	SBD	SBD	SBD
Current (not past due)	23.28%	7,372,919	1,716,460	5,656,459
31 - 60 days past due	38.25%	6,320,945	2,417,858	3,903,087
61 - 90 days past due	57.26%	5,287,087	3,027,646	2,259,441
More than 90 days past due	65.80%	30,239,685	19,896,454	10,343,231
		49,220,636	27,058,418	22,162,218
31 December 2020				
Current (not past due)	23.37%	5,432,522	1,269,588	4,162,934
31 - 60 days past due	38.40%	3,789,026	1,454,935	2,334,091
61 - 90 days past due	57.49%	2,048,417	1,177,536	870,881
More than 90 days past due	56.71%	22,171,757	13,215,134	8,956,623
		33,441,722	17,117,193	16,324,529

4. Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Expected credit loss assessment for trade receivables and contract assets (continued)

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Authority's view of economic conditions over the expected lives of trade receivables. Scalar factors are based on actual and forecast GDP growth rates.

Movements in the allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows.

	2021 SBD	2020 SBD
Balance at 1 January	17,117,193	14,600,564
Amounts written off	(1,976,082)	(4,996,521)
Impairment charge for the year	11,917,307	7,513,150
Balance at 31 December	27,058,418	17,117,193

Cash and cash equivalents

The Authority held cash and cash equivalents of SBD 30,383,015 (2020: SBD28,508,855). Cash and cash equivalents are held with banks which are rated A- and B- based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects short term maturities of the exposures.

The amount of impairment allowance at 31 December 2021 was SBD 395,613 Nil (2020: SBD Nil).

Debt securities

The Authority held debt investment securities of SBD 30,099,424 at 31 December 2021 (2020: SBD 10,000,000). The debt investment securities are held with institutions which are rated A- based on Standard & Poor's credit ratings. In relation to debt investment securities held with these institutions, the Authority monitors changes in credit risk by tracking published external credit ratings but when external credit ratings are not available or published, the Authority monitors changes in credit risk by reviewing available press and regulatory information.

Impairment on debt investment securities held with banks has been measured on the 12 month expected loss basis. The Authority considers that its cash have low credit risk ratings of the counterparties.

The Authority recognised an impairment allowance against debt securities as at 31 December 2021 amounting $327,515 (2020: SBD Nil)

(ii) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

The Authority ensures that it has sufficient cash on hand to meet operational expenses including the servicing of financial obligations but this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

4. Financial risk management (continued)

(ii) Liquidity risk (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date, based on contractual undiscounted payments.

		Contractual cash flows		
	Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
31 December 2021				
Trade and other payables	17,257,628	17,257,628		-
Payable to related parties	34,359,328	470,227	1,081,930	32,807,171
Lease liabilities	4,867,953	1,265,178	1,265,178	6,167,243
	56,484,909	18,993,033	2,347,108	38,974,414
31 December 2020				
Trade and other payables	12,340,372	12,340,372	-	-
Payable to related parties	35,353,620	467,857	1,087,441	60,127,766
Lease liabilities	3,456,396	1,052,778	1,041,513	5,112,435
	51,150,388	13,861,007	2,128,954	65,240,201

(iii) Market risk

Currency risk

The Authority is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases, and borrowings are denominated and the respective functional currencies. The Authority does not have significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that a change in interest rates will impact net interest costs and borrowings.

The Authority has invested in debt securities with Bred Bank and borrowings with ADB and World Bank. These are at a fixed interest rate during the term of the instruments.

Given the fixed nature of interest rates described above, the Authority has a high level of certainty over the impact on cash flows arising from interest income. Accordingly, the Authority does not require simulations to be performed over impact on net profits arising from changes in interest rates.

Furthermore, for those financial assets and financial liabilities which are not carried at fair value, their carrying amount is considered a reasonable approximation of fair value.

		2021 SBD	2020 SBD
5.	**Revenue from contracts with customers**		
	Water sales	109,379,542	91,657,409
	Standing and unmetered	8,357,743	6,205,639
	Reconnection, disconnection, meter testing, service amplification, water & sewer main extension	941,920	394,187
		118,679,205	98,257,235
6.	**Other income**		
	Amortisation of deferred revenue	3,055,314	3,696,272
	Bad debts recovered	1,197,168	1,521,569
	Concessional loan grant income	13,347	3,881,619
	Miscellaneous income	106,822	133,387
	Solomon Islands Government - CSO grant	3,100,000	3,776,642
	Solomon Islands Government - COVID-19 Stimulus package	-	4,585,233
	Special project income - SPG	6,645,857	2,189,575
	New Zealand Government Ministry of Foreign affairs Grant	166,040	-
	Gain on Sale of Fixed Assets	224,165	-
	Gain on revaluation of loans with ADB and World Bank	916,723	-
		15,425,436	19,784,297
7.	**Corporate expenses**		
	Accounting fees	326,801	86,160
	Advertising	313,055	249,124
	Impairment of cash water meters (Refer Note 16)	962,444	-
	Auditors' remuneration	453,337	256,990
	Bank fees and charges	119,974	40,559
	Board allowances	94,683	81,800
	Consultant fees	1,612,706	2,347,939
	Impairment expenses on Cash at Bank and Term Deposit	723,128	-
	Insurance	884,058	714,562
	Inventory obsolescence	-	1,039,705
	Lease rentals	2,006,471	227,936
	Legal fees	268,477	29,867
	Other expenses	5,773,544	2,479,678
	Printing, freight and stationery	2,613,615	1,127,795
	Software training and computer consumables	2,349,533	1,151,120
	Telephone	1,745,936	1,345,871
	Travel and transport	1,338,944	575,631
	Water meters	441,605	-
		22,028,311	11,754,737

		2021 SBD	2020 SBD
8.	**Salaries and employee benefits**		
	Wages and salaries, including leave benefits	15,829,305	12,428,066
	Key management personnel - short term benefits	10,371,244	8,471,349
	Key management personnel - Superannuation contributions	904,044	970,894
	Superannuation contributions	1,720,335	1,449,917
	House rentals and allowances	12,678,839	10,261,853
		41,503,767	33,582,079
9.	**Finance income and finance costs**		
(a)	**Finance income**		
	Interest income	105,643	38,203
(b)	**Finance cost**		
	Amortisation of discount - SIEA loan	-	217,037
	Interest expense - lease liability	214,661	203,208
	Realised foreign exchange loss	-	77,651
	UWSSSP ADB concessional loan - interest	640,442	899,445
	UWSSSP World Bank concessional loan - interest	231,627	532,113
		1,086,730	1,929,454
10.	**Cash and cash equivalents**		
	Cash at bank	30,383,015	28,508,855
	Provision for impairment of cash at bank	(395,613)	-
		29,987,402	28,508,855
	Cash on hand	24,282	23,282
	Cash and cash equivalents as per statement of cash flows	30,011,684	28,532,137
11.	**Trade receivables**		
	Trade receivables	49,220,636	33,441,722
	Provision for impairment of receivables	(27,058,418)	(17,117,193)
		22,162,218	16,324,529
	Movements in the provision for impairment of receivables were as follows:		
	Opening balance	(17,117,193)	(14,600,564)
	Charge for the year	(11,917,307)	(7,513,150)
	Utilised during the year	1,976,082	4,996,521
	Closing balance	(27,058,418)	(17,117,193)
12.	**Contract balances**		
	Contract balances have arisen from IFRS 15 *Revenue from contracts with Customers.*		
	Contract assets	4,520,881	4,101,076
	Contract liabilities	(1,025,206)	(1,623,186)
		3,495,675	2,477,890

The contract assets primarily relate to the Authority's rights to consideration for services provided but not billed at the reporting date on water sales. The contract assets are transferred to receivables when the billing cycle is completed and Authority has issued an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers for water sales and new meter connections for which revenue is recognised at a point in time when the services has been rendered. This will be recognised as revenue when the services are rendered to the customers, which is expected to occur in the subsequent period.

13. Inventories

	2021 SBD	2020 SBD
Stores and consumables	14,937,209	9,127,429
Provision for inventory obsolescence	-	(1,652,458)
	14,937,209	7,474,971
Provision for inventory obsolescence		
Balance at 1 January	(1,652,458)	(893,783)
Provision created during the year	-	(1,039,705)
Provision utilised during the year	-	281,030
Provision reclassed to water systems impairment	1,652,458	-
Balance at 31 December	-	(1,652,458)

14. Other receivables and prepayments

Grant receivable - ADB UWSSSP	883,091	85,958
Other debtors	3,126,200	543,407
Prepayments	1,554,241	2,597,994
	5,563,532	3,227,359

15. Debt securities

Term deposits	30,099,424	10,000,000
Provision for IFRS 9 impairment of cash at bank	(327,515)	-
	29,771,909	10,000,000

The interest rates on term deposits are as follows.The deposits have a maturity of 180 days (2020: 180 days).

Bank	Interest	2021 SBD	2020 SBD
Bred Bank	1%	10,099,424	10,000,000
BSP Bank	1%	10,000,000	-
BSP Bank	0.75%	5,000,000	-
BSP Bank	0.20%	5,000,000	-
		30,099,424	10,000,000

16. Property, plant and equipment

	Water Systems SBD	Land and Buildings SBD	Machinery, Equipment and Computers SBD	Motor vehicles SBD	Furniture and Fittings SBD	Work in Progress SBD	Total SBD
Cost							
Balance at 1 January 2020 - restated	310,847,289	22,988,179	11,778,186	11,859,980	862,638	22,407,362	380,743,634
Additions - restated	17,911,585	13,780,485	299,289	1,601,244	38,094	21,380,713	55,011,410
Write-off	(744,061)	-	-	-	-	-	(744,061)
Balance at 31 December 2020 - restated	328,014,813	36,768,664	12,077,475	13,461,224	900,732	43,788,075	435,010,983
Balance at 1 January 2021 - restated	328,014,813	36,768,664	12,077,475	13,461,224	900,732	43,788,075	435,010,983
Additions	1,278,226	-	1,613,651	8,213,338	-	24,705,790	35,811,005
Disposals	-	-	-	(892,800)	-	(5,455,914)	(6,348,714)
Transfers	3,119,600	3,564,168	135,511	-	-	(6,819,279)	-
Balance at 31 December 2021	332,412,639	40,332,832	13,826,637	20,781,762	900,732	56,218,672	464,473,274
Accumulated depreciation							
Balance at 1 January 2020	72,904,799	4,173,865	10,943,063	10,034,775	467,441	-	98,523,943
Depreciation	8,274,980	1,044,536	234,953	542,767	82,891	-	10,180,127
Disposals	(148,812)	-	-	-	-	-	(148,812)
Balance at 31 December 2020	81,030,967	5,218,401	11,178,016	10,577,542	550,332	-	108,555,258
Balance at 1 January 2021	81,030,967	5,218,401	11,178,016	10,577,542	550,332	-	108,555,258
Depreciation	8,347,387	1,569,264	584,988	1,174,713	84,577	-	11,760,929
Write-Down (refer Note 16 (a))	7,230,570	-	-	-	-	-	7,230,570
Disposals	-	-	-	(846,133)	-	-	(846,133)
Transfers from inventory	1,652,458	-	-	-	-	-	1,652,458
Impairment (refer Note 16 (b))	962,444	-	-	-	-	-	962,444
Balance at 31 December 2021	99,223,826	6,787,665	11,763,004	10,906,122	634,909	-	129,315,526
Carrying amounts							
At 1 January 2020 - restated	237,942,490	18,814,314	835,123	1,825,205	395,197	22,407,362	282,219,691
At 31 December 2020 - restated	246,983,846	31,550,263	899,459	2,883,682	350,400	43,788,075	326,455,725
At 31 December 2021	233,188,813	33,545,167	2,063,633	9,875,640	265,823	56,218,672	335,157,748

16. Property, plant and equipment (continued)

(a) Accelerated depreciation / Write-downs

During 2021, the Authority inspected all its cash water meters which resulted in a large number of V12 cash water meters being identified as faulty. The faulty electronic component was stripped down and these meters were used as post-paid meters. The Authority accelerated the depreciation on these respective meters by reducing the useful life from 10 years to 2 years, resulting in a depreciation write-down of $7,230,570.

(b) Impairment loss

During 2021, the Authority reclassed V12 cash water meters and its provision of $1,652,458 from inventory to property, plant and equipment under the water systems asset class. Additional impairment of $962,444 was booked for V12 cash water meters that were identified to be faulty and returned to the supplier (not yet received back by the Authority) in 2021. Thus, the total impairment on the V12 cash water meters was $2,614,902.

(c) Change in estimate

In accordance with its policy, the Authority reviews the estimated useful lives of its property, plant and equipment on an ongoing basis. During the year, the Authority conducted a review of the estimated useful lives of its property, plant and equipment. This review indicated that the actual lives of cash water meters recorded under water systems category of property, plant and equipment were shorter than the estimated useful lives used for depreciation purposes in the Authority's financial statements. As a result, effective 1 January 2021, the Authority changed its estimates of useful lives of the above mentioned asset to better reflect the estimated periods during which these assets will remain in service. The effect of this change in estimate increased the 2021 depreciation expense for the Authority by a net amount of $7,230,570.

17. Intangible assets

	2021 SBD	2020 SBD
Cost		
Balance at 1 January	879,690	879,690
Balance at 31 December	879,690	879,690
Accumulated amortisation		
Balance at 1 January	879,690	630,802
Amortisation expense during the year	-	248,888
Balance at 31 December	879,690	879,690
Carrying amount as at 31 December	-	-

18. Leases

As a lessee

The Authority leases assets including office spaces and land for its depot and water source and storage locations. Information about leases for which the Authority is a lessee is presented below.

(i) Right-of-use assets

	2021 SBD	2020 SBD
Balance at 1 January	3,299,836	2,770,649
Additions during the year	2,338,711	1,509,947
Depreciation charge during the year	(1,024,437)	(980,760)
Balance at 31 December	4,614,110	3,299,836

18. Leases (continued)

As a lessee (continued)

(ii) Lease liabilities	2021 SBD	2020 SBD
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,265,178	1,052,778
One to five years	2,693,126	1,332,245
More than five years	4,739,295	4,821,703
Total undiscounted liabilities at 31 December	8,697,599	7,206,726
Lease liabilities included in the statement of financial position at 31 December		
Current	1,031,073	891,862
Non-current	3,836,880	2,564,534
	4,867,953	3,456,396
Amounts recognised in profit or loss		
Depreciation expense	1,024,437	980,760
Interest on lease liabilities	214,661	203,208
Variable lease payments not included in the measurement of lease liabilities	2,006,471	227,936
	3,245,569	1,411,904
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	1,052,778	1,101,077

Real estate lease

The Authority leases buildings for its office space, customer service and bill-pay centre while land is leased for depots, warehouses, borehole and reservoir sites.

The lease for office space, customer service and bill-pay centre was renewed in August 2021 and runs through to 31 December 2024. During the year the Authority expanded its rental space which increased the lease liability on this lease. This factor, plus additional land titles acquired during the year resulted in an increase in lease liability of $1,411,557 over the prior year. Leases for land typically run for a period of fifteen to seventy-five years with no option to renew lease as per the lease agreements.

	2021 SBD	2020 SBD
19. Trade and other payables		
Trade payables	1,000,418	610,883
Other payables	10,185,364	6,155,584
Water deposits	6,071,846	5,573,905
	17,257,628	12,340,372
20. Employee benefit liability		
Annual leave	2,262,186	1,607,628
Long service benefit	618,165	563,973
Long service leave	771,909	690,664
	3,652,260	2,862,265
Balance at the beginning of year	2,862,265	1,379,099
Net movement during the year	789,995	1,483,166
Balance at the end of year	3,652,260	2,862,265

21. Deferred Revenue

	2021 SBD	2020 SBD
Donor Funds Received for Capital Projects and Spent		
Asian Development Bank	34,758,092	20,851,933
Australian Government Department of Foreign Affairs and Trade	42,749,350	12,245,119
Japan International Cooperation Agency	76,427,563	78,982,338
Solomon Islands Government	4,469,232	4,704,772
New Zealand Ministry of Foreign Affairs and Trade (MFAT)	7,526,267	-
	165,930,504	116,784,162
As disclosed in the statement of financial position:		
Current	3,100,000	3,696,272
Non-current	162,830,504	113,087,890
	165,930,504	116,784,162

In 2021 the Authority received grants of about $31 million from the Australian Government to assist vulnerable communities in Honiara and provinces and about $8 million from the New Zealand Government as support for Non-Revenue Water activities. The Authority received a further $ 7 million grant from Asian Development Bank under the Urban Water Supply and Sanitation Sector Project (UWSSSP) funding package. The Australia and New Zealand grants were accounted for by receipt of cash with corresponding entries to deferred revenue. The UWSSSP grant was accounted as Work-in-progress with a corresponding amount to deferred income.

22. Contributed capital

	2021 SBD	2020 SBD
Contributed capital	59,625,874	59,625,874

Capital represents Government's contribution on the establishment of Solomon Islands Water Authority.

23. Commitments and contingent liabilities

Contingent liabilities

- Several former employees of the Authority has filed complaints in the Trade Disputes Panel claiming compensation for unfair dismissal. The Authority is defending the claim which is still pending.
- The Authority together with the Solomon Islands Government are claimants in a High Court Civil Case 339/16 against a group of landowners regarding access to a water source. The case is still pending. There is no financial claim against the Authority.
- In High Court Civil Case 232/18 the Authority is being sued by customary landowners over extraction of and from disputed land. The claim is for about SBD 150,000. The Authority does not dispute owing the money but there is a dispute among landowners as to who is entitled to the money. The case is still pending. The Authority has accrued an amount of SBD 150,000 as part of other payables for the claim.
- The Authority together with the Solomon Islands Government are claimants in a High Court Civil Case 339/16 against a group of landowners regarding access to a water source. The case is still pending. There is no financial claim against the Authority.
- A couple are claiming the Authority trespassed their property when the Authority, following the Government's declaration of the land as a water catchment area, used the land to supply water to residents of East Honiara. The claim was for $10,850,000. The couple have since offered to settle out of court for SBD 17,600,000.

24. Related party transactions

(a) Directors

The names of persons who were directors of Solomon Islands Water Authority at any time during the financial year are as follows:

Carson Korowa	Board Chairman (resigned on 25 November 2021)
Cynthia Wickham	Deputy Chair
Trevor Palmer	Board member (resigned on 24 November 2021)
Donald Marahare	Board member (Appointed Chairman 20 April 2022)
John Belande	Board member
Gloria Hong	Board member
Dr William Parairato	Board member
Anthony Makabo	Board Member
George Rausi	Board Member

(b) Controlling entities

The ultimate parent of the Authority is the Solomon Islands Government. The Government has control over the Authority.

(c) Compensation of key management personnel	2021 SBD	2020 SBD
Short term employee benefits	10,371,244	8,471,349
Superannuation contributions	904,044	970,894
	11,275,288	9,442,243

(d) Transactions with related parties

Transactions with related parties during the year ended 31 December with approximate transaction value are summarised as follows:

Controlling entity	2021 SBD	2020 SBD
Solomon Islands Government - COVID-19 Stimulus package	-	5,000,000
Solomon Islands Government - CSO grant	3,100,000	3,776,642
	3,100,000	8,776,642
Directors		
Directors remuneration and expenses	94,683	81,800

(e) Amount owed to related parties

Current		
Solomon Islands Electricity Authority	1	1
Solomon Islands Government - Asian Development Bank Loan	662,439	142,821
Solomon Islands Government - World Bank Loan	231,627	41,621
	894,067	184,443
Non-current		
Solomon Islands Government - Asian Development Bank Loan	22,595,582	22,677,786
Solomon Islands Government - World Bank Loan	10,869,679	12,675,834
	33,465,261	35,353,620

On 1 January 2020, the Authority entered into a concessional loan agreement with Solomon Islands Government for the funding of Urban Water Sanitary Supply and Sanitation Project (UWSSS Project). A maximum of SBD 353,037,767 subsidiary credit has been made available to the Authority which is for a term of 15 years. Principal repayments will commence in 2025 and interest payments on drawdowns are made semi-annually at the rate of 0.75% and 1.5% for the World Bank and Asian Development Bank respectively. Payments are made directly to contractors and suppliers to the Authority and recognised as a receivable once conditions of the loan have been satisfied.

25. Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Authority, the results of those operations, or ths state of affairs of the Authority in future financial years.

26 Correction of errors

During the financial period, the Authority identified that the consultancy fees on the UWSSP capital project have been errorneously expensed in the respective period incurred instead of being capitalized in the cost of property, plant and equipment (PPE).The Authority assessed that these costs are directly attributable expenditure to bringing the asset to the location and condition necessary for its intended use and hence should be included in the cost of the relevant item of PPE. Additionally, the UWSSP capital project is donor funded via a grant and accordingly an income was errorneously recognised when the grant became receivable which was when the Authority incurred the consultancy cost. As a consequence, other income and consultancy expenses have been overstated while property, plant and equipment, deferred income and retained earnings have been understated.

The prior period error highlighted above have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the Authority's financial statements.

i **Statement of Financial Position**

	Impact of correction of eror					
	As previously reported		Adjustments		As restated	
	2020	2019	2020	2019	2020	2019
	SBD	SBD	SBD	SBD	SBD	SBD
Property, plant and equipment	306,581,840	277,241,287	19,873,885	4,978,404	326,455,725	282,219,691
Total non-current assets	309,881,676	280,260,824	19,873,885	4,978,404	329,755,561	285,239,228
Total Assets	**379,541,748**	**329,894,653**	**19,873,885**	**4,978,404**	**399,415,633**	**334,873,057**
Employee benefits	2,862,265	1,379,099	(1,254,637)	-	1,607,628	1,379,099
Total current liabilities	**21,598,400**	**22,846,419**	**(1,254,637)**	**-**	**20,343,763**	**22,846,419**
Employee benefits	-	-	1,254,637	-	1,254,637	-
Deferred revenue	93,770,842	96,000,218	19,317,048	4,978,404	113,087,890	100,978,622
Total non-current liabilities	**131,688,996**	**97,894,192**	**20,571,685**	**4,978,404**	**152,260,681**	**102,872,596**
Total liabilities	**153,287,396**	**120,740,611**	**19,317,048**	**4,978,404**	**172,604,444**	**125,719,015**
Retained earnings	62,539,632	45,439,322	556,837	-	63,096,469	45,439,322
Total equity	**226,254,352**	**209,154,042**	**556,837**	**-**	**226,811,189**	**209,154,042**
Total equity and liabilities	**379,541,748**	**329,894,653**	**19,873,885**	**4,978,404**	**399,415,633**	**334,873,057**

ii **Statement of Profit or Loss and Other Comprehensive Income**

	Impact of correction of error		
	As previously reported	Adjustment	As restated
For the year ended 31 December 2020	SBD	SBD	SBD
Other income	34,122,941	(14,338,644)	19,784,297
Corporate expenses	(26,650,218)	14,895,481	(11,754,737)
Net profit for the year	17,100,310	556,837	17,657,147
Total comprehensive income for the year	17,100,310	556,837	17,657,147

iii **Statement of cash flows**

There is no impact on the statement of cash flows for the year ended 31 December 2020.

ANNUAL REPORT 2021

JIRAMA
COORDINATION OF REGIONS

ATSINANANA REGION

ANNUAL REPORT

2023

I. MONOGRAPH OF THE REGION 3
1. Composition of the Region 3
2. Staff numbers by center 3
3. Number of active meters and customers at end December 2023 3
4. Rate access to JIRAMA services at end December 2023 4
5. Electricity generation plants 4
6. Production and treatment plants Water 5
7. Vehicle fleet 5
II. HIGHLIGHTS OF 2023 6
III. ACHIEVEMENTS FOR 2023 6
IV. KEY FIGURES 7
1. SALES AND REVENUE 7
A. Electricity business (Low and Medium Voltage) 7
a) Electricity consumption 7
b) Number of meters Electricity 8
c) Electricity yields 8
d) Electricity sales in kAr 9
B. Water activity 10
a) Water consumption 10
b) Number of meters Water 11
c) Yields Water 11
d) Water Sales 12
2. PRODUCTIONS 14
A. Electricity generation 2023 14
B. Water production and treatment 2023 24
3. RESTORATION 25
A. Rake Electricity 2023 25
B. Ratissage Water 2023 26
4. IBANOR 2023 27
5. FINANCES 28
6. MEDICO-SOCIAL CENTER 29
7. HUMAN RESOURCES 30
8. STOCK CONTROL 31
V. RECURRING PROBLEMS 2023 33
VI. 2024 OUTLOOK 33

I. MONOGRAPH ON THE REGION

1. *Composition of the Region :*

REGION	CENTERS	CODE ZONE	Distance from regional capital (km)
ATSINANANA	**TOAMASINA***	**102**	Regional capital
	BRICKAVILLE	112	102
	VATOMANDRY	124	185
	MAHANORO	140	270
	MAROLAMBO	182	400
	ANTANAMBAO MANAMPOTSY	220	268
	FOULPOINTE	223	59

2. *Staff numbers by center :*

WORKFORCE BY CENTER

CENTER	Elec		Water		Mixed		Total	
	Non-executive	Frame	Non-executive	Frame	Non-executive	Frame	Non-executive	Frame
TOAMASINA	97	6	30	2	114	26	241	34
BRICKAVILLE	5	0	0	0	2	1	7	1
VATOMANDRY	6	0	5	0	6	1	17	1
MAHANORO	4	0	7	0	4	1	15	1
ANTANAMBAO MANAPOTSY	2	0	0	0	0	1	2	1
MAROLAMBO	2	0	0	0	2	0	4	0
FOULPOINTE	3	0	0	0	3	0	6	0
GENERAL TOTAL	**119**	**6**	**42**	**2**	**131**	**30**	**292**	**38**

3. *Number of active meters and customers at the end of December 2023 :*

COMPARISON OF ACTIVE AND SUBSCRIBER METERS

Center	Activity	2022		2023	
		Counter number	Number of subscribers	Counter number	Number of subscribers
TOAMASINA	BT	44 411	44 266	45 637	42 313
	WATER	16 440	16 396	17 033	15 972
	MT	119	96	120	97
	MXT	-		-	
		Total subscribers	60 758	Total subscribers	58 382
VATOMANDRY	BT	1 789	1 736	2 062	1 822
	WATER	480	452	529	404
	MT				
	MXT	-		-	
		Total subscribers	2 188	Total subscribers	2 226
MAHANORO	BT	1 919	1 841	1 736	1 736
	WATER	583	563	467	465
	MT				
	MXT	-		-	
		Total subscribers	2 404	Total subscribers	1 736
BRICKAVILLE	BT	1 227	1 216	1 254	1 219
	WATER				
	MT	1	1	1	

	MXT	-		-	
		Total subscribers	1 217	Total subscribers	1 219
ANTANAMBAO MANAMPOTSY	BT	324	305	283	281
	WATER				
	MT				
	MXT	-		-	
		Total subscribers	305	Total subscribers	281
MAROLAMBO	BT	403	403	392	392
	WATER				
	MT				
	MXT	-		-	
		Total subscribers	403	Total subscribers	392
FOULPOINTE	BT	1 276	1 198	1 261	1 201
	WATER				
	MT				
	MXT	-		-	
		Total subscribers	1 198	Total subscribers	1 201
TOTAL ATSINANANA REGION	**BT**	**51 349**	**50 965**	**52 625**	**48 964**
	WATER	**17 503**	**17 411**	**18 029**	**16 376**
	MT	**120**	**97**	**121**	**97**
	MXT	**-**	**0**	**-**	**0**
		Total subscribers	**68 473**	**Total subscribers**	**65 437**

4. *Rate of access to JIRAMA services by the end of December 2023 :*

Center	Number of household s	Electricity		Water	
	(RGPH-3/2018)	Number of subscribers	Acces s rate	Number of subscribers	Access rate
TOAMASINA	154 079	42 313	27,46%	15 972	10,37%
FOULPOINTE	7 042	1 201	17,05%		
BRICKAVILLE	55 878	1 219	2,18%		
VATOMANDRY	44 893	1 822	4,06%	404	0,90%
MAHANORO	64 505	1 736	2,69%	465	0,72%
ANTANAMBAO M/POTSY	13 033	281	2,16%		
MAROLAMBO	35 041	392	1,12%		
TOTAL ATSINANANA REGION	**374 471**	**48 964**	**13,08%**	**16 841**	**4,50%**

5. *Electricity generation plants :*

Central name	Proprio Gr	ID- Group	Energy source	Year MES	P. nom (kW)	P. dispo (kW)
TM4	JIRAMA	572	**Thermal**	2009	6 500	4 000
		573		2009	6 500	0
	JIRAMA	CUMMINS		2015	750	0
	VESTOP	571		2009	6 500	3 000
VOLOBE	JIRAMA	5201	**Hydraulics**	1931	1 520	1 300
		5202		1931	1 520	1 250
		5203		1957	1 520	1 300
		5401		1976	2 200	2 000
ENELEC	ENELEC	TG1	**Thermal**	2008	1 620	800
		TG2				0
		TG3				900
		TG4				900
		TG5				-

		TG6		2009	1 500	1 300

		TG7			5 300	3100
		TG8			6 600	0
		TG9		2016	4 370	3 000
		TG10				3 000
		TG11				3 000
		TG12				3 000
		TG13				3 000
SOLAR POWER PLANT	ENELEC		**Solar**	2020	2 000	1 000
AMBODIATAFANA	HFF	G1	**Thermal**	2021	26	0
		G2			62	37
FOULPOINTE	HFF					
		L04166	**Thermal**	2019	520	416
		L04201		2020	520	416
		HFF 3		2021	280	222
BRICKAVILLE	JIRAMA	CATER 240	**Thermal**	2021	240	100
	JIRAMA	VOLVO			300	170
	JIRAMA	CATER DRY		2023	80	50
	JIRAMA	SDMO KOHLER		2022	200	115
ANTANAMBAO MANAMPONTSY	JIRAMA	2286	**Thermal**	2021	300	200
		CATER		2022	75	35
		PERKINS		2018	0	-
VATOMANDRY	HFF	L04167	**Thermal**	2019	320	256
		L04168		2019	320	256
		L04202		2020	320	256
MAHANORO	HFF	HFF 1	**Thermal**	2021	400	288
		HFF 2		2021	440	320
		HFF 3		2023	440	320
MAROLAMBO	JIRAMA	CATER	**Thermal**	2022	88	70

6. *Water production and treatment plants :*

Factory name	Rated capacity (m3/day)	Current capacity (m3/day)	Catchment type	Year of commissioning
FARAFATY	22 000	20 700	Surface water	1929
VATOMANDRY	400	360	(2 boreholes)+ 1 Well	(1980 / 2018) / 1983
MAHANORO	600	280	Well	1978

7. *Vehicle fleet :*

- **CAR**

REGISTRATION	BRAND	TYPE	GENRE	ASSIGNMENT	STATUS
11365 WWT	SHACMAN 43000	151319	TANK TRUCK	SEXO	ON THE GO
1660 TBR	NISSAN	CPU D22	PICK UP	CHIEF OF	ON THE GO
25280 WWT	FOTON BJ 1151	5LE004778	TRUCK CRANE	SDE	ON THE GO
26615 WWT	IVECO		TRUCK CRANE	SDE	ON THE GO
8039 WWT	FOTON LVBV3BB	9JE002919	TRUCK	ALL SERVICE	ON THE GO
8040 WWT	FOTON BJ1049V9J	JE 002930	TRUCK	SDE	ON THE GO
9242 TAN	MAZDA	DC	PICK UP	VATOMANDRY	ON THE GO
6658 TAM	NISSAN	CJUD22	PICK UP	SPTE	OUT OF ORDER
0700 TAN	NISSAN	CJUD22	PICK UP	SEXO	OUT OF ORDER
9279 TU	PEUGEOT	5BK5A2	VP	ALL SERVICE	OUT OF ORDER
4038 TL	ISUZU		TRUCK	SPTE	OUT OF ORDER
4126 TS	TOYOTA		PICK UP	SEXO	BREAKDOWN IN TANA
20603 WWT	BAIC BJ 5020	2KU900177	VP	ALL SERVICE	OUT OF ORDER
20614 WWT	BAIC BJ 5020	2KU900177	VP	ALL SERVICE	ON THE GO
4469 WWT	FOTON	FORLAND	TRUCK	SDE	ON THE GO

➢ **MOTO**

REGISTRATION	BRAND	TYPE	GENRE	ASSIGNMENT	STATUS
22311 WWT	KAWASAKI KLX	150 JKF / JLF	MOTO	MAROLAMBO	ON THE GO
22312 WWT	KAWASAKI KLX	150 JKF / JLF	MOTO	MANAMPONTSY	ON THE GO
26320 WWT	KAWASAKI KLX	150 JKF / JLF	MOTO	VOLOBE	ON THE GO
26352 WWT	KAWASAKI KLX	150 JKF / JLF	MOTO	MAHANORO	ON THE GO
26354 WWT	KAWASAKI KLX	150 JKF / JLF	MOTO	BRICKAVILLE	ON THE GO
46201 WWT	PACIFIC		MOTO	SPTE/LINE	ON THE GO
46202 WWT	PACIFIC		MOTO	SCOMM	ON THE GO
46203 WWT	PACIFIC		MOTO	SPTE/LINE	ON THE GO
46205 WWT	PACIFIC		MOTO	FARAFATY	ON THE GO
9853 TAC	SUZUKI TF 125	TF 125	MOTO	SEXO	ON THE GO
35378 WWT	KAWASAKI KLX	150 JKF / JLF	MOTO	ALL SERVICE	ON THE GO

II. HIGHLIGHTS OF 2023 :

1. Staff shortages: 19 agents retired, 2 dismissed, 2 suspended; 87 vacancies in the Atsinanana Region (drivers, watchmen, fitters, etc.)
2. Numerous cases of theft even we have a company that provides security for our sites
3. Environmental pollution: Fuel waste management at Tamatave IV and Emptying in the sectors
4. Lack of computer equipment (computers, printers, scanners): Around 50 machines not repaired for lack of spare parts
5. Detour observed in sectors (Foulpointe, Brickaville)
6. No emergency power unit
7. Insufficient computer consumables
8. Stock-outs of office supplies, medicines and fuel
9. Economic and technical load shedding
10. Lack PPE and EPC
11. Lack of means of transport (cars, motorcycles)
12. Accreditation or insufficient operating budget
13. MTDE, Electrical and mechanical spare parts insufficient

III. ACHIEVEMENTS FOR 2023 :

1. **ELEC:** 314 rotten poles replaced, 1,397 cobra lamps installed, 2,027 conventional connections made, 368 Mora connections made, 1,240 kVa of AEE major work carried out, PAGOSE work 75% complete,
2. 50MW solar project development (acceptance of materials, earthworks and land acquisition)
3. Study and preparation of specifications for TM and sector dumping areas (140, 124, 112, 223, 122 and 116)
4. Office repairs SEXO, SRH, SAPPRO, SPTE and SDE
5. Housing repair and rehabilitation Director, Head of SHQE Services, SFIN
6. Update of unmistakable levels on tanks in the sectors
7. Improving the environment
8. **WATER:** An average of 70 new connections per month, 70 repairs to connections per month, 4 repairs to pipes per month
9. **SALES:** Collection targets achieved.

IV. KEY FIGURES :

1. *SALES AND REVENUE :*

A. Electricity business (Low and Medium Voltage)

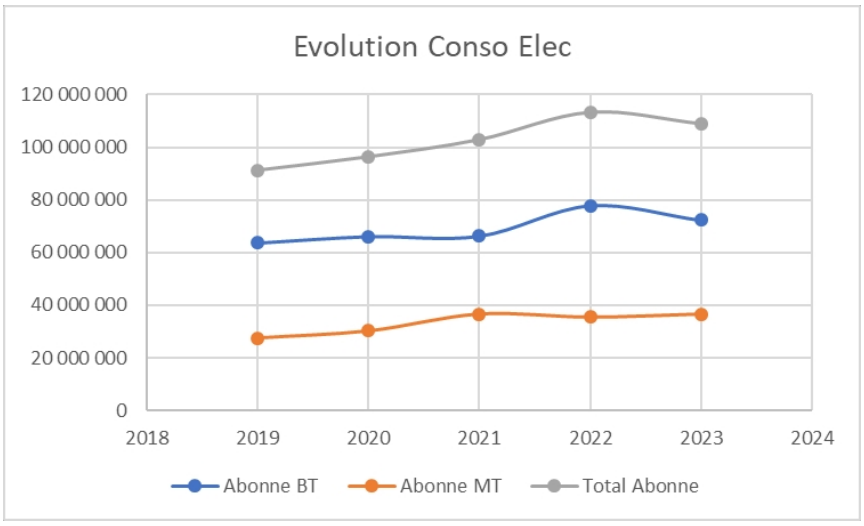
a) Electricity consumption

Table 1 - Comparison of electricity consumption 2022/2023 :

MONTHS	LV (kWh)			MT (kWh)			PP (kWh)			TOTAL ELEC		
	2022	2 023	GAP (%)	2022	2023	GAP (%)	2022	2023	GAP (%)	2022	2023	GAP (%)
January	7 243 118	6 519 530	-9,99%	2 830 031	2 836 523	0,23%	83 550	129 383	54,86%	10 156 699	9 485 436	-6,61%
February	6 418 538	6 022 155	-6,18%	2 644 193	2 677 949	1,28%	74 849	130 216	73,97%	9 137 580	8 830 320	-3,36%
March	6 045 442	5 992 578	-0,87%	3 304 214	3 090 768	-6,46%	81 517	144 202	76,90%	9 431 173	9 227 548	-2,16%
April	6 475 870	6 312 592	-2,52%	2 978 435	2 883 384	-3,19%	82 161	138 464	68,53%	9 536 466	9 334 440	-2,12%
May	6 561 202	5 819 898	-11,30%	2 955 877	3 003 237	1,60%	85 495	151 272	76,94%	9 602 574	8 974 407	-6,54%
June	6 510 324	5 839 295	-10,31%	2 685 524	3 014 570	12,25%	98 814	144 325	46,06%	9 294 662	8 998 190	-3,19%
July	6 130 764	6 299 354	2,75%	2 744 822	2 585 909	-5,79%	106 364	154 517	45,27%	8 981 950	9 039 780	0,64%
August	6 407 901	6 053 063	-5,54%	2 875 912	3 082 175	7,17%	128 188	163 726	27,72%	9 412 001	9 298 964	-1,20%
September	6 624 486	5 615 806	-15,23%	2 807 377	3 090 026	10,07%	146 004	161 054	10,31%	9 577 867	8 866 886	-7,42%
October	6 328 008	5 803 872	-8,28%	3 018 615	3 220 010	6,67%	133 617	169 557	26,90%	9 346 623	9 193 439	-1,64%
November	6 711 476	6 246 010	-6,94%	3 261 541	3 479 068	6,67%	159 243	181 467	13,96%	10 132 260	9 906 545	-2,23%
December	6 381 182	5 765 726	-9,64%	3 302 032	3 633 100	10,03%	162 154	233 036	43,71%	9 845 368	9 631 862	-2,17%
TOTAL	77 838 311	72 289 879	-7,13%	35 408 573	36 596 719	3,36%	1 341 956	1 901 217	41,68%	114 455 223	110 787 815	-3,20%

Table 2 - Electricity consumption over the last 5 years :

ELECTRIC CONSUMPTION EVOLUTION (kWh)					
	2019	2020	2021	2022	2023
BT subscriber	63 648 160	66 104 500	66 230 328	77 838 311	72 289 879
MT Subscriber	27 537 012	30 214 953	36 600 955	35 408 573	36 596 719
Total Subscriber	**91 185 172**	**96 319 453**	**102 831 283**	**113 246 884**	**108 886 598**



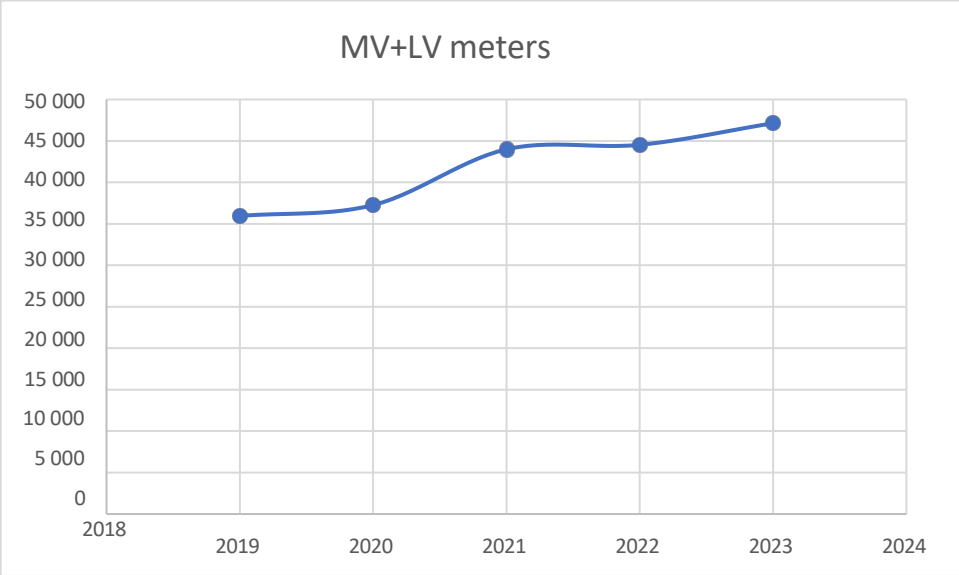
b) *Number of meters Electricity*

Table 1- Number of electricity meters supported in 2023 :

	Jan.	Feb.	March	Apr.	May	June	July	August	Seven	Oct.	Nov.	Dec	TOTAL
Low Voltage	153	199	83	107	133	169	352	207	202	165	336	498	2604
Medium Voltage	0	0	0	0	0	0	0	0	0	0	6	0	6

Table 2- Number of electricity installations over the past 5 years :

ELECTRICITY METERS (Unit)					
	2019	**2020**	**2021**	**2022**	**2023**
BT subscriber	35 838	37 144	43 875	44 411	47 015
MT Subscriber	115	118	118	119	125
Total Subscriber	**35 953**	**37 262**	**43 993**	**44 530**	**47 140**



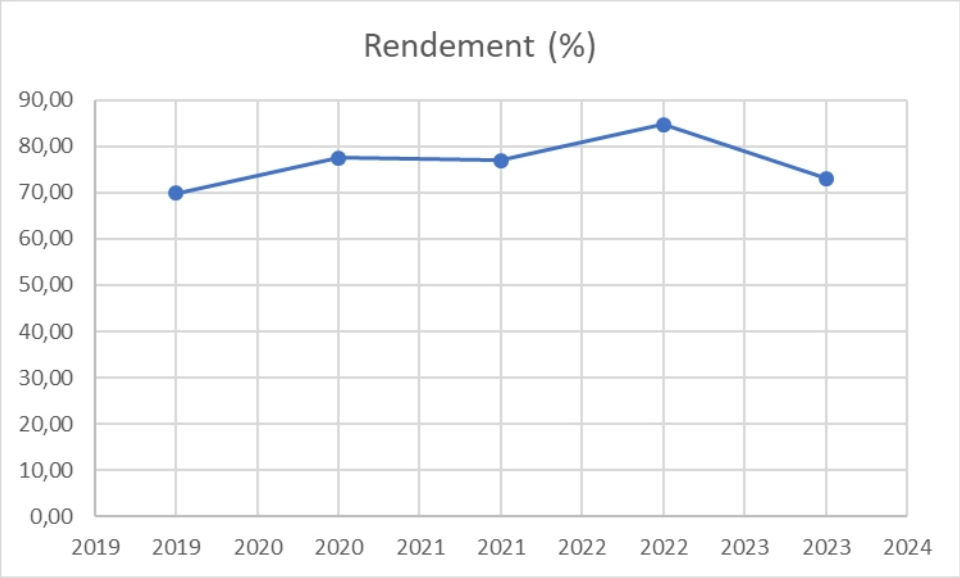
c) *Electricity yields :*

Table 1 - Electricity yield comparison

MONTHS	ELECTRICITY (kWh)						
	2022			2023			Difference (%)
	Production	Sales	Yield	Production	Sales	Yield	
January	11 730 109	10 156 699	86,59%	12 804 545	9 485 436	74,08%	-14%
February	12 162 857	9 137 580	75,13%	11 201 073	8 830 320	78,83%	5%
March	11 027 261	9 431 173	85,53%	13 576 677	9 227 548	67,97%	-21%
April	11 741 348	9 536 466	81,22%	10 081 277	9 334 440	92,59%	14%
May	10 928 003	9 602 574	87,87%	11 260 306	8 974 407	79,70%	-9%
June	10 746 661	9 294 662	86,49%	12 670 856	8 998 190	71,01%	-18%
July	10 337 642	8 981 950	86,89%	12 555 220	9 039 780	72,00%	-17%
August	10 479 037	9 412 001	89,82%	12 934 746	9 298 964	71,89%	-20%
September	10 661 805	9 577 867	89,83%	12 855 181	8 866 886	68,98%	-23%
October	10 901 106	9 346 623	85,74%	13 342 983	9 193 439	68,90%	-20%
November	12 862 488	10 132 260	78,77%	13 650 053	9 906 545	72,58%	-8%
December	11 489 584	9 845 368	85,69%	14 678 706	9 631 862	65,62%	-23%
TOTAL	135 067 901,00	114 455 223,00	84,74%	151 611 622,46	110 787 815,29	73,07%	-14%
Achievements for the Year							
Goal for the year							
Completion rate (%)							

Table 2 - Evolution of electricity yields over the last 5 years

ELECTRICITY	2019	2020	2021	2022	2023
Production (kWh)	130 490 058	124 176 073	133 553 745	135 067 901	151 611 622
Sales (kWh)	91 185 172	96 319 453,00	102 831 283	114 455 223	110 787 815
Yield (%)	69,88	77,57	77,00	84,74	73,07



d) *Electricity sales in kAr :*

Table 1 - Electricity sales in

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
BT	6 648 913	6 152 371	6 136 780	6 451 056	5 971 170	5 983 620	6 453 871	6 216 789	5 776 860	5 973 429	6 427 477	5 998 762	74 191 096
MT	2 836 523	2 677 949	3 090 768	2 883 384	3 003 237	3 014 570	2 585 909	3 082 175	3 090 026	3 220 010	3 479 068	3 633 100	36 596 719

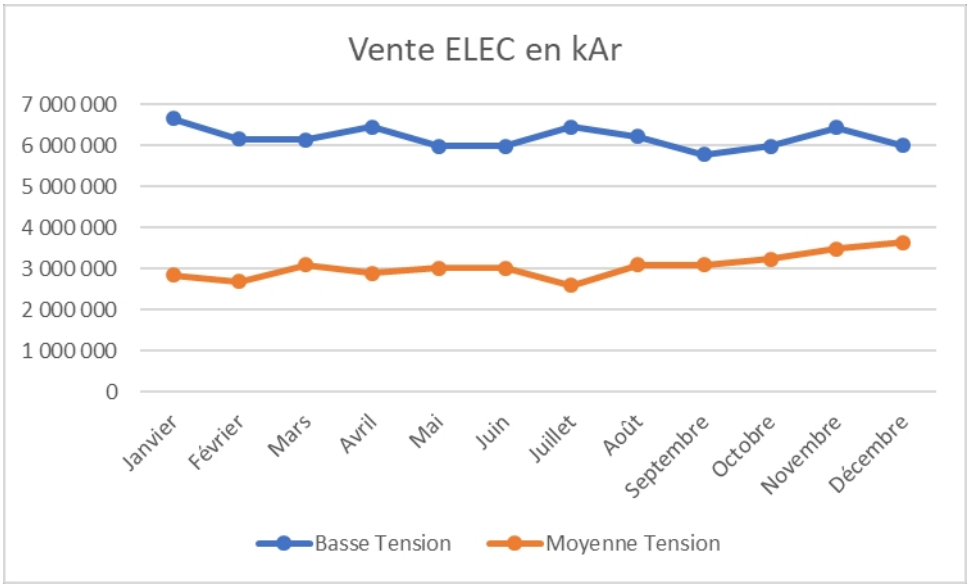
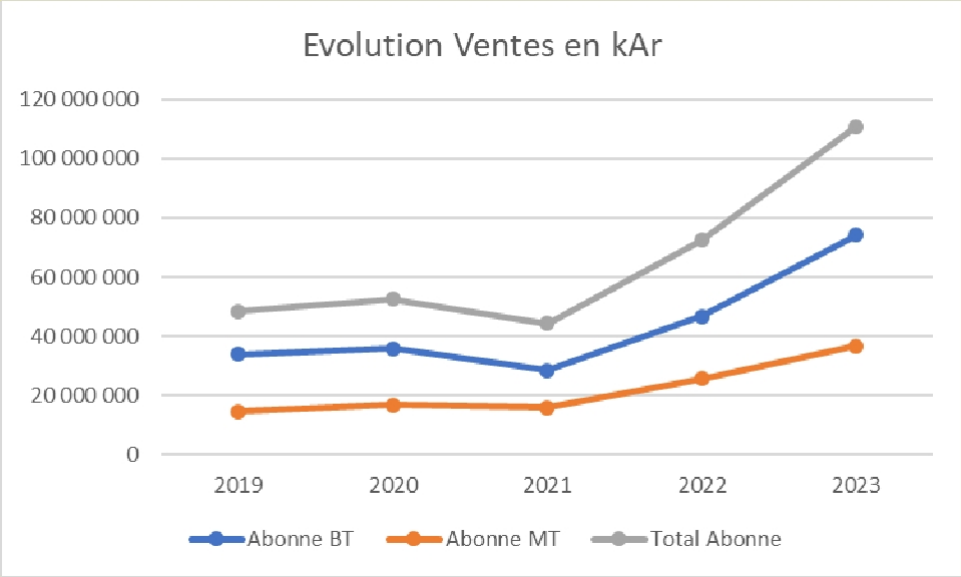


Table 2 - Electricity sales over the last 5 years

EVOLUTION ELECTRICITY SALES (kAr)					
	2019	2020	2021	2022	2023
BT subscriber	33 926 045	35 715 421	28 546 067	46 740 014	74 191 096
MT Subscriber	14 510 936	16 704 978	15 810 208	25 674 940	36 596 719
Total Subscriber	**48 436 981**	**52 420 399**	**44 356 275**	**72 414 954**	**110 787 815**



B. Water activity

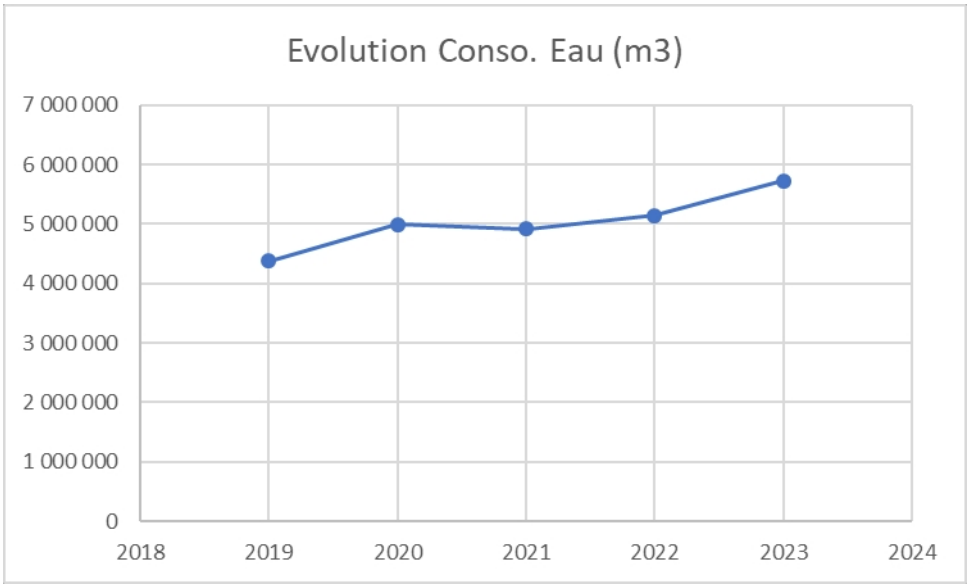
a) Water consumption

Table 1 - Comparison of water consumption

MONTHS	WATER (m3)		
	2022	2 023	GAP (%)
January	457 870	473 239	3,36%
February	415 688	416 380	0,17%
March	396 926	445 369	12,20%
April	411 744	458 342	11,32%
May	390 079	434 675	11,43%
June	416 179	439 387	5,58%
July	419 734	523 086	24,62%
August	421 678	529 061	25,47%
September	446 748	464 531	3,98%
October	447 469	519 246	16,04%
November	472 237	536 536	13,62%
December	446 444	484 272	8,47%
TOTAL	5 142 796	5 724 124	11%

Table 2 - Water consumption over the past 5

Evolution Conso. Water consumption (m3)				
2019	2 020	2021	2022	2023
4 382 914	4 991 343	4 917 007	5 142 796	5 724 124



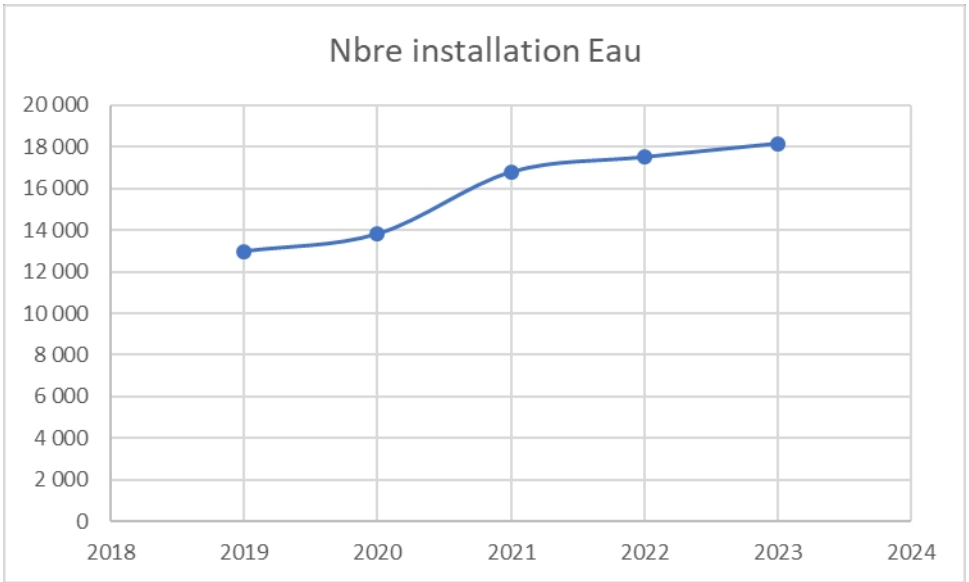
b) *Number of meters Water*

Table 1- Number of water meters supported in 2023

	Jan.	Feb.	March	Apr.	May	June	July	August	Seven	Oct.	Nov.	Dec	TOTAL
CTR WATER	34	49	141	75	73	68	75	49	20	29	13	24	650

Table 2- Number of water installations over the last 5 years:

CHANGE IN NUMBER OF WATER INSTALLATIONS				
WATER METERS (Unit)				
2019	**2 020**	**2021**	**2022**	**2023**
12 968	13 811	16 783	17 502	18 152



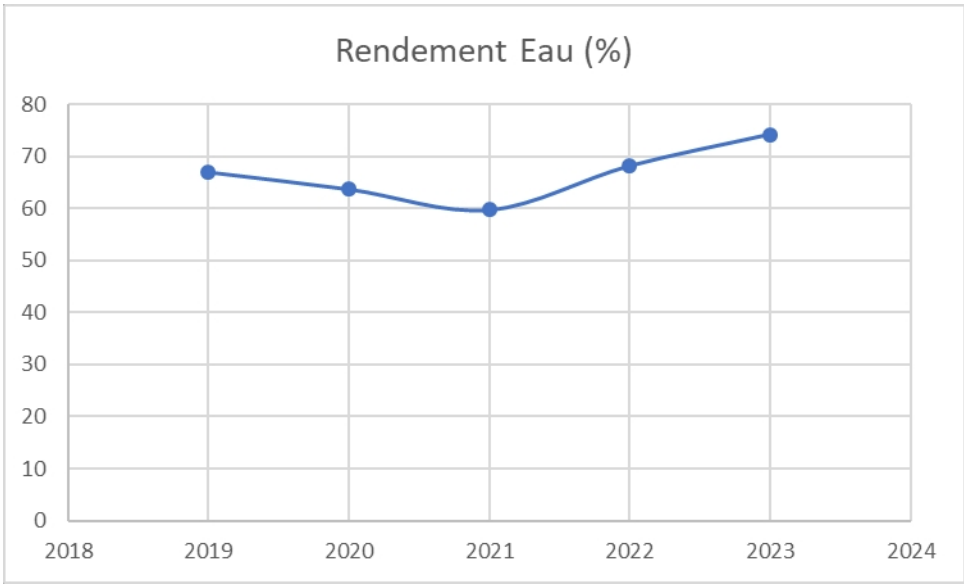
c) *Yields Water :*

Table 1 - Water yield comparison

MONTHS	WATER (m^3)						
	2022			2023			Difference (%)
	Production	Sales	Yield	Production	Sales	Yield	
January	686 937	457 870	66,65%	613 733	483 021	78,70%	18,08%
February	564 119	415 688	73,69%	571 040	428 022	74,95%	1,72%
March	644 959	396 926	61,54%	634 881	458 965	72,29%	17,47%
April	576 893	411 744	71,37%	587 372	470 085	80,03%	12,13%
May	672 624	390 079	57,99%	631 279	455 517	72,16%	24,42%
June	656 460	416 179	63,40%	616 323	449 456	72,93%	15,03%
July	650 370	419 734	64,54%	632 751	475 178	75,10%	16,36%
August	630 126	421 678	66,92%	626 652	459 806	73,38%	9,65%
September	614 526	446 748	72,70%	634 425	416 093	65,59%	-9,78%
October	627 931	447 469	71,26%	622 367	443 001	71,18%	-0,11%
November	589 301	472 237	80,14%	605 744	483 711	79,85%	-0,35%
December	627 225	446 444	71,18%	600 869	450 772	75,02%	5,40%
TOTAL	7 541 471	5 142 796,00	68,19%	7 377 436	5 473 627	74,19%	8,80%
Achievements for the Year							
Goal for the year							
Completion rate (%)							

Table 2 - Evolution of water yields over the last 5 years

EVOLUTION WATER YIELD					
	2019	2 020	2021	2022	2023
Production (m3)	6 542 233	7 830 422	8 223 056	7 541 471	7 377 436
Sales (m3)	4 382 914	4 991 343	4 917 007	5 142 796	5 473 627
Yield (%)	**66,99**	**63,74**	**59,8**	**68,19**	**74,19**



d) *Water sales :*

Table 1 - Water sales in 2023

Water sales in (kAr) Year 2023											
Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
328 800	303 315	321 704	333 241	315 408	317 457	354 955	494 176	419 344	489 009	503 020	437 149

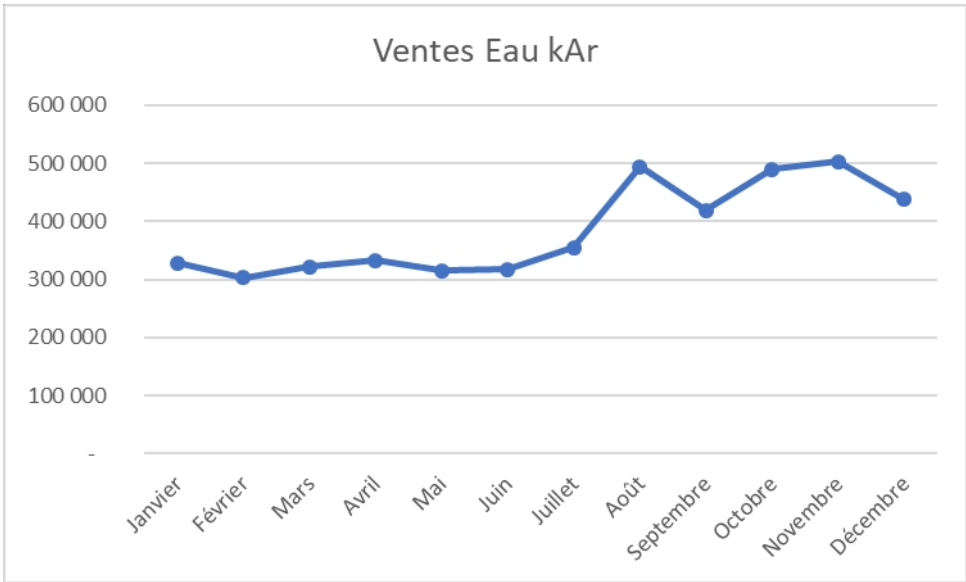
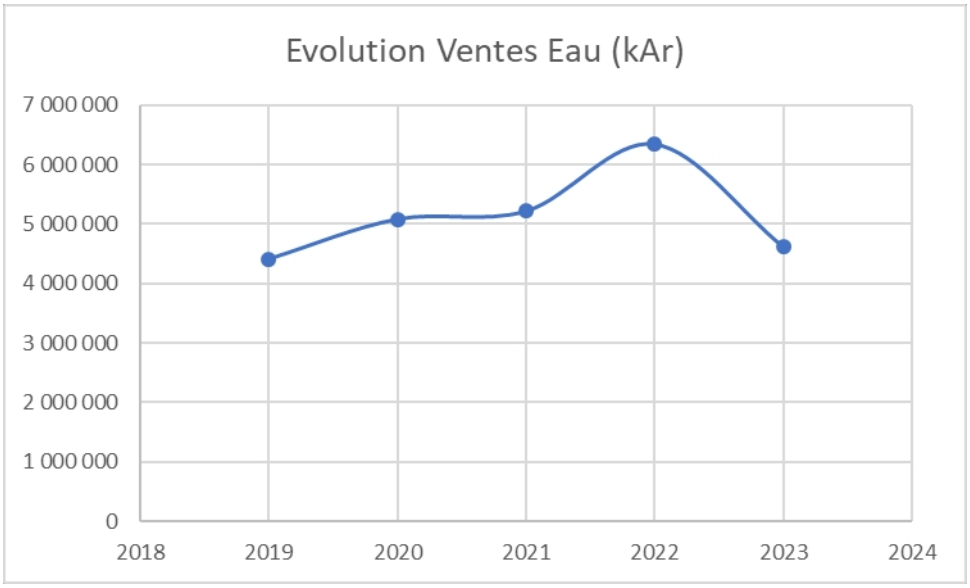


Table 2 - Water sales over the past 5

EVOLUTION WATER SALES (kAr)				
2019	**2 020**	**2021**	**2022**	**2023**
4 414 933	5 083 535	5 217 849	6 343 277	4 617 578



2. *PRODUCTIONS :*

A. Electricity generation 2023

LIBEL	Units	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Production Plant C1 (HYDRAULIQUE VOLOBE)	KWh	3406304	3478551	3558744	3721459	3393613	3395853	3482954	3565235	3741914	3594544	3806828	3614190	42760189
C2 power generation (GR 572 and 573 to TM 4) LFO	KWh	190551	46462	55169	185915	95324	109003	268838	60806	6501	42971	62414	32960	
Production C2 plant (GR 572 and 573 to TM 4) HFO	KWh	233199	14537	34165	244513	146374	204695	1004001	54604	35326	364051	330399	244047	
Production Centrale C3 (GR 571 VESTOP TM 4) LFO	KWh	1421	579	605	0	0	0	0	1035	17867	13687	10344	30343	
Production C3 power plant (GR 571 VESTOP TM 4) HFO	KWh	845	1314	27977	0	0	0	0	53090	463245	201125	92563	435554	
Production Power plant C4 (CENTRALE ENELEC)	KWh	8744676	7273950	9449587	5432375	7185070	8561974	7466244	8805107	8162855	8827488	8972345	9806519	98688190
Production Centrale C5 (GREEN POWER)	KWh	259702,72	235631	273087	276020	237965	209918	192851	228929	282594	306113	269672	323169,37	3095652,09
Total Gross Production	**KWh**	12836698,72	11051024	13399334	9860282	11058346	12481443	12414888	12768806	12710302	13349979	13544565	14486782,37	144544031,1
Auxiliary consumption_Centrale C1	KWh	46779,9	48640,2	49535,7	50829,8	35907,7	34126	24631	22645	22727,2	23421	20495	28212,7	407951,2
Auxiliary consumption_Central C2 and C3	KWh	296607	60074	73421	80854	64701	64697	126219	80109	100723	62155	18898	22050	1050508
Auxiliary consumption_Centrale C4	KWh	473273	393777	446503	380600	425310	403640	362041	435552	413602	415018,24	411745,5	450991	
Auxiliary consumption_Centrale C5 (GREEN POWER)	KWh	935,28	783	796	786	1167,2	912	866,09	1084,36	1111	1044,76	969,5	937,5	11392,69
Auxiliary consumption Total	**KWh**	817595,18	503274,2	570255,7	513069,8	527085,9	503375	513757,09	539390,36	538163,2	501639	452108	502191,2	1469851,89
Auxiliary consumption Total	**%**	6%	5%	4%	5%	5%	4%	4%	4%	4%	4%	3%	3%	1%
Net production	**KWh**	12019103,54	10547749,8	12829078,3	9347212,2	10531260,1	11978068	11901130,91	12229415,64	12172138,8	12848340	13092457	13984591,17	143480545,5
Energy delivered to the grid _(sum of outgoing meters)	KWh	11431291	9564267	11938144	10943947	11288383	10927865	10927865	11199503	11074748	11747031	11987283	13173155	136203482
Primary losses	**KWh**													0
Primary losses	**%**													0
Production peak	KWh	28550	26700	27750	28650	27300	27400	27050	27150	28450	29000	28950	29100	336050
Point called by the network	**KWh**	26900	26000	26050	26300	25800	25750	25000	27500	26400	26600	27100	27600	317000
Installed capacity C1 power plant	KWh	6200	6200	6200	6200	6200	6200	6200	6200	6200	6200	6200	6200	6200
Installed capacity C2 and C3 power plants	KWh	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800
Installed capacity C4 power plant	KWh	41730	41730	41730	41730	41730	41730	41730	41730	41730	41730	41730	41730	41730
Installed capacity C5 power plant	KWh	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
Total installed capacity (KW)	**KWh**	69730	69730	69730	69730	69730	69730	69730	69730	69730	69730	69730	69730	836760
Available power C1 power plant	KWh	5800	5800	5800	5800	4600	4600	5150	5150	5150	5450	5450	5450	64200
Power available C2 and C3 plant	KWh	12000	12000	12000	12000	12000	11500	11500	11500	11500	11500	11500	11500	140500

Available power C4 control unit	KWh	13000	13000	17500	20000	21900	21900	21900	22700	17500	19100	19800	21900	230200
Available power C5 power plant	KWh	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
Total available power (kW)	**KWh**	30800	30800	35300	37800	38500	38000	38550	39350	34150	36050	36750	38850	434900
Consumption FO Central C1	liter	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumption FO Central C2	liter	58620	3 651,00	8 618,00	61 009,00	36 667,00	51 030,00	249 948,00	13 709,00	8 828,00	90 761,00	82 535,00	61 209,00	726585
Consumption FO Central C3	liter	216	525,00	8 760,00	0,00	0,00	0,00	0,00	13 996,00	118 040,00	52 150,00	23 710,00	112 599,00	329996
Consumption FO Central C4	liter	2325435	2114923	2488031	1429687	1889631	2253658	1994987	2339707	2148111	2322988	2361086	2580592	26248836
Consumption FO Central C5	liter	0	0	0	0	0	0	0	0	0	0		0	0
Consumption FO groups Total	**liter**	2384055	2118574	2496649	1490696	1926298	2304688	2244935	2353416	2156939	2413749	2443621	2641801	26975421
Consumption GO C1 power plant	liter	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumption GO C2 power plant	liter	55051	13 752,00	16 283,00	53 358,00	28 931,00	31 224,00	75 745,00	17 197,00	1 854,00	12 165,00	17 691,00	9 632,00	332883
Consumption GO C3 power plant	liter	688	701,00	1 074,00	0,00	0,00	0,00	0,00	1 984,00	8 740,00	6 220,00	4 280,00	12 631,00	36318
Consumption GO Power plant C4	liter	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumption GO Central C5	liter	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumption GO groups Total	**liter**	55051	13752	16283	53358	28931	31224	75745	17197	1854	12165	17691	9632	332883
OIL consumption C1 control unit	liter	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL consumption C2 power station	liter	2496	832	1260	1248	2080	10192	3952	2496	2496	2940	2100	630	32722
OIL consumption C3 power station	liter	0	0	0	0	0	0	0	0	0	0	0	0	
OIL consumption C4 control unit	liter	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumption OIL C5 power plant	liter	0	0	0	0	0	0	0	0	0	0	0	0	
Total OIL consumption	**liter**	2496	832	1260	1248	2080	10192	3952	2496	2496	2940	2100	630	32722
Specific consumption FO C1 power plant	g/kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Specific consumption FO C2 power plant	g/kWh	236,2908932	236,083098	237,111664	234,54156	235,47201	234,3399	234,0148267	235,9984617	234,9068675	234,34997	234,815783	235,7597512	235,3070627
Specific consumption FO C3 power plant	g/kWh	240,2840237	375,570776	294,327483	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	247,8101337	239,5224989	243,734	240,780874	243,0078934	#DIV/0!
Specific consumption FO Central C4	g/kWh	249,9702562	273,307848	247,497498	247,38826	247,214452	247,4241	251,1688313	249,7782912	247,367415	247,36468	247,362405	247,3616255	250,2671361
Specific consumption FO Central C5	g/kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Specific consumption FO general	**g/kWh**													0
Specific consumption GO C1 power plant	g/kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Specific consumption GO C2 power plant	g/kWh	242,6795976	248,626404	247,924015	241,08178	254,941463	240,6187	236,6696672	237,5666875	239,5569912	237,80224	238,094658	245,4757282	242,5864945
Specific consumption GO C3 power plant	g/kWh	406,6995074	1016,99482	1491,17355	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1610,202899	410,9027817	381,73449	347,563805	349,6701051	#DIV/0!
Specific consumption GO C4 power plant	g/kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Specific consumption GO C5 power plant	g/kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Specific consumption GO general	**g/kWh**													0

Specific consumption OIL Central C1	l/kWh													0
Specific Consumption C2 Central OIL	l/kWh	0,005890265	0,01363957	0,01410437	0,0028994	0,00860578	0,03249	0,00310487	0,021627242	0,059674373	0,0072232	0,00534606	0,002274311	0,014739943
Specific Consumption C3 Central OIL	l/kWh													
Specific Consumption C4 Central OIL	l/kWh													0
Specific Consumption C5 Central OIL	l/kWh													
Specific Consumption general OIL	**l/kWh**													0

ACTIVITY 2023 MAHANORO

LIBEL	UNITS	janv-23	Feb-23	march-23	Apr-23	may-23	June-23	Jul-23	august-23	sept-23	oct-23	nov-23	Dec-23
Production group N°1	KWh	90033	80216	96464	98025	92179	90680	83680	75720	83503	72416	60472	47600
Production group N°2	KWh	101857	88898	96969	91624	98405	98122	83199	80066	75027	96224	59922	80613
Production group N°3	KWh											69706	93274
Production group N°4	KWh												
PLANT GROSS PRODUCTION	**KWh**	**191890**	**169114**	**193433**	**189649**	**190584**	**188802**	**166879**	**155786**	**158530**	**168640**	**190100**	**221487**
CENTRAL AUXILIARY	KWh	404	367	461	489	762	979	645	337	365	225	174	182
Auxiliary percentage	%	0,21053729	0,21701338	0,23832542	0,25784476	0,3998237	0,51853264	0,38650759	0,21632239	0,23024033	0,1334203	0,09153077	0,08217187
NET PRODUCTION	**KWh**	**191486**	**168747**	**192972**	**189160**	**189822**	**187823**	**166234**	**155449**	**158165**	**168415**	**189926**	**221305**
Energy delivered by the network	KWh												
Primary loss	KWh												
Maximum monthly peak	KW	492	491	500	523	489	511	484	493	556	571	550	550
Installed power N°1	KW	400	400	400	400	400	400	400	400	400	400	400	400
Installed power N°2	KW	440	440	440	440	440	440	440	440	440	440	440	440
Installed power unit N°3	KW											440	440
Installed power unit N°4	KW												
POWER PLANT INSTALLED CAPACITY	**KW**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**1128**	**1128**
Power available N°1 unit	KW	288	288	288	288	288	288	288	288	288	288	288	288
Power available N°2 unit	KW	320	320	320	320	320	320	320	320	320	320	320	320
Available power, unit N°3	KW											320	320
Available power, unit No. 4	KW												
AVAILABLE PLANT POWER	**KW**	**608**	**608**	**608**	**608**	**608**	**608**	**608**	**608**	**608**	**608**	**928**	**928**
Group N°1 gas oil consumption	Liters	24805	21999	26581	26965	25388	25042	23116	20892	22962	19952	16732	13199
Group No. 2 gas oil consumption	Liters	28192	24483	26759	25236	27129	27075	22984	22132	20645	26434	16511	22392
Group N°3 gas oil consumption	Liters											19275	25903
Gas oil consumption group N°4	Liters												
TOTAL CONSUMPTION	**Liters**	**52997**	**46482**	**53340**	**52201**	**52517**	**52117**	**46100**	**43024**	**43607**	**46386**	**52518**	**61494**
Specific consumption group N°1	g/Kwh	230,50	230,37	231,47	231,07	231,35	231,97	230,50	231,77	230,99	231,44	232,42	232,92
Specific consumption group N°2	g/Kwh	230,44	231,34	231,80	231,36	231,58	231,78	230,44	232,19	231,14	230,76	231,45	233,33
Specific consumption group N°3	g/Kwh												
Specific consumption group N°4	g/Kwh												
Power plant PSC	**g/Kwh**	**230,47**	**230,88**	**231,63**	**231,21**	**231,47**	**231,87**	**230,47**	**231,99**	**231,06**	**231,05**	**232,06**	**233,22**
Oil consumption group N°1	Liters	5	80	140	125	130	90	75	136	75	85	65	70
Oil consumption group N°2	Liters	60	60	130	130	70	133	65	125	81	85	70	75
Oil consumption group N°3	Liters											60	125
Oil consumption group N°4	Liters												
TOTAL OIL CONSUMPTION	**Liters**	**65**	**140**	**270**	**255**	**200**	**223**	**140**	**261**	**156**	**170**	**195**	**270**
Specific oil consumption group No	L/Kwh	**5,5535E-05**	**0,00099731**	**0,00145132**	**0,00127518**	**0,0014103**	**0,0009925**	**0,00089627**	**0,00179609**	**0,00089817**	**0,00117377**	**0,00107488**	**0,00147059**
Specific oil consumption group No	L/Kwh	**0,00058906**	**0,00067493**	**0,00134063**	**0,00141884**	**0,00071135**	**0,00135546**	**0,00078126**	**0,00156121**	**0,00107961**	**0,00088336**	**0,00116819**	**0,00093037**
Specific oil consumption group No	L/Kwh												
Specific oil consumption group No	L/Kwh												
CSP HUILE DE LA CENTRALE	**L/Kwh**	**0,00033874**	**0,00082784**	**0,00139583**	**0,00134459**	**0,00104941**	**0,00118113**	**0,00083893**	**0,00167538**	**0,00098404**	**0,00100806**	**0,00102578**	**0,00121903**

ACTIVITY 2023 MANAMPONTSY

LIBEL	UNITS	janv-23	Feb-23	march-23	Apr-23	may-23	June-23	Jul-23	august-23	sept-23	oct-23	nov-23	Dec-23
Production group N°1 CATER	KWh	9221	7383	1662	0	0	0	3433	5200	1517	0	0	0
Production group N°2 VOLVO	KWh	6936	7809	13647	13374	15207	15345	8574	6591	6546	10641	5197	7431
Production group N°3(perking 2462)	KWh									3393	3447	9357	7233
Production group N°4	KWh												
PLANT GROSS PRODUCTION	**KWh**	**16157**	**15192**	**15309**	**13374**	**15207**	**15345**	**12007**	**11791**	**11456**	**14088**	**14554**	**14664**
CENTRAL AUXILIARY	KWh	87	68	96	64	84	101	86		79	56	73	89
Auxiliary percentage	%	0,5384663	0,447604	0,62708211	0,47854045	0,55237719	0,65819485	0,71624885	0	0,68959497	0,39750142	0,50158032	0,60692853
NET PRODUCTION	**KWh**	**16070**	**15124**	**15213**	**13310**	**15123**	**15244**	**11921**	**11791**	**11377**	**14032**	**14481**	**14575**
Energy delivered by the network	KWh												
Primary loss	KWh												
Maximum monthly peak	KW	70	70	70	72	72	70	65	60	70	74	74	75
Installed power N°1	KW	75	75	75	75	75	75	75	75	75	75	75	75
Installed power N°2	KW	300	300	300	300	300	300	300	300	300	300	300	300
Installed power unit N°3	KW									180	180	180	180
Installed power unit N°4	KW												
POWER PLANT INSTALLED CAPACITY	**KW**	**375**	**375**	**375**	**375**	**375**	**375**	**375**	**375**	**555**	**555**	**555**	**555**
Power available N°1 unit	KW	37	37	37	37	37	37	37	37	37	0	0	0
Power available N°2 unit	KW	200	200	200	200	200	200	200	200	200	200	200	200
Available power, unit N°3	KW									120	120	120	120
Available power, unit No. 4	KW												
AVAILABLE PLANT POWER	**KW**	**237**	**237**	**237**	**237**	**237**	**237**	**237**	**237**	**357**	**320**	**320**	**320**
Group N°1 gas oil consumption	Liters	2868	2312	565	0	0	0	1193	1830	524			
Group No. 2 gas oil consumption	Liters	2956	3300	6026	5983	6818	6908	3843	2936	2855	4372	2168	3079
Group N°3 gas oil consumption	Liters									1236	1215	3369	2639
Gas oil consumption group N°4	Liters												
TOTAL CONSUMPTION	**Liters**	**5824**	**5612**	**6591**	**5983**	**6818**	**6908**	**5036**	**4766**	**4615**	**5587**	**5537**	**5718**
Specific consumption group N°1	g/Kwh	230,50	263,05	285,56	#DIV/0!	#DIV/0!	#DIV/0!	291,91	295,62	290,15	#DIV/0!	#DIV/0!	#DIV/0!
Specific consumption group N°2	g/Kwh	230,44	354,98	370,91	375,78	376,61	378,15	376,50	374,18	366,36	345,13	350,42	348,05
Specific consumption group N°3	g/Kwh									305,99	296,08	302,44	306,48
Specific consumption group N°4	g/Kwh												
Power plant PSC	**g/Kwh**	**230,47**	**310,30**	**361,65**	**375,78**	**376,61**	**378,15**	**352,31**	**339,53**	**338,39**	**333,13**	**319,57**	**327,55**
Oil consumption group N°1	Liters	30	20	0	0	0	0	14	18	1			
Oil consumption group N°2	Liters	138	136	175	129	165	206	127	79	93	104	32	31
Oil consumption group N°3	Liters									42	23	82	76
Oil consumption group N°4	Liters												
TOTAL OIL CONSUMPTION	**Liters**	**168**	**156**	**175**	**129**	**165**	**206**	**141**	**97**	**136**	**127**	**114**	**107**
Specific oil consumption group N°1	L/Kwh	**0,00325344**	**0,00270893**	**0**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**0,00407807**	**0,00346154**	**0,0006592**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
Specific oil consumption group N°2	L/Kwh	**0,01989619**	**0,0174158**	**0,01282333**	**0,00964558**	**0,01085027**	**0,01342457**	**0,01481222**	**0,01198604**	**0,01420715**	**0,00977352**	**0,0061574**	**0,00417171**
Specific oil consumption group N°3	L/Kwh												
Specific oil consumption group N°4	L/Kwh												
CSP HUILE DE LA CENTRALE	**L/Kwh**	**0,01039797**	**0,01026856**	**0,01143118**	**0,00964558**	**0,01085027**	**0,01342457**	**0,01174315**	**0,00822661**	**0,01187151**	**0,00901476**	**0,0078329**	**0,00729678**

ACTIVITY 2023 MAROLAMBO													
LIBEL	**UNITS**	**janv-23**	**Feb-23**	**march-23**	**Apr-23**	**may-23**	**June-23**	**Jul-23**	**august-23**	**sept-23**	**oct-23**	**nov-23**	**Dec-23**
Production group N°1 CATER	KWh	9838	3625	12643	11803	12427	13869	14798	14688	10898	12885	14958	15410
Production group N°2	KWh	0	0	0	0	0	0	0	0	0	0	0	0
PLANT GROSS PRODUCTION	**KWh**	**9838**	**3625**	**12643**	**11803**	**12427**	**13869**	**14798**	**14688**	**10898**	**12885**	**14958**	**15410**
CENTRAL AUXILIARY	KWh	28	13	36	35	33	21	31	51	25	39	30	30
Auxiliary percentage	%	0,28461069	0,35862069	0,28474255	0,29653478	0,26555082	0,15141683	0,20948777	0,34722222	0,22939989	0,30267753	0,20056157	0,19467878
NET PRODUCTION	**KWh**	**9810**	**3612**	**12607**	**11768**	**12394**	**13848**	**14767**	**14637**	**10873**	**12846**	**14928**	**15380**
Energy delivered by the network	KWh												
Primary loss	KWh												
Maximum monthly peak	KW	60	56	60	57	60	66	60	60	65	66	66	66
Installed power N°1	KW	88	88	88	88	88	88	88	88	88	88	88	88
Installed power N°2	KW	0	0	0	0	0	0	0	0	0	0	0	0
POWER PLANT INSTALLED CAPACITY	**KW**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**
Power available N°1 unit	KW	70	70	70	70	70	70	70	70	70	70	70	70
Power available N°2 unit	KW	0	0	0	0	0	0	0	0	0	0	0	0
AVAILABLE PLANT POWER	**KW**	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**
Group N°1 gas oil consumption	Liters	3156	1141	3911	3648	3814	4255	4533	4500	3306	3921	4602	4875
Group No. 2 gas oil consumption	Liters	0	0	0	0	0	0	0	0	0	0	0	0
Group N°3 gas oil consumption	Liters												
Gas oil consumption group N°4	Liters												
TOTAL CONSUMPTION	**Liters**	**3156**	**1141**	**3911**	**3648**	**3814**	**4255**	**4533**	**4500**	**3306**	**3921**	**4602**	**4875**
Specific consumption group N°1	g/Kwh	269,47	264,40	259,85	259,62	257,81	257,71	257,31	257,35	254,82	255,62	258,44	265,74
Specific consumption group N°2	g/Kwh	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Power plant PSC	**g/Kwh**	**230,47**	**264,40**	**259,85**	**259,62**	**257,81**	**257,71**	**230,47**	**257,35**	**254,82**	**255,62**	**258,44**	**265,74**
Oil consumption group N°1	Liters	8	0	17	8	8	16	8	16	8	8	18	14
Oil consumption group N°2	Liters	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OIL CONSUMPTION	**Liters**	**8**	**0**	**17**	**8**	**8**	**16**	**8**	**16**	**8**	**8**	**18**	**14**
Specific oil consumption group N°1	L/Kwh	**0,00081317**	**0**	**0,00134462**	**0,00067779**	**0,00064376**	**0,00115365**	**0,00054061**	**0,00108932**	**0,00073408**	**0,00062088**	**0,00120337**	**0,0009085**
Specific oil consumption group N°2	L/Kwh	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
CSP HUILE DE LA CENTRALE	**L/Kwh**	**0,00081317**	**0**	**0,00134462**	**0,00067779**	**0,00064376**	**0,00115365**	**0,00054061**	**0,00108932**	**0,00073408**	**0,00062088**	**0,00120337**	**0,0009085**

ACTIVITY 1st half 2023 BRICKAVILLE													
LIBEL	**UNITS**	**janv-23**	**Feb-23**	**march-23**	**Apr-23**	**may-23**	**June-23**	**Jul-23**	**august-23**	**sept-23**	**oct-23**	**nov-23**	**Dec-23**
Production group N°1 AMAN	KWh	63449	319	0	0	0	0	0	0	0	0	0	0
Production group N°2 CATER 240	KWh	73944	89042	88231	85613	82272	54383	6723	184	782	1767	3574	1969
Production group N°3 SDMO 24259	KWh	0	9285	0	0	0	16359	41474	0	0	0	0	0
Production group N°4 CATER SEC	KWh	0	410	386	0	0	108	7316	7580	467	2265	13436	16481
Production group N°5 SDMO KOHLER	KWh	0		42440	39239	47370	45877	27794	75910	29136	24907	48404	53538
Production group N°6 (OLYMPIAN)	KWh							2345	0	0	0	0	0
Production group N°7 (VOLVO)	KWh							0	0	69796	68200	48759	67596
PLANT GROSS PRODUCTION	**KWh**	**137393**	**99056**	**131057**	**124852**	**129642**	**116727**	**85652**	**83674**	**100181**	**97139**	**114173**	**139584**
CENTRAL AUXILIARY	KWh	210	250	388	375	227	101	210	309	259	189	220	253
Auxiliary percentage	%	0,15284621	0,25238249	0,29605439	0,30035562	0,17509758	0,08652668	0,24517816	0,36929034	0,25853206	0,19456655	0,19269004	0,18125287
NET PRODUCTION	**KWh**	**137183**	**98806**	**130669**	**124477**	**129415**	**116626**	**85442**	**83365**	**99922**	**96950**	**113953**	**139331**
Energy delivered by the network	KWh												
Primary loss	KWh												
Maximum monthly peak	KW	346	351	360	342	328	324	320	310	346	362	343	355
Installed capacity N°1 AMAN	KW	200	200	200	200	200	200	200	200	200	200	200	200
Installed power unit No. 2 CATER 240	KW	240	240	240	240	240	240	240	240	240	240	240	240
Installed power unit No. 3 SDMO 24259	KW	0	240	240	240	240	240	0	240	240	240	240	240
Installed power unit N°4 CATER SEC	KW	0	80	80	80	80	80	0	80	80	80	80	80
Installed power unit No. 5 SDMO KOHLER	KW			200	200	200	200	200	200	200	200	200	200
Installed power unit N°6	KW							200	200	200	200	200	200
Installed power unit N°7	KW									300	300	300	300
POWER PLANT INSTALLED CAPACITY	**KW**	**440**	**760**	**960**	**960**	**960**	**960**	**840**	**1160**	**1460**	**1460**	**1460**	**1460**
Power available group N°1 AMAN	KW	180	180	0	0	0	0	180	180	0	0	0	0
Power available unit No. 2 CATER 240	KW	220	220	220	220	220	220	220	220	220	220	220	220
Power available unit No. 3 SDMO 24259	KW		180				180		180				180
Power available group N°4 CATER DRY	KW		50	50	0	0	50		50	50	0	0	50
Available power unit No. 5 SDMO KOHLER	KW			160	160					160	160		
Available power, group N°6	KW							50					
Available power, group N°7	KW									170	170	170	170
AVAILABLE PLANT POWER	**KW**	**400**	**630**	**430**	**380**	**220**	**450**	**450**	**630**	**600**	**550**	**390**	**620**
Gas oil consumption group N°1AMAN	Liters	17560	88	0	0	0	0						
Gas oil consumption group N°2 CATER 240	Liters	21862	25110	25132	24236	23456	16288	2303	67	226	548	1107	634
Gas oil consumption group N°3 SDMO 24259	Liters		2622	0			5053	12914	0	0	0	0	0
Gas oil consumption group N°4 CATER SEC	Liters		108	106			31	2038	2111	131	685	3923	4898
Gas oil consumption Group No. 5 SDMO KOHLER	Liters			11858	10868	13133	12765	8762	23159	8564	7712	15246	17170
Gas oil consumption group N°6	Liters							895					
Group N°7 gas oil consumption	Liters									22219	22414	16332	22832
TOTAL CONSUMPTION	**Liters**	**39422**	**27928**	**37096**	**35104**	**36589**	**34137**	**26912**	**25337**	**31140**	**31359**	**36608**	**45534**
Group-specific consumption N°1AMAN	g/Kwh	241,02	231,72	0,00	0,00	0,00	0,00	263,93	#DIV/0!	0,00	0,00	0,00	0,00
Group No. 2 consumption CATER 240	g/Kwh	248,35	236,88	239,27	237,79	239,49	251,58	287,75	305,87	242,76	260,51	260,18	270,47
Specific consumption group N°3 SDMO 2425	g/Kwh	0,00	237,21	0,00	0,00	0,00	259,46	0,00	#DIV/0!	0,00	0,00	0,00	#DIV/0!
Consumption specific to unit N°4 CATER SEC	g/Kwh	0,00	221,27	230,67	0,00	0,00	241,11	0,00	233,94	235,63	0,00	0,00	249,64
Specific consumption group N°5 SDMO KOH	g/Kwh	0,00	0,00	234,70	232,65	232,88	233,72	0,00	0,00	246,90	260,09	264,58	269,39
Specific consumption group N°6	g/Kwh				#DIV/0!	#DIV/0!	#DIV/0!	0,00	0,00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Specific consumption group N°7	g/Kwh				#DIV/0!	#DIV/0!	#DIV/0!	0,00	0,00	267,41	276,07	281,36	283,73
Power plant PSC	**g/Kwh**	**241,02**	**236,83**	**237,76**	**236,18**	**237,07**	**245,66**	**263,93**	**254,36**	**261,10**	**271,17**	**269,33**	**274,02**
Oil consumption group N°1AMAN	Liters	60	0	0	0	0	0	0	0	0	0	0	0
Oil consumption unit N°2 CATER 240	Liters	112	238	323	230	197	360	143	45	50	0	45	50
Oil consumption unit N°3 SDMO 24259	Liters	0	43	0	0	0	42	49	0	0	0	0	0
Oil consumption unit N°4 CATER DRY	Liters	0	0	0	0	0	0	80	4	0	11	15	14
Oil consumption unit N°5 SDMO KOHLER	Liters	0		39	4	42	42	41	90	57	48	91	67
Oil consumption group N°6	Liters												
Oil consumption group N°7	Liters									72	142	92	158
TOTAL OIL CONSUMPTION	**Liters**	**172**	**281**	**362**	**234**	**239**	**444**	**313**	**139**	**179**	**201**	**243**	**289**
Specific oil consumption group N°1	L/Kwh	**0,00094564**	**0**	**0**	**0**	**0**	**0**	**0**	**#DIV/0!**	**0**	**0**	**0**	**0**
Specific oil consumption group N°2	L/Kwh	**0,00151466**	**0,0026729**	**0,00366084**	**0,00268651**	**0,0023945**	**0,00661972**	**0,02127027**	**0,24456522**	**0,06393862**	**0**	**0,01259093**	**0,0253936**
Specific oil consumption group N°3	L/Kwh	**0**	**0,00463113**	**0**	**0**	**0**	**0,00256739**	**0**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**0**	**#DIV/0!**
Specific oil consumption group N°4	L/Kwh	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0,0005277**	**0**	**0**	**0**	**0,00084946**
Specific oil consumption group N°5	L/Kwh	**0**	**0**	**0,00091894**	**0,00010194**	**0,00088664**	**0,00091549**	**0**	**0**	**0,00195634**	**0,00192717**	**0,00188001**	**0,00125145**
Specific oil consumption group N°6	L/Kwh				**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**0**	**0**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
Specific oil consumption group N°7	L/Kwh				**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**0**	**0**	**0,00103158**	**0,00208211**	**0,00188683**	**0,00233742**
CSP HUILE DE LA CENTRALE	**L/Kwh**	**0,0024603**	**0,00283678**	**0,00276216**	**0,00187422**	**0,00184354**	**0,00380375**	**0,02127027**	**0,00166121**	**0,00178677**	**0,0020692**	**0,00212835**	**0,00207044**

ACTIVITY 2023 VATOMANDRY													
LIBEL	**UNITS**	**janv-23**	**Feb-23**	**march-23**	**Apr-23**	**may-23**	**June-23**	**Jul-23**	**august-23**	**sept-23**	**oct-23**	**nov-23**	**Dec-23**
Production group N°1 CATER L04167	KWh	54895	24852	0	14513	83975	82232	68931	77027	61241	0	63738	97042
Production group N°2 CATER L04168	KWh	44625	57573	82104	71226	262	0	0	8524	70085	101395	83525	101029
Production group N°3 CATER L04202	KWh	86211	82169	103548	95292	97881	95129	82630	66497	25318	55321	29151	8330
Production group N°4	KWh												
PLANT GROSS PRODUCTION	**KWh**	**185731**	**164594**	**185652**	**181031**	**182118**	**177361**	**151561**	**152048**	**156644**	**156716**	**176414**	**206401**
CENTRAL AUXILIARY	KWh	291	231	504	415	449	115	109	291	305	318	240	128
Auxiliary percentage	%	0,15667821	0,14034533	0,27147566	0,22924251	0,24654345	0,06483951	0,07191824	0,19138693	0,19470902	0,20291483	0,13604362	0,0620152
NET PRODUCTION	**KWh**	**185440**	**164363**	**185148**	**180616**	**181669**	**177246**	**151452**	**151757**	**156339**	**156398**	**176174**	**206273**
Energy delivered by the network	KWh												
Primary loss	KWh												
Maximum monthly peak	KW	491	454	460	490	461	490	497	482	536	540	496	516
Installed power unit N°1 CATER L04167	KW	320	320	320	320	320	320	320	320	320	320	320	320
Installed power unit No. 2 CATER L04168	KW	320	320	320	320	320	320	320	320	320	320	320	320
Installed power unit N°3 CATER L04202	KW	320	320	320	320	320	320	320	320	320	320	320	320
Installed power unit N°4	KW												
POWER PLANT INSTALLED CAPACITY	**KW**	**960**	**960**	**960**	**960**	**960**	**960**	**960**	**960**	**960**	**960**	**960**	**960**
Power available group N°1 CATER L04167	KW	256	256	0	256	256	256	256	256	0	274,5	274,5	274,5
Power available group N°2 CATER L04168	KW	256	256	256	256	256	0	256	256	274,5	274,5	274,5	274,5
Power available group N°3 CATER L04202	KW	256	256	256	256	256	256	256	256	274,5	274,5	274,5	274,5
Available power, unit No. 4	KW												
AVAILABLE PLANT POWER	**KW**	**768**	**768**	**512**	**768**	**768**	**512**	**768**	**768**	**512**	**768**	**768**	**512**
Gas oil consumption group N°1 CATER L04167	Liters	15084	6838	0	3921	23207	22869	19146	21359	16875	0	17997	26636
Gas oil consumption group N°2 CATER L04168	Liters	12397	15769	22664	19771	75	0	0	2346	19301	28040	23209	28115
Group N°3 gas oil consumption	Liters	23584	22423	28562	26463	26968	26294	22842	18387	7008	15445	9061	2342
Gas oil consumption group N°4	Liters												
TOTAL CONSUMPTION	**Liters**	**51065**	**45030**	**51226**	**50155**	**50250**	**49163**	**41988**	**42092**	**43184**	**43485**	**50267**	**57093**
Specific consumption group N°1 CATER L041	g/Kwh	230,81	231,13	#DIV/0!	226,94	232,14	233,61	233,32	232,93	231,46	#DIV/0!	237,18	230,56
Specific consumption group N°2 CATER L041	g/Kwh	233,36	230,07	231,87	233,17	240,46	#DIV/0!	#DIV/0!	231,19	231,33	232,30	233,41	233,76
Specific consumption group N°3 CATER L0420	g/Kwh	229,79	229,23	231,70	233,27	231,44	232,18	232,21	232,27	232,51	234,52	261,10	236,17
Specific consumption group N°4	g/Kwh												
Power plant PSC	**g/Kwh**	**230,95**	**229,81**	**231,78**	**232,72**	**231,77**	**232,84**	**232,71**	**232,54**	**231,57**	**233,08**	**239,35**	**232,35**
Oil consumption unit N°1 CATER L04167	Liters	16	8	0	8	100	104	64	104	66		56	104
Oil consumption unit N°2 CATER L04168	Liters	7	54	148	52	0	0	0	0	60	108	92	104
Oil consumption unit N°3 CATER L04202	Liters	48	60	108	108	104	108	108	60	52	64	52	4
Oil consumption group N°4	Liters												
TOTAL OIL CONSUMPTION	**Liters**	**71**	**122**	**256**	**168**	**204**	**212**	**172**	**164**	**178**	**172**	**200**	**212**
Specific oil consumption group N°1	L/Kwh	**0,00029147**	**0,00032191**	**#DIV/0!**	**0,00055123**	**0,00119083**	**0,00126471**	**0,00092846**	**0,00135018**	**0,00107771**	**#DIV/0!**	**0,0008786**	**0,0010717**
Specific oil consumption group N°2	L/Kwh	**0,00015686**	**0,00093794**	**0,00180259**	**0,00073007**	**0**	**0**	**#DIV/0!**	**0**	**0,0008561**	**0,00106514**	**0,00110147**	**0**
Specific oil consumption group N°3	L/Kwh	**0,00055677**	**0,0007302**	**0,00104299**	**0,00113336**	**0,00106251**	**0,0011353**	**0,00130703**	**0,0009023**	**0,00205387**	**0,00115688**	**0,00178382**	**0,00048019**
Specific oil consumption group N°4	L/Kwh												
CSP HUILE DE LA CENTRALE	**L/Kwh**	**0,00038287**	**0,00074226**	**0,00138268**	**0,00093015**	**0,00112292**	**0,00119608**	**0,00113567**	**0,00108068**	**0,00113855**	**0,00109976**	**0,00113524**	**0,00102776**

ACTIVITY 2023 AMBODIATAFANA													
LIBEL	**UNITS**	**janv-23**	**Feb-23**	**march-23**	**Apr-23**	**may-23**	**June-23**	**Jul-23**	**august-23**	**sept-23**	**oct-23**	**nov-23**	**Dec-23**
Production group N°1	KWh	0	0	0	0	0	0	0	0	0	0	0	0
Production group N°2 CATER	KWh	6445	6445	7364	7680	7733	6185	6002	5905	5558	6074	5831	6794
Production group N°3	KWh												
Production group N°4	KWh												
PLANT GROSS PRODUCTION	**KWh**	**6445**	**6445**	**7364**	**7680**	**7733**	**6185**	**6002**	**5905**	**5558**	**6074**	**5831**	**6794**
CENTRAL AUXILIARY	KWh	61	27	53	23	61	27	20	23	20	17	19	24
Auxiliary percentage	%	0,94647013	0,43444531	0,71971754	0,29947917	0,7888271	0,43654002	0,33322226	0,43444531	0,35984167	0,27988146	0,32584462	0,35325287
NET PRODUCTION	**KWh**	**6384**	**6417**	**7311**	**7657**	**7672**	**6158**	**5982**	**5882**	**5538**	**6057**	**5812**	**6770**
Energy delivered by the network	KWh												
Primary loss	KWh												
Maximum monthly peak	KW	21	21	21	30	20	23	23	24	24	24	23	23
Installed power N°1	KW	0	0	0	0	0	0	0	0	0	0	0	0
Installed power unit N°2 CATER	KW	62	62	62	62	62	62	62	62	62	62	62	62
POWER PLANT INSTALLED CAPACITY	**KW**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**	**62**
Power available group N°1 CATER	KW	0	0	0	0	0	0	0	0	0	0	0	0
Power available group N°2 CATER	KW	37	37	37	37	37	37	37	37	37	37	37	37
Available power, unit N°3	KW												
Available power, unit No. 4	KW												
AVAILABLE PLANT POWER	**KW**	**37**	**37**	**37**	**37**	**37**	**37**	**37**	**37**	**37**	**37**	**37**	**37**
Group N°1 gas oil consumption	Liters	0	0	0	0	0	0	0	0	0	0	0	0
Gas oil consumption group N°2 CATER	Liters	2545	2545	2876	2729	2876	2245	2138	2133	2022	2175	2098	2334
Group N°3 gas oil consumption	Liters												
Gas oil consumption group N°4	Liters												
TOTAL CONSUMPTION	**Liters**	**2545**	**2545**	**2876**	**2729**	**2876**	**2245**	**2138**	**2545**	**2022**	**2175**	**2098**	**2334**
Specific consumption group N°1	g/Kwh	331,70	331,70	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	299,22	362,03	305,59	#DIV/0!	#DIV/0!	#DIV/0!
Specific consumption group N°2 CATE	g/Kwh	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Specific consumption group N°3	g/Kwh												
Specific consumption group N°4	g/Kwh												
Power plant PSC	**g/Kwh**	**230,47**	**230,47**	**328,06**	**298,48**	**312,41**	**304,90**	**230,47**	**230,47**	**305,59**	**300,79**	**302,23**	**288,57**
Oil consumption group N°1	Liters	14	14	21	21	14	21	14	14	14	15		
Oil consumption unit N°2 CATER	Liters	0	0	0	0	0	0	0	0	0	0	0	0
Oil consumption group N°3	Liters												
Oil consumption group N°4	Liters												
TOTAL OIL CONSUMPTION	**Liters**	**14**	**14**	**21**	**21**	**14**	**21**	**14**	**14**	**14**	**15**	**15**	**14**
Specific oil consumption group N°1	L/Kwh	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
Specific oil consumption group N°2	L/Kwh	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Specific oil consumption group N°3	L/Kwh												
Specific oil consumption group N°4	L/Kwh												
CSP HUILE DE LA CENTRALE	**L/Kwh**	**0,00217223**	**0,00217223**	**0,00285171**	**0,00273438**	**0,00181042**	**0,00339531**	**0,00233256**	**0,00237087**	**0,00251889**	**0,00246954**	**0,00257246**	**0,00206064**

ACTIVITY 2023 CTH FOULPOINTE													
LIBEL	**UNITS**	**janv-23**	**Feb-23**	**march-23**	**Apr-23**	**may-23**	**June-23**	**Jul-23**	**august-23**	**sept-23**	**oct-23**	**nov-23**	**Dec-23**
Production group N°1 HFF L04166	KWh	117611	72609	102281	103720	108510	113547	140775	131131	82786	103471	92685	136263
Production group N°2 HFF L04201	KWh	97704	80773	83912	104687	101020	70294	46005	77048	76368	89603	108000	123322
Production group N°3 HFF 3	KWh	28874	25782	25638	28043	13508	12883	26716	50213	31840	3378	17923	37282
Production group N°4	KWh												
PLANT GROSS PRODUCTION	**KWh**	**244189**	**179164**	**211831**	**236450**	**223038**	**196724**	**213496**	**258392**	**190994**	**196452**	**218608**	**296867**
CENTRAL AUXILIARY	KWh	297	216	250	209	175	156	151	360	100	109	112	113
Auxiliary percentage	%	0,1216271	0,12055993	0,11801861	0,08839078	0,07846197	0,07929892	0,07072732	0,1393232	0,05235767	0,05548429	0,05123326	0,03806418
NET PRODUCTION	**KWh**	**243892**	**178948**	**211581**	**236241**	**222863**	**196568**	**213345**	**258032**	**190894**	**196343**	**218496**	**296754**
Energy delivered by the network	KWh												
Primary loss	KWh												
Maximum monthly peak	KW	865	491	500	523	489	511	601	807	638	786	690	1007
Installed power unit N°1 HFF L04166	KW	520	520	520	520	520	520	520	520	520	520	520	520
Installed power unit N°2 HFF L04201	KW	520	520	520	520	520	520	520	520	520	520	520	520
Installed power unit N°3 HFF 3	KW	280	280	280	280	280	280	280	280	280	280	280	280
Installed power unit N°4	KW												
POWER PLANT INSTALLED CAPACITY	**KW**	**1320**	**1320**	**1320**	**1320**	**1320**	**1320**	**1320**	**1320**	**1320**	**1320**	**1320**	**1320**
Power available group N°1 HFF L04166	KW	416	416	416	416	416	416	416	416	416	416	416	416
Power available unit N°2 HFF L04201	KW	416	416	416	416	416	416	416	416	416	416	416	416
Power available group N°3 HFF 3	KW	222	222	222	222	222	222	222	222	222	222	222	222
Available power, unit No. 4	KW												
AVAILABLE PLANT POWER	**KW**	**1054**	**1054**	**1054**	**1054**	**1054**	**1054**	**1054**	**1054**	**1054**	**1054**	**1054**	**1054**
Gas oil consumption group N°1 HFF L04166	Liters	31966	19737	27821	28208	29612	31031	38506	35818	22633	28467	25517	37378
Gas oil consumption group N°2 HFF L04201	Liters	26540	21950	22819	28475	27573	19190	12556	21036	21013	24625	29812	33863
Gas oil consumption group N°3 HFF 3	Liters	7831	7001	6961	7614	3678	3516	7301	13705	8753	925	4920	10212
Gas oil consumption group N°4	Liters												
TOTAL CONSUMPTION	**Liters**	**66337,00**	**48688,00**	**57601,00**	**64297,00**	**60863,00**	**53737,00**	**58363,00**	**70559,00**	**52399,00**	**54017,00**	**60249,00**	**81453,00**
Specific consumption group N°1 HFF L04166	g/Kwh	228,31	228,33	228,48	228,45	229,23	229,56	229,76	229,44	229,65	231,10	231,26	230,42
Specific consumption group N°2 HFF L04201	g/Kwh	228,17	228,27	228,43	228,48	229,27	229,32	229,26	229,34	231,13	230,85	231,87	230,66
Specific consumption group N°3 HFF 3	g/Kwh	227,82	228,10	228,07	228,07	228,72	229,25	229,56	229,27	230,92	230,02	230,59	230,09
Specific consumption group N°4	g/Kwh												
Power plant PSC	**g/Kwh**	**228,20**	**228,27**	**228,41**	**228,42**	**229,22**	**229,45**	**229,63**	**229,38**	**230,45**	**230,97**	**231,51**	**230,48**
Oil consumption unit N°1 HFF L04166	Liters	80	110	100	90	170	90	171	195	90	90	125	175
Oil consumption unit N°2 HFF L04201	Liters	80	90	90	98	100	170	9	90	80	80	190	110
Oil consumption group N°3 HFF 3	Liters	0	5	45	5	5	45	0	50	50	50	50	0
Oil consumption group N°4	Liters												
TOTAL OIL CONSUMPTION	**Liters**	**160**	**205**	**235**	**193**	**275**	**305**	**180**	**335**	**220**	**220**	**365**	**285**
Specific oil consumption group N°1	L/Kwh	**0,00068021**	**0,00151496**	**0,0009777**	**0,00086772**	**0,00156668**	**0,00079262**	**0,0012147**	**0,00148706**	**0,00108714**	**0,00086981**	**0,00134865**	**0,00128428**
Specific oil consumption group N°2	L/Kwh	**0,0008188**	**0,00111423**	**0,00107255**	**0,00093612**	**0,0009899**	**0,00241841**	**0,00019563**	**0,0011681**	**0,00104756**	**0,00089283**	**0,00175926**	**0,00089197**
Specific oil consumption group N°3	L/Kwh	**0**	**0,00019393**	**0,00175521**	**0,0001783**	**0,00037015**	**0,00349298**	**0**	**0,00099576**	**0,00157035**	**0,01480166**	**0,00278971**	**0**
Specific oil consumption group N°4	L/Kwh												
CSP HUILE DE LA CENTRALE	**L/Kwh**	**0,00065523**	**0,0011442**	**0,00110937**	**0,00081624**	**0,00123297**	**0,0015504**	**0,00084311**	**0,00129648**	**0,00115187**	**0,00111987**	**0,00166966**	**0,00096003**

B. Water production and treatment 2023

SECTIONS	DESIGNATIONS	January	February	March	April	May	June	July	August	September	October	November
PO	Gross production (m3)	649 015,00	603 703,00	668 368,00	620 551,00	663 907,00	650 650,00	664 066,00	658 382,00	673 474,00	663 022,00	645 553,00
	Net production (m3)	613 733,00	571 040,00	634 881,00	587 372,00	631 279,00	616 323,00	632 751,00	626 652,00	634 425,00	622 367,00	605 744,00
	Peak (m3)	20 450,00	20 895,00	20 829,00	20 732,00	20 740,00	20 692,00	20 532,00	20 640,00	23 505,00	22 051,00	21 955,00
	Wash water (m3)	35 282,00	32 663,00	33 487,00	33 179,00	32 628,00	34 327,00	31 315,00	31 730,00	39 049,00	40 655,00	39 809,00
	Cons Hypo (kg)	1 546,50	1 514,20	1 578,00	1 548,00	1 530,80	1 443,50	1 478,60	1 431,00	1 459,60	1 498,40	1 584,00
	Cons spec hypo (g/m3)	2,38	2,51	2,36	2,49	2,31	2,22	2,23	2,17	2,17	2,26	2,45
	Other cons hypo (g)											
	Cons Energy (kwh)	234 422,00	229 084,00	249 502,00	240 039,00	258 075,00	258 430,00	250 435,00	253 642,00	243 173,00	247 094,00	241 926,00
	Cons spec E (wh/m3)	361,20	379,46	373,30	386,82	388,72	397,19	377,12	385,25	361,07	372,68	374,76
	Production cost (Ar)	268 173 452,10	253 233 180,10	276 288 291,05	2 540 002 995,41	264 560 208,11	259 594 659,05	249 897 741,70	255 832 821,70	247 040 036,85	2 667 699 479,40	266 493 488,80
	Unit cost (Ar/m3)	397,54	414,65	406,36	398,59	387,59	389,59	389,58	364,13	376,72	350,86	386,72
DO	Cubic meters distributed(m3)	613 733,00	571 040,00	634 881,00	587 372,00	631 279,00	616 323,00	632 751,00	626 652,00	634 425,00	622 367,00	605 744,00
	Sales (m3)	483 021,00	428 022,00	458 965,00	470 085,00	455 517,00	449 456,00	475 178,00	459 806,00	416 093,00	443 001,00	483 711,00
	Yield (%)	78,70	74,95	72,29	80,03	72,16	72,93	75,10	73,38	65,59	71,18	79,85
	CTR in service (U)	15 428,00	15 552,00	15 655,00	15 741,00	15 791,00	15 762,00	15 827,00	15 866,00	15 890,00	15 877,00	15 859,00
	Unrealized connections (U)	484,00	406,00	384,00	343,00	400,00	453,00	438,00	441,00	482,00	523,00	585,00
	Connections made (U)	92,00	127,00	104,00	83,00	25,00	6,00	72,00	48,00	17,00	10,00	13,00
	Completed extensions (U)			1,00	1,00				2,00			
	Ibanor commercial (U)	51,00	117,00	154,00	203,00	266,00	158,00	245,00	132,00	321,00	294,00	98,00
	Technical Ibanor (U)	57,00	79,00	38,00	33,00	79,00	49,00	35,00	64,00	60,00	43,00	91,00
	Distribution cost (Ar)	30 334 521,90	28 771 948,20	30 431 451,28	270 308 845,28	279 917 595,11	26 867 188,14	27 788 984,57	19 741 604,34	22 896 447,80	21 351 315,60	24 710 469,52
	Unit cost (Ar/m3)	44,87	45,74	43,24	47,60	38,95	40,15	39,65	29,50	31,24	29,14	35,66
	Network failure	4,00	2,00	3,00	9,00	8,00	10,00	12,00	7,00	6,00	5,00	6,00
	Connection failure	66,00	66,00	68,00	52,00	69,00	87,00	71,00	76,00	79,00	64,00	52,00
	Work request	102,00	121,00	98,00	80,00	109,00	78,00	93,00	122,00	74,00	112,00	107,00
	Quotation	55,00	62,00	71,00	56,00	71,00	59,00	49,00	72,00	65,00	97,00	70,00
	No quotation	72,00	65,00	47,00	41,00	48,00	28,00	52,00	56,00	15,00	23,00	39,00
	Quote paid	72,00	49,00	82,00	42,00	72,00	58,00	58,00	48,00	58,00	50,00	75,00
	Amount	28 472 987,00	19 865 031,00	29 345 177,00	15 847 950,00	28 012 518,00	22 335 076,00	22 560 371,00	18 217 419,00	25 465 285,00	19 651 034,00	25 551 102,00
	FIB established	87,00	124,00	102,00	83,00	23,00	27,00	70,00	46,00	17,00	10,00	13,00
	TOTAL FIB	8 442,00	8 566,00	8 668,00	8 751,00	8 774,00	8 801,00	8 871,00	8 971,00	8 934,00	8 944,00	8 957,00
QO	Bacteriological quality (%)		100,00		50,00		100,00		100,00		100,00	50,00
	Physico-chemical quality (%)		100,00			100,00			100,00			100,00

3. *RATISSAGE :*

A. Ratissage Electricity 2023

RAKING IN ELECTRICITY 2023				
LIBEL	**UNIT**	**2 022,000**	**2 023,000**	**TRENDS % (IN %)**
Number of visits	U	1 706,000	1 788,000	4,81%
Number anomalies	U	198,000	212,000	7,07%
IBANOR				
Total number IBANOR	U	49,000	115,000	134,69%
Number IBANOR invoiced	U	49,000	6,000	-87,76%
KWH billed	Kwh	2 582,000	8 023,000	210,73%
Invoiced amounts	Ar	425 079,000	6 469 322,680	1421,91%
FRAUD AND THEFT				
Number	U	149,000	97,000	-34,90%
KWH billed	Kwh	224 589,000	63 099,000	-71,90%
Invoiced amounts	Ar	139 928 572,000	41 612 555,000	-70,26%
Kwh total invoices	KWH	227 171,000	71 122,000	-68,69%
Total invoiced amount	Ar	140 353 651,000	48 081 877,000	-65,74%
Collection	Ar	156 417 780,000	64 227 334,000	-58,94%
Awaiting payment: Number	U	-	8,000	
Corresponding amount	Ar	-	5 390 388,940	
Waiting to rest Counter (number)	U	-	4,000	

B. Rake Water 2023

WATER RAKING 2023				
LIBEL	**UNIT**	**2022**	**2023**	**TRENDS %(IN %)**
Number of visits	U	364,00	180,00	-51%
Number of anomalies	U	13,00	9,00	-31%
IBANOR				
Number	U	13,00	2,00	-85%
KWH billed	M3	328,00	-	-100%
Invoiced amounts	Ar	140 691,00	-	-100%
FRAUD AND THEFT				
Number	U	-	7,00	
KWH billed	M3	-	1 942,00	
Invoiced amounts	Ar	-	1 739 369,00	
Kwh total invoices	M3	328,00	1 942,00	492%
Total invoiced amount	Ar	140 691,00	1 739 369,00	1136%
Collection	Ar	22 263 904,00	6 211 314,00	-72%

4. *IBANOR 2023 :*

ELECTRICITY												
IBANOR TECHNIQUE												
Month	Jan.	Feb	March	Apr	May	June	July	August	Seven	Oct	Nov	Dec
Blocked	225	258	216	210	241	219	246	252	253	287	255	293
Damaged	66	76	72	75	74	71	86	89	96	100	88	87
Drowned	0	0	0	0	0	0	0	0	0	0	0	0
Toasted	33	32	41	37	34	38	35	46	33	35	38	38
Flooded	0	0	0	0	0	0	0	0	0	0	0	0
Fog	0	0	0	0	0	0	0	0	0	0	0	0
Broken glass	0	0	0	0	0	1	0	0	0	0	0	
Unreadable	98	93	95	108	96	97	86	137	78	103	87	112
IBANOR MANAGEMENT												
Inaccessible	6	14	7	8	8	17	13	14	10	13	11	8
Naughty dog	0	0	0	0	0	0	0	0	0	0	0	1
Uninhabited	837	823	746	826	828	642	809	577	603	583	428	130
Flooded	0	0	0	0	0	0	0	0	0	0	0	0
Untraceable	29	27	8	41	51	50	81	87	75	79	58	72
Closed house	1556	1205	1293	1453	1473	1526	1601	2041	1956	1952	1902	2050
Not Served	781	1156	663	804	811	770	733	792	727	805	732	691

WATER												
IBANOR TECHNIQUE												
Month	January	February	March	April	May	June	July	August	September	October	November	December
Blocked	118	72	63	51	69	77	84	77	82	72	61	73
Damaged	11	12	8	13	11	13	12	16	11	16	10	13
Drowned	0	0	0	0	0	0	1	0	0	0	0	0
Toasted												
Flooded	0	0	0	0	0	0	0	0	0	0	0	0
Fog	22	24	17	16	25	24	32	42	31	22	33	28
Broken glass	0	0	0	0	0	0	0	0	0	0	0	0
IBANOR MANAGEMENT												
Inaccessible	27	22	15	33	34	33	27	28	23	33	24	24
Naughty dog	0	0	0	0	0	0	0	0	0	0	0	0
Uninhabited	343	342	299	344	350	344	344	262	253	246	172	59
Flooded	9	13	6	12	10	11	11	14	5	4	2	3
Untraceable	3	2	1	12	22	39	26	18	29	15	9	10
Closed house	302	288	271	339	310	378	372	416	428	404	490	437
Not Served	626	674	540	691	682	699	718	685	702	669	658	614

5. *FINANCES :*

CASH IN			DECAISSEMENT		
LIBEL	**Amount december 2023**	**CUMULATIVE AMOUNT**	**LIBEL**	**Amount december 2023**	**CUMULATIVE AMOUNT**
1/PREVIOUS BALANCE (M-1 ETA-1)					
2/Customer			**5/Direction**		
Customer collection					
Species	2 749 069 773,31	30 201 172 372,41	Transfer of funds revenue	6 393 479 350,23	68 064 997 094,38
Checks	2 568 972 755,39	28 139 350 452,77			
Bank customer collection (including mobile money)	1 229 272 119,92	12 108 516 739,86	Transfer of funds expenses		
Subtotal	**6 547 314 648,62**	**70 449 039 565,04**	**6/Interzone**		
3/ Fund supply Directions			Disbursement other areas	2 800 000,00	41 102 000,00
Accreditation	29 840 613,00	335 906 904,00	**7/Region**		
OV for supplier payment	27 078 975,00	292 090 921,23	Supplier	9 289 795,45	138 250 072,58
Accréditif Travaux			Service	29 047 728,00	203 030 577,27
Accréditif PR/ STC agent radié			Employees	12 322 500,00	129 076 000,00
Accréditif divers prime			Other disbursements		
ANNUITE/CONVENTION DIFN-REGION			Operating expenses		
Subtotal	**56 919 588,00**	**627 997 825,23**	Investments		
4/ Personnel			Letter of credit disbursement		
Repayment of advances and other			**Subtotal**	**6 446 939 373,68**	**68 576 455 744,23**
5/ TOTAL REGIONAL CASH OUTFLOWS (1+2+3+4)	**6 604 234 236,62**	**71 077 037 390,27**	**8/ TOTAL DISBURSEMENTS REGION (5+6+7)**		
MONTH-END BALANCE(M)CASH AND BANK (4-8)					

6. *MEDICO-SOCIAL CENTER :*

CMS MOVEMENTS YEAR 2023

MOIS	FREQUENTATION				SICK REST		NUMBER HOSPITAL				ACCIDENT WORK		VALUES MEDICAL EXPENSES								TOTAL
	A	C	E	TOTAL	NBRE AGT	DURATION	A	C	E	T	NBR	REST	REMB REMB ACHAT MEDICAM	EMERGENCY CONSULTATION	SPECIALIZED CONSULTANCY	LABO	SPECIAL EXAMINATION FEES	HOSPITAL EXPENSES	DOCTOR'S FEE CONVENT°	PARTICIPATION° PURCHASE OF GLASSES	
January-February	506	333	308	1147	69	118	2	2	1	5	2	4	18 311 730,00	131 400,00	585 000,00	1 137 286,00	6 724 930,00	10 059 047,00	0	225 000,00	37 174 393,00
March	322	179	179	680	36	54	2	2	2	6	1	0	4 017 000,00	162 500,00	475 000,00	309 950,00	868 300,00	901 550,00	0	720 000,00	7 454 300,00
April	282	185	243	710	25	46,5	2	0	3	5	1	1	3 081 210,00	226 312,00	300 000,00	674 200,00	450 000,00	0,00	0	225 000,00	4 956 722,00
May	286	174	219	679	31	51	1	2	2	5	1	3	8 181 778,00	162 548,00	295 000,00	1 260 600,00	772 200,00	1 046 211,00	0	350 000,00	12 068 337,00
June	195	98	110	403	31	57	0	1	2	3	0	0	7 583 228,00	70 000,00	325 000,00	308 520,00	307 500,00	387 640,00	0	200 000,00	9 181 888,00
July	301	156	190	647	44	71	0	2	0	2	1	0	4 972 665,00	390 400,00	160 000,00	1 744 440,00	339 830,00	765 375,00	0	50 000,00	8 422 710,00
August	547	290	223	1060	48	118	3	1	0	4	2	16	4 087 960,00	144 547,00	595 355,00	2 648 610,00	1 967 000,00	1 651 666,00	0	1 130 000,00	12 225 138,00
September	684	156	186	1026	26	49	0	1	1	2	0	0	6 650 893,00	57 500,00	474 100,00	1 084 200,00	514 700,00	471 966,00	0	721400,00	9 974 759,00
October	366	138	179	683	40	60	1	3	0	4	0	0	7 869 995,00	273 265,00	450 000,00	1 707 800,00	1 005 000,00	357 625,00	0	1 570 000,00	13 233 685,00
November	321	193	268	782	48	89	0	1	0	1	1	27	8 947 370,00	514 392,00	520 000,00	601 560,00	398 750,00	756 037,00	0	1 230 000,00	12 968 109,00
December	251	165	143	559	31	35	5	1	0	6	0	0	9 382 675,00	700 261,00	260 000,00	1 059 180,00	808 000,00	2 049 366,00	0	650 000,00	14 909 482,00
TOTAL	**4061**	**2067**	**2248**	**8376**	**429**	**748,5**	**16**	**16**	**11**	**43**	**9**	**51**	**64 774 774,00**	**2 701 725,00**	**4 439 455,00**	**12536346**	**1 206 750,00**	**18446483,00**	**0**	**7071400,00**	111 176 933,00

7. *HUMAN RESOURCES :*

HR SITUATION 2023

RUBRIQUES	TOAMASINA		BRICKAVILLE		VATOMANDRY		MAHANORO		TANAMBAO MANAMPO		FOULPOINTE		MAROLMABO		TOTAL		
	Nbr	MOUNT.	Nbr	MOUNT.	Nbr	MOUNT.	Nbr	MOUNT.	Nbr	MOUNT.	Nbr	MOUNT.	Nbr	MOUNT.			
ADVANCES																	
425000	**0**	**0**															
425200	**28**	**280000**													28	280000	
425500	**19**	**190000**													19	190000	
CASSE CROUTE																	
641481	**1268**	**12 680 000**	**0**	**0**	**14**	**340 000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	1282	13 020 000,00	
MEDICAL EXPENSES																	
LUNETTE																	
HOSPITALIZATION																	
RFM							36	1 113 749					**1**	**59000**	37	1 172 749	
MISSION																	
INDEMNITY	658	111 293 500,00	7	1 390 000	56	7 320 000	17	2 837 000	3	1 366 000	4	1 233 000	1	345 000	746	125 784 500,00	
TRANSPORT	252	11 238 500,00	7	39 000	4	1 000 600	17	1 088 000	1	366 666	4	400 000		0	285	14 132 766,00	
PREFERENTIAL RATE																	
Part JIR TP Brt	16	4 639 611,67															
JIR share 2nd CTR	0	0															
WAGES (NC)																	
REGULAR HOURS	1 730 693 691,60		47 996 050,00		108 184 995,80		89 285 378,20		13 616 641,40		36 177 282,20		25 641 314,40		2 051 595 353,60		
GROSS	3 636 465 622,67		94 025 843,52		229 016 326,40		190 520 796,07		32 616 491,79		69 726 431,37		60 274 404,31		4 312 645 916,13		
SUPPL HOURS	779 225 563,76		21 301 521,80		63 363 447,37		57 190 728,24		9 168 787,80		13 241 758,46		14 051 066,46		957 542 873,89		
WORKFORCE	***E***	***M***	***W***	***E***	***M***	***W***	***E***	***M***	***W***	***E***	***M***	***W***	***E***	***M***	***W***	***E***	***M***	***W***	***E***	***M***	***W***	***E***	***M***	***W***
FRAME	6	26	2	0	1	0	0	1	0		1	0	0	1								6	30	2
MAITRISE	69	59	26	2		0	3	2	2	1	1	2					1			1		75	64	30
EXECUTION	53	30	6	1	2	0	3	4	3	3	3	5	2			2	3		2	1		66	43	14
Number subscribers	98	131	1	5			9	8		15		9	4			3			3			126	139	10

8. *STOCK MANAGEMENT :*

DIESEL MOVEMENTS														
REGION	**SITES**	**MOVEMENT GO**	**janv-23**	**Feb-23**	**march-23**	**Apr-23**	**may-23**	**June-23**	**Jul-23**	**august-23**	**sept-23**	**oct-23**	**nov-23**	**Dec-23**	**CUMUL**
ATSINANANA REGION	**BRICKAVILLE**	**ENTRY**	42 071	30 000	36 000	34 000	38 000	34 000	20 000	28 081	33 014	29 000	38 000	47 000	***409 166,00***
		OUTPUT	39 422	27 928	37 096	35 104	36 589	34 137	26 912	26 729	31 140	22 414	36 608	45 534	***399 613,00***
	VATOMANDRY	**ENTRY**	60 000	48 000	57 000	57 001	55 009	60 001	41 000	45 095	51 630	44 990	57 002	66 001	***642 729,00***
		OUTPUT	51 065	45 030	51 226	50 155	50 250	49 163	41 988	42 092	43 184	49 485	50 267	57 093	***580 998,00***
		TRANSFER	5 500	7 500	3 000	9 000	6 500	4 000	7 500	3 000	4 000	6 000	6 000	5 000	***67 000,00***
	MAHANORO	**ENTRY**	59 000	46 000	56 000	50 000	63 000	58 000	42 000	44 113	53 035	47 005	57 007	71 005	***646 165,00***
		OUTPUT	52 997	46 482	53 340	52 201	52 517	52 117	46 100	43 024	43 607	46 386	52 518	61 494	***602 783,00***
		TRANSFER	2 500	3 650	3 500	3 500	6 000	6 000	1 000	3 000	4 000	5 000	4 000	6 000	***48 150,00***
	MANAMPONTSY	**ENTRY**	7 250	5 500	5 000	8 000	7 500	4 000	5 500	4 000	4 000	5 500	6 000	5 500	***67 750,00***
		OUTPUT	5 859	5 612	5 920	5 983	6 818	6 908	5 038	4 588	3 567	5 571	5 537	5 718	***67 119,00***
	MAROLAMBO	**BETWEEN**	100	5 739	3 510	-	3 500	6 000	6 020	3 004	4 000	5 000	2 000	8 000	***46 873,00***
		OUTPUT	3 156	1 141	3 911	3 648	3 814	4 255	4 533	4 350	2 451	3 921	4 602	4 875	***44 657,00***
	FOULPOINTE	**BETWEEN**	63 000	52 000	56 000	62 000	69 000	49 000	55 000	71 518	44 416	51 000	61 041	83 000	***716 975,00***
		OUTPUT	66 337	48 688	57 601	64 297	60 863	53 737	58 363	70 559	40 071	54 017	60 249	81 507	***716 289,00***
	TAMATAVE4	**BETWEEN**	99 694	5 000	20 613	49 991	48 000	36 000	39 000	20 998	12 034	23 002	25 000	25 000	***404 332,00***
		OUTPUT	52 037	12 806	22 988	49 720	28 447	51 287	55 629	17 660	9 231	17 777	21 691	21 195	***360 468,00***
		TRANSFER	5 220	2 533	3 578	2 980	2 534	3 192	1 631	46 812	32 115	2 620	3 111	2 010	***108 336,00***
	AMBODIATAFANA	**BETWEEN**	1 689	2 473	3 578	2 980	2 534	3 192	1 631	1 085	1 017	2 620	2 070	2 010	***26 879,00***
		OUTPUT	2 639	2 505	2 878	2 729	2 876	2 245	2 138	2 068	1 815	2 175	2 098	2 334	***28 500,00***
	FARAFATY	**BETWEEN**	1 253	-	-	570	-	-	-	-	-	-	-	-	***1 823,00***
		OUTPUT	1 183	14	-	77	110	-	-	15	-	-	-	-	***1 399,00***
	TAMATAVE3	**BETWEEN**	306	-	387	-	-	-	-	-	-	-	-	-	***693,00***
		OUTPUT	306	-	387	-	-	-	-	-	-	-	-	-	***693,00***
	ENELEC	**BETWEEN**	-	-	-	1 056 974	139 853	-	-	-	-	-	-	-	***1 196 827,00***
		OUTPUT	-	-	-	658 457	548 467	-	-	-	-	-	-	-	***1 206 924,00***

LFO AND HFO MOVEMENT OF CTH TAMATAVE -ENELEC

MOVEMENTS	RUBRIQUES	UNIT	janv-23	Feb-23	march-23	Apr-23	may-23	June-23	Jul-23	august-23	sept-23	oct-23	nov-23	Dec-23	CUMUL
	TM3	Liter	306	-	387	-	-	-	-	-	-	-	-	-	**693,0**
	TM4	Liter	99 694	5 000	20 613	49 991	48 000	36 000	39 000	20 998	12 034	23 002	25 000	25 000	**404 332,0**
	AMBODIATAFANA	Liter	1 689	2 473	3 578	2 980	2 534	3 192	1 631	1 085	1 017	2 620	2 070	2 010	**26 879,0**
	FARAFATY	Liter	1 253	-	-	570	-	-	-	-	-	-	-	-	**1 823,0**
	ENELEC	Liter	-	-	-	1 056 974	139 853	-	-	-	-	-	-	-	**1 196 827,0**
TOTAL INCOMING GAS OIL		***Liter***	***102 942,0***	***7 473,0***	***24 578,0***	***1 110 515,0***	***190 387,0***	***39 192,0***	***40 631,0***	***22 083,0***	***13 051,0***	***25 622,0***	***27 070,0***	***27 010,0***	***1 630 554,00***
	TM3	Liter	306	-	387	-	-	-	-	-	-	-	-	-	**693,0**
	TM4	Liter	52 037	12 806	22 988	49 720	28 447	51 287	55 629	17 660	9 231	17 777	21 691	21 195	**360 468,0**
	AMBODIATAFANA	Liter	2 639	2 505	2 878	2 729	2 876	2 245	2 138	2 068	1 815	2 175	2 098	2 334	**28 500,0**
	FARAFATY	Liter	1 183	14	-	77	110	-	-	15	-	-	-	-	**1 399,0**
	ENELEC	Liter	-	-	-	658 457	548 467	-	-	-	-	-	-	-	**1 206 924,0**
TOTAL GAS OIL OUTPUT		***Liter***	***56 165,0***	***15 325,0***	***26 253,0***	***710 983,0***	***579 900,0***	***53 532,0***	***57 767,0***	***19 743,0***	***11 046,0***	***19 952,0***	***23 789,0***	***23 529,0***	***1 597 984,0***
	TM4	Liter	53 501	-	62 074	156 233	505 622	-	312 477	-	96 567	64 265	160 433	64 335	**1 475 507,0**
FUEL INPUT	ENELEC	Liter	2 375 743	2 447 617	2 369 933	961 283	2 116 100	2 185 790	1 999 015	2 337 593	1 669 715	2 096 218	2 254 545	2 556 611	**25 370 163,0**
TOTAL INCOMING FUEL OIL		***Liter***	***2 429 244,0***	***2 447 617,0***	***2 432 007,0***	***1 117 516,0***	***2 621 722,0***	***2 185 790,0***	***2 311 492,0***	***2 337 593,0***	***1 766 282,0***	***2 160 483,0***	***2 414 978,0***	***2 620 946,0***	***26 845 670,0***
	TM4	Liter	75 011	-	39 677	121 476	315 750	224 741	291 427	-	68 267	132 439	130 905	102 184	**1 501 877,0**
FUEL OUTPUT	ENELEC	Liter	2 531 897	2 295 101	2 460 205	1 337 765	1 934 358	2 171 632	1 889 814	2 323 033	1 749 431	2 288 046	2 302 229	2 545 327	**25 828 838,0**
TOTAL OUTPUT FUEL OIL		***Liter***	***2 606 908,0***	***2 295 101,0***	***2 499 882,0***	***1 459 241,0***	***2 250 108,0***	***2 396 373,0***	***2 181 241,0***	***2 323 033,0***	***1 817 698,0***	***2 420 485,0***	***2 433 134,0***	***2 647 511,0***	***27 330 715,0***

V. RECURRING PROBLEMS 2023

1. Staff shortages: 19 agents retired, 2 dismissed, 2 suspended; 87 vacancies in the Atsinanana Region (drivers, watchmen, fitters, etc.)
2. Numerous cases of theft even we have a company to secure our sites
3. Delayed supply of diesel and fuel oil
4. Environmental pollution: Fuel waste dumped in the Pangalane canal
5. Lack of computer equipment (computers, printers, scanners): Around 50 machines not repaired for lack of spare parts
6. No emergency group for our caisses
7. Insufficient computer consumables
8. Shortages of office supplies and medicines
9. Late payment RFM
10. Economic and technical load shedding in all centers
11. Lack PPE and EPC
12. Lack of means of transport (cars, motorcycles)
13. Accreditation or insufficient operating budget
14. MTDE, Electrical and mechanical spare parts insufficient
15. Recovery equipment Insufficient water
16. Burnt-out engines and alternators
17. Maintenance of premises, offices, vehicles and accommodation not monitored, due to lack of budget.

VI. 2024 OUTLOOK

1) Fixed-term contracts or mass recruitment
2) Professionalizing site security
3) On-time supply of office supplies and medicines
4) Improved collection rate
5) Development of network projects for water distribution
6) Ongoing maintenance of pumping station facilities
7) On-time supply of diesel and fuel oil
8) MTDO, MTDE, Spare parts available on time
9) Improving the CSP of rolling stock
10) Improving central SSCs
11) Upgrading the Elec distribution network
12) Reduce economic and technical load shedding



National Water and Sewerage Corporation

Integrated Annual Report 2022/23

Transformative, Accountable
& Sustainable Service Delivery

Contents

Vision 1
List of Acronyms and abbreviations 2
About NWSC 4
Our Core Values 7
About this Report 8
Our Risks and their Management 9
Our Nationwide Footprint 11
Our Journey for the Past Five Years 12
Our Golden Indicators 13
Awards and Recognition 14
NWSC Marks 50 Years of Its Existence 16
Message from the Chairman, Board of Directors 24
Message from the Managing Director 26
Our Strategic Anchorage 28
Our Strategic Focus 30
Our Value Creation Model 32
Stakeholder Engagement and Materiality 34
Delivering Sustainability 36
Our Governance and Leadership 48
Our Board of Directors 60
Our Executive Management 64
Operational Performance for 2022-2023 68
The Commercial Perspective 78
Quality Assurance 85
Sharing Our Experience with the World through External Services Unit 89
Profiling the NWSC Key Operational Areas 93
Infrastructure Development for Better Service Delivery 97
NWSC Financial Statements for the Year Ended 30th June 2023 107
Annexes and Key Contacts 166



Our Vision

The Leading Customer Service Oriented Utility in the World

Our Mission

To sustainably and equitably provide cost effective, quality water and sewerage services while conserving the environment and enhancing stakeholder trust.

List of Acronyms and Abbreviations

AFD	French Development Agency
AfDB	African Development Bank
AfWASA	African Water Association
BOD	Biological Oxygen Demand
BSc	Bachelor of Science
CEO	Chief Executive Officer
CRM	Customer Relationship Module
CSS	Customer Satisfaction Survey
CSI	Customer Satisfaction Index
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DFCU	Development Finance Company of Uganda
DMA	District Meter Area
DSIF	Danish Sustainable Infrastructure Finance
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECL	Expected Credit Losses
EIB	European Investment Bank
ESAMI	Eastern and Southern Africa Management Institute
ERMF	Enterprise Risk Management Framework
ESU	External Services Unit
ESQR	European Society for quality Research
EU	European Union
FY	Financial Year
FV	Fair Value through Other Comprehensive Income
GIS	Geographic Information System
GKMA	Greater Kampala Metropolitan Area
GIZ	German International Corporation
GoU	Government of Uganda
GRI	Global Reporting Initiative
HQ	Head Quarters
HRLAC	Human Resource and Legal Affairs Committee
IAS	International Accounting Standards
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IASB	International Accounting Standard Board
IPILC	Intergraded Program to Improve the Living Conditions in Gulu
IREC	International Resource Centre
ISO	International Organization for Standardization
IWMDP	Integrated Water Management Development Project
KfW	Kreditanstalt Fur Wiederaufbau
kms	kilometers
KPI's	Key Performance Indicators
KSP	Kampala Sanitation Project
KSWSP	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)
NRM	National Resistance Movement
NRW	Non-Revenue Water
NSSF	National Social Security Fund
NWSC	National Water and Sewerage Corporation
OCI	Other Comprehensive Income
OPM	Office of the Prime Minister
PC	Performance Contract
PIAPs	Program Implementation Action Plans
PDM	Parish Development Model
PhD	Doctor of Philosophy
PR	Public Relations
pH	Potential of Hydrogen
PSPs	Public Stand Posts
SACCO	Saving and Credit Cooperative Organizations
SIP	Strategic Investment Plan
SC	Sub-county
SCAP	Service Coverage Acceleration Program
SFAs	Strategic Focus Areas
SPAs	Strategic Priority Areas
SOPs	Standard Operating Procedures
SDGs	Sustainable Development Goals
STC	Scientific and Technical Council
SWAS	School Water and Sanitation Clubs
SWC	South Western Cluster Project (Isingiro, Mbarara and Masaka)
TB	Town Board
TC	Town Council / Trading Centre
TCD	Training and Capacity Development
TSS	Total Suspended Solids
UBC	Uganda Broadcasting Corporation
UGX	Uganda Shillings
URBRA	Uganda Retirement Benefits Regulatory Authority
UNDP	United Nations Development Program
UIPE	Uganda Institution of Professional Engineers
UIA	Uganda Investment Authority
UK	United Kingdom
UPDF	Uganda People's Defense Force
URA	Uganda Revenue Authority
USD	United States Dollar
YWPs	Young Water Professionals
VAT	Value Added Tax
VEI	Vitens Evides International
VSDF	Vocational Skills Development Facility
WASE	Water and Sewerage Employees (SACCO)
WACCO	Water Community Communication Clubs
WATSAN	Water and Sanitation
WEDC	Water Engineering and Development Centre
WEX	Water and Energy Exchange
WHO	World Health Organization
WMDP	Water Management and Development Project

About NWSC



Our Legal Mandate

National Water and Sewerage Corporation (NWSC) is a Public Corporation wholly owned by the Government of Uganda, having been established by Decree No. 34 of 1972. The Corporation's legal position was strengthened by the NWSC Statute No.7 of 1995, which was later incorporated into the NWSC Act of 2000 (Cap 317). Under the new legal framework, the powers and structure of NWSC were revised to enable the Corporation operate on a sound and financially viable basis.

Geographical Coverage

The NWSC operations across the Country have expanded in the last 50 years from 3 Towns of Kampala, Jinja and Entebbe in 1972 to 273 towns as at end of June 2023.



Our Products & Services

The NWSC core business is to provide water and sewerage services in Urban Centers of Uganda under its jurisdiction. We provide services to the following consumer categories; Domestic, Commercial, Industrial, Institutions/Government and Public Stand Posts/Kiosks. NWSC also provides consultancy and benchmarking services to other utilities in the region and across the World.

- Water

NWSC extracts raw water from various water sources including; lakes, rivers, streams, swamps and shallow wells. Our water is treated using various treatment processes to comply with the WHO Quality Standards before it is distributed to our customers.

- Sewerage

The Corporation collects wastewater from its consumers, and ensures that it is treated before being discharged into the environment. Sewerage services include waste water collection systems that involve a network of pipes, pumping stations, and appurtenances that convey sewage from its points of origin to a point of treatment and disposal.

NWSC operates centralized sewerage systems in 17 towns of; Kampala, Jinja, Entebbe, Masaka, Iganga, Tororo, Mbale, Soroti, Lira, Gulu, Arua,

Mbarara, Fort Portal, Hoima, Masindi, Kabale, and Kisoro. The Corporation also operates faecal sludge treatment facilities in 5 Towns namely; Buwama, Bukakata, Ntungamo, Mayuge and Kampala (Lubigi and Bugolobi).

- Consultancy Services

NWSC provides consultancy and advisory services to other utilities and entities in Uganda, and other parts of the World. These services include; laboratory analysis, GIS surveying & mapping, ICT services, billing & customer care, vocational training, capacity development and international conference facilities..

Our Customers

The Corporation serves 892,099 customers with water services, out of which 28,703 are connected to sewer and 29,088 are served by Public Stand Pipes whose tariff is subsidized at UGX 50 per jerrican.

Our Employees

NWSC is endowed with Human Resource of 3,109 males and 1,491 females who are skilled, experienced and established staff; This brings the number of total employees to 4,600.



NWSC Staff pause for a photo after a practical Exercise –At Gaba Vocational Training School



Our Core Values



Professionalism: We focus on developing staff competence, efficiency and effectiveness.



Teamwork: We invest our time and efforts in developing team spirit to achieve our common goals.



Innovation: We continuously develop and apply creative solutions towards improved service delivery.



Result-Oriented: We strongly believe in effectiveness and efficiency in service delivery.



Integrity: We embrace honesty, fairness and openness in everything we do.



Reliability: We emphasize consistency and timeliness in all aspects of our business.



Excellence: We look for and promote proficiency in all aspects of service delivery.

About this Report

This report is presented in accordance with the Global Reporting Initiatives 4 (GRI4) Guidelines on reporting. It is prepared in line 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 covers both financial and non-financial performance and provides information that gives an integrated view of NWSC business operations.

The first Section contains; messages from the Board Chairman and the Managing Director, insights into the governance and leadership of the Corporation and the Sustainability Report which measures, discloses and gives accountability about our commitment to meet our present obligations without compromising the ability of the future generations to meet their own needs.

We have also highlighted in this Section, our various stakeholders and the role of the Board in balancing their competing needs. The Section further highlights our Strategic Priority Areas for the period 2021-2024, which include: Supporting Industrialization, Developing a strong Infrastructure Base, Skilling and Workforce Development, Promoting the participation of the Private Sector and Strengthening the Corporation's financial base to ensure long term sustainability. The section ends with an overview of the Operational Performance in line with the key Indicators.

The second section provides financial information with Financial Statements prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). They include the Statement of Profit or Loss and Other 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 and applied are also explained.



Stakeholder Engagement; NWSC Participates in the National ICT Job Fair 2023.

Our Risks and their Management

This section outlines our framework for managing risks in the Corporation. The framework mainly entails the policy guidelines, the risk management process, assessment and risk mitigation processes.

Our Enterprise Risk Management (ERM) Framework and Risk Management Policy

We have a revised Risk Management Policy approved and adopted in 2022. This policy is based on the "three Lines of defense Assurance model". This model helps to facilitate the process of giving assurance to the Board, Management and other stakeholders that NWSC is financially secure for the key risk exposures it faces.

Our ERMF outlines how we manage risk across the Group, as well as at branch and subsidiary level. It gives us the structure to manage existing risks effectively in line with our Risk Appetite, as well as allowing for holistic risk identification, all aimed at ensuring the Corporation's operational business continuity as well as sustainable growth and service delivery.

The Risk Owners

i) **The Board of Directors** who have the overall primary responsibility for a) approving and determining our risk appetite strategy and tolerance b) oversight on the risk mitigation activities and c) approving resources to implement risk mitigation measures.

ii) **The Senior Management team** whose responsibilities include identification of risks and implementation of mitigation measures. The risk owners across the various management teams at the different levels have the primary responsibility of supervisory oversight over internal controls, procedures, and cost effectively minimizing and mitigating risks in their respective functions and areas of jurisdiction.

The Risk Management team is responsible for the overall second-line of-defence responsibilities related to risk management, which involves oversight and challenging of the risk management actions of the first line (i.e. risk owners) as well as the assessment and profiling of risks, escalating risk incidents, coordinating implementation of risk mitigation measures, staff training & awareness on risks and providing quarterly risk management information and reports.

Key Risk undertakings in the last financial year

Our risk management approach is at the heart of our business and is central to us in achieving sustainable growth and performance. We have made progress on the following key priorities:

a. Incorporating Risk Management into our strategy

A detailed risk identification and assessment of the Corporate Plan aligned to the 3–Year Strategic Goals with respective mitigation measures was carried out. These were then mainstreamed through the Annual Action Plans of the Directorates and Departments of the respective risk owners and are monitored on a regular basis to ensure that the achievement of the Corporate Goals is not compromised.

b. Managing Climate Risk

Managing the risks from climate change is a core element of our strategy. We made good progress during the last financial year in embedding Climate Risk considerations across the corporation in order to conserve the environment and bring out the best combination of economic and environmental costs and benefits. Such initiatives included;

i) Restoration of biodiversity lost and maintaining catchment sources as a restricted area.
ii) Protecting raw water sources in order to guard against pollution caused by human activities.
iii) Restoring degraded water catchment areas to ensure that the quality & quantity of raw water is guaranteed for future generations and
iv) Tree planting in selected communities.

Going forward, NWSC has made it a policy that all future water projects will have components for catchment protection & restoration.

c. Technology and Innovation

Our technology capabilities are delivering our strategy of being a digital driven second-line of defence function,

supporting first-line driven risk management processes. We have automated a number of workflows to support review and validation. We have continued to expand our Enterprise Governance, Risk and Compliance with automated workflows in Operational Risk, Business Continuity, and Assurance.

d. Policy documentation

Management has transitioned to a new Risk Appetite and Risk Policy with particular emphasis on data analysis which will improve assessment turnaround time. The Risk Profiles, Dashboards and Heat Maps will provide a knowledge repository for the Risk and Compliance advisory teams.

e. Funding Gaps for Investment

We put a lot of emphasis on infrastructure growth and development. This is intended to meet the growing demand for water and sanitation services. The funds for Capital Investment are mainly provided by the Government of Uganda and the Development Partners. The Corporation also sets aside part of the internally generated resources to finance minor Capital Investments.

Due to competing priorities, the financing-gap for investment in Water and Sanitation infrastructure has continuously grown. This has been worsened by the economic downturn arising from the external factors as well as the spillover effects of the COVID19 pandemic.

Our tariff is not a full cost recovery and this impinges on our capacity to finance investments using internally generated resources. As a result, a limited number of planned projects have taken off. To address this challenge, the Corporation is taking the following measures;

i. Continuous engagement with Government and the Development Partners for their support to the water sector.

ii. Opt for medium- term commercial financing from the local banks to finance critical infrastructure needs.

f. Reducing the impact of supply chain interruptions for our key inputs

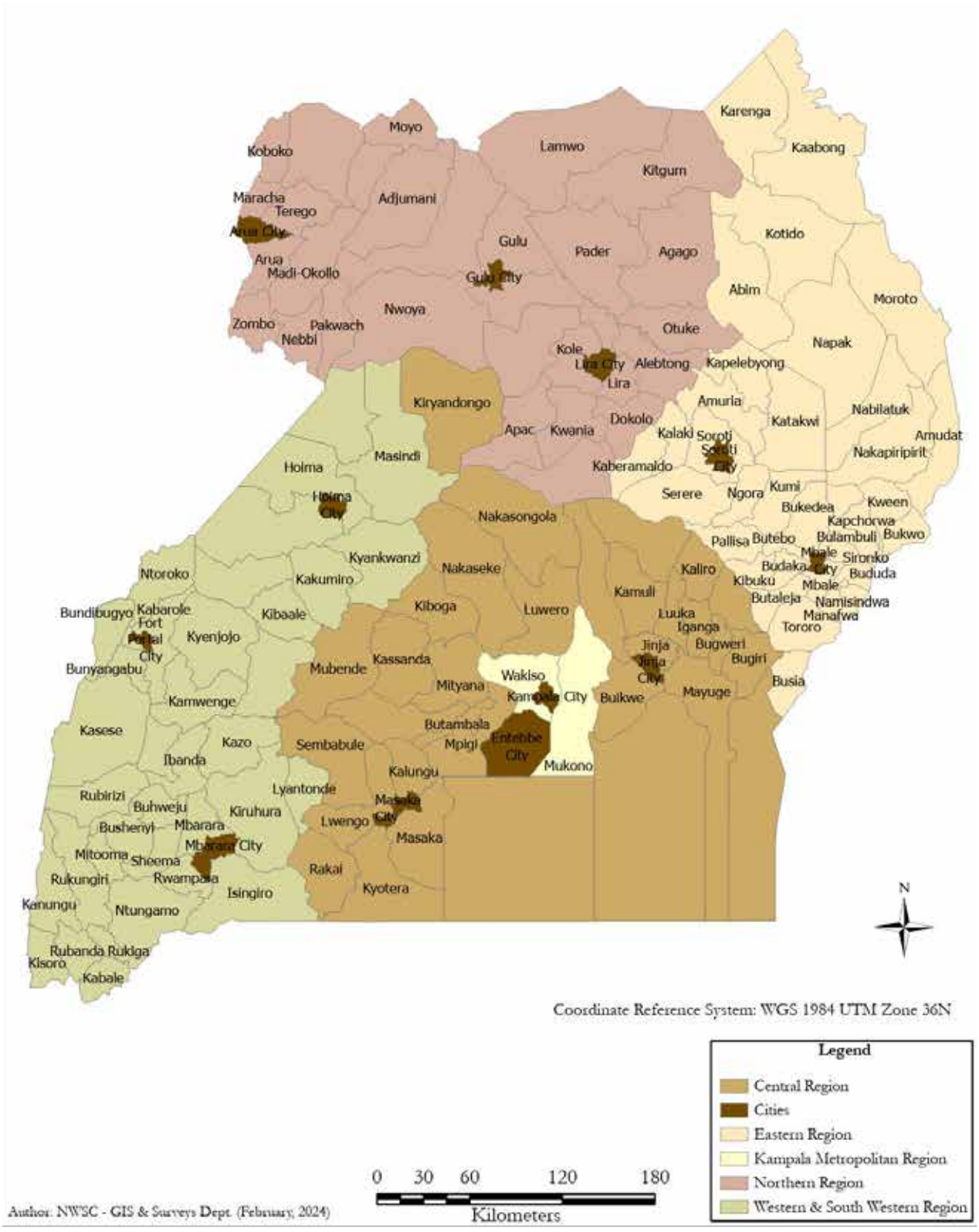
Extended supply chain issues due to the impact of the Russia-Ukraine war has increased our cost of production especially in the cost of imported pipes, water meters, water treatment chemicals and diesel fuel used in some our water treatment plants. We have put emphasis on;

i. Placing orders early in order to reduce shipping delays.
ii. Having two alternative suppliers for each of the key inputs to avoid over reliance on one supplier.
iii. Timely payment of key suppliers so that they are able to supply these items in time.



Engaging Stakeholders to Manage Risks-NWSC MD 2nd left in a blue suit with DMD-TS 3rd left meet with H.E Mr. Xavier Sticker in light blue suit (Extreme right) French Ambassador to Uganda and other members from the Embassy..

Our Nationwide Footprint



Our Journey for the Past Five Years

Our Five-Year Journey has been characterized by systematic performance improvement. The key indicators gauge and guide our performance tracking taking into account our strategic outlook buttressed by the NWSC Corporate Plan and implemented through our annual budget. The following matrix is a clear manifestation of our commitment to continued improvement through quality and sustainable service delivery to the delight of our customers.

Table 1: 5-Year Performance Trend on our KPIs

Key Performance Indicator	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Water Services					
Number of Towns (Nos.)	253	258	258	262	273
Water Service Coverage (%)	84	84	84	84	84
Water Production (Million m^3)	135	140	144	164	171
Water supply (Million m^3)	128	132	137	158	162
Water Sales (Million m^3)	91	87	90	102	105
Non-Revenue Water (%)	29%	34%	34.5%	35.5%	34.9%
New Water Connections (Nos.)	69,215	61,521	51,788	54,697	50,591
Total Water Connections (Nos.)	659,157	724,006	775,794	857,347	892,099
New Public Stand Pipes (Nos.)	3,550	4,429	3,267	2,141	2,808
Total Public Stand Pipes (Nos.)	17,186	21,600	24,867	28,858	29,088
New water mains extensions (km)	2,727	2,135	439	1,305	588
Extensions taken over in New Towns (km)	430	283	77	-	246
Total water pipe network (Km)	17,556	19,974	20,490	21,794	22,646
Sewerage Services					
Sewerage Service coverage (%)	22	23	23	23	23
New Sewer Connection (Nos.)	368	280	277	576	237
Total Sewer Connections (Nos.)	22,606	23,914	25,180	28,007	28,703
New Sewer extensions (km)	59	30	23	36	17
Total Sewer Extensions (km)	661	693	715	751	762
Financial Performance					
Turnover (Billion) - (UGX) (Net VAT)	442	463	461	519	550
Billing (Billion) – (UGX) -VAT Inc.	437	424	430	487	540
Collections (Billion) - (UGX) – VAT Inc.	437	391	435	469	492
Collection Efficiency (%)	100%	92%	101%	96%	91%
Debt Age (Months)	2.3	3.6	3.3	3.0	4.0
EBITDA (Billion) - (UGX)	96	103	106	123	131
Staff Number (Nos.)	3,778	4,082	4,244	4,476	4,600
Staff Productivity (Nos.)	6	6	6	5	5

NB. *The total water connections and total water pipe network include takeovers in the towns handed over to the Corporation by MWE.*

Our Golden Indicators

We take broader focus of our service delivery by tracking critical performance parameters within our monitoring framework. We have therefore defined our Golden Indicators that have a far reaching impact to sustainability and quality service delivery to our customers.

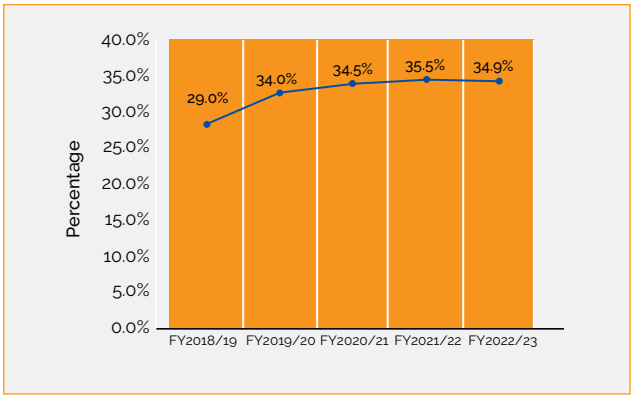


Fig 1 : Non-Revenue Water

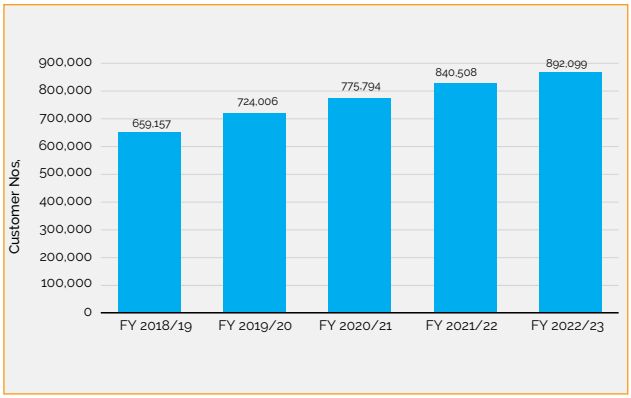


Fig 2 : Growth in customer base

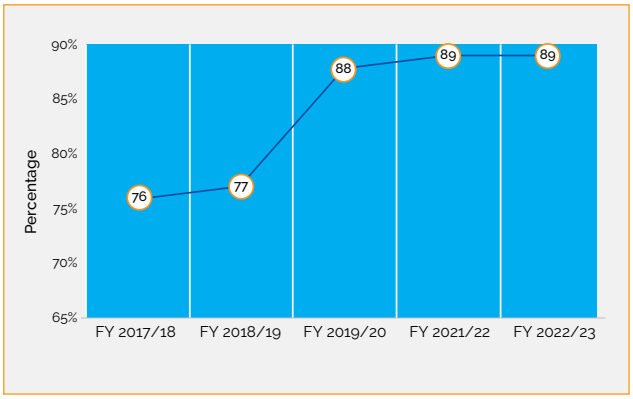


Fig 3 : Increase in Customer Satisfaction Index (%)

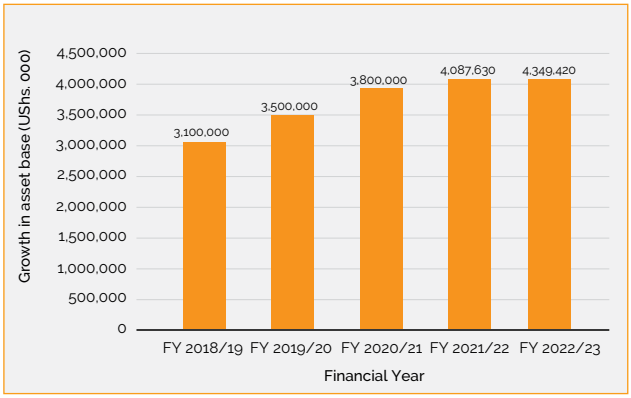


Fig 4: Growth in Asset base (UGX000)

Delivering on our Mandate; Pipes for laying a Transmission Main for the Katosi Water Supply Project



Awards and Recognition 2023



At NWSC, we believe that the customer is the reason we exist. We have therefore, put in place a number of mechanisms through which they can engage with us. We take customer feedback very seriously and endeavor to offer solutions. Over the years we have invested heavily to improve and expand the infrastructure. The Corporation has taken over new towns and improved the Internal Systems. These are intended to offer quality and affordable services to our consumers. Our efforts have earned us recognition and awards from several local and international bodies over the years.

NWSC wins prestigious global award in Brussels

National Water and Sewerage Corporation (NWSC) won the prestigious European Society for Quality Research (ESQR) International Diamond Prize for Excellence in Quality Award. The award was handed over to NWSC leadership at the ESQR Convention and Awards Ceremony held in Brussels, Belgium on Sunday, July 9th, 2023.

ESQR recognizes and highlights outstanding business results, best practices, quality awareness, and achievements by companies and organizations on the global market. NWSC was recognized for its service commitment, business growth, and enhanced quality management strategies. The Ugandan utility also received praise for its innovations and efforts that have resulted in a significant increase in service coverage and supply reliability.

While receiving the award among the other 49 International organizations, NWSC Managing Director, Eng. Dr. Silver Mugisha recognized the great work the management and staff of NWSC are doing that has enabled the organization to grow and attain international recognition. He highlighted the growth experienced by NWSC over the last 10 years, specifically growth in revenue, pipe network, and customer base. He said NWSC is using the latest technology to improve service delivery in Uganda.

NWSC receives Digital Excellence recognition, Scoops Best Utilities and Government Services Digital Excellence Award-Kampala Serena Hotel

NWSC was recognized as ***Digital Brand of the Decade,*** and won Best Utilities and Government Services Digital Excellence Awards during the 10th Edition of the Digital Impact Awards Africa conference and awards ceremony.

The award was presented by the Minister of State for ICT, Hon Joyce Nabbosa Ssebugwawo, at the Kampala Serena Hotel. Congratulations to the Board, Management and Staff of NWSC for yet another milestone in service.

NWSC scoops best digital campaign award-Jinja City

The National Water and Sewerage Corporation (NWSC) was one of the top winners at the 2023 Public Relations Association of Uganda (PRAU), Excellence. The PRAU Excellence Awards celebrate the greatest achievements, innovations, and initiatives that have demonstrated excellence and effectiveness across the public relations and communications industry in Uganda.

Held at the Nile Resort Hotel in Jinja City, at the side lines of the East African Public Relations Week, the 2023 edition ran under the theme: "Advancing PR Excellence for East African Unity", putting much emphasis on strengthening integration through the power of communication.

NWSC won the best social/digital communication campaign of the year at the event opened by Vice President H.E Jessica Alupo.

Although NWSC is government-owned, it has built a good reputation for customer care, better than many organizations.

The corporation has recently adopted several modern communication and digital innovations to improve their customers' experience including a 24-hour interaction on X and Facebook, as well as a quick and easy-to-use NWSC Mobile App and E-water payment system, among others.

In her speech, the Vice President underscored the importance of communication as a key aspect of everyday life, and the first principle of peace.

"Communication is about telling the story, and telling it right", she said, noting that Uganda's development is premised on the four communication-hinged principles, i.e. Nationalism, Pan-Africanism, Socioeconomic Transformation, and Democracy.

Hon. Rebecca Kadaga, the Second Deputy Prime Minister and Minister for the East African Community who closed the weeklong conference challenged the PR players to move with the changing dynamics of the industry while maintaining a collaborative approach for shaping the region.

She said the development will help to build bridges and foster lifelong connections, with the ultimate goal of creating an East African PR Association that is not just an observer but rather a voice at the East Africa Community Secretariat.

Receiving the award, NWSC committed to maintaining an audience with its customers, amidst all the competing voices, by stamping its authority and amplifying its voice, thereby shaping the future of PR in the Corporation and beyond.

Representing NWSC at the Conference and at the Award Ceremony were; the Director of Public Relations - Mr. Samuel Apedel, Manager of Public Relations HQ - Ms. Sheba Bamwine, Public Relations Manager KW - Ms. Vivien Newumbe, Manager Marketing and Digital Communications Media - Mr. Fisher Sekabira, PPRO Western - Mr. Paul Kahigi, PPRO Northern - Mr. Ivan Tekakwo, PPRO Eastern - Ms. Doreen Kapsulel, and SPRO Central - Ms. Cream Treasure Ninsiima.



The Deputy Speaker of Parliament, Rt. Hon. Thomas Tayebwa hands over the FiRe Award 2023 to the NWSC team led by Mr. Silver Emu-dong, Director Finance, Revenue & Accounts.

Awards and Recognition (2017-2023)

Award	Awarding Body
Prestigious Global Award: Diamond Prize for Excellence in Quality Award.	European Society for Quality Research (ESQR) International
Digital Excellence Recorgnition; Scooped Best Utilities and Governement Service Digital Excellence Award.	10th Edition of the Digital Impact Awards Africa Conference and Awards Ceremony.
Best Digital Campaign award	The Public Relations Association of Uganda (PRAU)
Distinguished excellence in utility management	World Confederation of Businesses, St. Thomas in USA
Best Government Agency on Social media and Best Customer Service	Digital Impact Awards,2017
Intellectual development of today's society	International Socrates Award of Intellectual Development (Paris, France)
Water Leaders Award 2017	World CSR Congress in Mauritius.
Utility Water Leader Award	Global Water Awards, UK
Bizz 2017 Award	World Confederation of Business awards, USA
Outstanding business results, best practices, quality awareness and achievements in regional and global markets	European Society for Quality Research Award (London, UK)
Financial Reporting Award,2017	Fire Awards, Kampala
Best Utilities' Services Brand on Social Media and Best Digital Customer Experience Brand	Digital Impact Awards, 2018
Utility Distinction Water Leader	Global Water Awards 2019 ceremony
Service Delivery Excellence Award, 2019	World Confederation of Businesses, San Francisco, California
Glory Award, 2019	
Visionary Leader Extraordinary Award, to the Board Chairman, Eng. Dr. Christopher Ebal, 2019	
IDRICA Circular Economy Water Project of the year 2020.	WEX global conference in Valencia, Spain
African Public Leadership Excellence Award	African Business Leadership Awards, Sandton South Africa
Best users of the Sri Global GIS System	Global Special Achievement in GIS (SAG) Awards, December 2021
Outstanding Brand in Sustainability Reporting	Integrated Financial Reporting (FiRe) Awards,2021.
2nd runner up in the Public Sector Category	

NWSC Marks 50 Years of its Existence



H.E. The President of the Republic of Uganda, pens his signature on the List of Completed Infrastructure Projects in the Past 50 Years; at Kololo Airstrip where NWSC Celebrated its 50 Years of Existance.

Decade I (1972 – 1981) - "The Establishment"

National Water and Sewerage Corporation was birthed on 12th December 1972 by decree 34. At the time, all laws were formed by decree following the dissolution of parliament. The Corporation was established following a need for improvement of water and sanitation services in the large urban centers of Uganda. The object of the Corporation was to develop and operate in any specified area of Uganda water and sewerage services on a national and self-supporting basis.

At its establishment, the NWSC started operations as a Government department in the Ministry of Minerals and Water Resources with limited services of three urban utilities of the strategic towns of Kampala, Entebbe and Jinja. The work force was drawn from other government departments, and the Customers constituted the privileged members of society, elite offices, and hospitals. During its initial years of formation, the NWSC registered operational efficiency, and adequate supply. This was majorly attributed to the small population served at the time.

However, as the economy deteriorated between 1975 - 1982, many consumers found it difficult to meet their financial obligations making it hard for the Corporation sustain efficient service delivery. The systems hardly received any maintenance, and many parts were in shambles. The Corporation resorted to harsh revenue collection tactics to raise finances, making it unpopular among its clients, who saw it as an oppressive, just as the Government it served. NWSC was national by name, but was neither providing water, nor had it expanded its mandate to cover other towns.

Decade II (1982 – 1991) - "Rehabilitation and Reconstruction"

By 1982, NWSC was not generating any money, and the Government contemplated closing it, and returning the systems to City Council/ municipal authorities. The new Management was however, determined to avert the situation, and embarked on earnest rehabilitation of the systems to restore water supply.

To get started, the NWSC received financing from the International Development Agency (IDA) of the World Bank) for the refurbishment of deteriorated water and sanitation infrastructure systems. The project works were however;

interrupted by great civil strife (the armed resistance to the Obote II regime had begun in 1981, and would not end until January 1986, when the NRM overthrew the Okello military regime).

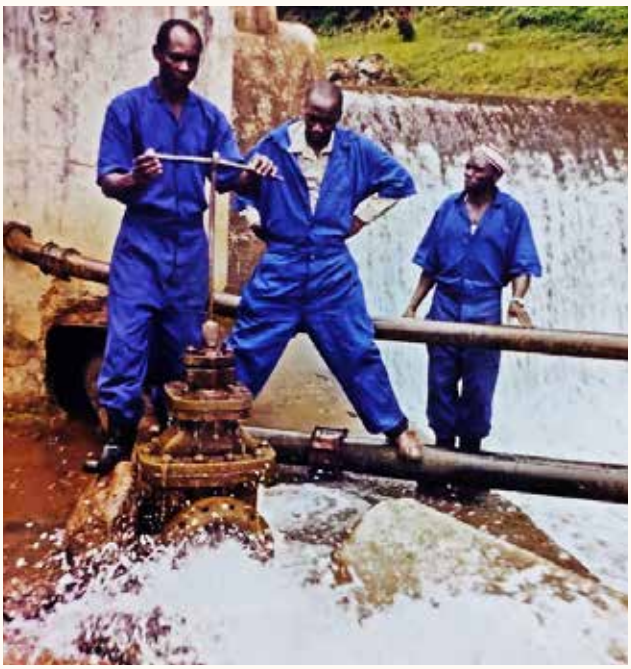
Eventually this changed and serious rehabilitation works begun from 1986. New pumps were acquired utilizing funds raised from donors, the second pump station (Ggaba II) was built, the water reservoirs at Muyenga were expanded, and a new reservoir constructed at Naguru hill; which would supply Ntinda and Kiwatule, and boosted water supply beyond Bwaise, to Kawempe, and on Entebbe road, Najjankumbi.

By 1991, NWSC had restored water supply in Kampala to almost 80%, and the Government prepared, with IDA assistance, to invest in the Urban Water Supply and Sanitation Program for the seven towns, which would enable the Corporation improve services to other towns. The Project was co-financed by the World Bank, the European Economic Community, the Austrian Government, and GTZ at an estimated cost of USD 121 million and its implementation continued up to 1998. The Project focused on improving water supply and wastewater management in Kampala, Mbarara, Masaka and Jinja, with more limited improvements for the systems of Entebbe, Mbale and Tororo. It also focused on strengthening NWSC's capacity through technical assistance and training in technical, commercial, finance, and project management. This skilling component was so impactful that even today; the Corporation is still riding on its benefits.

Decade III (1992-2001) - "Strengthening the Legal Framework"

One major milestone that led to the transformation of the Corporation was the enactment of the 1995 NWSC Statute and the implementation of the National Water Policy (1999). The NWSC Act revised the Corporation's objectives, powers, and structure enabling it operate in all towns or urban areas gazetted to it by the Minister on a commercial and financially viable basis ((CAP 317 (Part I: Section 4 (4)), whereas the National Water Policy set the ground for sustainable and economic management of water resources. This played a remarkable role in the transformation of NWSC from a loss-making entity to a profitable one, hence reducing the Government burden. Central to the National Water Policy and NWSC Statute was; the need to improve equity in service delivery, adoption of appropriate technology, environmental sustainability, and financial viability of public utilities, with focus on efficiency, reducing the government burden, and increasing private sector participation in the water sector.

The seal of approval for all the above efforts came on 31st August 2000, when the Government and NWSC signed a Performance Contract that would permit the Corporation to function as an autonomous parastatal. NWSC was given "operational freedom" to pursue its programmes geared at enhancing efficiency, cost-effectiveness and delivery of quality service, which further set the framework for the goals, and



NWSC Technical Team undertaking restoration works



New Transmission Main from Gaba Treatment Plant

aspirations of the Corporation. The Contract also enabled NWSC to postpone payment of its debt to the Government until the year 2003, allowing the Corporation to further consolidate its efficiency gains and generate adequate revenues to meet its overheads.

Decade IV (2002-2011) - "Defeating the Privatization Bogey"

In 1997, the Government, through the Ministry of Finance, directed the Water Ministry to prepare for private sector participation. For a long time from the mid-1990s, NWSC had been a candidate for divestiture, being characterized by many of the hallmarks that qualified public enterprises for private ownership: debt crisis, tax arrears, and cost overruns. However, the NWSC staff and Management, were not very keen on divestiture because it was synonymous with job loss, misery, and selling of family treasure. Moreover, there were no people willing to buy the company at the time, because it was making losses.

NWSC Management anyhow, begun instituting internal reforms, they were convinced that NWSC had the capability to manage without direct private sector participation. The reforms were two pronged; on the one hand, there were incremental radical reforms to address the organizational culture and human resources management; while on the other there were a series of successive short-term and action-oriented programmes that were consistent with internationally accepted change management principles and practices. These included; tariff reviews and indexation, restructuring, a new water connection policy, Cost Reduction Initiatives, Internally Delegated Area Management Contracts (IDAMCs), Customer Care Initiatives, ISO Certification (9001:2000), adoption of ICT Systems, Urban Poor Initiatives, Infrastructure development, Checkers System and Short term Change Management Programmes.

After two to three years of implementation, the reforms started to bear fruit in form of; enhanced staff productivity and operational efficiency, increased customer confidence and improved corporate image (local and international), service coverage acceleration, infrastructure growth, and financial growth. NWSC emerged as a model utility (local and international), and this stemmed the calls for wholesale divestiture, Government, and even the donors, changed their mind, and decided not to sell, *"Why should we sell the cow that is giving you milk, and that is sustaining you very well".*

Decade V (2012-2022) - "Infrastructure Development and Geographical Expansion"

Reaching as many Ugandans as possible was at the heart of NWSC operations. We believe access to safe water is a human right, and have incorporated these aspects in the Corporation's strategic anchorage. This is in line with the National Strategy outlined in the Sustainable Development Goals (SDGs - Goal 6), Vision 2040, National Development Plan (NDP III) and Government Manifesto (NRM Manifesto 2021 – 2026).



Staff at work in the computer room, following the computerization of systems

To achieve the above milestones, the Corporation implemented a number of strategies aimed at improving access to safe water and sanitation services, key among which included:

i. **Rapid Geographical expansion** from 23 towns as of 2012 to 262 as of 2022. This increased water service coverage by 576%, from 2.6 million people to 7.6 million. This was achieved through the expansion of the water network by 12,611 Km (1,146 Km annually), and installation of 474,821 new connections including 20,922 PSPs.

ii. **Restructuring** of the Corporation's operations to enhance operational efficiency resulting from the takeover of additional 239 urban centers/ towns. This involved streamlining of the operational roles and responsibilities, which, resulted into three business streams including Finance and Corporate Strategy, Technical Services, and Board Affairs & Management Services. These were further disaggregated into eight Directorates and five operational regions including; Kampala Metropolitan, Central Region, Eastern Region, Northern Region, and Western & Southwestern Region. The regionalization took cognisance of the minimum economies of scale, revenues and break-even status.

iii. **Accelerated infrastructure development** aimed at enhancing service delivery through increasing water production capacity and supply reliability. NWSC took the plunge and used internally generated resources in addition to external financing from Government, and various development partners, to invest in infrastructure development in various areas of operation in a bid to meet the growing demand. The projects implemented/ completed included;

- Construction of Lubigi Sewage and faecal Sludge Treatment Plant (SFSTP) and rehabilitation of Bugolobi STP.
- Buloba Water Supply Project
- Kampala Urban Pro-poor Project (Kawempe and Bwaise II)
- Kapeeka Water Supply Project (4,000m^3/day)
- New Soroti Intake Project (8,500 m^3/day)
- Compact Wastewater Treatment Plants for Fort Portal and Kisoro Towns

- New Head Office Block in Nakasero, Iganga Area Office, Bushenyi, Lira, Rukungiri and Kasese
- Masindi Water Production (3,700 m^3/day)
- Kampala Water Lake Victoria WatSan Project: Rehabilitation of Gaba I & II treatment Plants and New Gaba -Namasuba Transmission
- Water Management and Development Project (WMDP) – Arua Water Supply and Sanitation Project.
- Water Management and Development Project (WMDP) - Bushenyi Water Supply and Sanitation Projects
- Service Coverage Acceleration Project (SCAP 100).
- Water Management and Development Project (WMDP) - Gulu Water Supply and Sanitation Project
- Kapchorwa Water Supply Project
- Kampala Sanitation Programme Phase 2 (KSP – LVP2) - Kinawataka Pre- Treatment Plant and Pumping Station
- Kampala Sanitation Programme Phase 2 (KSP – LVP2) - Nakivubo and Kinawataka Sewers Project
- Kampala Sanitation Programme Phase 2 (KSP – LVP2) – Nakivubo Wastewater Treatment Plant
- Fort Portal Water Production Improvement Project
- Kampala Water Lake Victoria WatSan Project 2 - Katosi Water Treatment Plant and Transmission main.
- Kapeeka Water Supply Augmentation Project.
- Sembabule Water Supply Improvement Project
- Parombo Water System Development
- Kisoro Water Supply Improvement project
- Jinja Water Supply Improvement Programme
- Kampala Water Supply Improvement Programme

The above investments have enabled NWSC grow its Asset Base by 529%; from Ushs. 637.7 billion in 2012 to Ushs.4.1 trillion in 2022.

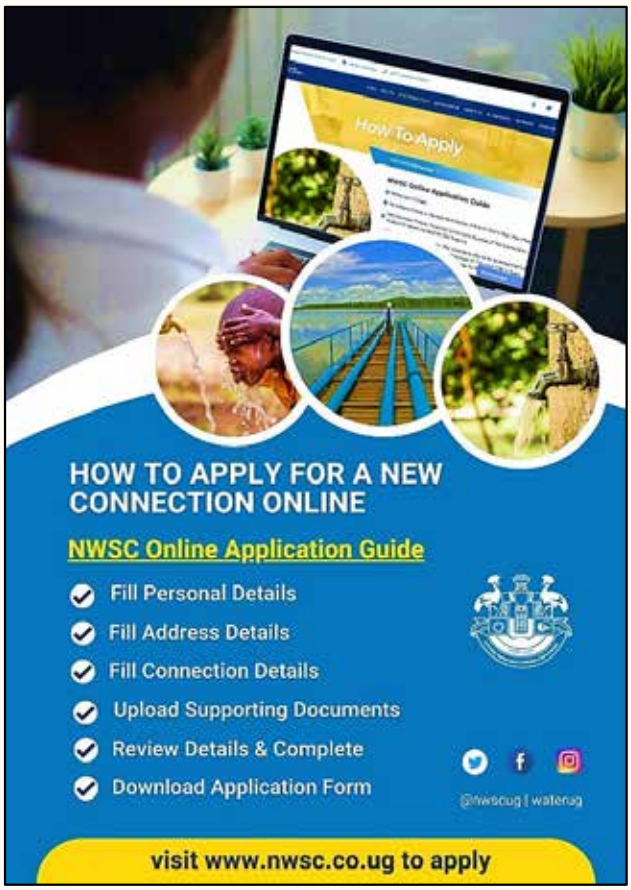
iv. **ICT revolution and digitalization** of key processes including the new connection process, billing (e-bills), e-procurement system, e-inventory, e-MTOs (Medical Treatment Orders), e-Training, Customer Relationship Module, Computerized Maintenance Management System, and Water Quality Information Management System. This is aimed to enhance operational efficiency and customer experience.

v. **Skilling and Workforce Development** with the view of imparting relevant knowledge and skills aimed at enhancing staff productivity. In addition to professional trainings, NWSC embarked on re-skilling and re-tooling technicians and artisan staff, through Vocational Skills Training and Development at the Vocational Skills Development Facility (VSDF) established at Gaba with support from the German International Cooperation. By 2022, NWSC had held 4 Graduation ceremonies and over 500 technicians were certified.

vi. **Wide stakeholder engagement.** The Corporation has a diverse range of stakeholders. We take into consideration the need to balance our mandate with the needs of all the stakeholders. We therefore constantly engage our stakeholders with the aim of understanding their dynamic expectations and strive to meet them. This is achieved through a cocktail of channels including; Radio Programs, Television Shows and documentaries, magazines, social media campaigns, barazas, community meetings and water community clubs

.

vii. **Pro-poor Initiatives.** There was an intensification of the pro-poor connections (PSPs). The Corporation intensified the installation of pro-poor connections, which increased the number of PSPs from 8,198 in 2012 to 29,019 in 2022. In addition, the tariff for PSPs was reduced by 34%, from UGX 38 to UGX 25 per 20–litre jerry can. The reduction was intended to increase affordability and willingness to pay.



On-line Procedure for New Connections



Training of Technicians at the VSSDF Facility, Gaba

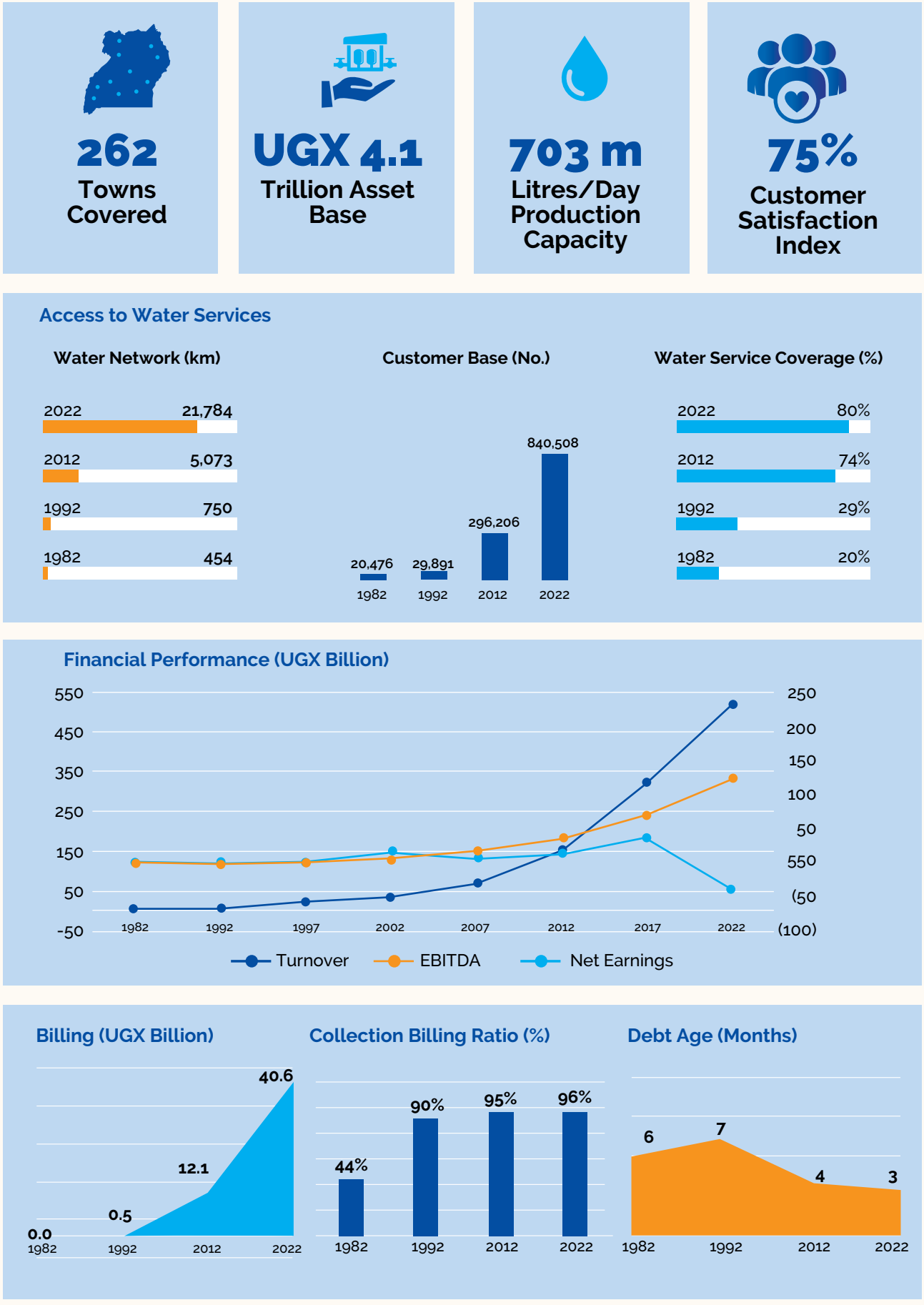


Figure 5: NWSC Performance Dashboard 1972 - 2022

In the last 5 decades, NWSC has registered consistent improvement in all the performance indicators as summarised in table 2;

Table 2 : Summary of NWSC Performance over the Past five Decades (1982 – 2022)

Key Performance Indicators (KPIs)	1972 Estimated**	1982 Estimated**	FY 1991/92	FY 2001/02	FY 2011/12	FY 2021/22
Water Service coverage (%)	8.2%	19.7%	28.8%	60.0%	77.0%	84.0%
Sewerage coverage (%)	1.4%	1.0%	1.0%	10.0%	6.4%	23.0%
Number of Service Towns (Nos.)	3	5	7	13	23	262
Water supplied (mil m³)	6.4	15.4	22.5	46.9	79.8	157.9
Water sales (mil m³)	3.2	4.9	8.9	28.0	53.7	101.9
NRW (%)	50.0%	68.5%	60.3%	40.4%	32.7%	35.5%
Total Water Connections (Nos.)	7,742	20,476	29,891	74,797	296,206	857,347
Total Public Stand Pipes (Nos.)	-	337	826	2,685	8,198	28,858
Total Water Network (Km)	252	454	750	1,846	5,073	21,794
Total Sewer Network (Km)	14.7	42.7	82.1	129.8	470.3	751.0
No of Staff (Nos.)	484	1,168	1,705	889	1,773	4,467
Staff / 1000 connections	63	57	57	12	6	5
Billing (Billion) – (UGX) -VAT Inc.	0.004	0.009	6.5	29.3	145.1	487.0
Collection Efficiency (%)	44%	44%	90%	91%	95%	96%
Debt age (Months)	-	6.0	7.3	9.7	4.0	3.0
Annual Turnover - Net VAT	0.87	2.5	6.7	34.1	155.3	519.3
EBITDA (Billion) - (UGX.)	0.0000	0.0004	1.1	7.0	36.1	122.7
Total Assets (UGX Billion)	28.7	69.21	51.3	210.4	637.7	3,770.1


SOGEA SATOM
CAT
349D2 L
D50019


RAN DON
80
ZE 9817

Message from the Chairman, Board Of Directors



Eng. Dr. Badru M. Kiggundu
Chairman, NWSC Board of Directors

During FY 2022/23, we continued pursuing our vision of being the leading customer service oriented water utility in the world. We did this by holding our commitment to delivering value to our customers, the Government we serve, our employees and other stakeholders. This is our mandate to which we are fully committed and in doing so we continuously endeavor to enhance the trust of our esteemed stakeholders

On behalf of the NWSC Board of Directors, it gives me great pleasure to present to you the NWSC Integrated Annual Report for the FY 2022/23. Suffice it to say, the year was marked with significant milestones that improved water and sewerage service delivery across the Country.

The Corporation works together with stakeholders and we build stronger relationships with them, which is a priority to us. In the past year, we continued with the focus on our stewardship and oversight roles, and this resulted into a number of achievements being registered.

Our total income amounted to **UGX 550 billion;** an increase of 6% from **UGX 519 billion** registered. in the FY 2021/22. The Operating Profit stood at **UGX 131 billion** compared to **UGX 123 billion** that was registered in the FY 2021/22.

Developing a strong Infrastructure base is one of the Strategic Priority Areas in our Corporate Plan (2021-2024); In this regard, I am happy to report the following projects that were completed during the financial year under review;

- Kampala Sanitation Programme Phase 1, Lake Victoria Protection Phase 2 Project
- Construction of New Katosi Drinking Water Treatment Plant Project (capacity: 160,000 m^3/day)
- Laying of Katosi-Kampala Transmission Mains (61 km)
- Internally funded Water Supply Projects in Sembabule, Kapeeka and Lyantonde

The Board is also aware of the need for equity in the provision of Water and Sanitation services. We give considerable attention to acceleration of service coverage through Public Stand Posts, extending water to the urban poor population, geographical expansion across the Country and maintaining a pro-poor tariff equivalent to **UGX 50** per 20 liter jerrican of water. **29,088** public standpipes have been installed in various villages across the Country to increase access to safe water by Ugandans.

The Corporation's financial performance, detailed in this report, demonstrates that the organisation continues to grow responsibility through increased expertise and financial strength, and it's well positioned for positive future performance.

These results are an outcome of stalwart adherence to our values and commitment by the NWSC Management which allowed the organisation to provide clean, safe, reliable and affordable water supply and waste water services

On behalf of the Board of Directors, I would like to thank our shareholders for the continued trust and support. I also take this opportunity to thank the Government of Uganda for the favorable working environment provided and for the enormous support extended to the Corporation. We are cognizant of the support from the Development Partners that has enabled us improve our service delivery capacity. We are always indebted to our esteemed customers for their support to and partnership with the Corporation.

I wish to thank the Management and Staff of the Corporation for the commendable work done in the Financial Year, and for the continued efforts, dedication, and commitment in serving our customers.

On behalf of the Board, I pledge and commit our continous support to Management and Staff in fulfilling our mandate and Vision of being ***"The Leading Water Utility in the World".***

For God and my Country.



Eng. Dr. Badru M. Kiggundu
Chairman, NWSC Board of Directors

NWSC Board at the inspection of the Katosi Water Supply Project (2nd right is Board Chairman-Eng. Dr. Badru M. Kiggundu)



Message From the Managing Director



Dr. Eng. Silver Mugisha
Managing Director

With our operations in the 273 (Cities, Municipalities, Town Councils) NWSC leverages tremendous expertise and financial strength across the Country. The combination of disciplined approach to service delivery and innovative solutions, we are able to offer services to our dear customers and this has made NWSC one of the fastest growing utilities in the sector and the Region.

As we report NWSC achievements in 2023, you will realise that we have remained steadfast in our commitment to deliver value to our customers who place their trust in us to deliver clean, safe, reliable and affordable water and sewerage services. As an organization, one of our Strategic Focus Areas (SFA's) is infrastructure development; as a result, we have continued to invest in all our operational Areas in the Country. This has been done mainly through Service Coverage Acceleration Project (SCAP 100) that entails expansion of services to the unserved and ensure Water Supply is stabilized.

We are commited to implementation of our Infrastructure Investment Plan which focuses on rehabilitation, expansion and development of infrastructure to extend our services to more Ugandans. This also supports reliability and resilience of existing water and sewerage infrastructure.

The approach of the Corporation has been mainly focusing on improving operational efficiencies through the use of modern available technology in service delivery. For instance, this year we launched the E-billing System to eliminate the challenge of erroneous billing.

To broaden our scope of service delivery, the Corporation developed Golden Indicators to track critical performance parameters. I'm happy to report that during the Financial Year under review, we registered significant progress in these Indicators. Key among the achievements is the growth of 6% in our Asset Base, from UGX 4.09 Trillion to UGX 4.33 Trillion. Our Customer Base stood at **892,099** connections, a growth of 6% from **840,508** connections registered in the FY 2021/22. Findings from the independent Customer Survey indicated that our Customer Satisfaction Index (CSI)

stood at 80%, which is over and above the International Benchmark of 70%. We also happy to report that findings from the Staff Engagement Survey indicated that our Staff Engagement Index stood at 70% . This is a clear manifestation of our commitment to ensure the wellbeing of our staff. We believe that when our staff are happy, they will deliver to the expectation of our esteemed customers. We shall continue tracking these indicators to ensure that we unwaveringly deliver a better service to our stakeholders. .

NWSC's Management focus is to bring solutions and value to all our customers. One of the ways is through our Equity Policy, where the least privileged access water through a stand post or a kiosk and a 20-liter jerry is sold each at 50/= inclusive of VAT charges. This is less than a dollar for 50 Jerrycans or a cubic meter.

The NWSC successful performance is also attributed to our uniquely talented and diverse workforce. Our staff are deeply committed to the organization purpose. They are not only committed to serve the organization but also other stakeholders, especially our dear customers. Our value is seen on the most recent award that the Corporation received from Brussels in July 2023. National Water and Sewerage Corporation (NWSC) won the prestigious European Society for Quality Research (ESQR) International Diamond Prize for Excellence in Quality Award. The award was handed over to NWSC leadership at the ESQR Convention and Awards Ceremony held in Brussels, Belgium on Sunday, July 9, 2023.

ESQR recognizes and highlights outstanding business results, best practices, quality awareness, and achievements by companies and organizations on the global market. NWSC was recognized for its service commitment, business growth, and enhanced quality management strategies. The Ugandan utility also received praise for its innovations and efforts that have resulted in a significant increase in service coverage and supply reliability.

With our operations in the 273 areas (Cities, Municipalities, Town Councils) NWSC leverages tremendous expertise and financial strength across the country. The combination of disciplined approach to service delivery and innovative solutions, we are able to offer quality services to our dear customers and this has made NWSC one of the fastest growing utilities in the sector and the Region.

It's the combination of our focused and visionary management; innovative ways in service delivery and committed & skilled workforce that continues to distinguish the Corporation from other utility organizations in the region.

Allow me to take this opportunity to extend my gratitude to the Ministry of Water and Environment and the Ministry of Finance, Planning and Economic Development for the unwavering support, especially during the Financial Year ended June 2023. In the same breadth, I wish to thank our Development Partners for their commitment to augment our resources.

I wish to thank the Parliamentary Committee on Natural Resources for providing the necessary guidance on complex matters that form part of the Water Sector. We give absolute assurance that we shall continue upholding the mandate of the Corporation.

I also wish to acknowledge the contribution that we get from members of the public, especially the innumerable stakeholders in the Water and Sanitation Sector. It is through your feedback, partnerships and progressive association that the NWSC continues to make enormous strides in the Sector.

I believe our performance sets the stage for sustained growth for the long-term. On behalf of the Corporation and all the employees of NWSC, I wish to thank all our stakeholders for the continued support. We are proud of all we have achieved in 2023 and we look forward to serve you better.



Dr. Eng. Silver Mugisha
Managing Director

Our Strategic Anchorage

The formulation of the NWSC Corporate Plan (2021-2024) was premised on the overarching National Strategic Framework that includes the following:

i. **Sustainable Development Goals (SDGs) - Agenda 2030:** The Corporate Plan targets specifically to contribute to the achievement of the SDG No.6, of ensuring availability and sustainable management of water and sanitation for all.

ii. **Vision 2040:** The Vision of Uganda 2040 is "A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years". The Corporate Plan (2021-2024) is therefore anchored to the following aspects of Vision 2040; (a) improve the health, sanitation, hygiene and promoting commercial and low consumption industrial setups (b) improve water security and mitigate adverse effects of floods and droughts (c) Development of water for industrial purposes by putting in place the necessary infrastructure to support the re-use of water, and (e) Water use efficiency, water recycling and water re-use.

iii. **National Development Plan:** 2021–2026 (NDP III): The NDPIII provides the overarching National Strategy from which all strategic plans for Government Ministries, Departments, Agencies and Local Governments (MDALs) are drawn. The Goal of the NDPIII is "Increased Household Incomes and Improved Quality of Life of Ugandans". This is pursued under the overall Theme of Sustainable Industrialization for inclusive growth, employment and sustainable wealth creation.

The key objectives of NDP III are;
a) Enhance value addition in key growth opportunities;
b) Strengthen the private sector to create jobs;
c) Consolidate and increase the stock and quality of productive infrastructure;
d) Enhance the productivity and social wellbeing of the population; and,
e) Strengthen the role of the state in guiding and facilitating development.

The Corporate Plan (2021-2024) is specifically aligned to the Programme Implementation Action Plans (PIAPs) for the various NDPIII programmes, in particular the Human Capital Development Programme and Natural Resources, Environment, Climate Change, Land and Water Management Programme.

iv. **Water and Environment Strategic Investment Plan (SIP 2018-2030):** The SIP outlines the annual Water and Environment Sector funding requirements to achieve the 2030 targets, and remain in compliance with the SDG Commitments. This guided the investment priorities in the Corporate Plan.

v. **NRM Manifesto 2021-2026:** The main theme of the Manifesto is to secure the Future of all Ugandans by prioritizing; Creating Jobs and Wealth, Delivering Education, Health and Water, Ensuring Justice and Equity, Protecting Life and Prosperity, and Achieving Economic and Political Integration

vi. **Performance Contract Framework between NWSC and the Government of Uganda:** The NWSC operates through a regulatory framework of a Three-Year Performance Contract between the Corporation and the Government of Uganda (represented by the Ministry of Water and Environment). Currently, the Corporation is implementing the Seventh Performance Contract (PC 7) for the period July 2021 to June 2024.

The Contract sets out the role, scope and Performance Targets of NWSC as a Water and Sewerage Authority in its Areas of jurisdiction. This is intended to foster efficiency and growth in performance, as well as ensure that NWSC Goals contribute towards the achievement of the overall National Water and Sanitation Sector Goals.

vii. **Parish Development Model (PDM):** The overall objective of the PDM is to increase the effectiveness of infrastructure and service delivery, including agricultural extension and social services, in order to accelerate the realization of the long-term goal of socio-economic transformation. The Corporate Plan is aligned to PDM pillar 2: Infrastructure and economic services, while underscoring the following specific objectives of PDM;

Objective 2: Provide the necessary social and economic infrastructure, including community access roads, energy, water for domestic consumption and production, local markets and economic services.

Objective 4: Strengthen social services at the grassroots in terms of health, education, environment management, improved housing, sanitation and hygiene



H.E the President of the Republic of Uganda, Yoweri Kaguta Museveni Tibuhaburwa commissions Gaba 3 Water Project.



DMD-TS Eng. Johnson Amayo (Centre) gives a brief to the Minister of Water and Environment; Hon. Samuel Kiprotich and other guests at the inspection of the Katosi Water Supply project.

Our Strategic Focus (2021-2026)

Our strategic focus (2021-2024) is aligned to the following five Strategic Priorities Areas (SPAs) which contributes to the achievement of the NDPIII focus areas of investments. i) Industrialization, ii) Infrastructure Development, iii) Skilling and Workforce Development, iv) Private Sector Involvement, and v) Organizational Health and Sustainability. Each of the SPAs is implemented through various Strategic Goals and Objectives, supported by the Strategies and deliverables. The various strategies and deliverables are translated into measurable Annual Targets based on Key Performance Indicators.

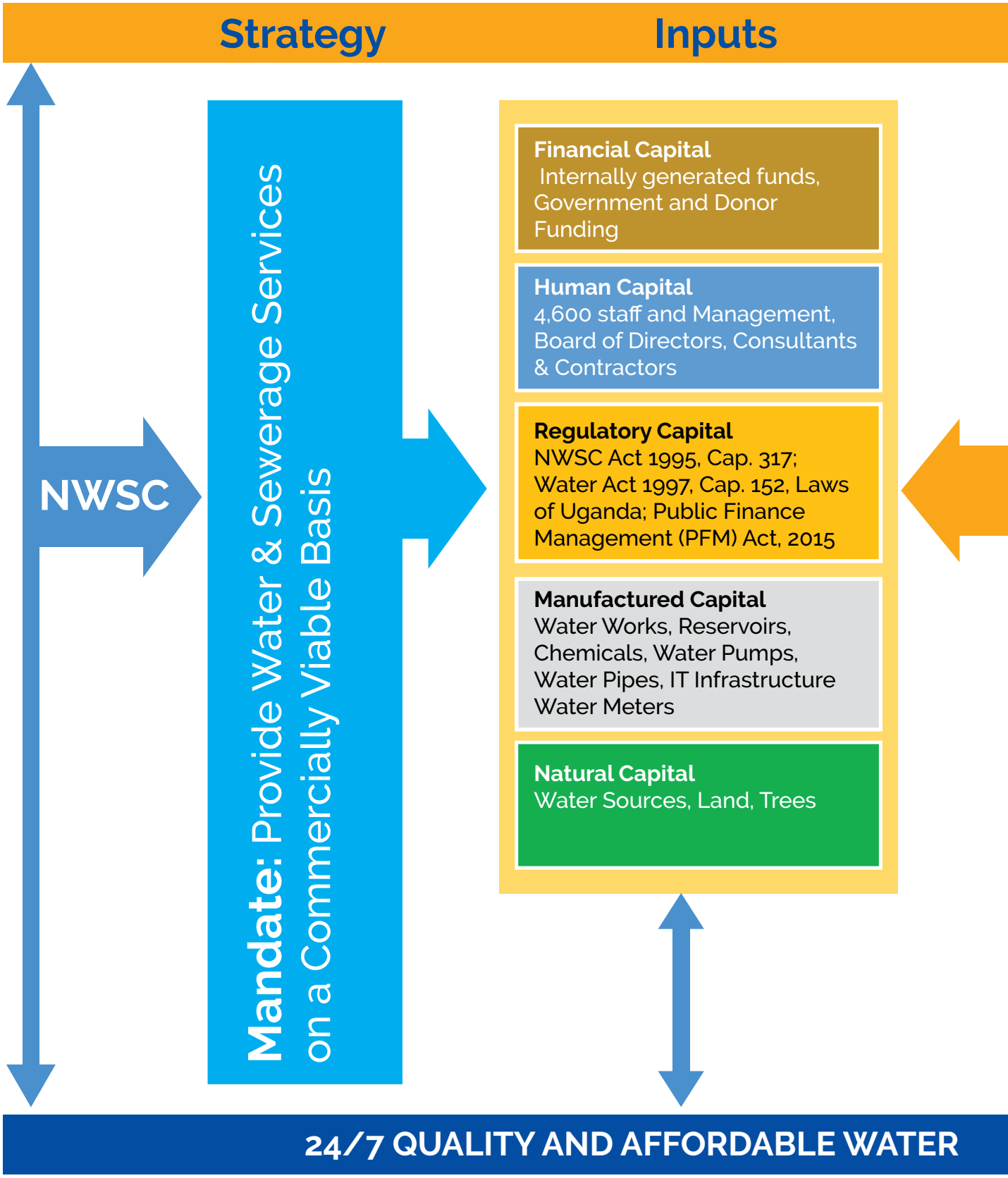
Table 3 provides a summary of the NWSC Strategic Focus for the period 2021 – 2026;

Table 3: Strategic Priority Areas (SPAs), Strategic Goals And Objectives, and Key Performamnce Indicators (2021-2026)

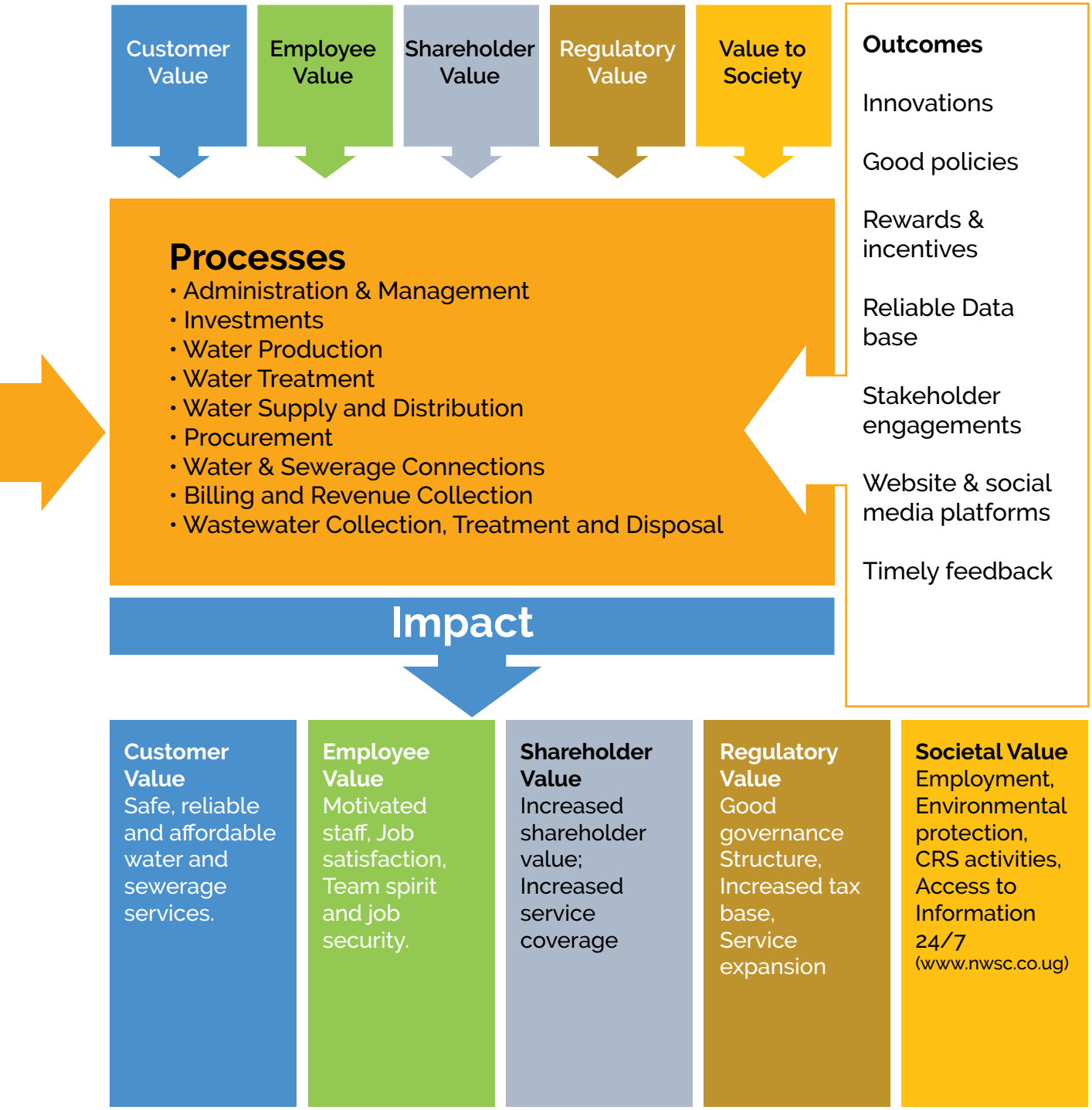
#	Strategic Priority Area	Strategic Objectives & Goals	Key Performance Indicators (KPIs)
SPA 1	**Industrialization**	• Increase water and sewerage service coverage for industrial development and growth	• Industrial parks with water services (No.) • Industrial parks with sewerage services (No.) • Water connections in industrial parks (No.) • Sewer connections in industrial parks (No.) • Water and sewerage networks to serve the industrial parks (km) • Industrial category of connections (No.) • Industrial parks with reliable water supply (%)
SPA 2	**Infrastructure Development**	• Increase service coverage • Ensure compliance to water and wastewater quality standards	• Water Service coverage (%) • Sewerage Service Coverage (%) • Water Connections (No.) • Sewer connections (No.) • Capital budget implemented (%) • Compliance to drinking water quality National standards (%) • Compliance to wastewater effluent discharge standards (%) • Water network extensions completed (km) • Sewerage network extensions completed (km) • Practical production capacity (m^3day) • Additional towns/schemes served (No.) • Cities/Towns with sewerage coverage (No.)
SPA 3	**Skilling and workforce Development**	• Have a highly competent, skilled, ethical and productive workforce • Contribute to the capacity development of the water sector	• Staff productivity (Staff per 1,000 connections) • Staff with Vocational Certification (% of eligible staff) • Professional certified staff (%. Of eligible professions) • Regional Training hubs established (No.) • External people trained (No) • Staff Trained (No.)
SPA 4	**Private Sector Involvement**	• Strengthen the Private sector involvement	• Ratio of outsourced services (No.) • Private financing (UGX) • PPP projects structured and implemented (No.)
SPA 5	**Organizational Health & Sustainability**	• Increase revenue • Improve liquidity • Increase operating surplus • Improve operational efficiency • Improve water supply reliability • Improve customer services • Environmental and Ecological sustainability • Improve employee motivation and commitment • Enhance Corporate Citizenship	• Collection efficiency (%) • Debt Age (Months) • Creditors Days (Days) • Working Ratio • Return on Capital Employed (%) • Billing (UGX) • Cash Operating Margin (UGX) • Connections (No.) • Connection Efficiency (%) • Water sales volumes (m^3) • System availability: Plant availability (hours of supply) • System availability: Network Failure Restoration Time (hours) • NRW (%) • Specific Energy Consumption (UGX/m^3) • Specific Bulk chemical utilization (UGX/m^3) • Customer Satisfaction Index (%) • Response time to customer complaints (hours) • Break even Areas (No.) • Staff productivity (Staff per 1,000 connections) • Maturity score (No.) • Current Ratio • Employee Satisfaction index (%) • Corporate Social Responsibility Budget implemented (%) • Urban centers served (No.) • Audit recommendations implemented (%)


Oxion

Our Value Creation Model



Outcomes and Impact



AND SEWERAGE SERVICES

Stakeholder Engagement Materiality

The Corporation has a diverse range of stakeholders who include; **Consumers, Government, Development Partners, Suppliers, Employees and the Community**. While focusing on supplying of water and providing 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 table 4;

Table 4: Stakeholder Analysis

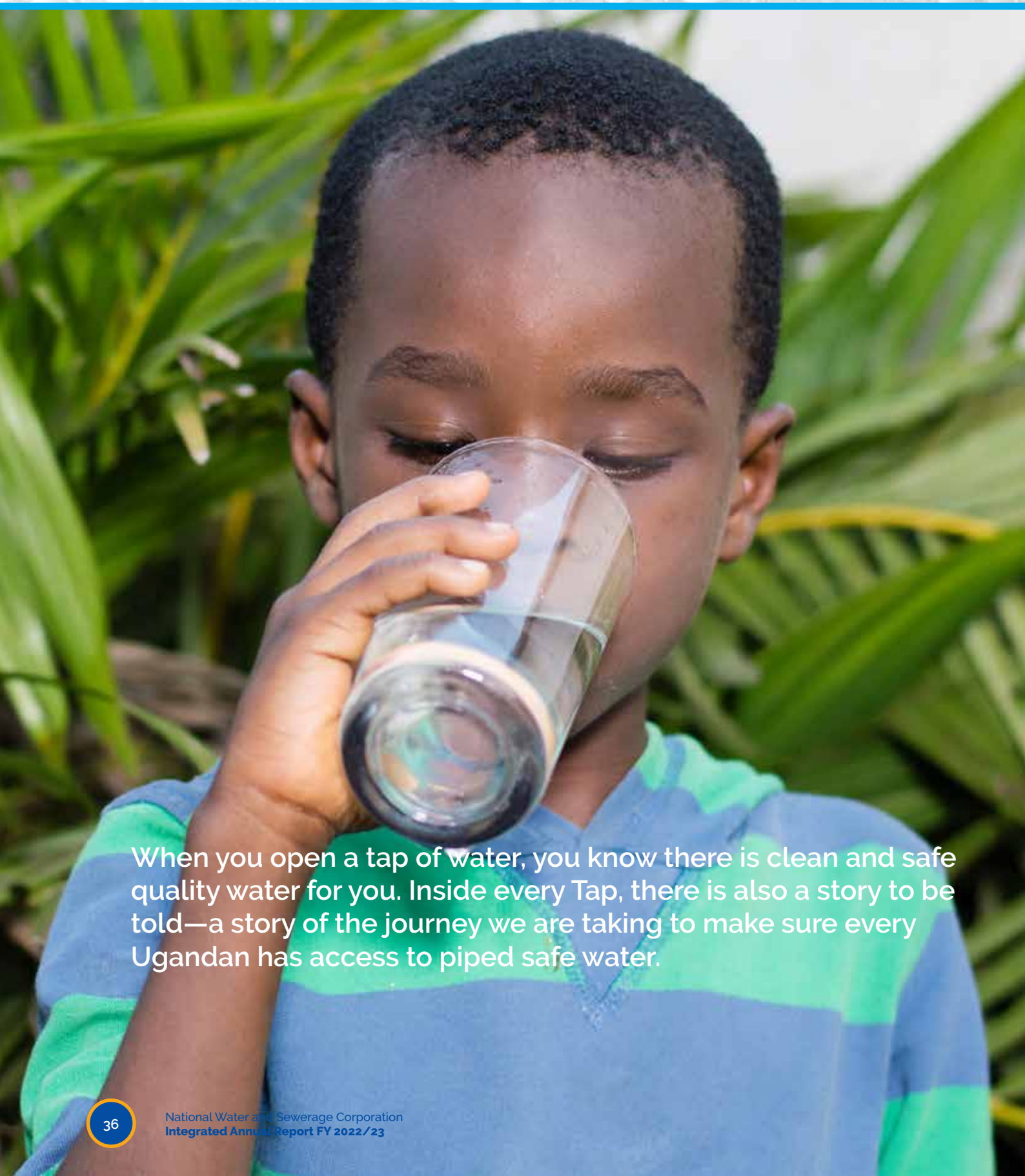
Stakeholders	Importance	How We Engage With Them
Consumers	• Pay their bills • Consume our services • Give us feedback. • Market our services. • Support our growth.	• Monthly meter readings and issuing of bills. • Prompt communication on service interruptions. • Annual update of customer charter. • Annual 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. • 215 branch offices spread to various parts of the Country. • E-Branch where customers can access various services like new connections.
Government	• Sole equity owner. • Commitment to support the provision of universal access to water. • Providing investment financing. • Providing Policy and Regulatory framework.	• 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	• Contribute funding to our capital development projects. • Support capacity development programmes	• 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	• They run the business. • They interface with all other stakeholders. • Possess key skills required in our business.	• 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, and training workshops. • Quarterly Performance Appraisals and Reviews. • Whistle Blower Policy. • Coaching and mentoring • Regular visits to branch offices by Management and Board.

Stakeholders	Importance	How We Engage With Them
Suppliers	• Provide in-puts required to our business. • Provide working capital. (Credit sales) • Provides services/ works that support our business.	• Advice to 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 credit. • Confirmation of supplier balances to their auditors.
Community	• Gives us feedback • They are affected by our actions. • Keep an eye on our assets and infrastructure. • Assist in implementation of our projects.	• 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.



Engaging Stakeholders during the AfWA International Conference -At Serena Hotel 2020

Delivering Sustainability



When you open a tap of water, you know there is clean and safe quality water for you. Inside every Tap, there is also a story to be told—a story of the journey we are taking to make sure every Ugandan has access to piped safe water.

The governance framework in place ensures that the business sustainability and going concern assessments are evaluated time and again. Our framework is driven by the view that the real-time creation of value for shareholders and community enhances the long-term viability of the Corporation. This Framework has been designed to ensure that in fulfilling our core mandate, NWSC conducts itself in a way that respects the social contract and creates long-term value.

The framework features a core set of policies and procedures supported by a governance structure designed to ensure we address the most material issues to our key stakeholders and wider society.

The Managing Director together with the Management Committee take the overall day-today responsibility for sustainability. The Board is responsible for strategic setting, oversight and implementation monitoring. The Risk Management Department is charged with monitoring and reporting on the status of compliance with the sustainability framework.

Our Sustainability approach is embedded in our Mission **"To sustainably and equitably provide cost effective and quality Water and Sewerage services while conserving the Environment and Enhancing Stakeholder Trust".**

At NWSC, we take account of the importance to meet our present needs without compromising the ability of future generations to meet their own needs. We are conscious of the fact that there is interdependence of economic, social and environmental factors. The interests of the poor and other special interest groups are always provided for in our planning. Therefore, in addressing sustainability issues, we go beyond the legal requirements and industry standards.

We measure our success as a derivative of the quality and range of products and services we offer, and how we impact on the environment and the communities in which we operate.

This report measures, discloses and gives accountability to our 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, especially on clean water and sanitation, achieving food security, eradication of poverty, good health, social justice and minimizing the negative impact of climate change on the environment.

The report provides a balanced presentation of the sustainability performance, results and outcomes of NWSC for the FY 2022/23, summarized under Economic, Environmental and Social Sustainability.



SWAS Club members of Mpondwe Primary school ready to plant a tree.



NWSC Members of the Young Water Professionals plant a tree with the SWAS Club members of ....

Financial and Economic Sustainability

Our aim is to utilize and safeguard resources to create sustainable values. We therefore, take keen interest in supporting the private sector, Industries, and other Stakeholders to foster economic growth of the Country.

Financial Sustainability of the Corporation

The requirement for financial sustainability is embedded in the NWSC Act 1995 which mandates the Corporation to operate on a sound commercial and financially viable basis. In view of this, the following achievements were registered in the FY 2022/23;

Our Turnover was UGX 550.0 billion compared to UGX 519.3 billion in the FY 2021/22, a growth of 6%. The Turnover has been growing by an average of 7% annually over the last six years. This is as a result of the steps taken to extend the water networks, stabilize water supply in the existing towns and growth in the number of towns, from 218 to 273.

Our primary source of revenue is provision of water and sewerage services. However, we have diversified our income sources to include revenues from Consultancy Services, hire of Training Facilities and provision of Laboratory Services in a bid to strengthen our Balance Sheet. During the FY 2022/23, UGX 2.3 billion was raised and over the past 6 years, UGX 34.3 billion, (approximately USD. 9.1 million) has been generated from Consultancy Services. NWSC continues to emphasize cost optimization to improve on the efficiency in providing services.

The Operating Profit during the Financial Year under review was UGX 131.0 billion compared to UGX 122.7 billion in the FY 2021/22. However, over the last six years the Operating Profit has increased by an average of 4% per annum. Bulk of the profits made by the Corporation is reinvested in the refurbishment, expansion and development of the infrastructure. During the FY 2022/23, UGX 27.4 billion was spent on infrastructure improvements and approximately UGX 389.4 billion (USD. 102 million) has been spent over the last six years..

Our Contribution to the National Coffers

The Corporation made a contribution of UGX 83.6 billion in taxes to the National Treasury in the FY 2022/23. NWSC was recognized as one of the most compliant taxpayers in 2017, 2018, 2019 and 2020.

NWSC Supporting Industrialization and Economic Growth

The Industrial Sector is a key priority sector in the Ugandan Economy and occupies an integral part of the Governments Social and Economic Development Plan (NDP III) and Vision 2040. The Corporation is mindful of this, and commits to continuous improvement in service delivery to the sector.

Our business directly impacts industrialization and economic development of our Country. We provide water and sewerage services to several small, medium and large enterprises which are engaged in business, agriculture, manufacturing, tourism and hospitality.

The Tourism Industry is the leading foreign exchange earner, and relies heavily on NWSC water and sewerage services for the comfort of their guests. Agriculture is the backbone of the Ugandan economy but it faces the challenge of unreliable rainfall patterns. The Corporation is embarking on developing affordable water schemes which will provide water for human consumption and also support agricultural production in the Country side.

Reliable and sufficient water supply is critical for the steady growth of the manufacturing sector. The Corporation is therefore implementing a number of interventions, which directly benefit the Industrial Sector..

a) **Provision of Water and Sewerage Services in Industrial Parks.** NWSC has been working closely with the Uganda Investment Authority (UIA), to extend water to the twelve (12) established Industrial and Business Parks in Kampala (Luzira, Bweyogerere), Masaka (Bukakata Industrial Park), Kapeeka, Jinja (Masese Industrial Park), Mbale, Soroti, Karamoja, Kasese, Mbarara and Nshara among others.

   NWSC has established Water Supply Systems for the nine (9) well-developed Industrial Parks and various businesses have been connected to the Water System. Nshaara, Karamoja, MMP Industrial Park - Buikwe and Mbale Industrial and Business Parks are still under development and NWSC will continue working closely with UIA to ensure these parks are supplied with water. Table 5 provides a summary of the key initiatives that have been implemented since 2019.

Table 5: Status of NWSC Initiatives in the Established Industrial Parks since 2019.

Indicator	2019/20	2020/21	2021/22	2022/23
No. of Industrial Parks Established	11	11	12	12
No. of industrial parks with water services.	9	9	10	10
Km of water network in industrial parks	36	42	65	80
No. of water connections within the Industrial Parks	95	113	132	133

b) **Creation of an Industrial Tariff.** NWSC reduced the unit price of water for industrial consumer category from commercial rate to a much lower rate of UGX 2,500/= per cubic meter. This is meant to subsidize industrialists consuming large volumes of water (of at least 1000 m^3 per month). As at June 2023, over 214 customers were benefiting from the Industrial Tariff.

c) **Supporting Local Businesses.** The Corporation fully embraces the Government Policy on "Buy Uganda Build Uganda". Most of the water pipes and fittings we use for water and sewerage business are sourced from the Local Industries. Over 500 suppliers provide NWSC with various inputs sourced from within and outside Uganda.

d) **Employment Opportunities;** As at June 2023, the Corporation provided direct employment to a total of 4,600 staff. NWSC provides indirect employment through engagement of the private sector for delivery of works and services.

Social Sustainability

The Corporation has a social obligation to both the internal and external stakeholders. We seek to balance the competing interests of all our stakeholders. We go beyond our legal mandate and obligations to extend outreach through Corporate Social Responsibility.

Corporate Social Responsibility (CSR)

The Corporations' core mandate is to provide water and sewerage services in Areas entrusted to it by Government. Over and above that mandate, we believe that we have a duty to make our Country a better place to live. We also extend a helping hand to those who are underprivileged in the society. NWSC has developed a Corporate Social Responsibility Agenda which aims at supporting Religious Institutions and Special Interest Groups.

During the FY 2022/23, UGX 2 billion was spent on Corporate Social Responsibility compared to UGX 1.5 billion in the FY 2021/22. In addition, our staff physically participated in activities like cleaning public places, blood donations and Tree planting.

The Corporate events and Corporate Social Responsibility (CSR) activities implemeneted during the financial year under review included;

Reaching out to the Vulnerable Groups
NWSC made a donation in collaboration with the Ayiita Charity Foundation to families in Kinwanyi Zone Katanga. This was part of a community outreach program to feed the underprivileged during the month of Ramadan. The Ayiita Charity Foundation is a non-profit organization that focuses on empowering vulnerable groups through community outreach.



Publicity of the Idd-Iftar dinner
The Corporation organized and provided publicity for the NWSC Iftar dinner that was celebrated with the theme "Inner Reflection, Patience, and Service to Others". The dinner brought together staff and customers of the Muslim faith in prayer and breaking fast. The function was held in Kampala, Bugolobi at the NWSC IREC-Building.



Donation to Persons with Disability
Donation was given to the Muslim community of persons with disability. This was done to commemorate one of the five pillars of Islam (giving Alms to the poor) as the Corporation joined the Muslim community in celebrating the month of Ramadhan.



Participation in Water Week 2023 activities
NWSC participated in Water Week 2023 activities. In partnership with the Ministry of Water and Environment, the Corporation participated in a water walk with representation from the Sewerage Services Department for the main walk and the Mbale Area participated in the water walk during the Water Week Eastern Region Celebrations. The team and staff from KW and Mbale Area also participated in a market-wide cleaning exercise.



Blood Donation
NWSC blood donation drive was held in Gulu and the NWSC participation in the Corporate League games in March 2023.



Prepared logistics, branding material, edited and published content for Abidjan AfWASA Congress
In coordination with the External Services Unit, the department prepared logistics, branding material, edited and published content that was used for the NWSC exhibition during the AfWASA Congress in Abidjan.

Looking after the Interests of Our Staff

We aim at having a highly trained, skilled, healthy and motivated workforce at all times. The Corporation has put in place transparent recruitment, development and retention programs, which offer opportunities to all. We have a policy of non-discrimination on the basis of tribe, religion, gender, disability or political views. During the year under review, 193 staff were recruited and the total number of employees as at June 2023 was 4,600 staff.

Gender Composition

The Corporation is an equal opportunities employer, employing staff of diverse backgrounds. Table 6 shows the gender composition in the Corporation.

Table 6: Gender Composition of Staff and Board of Directors

Category	Female	Male	Total
Board of Directors	3	6	9
Employees			
Executive Management	5	13	18
Other Established Staff	1,467	3,115	4,582
Total Number of Staff	1,475	3,134	4,609

Staff Welfare and Reward

In addition to salaries and other direct staff remunerations, 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 under the Workers' Compensation Plan.

We have activities for sports and recreation for staff including Employee Wellness Exercises, Counselling Sessions &, Fellowships with Spiritual Leaders and medical expertise after work, including Water Football Club. The Corporation also caters fully for the funeral arrangements and expenses for the fallen employees and their immediate family members.

The staff remuneration schemes is competitive and staff are paid Monthly Salaries, Annual Gratuities and Incentives based on performance. During the FY 2022/23, staff costs amounted to UGX 176 billion compared to UGX 167.6 billion in FY 2021/22.

Thinking about the Welfare of Our Staff in Retirement

The Corporation promptly remits staff contribution to NSSF which is 15% of their Salaries (10% by the Corporation and 5% by the staff). These funds accumulate to take care of the staff welfare at retirement. In addition to NSSF, with effect from 1st October 2019, the Corporation set up a Provident Fund whereby staff and the Corporation, each contributes 5% towards the Fund. The Contributions to NSSF and the Staff Provident Fund are aimed at ensuring that the Corporation continues to attract and retain a committed workforce and that adequate provisions are made towards their retirement. During the FY 2022/23, the total contribution to NSSF and the Provident Fund amounted to UGX12.4 billion and UGX 4.5 billion respectively.

Health and Safety at work

The health and safety of our employees, customers and the general public is our greatest priority. Occupational safety and health guidelines have been developed and are monitored for compliance.

Field staff are provided with Protective Wear and work uniforms. Our offices are equipped with firefighting equipment. Staff are entitled to Annual Leave of up to 40 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. The Corporation is concerned about the safety of the general public. We have installed Fire Hydrants at several locations across the Country from which the Police Fire Brigade draws water for firefighting.

Long Service Award

We have a policy of Long Service Award (LSA) scheme to reward employees who have diligently served the Corporation for over 20 years before retirement. Such employees are rewarded with building materials to enable them put up shelters where they can settle after retirement. During the FY 2022/23, UGX 484 million was spent on Long Service Awards compared to UGX 421 million for the FY 2021/22.

Trade Unions

NWSC allows freedom of association for its staff. Regular discussions are held with the Unions to negotiate Terms of Employment and other issues affecting staff which has led to harmonious industrial relations and increased productivity over the years. During the FY 2022/23, the Union was fully involved in the staff restructuring exercise.

Giving Opportunities to the Senior Citizens

The Corporation retirement age of staff is 60 years. This was increased from 55 years to ensure that the Corporation does not lose the benefit of experience and skills that senior citizens possess, while giving them more time and resources to prepare for their retirement.

Training and Capacity Development

The Corporation ensures that value addition trainings are conducted, with the view of imparting relevant knowledge and skills aimed at enhancing staff productivity. NWSC continued with the journey of re-skilling and re-tooling technicians and artisan staff, through vocational skills training and development. A fully-fledged Vocational Skills Development Facility (VSDF) was constructed at Gaba with support from the German International Cooperation (GIZ).

The Gaba VSDF School offers courses for industrial plumbers, electro-mechanical technicians, industrial welders, water quality technicians, sewerage services technicians, photo voltaic and solar energy technicians, customer service advisors, vocational training instructors and heavy equipment operators.

In addition, a facility was set up in Bushenyi, to take care of the NWSC trainings in the Western Region of Uganda. Another training facility is being constructed in Lira City to serve our staff in the North and Eastern Regions.

The TCD department was able to achieve 94% of its set targets. The details of the performance evaluation are shown in Table 7. The department has continued its recovery trajectory from the effects of Covid 19 which had affected efficient delivery of training programmes. The team continued to explore new initiatives aimed at continuous performance improvement of both staff and the Corporation. The department continued to adopt virtual learning in addition to face-to-face sessions. The team has also continued to work on the eLearning Platform which will be fully rolled out in the next FY. During the FY 2022/23, the following key milestones were registered as shown in Table 7;



Table 7: Capacity Development for NWSC Staff carried out during the FY 2022/23

No.	Indicator	Unit	Target FY 2022/2023	Actual Score	Percentage Achievement
1	Number of internal short/refresher courses conducted in the year	No	100	118	118%
2	At least one (1) external refresher course conducted per quarter	No	4	4	100%
3	Number of staff trained	No	2,500	2,735	109.4%
4	Percentage of staff attending at least one training session during the year	%	50%	59%	118%
5	At least one training session per department during the year	No	60	43	72%
6	No. of staff identified and trained as internal facilitators/ expert trainers in selected skills categories	No	20	30	150%
7	At least one training session per area per year	No	61	56	92%
8	Number of professional staff registered	No	20	8	40%
9	Number of new training partnerships established	No	2	2	100%
10	Number of leadership development sessions done	No	4	4	100%
11	Number of staff trained in design and management of industrial waste water management systems	No	10	20	200%
12	Number of Technicians assessed under the Workers' PAS accreditation	No	300	395	131%
13	Number of Electro Mechanical Technicians accredited at Level 4	No	30	25	83%
14	Marketing Assistants (MAs) and Customer Service Advisors (CSAs) assessed	No	100	79	79%
15	Development of customized SOPs for electro-mechanical equipment for at least 20 water treatment plants during the year	No	20	2	10%
16	Number of Students pursuing MSc Sanitation	No	10	10	100%

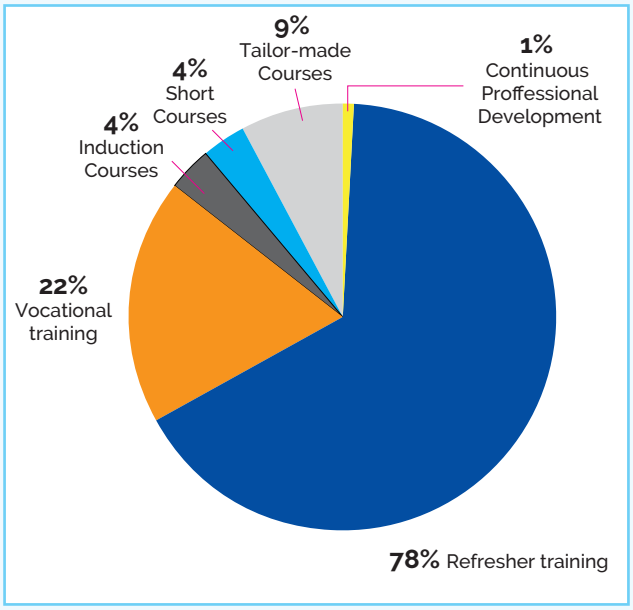


Figure 6: Total number of courses carried out per category over the FY 2022/2023

Customer Engagement

The NWSC customer base is categorized into; Domestic, Commercial, Industrial, Government/Institutional and Public Stand Posts. We value every consumer and take it as an obligation to supply all of them with clean and reliable water and sewerage services.

We carry out regular tests to ensure that water supplied to the customers is safe for human consumption and meets the WHO Standards. We invest heavily in programmes aimed at taking services closer to our customers including Mains Extensions, Water Infrastructure Projects and expansion of geographical coverage.

To ensure willingness and ability to pay, we have deliberately kept the NWSC Tariff for the PSPs at UGX 21 per 20-litre Jerrican for over 6 years to enable access to clean water by the urban poor and rural population, benefiting more than 5.8 million PSP consumers across the Country.

In addition, we have fixed the Industrial Tariff (industrialists consuming at least 1,000 cubic meters per month) at UGX 2,500. This is in line with the government strategic objective of promoting industrialization in the country.

We make every effort to ensure that all customer complaints are promptly addressed and feedback given. This is through several engagement avenues that include free Telephone Lines, Social Media Platforms, NWSC Website and Annual Customer Satisfaction Surveys. This is in the spirit of ensuring continual customer satisfaction.

The survey that was carried out during the Financial Year under review revealed that our Customer Satisfaction Index (CSI) stands at 80%. This is above the International Benchmark of 70%. The Corporation is committed to implementation of strategies aimed at bridging the current service delivery gaps to ensure continuous improvement in customer satisfaction.

Engagement with Government

Over the years, Government has grossly invested in upgrading and expanding water and sanitation infrastructure mainly through counterpart funding. The objective is to ensure 100% access to water by every Ugandan.

In line with the objective, Government and the Corporation are jointly implementing a project code named "SCAP 100" (100% Service Coverage Acceleration Project) targeting villages in all NWSC Areas of operation. The project primarily aims at accelerating service coverage through network expansion, installation of pro-poor water points (PSPs) and private connections, as well as ensuring stability in water supply.

During the FY 2022/23, the total funds spent towards the project implementation amounted to UGX 29.4 billion (GoU) and UGX 13.5 billion (NWSC). Over the last six years, the total resources spent amounted to UGX 433.7 billion (UGX 218.9 billion-GoU; UGX 214.8 billion-NWSC).

Engagement with Development Partners

The Corporation works with different Development Partners to finance development of Watsan infrastructure across the Country. The key Development Partners include; KfW, AfDB, AFD, the World Bank, EU, EIB and the Royal Danish Embassy, among others.

NWSC ensures that funds from Development Partners are handled with the highest level of transparency, fully accounted for and absorbed. During the FY 2022/23, UGX 193.0 billion was spent on the on-going projects using resources from the Development Partners.

Notable projects recently implemented using funds from Development Partners include; Katosi Water Supply Project, the Bugolobi Wastewater Treatment Plant, Water Projects for Gulu, Arua and Bushenyi.

The table below provides a summary of financing from both GoU and Development Partners over the last six years.

Table 8 : GOU And Development Partners Releases 2017-2023 (UGX Billions)

Source	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	Total 2017-2023
GoU	92.0	60.0	87.0	78.3	65.7	29.4	412.4
Donor	182.0	398.0	246.0	55.7	122.5	193.0	1,197.2
Total	274.0	458.0	333.0	134.0	188.2	222.4	1,609.6

Contract Signing for Kagera Project



NWSC Staff Provident Fund

The NWSC Staff Provident Fund was established under an Irrevocable Trust by the Management of National Water and Sewerage Corporation on 1st July 2019 to provide retirement benefits for Members upon retirement from the Corporation's service and relief for the dependants of deceased Members of the Scheme.

Fund Governance

The Scheme is governed by a Trust Deed and Rules dated 1st July 2019 and is licensed in accordance with the provisions of the Uganda Retirement Benefits Regulatory Authority (URBRA) Act, 2011 under License Number of RBS-19-005. It is a Defined Contribution Scheme with the Sponsor (NWSC) and Employee each contributing 5% of the Member's monthly basic salary. The operations of the Scheme are overseen by a Board of Trustees which is composed of the following eight (8) Trustees;

Table 9: Gender Composition of Staff and Board of Directors

	Name	Representation
1	Mr. Deogratias Kyambadde	Sponsor
2	Eng. Edmond Okaronon	Sponsor
3	Mr. Peter Odong	Sponsor
4	Ms. Irene Mwase	Sponsor
5	Mr. Abbey Sserunkuma	Member
6	Mr. Otto Methodious Pacific	Member
7	Mr. Samson Kamugisha	Member
8	Mr. Stephen Musana	Member

The Trust Deed and Rules of the Scheme bestows upon the Board of Trustees the mandate to manage the Scheme with the assistance of the following professional service providers who report to the Trustees on a standard quarterly basis and also on a continuous basis via correspondences and Special Meetings.

- The Administrator ~ Liaison Financial Services Ltd
- The Investment Manager ~ GenAfrica Asset Managers (U) Ltd
- The Custodian ~ KCB Bank Uganda Ltd
- Auditor ~ J. Samuel Richards & Associates

Fund Membership

At inception in 2019, the fund started with 1,883 members. The Membership has since increased to 3,681 Members as at 30th June 2023 representing more than 75% of the National Water and Sewerage Corporation Work Force.

a) How one becomes a member of the NWSC Staff Provident Fund

An employee becomes eligible to join the Scheme if his/her monthly deductions do not exceed two thirds (2/3) of their monthly salary; as per the provisions of clause 46 (3) of the Employment Act of 2006 and:

- Once one has successfully completed his/her probation and has been confirmed or 6 months of continuous service with the Employer (which ever comes earlier).
- If you are on special contract with the Employer (at the discretion of Management).

b) Benefits of being a Member

- The Scheme ensures that Members have a nest egg when out of job/emergency
- Members of the Scheme continue with the same standards of living before and during retirement.
- The accrued benefits provide protection to dependants of a Member in the event of his/her death.
- Peace of mind about retirement life

NWSC Provident Fund Net worth

The Scheme is one of the fastest growing schemes in the Sector, with a fund value of UGX 28 Billion, as at 30th June 2023.

a) How the Fund grows Members' contributions

One of the investment objectives of the Scheme is to ensure that Members' savings are not eroded by inflation. Subsequently, upon collection of the monthly contributions, the funds are immediately invested in accordance with the Uganda Retirement Benefits Regulatory Authority (Investments of Scheme Funds) Regulations 2014 and the Scheme Investment Policy Statement dated 24th October 2022.

The key Financial Investment Instruments where the funds have been invested include Government Securities, Unit Trusts and Equities.

Financial Statements of the scheme are audited each Financial Year by an independent Auditor who is approved by the Uganda Retirement Benefits Regulatory Authority. The income earned as Interest is then proportionately distributed to the members by the Board of Trustees. In the FY 2022/23, the Board of Trustees declared 11.2% as interest to its members.

WASE SACCO

WASE Stands for "Water and Sewerage Employees" Corporative Savings and Credit Society. It was registered in 1980 (Reg. No. 3252) under the Ministry of Trade, tourism and Cooperatives. It is a member of Uganda Cooperatives Savings and Credit Union.

Vision: To be the Leading SACCO in building members' financial capacity for personal development.

Mission: To grow the financial strength of the members by saving together, investing for profits, providing low cost loans or assets for personal development.

Objectives:

- To mobilize members to work together
- To grow savings for members
- To expand into profitable businesses

- To raise interest and dividend for members

A. WASE Membership

Membership is open to all Employees of National Water and Sewerage Corporation.

B. How to join WASE

To join the SACCO, prospective members shall;

- Fill an application form available in our offices
- Pay membership fee
- Buy a share or shares
- Make an initial saving deposit

C. Benefits of being a WASE SACCO member

WASE members enjoy the following benefits:

- Low interest rates of 10% charged on loans
- Less time for loan processing
- No loan security required
- Loan amounts of up to be 3 times of the members savings
- Quick access to savings if needed
- Fair price for property or asset
- Interest is earned on savings
- Dividend is earned on shares

D. How to access the WASE loan?

- Fill in a loan application form
- Have 2 WASE savers to sign as guarantors
- Human Resource Officer and Accounts Payroll Officer to recommend
- Recent salary pay slip
- A copy of National Identification Card.

E. Desired Discipline

- Continuous saving
- No withdraw below minimum savings
- Pay for loans promptly

F. Members aged above 60 years

A member can continue to save with WASE after retirement or attaining 60 years of age. A member can be eligible for a loan after attaining 60 years of age under the following conditions;

- The loan must not exceed the members' savings
- If the loan exceeds the savings, then it must be secured
- The Security must not be a depreciable asset
- The loan period should not exceed 2 years.

G. Cessation of membership

A person ceases to be a member under the following circumstances;

- Voluntary withdrawal
- Defaulter
- Insanity
- Death (a member's benefits can be accessed by the next of kin).
- Bankruptcy.

Environmental Sustainability

The prolonged droughts, flooding and encroachment on the catchment areas have presented enormous challenges to our operations. NWSC works closely with NEMA to ensure full compliance with the Environmental Laws. The Corporation is implementing a number of programs which are aimed at protecting the environment and they include; catchment protection measures, involving school children in water and sanitation activities and tree planting campaigns. These measures go beyond the requirement to comply with Environmental Laws to include voluntary measures.

Adherence to the Permit System

The NWSC adheres to the Permit System as spelt out in the Water Abstraction and Wastewater Discharge Regulations, 1998. Water Abstraction and Discharge Permits are obtained from the Ministry of Water and Environment to make sure that the use of water resources is environmentally friendly and encourages sustainable development. These controls also ensure that water is not treated as a free good but as a good with a value to be paid for.

Catchment Protection Measures

The Corporation has deep commitment to protecting our water sources and restoring the degraded water catchment areas to ensure that the quality and quantity of raw water is guaranteed for the future generations. The measures that the Corporation has put in place include; Involving the local population in Catchment Protection activities and incorporating Catchment Protection measures in all future projects.

Sensitization of communities and local leaders

Through our Area and Branch offices, we sensitize the local communities and their leadership about the dangers of damaging the water catchment areas, through activities like; farming, human settlement, industrial establishments, sand mining, logging. Local Source Protection Committees have been set up to coordinate the source protection activities in all the Areas. Sensitization activities are carried out through meetings, local radios, televisions, places of worship, public address systems and local markets.

Supporting Income generating activities for local communities

The Corporation realizes that the people who derive their livelihood from the catchment area tend to lose out due to regulation of activities there. We therefore involve the local people in the catchment restoration works like planting of trees, papyrus and other grasses. The Corporation also gives financial support to the communities to engage in economic activities that do not negatively impact the catchment areas for example fishing and other regulated farming activities.

Incorporating Catchment Protection Measures in all Projects

The Corporation has incorporated Catchment Protection as a component under its Projects. This has been mainstreamed in some of the implemented projects including Katosi Water Supply Project, IWMDP Arua, Mbale, Gulu and Bushenyi. Some of the key undertakings include:

- Demarcation of the River Banks to prevent continuous degradation.
- Restoration of the buffers zones of the Rivers; Planting of suitable tree and grass species.
- Community sensitization (within the catchment areas).
- Stabilization of the collapsing River Banks by construction of gabions.
- Promotion for rainwater harvesting to avoid misuse of water in homesteads.
- Trainings for stakeholders in catchment management.
- Sensitization of local communities

In addition, the Corporation has completed the development of Water Source Protection Plans in the project Areas of Arua, Mbale and Gulu, and currently procuring the contractors to implement the measures proposed for the micro-catchment. The Corporation signed a Consultancy Services Contract with World Wide Fund for Nature to oversee the Environmental Conservation Measures for Kitagata River in Bushenyi, the Katosi-Bay Catchment Management Plan is also being reviewed with funding from United Nations Development Programme (UNDP).

School Water and Sanitation (SWAS)

The Corporation 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. They are the future leaders and decision makers for the Country.

SWAS started off with 50 schools in the FY 2014/15 and currently has over 740 schools participating. The membership of the Clubs is drawn from urban and rural schools from all the four Regions of the Country as summarised in table 10.

Table 10: NWSC SWAS Club regional membership

Region	FY 2021/22	FY 2022/23
Kampala Metropolitan	44	69
Central Region	70	176
Eastern Region	28	164
Northern Region	50	173
Western Region	101	158
Total	**293**	**740**

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 and are fully incorporated in the Annual Budgets.

The Tree Planting Campaign

The Corporation is currently implementing the "Treevolution Program" aimed at planting 10,000,000 trees in partnership with National Forestry Authority (NFA), Uganda People's Defense Force (UPDF), School Water and Sanitation Clubs (SWAS), Young Water Professionals (YWPs) - Uganda Chapter, and the Ministry of Water and Environment (MWE). Over the Past three (3) years, the Corporation has planted 5,598,325 trees. These trees were planted at various points including; NWSC water sources, installations and various institutions in our operational areas.

Environmental Sustainability: SWAS Club Members of Kings College Budo ready to plant a tree to contribute to the conservation of the environment of their country.



Table 11: Summary of NWSC Sustainability Performance

Category	FY 2022/23	FY 2021/22	FY 2020/21
Economic Sustainability			
Turnover (UGX '000)	**550,038,769**	519,282,448	461,000,000
Operating Expenditure (UGX '000)	**419,030,972**	396,538,489	355,000,000
Operating Profits (UGX '000)	**131,007,796**	122,743,958	106,000,000
Investment made (UGX '000)		362,000,000	365,000,000
Asset base (UGX '000)	**4,349,420,132**	4,087,630,373	3,800,000,000
Number of Towns	**273**	262	258
Environmental & Ecological Sustainability			
Number of Towns using Solar Pumps (Nos)	**58**	43	36
Number of towns using electrolysis instead of Chlorination	**25**	25	25
Volume of Sewerage treated and Discharged (Million litres)	**1,384**	1,384	877
Expenditure on Energy (In UGX '000)	**814**	74	70
Social Sustainability			
Domestic Customers served	**717,147**	675,644	627,234
Commercial	**125,696**	117,302	103,350
Institutional/Government customers served	**21,366**	20,389	20,135
PSP consumers served	**29,177**	26,955	24,867
Total number of consumers served	**892,099**	840,508	775,794
Water Mains Extension (Km)	**588**	1,305	439
Sewer Mains Extension (Km)	**17**	36	23
Number of customer complaints received	**179,860**	185,166	199,746
Number of Customer complaint handled	**179,482**	183,296	196,220
Resolution rate (%age of complaints resolved)	**99%**	99%	98%
Number of Staff employed	**4,600**	4,476	4,244
Payment to staff (employee costs) UGX '000	**176,115,337**	167,572,661	151,164,016
New Water Connections	**50,591**	54,697	51,788
New Sewer Connections	**237**	576	277
Industrial Customers served	**214**	218	208
Corporate Social Responsibility			
Amount spent on donations (UGX '000)	**2,029,794**	1,481,785	1,376,341
Amount paid in taxes (UGX '000)	**83,649,110**	61,000,000	40,600,000
Human Resource Sustainability			
Number of Staff recruited	**193**	192	304
Number of Employees over 55 Years	**157**	212	86
Total number of staff + Board	**4,609**	4,475	4,089
Gender Composition (Staff + Board)	**Female - 32% Male - 68%**	Female - 33% Male - 67%	Female - 25% Male - 75%
Amount spent in long time awards (UGX '000)	**484,460**	420,921	45,000
Amount spent on research and training (UGX '000)	**2,504,541**	4,083,182	1,675,546
Number of interns Trained	**5**	0	800



Our Governance and Leadership

The Board of Directors

The NWSC Board understands and appreciates that sound governance practices are fundamental in driving the Corporation's Sustainability Agenda. The Board endeavors to ensure the Corporation meets the standards of Environmental, Social and Governance performance.

The Corporation has a Corporate Governance Framework, which includes skilled, diverse and independent Directors that form the Board and Committees including the Audit Committee, the Risk Management Committee, the Human Resources, Legal and Administration Committee, the Finance and Planning Committee and the Technical Services Committee. The framework ensures accountability and effective decision making within the corporation. In an endeavor to apply high standards as expected by our stakeholders, the Corporation is continuously monitoring, adopting and applying best practices of Corporate Governance.

Structure

The Board of Directors (the "Board"), sits at the top of the Governance Structure, tasked with oversight of all the Corporation's affairs, risk management and Corporate Governance. The Corporation has a unitary board structure.

The Board's composition is determined in accordance with the following governance principles, the Board Charter and best Corporate Governance practices:

- The roles of Chairman and Managing Director are separate and distinct.
- The Chairman of the Board is an independent non-executive director.
- The Board comprises of not less than six (6) Directors and maintains a majority of independent directors.
- The Board comprises of an appropriate range and mix of skills, knowledge, experience and diversity.
- The Audit Committee is chaired by an independent non-executive Director.

The Directors comprehend their responsibility to act in the best interests of the Corporation and appropriately execute their duties independently. The Directors engage and guide Management in the execution of its duties.

Board Composition

The NWSC Board comprises eight (8) Non-Executive members and one (1) Executive member, the Managing Director. According to the NWSC Act CAP, 317 Section 8 (1), appointment of the 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 current composition represents an enviable mix of skills, knowledge, experience and diversity which are integral to the successful operation of the Corporation. The Board is accountable to the Minister of Water and Environment.

Board Demographics

The Honorable Minister appoints Board Members with various skills, experience and diversity of expertise to enable them discharge their duties and responsibilities effectively, as illustrated in table 12.

Table 12: Board Skills, Experience, Gender and Age

Name	Professional Background	Occupation	Gender	Age Range
Eng. Dr. Badru Kiggundu Malimbo *(Board Chairman)*	Civil Engineer	Senior Presidential Advisor (Infrastructure and Works), Associate Professor, Dept. of Civil Engineering, Makerere University, former Chairperson of the Electoral Commission of Uganda.	M	>70
Rt. Hon. Daniel Kidega *(Board Member)*	International Trade Policy and Law	Vice Chairman of the Makerere University Council, Chairman Board of Directors of Horyal Investment Holdings Ltd (Atiak Sugar), former Speaker East African Legislative Assembly.	M	45-50
Ms.Rachel Kiconco Mbabazi *(Board Member)*	Business Administration	Board Member Rice Association of Uganda, Africa Infrastructure Development, Hong Kong and East African Community Rice Platform.	F	45-50
Col. (Rtd) Stephen Mwesige Basaliza *(Board Member)*	Military Officer, Lawyer, Teacher	Retired Military Officer	M	60-65
Ms. Onyiru Sarah *(Board Member)*	Social Worker	Project officer, Civic Education Project with the Centre for Basic Research	F	40-45
Mr. Runge George Muzungyo *(Board Member)*	Accountant	Tax Manager, Nexia HMS Assciates-Certifed Public Accountants of Uganda	M	55-60
Josephine Kasya *(Board Member)*	Teacher	Former District Chairperson – Kanungu District	F	60-65
Eng. Gibert John Kimanzi *(Board Member)*	Civil Engineer	Director, Directorate of Water Development, Ministry of Water and Environment	M	55-60
Dr .Eng. Silver Mugisha *(Managing Director)*	Civil Engineer	Managing Director, NWSC	M	55-60

Executive Board Responsibilities

In executing its functions, the main Board role is to provide strategic direction, provide adequate oversight of the institution and ensure strict compliance with the law. The Board of Directors are therefore charged to execute the following roles and responsibilities;

i. Meet regularly and whenever necessary to effect resolute decisions following intensive debate and probing questions;
ii. Effect regular reviews to determine the relevance of the Corporation's Mission or Purpose in promoting optimum performance;
iii. Set the Corporation's Strategy and the appropriate Organization Structure for its execution;
iv. Access relevant, timely, quality and accurate information to be well informed and fully engaged with all major issues that affect the Corporation;
v. Identify risk and ensure that a robust Risk Management Policy and an effective Enterprise Risk Management Framework are in place;
vi. Facilitate its Committees to function effectively by delegating to them responsibilities and Board powers if necessary and supporting their operations;
vii. Delegate to Management and support the Managing Director and the Senior Management and review their performance;
viii. Review and endorse the Corporation's plans (including major contracts) and oversee the allocation of resources and their effective management;
ix. Determine and monitor the Corporation's products, services and programmes;
x. Exercise accountability to the Government, key stakeholders and be responsible to other stakeholders;
xi. Promote full compliance with the Law, bye-laws and best practice through adequate training, exposure and performance assessment.



Good Governance Practice; NWSC Board Chairman (Eng. Dr. Badru M. Kiggundu) Centre & MD-Dr. Eng. Silver Mugisha (orange reflector) with Natural Resorces Committee Members of Parliament at the Inspection of Katosi Water Treatment Plant.

Powers, Duties and Functions of the Board

i) Powers of the Board

In addition to the powers delegated under the NWSC Act Section 6, and the powers invested by Sections 7, 16 and 17, the Board shall have powers to:

a) Direct the affairs of the Corporation;
b) Establish its own committees and determine their terms of reference;
c) Appoint Heads of Divisions, Directorates and Departments of the Corporation and to determine their terms of service.

ii) Fiduciary Duties

a) Directors have fiduciary duties that enjoin them individually to act as agents of the Government, which is the Sole Proprietary Stakeholder of the Corporation. They must enjoy unfettered and timely access to all the necessary information and to use it responsibly and discreetly.
b) As fiduciaries of the Corporation, Members of the Board of Directors shall at all times remain cognizant of the individual liabilities entailed and act in a reasonable manner in exercising their responsibilities to avoid circumstances which might lead to:
   - Exposing the Corporation to unmanageable risk or serious loss;
   - Allowing or causing the Corporation to incur obligations, unless there are reasonable grounds to believe that the Corporation will fulfil the obligations;
   - Allowing or suffering the Corporation to act in a manner that contravenes the National Constitution, the Laws and the byelaws of the Corporation.
c) Directors owe a fiduciary duty of loyalty to the Corporation to always act in the best interests of the Corporation. Board Members shall therefore avoid putting themselves in situations where personal interests and those of the Corporation are in conflict. They shall always act in good faith with honesty and sincerity in exercising their board responsibilities.
d) Directors owe a fiduciary duty of skill and care in executing their functions. A Director shall not act negligently while carrying out his or her duties. The duty of skill and care of the Director is considered in relation to:
   - The general knowledge, skill and experience expected of a reasonable person acting under similar circumstances;
   - The general knowledge, skill and expertise of the Director to be able to discuss/decide issues of the Corporation from an informed basis;
e) Directors owe a fiduciary duty of obedience by bearing the legal responsibility of ensuring that the Corporation complies with the applicable laws and adheres to its mission.

iii) Other Duties of the Directors

In addition to their fiduciary duties, Directors shall:
a) Provide the Corporation with strategic direction and appropriate governing and operational structures;
b) Govern the Corporation by broad policies and priority goals for implementation by the Managing Director and the Deputy Managing Directors, and ensure the Corporation's capacity to deliver products, services and programmes by continually reviewing and overseeing its work;
c) Ensure the integrity of the Corporation's accounting and financial reporting systems, including an independent audit and that the appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, compliance with the law and relevant standards and codes;
d) Provide entrepreneurial leadership to the Corporation within a framework of prudent and effective risk management;
e) Ensure that the necessary financial, human and physical resources are in place for the Corporation to meet its objectives by delivering products, services adequately and in a timely manner;
f) Monitor and review management performance on a regular basis;
g) Ensure that the Corporation's obligations to Government are understood and met;
h) Uphold confidentiality over the affairs and information of the Corporation.

iv) Functions of the Board

The Board is entrusted with the general direction and control of the Corporation and management of its affairs. In particular, the Board shall fulfil the following functions:

a) Appoint a competent and skilled Chief Executive for the Corporation and ensure his/her continuous development.
b) Preserve the prosperity of the Corporation by exercising leadership, counsel, enterprise, integrity and judgment in directing its affairs;
c) Clarify the Corporation's purpose (mission), values and the vision with the strategies to achieve that vision in order to ensure that its competitive advantage is sustainable;
d) Ensure that the enshrined core values percolate through the Corporation policies, procedures and practices
e) Provide oversight over management by monitoring the implementation of strategies, policies, programmes and services;
f) Develop and maintain a competent Board by articulating, assessing and maintaining requisite skills set, orienting new members and periodically and comprehensively evaluating Board performance using well-defined performance benchmarks and criteria;
g) Ensure legal and ethical integrity by setting the tone at the top by exuding exemplary principles while ensuring that the Corporation complies with Laws and Regulations of Government and observes ethical standards;
h) Ensure adequate financial resources for the Corporation to fulfil its mission and that it is financially sound and managed in a proper and sound manner so as to protect and enhance the interests of the Corporation and the Government;
i) Identify the Corporation's stakeholders, formulate and from time to time review an appropriate Stakeholder Policy;

j) Act promptly and constructively in crisis situations;
k) Assess the Board's performance and effectiveness as a team and that of the Chairperson, individual Directors, its Committees, the Managing Director and the Board Secretary;
l) Enhance the Corporation's reputation by being its ambassadors, promoting its mission and values and garnering the support of the public, Government, like-minded organisations, donors and other stakeholders.

The Managing Director

It is the Board's responsibility to appoint a competent person having the qualities stipulated under section 16(2) of the NWSC Act to the top management position of Managing Director. The Managing Director is responsible for providing executive decision-making leadership in the strategic, financial, administrative public policy and compliance responsibility ambits by managing the overall operations and resources of the Corporation according to contemporary laws and regulations. The Managing Director is also charged with the following responsibilities:

a) Serve on the Water Policy Committee as stipulated by section 9 of the Water Act cap.152;
b) Be the public face of the Corporation maintaining a close but arm's length working relationship with the Chairperson;
c) Act as the principal line of communication between the Board and the operations of the Corporation;
d) Oversee the development of policies and plans, and their submission for consideration by the Board;
e) Deal with high-level strategic decisions and steer the Corporation's growth;
f) Oversee the development, marketing and provision, delivery of quality products, services and programmes of the Corporation;
g) Effectively oversee the human capital management in accordance with the Human Resource Policies and Procedures approved by the Board;
h) Oversee the Corporation's financial, fiscal, risk, facilities management, continuity planning and its general administration;
i) Maintain sound community and public relations by promoting the Corporation's mission, products, services and programmes in a manner that consistently presents a positive image to its stakeholders;
j) Oversee the Corporation's Corporate Social Responsibility policies and best practice;
k) Oversee funds mobilization planning and implementation by establishing resource requirements, identifying credible funding sources, crafting access strategies, managing relations with funders and ensuring high quality of funding reports and documentation;
l) Fulfil other responsibilities as may be delegated by the Board from time to time.

Board Committees and Responsibilities

The Board has constituted five different Committees to enable it discharge its mandate in a more efficient and timely manner. As far as possible, the committees provide full coverage of all activities of the Board. The recommendations of the Board Committees are presented to the full Board for review and final approval. The Board Committees in place include;

Audit Committee:

The audit committee is responsible for oversight and integrity of the Financial Statements and Performance Reports.

i) Review and update the Internal Audit Charter as necessary;

a) Review all significant financial and other reporting and disclosure matters and judgements that are made in connection with the Corporation's compliance requirements, which Management is duty bound to prepare and submit to it in complete and accurate state and on timely basis;
b) Consider significant accounting policies used to prepare financial statements and any changes thereof, and any significant estimates or judgements on which the statements have been based;
c) Review information from Management on the methods used to account for significant or unusual transactions, where the accounting practices are open to diverse approaches;
d) Determine whether Management has adopted appropriate accounting -policies and made appropriate estimates and judgements, taking the external auditors' views into consideration;
e) Scrutinize the Corporation's management processes and controls in all areas including but not limited to risk management, human resource management, administration, and technical management and governance effectiveness pertaining to executive succession planning.
f) Review management practices to ensure that any insider transactions that may have a material effect on the stability, solvency or reputation of the Corporation are identified and speedily reported and dealt with.
g) Meet at least once a year, in the absence of Management, the External and Internal auditors, to discuss matters relating to its responsibilities and issues arising from the Auditor's report.

ii) Responsibility with regard to the Internal Audit Directorate:

a) Monitors the effectiveness of the Corporation's internal audit function;
b) Appraises the performance of the Director Internal Audit and the Audit Department annually;
c) Reviews the Quarterly Audit Report of the Director Internal Audit;
d) Reviews the Internal Audit functions and procedures that are in place by:
   - Ascertaining the integrity of internal controls and management information systems;

- Reviewing the annual audited financial statements of the Corporation and recommending them to the Board for approval.

iii) Responsibilities with regard to the External Auditors:

a) Monitor and ensure the independence of the External Auditors, whereby in the relationship between the External Auditors and the Corporation, the Auditors are able to exercise their independent professional judgement and where their judgement will not be influenced by the provision of contemporaneous audit and non-audit services to the Corporation;
b) On an annual basis, institute procedures that ensure and strengthen the independence and objectivity of the external auditors, among others, through:
   - Seeking re-assurance that the auditors and their staff have no family, financial, employment, investment or business relationship with the Corporation;
   - Seeking from the External Auditors on an annual basis information about the firm's policies, and processes for maintaining independence and monitoring compliance with relevant requirements including, among others, rotation of audit partners and staff;
   - Formulating for Board's approval monitoring, objective and transparent policies on the employment of former employees of the external Audit firm;
   - Developing and recommending to the Board a Corporation policy prohibiting the provision of parallel non-audit services by the external auditors during the currency of the audit mandate to preserve the independence and objectivity of the External Auditors.

iv) Responsibilities with regard to the Audit Review:

The Audit Committee shall review and duly report to the Board on:

a) The Audit Representation Letters from Management before they are signed and satisfy itself that the information provided is complete and accurate based on the available facts to the Committee;
b) The Auditors' Management Letter and Management's Response to the Auditors' findings and recommendations

Composition: Eng. Dr. Badru M. Kiggundu, Col. (Rtd) Stephen Basaliza, Mr. Runge George Muzungyo, Rt. Hon. Daniel F. Kidega, Ms. Rachel Ciconco Mbabazi, Eng. Gilbert John Kimanzi and Dr. Eng. Silver Mugisha.

Seven (7) meetings were held in the FY 2022/23. The attendance of Audit Committee meetings in the FY 2022/23 was as follows;

Table 13: Audit Committee Meeting and attendance

	Name	Dates						
		16.06.22	17.06.22	14.09.22	24.11.22	25.11.22	9.03.23	23.06.23
1	Eng. Dr. Badru M. Kiggundu	✓	✓	-	✓	✓	✓	-
2	Rt. Hon. Daniel F. Kidega	✓	✓	✓	✓	✓	✓	✓
3	Mr. George Runge M	✓	✓	✓	✓	✓	✓	✓
4	Col(Rtd) Stephen Basaliza	✓	✓	✓	✓	✓	✓	✓
5	Eng. Joseph Oriono Eyatu	✓	✓	✓	✓	✓	✓	-
6	Ms. Racheal Ciconco Mbabazi	-	-	✓	✓	✓	-	✓
7	Dr. Eng. Silver Mugisha	R	-	-	-	-	-	-
8	Eng. Gilbert John Kimanzi	-	-	-	-	-	-	✓

✓ *: Attendance, R: Represented*

Risk Management Committee

The committee is responsible for overseeing the identification, classification and management of risks. The Committee is responsible for strengthening the Board's ability to protect and enhance stakeholder value by enabling the Board to set risk appetite for the Corporation and providing oversight for the risk management function. The specific responsibilities are:

a) Create an enabling environment for the Corporation to institute an Enterprise Risk Management (ERM) Framework that enables it to develop a robust holistic view of the Corporation-wide risks;
b) Review guidelines and policies governing the Corporation's processes of risk assessment and management and ensure that the Board is fully appraised of these risks on regular basis;
c) Seek best practices and relevant training so as to fulfil the Committee's role in overseeing Management's risk procedures;
d) Review and endorse for Board's approval of key risk policies, risk authorities and risk tolerances;

e) Evaluate Management's infrastructure including human resource capacities, technologies and communication to ensure that the information the Committee receives enables the appropriate top-down enterprise view of risk;
f) Ensure that the ERM Framework produces appropriate insights that enable a better-informed Board in its strategic oversight to keep abreast of events.

Composition: Eng. Dr. Badru M. Kiggundu,Ms. Onyiru Sarah, Ms. Kasya Josephine, Eng. Gilbert John Kimanzi, Ms. Rachel Ciconco Mbabazi, and Dr. Eng. Silver Mugisha.

Five (5) meetings were held in the FY 2022/23. The attendance of Risk Management Committee meetings in the FY 2022/23 was as follows;

Table 14: Risk Management Committee Meeting and attendance

	Name	Dates				
		22.06.22	11.10.22	1.12.22	23.03.23	22.06.23
1	Eng. Dr. Badru M. Kiggundu	✓	✓	✓	✓	-
2	Ms. Onyiru Sarah	✓	✓	✓	-	✓
3	Ms. Kasya Josephine	✓	✓	✓	✓	✓
4	Eng. Joseph Oriono Eyatu	-	✓	✓	-	-
5	Ms. Rachel Ciconco Mbabazi	✓	✓	✓	✓	✓
6	Dr. Eng. Silver Mugisha	✓	✓	-	✓	✓
7.	Eng. Gilbert Kimanzi	-	-	-	-	✓

✓*: Attendance*

NB. *Eng. Gilbert Kimanzi became Board member towards end of the financial year.*

Human Resources, Legal and Administration Committee

The committee is responsible for oversight of the human resource policies, health and safety, corporate structure, recruitments, retention, exit and legal affairs.

Human Resource Responsibilities are to:

a) Review retention, succession and business continuity plans for the Corporation;
b) Monitor international, national and local employment laws and practices and interpret their implications on the Corporation's strategies and operations;
c) Monitor international, national and local employment, management, health and safety regulations, standards and practices and monitor the Corporation's compliance thereof;
d) Review opportunities and challenges; and strategies and assess the Corporation's capacities to exploit them favourably.

i. Responsibility for Disciplinary Matters:

a) Recommend to the Board in liaison with Management disciplinary action against wrongdoing amongst employees.
b) Handle appeals of employees arising from disciplinary actions taken by Management.

ii Responsibility for Welfare Issues:

Review and recommend to the Board welfare policies including but not limited to:
a) Housing;
b) Occupational benefits;
c) Payment of allowances and bonuses;
d) Staff Medical Scheme;
e) Retirement Benefit Scheme;
f) Occupational Safety Standards and Regulations.

iii Responsibility for Industrial Relations:

The Committee shall oversee all issues relating to the Uganda Public Employees Union through the Joint Negotiating Committee. The Chairperson of HRLAC shall be the Co-Chair of the Joint Negotiation Committee.

iv Responsibility for Human Capital Development:

The Committee shall review and recommend to the Board policies relating to staff requirements, gender, disability, training and development.

V Responsibility for Administrative Matters:

a) Recommend to the Board administrative policies and oversee their implementation under the relevant manuals;
b) Oversee planning for administrative matters including but not limited to staff wellbeing, physical space requirements, office administration, maintenance and general cleanliness of Corporation premises and the environment.

vi Responsibility for Legal Matters:

a) Recommend to the Board policies relating to and oversee handling of civil and legal matters for the Corporation;
b) Review compliances with laws, regulation, Board directives and bylaws of the Corporation, point out discrepancies and recommend actions;
c) Oversee and review from time to time:

- The Code of Conduct;
- The Health and Safety Policy;
- The Environmental Policy;
- The Communications Policy;
- Sexual Harassment Policy;
- The Corporate Social Responsibility;
- The Charitable Donations Policy;
- The Insurance of Corporation Assets.

vii Responsibility for Board Development:

The Committee shall, among other responsibilities, handle all matters relating to the Board such as Corporate Governance, Board Development and Corporate Social Responsibility.

viii Responsibility for Public Relations:

The Committee shall handle and review public relations policy and matters related to the public image of the Corporation through media relations or relations with public offices.

ix Responsibility for Security:

The Committee shall oversee the security matters of the Corporation.

Composition: Eng. Dr. Badru M. Kiggundu, Ms. Onyiru Sarah, Col. (Rtd) Stephen Basaliza, Canon Kasya Josephine, Mr.Runge George Muzungyo and Dr. Eng. Silver Mugisha

Eight (8) meetings were held in the FY 2022/23. The attendance of Human Resources, Legal and Administration Committee in the FY 2022/23 was as follows:

Table 15: Human Resource and Legal Advisory Committee Meeting and attendance

		Dates							
	Name	1.09.22	2.09.22	10.10.22	11.10.22	21.11.22	22.11.22	8.02.23	16.05.23
1	Eng. Dr. Badru M. Kiggundu	✓	✓	✓	✓	✓	✓	✓	✓
2	Ms. Onyiru Sarah	✓	✓	✓	✓	✓	✓	✓	✓
3	Col. (Rtd) Stephen Basaliza	✓	✓	✓	✓	✓	✓	✓	✓
4	Canon Kasya Josephine	✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Runge George Muzungyo	✓	✓	✓	✓	✓	✓	✓	✓
6	Dr. Eng. Silver Mugisha	✓	-	-	-	✓	✓	✓	✓

✓ *:Attendance*

Finance and Planning Committee

The Committee is responsible for oversight of resource mobilization and allocation, Annual Budgets, Corporate Plans and Financial Reporting.

Responsibilities of the Finance Committee:

To provide financial oversight including budgeting, financial planning and reporting, creation as well as monitoring the internal controls and accountability policies. These responsibilities extend to:

a) Reviewing the Corporation's accounting policies and principles and assessing the appropriateness of those policies to ensure that they conform with the Internationally Accepted Accounting and Reporting Standards;
b) Considering budget estimates, budget implementation and budget performance reports of the Corporation and ensuring consistency of the Budget with NWSC's Operating Plans;
c) Reviewing Guidelines for Asset Management of the Corporation and ensuring updates as necessary;
d) Considering and recommending to the Board the NWSC Corporate Plan;
e) Consider and recommend to the Board evaluation reports on capital works whose threshold falls within Board's authority, including donor-funded projects;
f) Monitoring the Performance Contract with the Government and keeping the Board duly informed;
g) Safeguarding NWSC real tariff;
h) Performing such other functions as shall be determined by the Board from time to time.

Composition: Eng. Dr. Badru M. Kiggundu, Ms. Onyiru Sarah, Col. (Rtd) Stephen Basaliza, Canon Kasya Josephine, Rt. Hon. Daniel F. Kidega and Dr. Eng. Silver Mugisha.

Five (5) meetings were held in the FY 2022/23. The attendance of Finance Committee meetings in the FY 2022/23 was as follows;

Table 16: Finance Committee Meeting and attendance

	Name	Dates				
		7.07.22	20.10.22	19.01.23	26.04.23	27.04.23
1	Eng. Dr. Badru M. Kiggundu	✓	✓	✓	✓	✓
2	Col. (Rtd) Stephen Basaliza	✓	✓	✓	✓	✓
3	Canon Kasya Josephine	✓	✓	✓	✓	✓
4	Dr. Eng. Silver Mugisha	✓	✓	✓	✓	✓
5	Ms. Onyiru Sarah	✓	-	✓	✓	✓
6	Rt. Hon. Daniel F. Kidega	✓	✓	✓	✓	✓

✓ *: Attendance*

Technical Services Committee:

The Committee is responsible for oversight on infrastructure planning, development and operational efficiency.

Responsibilities of the Technical Committee:

a) Consider and recommend policy proposals to the Board on all technical matters concerning the operations of the plants and the related water works in all areas under NWSC's authority;
b) Evaluate quarterly the Corporation's Technical Performance Reports in conjunction with the Finance Committee;
c) Examine and evaluate quarterly performance reports for the Public Stand Pipes (PSP) Management Contracts and recommend improvement measures to the Board;
d) Consider and recommend to the Board the Technical aspects of the Corporate Plan and the Performance Contract with the Government of Uganda;
e) Consider for approval the Asset Management Policy and the Annual Implementation Plans for approval by the Board;
f) Perform any other functions as shall be determined by the Board from time to time.

Composition: Eng. Dr. Badru M. Kiggundu, Mr. Runge George Muzungyo,Eng. Joseph Oriono Eyatu, Rt. Hon. Daniel F. Kidega, Ms. Rachel Ciconco Mbabazi and Dr. Eng. Silver Mugisha.

Seven (7) meetings were held in the FY 2021/22. The attendance of Technical Committee meetings in the FY 2021/22 was as follows;

Table 17: Technical Committee Meeting and attendance

	Name	Dates						
		4.08.22	5.08.22	10.11.22	11.11.22	2.02.23	3.02.23	3.05.23
1	Mr. George Runge M	✓	✓	✓	✓	✓	✓	✓
2	Eng.Dr.Badru M. Kiggundu	✓	✓	✓	-	✓	✓	✓
3	Eng. Joseph Oriono Eyatu	✓	✓	-	-	✓	-	-
4	Dr. Eng. Silver Mugisha	✓	✓	R	R	✓	R	R
5	Rt. Hon. Daniel F. Kidega	-	-	✓	✓	✓	-	✓
6	Canon Kasya Josephine	-	-	-	-	✓	-	-
7	Ms. Rachel Ciconco Mbabazi	-	-	-	-	-	✓	✓

✓ *: Attendance, R: Represented*

General and Special Board Meetings

The Board held 4 full Board meetings, and 6 Special meetings some of which extended to the next respective days. The details of the committee meetings held is summarized in the tables below.

Table 18: General Board Meetings and attendance

	Name	Dates						
		7.07.22	8.07.22	26.10.22	27.10.22	14.12.22	15.12.22	13.04.23
1	Eng.Dr.Badru M. Kiggundu	✓	✓	✓	✓	✓	✓	✓
2	Ms. Onyiru Sarah	✓	✓	✓	✓	✓	✓	-
3	Eng. Joseph Oriono Eyatu	-	-	✓	✓	-	-	-
4	Col. (Rtd) Stephen Basaliza	✓	✓	✓	✓	✓	✓	✓
5	Canon Kasya Josephine	✓	✓	✓	✓	-	-	✓
6	Dr. Eng. Silver Mugisha	✓	✓	✓	✓	✓	✓	✓
7	Mr. George Runge M	✓	-	✓		✓	✓	
8	Ms. Rachel Ciconco Mbabazi	✓	✓	✓	✓	✓	✓	✓
9	Eng. Joseph Oriono Eyatu	-	-	✓	✓	✓	✓	✓
10.	Rt. Hon. Daniel F. Kidega	-	✓	✓	✓	✓	✓	-

✓ *: Attendance,*

Table 19: Special Board Meeting and attendance

	Name	Dates						
		21.06.22	22.06.22	24.06.22	27.06.22	21.09.22	22.09.22	12.10.22
1	Ms. Onyiru Sarah	✓	✓	✓	✓	✓	✓	✓
2	Col. (Rtd) Stephen Basaliza	✓	✓	✓	✓	✓	✓	✓
3	Eng.Dr.Badru M. Kiggundu	✓	✓	✓	✓	✓	✓	✓
4	Dr. Eng. Silver Mugisha	✓	✓	✓	✓	✓		
5	Mr. George Runge M	-	-	✓	✓	✓	✓	✓
6	Ms. Rachel Ciconco Mbabazi	-	-	✓		✓	✓	✓
7	Canon Kasya Josephine	-	-	✓	✓	✓	✓	✓
8	Eng. Joseph Oriono Eyatu	-	-	✓	-	-	✓	✓
9	Rt. Hon. Daniel F. Kidega	-	-	✓	✓	✓	✓	✓

✓ *: Attendance,*

Board Remuneration and Facilitation

The terms of remuneration for Board members are set out in their respective letters of appointment issued by the Minister. Generally, Board members are entitled to a monthly retainer fee and travel and subsistence allowances while on official duty within and outside Uganda.

The retainer allowance is payable monthly in advance. Travel and subsistence allowance are payable in advance of the event for which it is required. Mileage allowances are payable in advance of travel at a rate approved by the Minister. Each member is obliged to declare particulars of the place of origin and vehicle used to attend Board meetings for purposes of computation of the applicable mileage allowances. The total remuneration paid to the Board of Directors during the Financial Year ended June 2023 is summarized in Table 20.

Table 20: Directors Remuneration ('000 UGX)

Directors	2022	2023
Managing Director	569,208	555,600
Non-Executive Directors	328,644	419,760
Total	**897,852**	**975,360**

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.

Board Induction and Training

Board Induction

Members of the Board once appointed undergo a comprehensive induction process and other trainings which include;

a) Induction on basic principles of Corporate Governance including clarification of the legal and ethical responsibilities, and liabilities of Board members,
b) Induction by the key executives of the Corporation on its organizational structure and the nature and operation of the Corporation's business, including a review of the current business plan, and visits to key business locations in order to acquaint them with the Corporation's business activities.
c) Review of the Board culture including the roles of the Board and the Board Committees; clarification on the Board functions including performance assessment process; Board meeting practices, right of access to accurate, relevant and timely information; Board structure, Board meeting materials and other elements that are relevant to Board effectiveness.
d) Discussion with individual Directors on the contribution they are expected to make, particularly the commitment of time, energy and competences expected of the Directors.
e) Access to the relevant legislation, legal, governance, policy, Corporate Strategy and Corporate Plan, and other documents applicable to the Corporation.
f) Exchange of appropriate information as discussed with the Chairperson, given the new Director's previous experience as a member of the other Boards of Directors or otherwise and the Director's responsibilities, both at the Board and Committee levels.
g) Exposure to the Corporation's business through tours on NWSC facilities.

Board Training

The Chairperson takes reasonable steps to ensure that the Board Members have access to training, information and enablement on an ongoing basis pertaining but not limited to the following;

a) Board effectiveness and the best practices associated with the Boards that are the most successful at adding value for their owners;
b) Briefings as required on factors or emerging trends that may be relevant to the Corporation's current or future Business Strategy.
c) Other materials as deemed appropriate by the Chairperson or suggested by other Board Members or Management,
d) Study tours of water and Sanitation facilities abroad and attendance of water and sewerage conventions.

The Corporation Secretary and the Managing Director coordinate the induction process and training of the Directors. During the Financial Year ended 30th June 2023, the following trainings were conducted to develop and enhance governance skills and knowledge of the Board.

Table 21: Board trainings for the FY 2022/2023

No.	Quarter	Dates	Training	Country
1	July- Sept 22	05th - 09th Sept 2022	Enterprise Risk Management	South Africa
2	Oct- Dec 22	03rd - 07th Oct 2023	Enterprise Risk Management	South Africa
3	Jan - Mar 23	13th - 17th Mar 2023	Corporate Finance and Board Effectiveness	Singapore
4	Apr - Jun 23	17th - 21st April 2023	Corporate Finance and Board Effectiveness	Singapore

Board Evaluation

The Board is committed to continually assessing and improving its effectiveness. In accordance with the Board Charter, the Board conducts an annual self-review and includes the recommendations from the evaluation in their work plan. The last evaluation was conducted on the 27th January 2022 and Key players in the evaluation included the Chairman, Managing Director, Corporation Secretary and the Individual directors (Under a peer review assessment). The exercise was facilitated by an external Consultancy firm using the Corporation's modified Evaluation tool in the Board Charter.

The objective of the evaluation was to discover skill gaps, focusing the Board on its key goals and objectives, and enhancing the efficacy and effectiveness of the Board in guiding the affairs of the Corporation..

The Actual Results of the Board Evaluation in the Best Performed Areas is as summarized in figure 7.

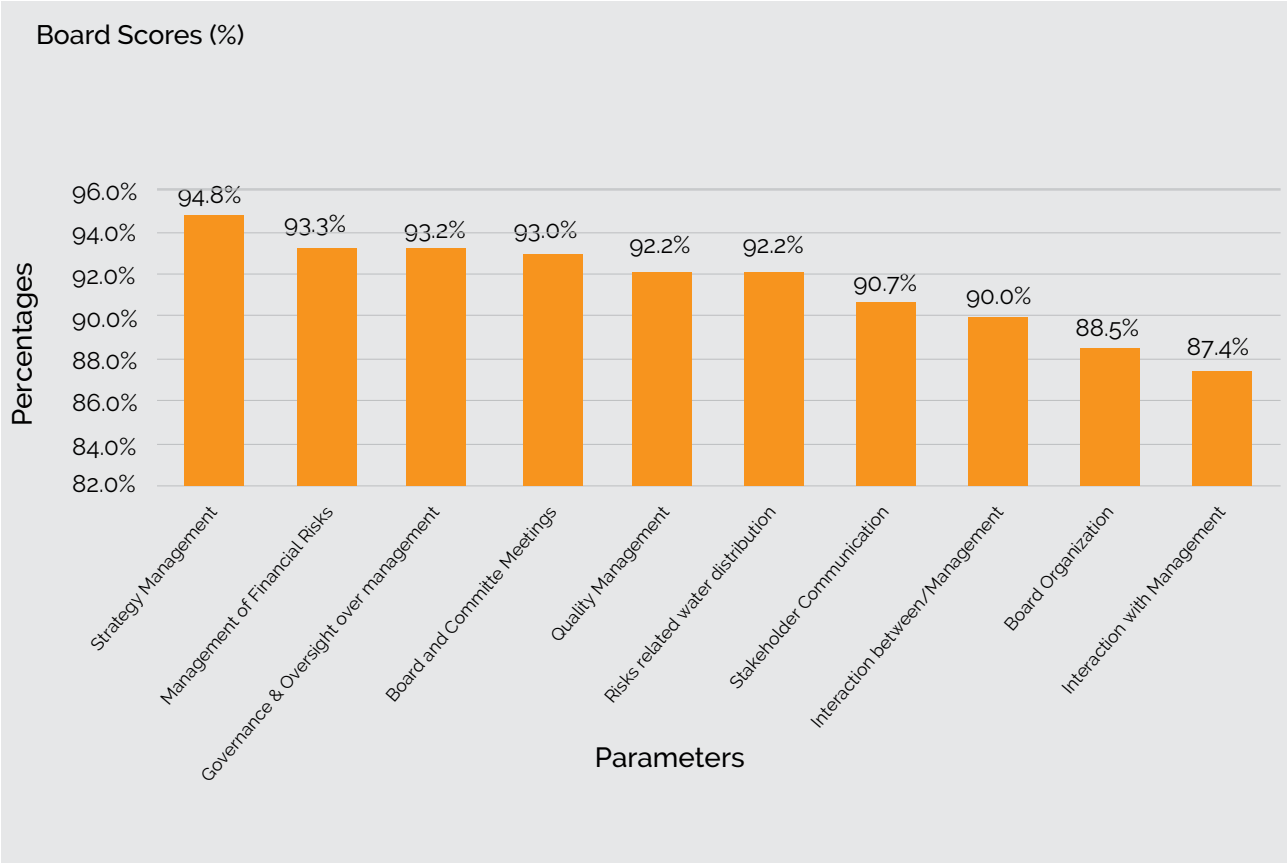


Figure 7: Graph showing Board Evaluation on Different Parameters

Recommendations from Board Evaluations

The following were the recommendations made in regard to the Board Evaluation;

i. Agree on the scope of evaluation covering new challenges
ii. Make evaluation mandatory and results should be acted upon in a period of four months.
iii. A reward/ Sanction regime to be developed and formally adopted

Board and Management Engagement

The Top Management Team and the Board interact regularly both at Board and Committee meetings and whenever called upon. Directors are at liberty to engage with members of Senior Management directly on matters of interest or concern while maintaining a clear distinction between governance and operational matters.

Access to information

The Directors receive sufficient relevant information on financial, business and corporate issues to enable them take informed decisions at the Board meetings. In addition, quarterly financial and operational reports are shared to keep the Directors abreast of the business operations.

The Board also where necessary, relies on independent expert advice to make informed decisions at the expense of the Corporation..

Independence

The Board is aware that though various principles and factors are considered in determining the independence of its Directors, criteria for independence is also determined by having regard to applicable circumstances.

The Board has considered the contractual relationships and positions of all its Non-Executive Directors for the reporting period and is of the opinion that majority of the Board was independent of management and free of any interests that could affect their judgment during the reporting period

Declaration of Interests

All Directors are required to disclose their interests in any company matter, contract or engagement and if such a conflict

exists, the relevant director is excused from consideration of the matter.

The Company Secretary is required to ensure that directors' contracts have no conflicts of interest. All existing conflicts during the year have been considered by the Board which has satisfied itself that the independence of the directors has not been compromised

Delegation of Authority

The Board maintains a clear delegation of authority framework to ensure that the operations of the Corporation run smoothly but within an acceptable control framework.

To ensure efficiency within the governance structure, the Board has delegated some of its functions to Committees with clear terms of reference and reporting requirements. Each Committee's terms of reference set out its responsibilities, scope of authority, composition and procedures to be followed.







Board Members at the inspection of the Nakivubo Waste Water Treatment Plant Bugolobi



Our Board of Directors



Eng. Dr. Badru M. Kiggundu
Chairman Board of Directors

Eng. Kiggundu holds a PhD in Geotechnical/Bituminous Materials from the University of New Mexico (USA), Masters in Civil Engineering and a BSc. Civil Engineering, both from Carnegie-Mellon University (USA).

He is a Registered Civil Engineer and a Fellow of the Uganda Institution of Professional Engineers with over 50 years' experience in the field of Civil Engineering. He is formally affiliated with the American Society of Civil Engineers, Association of Asphalt Paving Technologies (AAPT). He is currently a Senior Presidential Advisor (Infrastructure and Works), an Associate Professor, Dept. of Civil Engineering, Makerere University, and the Chairperson - Projects Steering Committee for the Karuma and Isimba Projects under the Ministry of Energy and Minerals Development, among others. He previously served as the Chairperson Electoral Commission of Uganda (2002-2016) and Dean, Faculty of Technology, Makerere University (1999-2002).



Rt. Hon. Daniel F. Kidega
Board Member

Rt. Hon. Kidega holds Masters of Science and Post Graduate Diploma in International Trade Policy and Law, Lund University, Sweden in collaboration with Eastern and South Africa Management Institute (ESAMI), Arusha and a Bachelor of Business Administration (Marketing) from Uganda Christian University.

He is currently the Vice Chairman of the Makerere University Council and the Chairman Board of Directors of Horyal Investment Holdings Ltd (Atiak Sugar). He previously served as a Member and Speaker of the East African Legislative Assembly (EALA, 2014-2017) and a Youth Member of Parliament (North) in the Uganda National Parliament (2006-2011), among others.



Ms. Rachel Mbabazi Ciconco
Board Member

Ms. Mbabazi holds a Bachelor of Science in Business Administration from Strayer University, Washington, DC, USA and a Masters of Arts in Public Administration, Uganda Management Institute. She has vast experience in Management and sits on several Boards of various companies in the Country, including but not limited to; Rice Association of Uganda (Chairperson), Africa Infrastructure Development, Hong Kong and East African Community Rice Platform.

Our Board of Directors cont'd



Col.(Rtd) Stephen Mwesige Basaliza
Board Member

Col. Basaliza holds a Masters of Arts in Human Rights and a Bachelor's degree in Social Sciences, both from Makerere University. He also holds a Bachelors of Law degree from Uganda Pentecostal University and a Diploma in Education, Business Studies from Makerere University. Col. Basaliza is a graduate of the prestigious Senior and Command Staff College, Kimaka where he attained the award of Passed Staff College, PSC(U).

Col. Basaliza possesses vast Management experience having previously represented the people of Burahya County in the Uganda National Parliament (2001-2006), served as the Commissioner Uganda Human Rights Commission (2012-2018) and served in Uganda Revenue Authority under the Anti-Smuggling Unit, among other key Management positions.



Ms. Sarah Onyiru
Board Member

Ms. Onyiru holds a Master of Arts in Development Studies from Uganda Martyrs University, Nkozi, a post graduate Diploma in Project Planning and Management from Uganda Management Institute, and Bachelors of Arts degree in Social Sciences from Makerere University.

Ms. Onyiru is an experienced Manager having served on different Boards, namely; Board of Directors, Arua Diocese Media Centre (2014-2017) and Community Resource Enterprise Activity Management (CREAM), (2015-2019).

She has previously served as a Presidential Advisor on West Nile region under the Office of the President and a Project Officer, Civic Education Project with the Centre for Basic Research, among others.



Mr. George Runge Muzungyo
Board Member

Mr. Muzungyo is a Chartered Certified Accountant with over 15 years' experience in Tax and Revenue Administration at both Technical and Management levels. He is a fellow of the Association of Chartered Certified Accountants (ACCA), UK. He holds a Bachelor of Science degree of Economics/Geography and a post graduate diploma in Tax and Revenue Administration. He is also a member of the Institute of the Certified Public Accountants of Uganda (ICPAU).

He currently works as a Revenue Advisory consultant for the Oxford Policy Management (OPM). He previously worked as a Manager Audits, Uganda Revenue Authority.

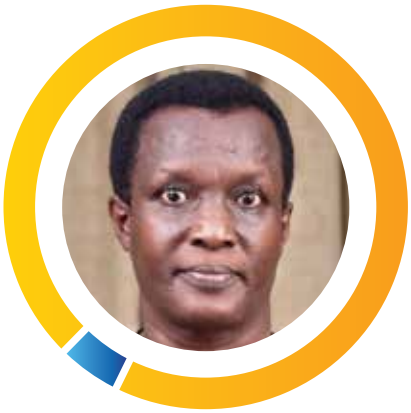
Our Board of Directors cont'd



Eng. Gilbert John Kimanzi
Board Member

Eng. Gilbert John Kimanzi is currently a commissioner – Water for Production Department, Ministry of Water & Environment. He is also the Ag. Director – Directorate of Water Development, MWE. Eng. Kimanzi is a Water Supply, Irrigation, Sanitation & Industrial Specialist with Msc in Water and Wastewater Engineering, Loughborough University, UK. He has a BSc Eng. (Honours), Civil Engineering, Makerere University. Other qualifications include; Certificate in Management for Sustainability of Water & Sanitation Systems - IRC Hague; Certificate in Advanced GIS Mapping, Makerere University and several certificates and courses attended in use of computer software and computer aided design programmes. He is a registered Engineer with the Engineers Registration Board (ERB) of Uganda and a graduate member of the Chartered Institution of Water and Environmental Management (CIWEM), UK.

Eng. Gilbert John Kimanzi has more than 30 Years' experience in water and sanitation sector, specifically in planning, design, implementation and monitoring of rural water and sanitation, and water for production projects and programmes. In addition, Eng. Gilbert has expertise in institutional, social economic technology issues, sector performance measurements and sustainability issues. He has participated in water sector reforms and follow up implementation of the recommendations, preparation of the sector development plans, national sector development programmes as well as single and multi-donor programmes. For over 18 years, he has been a key member of the sector thematic team which implements annual sector undertakings, and he also chairs a permanent sub-sector working group on Governance.



Ms. Josephine Kasya
Board Member

Ms. Josephine Kasya is a teacher by profession, with a Grade 3 Certificate in Education, who has been involved in local governance for over three decades, with a strong bias in community development and gender equality.

She possesses a Certificate in good governance, Certificate in Information and Communication Technology 2021 from Ifrane, Morocco and a Certificate in Women Leadership 2008, from Dares Salaam, Tanzania.

She previously served as the District Chairperson (July 2001-July 2021) where she was awarded as the first woman Local Government Chairperson in Uganda. Prior to that she had served as the Vice Chairperson for Rukungiri District (1998-2001). She is passionate about empowering rural women to achieve their potential.



Dr. Eng. Silver Mugisha
Managing Director

Dr. Eng. Silver Mugisha holds a PhD. in Engineering and Economics of Makerere University, Uganda. His PhD research, which was carried out in collaboration with PURC 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. Eng. 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.

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



Ms. Edith Kateete
Deputy Managing Director Board Affairs and Management



Eng. Alex Gisagara
Senior Director Engineering Services



Mrs. Prossy A. Lubowa
Senior Director Internal Audit



Eng. Jude Mwoga
Senior Director Information and Business Solutions



Mr. Paddy Twesigye
Senior Director Planning and Capital Development



Mr. Francis Owot
Senior Director Financial Services



Dr. Rose Christine Kaggwa
Senior Director Business and Scientific Services



Eng. Mahmood Lutaaya
General Manager Kampala Water



Ms. Eunice Alanyo
Director Human Resources.



Eng. Edmond Okaranon
Director Regional Operations



Mr. George E. Okol
Director Commercial and Customer Services

Our Executive Management cont'd



Mr. Silver Emudong
Director Finance, Accounts and Revenue



Mr. Peter Mutungire
Director Information Technology



Mr. Aloysius Kaijuka
Director Legal Services



Mr. Samuel Epedel
Director Public Relations



Operational Performance



NWSC stands out as a model utility in the African Region and beyond because of its exemplary achievements. Over the years, the Corporation has continued to register significant performance improvements in the Key Performance Indicators as highlighted in this Section.

Water Produced

Water produced is water that has gone through a treatment process and is ready for consumption. The Corporation makes every effort to ensure that water production is in tandem with the demand for water services. This makes water production the core of NWSC's business activities.

During the FY 2022/23, water produced increased by 6.2 million cubic meters (4%), from 164.6 million cubic meters in the FY 2021/22, to 170.8 million cubic meters. The increase in water produced was mainly attributed to the continuous expansion, rehabilitation and development of new infrastructure to meet the ever increasing demand for water services.

Table 22: Trend of Water Produced (million m³) for the period (2018-2023)

Region	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Growth
					Actual	Target	% Perf	
Kampala	82.8	87.5	88	100.3	105.3	106.9	99%	4%
Central	22.3	23.1	23.8	27.2	28.4	28.9	98%	5%
Eastern	6.5	7.2	7.2	8.1	8.3	8.7	96%	3%
Northern	7.5	8.2	8.4	9.2	9.3	10.2	91%	1%
Western & South western	15.8	13.9	16.7	19.1	19.4	20.3	96%	2%
NWSC Global	**134.9**	**140.0**	**144.1**	**164.0**	**170.8**	**175.0**	**98%**	**4%**

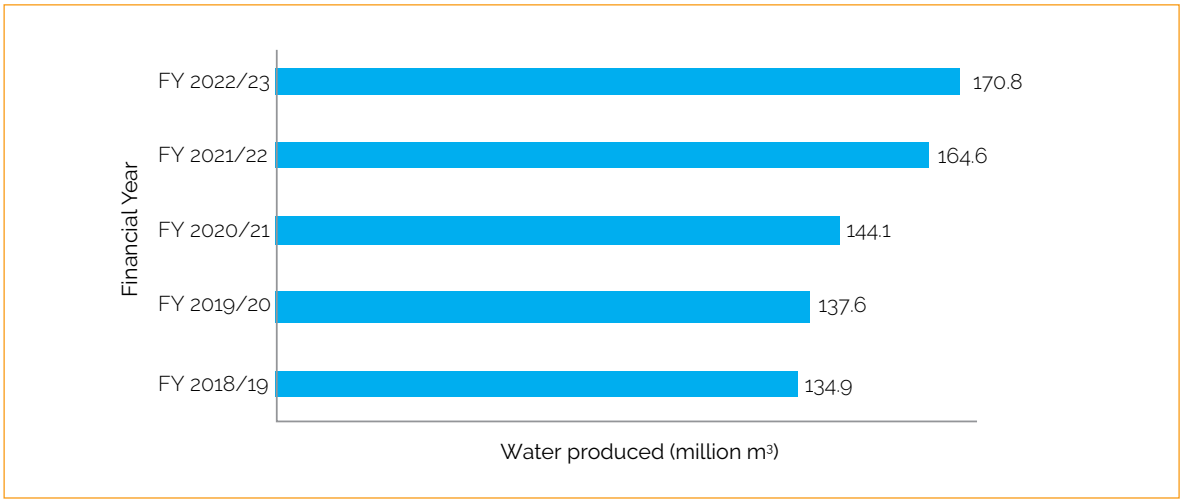


Figure 8: Water Produced (million m³) from FY 2018/19 - FY 2022/23

Capacity Utilization

This is a measure of the extent to which the capacity of the water production infrastructure is being used. As at 30th June 2023, the Corporation operated 70 water treatment plants with a total practical capacity of 756,325 cubic meters per day. During the FY 2022/23, the Corporation implemented a number of infrastructure developments and Water Supply Stabilization Plans in the various regions, which increased the Corporation's practical capacity by 7% from 708,378 cubic meters per day in the FY 2021/22 to 756,325 cubic meters per day. On the other hand, as at June 2023, the Corporation's average daily water produced stood at 468,659 cubic meters, which represents a capacity utilization of 62% compared to 64% in the FY 2021/22.

The growth in practical capacity is mainly attributed to the infrastructure upgrade and expansion carried out in the various NWSC areas of operation during the financial year under review. This is a clear manifestation of our commitment towards meeting the needs of our customers. Details of the infrastructure projects implemented during the review period are highlighted in pages (73-102).

Table 23: Practical Capacity and Capacity Utilization FY 2021/22 and FY 2022/23

Region	Practical Capacity (m^3/day)		Daily Production (m^3/day)		Capacity Utilization	
	FY 2021/22	FY 2022/23	FY 2021/22	FY 2022/23	FY 2021/22	FY 2022/23
Kampala	396,500	402,000	276,506	288,453	70%	72%
Central	97,499	109,944	74,644	78,572	77%	71%
Eastern	54,118	53,608	22,215	23,006	41%	43%
Northern	54,687	61,346	25,214	25,435	46%	41%
Western & South Western	105,574	129,427	52,404	53,194	50%	41%
NWSC Global	**708,378**	**756,325**	**450,982**	**468,659**	**64%**	**62%**

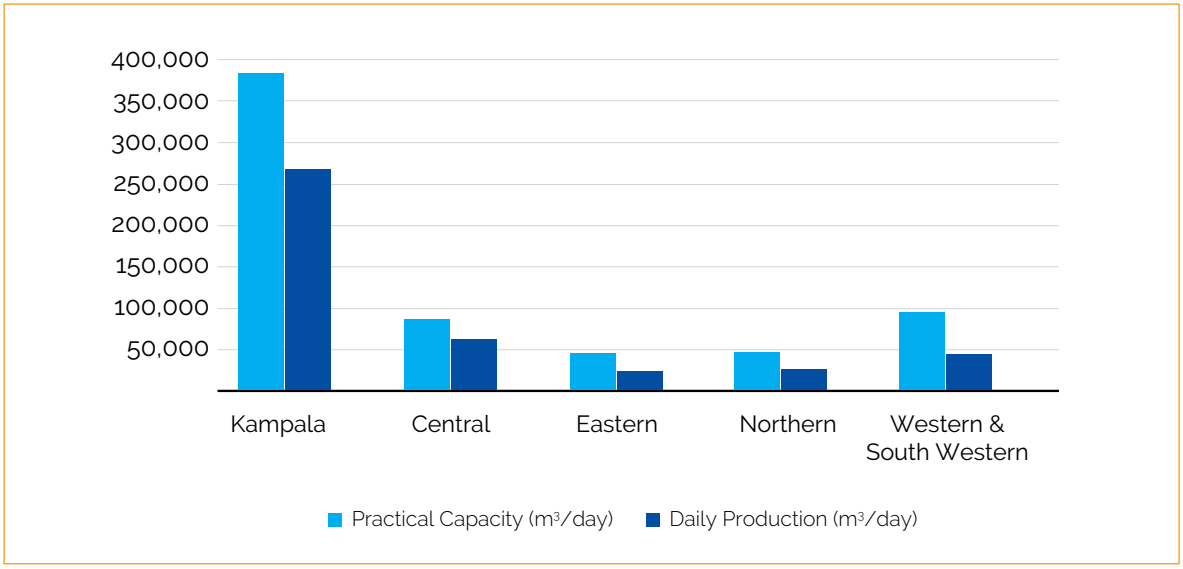


Figure 9: Practical Capacity Vis-à-vis Daily Water Produced as at June 2023

Water Supplied

This is water that enters the distribution system for use by the final consumers. During the FY 2022/23, the Corporation registered a growth of 2% in the volume of water supplied, from 157.9 million cubic meters in the FY 2021/22 to 161.6 million cubic meters during the financial year under review. The growth is attributed to quick-win investments implemented under the Water Supply Stabilization Programme (WSSP) aimed at improving supply reliability. The WSSP is one of the components implemented under the Service Coverage Accelerated Project (SCAP100) jointly financed by Government of Uganda and NWSC. Table 24 provides a summary of the regional performance over the five-year period (2018-2023).

Table 24: Trend of Water Supplied (million m³) for the period (2018-2023)

Region	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2021/23			Growth
					Actual	Target	%Perf	
Kampala	79.7	81.6	85.5	99.0	101.9	103.3	99%	3%
Central	20.7	21.4	22.6	25.4	25.8	27.3	95%	2%
Eastern	6.2	6.8	6.6	7.6	7.5	7.9	94%	-2%
Northern	6.7	7.3	7.7	8.4	8.4	9.3	90%	0%
Western & South Western	14.5	14.7	14.9	17.6	17.9	18.0	100%	2%
NWSC Global	**127.8**	**132.0**	**137.2**	**157.9**	**161.6**	**165.8**	**97%**	**2%**

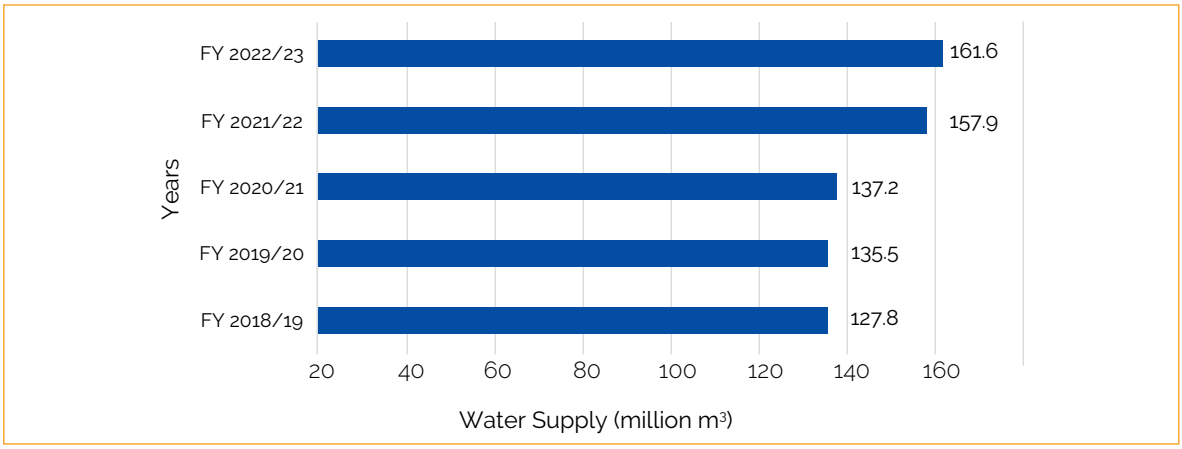


Figure 10: Water Supply (million m³) trends (2018-2023)

Water Sales Volumes

This is the volume of water that actually reaches the customers' premises and is billed. The Corporation categorizes customers as Domestic, Commercial, Industrial, Institutional/Government and Public Stand Posts (PSPs). During the FY 2022/23, we registered a growth of 3% in the volume of the water sold, from 101.9 million cubic meters in the FY 2021/22 to 105.2 million cubic meters.

The growth is mainly attributed to increased out reach to more customers through implementation of SCAP100 Project across all our Areas of operation, coupled with innovative customer engagement strategies and sensitizations aimed at encouraging the use of NWSC potable water as opposed to other unsafe water sources.

Table 25: Trend of Water Sales (million m³) for the period (2018-2023)

Region	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23 Actual			Growth
					Actual	Target	% Perf	
Kampala	52.2	49.2	50.8	58.1	60.3	65.5	92%	4%
Central	16.2	16	16.7	19.2	19.8	21.6	92%	3%
Eastern	5.2	5.3	4.9	5.6	5.7	6.3	91%	3%
Northern	5.3	5.5	5.7	6.3	6.4	7.4	86%	1%
Western & South Western	11.6	11.5	11.6	12.6	12.9	15.0	86%	2%
NWSC Global	**90.5**	**87.5**	**89.8**	**101.9**	**105.2**	**115.8**	**91%**	**3%**

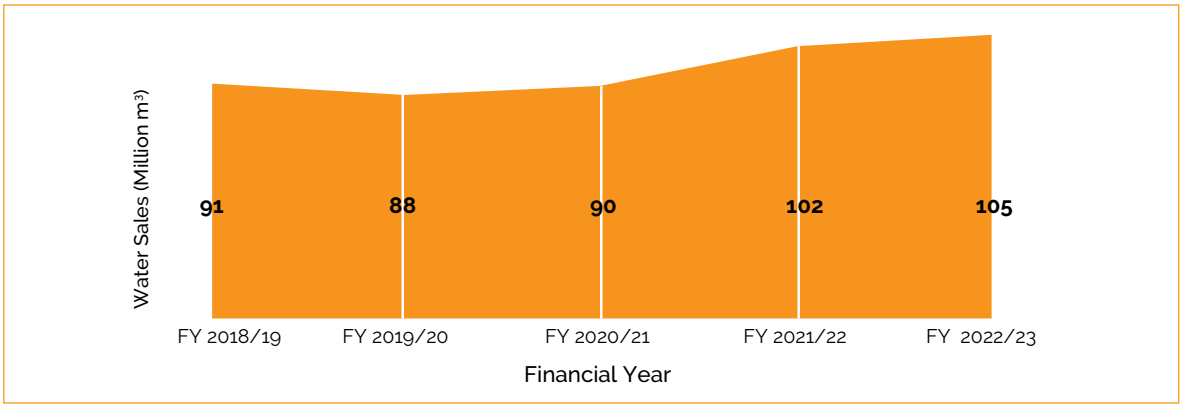


Figure 11: Trend of Water Sales (million m³) trend (2018-2023)

Water Sales by Customer Category

A comparative analysis of the market share shows that the biggest segment based on the volumes of water consumption are the domestic customers, who account for 45% (47,765,401 cubic meters) of the volume consumed.

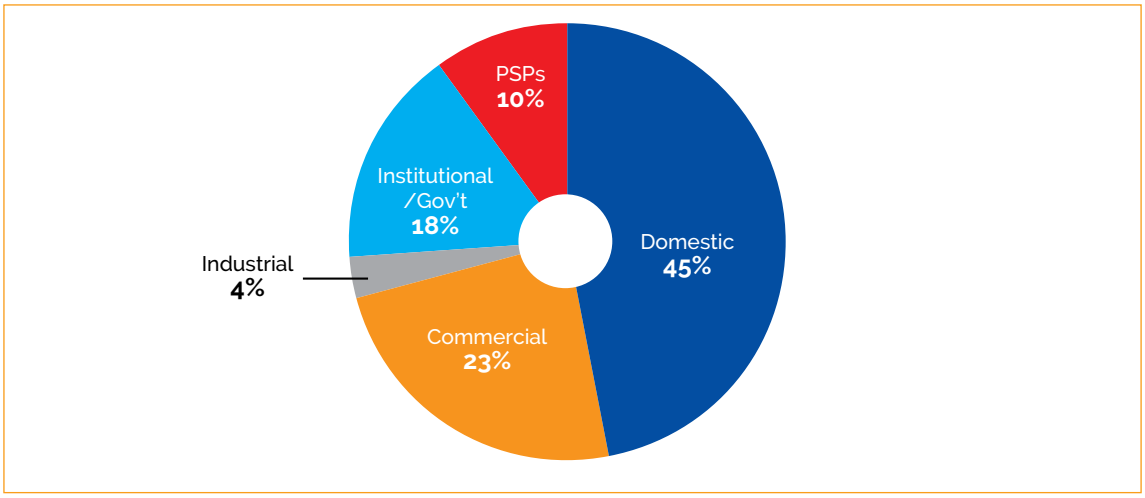


Figure 12: Volume of Water Sold Per Customer Category as at June 2023

Non-Revenue Water (NRW)

Non-Revenue Water is one of the key challenges faced by the Corporation. This is water lost in the distribution system and not billed. Some of the factors responsible for these losses include;

- Damages on the pipe network arising from road works
- Aged pipe network which is prone to leaks and bursts and requires replacement
- Under registering of some meters mainly due to old age
- Water theft through illegal connections and meter bypasses.

As at end of the FY 2022/23, water losses accounted for 34.9% of the water supplied. The performance is in sync with our three-year target in the Corporate Plan (2021-2024), which is to reduce Non-Revenue Water to 33% by 2026. The Corporation has put in place the following measures to reduce Non-Revenue Water:

- A meter replacement programme is under way targeting 100,000 meters to be serviced and at least 10,000 faulty meters to be replaced per quarter.
- We are also continuously strengthening the Water Loss Prevention Unit to ensure efficiency in dealing with cases relating to water theft.
- Incorporate Community Engagements within our stakeholder agenda to effectively report illegal use cases and we ensure the culprits are brought to book.
- Continuous training of our staff in all Areas to ensure timely response to reported cases of pipe bursts and leakages.
- We have secured financing for network restructuring and rehabilitation under Kampala Water Lake Victoria Water and Sanitation (KW LVWATSAN) Project. The project targets Kampala Water with the highest level of NRW.

Table 26: Trend of Non-Revenue Water (%) for the period (2018-2023)

REGION	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Increase/ Decrease
					Actual	Target	% Perf	
Kampala	34.5%	42.2%	40.6%	41.3%	40.8%	36.6%	90%	-1%
Central	21.7%	25.2%	26.1%	24.3%	23.3%	20.8%	89%	-4%
Eastern	16.1%	22.1%	25.8%	26.6%	23.2%	20.0%	86%	-15%
Northern	20.9%	24.7%	26.0%	24.5%	23.8%	20.3%	86%	-3%
Western & South Western	20.0%	21.8%	22.1%	28.1%	28.2%	16.8%	60%	0%
NWSC Global	**29.2%**	**35.4%**	**34.5%**	**35.4%**	**34.9%**	**30.1%**	**86%**	**-2%**

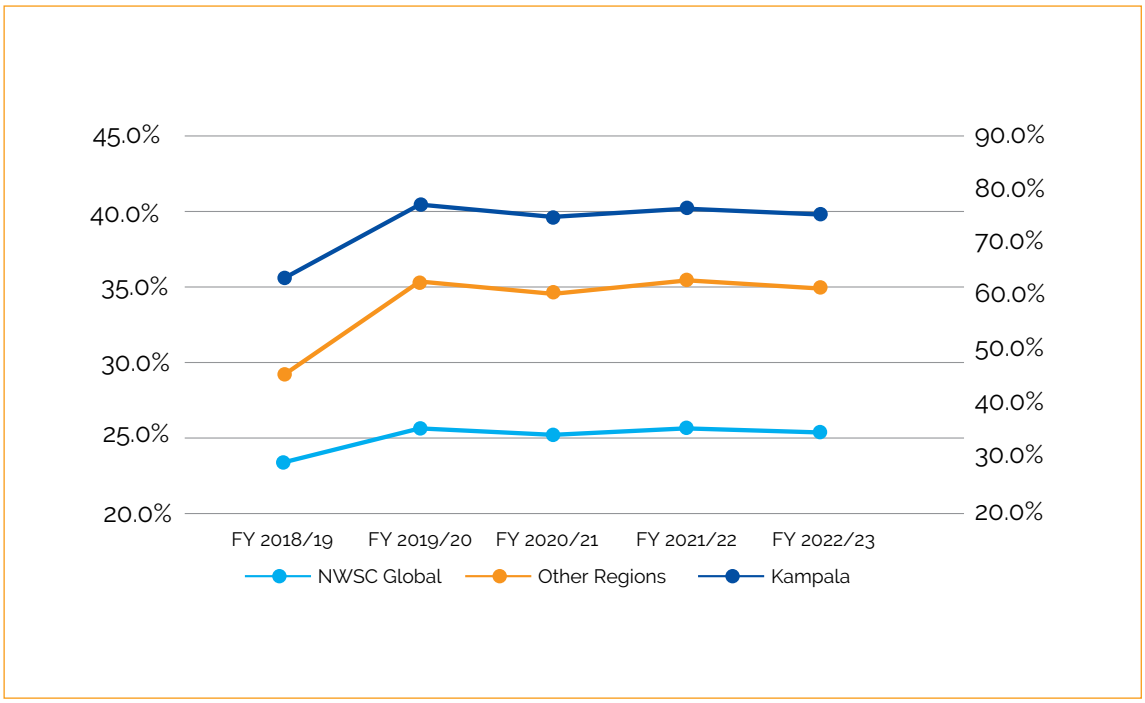


Figure 13: Proportion of Non-Revenue Water as at June 2023

Service Coverage Acceleration Project (SCAP 100)

The SCAP 100 Project was launched in July 2017 to ensure universal and equitable access to safe water supply in all villages under NWSC jurisdiction.The key components of the project include; a) Mains Extensions, b) New Connections, c) Installation of Public Stand Pipes, d) Water Supply Stabilization that entails re-enforcing the existing water infrastructure to meet increased water demand through:

- Construction of water reservoirs, booster stations and other mini projects to enhance water production and supply.
- Construction of distribution water mains.
- Development of alternative water sources like production wells
- Intensification of the existing secondary and tertiary water networks
- Land acquisition for new infrastructure.

(a) Water Mains Extensions

During the FY 2022/23, we registered a growth in our water network of 4%, with 588 km new water mains laid across the Country in the various Areas under our jurisdiction. The total pipe network stood at 22,646 km of water mains as at June 2023.

Table 27: Water Mains extensions for the period (2018-2023)

Region	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Growth
					Actual	Target	% Perf	
Kampala	216	73	21	171	109	119	92%	-36%
Central	652	569	129	387	139	113	124%	-64%
Eastern	485	229	34	178	25	65	38%	-86%
Northern	300	209	75	189	106	70	152%	-44%
Western & Southwestern	1075	1,055	179	379	210	210	100%	-45%
Total New Mains Extensions	2,727	2,135	439	1,305	588	575	102%	-55%
Total Pipe Network	**17,556**	**19,974**	**20,490**	**21,794.0**	**22,646**	**22,369**	**101%**	**4%**

The total pipe network includes network taken over with new Towns handed over to NWSC by MWE.

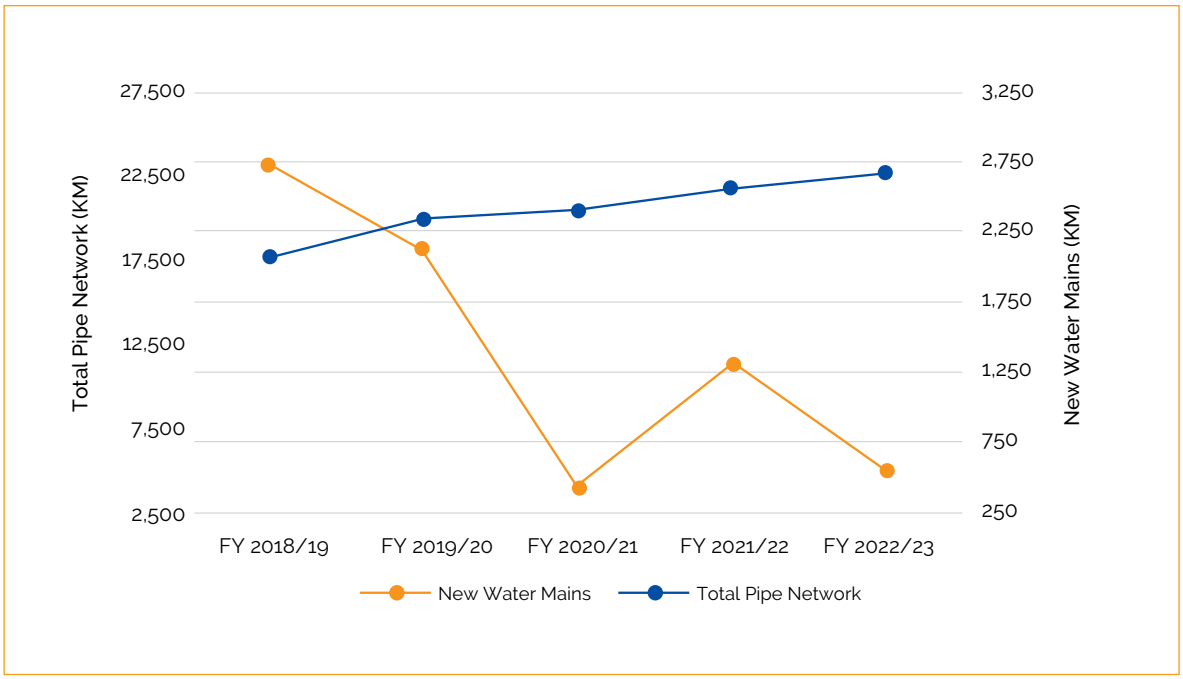


Figure 14: New Water Mains Vis-à-vis the Total Pipe Network trends (2018-2023)

(b) Water Connections

Over the last five years, NWSC has registered significant growth in customer base. This stems from the innovative programmes aimed at increasing outreach and the quality of service delivery to customers.

During the FY 2022/23, we registered a growth of 4% in our customer base from 857,347 connections in the FY 2021/22 to 892,099 connections. The new water connections installed were 50,591 connections.

The growth in the customer base is attributed to the NWSC deliberate efforts to expand the water network and the implementation of water supply stabilization programmes targeting the virgin areas especially in the newly taken over towns.

Table 28: Trend in Water Connections for the period (2018-2023)

Region	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Growth
					Actual	Target	% Perf	
Kampala	32,130	28,720	23,472	390,707	21,329	30,770	69%	-15%
Central	14,259	11,698	10,875	182,824	10,495	11,818	89%	-6%
Eastern	5,302	3,981	3,297	65,786	4,183	9,709	43%	21%
Northern	5,085	4,997	4,360	68,271	4,706	6,691	70%	2%
Western & South western	12,439	12,125	10,008	149,759	9,878	10,009	99%	-4%
New water connections	69,215	61,521	52,012	54,697	50,591	68,997	73%	-8%
Total Customer base	659,157	724,006	775,794	857,347	892,099	926,344	96%	6%

The total Customer Base includes connections taken over with new towns handed over to NWSC by MWE.

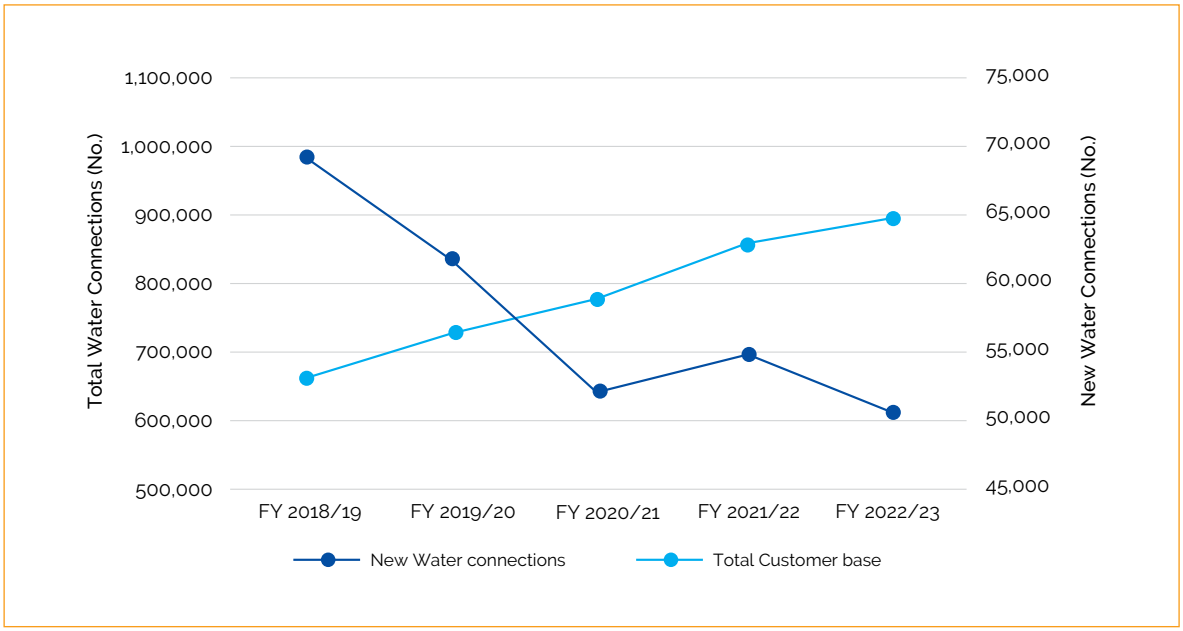


Figure 15: Trend in Connections over the period (2018-2023)

(c) Public Stand Pipes (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 people who cannot afford water connections to their homes. Public Stand Pipes (PSPs) are a convenient way through which the economically disadvantaged members of the community can access clean and affordable water. Our target is to ensure that every 200 people in a cell/village have access to a Public Stand Pipe. The tariff at the Public Stand Pipes is subsidized at UGX 21 per 20 liter jerrycan compared to the domestic tariff of UGX 70.

During the Financial Year 2022/23, we registered a growth of 1% in the customer base under the PSP consumer category, with 2,808 new PSPs being installed. The total number of connections under this category as at end of June 2023 was 29,088 PSP. (See Table 29)

Table 29: Annual Installation of PSPs for the period (2018-2023)

Region	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Growth
					Actual	Target	% Perf	
Kampala	74	1355	1,643	404	1,060	615	172%	162%
Central	1004	652	461	429	462	1231	38%	8%
Eastern	583	495	260	249	305	477	64%	22%
Northern	483	523	199	224	185	252	73%	-17%
Western & South western	1,406	1,404	1,230	835	796	1,067	75%	-5%
Total New PSPs	3,550	4,429	3,793	2,141	2,808	3,642	77%	31%
Total No. of PSPs	17,186	21,600	24,867	28,858	29,088	32,500	90%	8%

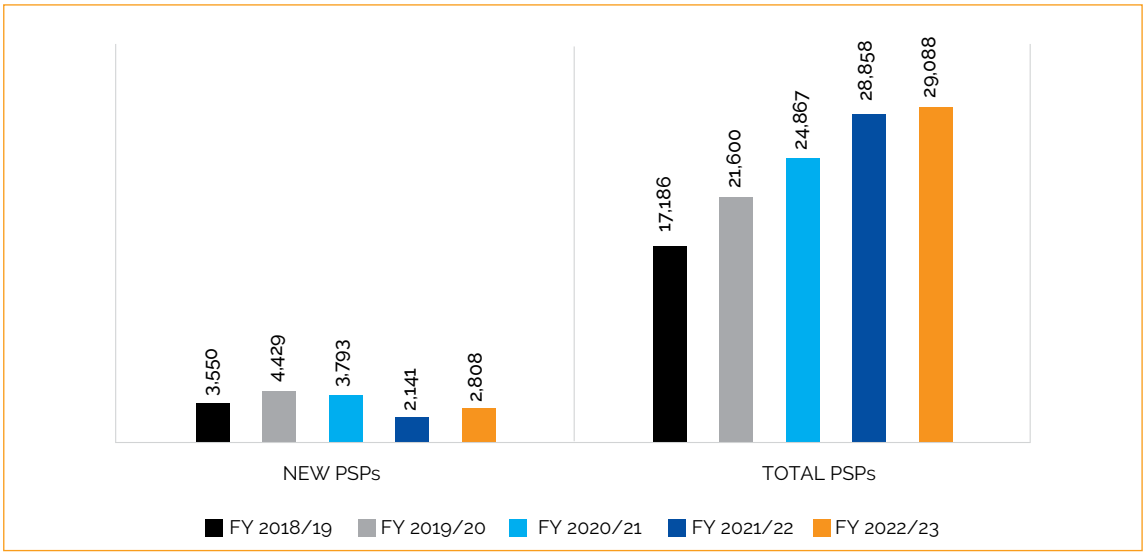


Figure 16: Progress of installation of PSPs for the period (2018-2023)

(d) Village Coverage

We believe that access to clean and safe water is a human right that must be enjoyed by all. While safe water coverage is at 84% in the urban areas, only 30% of the citizens in the rural areas have access to safe and clean water. It is therefore our duty to expand the distribution network to all the villages under NWSC jurisdiction and to ensure stable water supply in all areas served by our network.

As at June 2023, 10,468 out of 16,601 villages (63%) had access to safe water supply. This translates into a service coverage of 78%, (approximately 18 million people out of a population of 23 million people). There are still 6,133 villages with a population of over 5 million under our jurisdiction which is not yet receiving our services. This calls for the need for the Government, Development Partners and the Corporation to continue supporting the refurbishment, expansion and development of our Infrastructure Projects, so as to serve the unserved Ugandans.

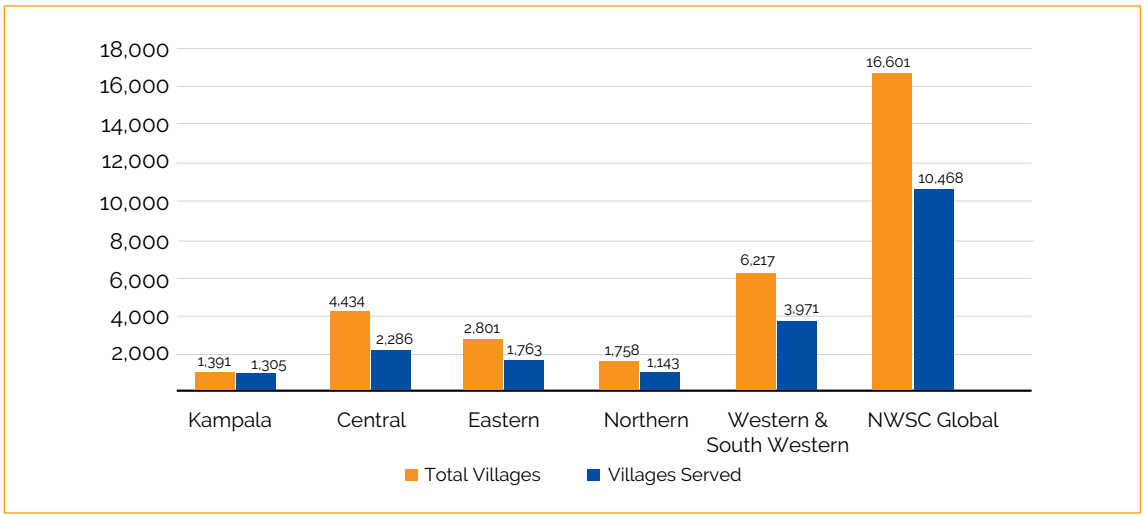


Figure 17: Village coverage as at June 2023

Sewerage Services

NWSC operates centralized sewerage systems of collecting, treating and discharging effluent in 18 out of the 273 towns. The Corporation also operates faecal sludge treatment facilities in Buwama, Bukakata, Ntungamo, Mayuge, Pallisa, Apac, Arua, Gulu and Kampala (Lubigi and Ntinda).

As at June 2023, the total sewer network stood at 762 Km, registering a growth of 2% compared to 745 km in FY 2021/22. 17 Km of new sewer mains was laid in the Financial Year under review. On the other hand, the total sewer customer

base was 28,703 connections registering a growth of 2% compared to 28,007 sewer connections in FY 2021/22. 237 new sewer connections were connected during the Financial Year under review. The total customer base comprised of 17,724 domestic connections, 9,580 commercial, 24 industrial and 1,375 Institution/Government. Table 30 provides a summary of the sewer mains and connection status.

Table 30: Sewer Connections and Mains extension status for the period (2018-2023)

Region	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Growth
					Actual	Target	% Perf	
Kampala	152	161	178	578	111	209	53%	-77%
Central	34	85	20	23	30	21	143%	30%
Eastern	19	7	6	43	21	7	300%	-51%
Northern	135	14	3	9	16	5	320%	78%
Western & South western	28	10	7	23	59	8	738%	157%
Total New Sewer Connections	368	277	214	576	237	250	95%	-59%
Total Sewer Connections	22,606	23,914	25,180	28,007	28,703	28,257	102%	2%
New Sewer Extensions (Km)	59	30	23	36	17	16	104%	-54%
Total Sewer Extensions (Km)	661	693	715	745	762	761	100%	2%

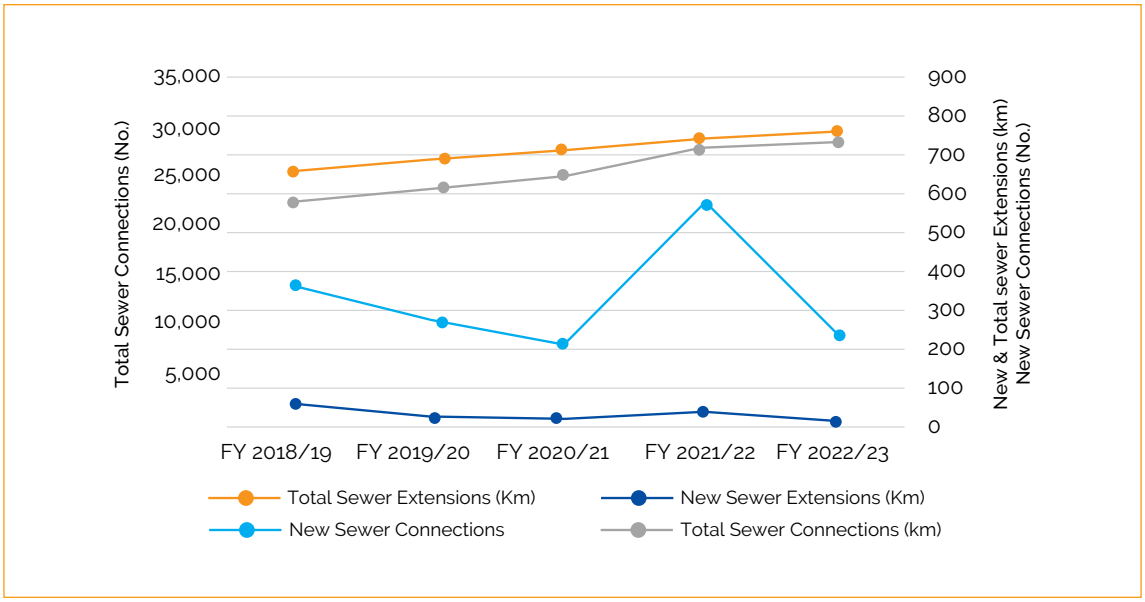


Figure 18: Trend of Sewer Mains and Connections

It should be noted that the sewerage service coverage has for some time stagnated due to high cost of investment in sewer and the preference of onsite sanitation facilities such as septic tanks and latrines by customers. However, we have continuously made strides geared towards improving sewerage management by mainstreaming sewerage in all the WatSan investments being implemented in the various regions. Some of the projects include;

- Kampala Water Lake Victoria Protection Project with a component on Water and Sanitation in the informal settlements including establishment of Nalukolongo Faecal Sludge Treatment Plant (FSTP)
- Kampala Sanitation Project comprising of Sewage Treatment Plant, Kinawataka Sewage Pre-treatment Plant and Backbone Sewage lines
- South-Western Cluster Project (Isingiro, Masaka and Mbarara Area)
- Gulu Project (Phase II)
- Mbale Sanitation Project (IWMDP)
- Adjumani Sanitation Project (IWMDP)

The Corporation has also developed the Sanitation Investment Plan (SIP) aimed at improving Sanitation in all our Areas of operation. However, we are still sourcing for funds to implement the plan.

The Commercial Perspective





Mr. George E. Okol
Director Commercial and Customer Services

The Commercial and Customer Services Directorate is the business promotion arm of the Corporation, charged with the mandate to oversee the implementation of commercial and billing activities.

The Directorate was established in 2002 in a quest to strengthen customer services. Subsequently, Customer care units were established in all areas, and training in customer care was conducted for all staff within the Unit and related functions.

The key responsibility of the Directorate is to ensure that the Key Performance Indicators corresponding to customer management such as commercial non-revenue water, customer satisfaction, willingness to pay, and collection efficiency, improve. The team identifies the most relevant actions to ensure the Corporation maintains, or improves, its current practices vis-à-vis its customers' needs.

Commercial and Customer Services Mandate



Improved Customer Care



Growth of Customer Base



Increase Annual Revenue (Billing and Collections)



Debt Management

Over the past 20 years, a number of initiatives have been undertaken to improve the Corporation's Commercial Performance. These include;

- Automation of billing and collection processes through the adoption of ICT solutions that have enhanced the Corporation's capacity to provide adequate services over the years. These include among others; the introduction of the On-spot Billing Systems, Direct Debit system, over-the-counter bill payments with partner banks, e-Payments, Electronic Funds Transfers and e-Bills.

- Establishment of Customer Contact Centers including Telephone and Social Media Platforms with the objective of improving communication with customers. In addition, a number of stakeholder engagement platforms have been developed including the Water Community Sensitization clubs, Barazas, School Water and Sanitation Clubs (SWAS).

- Implemented several Performance Improvement Programs including; the Raving Fans Concept, SPOTLIGHT, Arrears Wipeout Campaign (AWOC), Suppressed Accounts Reduction Programme (SARP), Customer Re-connect, Revenue Recovery Acceleration Program (RRACE), and Non-Revenue Water reduction campaigns among others.

- Designing and publishing of the NWSC Customer Charter. The Charter stipulates the expected service standards to customers by our staff, and obligations of the customers towards the Corporation.



Overview of the Customer Service Charter

Customer Service Standards

- Provide you with safe and reliable water supply that meets your needs
- Respond to leaks and bursts within six hours of awareness
- Notify the public atleast three days prior to supply disruption
- Collect, treat and safely dispose off sewage effluent
- Respond to sewer overflows within 6 hours of awareness
- Connect paid up new connection applicants within 30 working days
- Respond to all customer complaints of commercial nature within one day and technical complaints within three hours of receiving the complaint
- Ensure the meter at your premises is read and billed in a sequence not exceeding 30 days

Our Commitments to the Customers

- To treat all the Customers with Courtesy and respect
- To ensure that the quality of water supplied and the sewerage effluent discharged meet the WHO standards.
- To uphold good work ethics and professionalism while serving our Customers.
- To deal with all customer issues with efficiency, fairness, integrity and give timely feedback.
- To provide customers with all the necessary information to solve their complaints
- To continuously ascertain the level of satisfaction of our customers for service improvement.

Customer Obligations

- Pay for the service rendered upon receipt of the bill.
- Allow access to meters for accurate reading and billing.
- Raise complaints, concerns and queries promptly.
- Update NWSC with any changes of customer and property details promptly.
- Avail all the information requested by the Corporation for the execution of services.
- Desist from illegal usage of water.
- Report leaks and bursts and any Illegal water connections.

NB: *Details of the Charter are published on our website:* ***www.nwsc.co.ug***



Commercial Performance

Billing (VAT Inclusive)

Billings are the primary indicator of our financial performance and key determinant of the Corporation's Income. During the FY 2022/23, the Corporation registered a growth in billing of 11% from UGX 487 billion in FY 2021/22 to UGX 540 billion in FY 2022/23. The growth in billing is attributed to increase in business volume manifested in growth in customer base and increased supply volumes to meet the growing demand.

Table 31: Trend of Billings (UGX Billion VAT Inc.) for the period (2018-2023)

Category	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Growth
					Actual	Target	% Perf	
Government	53	54	51	61	72	71	101%	18%
Non-Government	385	370	379	426	468	490	95%	10%
NWSC Global	437	424	430	487	540	561	96%	11%

Revenue Collection (VAT Inclusive)

The Corporation registered a growth in collections of 5% from UGX 469 billion in the FY 2021/22 to UGX 492 billion in the FY 2022/23. This translates into a Collection-Billing Ratio of 91%.

Table 32: Revune Collection (UGX Billion VAT Inc.) for the period (2018-2023)

Category	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23			Growth
					Actual	Target	% Perf	
Government	64	42	58	47	39	72	54%	-16%
Non-Government	373	349	377	422	452	500	91%	7%
NWSC Global	437	391	435	469	492	572	86%	5%

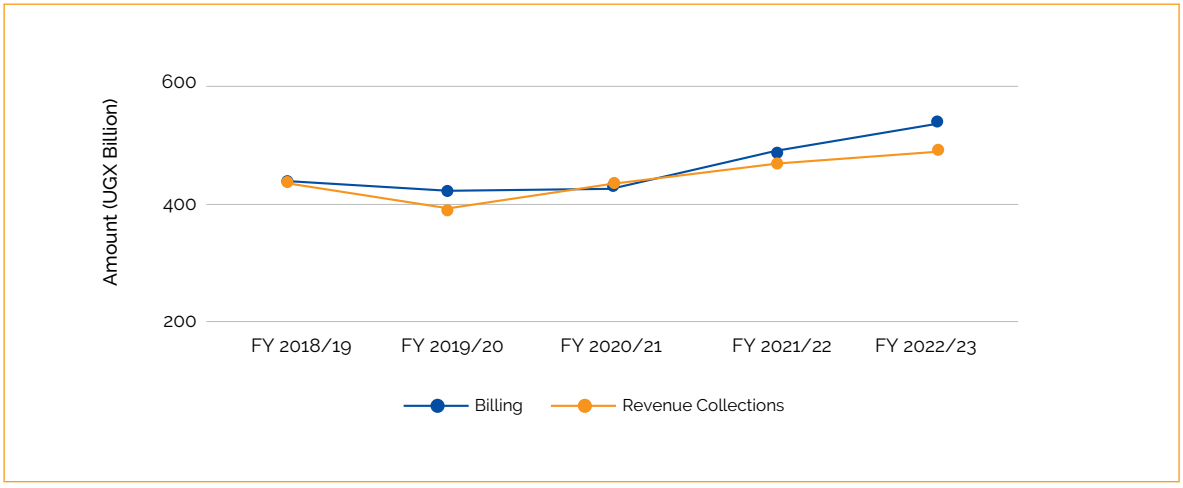


Fig 19: Trend of Revenue Collection and Billings for the period (2018-2023)

On the other hand , arrears as at June 2023 amounted UGX.180 Billion translating into a debt age of 4.0 months.





What We Are Doing for Our Customers

We Listen to our Customers

We have a Customer Relationship Module (CRM) where we register complaints or comments from all sources. Complaints can be through walk-ins, emails, phone calls and social media platforms. As an organization we give feedback and address the complaints of our customers. During the FY 2022/23, 179,860 complaints were registered and 179,482 were resolved (99.8% Resolution Rate).

We Engage Our Customers

We engage our customers at various levels of operations through various platforms and forums. During the engagements we show the stakeholders challenges related to our services and what we are doing to address them. We usually make special appeals to the local leadership and communities to support the NWSC ongoing projects in the beneficiary communities.

Local Water Committees

Water Committees have been set up in all our Areas of Operations. They consist of the NWSC Area Management, Local Council and Municipal leaders. The Committees assist the Corporation in addressing the key challenges affecting the provision of water and sewerage services in their respective Areas.

Through these Committees, NWSC updates local leaders about the upcoming development programs (Water Extensions and other Infrastructure Projects) and requests for their active participation and support. The committee leaders also give their feedback on the NWSC services in their respective Areas.

Tariff Structure

NWSC has a well-defined Tariff Structure, approved by the Minister of Water and Environment. The Tariff is adjusted periodically whenever there are significant changes in the macro-economic dynamics that affect the cost of inputs. Table 34 shows the Tariffs for the various consumer categories

Taking services closer to the People

The Corporation has opened more Branches Countrywide to enable our customers access our services easily. Under Kampala Service Area, we have 28 Branches; Central Region has 61 Branches; Eastern Region has 35 Branches; Northern Region has 25 Branches; and Western and South-western Region has 70 Branches. Services provided at the branches include; Installing of new water connections, extending services through water mains extensions, network maintenance, billing, revenue collections, complaints resolutions or any other inquiries.

Table 33: NWSC Tariff Structure July 2023

Category	Charges (UGX per Cubic meter, VAT Exclusive)
Public Standpipes	1060
Domestic	3,727
Institutions / Government	3,771
Commercial	
Less than or equal to 1500m³/m	4,473
Over 1500 m³/m	3,575
Industrial	
Less than 1000 m³	4,473
Over 1000 m³	2,500
Sewerage Tariff	
For Domestic Category	75% of water charge
For Other Categories	100% of water charge

Making It Easy for Our Customers Through Digital Transformation

NWSC customers have been enjoying NWSC online services for over 20 years. Most of the services are accessed through simply visiting the NWSC website. The services include among others;

Online Payments Platforms

This has made it easy for most of our customers to pay their bills at the convenience of their Mobile Phones. Meaning payments can be made anytime and from anywhere at the convenience of the customer. The Corporation has put in place various options to make it convenient and comfortable for our customers to pay for their water bills. The payment options include; Electronic Funds Transfer (EFT), Mobile Banking, Mobile Money Payments (MMP) and Direct Debit (DB).

Application for our Services on Line (New Water Connection).

The New Connections Module is a recently launched application in Kampala that enables customers to apply for new water connections through the NWSC website, by clicking on the New Connections Module and following the prompts. All the new connection processes can be completed without the need for the customer to visit our offices.

The Waterman (Customer service and feedback platforms)

Through our online presence on X (formerly Twitter), WhatsApp, NWSC website and Facebook, NWSC is able to receive real time customer complaints and provide feedback. The Waterman is available 24/7.

NWSC Mobile App

The NWSC Mobile App is a handy tool designed to improve customer experience. It is integrated with the Customer Database, Billing and Collections Systems. It can be installed on any mobile devices and provides customers with their realtime balances, bills and any other information relating to their accounts. The App also enables customers to pay their Water Bills through the various online payment platforms.

e-Billing

Whenever customers' meters are read, bills are issued to them online. This has improved the time it takes for the customer to receive his/her bill and make arrangements for payments; in addition to reduction of customer complaints related to erroneous billings.



Quality Assurance

The mandate of NWSC is to supply clean and safe water to customers. We must also ensure that the quality of Wastewater Effluent discharged into the environment meets the National Standards. Our team of water Chemists and Microbiologists monitors the quality of the water supplied and Wastewater discharged on a regular basis. We also offer Laboratory Services to the public.



The Water Treatment Process

The Corporation collects water from rivers, streams, lakes, dams, wells and under-ground sources. Environmental degradation and pollution continues to affect the quality of water from the above sources, thus making it unsafe for immediate human consumption.

It is our responsibility to ensure that the drinking water delivered to the consumers is free from contaminants, which are harmful to human health. We do this by subjecting the raw water to various tests and treatment processes, which include; screening, coagulation, sedimentation, filtration and disinfection as illustrated in figure 21 below:

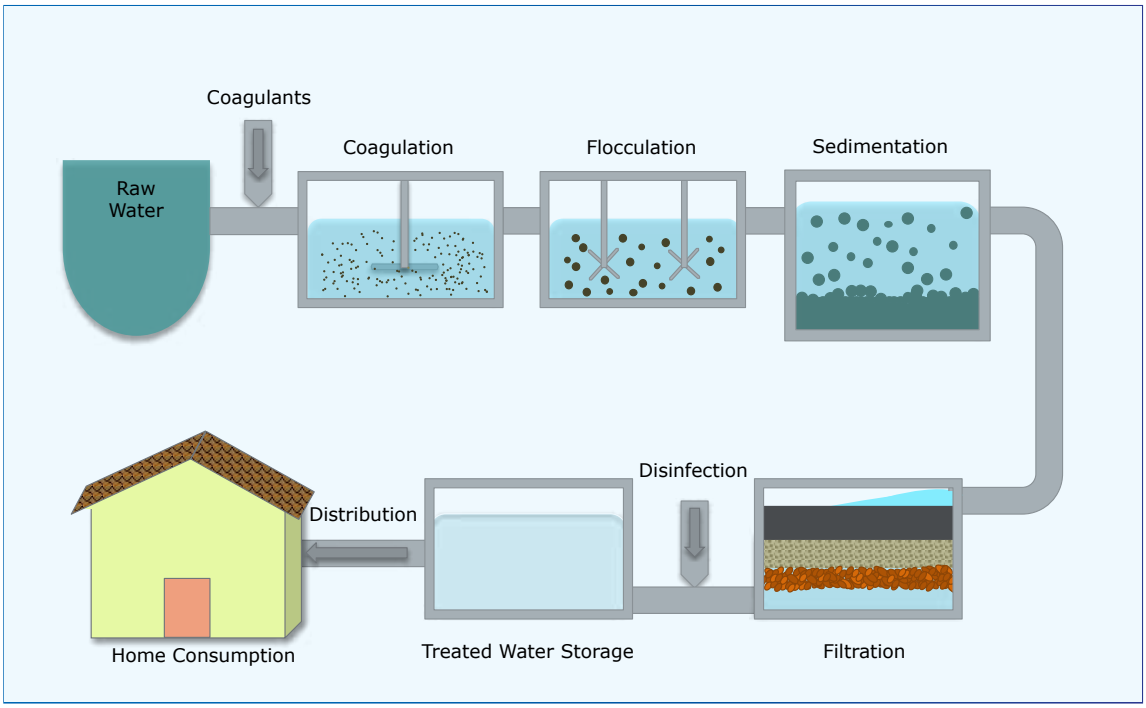


Figure 20: NWSC Water Treatment Process

Screening: Raw Water is screened to remove large suspended particles and aquatic plants,

Aeration: This may be incorporated to remove elements like Iron and Manganese and bad smell due to dissolved gasses if present in raw water.

Coagulation and Flocculation: Smaller lighter particulates are removed through this process. Here a coagulant is added to cause these particles to agglomerate and form bigger particles which can easily settle out.

Clarification/Sedimentation: Water is left in a tank/basin for some time to allow particles to settle at the bottom. This process removes all particles that are heavy enough to settle in the given time e.g. sediments, oils, natural organic matter

Filtration: Water is sent through filters packed with sand media which sieve out any remaining particles.

Disinfection: The water is disinfected with acceptable amounts of Chlorine to kill any present pathogens.

pH Correction: Water whose pH is outside the favourable conditions is brought to a pH between 6.5 to 8.5 which is within the National Standards for Treated Potable Water. After this water is fit for human consumption.

Water Quality Assurance

Water samples are collected at every stage of the treatment process on a daily basis to ensure effective performance of each treatment stage in removing impurities from the water. In addition, samples are taken at different points of the distribution network daily to ensure that the water transported to our customers is free from contamination. Table 35 below highlights the water and wastewater quality parameters that are frequently monitored and their corresponding performance as at June 2023.

Table 34: Water and Wastewater Quality Compliance as at June 2022

Water Quality	Ingredients	Indicator	Actual Perf.
Compliance with National Standards for Drinking (potable) Water	(No. of Samples passing National Standards/ Total samples tested) X 100	Bacteriological Quality (%)	99.9
		Colour (%)	88.1
		Turbidity (%)	95.5
		Chlorine residual (%)	99.3
		pH (%)	98.3
		Electrical Conductivity (%)	100.0
		Alkalinity Total (%)	99.6
		Hardness Total (%)	99.0
		Average (%)	**98.5**
Sewage Quality			
Compliance with all 54 Effluent discharge Parameters	(No. of Samples passing National Discharge Standards/ Total Samples tested) X 100	BOD (%)	74.2
		Total Suspended Solids (%)	75.8
		Average (%)	**75.0**

During the FY 2022/23, 98.5% of the water samples from all Areas complied with the National Standards (98%) for the bacteriological quality of Potable Water and WHO Standard of 97%. With regard to wastewater, the systems achieved an overall compliance of 75%, which is over and above the National Target of 50%.

Water Quality Laboratories

The Corporation has a fully-fledged Water Quality Management Department with over 72 laboratories spread across the country. These include the Central Laboratory in Kampala which offers water testing services to external clients and the Regional laboratories in Gulu, Mbarara and Mbale. Parameters tested include Physical-chemical, bacteriological heavy metals and pesticides.

Independent Quality Checks

The Corporation conducts its activities according to Standard Operating Procedures and Protocols and participates in Proficiency Testing with accredited laboratories. Joint water quality monitoring activities are conducted with Kampala Capital City Authority (KCCA), Uganda National Bureau of Standards (UNBS) and the Ministry of Water and Environment.

Laboratory Services to the General Public

The Corporation extends water and wastewater testing services to other private institutions and the public at a fee.

Challenges

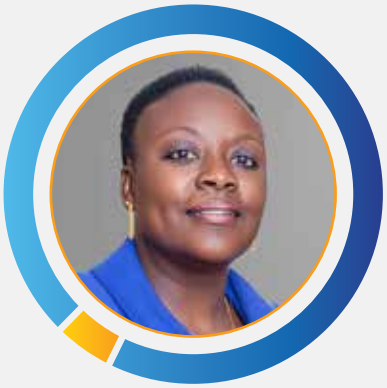
The deteriorating Raw Water quality as a result of source pollution from un-regulated discharge of domestic wastewater, industrial effluent and bad farming practices affects the quality of raw water and leads to increased consumption of water treatment chemicals.



NWSC staff analyzing the quality of Water before being released to the final consumers.



Sharing Our Experience with the World through the External Services Unit



Dr. Rose Christine Kaggwa
Senior Director Business and Scientific Services

The External Services Unit (ESU) is a Consultancy arm of NWSC through which we deliver support to other utilities in the region and beyond. The Unit was established in 2005 in response to the demand for NWSC expertise from other utilities and institutions following the rapid transformation of the Utility after effective implementation of a number of reforms.

The Core Business Streams for the ESU include; Advisory Services, Technical Assistance, Water Utility Capacity development, and provision of Conferencing and Training facilities at the NWSC International Resource Centre (IREC) and Western and South Western Resource Centre (WESREC).

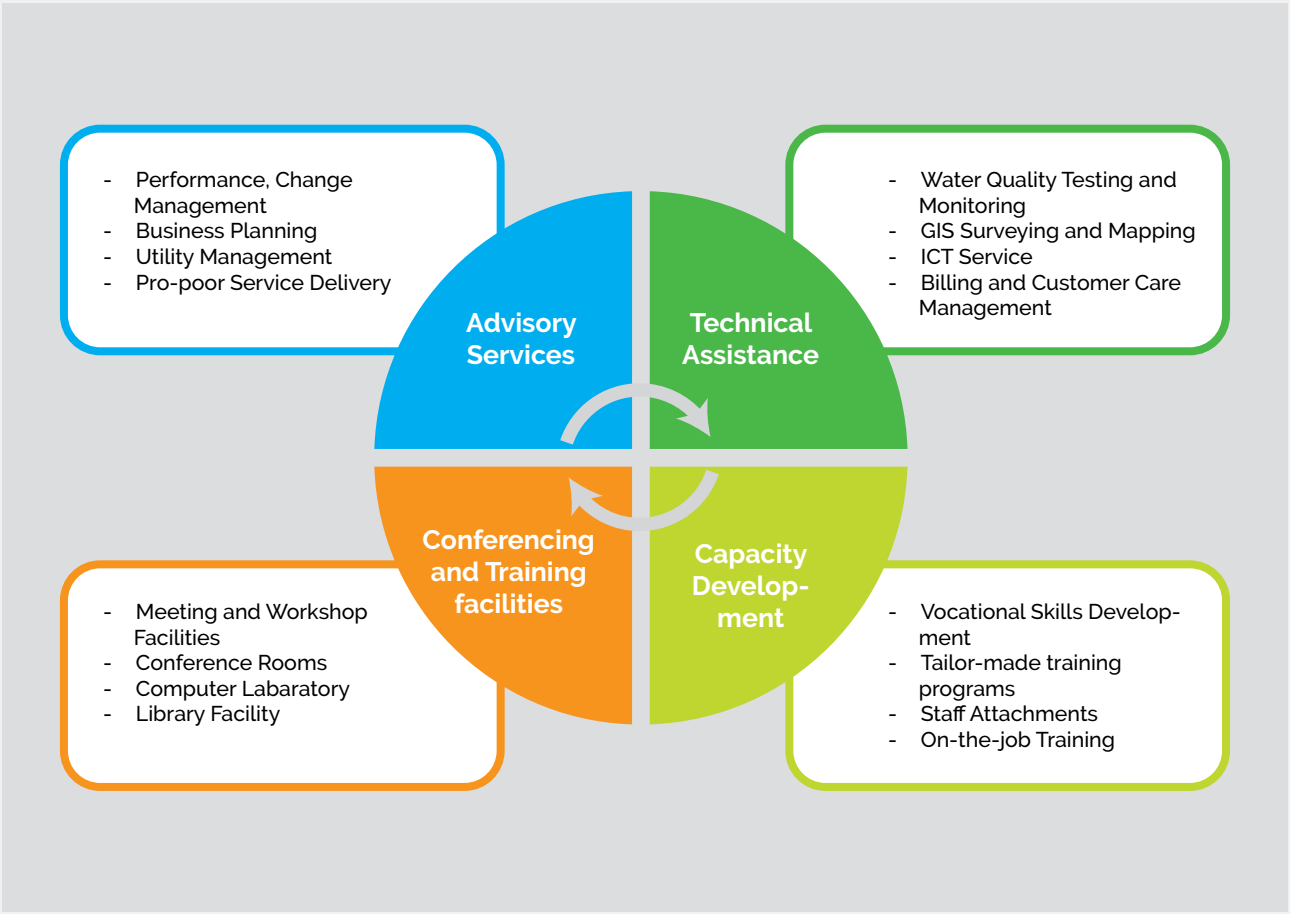


Figure 21: External Services Unit Business Streams

The External Services Unit

The NWSC External Services Unit (ESU) 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 in the long-term. The ESU is therefore key in fostering both South-South and North-South Cooperation amongst utilities in the region.

Since its inception, the ESU has completed 89 Contracts that have impacted over 110 utilities in various countries in Africa, Asia and the Caribbean including; Bangladesh, Benin, Burkina Faso, Ethiopia, Ghana, India, Kenya, Liberia, Malawi, Mali, Mozambique, Nigeria, Rwanda, Sierra Leone, South Sudan, Tanzania, Trinidad and Tobago, Tanzania, Uganda, Zimbabwe and Zambia



Promoting Gender Equity-Women at IWA Conference-IREC Bugolobi-Uganda

Vocational Skills Development

One of the core business streams is the training and capacity development in partnership with the training department of NWSC. The ESU through the training department established the vocational training wing. Courses are delivered covering competences in customer care, sludge /plant operators, sewerage technicians, water quality technicians, heavy motor vehicle operators and welders. In 2023, the Corporation held its 5th Graduation Ceremony at the Gaba Vocational Skills Development Facility, and 409 NWSC staff graduated with practically acquired skills, certified by Directorate of Industrial Training of the Ministry of Education and Sports. These included Fourteen (14) NWSC staff fully funded by the Corporation who completed the special WEDC Master's Program in Civil and Environmental Engineering run by Loughborough University UK.



NWSC Staff undergoing training assessment at the Gaba Vocational Skills Development Facility (VSDF)



Benchmarking: NWSC Executive Management & Minister of state for Environment Mrs. Beatrice Anywa (yellow dress) & PS. Ministry of Water & Environment extreme right-Mr. Alfred Okot Okidi on benchmarking during AfWASA Conference at Serena Hotel-Uganda..

International Collaboration and Foot Print

The NWSC is an active participant and contributor on the continent with the African Water Association (AfWA) and internationally with the International Water Association (IWA). IREC hosts the African Water and Sanitation Academy (AWASA).



Profiling the NWSC Key Operational Areas - "The Big Three"

Kampala Metropolitan Area

Turbulance & Triumph: The Journey in the Fight Against the Non-Revenue Water Monster in Kampala

The journey to performance improvement in Kampala Water (KW) has been incredibly smooth so far in most parameters, though NRW still presents a formidable challenge. NRW represents the difference between the quantity of water supplied through the distribution system and what is billed to the customers. It is categorised into three parameters as per the International Water Association (IWA), which are; Authorized Unbilled Consumption, Commercial and Physical Losses.

The challenge of NRW continues to constrain and undermine Kampala's operation efficiency. Therefore, the Area has taken a strong stance in its campaign to address this challenge. As we delve deeper into this challenge, it becomes increasingly apparent that multi-pronged solutions have to be applied to realize the intended goal and benefits as indicated in figure 22.

The Management of Kampala Water has been proactively addressing NRW by integrating it into organizational ethos, exploring various strategies and global technologies. By addressing NRW in a comprehensive manner, Kampala Water seeks to streamline its operations, improve resource utilization, and strengthen its capacity to effectively and efficiently deliver services. This will answer questions like; (i) How much water is lost, (ii) Where does this loss occur, (iii) What is the root cause of this loss, (iv) What strategies can be used to reduce losses and increase water sales and (v) How can we ensure the continuity and sustainability of these strategies to maintain achieved improvements?"

KW has adopted the following strategies aimed at bringing down NRW to economic levels;

a) **NRW Strategy Action Plan:** To drive the campaign of NRW reduction, NRW Strategy was developed to guide the implementation of plans and a series of activities to fight NRW.

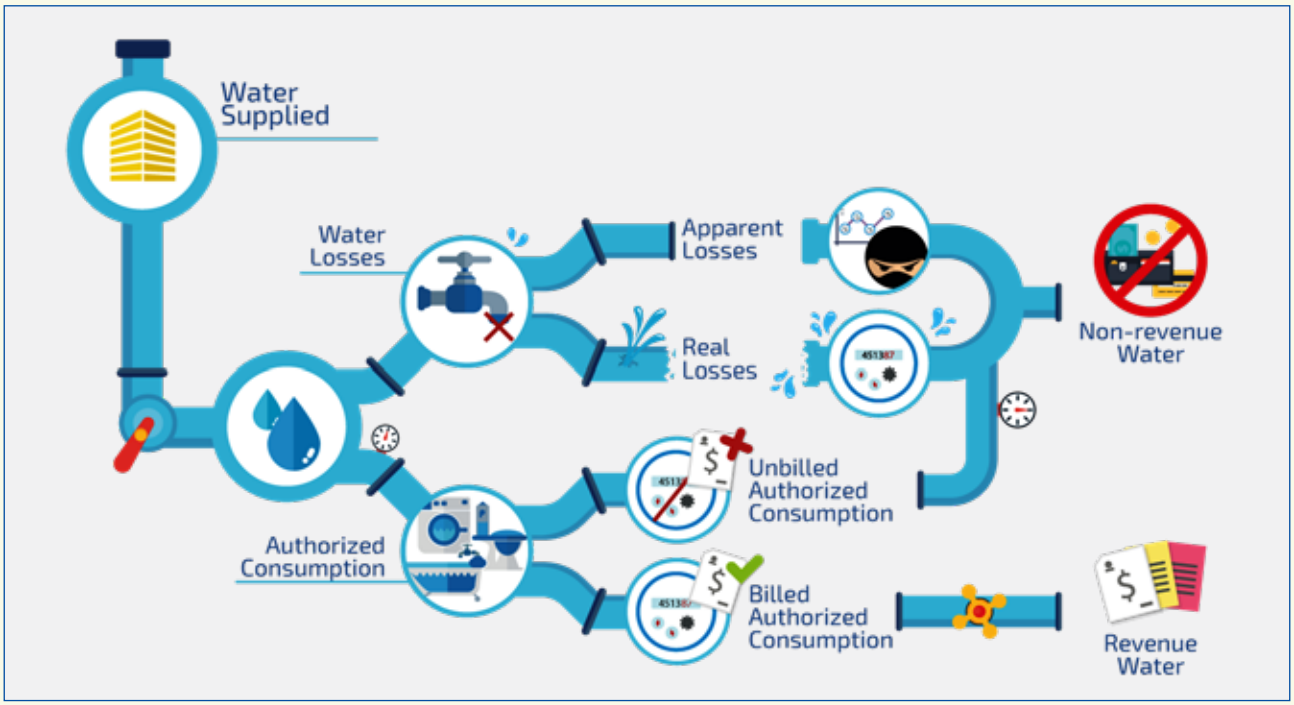


Figure 22: Revenue water and Non-revenue water

b) **Knowledge about NRW:** A manager's handbook on managing NRW was disseminated and discussed with staff in the various branches. This has created a knowledge base to implement rolling programs to reduce NRW. It entails among others creation of discussion platforms code-named, "KIMEEZA", where staff discuss to detail their strategies, success, activities and improvement plans. These awareness campaigns have improved staff involvement and understanding of NRW reduction. In addition, plat forms in form "Barraza's" were created to further educate the communities and customers about their contribution in reduction of NRW through reporting anomalies.

c) **Meter Accuracy measurement:** Billing is based on what is sold and this makes the cash register (Meter) the focus point. Over time, metering efficiency has been questioned and discussed without yielding practical answers for effective decisions. With the creation of the meter accuracy Unit to investigate, measure and calibrate large consumer meters, Interesting results have manifested. These include illegal use being rampant, aged meters failing and others getting stuck faster more frequently than the times they are serviced. A mix of activities has started yielding growth in large consumer accounts.

d) **Metering efficiency:** Years back, Kampala water used to service an average of 2,000 meters and this barely showed any increment in sales. Currently the fight of NRW has created purposeful servicing, that focusses on dropped accounts, leak prone areas, aged meters, and fluctuating consumptions. This has resulted into increment in water sales by over 200% in some of accounts.

e) **District Metering:** Kampala being a wide spread network full of interconnected networks with reservoirs and pumping stations, understating water lost systematically required re-zoning it into smaller metered areas. Branches opted to increase installation of District Metered Areas where they learn causes of high NRW. As a result, the Average NRW has reduced from 39% in these areas to 37%.

f) **Hybrid:** Water sales increase against production is a big factor in reducing NRW. As a strategy, accounts with dropping sales were audited by involving all staff, at both the branches and KW-Head office, and this s yielded increase in sales. This has been has become institutionalized with monthly evaluations through creation of a billing app to ease audits of activities. In addition, handling of anomalies and new connection follow-ups have yielded extra sales

g) **NRW 10% program:** One of the major causes of NRW related to commercial losses is illegal use. It is believed 10 percent of all customers are using water illegally. This vibrant involving program has been created to ensure all branch staff who know these customers better, can get them in action of theft. In less than two weeks, 43 accounts were confirmed and more are being investigated.

h) **Water Loss Control:** This entails leak search and repair every morning in various branches on selected days. The campaign aims at reducing physical losses and improve services. Leaking reporting has become a digital norm where all leak reported are registered by any staff in Mapkit. This tool has created ease of reporting, follow-ups and enabled real time response and repairs. Other anomalies are now also reported using this tool and its effectiveness has helped curb a number of issues related to documentation, location i and real-time handling.

i) **Water Loss Prevention Unit (WALOPU):** All over the world, unscrupulous customers have existed. This Unit uniquely handles water theft by such customers. It has security backed up by Police officers to manage customer violence in case it happens during operations. Policies and guidelines have been developed to guide the teams and serial water theft culprits have been brought to book. With the 10% NRW program, WALOPU has now moved to being categorical investigators and prevention teams for complex consumers.

j) **Smart Metering:** Implementing smart metering technologies allows real-time monitoring of water consumption, early detection of anomalies, and better management of distribution systems, ultimately minimizing NRW. This activity is being piloted with various customers and meter sizes. The results shall inform management on the better way of managing sales and improving operations.

In conclusion, Kampala Water showcased a substantial enhancement in its Non-Revenue Water (NRW) performance and this has effectively reduced the moving average to 38.4% in contrast to the 40.7% recorded for the 2022/23 financial year. This improvement underscores a promising trajectory in the pursuit of reducing Non-Revenue Water, marking the inception of a new era within the realm of National Water. Kampala Water's steadfast commitment towards establishing a site devoid of Non-Revenue Water is evident through its dedicated efforts and strategic measures implemented for NRW reduction.

Despite the efforts, Kampala Water still faces a number of challenges in the journey to reduce the NRW. These include upgrading of aged infrastructure, Water Theft with associated interference to stringent measures to curb unauthorized water usage, High cost of implementing projects, which include among others; evacuation of water from Katosi Water Supply System, and Smart metering projects. However the fight continues.

Kiira Water Partnership/Jinja Area Profile

Brief History Of Jinja Area (Kiira Water) Operations

Jinja Area Vision: To be a perpetual model for Best Practice and Excellence in Water & sewerage Service delivery.

Area Mission: To Provide Excellent Water and Sewerage Services with Purpose, Energy and Passion.

Jinja means Rock and Jinja Town as it was known by 1972 was one of the original urban water supply and sewerage operations that was taken over by NWSC. Jinja area is the second biggest Area in NWSC delivering excellent and dedicated water and sewerage services in Jinja-Njeru service and parts of Buikwe, Kamuli and Kayunga districts area as well as exporting water to Iganga & Mayuge districts.

Jinja service area covers Jinja city and Jinja district, Njeru municipality and parts of Lugazi municipality in Buikwe District, parts on Kayunga District, parts of Kamuli district as well as parts of Mayuge district. It stretches from Kitigoma in Lugazi Municipality off 15 Km on Jinja – Kampala Highway, to Nyenga 15 Km off Njeru-Nyenga–Katosi road, to Buwenge 40 Km off Jinja-Kamuli highway, to 30 Km off Jinja-Budondo road and 20 kms off Jinja-Iganga High way, with a total area of about 260 Km2, covering a total area of 615 km.

Jinja-Njeru service area alone has about 605,000 inhabitants. At present, 95% of the urban population and 70% of the rural population are served with 37,015 water connections and 4,821 sewer connections. We also have a portfolio of 1,456 public stand pipes (PSPs) to serve those who can't afford domestic connections. Our village coverage has so far spread to 375 of the 409 villages. To be as close and as nearer to our customers as possible, the area operates 5 vibrant branches in Jinja City Centre, Njeru, Bugembe, Namulesa, Buwenge with a sub-branch in Kagoma.

Jinja Area Key Infrastructure Evolution To Date

- The Jinja Water supply system was set up in 1939, and was upgraded in 1951, 1956 and 1968.
- In 1987, the supply system was upgraded to match increase in demand.
- In 1994, the supply system was further upgraded to match increased demand.
- In 2005, the system was extended to Iganga and later to Mayuge districts.
- In 2009, the drop in the water level of Lake Victoria coupled with increased demand compelled the Corporation to upgrade the Masese water treatment plant.
- In 2021 an upgrade of the Water plant was undertaken under the Jinja-Iganga-Mayuge water supply improvement project. This was funded under the market financing arrangement of UGX 5.6 billion. We managed to overhaul the filters, added the 4th pumping main for 4 km from Masese water works to the main reservoirs at Rubaga mission hill and upgraded the high lift pumps. This positively caused an increase in production from 26,000 m^3 (26 million litres) per day to the current 32,000 m^3 (32 million litres) per day serving additional 300,000 people in over 200 villages in Jinja, Iganga, Mayuge, Kayunga and Buikwe.

Jinja Area Water Service Delivery Infrastructure Investments at a Quick Glance

- Masese Water Treatment plant is where the raw water is abstracted from the Napoleon gulf of Lake Victoria, treated and then supplied to customers.
- The water production capacity is 32,000 m^3 (32 million litres) per day.
- The projected average demand is 34,000 m^3 (34 million litres) per day, thus the demand exceed the production by 2,000 m^3 (2 million litres per day) and this gap is expected to increase with the industrial parks coming on board in Njeru and Jinja.
- To ensure reliable supply, the area has 15 reservoirs. These are old and new Rubaga of 28,000 m^3, 22,950 m^3 respectively, Walukuba of 4,000 m^3, Nakibizzi 1,000 m^3, Nyenga 200 m^3, Namwezi 240 m^3, Nanso 108 m^3, Kakira 108 m^3, Kitigoma 108 m^3, Naminya 50 m^3, Igenge 200 m^3, Mwiri 50 m^3, Ngereka 128 m^3, Kagoma A 108 m^3 and Kagoma A 200 m^3.
- The water pipe network length is about 800 km with over 200 kms added over the past 3 years.
- We have over 50 km pipe network exporting 3,500 m^3 (3,500,000 litres) of water per day to Iganga & Mayuge districts.
- The area has two (2) sewerage treatment plants. These are the 12,000 m^3 (12 million litres) capacity lagoons at Kirinya and 4,000 m^3 (4 million litres) at Kimaka. In total, the area has the capacity to treat about 16,000 m^3 (16 million litre) of waste-water daily. We currently receive 9,000 m^3 (9 million litres) per day.
- The sewerage pipe network is 80 km with over 20 km added in the past 3 years.

Jinja's Uniqueness Lies in the Endless Execution of Cyclical Performance Improvement Programs:

The following are our Performance acceleration programs executed over time.

- BIP (Billing Improvement Program)
- EPM (Every day Performance Management)
- PAC (Performance Accountability Committee)
- WOCAS (What Our Customers are saying)
- WACTEO (We Are Customers To Each Other)
- LEAD Program (Leaders, Experts, Achievers and Dreamers)
- (SHiP) Sustaining High Impact Performance
- S.U.R.G.E UP
- S.O.A.R
- TRANSFORMED JINJA

Jinja Area Key Performance Figures at a Glance Based on the 4 Transformative Performance Pillars

1. Jinja area boosts of strong Financial Performance

- Monthly billing has grown from average billing of UGX 1,303,656,883 in 2016 to 3,308,556,700 in June 2023.
- Net Government Collection efficiency achievement averaged at 103%.
- Net Government Arrears reduced from UGX 4,1 billion to UGX 3,5 billion and the arrears portfolio is going down due to the virtual branch we deliberately created to reduce suppressed accounts & arrears.
- Working Ratio has improved to 31% from 56% which is one of the best in the corporation.
- Reduced NRW from 38% to 18%.

2. Jinja area Customers satisfaction and Stakeholders Relational Performance is equally strong

Our customer service-oriented attitude and mindset which has helped us to achieve Customer Satisfaction Index (CSI) of 86% and a Net Promoter Score (NPS) of 84%.
To improve these indexes further we commit to provide uninterrupted service; ensure fast response/rapid complaint resolution; Increase NWSC brand reputation through customer service-oriented & ethical behaviors; apply a stakeholder-inclusive approach via engaging stakeholders to support our agenda; run Community support programs and ensure good reputation and building trust among stakeholders.

3. The area also boasts of strong People/Staff Productivity and Performance

This is evidenced by our Staff Engagement Index of 70% and Staff Productivity of 4 staff per 1,000 connections.

We have engaged staff with high levels of enthusiasm; are well engaged with the Corporation and are delighted to work as measured by our Staff Engagement Index and Staff Productivity Scores.

With a firm belief that happy staff give us happy customers and happy customers give us good business & revenue, we have undertaken several engagement initiatives that improved our Staff Engagement index from 60% to 70%. We further commit to: Promote a high winning performance culture; avail growth & learning opportunities to staff; reward and recognize best performers and winning behaviors; ensure open communication and mutual respect; maintain an open-door, open-ear and open eye policy; ensure skill & talent identification and development to execute business strategy and ensure promotion of networking & benchmarking opportunities.

4. Jinja areas success is underpinned on Strong Processes, Systems & Internal Controls

To ensure operational excellence we pledge to: ensure Strong and effective processes, systems & internal controls designed to facilitate achievement of targeted results; refine our processes to achieve exceptional turnaround times; implement business continuity initiatives while mastering operational excellence; ensure that our processes are cost-effective and efficient to the benefit of our customers; ensuring via field door-to-door visits, that our actions are as close as possible to the customers.

Our Core Commitments:

This Financial Year through the Transformed Performance Acceleration Program, we are committed to:

- Achieving monthly billing of UGX 4 billion by June 2024.
- Growing water sales by 102,256 m^3 from the current 535,989 m^3 to 638,245 m^3.
- Collecting not less than 106% of monthly billing.
- Achieving a monthly Response Rate of 80% up from the current average of 56%.
- Connecting 5,885 new customers including 120 PSPs.
- Growing our Asset Base by 30 km covering 65 villages.
- Building winning coalitions with staff, customers and stakeholders.
- Keeping the Processes, Systems & Internal Controls strong for optimum and positive performance.

Entebbe Service Area

Entebbe Area is one of the oldest operational areas of NWSC and the third largest town after Kampala & Jinja whose operations began in 1950. It is located in Entebbe Municipality, supplied with water abstracted from Lake Victoria on the eastern side of the town.

The Area is located 34 km South West of Kampala in the Central Region in Wakiso district, on plot 19/21 Kampala road with branch offices at Town Center, Kajjansi, Kawuku and Abaita Ababiri trading Centers respectively.

The Area coverage stretches from Kigungu Landing Sites, Entebbe International Airport to Lweza, along Kampala-Entebbe road.

Piped Water network at the time of construction of the new plant in 2005 was 290 km & sewer network 7 km which has grown to 523 km and 69 km respectively to date with 465 sewerage active accounts.

The Entebbe water treatment plant has grown her water production and treatment capacity from 7,600 m^3/ day since installation to the current design capacity of average 30,000 m^3/ day. The Area has grown the customer connections to 46,407.

The Area provides water and sewerage services to an estimated population of 288,000. Service coverage is approximately 90% and 9% for water and sewerage services respectively. The average family size is 5 persons per family. Key customers served include government entities like State House, Police and Defence; various academic institutions like Nkumba University, Merry land high school, St. Mary's Kitende to mention but a few; and parastatals like Civil Aviation Authority (Entebbe International Airport and Kajjansi Airfield), National Medical Stores and hotels like Imperial Botanical Beach, Imperial Resort Beach, Windsor Lake Victoria etc.

We also serve local authorities such as Entebbe Municipal Council, Kajjansi Town Council, Kawuku Town Center and domestic consumers who are the majority in terms of number of accounts.

Our sewer systems drain part of the town center down along Airport road to our waste stabilization ponds at Kitoro. Other areas covered by our sewer services are Fire Quarters, Survey Quarters, Windsor Lake Victoria Hotel and state House.

Entebbe area is supplied from the water treatment plant located at Bugonga/Kakeeka bay. The area has its water storage facilities at Nsamizi hill (High Level 3,000 m^3 and Low level 4,000 m^3); Akright (500 m^3); Kitende Hill (108 m^3 and 522 m^3); Bwebajja (162 m^3) and Ssisa (162 m^3). The plant practical capacity is 885,000 m^3 per month. Water produced per month is averaged at 804,562 m^3 while Water supplied is averaged at 714,311 m^3 per month. Monthly water consumed is averaged at 509,973 m^3 while NRW is at 30%.

The major threat to business is still the increased demand that has outstripped supply leading to customer dissatisfaction in the hilly and far ends of the network especially in Kajjansi and Kawuku. This is due to the high rate of development in the Service Area which has increased the rate of new connection applications. We currently serve customers in the above two branches by the rationing method to achieve water for all and not for some.



Energy Saving - NWSC Electrician checks the power gauge before pumping the water



Promoting team spirit is one of Our Core Values: NWSC Football team ready to take on their opponents

Infrastructure Development for Better Service Delivery



Mr. Paddy Twesigye
Senior Director Planning and Capital Development

The Government of Uganda's Third National Development Plan (NDP-III) (2020-2025) identifies the provision of adequate water supply and improved sanitation as one of the key priority areas for promoting inclusive growth and wealth creation. This is also in line with the second pillar of the Parish Development Model, which relates to Infrastructure and Economic Services. However, the current infrastructure cannot meet the ever-increasing needs of the growing population. In addition, the financing for infrastructure development is continuously dwindling which frustrates the efforts to bridge the service delivery gaps.

With blended financing sources however, we are revamping, expanding and developing new water and sewerage infrastructure across the Country to meet the current and future demand for water and sanitation services. This has improved access to clean, affordable and economically viable water supply and sewerage services, and this has a ripple effect on the economic transformation of the people of Uganda.

During the FY 2022/23, NWSC continued expanding its investment portfolio using both internally generated resources and external funding from GoU and Development Partners. The total funds invested in various infrastructure projects during the year amounted to UGX 235 billion. The progress made on the key internally and externally funded projects is summarized in the following section.



Externally Funded Projects

1) Kampala Sanitation Project - Phase 1

The Kampala Sanitation Project Phase 1 (KSP 1) is a multi-donor funded initiative jointly funded by the African Development Bank (AfDB), the Germany Government through the Entwicklungsbank (KfW), the European Union (EU) Water Facility and the Government of the Republic of Uganda (GoU). The project was broadly aimed at improving urban hygiene and sanitation for the city residents, through rehabilitation and expansion of the current sewerage system within metropolitan Kampala. It also aimed at protecting the quality of water in the inner Murchison bay of Lake Victoria through improved sanitation in Kampala.

The Project was implemented in two stages namely; Lake Victoria protection I (LVP I) and Lake Victoria protection II (LVP II). Works under LVP I entailed construction of Lubigi Wastewater treatment plant, installation of sewer lines connecting parts of Mulago Hospital and Makerere University and was completed in 2014.

During the period under consideration, NWSC implemented LVP II which comprised of the following;

i) Nakivubo Wastewater Treatment Plant (Capacity 45,000 m^3/day)
ii) Nakivubo and Kinawataka Sewers (30 km length, diameter ranging from 200 mm to 1,500 mm)
iii) Kinawataka Pre-treatment Plant and Pumping Station (Capacity 9,000 m^3/day)

All project components listed above were completed, and are currently operational.



Nakivubo Wastewater Treatment Plant

2) The Kampala Water Lake Victoria Water and Sanitation Project

The Kampala Water – Lake Victoria Water and Sanitation (KW-LVWATSAN) Project was initiated following a study by the Corporation aimed at resolving the water challenges in Kampala Metropolitan Area arising from rapid urbanization, industrial growth, and expansion of the Service Area among others.

The Project is financed by a Mutual Reliance Initiative (MRI) whose partners are; KfW, AFD, EU-ITF, EIB and GoU. The project aims at expanding the water and sanitation systems of Greater Kampala Metropolitan Area to ensure reliable and affordable service provision for the city dwellers up to the year 2040.

The estimated project cost is Euros 372 million, being funded by GoU (Euros 34 million), KfW (Euros 30 million Grant), AfD (Euros 225 million loan), EIB (Euros 75 million loan) and EU-ITF (Euros 8 million Grant) and it entailed the following components:

i. **Upgrading and Rehabilitation of the Gaba Water Treatment Complex:** This component involved upgrading and rehabilitation of Ggaba I & II Water Treatment Plants, construction of a new 8,000 m^3 Reservoir at Namasuba, laying a 9.6 km of transmission Main from Gaba to Namasuba, rehabilitation of the Muyenga Reservoirs and reinforcement of the Gaba-Naguru Transmission Line. This component was completed in July 2018 and there has been a 60% increment in Gaba I & II production.



Gaba I Water Treatment Plant upgraded under the LV-WATSAN Project.

ii. **Construction of the Katosi Drinking Water Treatment Plant (160,000 m³/day):** This entailed construction of an intake (240,000 m³/day), a water treatment plant (160,000 m³/day), 10 Km (1200 mm DI) pumping main to Nsumba Hill, 4 Reservoirs (10,000 m³ each) at Nsuba Hill and Laying of the Katosi-Kampala Transmission Mains (61 km ranging from 800 mm to 1,400 mm). Works were completed in 2021 and the system is operational.



Katosi Water Treatment Plant

iii. **Greater Kampala Network Restructuring and Rehabilitation.**

This component involves the following;

- Laying of 60Km of Transmission mains, 66Km of secondary mains and 216Km of tertiary mains.
- Construction of 4 Booster pumping stations
- Construction of 3 Reservoirs of capacity 30 – 200 m^3
- Installation of District Metering Areas (DMAs) and 41 DMA feeding points.
- Implementation of a SCADA system for network monitoring at 8 critical stations in the distribution network and linking to the main station at Gaba water works
- Refitting of existing 20,000 m^3 Gunhill reservoir.

Selection of the works contractor to undertake works entailing Network Restructuring and Rehabilitation was at tendering stage as at June 2023.

iv. **Improvement of Water Supply and Sanitation Services in Informal Settlements** (400 m^3/d capacity faecal sludge treatment plant in Nalukolongo, 44 no. toilets in Public places, 55 km of pipe network densification, and 2,600 communal standpipes). As at June 2023, works were in progress (estimated at 45%). Construction of toilets was on-going for 6 Schools, 6 Police Facilities, 2 Markets and 1 at the Luzira Prison Complex.



Supervision of Construction Works in the Informal Settlements under 5B

3) World Bank Funded Water supply and Sanitation Projects

a) Integrated Water Management and Development Project (IWMDP)

The integrated Water Management and Development project is a follow up project to the Water Management and Development Project (WMDP) jointly implemented by NWSC and the Ministry of Water and Environment. The scope of works under NWSC entails the following;

i. **Gulu Water Supply and Sanitation Project;** This is jointly funded by World bank (Package 2) and KfW (Package 1).

Package 1 entails construction of an intake (30,000 m^3/day), a Water treatment plant (10,000 m^3/day), a storage reservoir (5,000 m^3/ day and water supply to six small towns enroute to Gulu. These include the towns of Karuma, Kamdini, Minakulu, Bobi, Palenga and Koro Abili. Construction of the Water Treatment Plant commenced and the overall progress as at June 2023 was at 29%. The intake was synchronized with the Karuma Dam construction and its civil works are complete.

Package 2 entails installation of a transmission pipeline of length 70.5 km DN 500 ductile iron transmission pipeline from Karuma to Gulu. Pipe laying commenced and overall progress was estimated at 15% as at June 2023.

ii. **Mbale Water Supply and Sanitation Project;** this project targets the population in Mbale city and the neighboring areas including the towns of Butaleja, Busolwe, Kibuku, Kadama, Tirinyi and Budaka. The project scope under NWSC entails expansion of the production capacity of Bunghoko and Manafwa Water Treatment Plants from 4,000 m^3/day to 18,000 m^3/day and 6,000 m^3/day to 9,000 m^3/ day respectively. The project also entails laying of 85 km of pipe network, construction of a 2,000 m^3 capacity reservoir and rehabilitation and expansion of the sewerage system. The scope of works under the neighboring towns is being implemented under the Ministry of Water and Environment. Selection of contractors for works was at final stages of procurement as at June 2023.

iii. **Adjumani Water Supply and Sanitation Project;** this project targets Adjumani town council, Pakele, Dzaipi and Ciforo among others and involves construction of water intake structure of capacity 12,000 m^3/day, Water Treatment Plant of capacity 4,000 m^3/day, laying of 51.8 km of water distribution network, and installation of water storage reservoirs with capacity of 1,150 m^3 and construction of sanitation facilities. Selection of contractors for works was at final stages as at June 2023.

iv. **Source protection measures in Arua, Gulu, Mbale and Bushenyi Areas.** Implementation consultants for source protection measures in Arua, Gulu, Mbale and Bushenyi were procured. The scope of works in Arua, Gulu and Mbale has been confirmed and studies in Bushenyi are still in progress. The implementation of source protection measures will start in the Financial Year 2023/24.

4) Integrated Program to Improve Living Conditions in Gulu

NWSC and Gulu city are jointly implementing the Integrated Program to Improve Living Conditions in Gulu (IPILC) through grant financing from KfW. This program is being implemented in two phases.

Phase 1:

The works under Phase 1 augument activities financed by World Bank highlighted in section 3 (a) (i). The scope of project works undertaken by NWSC in this phase included the following:

i. Rehabilitation and expansion of Oyitino dam, raw water intake and Gulu water treatment plant from 4,000 m^3/day to 10,000 m^3/day. This also included development of ground water capacity of 2,000 m^3/day
ii. Rehabilitation and expansion of the sewerage system
iii. The construction of a faecal sludge treatment facility at Pece – Cubu
iv. Construction of 20 no. water borne toilet facilities in public places.

The works were completed in 2020 and the system is operational. However, due to a funding gap arising from foreign currency losses, financial closure of the project has not yet been achieved.

Phase 2:

The works under Phase 2 augment activities financed by World Bank detailed in section 3(a) (i) and the scope includes the following:

i. Construction of a Water Treatment Plant of capacity 10,000 m^3/day at Karuma
ii. Construction of 5,000 m^3 capacity reservoir at Customs Corner in Gulu City.
iii. Installation of reservoirs in the six small towns along Gulu highway namely; Karuma, Kamdini, Minakulu, Bobi, Kolo-Abili and Palenga.
iv. Construction of sludge storage facility at Pece-Cubu Works under Phase 2 were at 43% progress and the project is expected to be completed in July 2024.



Gulu Water Treatment Plant

5) South-Western Cluster Water and Sanitation Project

This project entails development of water and sanitation infrastructure in the cities of Mbarara and Masaka including the surrounding areas. The project also includes provision of pipe water supply to the population in Isingiro district enroute Kagera - Mbarara highway. The South-Western Cluster Project is funded by the AfD and GoU with a total financing of Euro 126 million, comprising of Euros 120 million credit facility, and Euros 6 million GoU counterpart funding. The project is being implemented in three works packages comprising the following;

i. **Package 1- Kagera water supply project:** It entails construction of a Water Treatment Plant (30,000 m^3/day) on River Kagera, installation of a 3,250 m^3 water storage reservoir, laying of 61.8 km pipelines with diameter ranging from 150 mm to 700 mm, and construction of a pumping station at Kabingo.

ii. **Package 2 - Mbarara water supply and sanitation project:** It entails rehabilitation and expansion of the Ruharo Water Treatment Plant from 7,000 m^3/day to 13,000 m^3/day, upgrading of the distribution network, rehabilitation of the sewerage infrastructure, and development of a Faecal Sludge Treatment Plant.

iii. **Package 3 - Masaka Water Supply and Sanitation Project:** It involves construction of a water treatment plant (14,000 m^3/day) on the shores of Lake Victoria at Bukakata, construction of a reservoir (2,000 m^3), construction of a booster station enroute to Kako reservoir, and laying of water transfer mains from Kako reservoir to existing Kitovu, Bwala and Boma reserviors.

Works under Kagera Project were at 30% progress. The Mbarara Project is being rescoped following receipt of high bids exceeding available budget from prospective works contractors. The designs for the Masaka Project had been finalized and the tender documentation was under review as at June 2023. Tender documents for the Project were yet to be issued to the shortlisted contractors.



Signing of the Isingiro Financing Agreement

6) Wakiso West Water and Sanitation Project

This project is at detailed design stage undertaken with grant financing from Danish Sustainable Infrastructure Finance (DSIF). It is aimed at improving the quality of life, health and economy of people in Wakiso West including parts of settlements along Kampala - Mpigi highway.

The project scope encompasses development of new water treatment plant at Bwerenga on Lake Victoria (62,500 m^3/day), primary bulk storage reservoir (6), associated pumping main and distribution system (125.4 km), and installation of 8 pumping stations. The scope also includes construction of faecal sludge treatment plant at Kajjansi (400 m^3/day) and water supply to informal settlements in the project area (installation of 1,500 PSPs).

Selection of consultant to undertake detailed design and supervision of works was finalized. Contract signing is awaiting the Solicitor General's unconditional clearance of the draft contract.

7) Fort Portal, Hoima and Lira Water Supply and Sanitation Project

This project is aimed at improving the water supply reliability and sanitation situation of the residents living within the new cities of Fort Portal, Hoima and Lira. Agence Française de Développement (AFD) has provided grant financing of Euros 1.3 million to undertake feasibility studies for this project with ultimate objective of availing credit finance to the tune of Euros 150 million toward the implementation of the downstream WATSAN infrastructure.

The procurement of the consultancy firm to undertake the feasibility study and pre-design was in advanced stages as at June 2023 awaiting finalization of draft contract and subsequent signature.

8) Climate Resilience and Water Infrastructure for Refugees and Host Communities in Northern Uganda

The project is funded by KfW. It encompasses measures for Arua City relating to the 'Green Cities' and 'Nature Based Solutions' Concepts. The project will be jointly implemented by NWSC, Arua City Council, and the Ministry of Water and Environment. The Project will be implemented in four (4) packages including;

i. **Package 1:** Water and wastewater infrastructure improvement
ii. **Package 2:** Storm water management, nature based solutions in particular, not only with focus on Arua City but also to protect the planned drinking water reservoir at River Enyau and the current and future groundwater sources in the vicinity of Arua City
iii. **Package 3:** Solid waste management, not only with focus on Arua City but also to protect the planned drinking water reservoir at River Enyau.
iv. **City planning,** as an overarching topic that affects all of the above

NWSC will take charge of Package 1 (Water and wastewater infrastructure). It is expected that funding for the project will be confirmed after the Appraisal mission.

9) Extension of Water Supply Services to EACOP Facilities

NWSC and East African Crude Oil Pipeline (EACOP) Ltd entered into a contract on 23rd September 2022 towards implementation of a water project that aims at extending water supply services to EACOP construction camps and pump stations in Mubende, Sembabule, and Kyotera. The project entails the following;

i. Construction of three (3) pumping stations in Sembabule (Combined discharge 520 m^3/day), one (1) pumping station in Kakuuto Town – Kyotera (200 m^3/day), three (3) pumping stations in Kakuuto, and two (2) pumping stations in Mubende.
ii. Laying of 14.0 km of pipeline in Sembabule, 18.7 km in Kakuuto and 12.5 km in Mubende
iii. Construction of a new 100 m^3 steel reservoir on a 10 m steel stand in Kakuuto and 100 m^3 reservoir in Mubende.

The pipeline extensions in Sembabule were completed, and water is available at the respective sites, in Kyotera, the works were at 70% complete and in Mubende, the works are 50% complete as at June 2023.



Arua Wastewater Treatment Plant



Water Storage Reservoirs in Sembabule

10) Biwater Project

In July 2023, H.E. The President of the Republic of Uganda directed the Minister of Finance, Planning, and Economic Development, and the Managing Director of National Water and Sewerage Corporation to work with M/s Biwater International Limited (Biwater) to develop and expand water supply and production capacity in the cities of Hoima, Fort Portal, Lira, Soroti, Moroto and Jinja. This was to be achieved through the Engineering, Procurement and Construction plus Finance (EPC +F) model, within the favorable technical and financial terms.

The Project is to cover the Areas of Soroti, Moroto and Jinja since preparations for interventions in Hoima, Fort Portal and Lira cities are already underway, having secured a grant from the French Development Agency (AFD) to carry out feasibility studies and pre-design of water supply and sewerage interventions.

The Auditor General shared a draft MoU with NWSC for consideration. NWSC plans to finalize the MoU and secure necessary approvals and signatures. In the interim, NWSC has developed the envisaged infrastructure development scope for the cluster service areas of Jinja-Njeru-Iganga, Moroto and Soroti as follows:

i. Jinja-Njeru-Iganga Cluster Service Area:
The project is envisaged to cover the service areas of Jinja city, Njeru, Iganga, Mayuge and Bugiri areas. Specifically, the project scope shall include; upgrade of existing Jinja water treatment plant by an additional 10,000 m^3/day, upgrade of storage reservoirs and distribution network, and development of a separate 5,000 m^3/day Water Treatment Plant for Iganga, Mayuge and Bugiri Areas.

ii. Soroti Cluster Service Area:
The project is envisaged to cover the service areas of Soroti city, Kaberamaido, Serere and Amuria. The project scope will include; upgrade of the Soroti Water Treatment Plant to 15,000 m^3/day, storage reservoirs and distribution network, and development of a separate 3,000 m^3/day water treatment plant for Kaberamaido and Serere areas.

iii. Moroto Cluster Service Area:
This project is envisaged to cover the service areas of Moroto city and surrounding areas. The project may consider development of water systems to supply Kotido town and its surrounds where possible. The planned scope of the project includes; development of a bulk raw water storage dam/reservoir, construction of a water treatment plant of minimum capacity of 5,000 m^3/day, and associated distribution system. Development of an appropriate sanitation system for Moroto city and the surrounding areas.

NWSC Market Finance Projects



Aerators at the new Lyantonde Kakyere Water Treatment Plant



Kalungu Water Reservoir Tank

i) Lyantonde Water Supply Project

The project aimed at improving water supply reliability in Rushere and surrounding areas, Lyantonde town and surrounding areas including Nshara Industrial Park through provision of 5,000 m^3/day water. The project was completed in March 2023, and its smooth operation was affected by delayed grid power connection. The Ministry of Energy, however, engaged UMEME to complete the power line, which is expected to be commissioned in the FY 2023/24.

2) Bushenyi Water Supply Improvements

The project aims at augmenting water production in Bushenyi water supply area through construction of a water treatment facility of capacity 2,000 m^3/day including attendant infrastructure. Overall progress of works was estimated at 70%, expected to completed in the FY 2023/24.

3) Kyankwanzi Water Supply Project

The project aims at improving water supply services in Kyankwanzi area through construction of a 3,000 m^3/day water treatment plant on R. Mayanja and the associated distribution network. Works had commenced and were estimated at 65% progress as at June 2023, expected to be completed in the FY 2022/23.

4) Kalungu Water Supply Project

The project aims at improving water supply services in Kalungu town through construction of a 4,000 m^3/day water treatment plant on R. Katonga and the associated distribution network. It is planned to serve parts of the neighboring Gomba district from the above water supply system. Works were estimated at 70% progress, expected to be completed in the FY 2023/24..

5) Soroti Water Supply Project

The project aims at improving the Soroti water production capacity from 5,000 m^3/day to 10,000 m^3/day. Works were estimated at 20% progress as at June 2023, expected to be completed in the FY 2023/24.

6) Tororo Water Supply Project

The project aims at improving the Tororo water production capacity from 5,000 m^3/day to 10,000 m^3/day. Designs were finalized, and tender documents drafted. Preparation of the tender documents was under review with works yet to be advertised.

7) Kanungu Water Supply Project

The project aims at improving water supply reliability within Kanungu town. Designs were finalized, and tender documents drafted. The tender documents were under review, with works yet to be advertised.

8) Lira Water Supply Improvement Project

The project aims at improving the Lira water production capacity from 10,000 m^3/day to 12,500 m^3/day. Works mobilization by the contractor was in progress with works expected to be completed by September 2024

9) Jinja Emergency Water Supply Project

The project aims at upgrading the daily water production capacity of Masese water treatment plant from 24,000 m^3/day to 32,000 m^3/day through filter rehabilitation, installation of higher capacity pumps and laying a parallel transmission main from the treatment plant to Rubaga reservoir. Works were completed and the system is operational.

Projects Funded by GOU and/or NWSC Internally Generated Resources

1) Kapeeka Water Supply System improvement (Phase II)

The project aimed at addressing the existing water supply challenges for the Kapeeka community and industrial park through increasing water production from 2,500 m^3/day to 7,000 m^3/day. The project was completed in August 2022, and system is operating well.

2) Design & Build of a Compact Sewage Treatment Plant for Kiruddu Referral Hospital

The project was jointly implemented with Ministry of Health (responsible for project financing) and Kampala Capital City Authority. It is aimed at improving wastewater management at Kiruddu Referral Hospital by treating 150,000 litres of wastewater on a daily basis. Works were completed in October 2022, and the plant is operating well.

3) Hoima Water Supply Improvements

The project was aimed at improving water supply reliability in Hoima town and surrounding areas through increasing water production by 3,000 m^3/day. Works were completed in December 2022, the Plant is operational and under defects notification period.

4) Service Coverage Acceleration Project (SCAP 100)

In line with the Government Strategic Aspiration of 100% service coverage, NWSC has been implementing a Project code named, "100% Service Coverage Acceleration Project (SCAP100)" since 2017. The project aims at ensuring universal and equitable access to safe water supply in all villages under NWSC jurisdiction. The Project scope entails;

a) Expansion of the Water Network
b) Installation of New Private Connections and Public Stand Pipes (PSPs) covering all villages under NWSC jurisdiction.
c) Implementation of Water Supply Stabilization Plans (WSSPs)



One of the extensions installed in Kisoro Area

The Project is jointly funded by NWSC (58%), which translates into an average of UGX 41 billion per year, and GoU (42%), which translates into an average of UGX 30 billion per annum.

Since the Project inception, the Corporation has achieved the following milestones;

a) Expanded the water distribution network by 9,155 km
b) Installed 338,377 new water connections including 20,063 new PSPs.
c) Village coverage has increased from 2,848 in 2017 to 10,468 villages (an additional 7,620 villages). 6,133 villages remain uncovered.
d) Water Supply Stabilization Plans (WSSPs): These include interventions relating to the expansion, refurbishment and rehabilitation of water supply systems. These are aimed at strengthening the Corporation's backbone infrastructure to improve water production and supply, to meet the ever-increasing demand for water services. The key interventions undertaken include;

i) Water Production Improvements: The Corporation installed 100 chemical dozers, constructed 159 boreholes, installed 71 borehole pumps, installed 24 raw water pumps, installed 67 high lift pumps, installed 120 submersible pumps and upgraded 31 interconnections and systems.

ii) Pressure Improvement Measures: The Corporation installed 86 booster pumps, constructed 17 water sumps and installed 10 break pressure tanks.

iii) Storage Expansion: The Corporation constructed 96 reservoirs of various capacities.

iv) Power Supply Systems/Connections: The Corporation installed 115 generators, 46 transformers, 5 solar systems, effected 9 grid power connections and 24 power extensions.

We are grateful to the Government of Uganda (GoU) and Development Partners who have committed substantial resources for rehabilitation and development of water and sewerage systems. At NWSC, we commit to continuous performance improvement and equitable service delivery.

Financial Statements

For the year ended 30th June 2023



Corporation Information

Board Of Directors

Eng. Dr. Badru M. Kiggundu	Chairman
Dr. Eng. Silver Mugisha	Managing Director
Mr.George Runge Muzungyo	Member
Rt. Hon. Daniel Fred Kidega	Member
Hon. Rt. Col. Stephen M. Basaliza	Member
Ms. Sarah Onyiru	Member
Ms Rachel Ciconco Mbabazi	Member
Canon Josephine Kasya	Member
Eng. Gibert Kimanzi	Member
Mrs. Edith Katete	Member

Board Audit Committee

Rt. Hon. Daniel Fred Kidega	Chairperson
Mr. George Runge Muzungyo	Member
Hon.Rt. Col Stephen M. Basaliza	Member
Ms.Rachel Ciconco Mbabazi	Member
Eng. Joseph Oriono Eyatu	Member

Risk Management Committee

Ms.Rachel Ciconco Mbabazi	Chairperson
Dr. Eng. Silver Mugisha	Managing Director
Eng. Dr. Badru M. Kiggundu	Member
Ms. Sarah Onyiru	Member
Canon Josephine Kasya	Member
Eng. Joseph Oriono Eyatu	Member
Mrs. Edith Katete	Member
Mr. Jude Mwoga	Member

Finance Committee

Ms. Sarah Onyiru	Chairperson
Dr. Eng. Silver Mugisha	Managing Director
Eng. Dr. Badru M. Kiggundu	Member
Rt. Hon. Daniel Fred Kidega	Member
Canon Josephine Kasya	Member
Hon. Rt. Col. Stephen M. Basaliza	Member
Mrs. Edith Katete	Member

Technical Committee

Mr. George Runge Muzungyo	Chairperson
Dr. Eng. Silver Mugisha	Managing Director
Eng. Dr. Badru M. Kiggundu	Member
Eng. Joseph Oriono Eyatu	Member
Rt. Hon. Daniel Fred Kidega	Member
Ms.Rachel Ciconco Mbabazi	Member
Mrs. Edith Katete	Member

Human Resource, Legal and Administration Committee

Hon. Rt. Col. Stephen M. Basaliza	Chairperson
Dr. Eng. Silver Mugisha	Managing Director
Eng. Dr. Badru M. Kiggundu	Member
Ms. Sarah Onyiru	Member
Mr.George Runge Muzungyo	Member
Canon Josephine Kasya	Member
Mrs. Edith Katete	Member

Registered Office

Plot 3 Nakasero
P.O. Box 7053
Kampala, Uganda

Independent Auditor

Auditor General
Audit House
Plot 2/12, Apollo Kaggwa Road
P. O. Box 7983
Kampala, Uganda

Delegated Auditor

PKF Uganda
Certified Public Accountants
P.O. Box 24544
Kampala, Uganda

Corporation Secretary

Ms. Edith Katete

Legal Advisors

Kampala Associated Advocates
KAA House
Plot 41, Nakasero Road
P.O.Box 9566
Kampala, Uganda

Arcadia Advocates
Acacia Place, Plot 6 Acacia Avenue
P.O. Box 36505
Opposite former Uganda Law Society offices
Kampala Uganda

MMAKS Advocates
4th Floor, Redstone House 7
P. O. Box 7166, Bandali Rise Bugolobi
Kampala Uganda

Tamale & Co Advocates
Plot 21,
Prime Impex 2001 Plaza, Jinja road
Kampala Uganda

Turyakira & Co Advocates
Plot 3/5 Bombo Road, EMKA Building
P.O. Box 30624
Kampala Uganda

Corporation Information cont'd

Katende, Ssempebwa & Co
Plot 20 Kampala Road, Radiant House Building,
P.O. Box 2344
Kampala Uganda

Karuhanga Tabaro & Associates (KTA Advocates)
Plot 4 Floor 3, Hannington Road (Behind ABSA Head Office)
P.O. Box 37366
Kampala Uganda

Osinde Sentomero Himbaza Advocates (OSH Advocates)
2nd Floor, West Wing, Commercial Plaza
P.O. Box 36109
Kampala Uganda

K&K Advocates
K&K Chambers, Plot 5A2, Acacia Avenue Kololo
P. O. Box 6061
Kampala, Uganda

REM Advocates
Plot 62, Salaama Road, Makindye
P.O. Box 36505
Kampala, Uganda

Bluebell Advocates
Plot 3a Bata Close, Design Hub Kampala Annex,
5th Street Industrial Area, Bugolobi
P.O. Box 28615
Kampala, Uganda

Ortus Advocates
Plot 2 Lugard Road Nakasero
P.O Box 26440
Kampala, Uganda

Nomreck Advocates
Plot 62, Salaama Road, Makindye,
P.O. Box 36505
Kampala, Uganda

Kalikumutima & Co. Advocates
Plot No.4 Pilkington Road; Colline House, 2nd Floor
P.O. Box 71218
Kampala, Uganda

Kakona & Kwotec Advocates
Plot 62, Salaama Road, Makindye,
P.O. Box 36505
Kampala, Uganda

Principal Bankers

Standard Chartered Bank (U) Limited
Speke Road
P.O. Box 7111
Kampala, Uganda

Stanbic Bank (Uganda) Limited
Plot 17 Hannington Road
P.O. Box 7131
Kampala, Uganda

Equity Bank Uganda Limited
Kajjansi
P.O. Box 10184
Kampala, Uganda

Housing Finance Bank Limited
Plot 25 Kampala Road
P.O. Box 1539
Kampala, Uganda

Centenary Rural Development Bank Uganda Limited
Plot 44 - 46 Kampala Road
P.O. Box 1892
Kampala, Uganda

KCB Bank Uganda Limited
P.O. Box 7399
Kampala, Uganda

KCB Bank South Sudan Limited
Buluk Plaza
P.O. Box 47
Juba, South Sudan

ABSA Bank (U) Limited
Plot 2/4 Hannington Road
P.O. Box 7101
Kampala, Uganda

United Bank for Africa Uganda Limited
Spear House
P.O Box 7396
Kampala.

GTBank Uganda
P.O. Box 7323
Kampala.
NCBA Bank Uganda Limited
Rwenzori Towers Nakasero Road
P .O. Box 28707
Kampala

Corporation Information cont'd

Post Bank (U) Limited
P.O. Box 7189
Kampala, Uganda

Exim Bank Head Office
Hannington Road,
P.O Box 36206,
Kampala.

Bank of Africa
Plot 45 Jinja Road
P. O. Box 2750
Kampala.

Diamond Trust Bank (U) Limited
P .O. Box 7155
Kampala, Uganda.

Ecobank Uganda Limited
Parliament Avenue
P .O. Box 7368
Kampala, Uganda

DFCU Bank
Plot 26,Kyadondo Road,Nakasero
P.O. Box 70
Kampala, Uganda

Bank of Africa Limited
P.O. Box 2750
Kampala, Uganda

Top Finance Bank Uganda Limited
4th Floor, Rwenzori Courts,
Plot 2-4A, Nakasero Road 3
Kampala, Uganda

Citibank Uganda Limited
Plot 4 Ternan Avenue Centre Court Nakasero
P.O. Box 7505
Kampala, Uganda

I & M Bank Uganda
Plot 31A-35A, 37A-39A, Nile Avenue
P.O.Box 3072
Kampala, Uganda

Finance Trust Bank
Plot 22B – TWED Plaza Lumumba Avenue
P.O.Box 6972
Kampala, Uganda

Bank of Baroda
Kampala Main Branch, Plot No.18, Kampala Road
P.O. Box 7197
Kampala, Uganda

Tropical Bank Limited
P.O. Box 9485, Plot 27
Kampala, Uganda

Cairo International bank
Head office, Plot 30 Kampala Road,
P.O. Box 7052
Kampala, Uganda

NCBA Bank Uganda Limited
Rwenzori Towers, Nakasero Road
P.O Box 28707
Kampala.


irc
INTERNATIONAL
RESOURCE CENTRE
NWSC

Report of the Directors

The directors submit their report together with the financial statements for the year ended 30 June 2023, which disclose the state of affairs of National Water and Sewerage Corporation.

Principal Activities

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

Business Review

	2023	2022
	UGX'000	UGX'000
Income	550,038,769	519,282,447
Profit Before Depreciation and Amortisation	131,007,796	122,743,958
Depreciation and Amortisation	(98,704,385)	(124,072,013)
Finance cost	(11,293,952)	(9,746,170)
Taxation Credit/(Charge)	19,777,751	(27,791,920)
Profit/(Loss) for the year	**40,787,210**	**(38,866,146)**

Income

Total income increased from UGX 519 billion in 2021/22 to UGX 550 billion in the reporting period, an increase of 6%. Water and Sewerage income increased by 10%, while other incomes registered a reduction of 14%. Deferred income reduced by 13%.

i) Water consumption and Sewerage service Income

This is the main source of revenue to the Corporation. Water and sewerage income increased by 10% from UGX 396 billion in the year ending 30 June 2022 to UGX 438 billion in the year ending 30 June 2023.

Additional water from the Katosi Water Treatment Plant (WTP), the reopening of the economy and extension of water services (SCAP 100) contributed to the growth in water and sewerage income.

ii) Other Income

This includes revenues from external services contracts, sale of tender documents and provision of Laboratory services. During the reporting period, UGX 4 billion was realized from other Incomes compared to UGX 3.6 billion in the previous year, an increase of 14%.

iii) Deferred Income

The Corporation receives grants from Government of Uganda (GOU) and Development Partners for implementing major capital projects. For completed projects, the grant provided are recognized as income over the expected useful life of the projects. The grants from GOU in relation to the SCAP 100 and Subvention Projects are treated as income in the period in which it is received.

During the reporting period, Deferred income of UGX 79.7 billion was released to the Statement of Profit or Loss compared to UGX 91.6 billion in the previous year.

Operating Costs

Staff Costs

Staff costs increased by 5% from UGX 167.6 billion in 2021/22 to UGX 176.1 billion in the current year. New staff were

Report Of The Directors continued ►

appointed to manage the new Katosi WTP. In addition, more staff joined the NWSC Provident Fund Scheme during the reporting period, leading to increased employer's contributions.

Administrative Costs

Administrative expenses decreased by 6% from UGX 66.8 billion in 2021/22 to UGX 62 billion in 2022/23. The increase is attributable mainly to expenditure on training, subsistence allowances, meetings and travels following the re-opening of the economy after COVID-19. Additional expenditure was also incurred on security for the new water installations.

Static Plant and Pipe Network Maintenance

Static plant and pipe network maintenance costs increased by 4% from UGX 108.9 billion in the previous year to UGX 113.2 billion in 2022/23. The increase was mainly on electricity for production since additional plants were commissioned at Katosi WTP and Sembabule. There was also increased cost for fuel and lubricants, which increased expenditure on generators for stand by water production. Expenditure on maintenance of the pipe network also increased due to the growth in network coverage and the need to replace the old pipe networks.

Supplies and Services

Supplies and services costs increased by 15% from UGX 32.2 billion in 2021/22 to UGX 37.1 billion in 2022/23, mainly due to increased expenditure on printing, publications and chemicals as a result of increased water production at Katosi WTP.

Premises Maintenance Costs

Premises maintenance costs increased by 15% from UGX 9.6 billion in 2021/22 to UGX 11.1 billion in 2022/23.

Transport expenses

Transport costs increased by 33% from UGX 11.6 billion in 2021/22 to UGX 15.4 billion in 2022/23.

Finance Costs

Finance costs increased by 16% from UGX 9.7 billion in 2021/22 to UGX 11.3 billion in 2022/23. This was due to the fact that the Equity Loan Facility was fully disbursed by the beginning of the year. In addition, the Corporation made a partial draw down on the second loan facility from Housing Finance Bank in syndication with the Uganda Development Bank.

Operating Profit

The Corporation reported an increase of 7% in the Operating Profit Before Depreciation from UGX 122.7 billion in 2021/22 to UGX 131 billion in the current financial year.

Dividends

The Directors do not propose any dividend payment for the year 2022/23. Profits generated will be reinvested to expand the infrastructure and increase access to water and sewerage services.

Total Assets

The total asset base increased by 6% from UGX 4.1 trillion in 2021/22 to UGX 4.3 trillion in 2022/23.

Report Of The Directors continued ►

Non-Revenue Water (NRW)

Non-revenue water (NRW) refers to the water that is lost or unaccounted for in a water supply system before it reaches the end-users, without generating any revenue for the water utility

.

The Corporation recorded Global NRW of 34.9% in the FY 2022/23, compared to 35.4% in the FY 2021/22. Kampala Water registered NRW of 40.8%, Central Region 23.3%, Eastern Region 23.2%, Northern Region 23.8% and Western & South Western 28.2%. The Board has approved a number of measures that the Corporation will undertake to address the Non-Revenue Water challenge.

Land

Over the past five years, the Corporation took over additional towns from Government which had no titles. The process of acquiring the titles for all the Corporation's properties is continuing.

Corporate Social Responsibility

This is the Corporation's initiative to assess and take responsibility for its effects on environment and social wellbeing. The efforts go beyond what may be required by regulators or environmental protection groups. The Corporation aimed at finding a lasting solution to the rapidly deteriorating quality of water in the inner and outer Murchison Bay in Lake Victoria by implementing the Kampala Water Lake Victoria Sanitation Programme to a tune of UUGX 397 billion.

The Corporation engaged in a number of Corporate Social Activities which include; Protecting the environment, water sources, observing the National Environmental Standards to a tune of UGX 1.1 billion, School Water and Sanitation Activities (SWAS), supporting charitable causes to Education, Health, and Religious institutions as well as the under privileged among others.

Principal Risks and Uncertainities

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the Corporation's products and services. The Corporation's strategic focus is to enhance sales growth whilst maintaining profit margins, the success of which remains dependent on overall market conditions and other factors. The directors continue to monitor this situation closely with a view to assessing and mitigating its impact on the Corporation.

In addition to the business risk(s) discussed above, the Corporation's activities expose it to a number of financial risks which are described in detail in Note 27 to the financial statements.

Directors

The directors who held office during the year and to the date of this report are shown on page 104.

Statement as To Disclosure to The Coporation's Auditor

With respect to each director at the time this report was approved:

a) there is, so far as the director is aware, no relevant audit information of which the Corporation's auditor is unaware; and
b) the director has taken all the steps that the he/she ought to have taken so as to be aware of any relevant audit information and to establish that the Corporation's auditor is aware of that information.

Terms Of Appointment Of The Auditor

PKF Uganda was appointed 'delegated auditor' by the office of the Auditor General during the year and continues in office in accordance with Chapter 98, Section 17 of the Public Enterprises Reform and Divestiture Act, 1993. The Auditor General monitors the effectiveness, objectivity and independence of the auditor.

By order of the Board,



Edith Katete
Corporation Secretary
Date: 14th December 2023

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 Directors' functions and responsibilities are set out in the National Water and Sewerage Corporation Act Cap 317 (Laws of Uganda, 2000) 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 approval.

Board Constitution

The Board comprises of nine Government appointed Directors plus the Managing Director of the Corporation. One of the Directors heads 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 five committees which have been mentioned under Governance and Leadership

Statement of Directors' Responsibilities

'The National Water and Sewerage Corporation Act 1995 Cap 317 (Laws of Uganda 2000), 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 2000). 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 preparation and fair presentation of the 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 2000). They also accept responsibility for:

i. designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. selecting and applying appropriate accounting policies; and
iii. making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Corporation as at 30 June 2023 and of the Corporation's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the National Water and Sewerage Corporation Act 1995 Cap 317 (Laws of Uganda 2000).

In preparing these financial statements the directors have assessed the Corporation's ability to continue as a going concern as set out in Note 1(a) to the financial statements. The directors are of the opinion that the Corporation will remain a going concern for at least the next twelve months from the date of this statement based on the factors described in Note 1(a).

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities

.

Approved by the Board of directors on 14th December 2023 and signed on its behalf by:



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 2023

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 2023. These financial statements comprise the Statement of Financial Position as at 30th June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 15 to 51.

In my opinion, the accompanying financial statements, give a true and fair view of the financial position of the Corporation as at 30th June 2023, 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, Cap 317, Laws of Uganda.

Basis of Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). 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 (IESBA) Code of Ethics for Professional Accountants (Parts A and B), 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.

Report of the Auditor General on the Financial Statements

of National Water and Sewerage Corporation for the Year Ended 30th June 2023 cont'd

Key Audit Matter	How my audit addressed the KAM
1.0 Expected credit losses on trade receivables	
As disclosed in note 20 as at 30 June 2023, the Corporation had an allowance for expected credit losses on financial assets at amortised cost of UGX 10.4 billion (2022: UGX 8.5 billion). The expected credit losses were based on a forward-looking approach that recognizes impairment loss allowances in accordance with IFRS 9 Financial Instruments. The estimation of expected credit losses requires the Corporation to make significant judgment in the consideration of the following variables: • Determining the historical credits loss; • Determining the period over which the observed historical loss rates are appropriate; and • Adjusting the historical loss rates with forward-looking macro- economic factors. Refer to note 2 of the Corporation's financial statements for critical accounting judgements and key sources of estimation uncertainty. Also refer to note 20 for details on the estimated credit loss disclosure.	My audit procedures included, but were not limited to: • Reviewing the accounting policies for compliance with IFRS 9 requirements. Reviewing the ECL models including whether the assumptions applied, and the functioning and application of the models were in accordance with IFRS 9 requirements • Testing the design, implementation and operating effectiveness of key controls across the processes relevant to the expected loss calculations and data accuracy. • Assessing whether forecasted macroeconomic variables were appropriate • Assessing whether the period over which the observed historical loss rates was appropriate in developing the expected loss rates. • Testing the data used in the ECL calculation for accuracy and completeness. • Evaluating completeness of the Corporation's disclosures in respect of the judgement and assumptions used in the valuation are in line with IFRS 9 Financial Instruments.
	I report that: • GDP is used as the primary macroeconomic factor. The Accounting Officer acknowledged the observation. I advised management to consider Including other relevant economic indicators that would enhance the model's robustness and accuracy. The model could benefit from incorporating more detailed customer-specific data and regularly updating macroeconomic factors and full capture of the nuances in different customer segments in the PD estimations. The model's predictive power could be enhanced through more granular data analysis
2.0 Land Matters	
Included in Notes 14 and 16 of the financial statements, is free hold land amounting to UGX 181.7 billion and Leasehold land amounting to UGX 4.3 billion respectively. Land resources are crucial for the Corporation's operations; however, complications arising from unresolved land titles and the increasing costs of water service provision have necessitated a thorough examination of this area as a Key Audit Matter.	Our audit procedures included, but were not limited to: Examining the required land ownership documents which included titles, agreements, MOUs and land registers of the Corporation. Assessment of ongoing litigation and historical transactions involving land, evaluating their relevance and impact on the Corporation's financial position. Detailed analysis of project documentation and progress reports to ensure that investments in land are accurately reflected and managed. Evaluation of the Corporation's land verification processes and reports to ensure the integrity and accuracy of land asset recognition.

Report of the Auditor General on the Financial Statements

of National Water and Sewerage Corporation for the Year Ended 30th June 2023 cont'd

Securing confirmations from the Corporation's legal department and external counsel regarding the status of land-related legal matters.

I report that:

- Land at 5 tank lane-Mbale, 4 Engwau road –Soroti, 16 Bitete road-Kabale and block 28 Ndorwa Kabale are held on leases that have expired, necessitating immediate attention to renew these agreements to safeguard the Corporation's interests.
- Titles for certain lands, essential for operational infrastructure, have not been officially transferred to the Corporation, leading to legal uncertainties.
- Infrastructures situated on land still registered to other governmental entities have not been formalized through Memorandums of Understanding, creating potential disputes.
- There are instances where land transferred to the Corporation faces ownership disputes and unlawful encroachments, threatening the Corporation's rights and operational integrity

Management provided the following explanation

- Lease Renewal and Conversion. NWSC successfully renewed an expired lease for 49 years from June 10, 2020, and converted it to freehold, securing the corresponding title.
- The transfer of Luuka land titles was completed, and NWSC initiated communication with the Uganda Wildlife Authority to establish formal MoUs for legitimizing land occupation in national parks.
- Land with ownership disputes. NWSC faced familial disputes during efforts to transfer land inherited with ownership disputes. Ongoing initiatives are focused on resolving these disputes and facilitating the land transfer.
- Encroachment and Compensation. NWSC acquired a 44-year lease for land without titles hosting essential infrastructure. Encroachment issues are being resolved through ADR, with an agreement for compensation reached with developers. Board approval was obtained, and Solicitor General's clearance is underway.

These findings are key concerns that affect service delivery and impact implementation of the approved investments of NWSC.

I advised management to ensure that expired leases are renewed; titles obtained; MoUs signed with other government institutions on land holding NWSC, but without titles; and solve any land issues of encroachment and contestations.

Report of the Auditor General on the Financial Statements

of National Water and Sewerage Corporation for the Year Ended 30th June 2023 cont'd

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matter disclosed in Note 20 of the financial statements that in my judgment are of such importance and fundamental to the users' understanding of the financial statements;

3.0 Trade and other receivables

Included in the receivables figure of UGX. 363,925,860,000 is UGX. 87,072,921,584 which is owed by Ministries, Departments and Agencies of Government as shown in appendix 1. This amount has remained outstanding for more than one year efforts to settle it appear to be minimal.

The receivables that remained outstanding for long may degenerate into bad debts. Besides, it stifles planned activities of the Corporation.

The Accounting Officer explained that a commitment had been made by the PS/ST to settle the verified water bills of UGX. 43,134,590,775 as shown in **annexure** on quarterly basis in a period of 5 years starting FY 2023/24.

I advised the Accounting Officer to ensure that the remaining invoices are equally verified and the provisions in the commitment letter are fulfilled as indicated.

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.

Responsibilities of Directors 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, 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.

Report of the Auditor General on the Financial Statements

of National Water and Sewerage Corporation for the Year Ended 30th June 2023 cont'd

In preparing the financial statements, the Directors are responsible for assessing the Corporation's ability to continue delivering its mandate, disclosing, as applicable, matters related to delivery of mandate for the foreseeable future, unless the Directors have a realistic alternative to the contrary.

Auditor 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 ISAs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, 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 Corporation's ability to continue delivering its mandate. 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 Corporation to fail to deliver its mandate.
- 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.

Report of the Auditor General on the Financial Statements

of National Water and Sewerage Corporation for the Year Ended 30th June 2023 cont'd

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, 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.

There were no material finding(s) in respect of the compliance criteria for the applicable subject matter.



John F.S. Muwanga
AUDITOR GENERAL

19th December, 2023

Statement of Profit or Loss

	Notes	2023 UGX'000	2022 UGX'000
Income			
Water and sewerage income	2	466,179,288	424,100,369
Deferred income	3	79,761,556	91,571,697
Other income	4	4,097,925	3,610,382
Total income		550,038,769	519,282,448
Expenditure			
Employee benefit expenses		176,115,337	167,572,661
Administrative expenses		62,469,470	66,676,644
Provision for impairment of receivables		3,645,350	-
Static plant and pipe network expense		113,247,631	108,845,453
Supplies and services expenses		37,061,793	32,223,996
Premises expenses		11,099,953	9,617,582
Transport and mobile plant expenses		15,391,439	11,602,154
Total expenditure before depreciation		419,030,972	396,538,489
Operating profit before depreciation		131,007,796	122,743,958
Depreciation and amortisation		98,704,385	124,072,014
Operating profit/(loss) before finance costs		32,303,411	(1,328,056)
Net finance costs		(11,293,952)	(9,746,170)
Net profit/(loss) before tax		21,009,459	(11,074,226)
Tax credit/(charge)	6	19,777,751	(27,791,920)
Profit/(loss) for the year		40,787,210	(38,866,146)

The Accounting policies and notes on pages 128 to 160 form an integral part of these Financial Statements

Statement of Financial Position

	Notes	2023 UGX'000	2022 UGX'000
Assets			
Non-current assets			
Property, plant and equipment	16	3,360,592,626	3,356,860,186
Capital work in progress	17	275,307,350	167,879,895
Intangible asset	15	1,242,844	1,583,272
Right of use assets	18	8,809,117	9,764,057
Captive investment	25	2,028,908	171,816
		3,647,980,846	3,536,259,227
Current assets			
Inventories	19	42,420,227	38,155,099
Trade and other receivables	20	363,925,860	212,509,937
Cash and bank balances	21	292,934,209	298,528,393
Tax recoverable	7	2,158,990	2,177,717
		701,439,286	551,371,146
Total Assets		4,349,420,132	4,087,630,373
Equity And Liabilities			
Capital employed			
Government funding	8	410,889,416	410,889,416
Revaluation reserve	9	611,129,907	620,956,262
Retained earnings		415,522,796	360,697,936
Equity attributable to the owners of the entity		1,437,542,119	1,392,543,614
Non-current liabilities			
Borrowings	10	84,001,932	44,897,521
Terminal benefits(ring-fenced)	12	3,115,189	3,579,493
Deferred tax	13	300,770,442	324,797,926
Deferred income	26	2,184,549,229	2,002,059,507
Lease liability	14	2,319,709	2,221,102
		2,574,756,502	2,377,555,548
Current liabilities			
Borrowings	10	30,025,929	8,921,631
Provision for gratuity	11	26,787,067	15,440,355
Deferred income	26	49,121,971	48,914,452
Trade and other payables	22	229,286,345	242,379,813
Lease liability	14	1,900,200	1,874,960
		337,121,511	317,531,211
Total Reserves And Liabilities		4,349,420,132	4,087,630,373

The Financial Statements and their notes set out on pages 124 to 160 were approved by the Board of Directors on 14th December 2023 and were signed on its behalf by:

Board Chairman | Managing Director | Director

Statement of Changes in Equity

Year ended 30 June 2023	Notes	Government funding UGX'000	Revaluation reserve UGX'000	Retained earnings UGX'000	Total UGX'000
At start of year		410,889,416	620,956,262	360,697,936	1,392,543,614
Transfer of excess depreciation	10	-	(14,037,650)	14,037,650	-
Deferred tax on excess depreciation			4,211,295	-	4,211,295
Assets taken over during the year		-	-	-	-
Loss for the year		-	-	40,787,210	40,787,210
At end of year		410,889,416	611,129,907	415,522,796	1,437,542,119
Year ended 30 June 2022					
At start of year		317,233,669	630,782,617	389,737,727	1,337,754,013
Transfer of excess depreciation	10	-	(14,037,650)	14,037,650	-
Deferred tax on excess depreciation		-	4,211,295	(4,211,295)	-
Assets taken over during the year		93,655,747	-	-	93,655,747
Loss for the year		-	-	(38,866,146)	(38,866,146)
At end of year		410,889,416	620,956,262	360,697,936	1,392,543,614

The notes on pages 128 to 160 form an integral part of these financial statements.
Report of the independent auditor - pages 118 - 123

Statement of Cash Flows

	Notes	2023 UGX'000	2022 UGX'000
Operating activities			
Cash from operations	23	(183,739,573)	26,984,677
Tax paid		(18,727)	(32,916)
Interest paid			
Equity bank		(5,501,067)	(7,130,644)
HFB/UDB		(3,980,377)	-
Bank of Africa		-	(292,640)
Net cash (used in)/ from operating activities		(193,239,744)	19,528,477
Cashflows from investing activities			
Cash paid for purchase of property, plant and equipment	16	(21,031,911)	(834,800,704)
Cash paid for purchase of intangible assets	15	(69,238)	(1,518,653)
Capital work in progress		(107,427,455)	642,823,248
Investment in subsidiary		(1,857,092)	(111,816)
Interest income received		141,224	143,307
Net cash used in investing activities		(130,244,473)	(193,464,618)
Cashflows from financing activities			
Proceeds from borrowings		67,494,837	8,588,503
Repayments of borrowings		(8,605,201)	(6,946,221)
Payment of principal portion of lease liabilities		(3,353,008)	(6,131,714)
Payments of annual terminal benefits (ring fenced)		(562,673)	(702,768)
Proceeds from grants	26	262,458,797	283,424,589
Net cash from financing activities		317,432,752	278,232,389
(Decrease)/increase in cash and cash equivalents		(6,051,465)	104,296,248
Movement in cash and cash equivalents			
At start of year		298,528,393	194,358,771
(Decrease)/increase		(6,051,465)	104,296,248
Effect of exchange rate changes		457,281	(126,626)
At end of year	21	292,934,209	298,528,393

The notes on pages 128 to 160 form an integral part of these financial statements.
Report of the independent auditor - pages 118 - 123

Notes to the Financial Statements

1 Significant accounting policies

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

These financial statements comply with the requirements of the National Water and Sewerage Corporation Act,1995 Cap. 317, Laws of Uganda 2000. The statement of profit or loss represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

(a) General information

National Water and Sewerage Corporation is a statutory body established in 1972 by Statute No. 34 of 1972, following an earlier study on the improvement of water and sanitation services in urban centres of Uganda.The NWSC Act 1995 mandates the Corporation to provide water and sewerage services in areas entrusted to it on a commercially viable basis.

(b) Basis of Preparation

The financial statements of National Water and Sewerage Corporation 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 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 realizable value in IAS 2 - Inventories or value in use in IAS 36 -Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Transfer between levels of the fair value hierarchy are recognized by the directors at the end of the reporting period during which the change occurred.

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 other comprehensive income. The financial position of the Corporation is set out in the statement of financial position. Disclosures in respect of risk management and capital management are set out in notes 27 and 28 respectively.

Notes to the Financial Statements continued ▶

(b) Basis of Preparation continued

Based on the financial performance and position of the Corporation and its risk management policies, 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.

New standards, amendments and interpretations adopted by the Corporation

The Corporation applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Corporation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use'

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the financial statements of the Corporation as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning the earliest period presented.

Amendments to IAS 37 'Onerous Contracts – Costs of Fulfilling a Contract'

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

These amendments had no impact on the financial statements of the Corporation as the Corporation did not identify any contracts as being onerous at the beginning and end of the reporting period.

Amendment to IFRS 9 Financial Instruments 'Fees in the '10 per cent' test for derecognition of financial liabilities.

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment had no impact on the financial statements of the Corporation as there were no modifications of the Corporation's financial instruments during the period.

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these consolidated 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:

- **Amendments to IAS 1 'Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022),** effective for annual periods beginning or after 1 January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date.

Notes to the Financial Statements continued ▶

(b) Basis of Preparation continued

The Corporation is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- **Amendments to IAS 1 'Non-current Liabilities with Covenants' (issued in October 2022) effective for annual periods beginning on or after 1 January 2024,** improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

- **Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (issued in February 2021)**
  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

  The Corporation is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

- **Amendments to IAS 8 'Definition of Accounting Estimates' (issued in February 2021),** effective for annual reporting periods beginning on or after 1 January 2023, introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and change in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

  The amendments are not expected to have a material impact on the Corporation's financial statements.

- **Amendments to IAS 12 'Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021), effective for annual periods beginning on or after 1 January 2023,** narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

  The Corporation is currently assessing the impact of the amendments.

- **Amendment to IFRS 16 'Lease Liability in a Sale and Leaseback' (issued in September 2022),** effective for annual periods beginning on or after 1 January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.

  The directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The Corporation plans to apply the changes above, if applicable, from their effective dates.

c) Significant accounting judgements, estimates and assumptions

In the application of the accounting policies, the directors are required to make judgements,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.

Notes to the Financial Statements continued ▶

c) Significant accounting judgements, estimates and assumptions continued

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.

Measurement of expected credit losses (ECL)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs is based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

The ECL model applied for financial assets other than trade receivables and contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.

When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk

The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments that are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The Corporation uses these guidelines in determining the staging of its financial assets unless there is persuasive evidence available to rebut these presumptions.

For trade receivables, the Corporation has applied the simplified model under IFRS 9 where lifetime expected credit loss allowance is recognised on the basis of a provisioning matrix.

Notes to the Financial Statements continued ▸

(c) Significant accounting judgements, estimates and assumptions continued

The carrying amounts of the Corporation's financial assets that are subject to impairment assessment are disclosed in notes 23.

Useful lives, depreciation methods and residual values of property, plant and equipment, intangible assets and right-of-use assets

Management reviews the useful lives, depreciation methods and residual values of the items of property, plant and equipment, intangible assets and right-of-use assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in notes 18, 19 and 20, respectively.

Accounting for leases under IFRS 16

Management has made various judgements and estimates under IFRS 16 as detailed below:

Incremental borrowing rate: To determine the incremental borrowing rate, the Corporation:

- where possible, uses recent third-party financing received as a starting point,adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing;and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease term/period: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option,or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Corporation is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value,the Corporation is typically reasonably certain to extend (or not terminate).
- Otherwise, the Corporation considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the Corporation could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Corporation becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The carrying amounts of lease liabilities and right-of-use assets are disclosed in notes 15 and 18, respectively.

Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Comapny is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate

Notes to the Financial Statements continued ▶

(c) Significant accounting judgements, estimates and assumptions continued

used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in notes 16, 18 and 15, respectively.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Revaluation of property, plant and equipment and investment properties

The Corporation carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The fair value of investment property was determined by reference to the market prices of similar properties of the type and in the area in which the property is situated. In addition, it measures freehold land, buildings and plant and machinery at revalued amounts, with changes in fair value being recognised in OCI. The land and buildings were valued by reference to transactions involving properties of a similar nature, location and condition. For plant and machinery, the current replacement cost adjusted for the depreciation factor of the existing assets is used..

d) Revenue recognition

Revenue from water and sewerage services

The Corporation recognises 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 Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The Corporation recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Corporation expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

Revenue is recognised as follows:

(i) Sale of water is recognised based on periodic meter readings or estimates thereof when readings cannot be taken or for unmetered connections. The company recognises all revenue at the time of delivery, should the company 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.

The Corporation considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g.,warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Corporation considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Sales of services are recognised 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;

Notes to the Financial Statements continued ▸

(d) Revenue recognition continued

(iii) Sale of goods is recognized upon delivery of products and customer acceptance.

Other income

- Rental income from operating leases is recognized on a straight-line basis over the period of the lease.
- Interest income is recognised on a time proportion basis using the effective interest method.Once a financial asset is identified as credit-impaired, the effective interest rate is applied to the amortised cost (net of impairment losses) in subsequent reporting periods.

e) Translation of foreign currencies

Transactions and balances

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 translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.The resulting differences from settlement and translation of monetary items are dealt with in profit or loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVOCI, are included in other comprehensive income.

(f) Property, plant and equipment

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Freehold, buildings and plant and machinery are subsequently measured at fair value, based on periodic valuations, less subsequent depreciation.

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 recognised in other comprehensive income and credited to revaluation reserve in equity except to the extent that the increase 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 revaluation reserve to retained earnings.

Notes to the Financial Statements continued ▶

(f) Property, plant and equipment continued

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

Freehold land is not depreciated.

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

	Rate%
Civil structures and buildings	1%
Pipe works	3.0%
Technical structures	3%
Electro-mechanical equipment	3.0%
Office furniture and fittings	20%
IT and office equipment	20%
Mobile plant-Transport heavy	20%
Mobile plant-Transport light	20%

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued amounts in the revaluation reserve relating to the particular assets being disposed of are transferred to retained earnings in the statement of changes in equity.

(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 estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets comprise the accounting, billing and audit software and it is stated at cost less accumulated amortisation.

Notes to the Financial Statements continued ▶

(g) Intangible assets continued

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.

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. The direct costs include software development, staff costs and an appropriate portion of relevant overheads.

(h) Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

An impairment loss is recognised for the amount by which the carrying amount of an asset or a cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, management determines the recoverable amount of the CGU to which the asset belongs.

A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of cash inflows from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Corporation estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Notes to the Financial Statements continued ▶

(i) Financial instruments

Financial assets

All financial assets are recognised initially using the trade date accounting which is the date the Corporation commits itself to the purchase or sale.

The Corporation classifies its financial assets into the following categories:

i) Amortised cost;
Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost;

The carrying amount of these assets is adjusted by any expected credit loss allowance measured and recognised.

ii) Fair Value Through Other Comprehensive Income (FVTOCI):
Financial assets that are held for collection of contractual cash flows where these cash flows comprise SPPI and also for liquidating the assets depending on liquidity needs and that are not designated at FVTPL, are classified and measured at value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gain or losses, interest revenue and foreign exchange gains and losses. Gains and losses previously recognised in OCI are reclassified from equity to profit or loss on disposal of such instruments. Gains and losses related to equity instruments are not reclassified.

iii) Fair Value Through Profit or Loss (FVTPL):
Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit or loss and other comprehensive income.

Notwithstanding the above, the Corporation may:

- on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income.
- on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

At initial recognition of a financial asset, the Corporation determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Corporation reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Corporation has not identified a change in its business models.

Derecognition/write off
Financial assets are derecognised when the rights to receive cash flows from the financial asset asset have expired, when the Corporation has transferred substantially all risks and rewards of ownership, or when the Corporation has no reasonable expectations of recovering the asset.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Notes to the Financial Statements continued ▸

(i) Financial instruments continued

Impairment

Debt instruments that are subsequently measured at amortised cost or at impairment assessment. No impairment loss is recognised on investments measured at FVTPL.

The Corporation recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI):

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the reporting date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

Financial liabilities

Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Corporation may also, on initial recognition,irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

All other financial liabilities are classified and measured at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and and borrowings and payables, net of directly attributable transaction costs.

All financial liabilities are classified as non-current except those held for trading, those 'expected to be settled in the Corporation's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

Notes to the Financial Statements continued ▶

(i) Financial instruments continued

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a currently enforceable legal 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.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank. All fixed deposits are regarded as financial assets.

(l) Taxation

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

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred 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 amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.

Notes to the Financial Statements continued ▶

(l) Taxation continued

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Corporation offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

(m) Accounting for leases

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation as lessee

On the commencement date of each lease (excluding leases with a term, on commencement,'of 12 months or less and leases for which the underlying asset is of low value) the Corporation recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option.

The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Corporation's incremental borrowing rate is used.

For leases that contain non-lease components, the Corporation allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Leasehold land and buildings are subsequently carried at revalued amounts, based periodic valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses. All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Corporation at the end of the lease term, the estimated useful life would not exceed the lease term.

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are recognised in profit or loss. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset

Notes to the Financial Statements continued ▶

(l) Taxation continued

recognised in profit or loss and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation reserve to the retained earnings.

The Corporation as lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases.

Payments received under operating leases are recognised as income in profit or loss on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Corporation's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position.

(n) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources 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.

(o) Employee entitlements

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

(p) Retirement benefit obligations

Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date.

The Corporation operates an annual contract gratuity scheme under which 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 bases on prior year perfomance. 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 expense.

Notes to the Financial Statements continued ►

(p) Retirement benefit obligations continued

The Corporation contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Corporation's obligations under the scheme are limited to specific contributions legislated from time to time and are currently 10% of the employees' gross salary. The Corporation's contributions are charged to profit or loss in the period to which they relate.

(q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the asset based either on actual cost on specific borrowings or, in the case of general borrowings, based on a weighted average cost.

Capitalisation of borrowing costs ceases when all activities necessary to prepare the asset for its intended use are complete. All other borrowing costs are recognised in profit or loss.

(r) 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 grants relates to an expense item (revenue grant) it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs it it is intended to compensate.

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

(s) Government funding

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

(t) Dividends

Proposed dividends are disclosed as a separate component of equity until declared.

Dividends are recognized as liabilities in the period in which they are approved by the Corporation's shareholders.

(u) Comparatives

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

Notes to the Financial Statements continued ▶

2 Water and sewerage income

	2023 UGX'000	2022 UGX'000
Recognized at a point in time:		
Consumption charges water	373,482,957	342,225,142
Consumption charges sewer	64,484,430	54,417,076
Service charges	16,187,382	14,968,743
Connection fees	7,482,664	8,118,733
Reconnection fees	191,670	174,515
Septic tank emptying	297,844	305,258
Sale of composite/sludge	35,693	37,909
Building water sales	178	304
Discharging into sewers	87,776	57,329
Water tanker sales	89,322	427,149
Meter separation	1,438,433	1,451,581
Income from rechargeable works	577,136	-
Fines	1,822,046	1,892,135
Token issued	1,756	24,494
	466,179,288	424,100,369

3 Deferred income (Note 26)

	79,761,556	91,571,697

	Revenue grant amortised	Capital grant amortised	Total
Kampala Sanitation Project (KFW/AFD)	-	14,305,679	14,305,679
AFD Donor Fund LV WATSAN	-	-	-
WATSAN Project AFD/KFW/EU	-	25,691,232	25,691,232
Water Management Development Project (IDA)	-	4,176,155	4,176,155
Intergrated Program to Improve Living Conditions (KFW/IDA)	-	688,116	688,116
Intergrated Water Management Development Project (IDA/KFW)	-	-	-
Kampala South Water and Sanitation Project (DANIDA)	-	-	-
South Western Cluster Water and Sanitation Project (AFD)	-	-	-
Water for Virunga	5,289,982	-	5,289,982
Donor Grant Funds GTZ	-	12,019	12,019
Donor Grant Funds SIG	-	2,000,715	2,000,715
Donor Funds	-	417,395	417,395
Donor Funds	-	154,898	154,898
Donor Funds EDF	-	264,192	264,192
Donor Grant Spencon	-	974,889	974,889
Donor Fund Urban Poor	-	189,212	189,212
Donor Grants AFD	-	230,177	230,177
Donor Grants IDA-LVEMP	-	-	-
Donor Funds- IDA -STWSP	-	17,293	17,293
OBA Project Grant A/C	-	-	-
Grants from other sources	957,053	-	957,053
GOU Contribution to Projects (Includes SCAP100)	24,392,550	-	24,392,550
	30,639,585	49,121,971	79,761,556

Notes to the Financial Statements continued ▶

4 Other Income

	2023 UGX'000	2022 UGX'000
Sale of obsolete stock/scrap	278,902	252,744
Hire of plant and vehicles	5,492	-
Sale of tender documents	133,597	61,500
Sale of I.D cards	508	407
Rental income	128,124	116,832
Income from external services	2,283,443	2,031,044
Miscellaneous income	66,690	292,593
Laboratory services income	743,942	432,067
International resource centre	142,379	86,125
Sale of stock	-	300
Insurance claims	-	193,463
Up country resource centre	173,625	-
Interest from bank deposits	141,224	143,307
Total other income	**4,097,925**	**3,610,382**

5 Operating profit

	2023 UGX'000	2022 UGX'000
The following items have been charged in arriving at the operating profit:		
Depreciation on property, plant and equipment (Note 15)	94,813,210	120,795,336
Amortisation of intangibles (Note 18)	409,666	460,437
Amortisation of right of use assets(Note 17)	3,481,507	2,816,242
Directors' emoluments	975,360	897,852
Audit fees		
- current year	231,363	191,651
Repairs and maintenance	33,777,442	35,686,446
Employee benefit expenses	176,115,337	167,572,661
Stock write down	-	13,677
Provision for impairment of trade receivables	3,645,350	2,988,491

6 Employee benefit expenses

	2023 UGX'000	2022 UGX'000
Basic pay	81,226,214	76,591,901
Housing expense	18,614,543	17,500,073
Medical expense	9,141,840	10,040,589
National Social Security Fund contributions	12,357,199	11,727,591
Lunch and transport allowance	7,451,114	7,061,862
Car and cycle allowance	9,793,230	8,865,288
Performance/attendance bonus and overtime	3,726,804	3,512,004
Work bonus	290,480	1,886,177
Leave transport and allowance	2,677,426	2,544,353
Annual terminal benefits	25,327,681	23,497,564
Shift allowance	515,653	490,117
Terminal benefits interest	98,369	144,866
Provident fund	4,497,773	3,404,627
Workmen's compensation	-	10,900
Funeral expenses	397,011	294,748
Total employee benefit expenses	**176,115,337**	**167,572,661**

Notes to the Financial Statements continued ▸

7. Tax

	2023 UGX'000	2022 UGX'000
Current tax	-	-
Rental tax	38,437	36,129
Deferred tax (credit)/charge (Note 12)	(19,816,188)	27,755,791
Tax (credit)/charge	**(19,777,751)**	**27,791,920**

The tax on the Corporation's (loss)/profit before tax differs from the theoretical amount that would arise using the basic rate as follows:

Profit/(loss) before tax	21,009,459	(11,074,226)
Tax calculated at a rate of 30% (2022: 30%)	6,302,838	(3,322,268)
Tax effect of:		
- expenses not deductible for tax purposes	2,021,242	20,095,895
- income not subject to tax	(23,928,467)	(27,471,509)
- (over)/under provision from prior year	(4,173,364)	38,489,793
Tax charge	**(19,777,751)**	**27,791,920**
Tax recoverable		
At start of year	2,177,717	2,174,495
Rental tax charge	-	36,138
Income tax paid	(18,727)	(32,916)
At end of year	2,158,990	2,177,717

8. Government funding

	2023 UGX'000	2022 UGX'000
At start of year	410,889,416	317,233,669
Assets taken over during the year	-	93,655,747
At end of year	410,889,416	410,889,416

Government funding represents a build-up of capital contributions to the Corporation from the Government of Uganda overtime. The contribution in the year ended 30 June 2022 consisted of unverified stock which were handed over by Ministry of Water and Environment.

9. Revaluation reserve

	2023 UGX'000	2022 UGX'000
At start of year	620,956,262	630,782,617
Transfer of excess depreciation for the year	(14,037,650)	(14,037,650)
Deferred tax on excess depreciation	4,211,295	4,211,295
At end of year	611,129,907	620,956,262

In 2008, the Corporation revalued all its assets and the exercise was carried out by an external valuation firm (Bellar Consult), as at 31 January 2018.

Notes to the Financial Statements continued ▶

10. Borrowings

	2023 UGX'000	2022 UGX'000
The borrowings are made up as follows:		
Non current		
Equity bank	26,497,233	37,629,925
HFB / UDB mid term	57,504,700	7,267,596
	84,001,932	44,897,521
Current		
Equity bank	11,996,444	7,477,480
HFB / UDB mid term	18,029,485	1,444,151
	30,025,929	8,921,631
Total borrowings	**114,027,862**	**53,819,151**
Reconciliation of liabilities arising from financing activities:		
Equity bank		
At start of year	45,107,404	49,113,316
Interest expense	5,501,067	7,945,544
Interest accrued	698,368	123,280
Cash flows:		
- Interest repayments	(5,501,067)	(7,945,544)
- Principal repayments of borrowings	(7,312,076)	(4,129,192)
At end of year	38,493,697	45,107,404

In the FY2019/20, Government authorized NWSC to obtain a medium term loan of UGX 50 billion to address the urgent water challenges around the Country. This facility is with Equity Bank and has been fully disbursed. The outstanding balance is repayable on a quarterly basis until 2027 at an rate of 15% per annum.

The loan is secured by a lien and right of set off on the National Water and Sewerage Corporation Collections/ operative/current accounts with Equity Bank, a duly executed comprehensive loan agreement and a board of directors resolution authorizing the borrowing of credit facilities of Ugx 50 billion from Equity Bank.

Housing Finance Bank/Uganda Development Bank	2023 UGX'000	2022 UGX'000
At start of year	8,711,747	-
Interest expense	3,980,377	123,244
Interest accrued	620,725	-
Cash flows:		
- Interest repayments	(3,980,377)	-
- Proceeds from borrowings	67,494,837	8,588,503
- Principal repayments	(1,293,125)	-
At end of year	75,534,184	8,711,747

Government authorised additional borrowing of UGX 95 billion in medium term financing during 2021/2022. This facility is with Housing Finance Bank (HFB) in syndication with Uganda Development Bank (UDB).The outstanding balance is repayable on a quarterly basis until 2027 at an interest rate of 14% for Housing Finance and 12% for Uganda Development Bank per annum.

The loan is secured by a lien and right of set off on the National Water and Sewerage Corporation Collections/ operative/current accounts with Housing Finance Bank, a duly executed comprehensive loan agreement and a board of directors resolution authorizing the borrowing of credit facilities of Ugx 50 billion from Housing Finance Bank.

The carrying amounts of the Corporation's borrowings are denominated in Uganda shillings.

Notes to the Financial Statements continued ▸

11. Provision for gratuity

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

	2023 UGX'000	2022 UGX'000
At the start of the year	15,440,355	12,084,383
Charge for the year	25,327,681	23,497,564
Payments during the year	(13,980,970)	(20,141,592)
At year end	26,787,067	15,440,355

12. Terminal benefits (ring-fenced)

	2023 UGX'000	2022 UGX'000
At start of year	3,579,493	4,137,395
Accrued interest on terminal benefits	98,369	144,866
Payments during the year	(562,673)	(702,768)
At year end	3,115,189	3,579,493

During the year 2006/2007 the terminal benefits scheme was abolished and replaced with the annual terminal benefits scheme. The accumulated balance relating to the terminal benefits was ring-fenced. Payments out of the ring-fenced balance are made to employees upon retirement or resignation. Interest is accrued on the unpaid terminal benefits (ring fenced).

13. Deferred tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2022:30%). The movement on the deferred tax account is as follows:

	2023 UGX'000	2022 UGX'000
At start of year	324,797,926	297,042,135
Credit/(charge) to profit or loss	(19,816,188)	27,755,791
Charge to equity	(4,211,295)	-
At end of year	300,770,442	324,797,926

Deferred tax liability in the statement of financial position and deferred (charge)/credit to profit or loss are attributable to the following items:

Year ended 30 June 2023	At start of year UGX'000	Charge/ (credit) to profit or loss UGX'000	Charge/(credit) to equity UGX'000	At end of year UGX'000
Property, plant and equipment and Right of Use accelerated tax - depreciation	402,114,012	5,192,168	-	407,306,180
Revaluation	186,286,879	-	(4,211,295)	182,075,584
Other temporary differences	(40,742,155)	40,742,155		-
Tax losses carried forward	(220,241,890)	(65,182,351)	-	(285,424,241)
Impairment of trade recievables	(2,540,496)	(568,160)	-	(3,108,656)
Provision for obsolete stock	(78,425)	-	-	(78,425)
Net deferred tax liability	324,797,926	(19,816,188)	(4,211,295)	300,770,442

Notes to the Financial Statements continued ▶

13 Deferred tax (continued)

Year ended 30 June 2022	At start of year UGX'000	Charge/(credit) to profit or loss UGX'000	Charge/(credit) to equity UGX'000	At end of year UGX'000
Property, plant and equipment				
- accelerated tax depreciation	307,306,859	94,807,153	-	402,114,012
Revaluation	189,462,106	(3,175,227)	-	186,286,879
Other temporary differences	-	(40,742,155)	-	(40,742,155)
Tax losses carried forward	(198,329,679)	(21,912,210)	-	(220,241,890)
Impairment of trade recievables	(1,326,847)	(1,213,649)	-	(2,540,496)
Provision for obsolete stock	(70,304)	(8,121)	-	(78,425)
Net deferred tax liability	297,042,135	27,755,791	-	324,797,926

14 Lease liabilities

The statement of financial position shows the following amounts relating to leases;

	2023 UGX'000	2023 UGX'000
Non-current	2,319,709	2,221,102
Current	1,900,200	1,874,960
	4,219,910	4,096,061
Movement in lease liabilites in as follows;		
At start of year	4,096,061	8,367,233
Interest expense	950,291	1,269,492
Cash flows:		
- Additions	2,526,567	195,188
- Principal repayments	(2,402,718)	(4,466,360)
- Interest repayments	(950,291)	(1,269,492)
At end of year	4,219,910	4,096,061

15. Intangible assets

Year ended 30 June 2023	2023 UGX'000	2022 UGX'000
Cost		
At start of year	2,959,526	980,436
Additions	69,238	1,979,090
At end of year	3,028,764	2,959,526
Depreciation		
At start of year	1,376,254	915,817
Charge for the year	409,666	460,437
At end of year	1,785,920	1,376,254
At end of year	1,242,844	1,583,272

Intangible assets comprise the asset management system and it is stated at cost less accumulated amortisation.It is amortised over its useful life which is assessed to be 5 years.

16. Property, plant and equipment

Year ended 30 June 2023

	Freehold land UGX'000	Civil Structures UGX'000	Pipe works UGX'000	Technical structures UGX'000	Electromech equipment UGX'000	Office furniture and equipment UGX'000	IT and office equipment UGX'000	Mobile plant UGX'000	Total UGX'000
Cost or valaution									
At start of year	180,481,266	685,478,677	2,125,892,209	318,618,437	358,981,981	23,220,139	10,809,613	12,107,293	3,715,589,616
Additions	1,186,505	4,426,607	-	74,000	8,359,777	3,059,155	1,866,480	2,059,388	21,031,911
Transfer from WIP	-	1,596,810	49,290,236	4,459,487	1,231,796	26,949	7,400	-	56,612,678
At end of year	181,667,770	691,502,094	2,175,182,446	323,151,924	368,573,554	26,306,243	12,683,493	14,166,681	3,793,234,205
Accumulated depreciation									
At start of year	-	50,231,080	205,275,731	30,343,374	42,539,978	14,539,363	6,382,497	9,417,408	358,729,430
Over provision from prior years	-	(1,367,564)	(11,536,868)	(2,405,320)	(4,203,091)	(533,918)	(465,757)	(388,546)	(20,901,063)
Charge for the year	-	13,458,812	50,729,800	8,142,304	14,065,241	4,070,940	2,076,003	2,270,110	94,813,210
At end of year	-	62,322,329	244,468,663	36,080,358	52,402,128	18,076,384	7,992,743	11,298,972	432,641,578
Net book value	181,667,770	629,179,766	1,930,713,783	287,071,566	316,171,426	8,229,858	4,690,749	2,867,709	3,360,592,628

16. Property, plant and equipment

Year ended 30 June 2022	Freehold land UGX'000	Pipe works UGX'000	Technical structures UGX'000	Electromech equipment UGX'000	Office furniture and equipment UGX'000	IT and office equipment UGX'000	Mobile plant UGX'000	Total UGX'000
Cost or valuation								
At start of year	176,510,954	1,624,873,348	236,584,422	204,820,776	16,754,800	7,118,091	10,164,052	2,787,133,165
Additions	3,970,312	-	1,856,687	14,058,168	3,795,747	1,362,739	512	63,459,771
Transfer from WIP	-	501,018,861	80,177,328	140,103,037	2,669,592	2,328,783	1,942,729	864,996,680
At end of year	180,481,266	2,125,892,209	318,618,437	358,981,981	23,220,139	10,809,613	12,107,293	3,715,589,616
Accumulated depreciation								
At start of year	-	142,553,683	18,570,094	24,337,656	9,181,168	3,818,033	6,576,187	237,934,095
Charge for the year	-	62,722,048	11,773,280	18,202,322	5,358,195	2,564,464	2,841,221	120,795,335
At end of year	-	205,275,731	30,343,374	42,539,978	14,539,363	6,382,497	9,417,408	358,729,430
Net book value	180,481,266	1,920,616,479	288,275,063	316,442,003	8,680,777	4,427,116	2,689,885	3,356,860,186

17. Capital work in progress

	2022 UGX'000	Additions	Capitalized	2023 UGX'000
Work in progress	41,678,405	58,367,219	61,209,119	38,836,505
Gulu - IPILC	9,151,905	29,636,483		38,788,388
Albertine graben Hoima	2,675,165	-	-	2,675,165
Water Management Development Programme	2,899,692	-	-	2,899,692
Development of Water and Sanitation in Mbarara	28,356,245	25,079,466		53,435,711
Fort portal Water production	2,428,669	-	-	2,428,669
Kampala WS & SP	2,528,378	-	-	2,528,378
Kampala Sanitation Project	445,293		23,408	421,885
Kapeeka upgrade	7,348,491	1,936,765	9,285,256	-
Sembabule Water Project	12,130,120	-	-	12,130,120
IWMDP	3,405,192	4,832,667	-	8,237,859
KW-LV WATSAN Project	51,317,231	30,646,955	-	81,964,186
Hoima Water Production improvement.	1,318,696	3,679,130	-	4,997,826
Lyantonde Water Supply Project	2,196,415	10,645,463	-	12,841,878
Kalungu Water Supply Project	-	6,783,705	-	6,783,705
Kyankwanzi water supply project	-	3,598,308	-	3,598,308
Bushenyi water supply	-	2,739,077	-	2,739,077
	167,879,895	177,945,238	70,517,783	275,307,350

This pertains to the disbursement of funds to various contractors engaged in construction and consulting services, which encompass design and project supervision. The Corporation receives financial support from multiple donors who contribute funds for specific projects.

18. Right of use assets

Year ended 30 June 2023	Leasehold land UGX'000	Vehicles UGX'000	Buildings UGX'000	Total UGX'000
Cost				
At start of year	4,448,562	7,351,303	1,111,976	12,911,841
Additions		2,212,123	314,443	2,526,567
At end of year	4,448,562	9,563,426	1,426,419	15,438,408
Depreciation				
At start of year	419,355	2,450,435	277,994	3,147,784
Charge for the year	88,872	3,003,426	389,209	3,481,507
At end of year	508,227	5,453,861	667,203	6,629,291
Net book value	3,940,335	4,109,566	759,216	8,809,117

Year ended 30 June 2022	Leasehold land UGX'000	Vehicles UGX'000	Buildings UGX'000	Total UGX'000
Cost				
At start of year	4,349,420	7,351,303	1,015,930	12,716,653
Additions	99,142	-	96,046	195,188
At end of year	4,448,562	7,351,303	1,111,976	12,911,841
Depreciation				
At start of year	331,542	-	-	331,542
Charge for the year	87,813	2,450,435	277,994	2,816,242
At end of year	419,355	2,450,435	277,994	3,147,784
Net book value	4,029,207	4,900,868	833,982	9,764,057

19. Inventories

	2023 UGX'000	2022 UGX'000
Stationery	556,888	561,519
Chemicals	10,937,128	2,298,049
Pipes and fittings	28,189,876	27,220,564
Pump spares	3,016,050	8,144,816
Fuel & lubricants	-	191,566
Provision for slow moving stock	(279,715)	(261,416)
Total inventories	42,420,227	38,155,099

Notes to the Financial Statements continued ▶

20. Trade and other receivables

	2023 UUGX '000	2022 UUGX '000
Trade receivables	200,502,488	159,836,434
Less: expected credit losses	(10,362,186)	(8,468,320)
Net trade receivables	190,140,301	151,368,113
Prepayments	1,136,427	1,344,163
Other receivables	168,006,449	47,821,581
Accrued VAT	4,642,683	11,976,079
Trade and other receivables	363,925,860	212,509,937

	2023			2022		
Trade and other receivables	Gross amount UGX'000	ECL allowance UGX'000	Carrying amount UGX'000	Gross amount UGX'000	ECL allowance UGX'000	Carrying amount UGX'000
Trade receivables	200,502,488	(10,362,186)	190,140,301	159,836,434	(8,468,320)	151,368,113
Prepayments	1,136,427	-	1,136,427	1,344,163	-	1,344,163
Other receivables	168,006,449	-	168,006,449	47,821,581	-	47,821,581
Accrued VAT	4,642,683	-	4,642,683	11,976,079	-	11,976,079
	374,288,047	(10,362,186)	363,925,860	220,978,257	(8,468,320)	212,509,937

The carrying amounts of the Corporation's trade and other receivables are approximates their fair value.

	2023 UGX'000	2022 UGX'000
Movement in ECL impairment allowance		
At start of year	8,468,320	7,151,757
Provision for the year	3,645,350	2,988,491
Bad debt write offs	(1,751,484)	(1,671,928)
At end of year	10,362,186	8,468,3 20

21. Cash and cash equivalents

Cash in hand	2,068,072	8,449,836
Cash held with other banks	7,150,225	8,337,126
Bank of Uganda project accounts	283,715,911	281,741,431
	292,934,209	298,528,393
Bank of Uganda project accounts breakdown as follows;		
KW-WATSAN 1	97,258,485	122,600,544
KW WATSAN 2	3,652,200	15,548,611
South Western Cluster water	98,234,388	115,765,734
WMDP (IWMDP) Project	84,570,838	27,826,541
	283,715,911	281,741,431

For purposes of the statement of cash flows the year end cash and cash equivalents comprise the above. The Corporation's cash and bank balances are held with major Ugandan financial institutions.

Notes to the Financial Statements continued ▸

22. Trade and other payables

	2023 UGX'000	2022 UGX'000
Trade payables	107,891,138	84,527,032
Accruals	44,571,566	39,846,503
Project accruals	34,582,469	56,753,021
Rechargeable works	1,271,758	2,355,268
Retention money	15,524,734	24,711,662
Value Added Tax	4,503,516	10,795,985
Customer deposits	20,941,164	23,390,342
Total trade and other payables	229,286,345	242,379,813

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value.

The carrying amounts of the Corporation's trade and other payables are denominated in Uganda Shillings

23. Cash from operations

		2023 UGX'000	2022 UGX'000
Reconciliation of profit/loss before tav from/(used in) operations			
Profit/(loss) before tax		21,009,459	(11,074,226)
Adjustments for:			
Depreciation on property, plant and equipment	16	94,813,210	120,795,336
Amortisation of right of use assets	17	3,481,507	2,816,242
Amortisation on intangible assets	15	409,666	460,437
Deferred income	3	(79,761,556)	(91,571,697)
Decrease in provision for obsolete stock	19	(18,299)	(27,067)
Stock write down		-	13,677
Bad debts-water services written off	20	1,751,484	1,678,148
Impairment of receivables	20	3,645,350	2,988,491
Interest income	4	(141,224)	(143,307)
Interest on terminal benefits	11	98,369	144,866
Loan interest expense		10,800,943	8,476,678
Interest on lease liabilities	14	950,291	1,269,492
System adjustment		(24,090,540)	175
Transfer from WIP	16	(56,612,678)	-
Increase in provision for retirement benefit obligations	11	25,327,681	23,497,564
Unrealised exchange (gain)/loss		(457,281)	126,626
Changes in working capital:			
- inventories	19	(4,246,829)	(6,315,273)
- trade and other receivables	20	(153,167,407)	(47,369,576)
- annual terminal benefits	11	(13,980,970)	(20,141,592)
- trade and other payables	22	(13,550,749)	41,359,683
Cash (used in)/ from operations		(183,739,573)	26,984,677

Notes to the Financial Statements continued ▶

24. Related party transactions and balances

The Corporation is wholly owned by the Government of Uganda.

Being the sole distributor of water in the Country, the Corporation supplies water to all Government institutions that are connected to the water network.

The following transactions were carried out with related parties:
i) Sale of goods and services to government institutions
ii) Purchase of goods and services from government institutions
iii) Outstanding balances to government institutions.

i) **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:

	2023 UGX'000	2022 UGX'000
Salaries and other employee benefits	2,914,061	2,664,561
Termination benefits	716,372	651,475
Bonus	-	82,086
Total key management compensation	3,630,433	3,398,122

ii) **Directors' benefits and other remuneration**

Salaries and Benefits to the Managing Director.	555,600	569,208
Retainer fees and benefits to Non-Executive Directors	419,760	328,644
	975,360	897,852

25. Captive investment

	2023 UGX'000	2022 UGX'000
At start of year	171,816	60,000
Additions	1,857,092	111,816
At end of year	2,028,908	171,816

Subsidiary	Principal activity	Holding
National Water and Sewerage Corporation Insurance Company (SMC)	Insurance	100%

The Corporation incorporated the NWSC Insurance Company (SMC) to manage its risks and investments. The Company is wholly owned by the Corporation. As at the end of the FY2021/22, the Corporation had already invested UGX 133.8 million on shares of the firm. The Company only operated for one month in the FY2021/22 and the amount spent was treated as an investment for which shares will be allotted. The Company was incorporated in the year 2022/2023 but has not yet been licensed.

26. Deferred income

	2023 UGX'000	2022 UGX'000
Non-current	2,184,549,229	2,002,059,507
Current	49,121,971	48,914,452
At end of year	2,233,671,200	2,050,973,959

Amounts in UGX'000

Projects	At start of year UGX '000'	Revenue grant amortised during the year UGX '000'	Capital grant amortised during the year UGX '000'	Additions		At end of year
				Donor	GOU	
Kampala Sanitation Project (KFW/AFD)	506,394,572	-	(14,305,679)	-	4,820,000	496,908,893
AFD Donor Fund LV WATSAN	405,196,768	-	-	-	-	405,196,768
WATSAN Project AFD/KFW/EU	687,921,611	-	(25,691,232)	23,868,223	797,088	686,895,690
Water Management Development Project (IDA)	167,831,591	-	(4,176,155)	-	1,300,000	164,955,437
Intergrated Program to Improve Living Conditions (KFW/IDA)	37,314,682	-	(688,116)	32,661,031	-	69,287,598
Intergrated Water Management Development Project (IDA/KFW)	30,207,621	-	-	96,335,625	-	126,543,246
Kampala South Water and Sanitation Project (DANIDA)	2,118,440	-	-	-	-	2,118,440
South Western Cluster Water and Sanitation Project (AFD)	130,703,359	-	-	77,444,851	-	208,148,211
Water for Virunga	5,289,982	(5,289,982)	-	-	-	-
Donor Grant Funds GTZ	456,674	-	(12,019)	-	-	444,656
Donor Grant Funds SIG	34,370,797	-	(2,000,715)	-	-	32,370,081
Donor Funds	6,481,970	-	(417,395)	-	-	6,064,575
Donor Funds	3,319,293	-	(154,898)	-	-	3,164,395
Donor Funds EDF	4,631,514	-	(264,192)	-	-	4,367,322
Donor Grant Spencon	18,481,501	-	(974,889)	-	-	17,506,612
Donor Fund Urban Poor	4,982,583	-	(189,212)	-	-	4,793,371
Donor Grants AFD	4,833,725	-	(230,177)	-	-	4,603,548
Donor Grants IDA-LVEMP	-	-	-	-	-	-
Donor Funds- IDA -STWSP	213,277	-	(17,293)	-	-	195,984
OBA Project Grant A/C	-	-	-	-	-	-
Grants from other sources		(957,053)	-	957,053	-	-
GOU Contribution to Projects (Includes SCAP100)	223,997	(24,392,550)	-	-	24,274,925	106,372
Total	**2,050,973,959**	**(30,639,585)**	**(49,121,971)**	**231,266,784**	**31,192,013**	**2,233,671,200**

Notes to the Financial Statements continued ▶

27. Risk management objectives and policies

Financial risk management

The Corporation's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

- Foreign exchange risk

The Corporation is exposed to foreign exchange risk arising from currency exposure primarily with respect to the Euros. The risk arises from future transactions, assets and liabilities in the statement of financial position date.

The table below summarizes the effect on post-tax loss and components of equity had the Uganda Shilling weakened by 10% against the Euros, with all other variables held. If the Uganda shilling strengthened against each currency, the effect would have been the opposite.

	2023 UGX'000	2022 UGX'000
Effect on profit - decrease	153,358,811	196,992,399

A 10% sensitivity rate is being used when reporting foreign risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The carrying amounts of the Corporation's cash and cash equivalents are denominated in the following currencies:

	2023 UGX'000	2022 UGX'000
Uganda Shillings	9,160,662	14,330,045
Naira	32,656	61,154
US Dollars	84,573,603	28,302,910
Euros	199,167,288	255,834,284
	292,934,209	298,528,393

(b) Credit risk

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

Credit risk refers to the potential loss that a lender or investor may incur due to the failure of a borrower to repay a loan or meet their financial obligations.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilization of credit limits is regularly monitored.

Notes to the Financial Statements continued ▶

27. Risk management objectives and policies (continued)

(b) Credit risk (continued)

In assessing whether the credit risk on a financial asset has increased significantly, the Corporation compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Corporation considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

The leases expiring within one year are subject to review at various rates during the next financial year.

The exposure of the Company's leases to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	2023 UGX'000	2022 UGX'000
Over 5 years	15%	15%

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

Basis for measurement of loss allowance	Lifetime expected credit losses	
As at 30 June	2023 UGX'000	2022 UGX'000
Trade receivables	200,502,488	159,836,434
Other receivables	168,006,449	47,821,581
Cash at bank	2,068,072	8,449,836
Gross carrying amount	370,577,009	216,107,851
Loss allowance	(10,362,186)	(8,468,320)
Exposure to credit risk	360,214,823	207,639,530

Notes to the Financial Statements continued ▸

27. Risk management objectives and policies (continued)

Financial risk management (continued)

(b) Credit risk (continued)

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analyzed above based on their credit risk ratings as follows:

a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
b) financial assets that are credit impaired at the balance sheet date;
c) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

Year ended 30 June 2023	Cash and cash equivalents UGX'000	Trade receivables UGX'000	Total UGX'000
At start of year	292,934,209	363,925,860	656,860,069
Changes relating to assets	-	-	-
At end of year	292,934,209	363,925,860	656,860,069

Year ended 30 June 2022	Cash and cash equivalents UGX'000	Trade receivables UGX'000	Total UGX'000
At start of year	298,528,393	212,509,937	511,038,330
Changes relating to assets	-	-	-
At end of year	298,528,393	212,509,937	511,038,330

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Corporation's management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Corporation's liquidity reserve on the basis of cash flow forecasts.

The maturity analysis of Corporation's trade and other payables is as follows:

Year ended 30 June 2023	0 to 1 month UGX'000	2 to 3 months UGX'000	4 to 12 months UGX'000	Total UGX'000
Trade payables	10,789,096	32,367,287	64,734,574	107,890,956
Customer deposits	20,941,164	-	-	20,941,164
Accruals and provisions	79,154,036	-	-	79,154,036
Other payables	21,300,008	-	-	21,300,008
	132,184,303	32,367,287	64,734,574	229,286,163

Notes to the Financial Statements continued ▶

27. Risk management objectives and policies (continued)

Financial risk management (continued)

(c) Liquidity risk (continued)

Year ended 30 June 2022	0 to 1 month UGX'000	2 to 3 months UGX'000	4 to 12 months UGX'000	Total UGX'000
Trade payables	8,452,703	25,358,110	50,716,219	84,527,032
Customer deposits	23,390,342	-	-	23,390,342
Accruals	96,599,524	-	-	96,599,524
Other payables	37,862,915	-	-	37,862,915
	166,305,484	25,358,110	50,716,219	242,379,813

The table below discloses the undiscounted maturity profile of the Corporation's financial liabilities:

Year ended 30 June 2023	Between 0-3 months UGX'000	Between 3-12 months UGX'000	More than 5 years UGX'000	Total UGX'000
- Borrowings	-	-	26,497,233	26,497,233
- Trade and other payables	132,184,303	97,101,861	-	229,286,163
- Lease liabilities	1,900,200	-	2,319,709	-
Year ended 30 June 2022				
- Borrowings	-	-	37,629,925	37,629,925
- Trade and other payables	166,305,484	76,074,329	-	242,379,813
- Lease liabilities	1,874,960		2,221,102	0

28. Capital management

Internally imposed capital requirements

The Corporation's objectives when managing capital are:

- to comply with the capital requirements set out by the Corporation's lenders;
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to maintain an optimal capital structure to reduce the cost of capital.

The Corporation sets the amount of capital in proportion to risk. The Corporation manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may sell assets to reduce debt. Consistently with others in the industry, the Corporation monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as an of Net debt/capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. Government funding, revaluation reserves and retained earnings).

28. Capital management (continued)

Internally imposed capital requirements (continued)

The gearing ratios at 30 June 2023 and 2022 were as follows:	2023 UGX'000	2022 UGX'000
Total borrowings (Note 11)	114,027,862	53,819,151
Less cash and cash equivalents (Note 18)	(292,934,209)	(298,528,393)
Net debt	(178,906,347)	(244,709,242)
Total equity	1,437,542,119	1,392,543,614
Gearing ratio	-0.12	-0.18

Externally imposed capital requirements

The Corporation's bankers have established certain guidelines for the management of capital and working capital. These are

- dividend pay-outs and any changes in the capital structure of the Corporation must first be approved in writing by the bankers.

29. Presentation currency

The financial statements are presented in Uganda Shillings (UGX) rounded off to the nearest thousand (UGX. 000).

30. Contingent liabilities

The Corporation is involved in a number of legal suits which were yet to be concluded upon by the date of authorization of these financial statements. Management continually monitors all potential, threatened and actual legal cases and assesses the exposure to the Corporation, if any. Management is confident that any exposure to the Corporation is adequately covered and those considered as contingencies are assessed as not likely to crystallize.

31. Capital commitments

The Corporation is fully committed to implementing water infrastructure projects in order to meet the ever growing demand for their services.There are six broad categories of infrastructure projects in the Corporation, namely;

	2023 UGX'000
Capital expediture implemented by areas	34,313,881
Capital projects-implemented by head office	5,700,000
NWSC contribution to major capital projects	8,050,000
Contributions by GOU to major capital projects	215,005,799
Contributions by Development partners to major capital projects	531,212,000
	794,281,680

The Board approved an allocation of UGX 794 billion for the implementation of capital projects in the year 2023/2024.

32. Events after the reporting period

There were no events adjusting or non-adjustable which would require a disclosure in the financial statements.

Schedule Of Expenditure

	2023 UGX'000	2022 UGX'000
1 Employee benefit expenses		
Basic pay	81,226,214	76,591,901
Housing expense	18,614,543	17,500,073
Medical expense	9,141,840	10,040,589
National Social Security Fund contributions	12,357,199	11,727,591
Lunch and transport allowance	7,451,114	7,061,862
Car and cycle allowance	9,793,230	8,865,288
Performance/attendance bonus and overtime	3,726,804	3,512,004
Work bonus	290,480	1,886,177
Leave transport and allowance	2,677,426	2,544,353
Annual terminal benefits	25,327,681	23,497,564
Shift allowance	515,653	490,117
Terminal benefits interest	98,369	144,866
Provident fund	4,497,773	3,404,627
Workmen's compensation	-	10,900
Funeral expenses	397,011	294,748
Total employee benefits expenses	176,115,337	167,572,661
2. Administrative expenses		
Board expenses	2,316,156	2,563,975
Meeting expenses	7,309,985	3,921,332
Local travels	21,953,208	13,450,303
Foreign travels	2,999,636	723,941
Publicity	13,238,670	12,575,536
Entertainment	184,201	2,439
General insurance	28,140	58,340
Legal and professional expenses	1,017,144	1,048,230
Training expenses and allowances	2,493,596	4,037,519
Donations and subscriptions	2,352,571	1,685,670
Lunch and transport	22,879,058	16,286,923
Contribution to staff sports	310,890	217,314
Process bench marking	-	6,096
Security	5,410,529	5,563,604
Bad debts - water services written off	-	1,671,928
Staff transfer	330,723	378,223
Other professional charges	3,028,009	1,872,828
Bank charges	443,367	375,499
Research expense	10,945	-
Performance review expenses	3,757	4,019
Audit fees	231,363	191,651
Courier	-	355
Stock write down	-	13,677
Systems adjustments	(24,090,776)	175
Increase in provision for obsolete stock	18,299	27,067
Total administrative expenses	62,469,470	66,676,644
3. Static plant and pipe network expense		
Electricity	79,568,431	73,739,894
Plant repairs & maintenance	8,474,123	7,177,326
Pipe network repairs & maintenance	16,962,820	21,855,586
Fuel and lubricants	7,344,567	5,308,539
Insurance	-	2,787
Sand	204,845	217,973
Disludging Sewerage Ponds	292,547	126,027
Water abstraction permits	111,024	257,364
Catchment Restoration	289,274	159,956
	113,247,631	108,845,453

Schedule Of Expenditure cont'd

	2023 UGX '000	2022 UGX '000
4. Supplies and services expenses		
Water treatment chemicals	25,841,478	22,176,589
Equipment repairs and minor purchase	406,536	375,826
Printing, stationery and publications	3,311,398	3,449,871
Tools and light plant	418,408	382,954
Uniforms and protective wear	1,223,171	1,135,172
Computer license	877,728	661,016
Lease of data communication links	963,129	879,407
Office supplies	3,414,161	2,801,741
Laboratory equipment and reagents	565,070	321,954
Laboratory equipment	40,715	39,466
	37,061,793	32,223,996
5. Premises expenses		
Repairs and maintenance	6,111,574	4,807,514
Cleaning materials	1,047,917	1,017,008
Electricity	814,165	693,524
Water	276,327	229,244
Fixtures and fittings	292,294	368,082
Property Insurance	-	-
Rent, rates and telephone	2,557,676	2,502,210
	11,099,953	9,617,582
6. Transport and mobile plant expenses		
Fuel and lubricants	12,149,583	9,685,415
Repairs and maintenance	1,822,389	1,470,193
Hire of transport	1,268,948	311,401
Insurance	-	13,966
License, road toll and taxes	150,519	121,178
	15,391,439	11,602,154
7. Finance costs		
Exchange (gain)/loss	(457,281)	115,251
Interest on Long term loan	10,800,943	8,361,428
Interest on right of use assets	950,291	1,269,492
	11,293,952	9,746,170
8. Depreciation and amortisation		
Depreciation on property, plant and equipment (Note 15)	94,813,210	120,795,336
Amortisation of intangibles (Note 18)	409,666	460,437
Amortisation of right of use(Note 17)	3,481,509	2,816,241
	98,704,385	124,072,014

Period covered: 12 Months

		2023 UGX	2022 UGX
Profit/(Loss) before tax as per financial statement		21,009,459,167	(11,074,226,060)
Add:			
	Depreciation	94,813,210,338	120,795,335,723
	Amortisation of right to use assets	3,481,508,685	-
	Amortisation of intangible assets	409,665,600	460,437,000
	Donations	2,021,543,783	1,481,785,422
	Funeral expenses	397,011,128	294,748,478
	Entertainment	184,200,786	2,439,150
	Contribution to staff loans	310,889,710	-
	Provision for gratuity	310	-
	Office supplies	3,414,161,450	24,836,389
	Increase in bad debt provision	3,645,349,883	996,644,507
	Bad debts written off	1,751,483,877	-
	Interest on lease liability	950,291	-
	Provision for slow moving stock	-	27,067,461
	Legal fees	-	126,810,216
		131,439,435,007	113,135,878,286
Less:			
	Industrial buildings allowances	21,205,147,164	20,721,194,457
	Wear and tear allowance	213,166,828,359	262,452,917,339
	Minor Capital allowance	101,595,816	188,155,669
	Initial allowance	30,665,809,834	50,257,222,685
	Non chargeable deferred income	79,761,555,785	91,571,696,762
	Rental income taxed separately	128,123,719	116,831,783
	Lease liability payments	3,684,850,814	-
		348,713,911,491	425,308,018,695
TAX LOSS BROUGHT FORWARD		(734,139,660,307)	(421,967,519,898)
ADJUSTED TAX LOSS FOR THE YEAR		(217,274,476,483)	(312,172,140,409)
ADJUSTED TAX LOSS CARRIED FORWARD		(951,414,136,790)	(734,139,660,307)
Tax at 30%		NIL	NIL
Rental income			
Rental income as per the financial statements		128,123,719	116,831,783
Rental income taxable		128,123,719	116,831,783
Tax at 30%		38,437,116	35,049,535

Wear and tear schedule

	Class (i) 40% UGX	Class (ii) 20% UGX	Total UGX
Written down values 01/07/2022	2,044,555,111	1,044,359,522,391	1,046,404,077,502
Additions at cost	1,873,879,977	64,054,854,800	65,928,734,777
Minor capex now expensed	(3,934,000)	(97,661,816)	(101,595,816)
Adjusted additions at cost(i)	1,869,945,977	63,957,192,984	65,827,138,961
Non qualifying additions for initial allowance	38,264,840	21,319,241,129	21,357,505,969
Motor vehicle ceiling capped out & office furniture	-	(4,010,261,629)	(4,010,261,629)
Net non-qualifying additions for initial allowance(ii)	38,264,840	17,308,979,500	17,347,244,340
Qualifying additions for initial allowance, but depreciation deferred (i-ii)	1,831,681,137	46,648,213,484	48,479,894,621
Sub total	2,082,819,951	1,061,668,501,891	1,063,751,321,842
Wear and tear allowance	(833,127,980)	(212,333,700,378)	(213,166,828,359)
Written down values 30/06/2023	1,249,691,971	849,334,801,513	850,584,493,483

Industrial Building Allowance Years	Original cost UGX	Residue start of year UGX	Allowance 5% UGX	Residue cost end of year UGX
2004	845,325,000	84,532,500	42,266,250	42,266,250
2005	144,284,000	14,428,000	7,214,200	7,213,800
2006	519,163,000	77,874,500	25,958,150	51,916,350
2007	911,699,000	182,339,500	45,584,950	136,754,550
2008	1,478,955,000	369,738,500	73,947,750	295,790,750
2009	14,352,000	4,306,000	717,600	3,588,400
2010	375,987,000	131,595,000	18,799,350	112,795,650
2011	4,810,132,000	1,924,052,000	240,506,600	1,683,545,400
2012	32,214,000	14,496,000	1,610,700	12,885,300
2013	2,633,407,514	1,316,703,757	131,670,376	1,185,033,381
2014	32,436,819,280	17,840,250,604	1,621,840,964	16,218,409,640
2015	4,032,912,000	2,419,747,200	201,645,600	2,218,101,600
2016	285,578,807	185,626,225	14,278,940	171,347,285
2017	454,537,544	318,176,281	22,726,877	295,449,404
2018	10,253,160,567	7,689,870,426	512,658,028	7,177,212,398
2019	48,368,194,712	38,694,555,769	2,418,409,736	36,276,146,033
2020	136,342,987,331	115,891,539,231	6,817,149,367	109,074,389,864
2021	170,484,180,380	161,959,971,361	8,524,209,019	153,435,762,342
2022	10,538,741,673	9,449,800,018	526,937,084	8,922,862,934
Current expenditure	-	421,549,667	21,077,483	400,472,184
Rental building IBD	-	-	(64,061,860)	(64,061,860)
	424,962,630,808	358,991,152,539	21,205,147,164	337,657,881,655

Initial Allowance	Cost UGX	Building 20% UGX	Eligible PPE 50% UGX	Total UGX
Civil structures	5,304,571,598	1,060,914,320	-	4,243,657,278
	700,683,386	140,136,677	-	560,546,709
Electrical chemical	7,722,571,605	-	3,861,285,803	3,861,285,803
Information technology	1,831,681,137	-	915,840,569	915,840,569
Pipe works	34,735,380,250		17,367,690,125	17,367,690,125
Technical structures	4,533,486,689	906,697,338	-	3,626,789,351
Mobile plant(motor vehicle)	180,000,000		90,000,000	90,000,000
	55,008,374,665	2,107,748,335	22,234,816,496	30,665,809,834



Annexes and Key Contacts

ANNEX 1: Water Production (m³) and Capacity Utilization (%) for the FY 2022/23

Area	Practical Capacity m3/day	Total Water Produced	Average Production m3/day	Capacity Utilization (%)
Kampala	402,000	105,285,447	288,453	72%
Central Region				
Bugiri	509	102,557	281	55%
Buwama	1,680	320,474	878	52%
Bweyale	1,021	235,668	646	63%
Entebbe	29,500	9,654,746	26,451	90%
Iganga	1,504	176,377	483	32%
Jinja	30,600	9,442,126	25,869	85%
Kakumiro	376	44,749	298	79%
Kalungu	2,090	247,275	677	32%
Kamuli	1,490	221,536	607	41%
Kapeeka	5,428	733,885	2,011	37%
Kigumba	1,071	134,583	369	34%
Kyotera	2,662	663,678	1,818	68%
Lugazi	3,522	413,090	1,132	32%
Luweero	7,812	803,180	2,200	28%
Lwengo	913	278,157	762	83%
Masaka	8,272	2,698,779	7,394	89%
Mityana	2,500	854,873	2,342	94%
Mpigi	1,870	231,821	635	34%
Mubende	3,974	744,938	2,041	51%
Nakasongola	501	15,043	501	100%
Sembabule	2,649	428,948	1,175	44%
Sub Total	**109,944**	**28,446,483**	**78,572**	**71%**
Eastern Region				
Bukedea	658	99,086	271	41%
Kaabong	185	15,739	173	93%
Kaberamaido	259	75,398	207	80%
Kapchorwa	2,700	408,623	1,120	41%
Kotido	262	121,384	333	127%
Kumi	2,676	536,765	1,471	55%
Manafwa	6,400	215,921	592	9%
Mbale	12,344	2,972,984	8,145	66%
Moroto	1,461	320,978	879	60%
Soroti	12,660	1,881,842	5,156	41%
Tororo	14,003	1,701,091	4,661	33%
Sub Total	**53,608**	**8,349,811**	**23,006**	**43%**
Northern Region				
Adjumani	2,779	448,810	1,230	44%
Apac	3,129	275,610	755	24%
Arua	13,600	1,577,549	4,322	32%
Gulu	20,223	2,027,222	5,554	27%
Kitgum	3,944	390,700	1,070	27%
Koboko	1,800	350,555	960	53%
Lira	8,688	2,537,199	6,951	80%
Moyo	636	219,152	600	94%
Nebbi	2,607	838,658	2,298	88%
Pader	2,440	205,783	564	23%
Pakwach	1,500	412,449	1,130	75%
Sub Total	**61,346**	**9,283,687**	**25,435**	**41%**
Western & Southwestern				
Bunyangabu	1,800	530,543	1,454	81%
Bushenyi	4,419	1,225,159	3,357	76%
Fort Portal	7,822	1,535,675	4,207	54%
Hoima	8,868	599,244	1,642	19%
Ibanda	1,772	407,738	1,117	63%
Kabale	6,000	799,765	2,191	37%
Kamwenge	4,376	437,621	1,199	27%
Kanungu	4,528	543,072	1,488	33%
Kasese	3,827	1,304,331	3,574	93%
Kisoro	6,360	579,202	1,587	25%
Kyankwanzi	180	56,993	156	87%
Kyenjojo	3,020	169,981	466	15%
Lyantonde	2,788	641,097	1,756	63%
Masindi	4,000	995,397	2,727	68%
Mbarara	20,000	6,871,156	18,825	94%
Mitooma	814	217,570	596	73%
Mpondwe	6,535	495,367	1,357	21%
Ntoroko	1,120	132,047	362	32%
Ntungamo	3,126	502,731	1,377	44%
Rubirizi	30,000	275,463	755	3%
Ruhama	788	159,425	437	55%
Rukiga	368	69,069	189	51%
Rukungiri	2,116	263,701	722	34%
Rushere	470	187,891	515	110%
Sheema	4,330	415,511	1,138	26%
Sub Total	**129,427**	**19,415,749**	**53,194**	**41%**
TOTAL	**756,325**	**170,781,176**	**468,659**	**62%**

ANNEX 2: Volume of Water Supplied (m^3) and Water Sold (m^3) for the FY 2022/23

Area	Water Supplied m3	Water Sold m3	Billing Efficiency (%)	NRW (%)
Kampala	101,923,095	60,333,830	59%	41%
Central Region				
Bugiri	101,446	91,553	90%	10%
Buwama	259,842	217,694	84%	16%
Bweyale	234,995	206,652	88%	12%
Entebbe	8,571,727	6,119,670	71%	29%
Iganga	850,505	693,666	82%	18%
Jinja	7,741,555	6,346,607	82%	18%
Kakumiro	56,225	36,015	64%	36%
Kalungu	195,458	147,284	75%	25%
Kamuli	183,457	160,773	88%	12%
Kapeeka	669,490	583,865	87%	13%
Kigumba	135,070	122,964	91%	9%
Kyotera	514,291	382,476	74%	26%
Lugazi	413,090	338,455	82%	18%
Luweero	820,416	705,335	86%	14%
Lwengo	276,974	165,174	60%	40%
Masaka	2,504,834	1,795,731	72%	28%
Mityana	833,062	544,941	65%	35%
Mpigi	209,093	170,083	81%	19%
Mubende	734,873	603,548	82%	18%
Nakasongola	96,559	63,018	65%	35%
Sembabule	428,948	305,399	71%	29%
Sub Total	25,831,909	19,800,903	77%	23%
Eastern & Northern Region				
Bukedea	99,086	77,685	78%	22%
Kaabong	16,213	13,557	84%	16%
Kaberamaido	75,398	67,013	89%	11%
Kapchorwa	285,417	188,573	66%	34%
Kotido	121,384	104,002	86%	14%
Kumi	450,969	356,584	79%	21%
Manafwa	184,720	148,215	80%	20%
Mbale	2,766,626	2,041,472	74%	26%
Moroto	294,045	253,667	86%	14%
Soroti	1,555,138	1,234,540	79%	21%
Tororo	1,635,198	1,259,931	77%	23%
Sub Total	7,484,194	5,745,239	77%	23%
Northern Region				
Adjumani	389,909	295,954	76%	24%
Apac	244,589	206,817	85%	15%
Arua	1,577,549	1,245,829	79%	21%
Gulu	1,906,951	1,441,584	76%	24%
Kitgum	354,766	272,390	77%	23%
Koboko	334,566	253,894	76%	24%
Lira	2,282,757	1,654,248	72%	28%
Moyo	197,941	172,687	87%	13%
Nebbi	564,647	454,359	80%	20%
Pader	198,328	155,530	78%	22%
Pakwach	341,243	245,176	72%	28%
Sub Total	8,393,246	6,398,468	76%	24%
Western & Southwestern Region				
Bunyangabu	521,519	407,541	78%	22%
Bushenyi	977,272	708,883	73%	27%
Fort Portal	1,273,982	1,000,429	79%	21%
Hoima	564,180	416,182	74%	26%
Ibanda	381,639	308,019	81%	19%
Kabale	719,532	568,067	79%	21%
Kamwenge	517,734	353,671	68%	32%
Kanungu	543,072	401,401	74%	26%
Kasese	1,084,284	845,142	78%	22%
Kisoro	602,052	469,987	78%	22%
Kyankwanzi	55,976	54,699	98%	2%
Kyenjojo	136,739	108,360	79%	21%
Lyantonde	376,093	303,866	81%	19%
Masindi	938,334	700,538	75%	25%
Mbarara	6,599,046	4,059,946	62%	38%
Mitooma	199,650	151,781	76%	24%
Mpondwe	478,896	428,488	89%	11%
Ntoroko	104,026	79,456	76%	24%
Ntungamo	414,682	344,963	83%	17%
Rubirizi	275,463	210,937	77%	23%
Ruhama	166,557	129,931	78%	22%
Rukiga	68,732	58,955	86%	14%
Rukungiri	281,962	218,136	77%	23%
Rushere	241,302	205,566	85%	15%
Sheema	403,986	341,832	85%	15%
Sub Total	17,926,709	12,876,776	72%	28%
Total NWSC	161,559,152	105,155,216	65%	35%
Total Other Areas	59,636,058	44,821,386	75%	25%

ANNEX 3: Status of NWSC Pipe Network (Km) for the FY 2022/23

Area	Water Mains (Km)		Sewer Mains (km)	
	New Extensions	Total Pipe Network	New Extensions	Total Pipe Network
Kampala	**108.7**	**3,949.1**	**2.3**	**304.0**
Central Region				
Bugiri	3.0	97.2	0.0	0.0
Buwama	0.0	215.0	0.0	0.0
Bweyale	0.0	188.5	0.0	0.0
Entebbe	8.8	521.8	5.7	69.4
Iganga	0.0	384.5	0.0	6.2
Jinja	15.0	859.9	1.8	91.4
Kakumiro	0.2	71.0	0.0	0.0
Kalungu	18.0	134.9	0.0	0.0
Kamuli	2.2	155.7	0.0	0.0
Kapeeka	18.1	169.7	0.0	0.0
Kigumba	10.0	243.7	0.0	0.0
Kyotera	10.0	241.6	0.0	0.0
Lugazi	16.0	236.9	0.0	0.0
Luweero	0.0	672.3	0.0	0.0
Lwengo	6.5	230.0	0.0	0.0
Masaka	10.1	379.0	0.8	27.2
Mityana	4.0	279.0	0.0	0.0
Mpigi	0.0	155.0	0.0	0.0
Mubende	0.0	290.4	0.0	0.0
Nakasongola	4.0	134.6	0.0	0.0
Sembabule	13.2	369.8	0.0	0.0
Sub Total	**139.1**	**6,030.4**	**8.3**	**194.1**
Eastern Region				
Bukedea	0.3	137.5	0.0	0.0
Kaabong	0.0	47.7	0.0	0.0
Kaberamaido	11.3	96.3	0.0	0.0
Kapchorwa	0.0	306.3	0.0	0.0
Kotido	0.0	49.0	0.0	0.0
Kumi	7.1	620.1	0.0	0.0
Manafwa	0.0	109.3	0.0	0.0
Mbale	0.9	298.0	0.0	37.4
Moroto	0.0	489.1	0.0	0.0
Soroti	5.2	174.2	0.0	25.1
Tororo	0.0	86.0	1.6	36.7
Sub Total	**24.7**	**2,413.3**	**1.6**	**99.2**
Northern Region				
Adjumani	0.0	143.4	0.0	0.0
Apac	3.0	171.7	0.0	0.0
Arua	50.0	579.9	0.7	36.6
Gulu	5.9	306.1	0.5	18.1
Kitgum	5.9	145.7	0.0	0.0
Koboko	5.2	127.7	0.0	0.0
Lira	5.0	343.8	0.0	23.3
Moyo	2.0	87.4	0.0	0.0
Nebbi	15.9	140.7	0.0	0.0
Pader	8.0	283.3	0.0	0.0
Pakwach	5.0	206.4	0.0	0.0
Sub Total	**105.8**	**2,536.0**	**1.2**	**78.0**
Western & Southwestern Region				
Bunyangabu	0.0	472.4	0.0	0.0
Bushenyi	32.4	237.6	0.0	0.0
Fort Portal	0.0	320.9	0.0	2.1
Hoima	0.6	275.6	1.5	10.1
Ibanda	20.6	321.7	0.0	0.0
Kabale	0.0	364.4	0.0	18.0
Kamwenge	4.9	502.4	0.0	0.0
Kanungu	10.4	508.5	0.0	0.0
Kasese	2.5	240.0	0.0	0.0
Kisoro	10.0	333.5	1.0	5.5
Kyankwanzi	0.0	26.0	0.0	0.0
Kyenjojo	21.0	101.0	0.0	0.0
Lyantonde	8.0	354.5	0.0	0.0
Masindi	9.5	337.6	0.0	16.2
Mbarara	7.6	826.8	0.7	34.7
Mitooma	2.0	110.3	0.0	0.0
Mpondwe	0.0	144.4	0.0	0.0
Ntoroko	3.4	76.1	0.0	0.0
Ntungamo	9.6	375.6	0.0	0.0
Rubirizi	21.0	130.9	0.0	0.0
Ruhama	11.9	292.4	0.0	0.0
Rukiga	0.0	154.0	0.0	0.0
Rukungiri	1.7	347.4	0.0	0.0
Rushere	12.1	437.7	0.0	0.0
Sheema	21.1	426.0	0.0	0.0
Sub Total	**210.2**	**7,717.6**	**3.2**	**86.7**
TOTAL	**588.5**	**22,646.3**	**16.5**	**761.9**

ANNEX 4: Status of Water Connections for the FY 2022/23

Area	New Water Connections	Total Accounts	Active Accounts	Inactive Accounts	Metered Accounts	% Inactive Accounts	% Metered Accounts
Kampala	21,329	411,750	356,851	54,899	411,750	13%	100%
Central Region							
Bugiri	118	1,869	1,389	480	1,869	26%	100%
Buwama	261	3,239	3,130	109	3,239	3%	100%
Bweyale	261	2,684	2,488	196	2,684	7%	100%
Entebbe	2659	46,407	39,118	7,289	46,407	16%	100%
Iganga	540	11,211	8,882	2,329	11,211	21%	100%
Jinja	1887	37,015	30,541	6474	37,015	17%	100%
Kakumiro	84	1,120	1,041	79	1,120	7%	100%
Kalungu	175	2,810	2,467	343	2,810	12%	100%
Kamuli	134	3,661	3,024	637	3,661	17%	100%
Kapeeka	280	3,339	3,202	137	3,339	4%	100%
Kigumba	134	2,284	1,842	442	2,284	19%	100%
Kyotera	333	6,822	6,073	749	6,822	11%	100%
Lugazi	313	5,470	4,779	691	5,470	13%	100%
Luweero	605	11,517	10,098	1419	11,517	12%	100%
Lwengo	144	3,280	2,810	470	3,280	14%	100%
Masaka	979	19,086	15,360	3726	19,086	20%	100%
Mityana	536	7676	6744	932	7676	12%	100%
Mpigi	210	3178	2708	470	3178	15%	100%
Mubende	396	6,770	5,897	873	6,770	13%	100%
Nakasongola	51	1,478	1,369	109	1,478	7%	100%
Sembabule	395	2,931	2,768	163	2,931	6%	100%
Sub Total	10,495	183,847	155,730	28,117	183,847	16%	100%
Eastern Region							
Bukedea	85	1,280	975	305	1,280	24%	100%
Kaabong	-	559	411	148	559	26%	100%
Kaberamaido	96	936	755	181	936	19%	100%
Kapchorwa	284	2,892	2,655	237	2,892	8%	100%
Kotido	82	668	441	227	668	34%	100%
Kumi	330	3,904	3,455	449	3,904	12%	100%
Manafwa	398	5,977	4,595	1,382	5,977	23%	100%
Mbale	1,507	22,283	18,151	4,132	22,283	19%	100%
Moroto	124	1650	1316	334	1650	20%	100%
Soroti	582	10,705	7791	2914	10,705	27%	100%
Tororo	695	15,367	10682	4685	15,367	30%	100%
Sub Total	4,183	66,221	51,227	14,994	66,221	23%	100%
Northern Region							
Adjumani	373	3,878	3,295	583	3,878	15%	100%
Apac	184	2,982	2,848	134	2,982	4%	100%
Arua	713	11,589	8,875	2,714	11,589	23%	100%
Gulu	1408	12,758	11,328	1430	12,758	11%	100%
Kitgum	236	5,031	4,341	690	5,031	14%	100%
Koboko	191	2,526	2,160	366	2,526	14%	100%
Lira	834	17,023	13,088	3935	17,023	23%	100%
Moyo	136	2,916	2,668	248	2,916	9%	100%
Nebbi	321	6,124	5,140	984	6,124	16%	100%
Pader	153	3,751	2,869	882	3,751	24%	100%
Pakwach	157	2,285	1,739	546	2,285	24%	100%
Sub Total	4,706	70,863	58,351	12,512	70,863	18%	100%
Western & Southwestern Region							
Bunyangabu	251	5,007	4,320	687	5,007	14%	100%
Bushenyi	838	9,332	8,695	637	9,332	7%	100%
Fort Portal	706	13,064	12,002	1,062	13,064	8%	100%
Hoima	277	7,015	5,647	1368	7,015	20%	100%
Ibanda	235	6,139	5,287	852	6,139	14%	100%
Kabale	386	8,053	6,337	1716	8,053	21%	100%
Kamwenge	468	6,431	5,962	469	6,431	7%	100%
Kanungu	411	6,530	5,764	766	6,530	12%	100%
Kasese	457	9,615	8,178	1437	9,615	15%	100%
Kisoro	369	5329	4964	365	5329	7%	100%
Kyankwanzi	52	221	215	6	221	3%	100%
Kyenjojo	98	2,046	1,940	106	2,046	5%	100%
Lyantonde	136	3,231	2,683	548	3,231	17%	100%
Masindi	372	7,434	6,331	1103	7,434	15%	100%
Mbarara	2469	35360	30892	4468	35360	13%	100%
Mitooma	315	2850	2700	150	2850	5%	100%
Mpondwe	259	4,681	3,979	702	4,681	15%	100%
Ntoroko	77	831	679	152	831	18%	100%
Ntungamo	370	5,558	4,723	835	5,558	15%	100%
Rubirizi	151	2,145	1,946	199	2,145	9%	100%
Ruhama	162	2,595	1,643	952	2,595	37%	100%
Rukiga	129	1,252	1,231	21	1,252	2%	100%
Rukungiri	236	4,863	4,306	557	4,863	11%	100%
Rushere	192	2,860	2,788	72	2,860	3%	100%
Sheema	462	6,976	6,366	610	6,976	9%	100%
Sub Total	9,878	159,418	139,578	19,840	159,418	13%	100%
TOTAL	50,591	892,099	761,737	130,362	892,099	15%	100%

ANNEX 5: Status of Pro-Poor Connections for the FY 2022/23

Area	New PSPs	Active PSPs	Inactive PSPs	Total PSPs
Kampala	1,060	5,378	2,532	7,910
Central Region				
Bugiri	12	64	13	77
Buwama	11	202	1	203
Bweyale	30	255	6	261
Entebbe	23	410	17	427
Iganga	49	638	24	662
Jinja	101	1385	71	1456
Kakumiro	4	69	3	72
Kalungu	10	91	0	91
Kamuli	10	183	22	205
Kapeeka	24	150	0	150
Kigumba	17	105	6	111
Kyotera	6	219	17	236
Lugazi	11	202	14	216
Luweero	25	263	26	289
Lwengo	11	178	17	195
Masaka	25	370	29	399
Mityana	25	369	0	369
Mpigi	14	71	3	74
Mubende	19	256	7	263
Nakasongola	5	72	0	72
Sembabule	30	166	1	167
Sub Total	462	5,718	277	5,995
Eastern Region				
Bukedea	4	47	0	47
Kaabong	0	14	3	17
Kaberamaido	4	49	4	53
Kapchorwa	26	126	13	139
Kotido	6	35	16	51
Kumi	25	151	7	158
Manafwa	41	266	38	304
Mbale	114	800	84	884
Moroto	6	68	42	110
Soroti	9	370	85	455
Tororo	70	825	331	1156
Sub Total	305	2,751	623	3,374
Northern Region				
Adjumani	2	77	14	91
Apac	12	260	3	263
Arua	7	272	69	341
Gulu	27	257	34	291
Kitgum	34	139	9	148
Koboko	7	137	8	145
Lira	44	685	123	808
Moyo	8	78	14	92
Nebbi	8	331	22	353
Pader	14	145	21	166
Pakwach	22	170	5	175
Sub Total	185	2,551	322	2,873
Western & Southwestern Region				
Bunyangabu	8	379	52	431
Bushenyi	162	964	16	980
Fort Portal	12	399	45	444
Hoima	15	177	17	194
Ibanda	12	202	15	217
Kabale	47	299	58	357
Kamwenge	73	732	42	774
Kanungu	74	935	79	1014
Kasese	14	215	11	226
Kisoro	16	260	6	266
Kyankwanzi	8	34	0	34
Kyenjojo	9	31	2	33
Lyantonde	15	280	23	303
Masindi	6	285	26	311
Mbarara	40	562	81	643
Mitooma	62	330	3	333
Mpondwe	0	233	21	254
Ntoroko	51	105	0	105
Ntungamo	12	250	40	290
Rubirizi	9	211	30	241
Ruhama	43	197	98	295
Rukiga	48	205	7	212
Rukungiri	17	338	43	381
Rushere	9	178	2	180
Sheema	34	405	13	418
Sub Total	796	8,206	730	8,936
Total	2,808	24,604	4,484	29,088

ANNEX 6: Status of Sewer Connections for the FY 2022/23

Area	New Sewer Connections	Total Sewer Connections		
		Active	Inactive	Total
Kampala	111	12,782	1632	14,414
Central Region				
Bugiri	0	0	0	0
Buwama	0	0	0	0
Bweyale	0	0	0	0
Entebbe	6	465	34	499
Iganga	2	190	45	235
Jinja	22	4,282	539	4,821
Kakumiro	0	0	0	0
Kalungu	0	0	0	0
Kamuli	0	0	0	0
Kapeeka	0	0	0	0
Kigumba	0	0	0	0
Kyotera	0	0	0	0
Lugazi	0	0	0	0
Luweero	0	0	0	0
Lwengo	0	0	0	0
Masaka	0	344	132	476
Mityana	0	0	0	0
Mpigi	0	0	0	0
Mubende	0	0	0	0
Nakasongola	0	0	0	0
Sembabule	0	0	0	0
Sub Total	30	5,281	750	6,031
Eastern Region				
Bukedea	0	0	0	0
Kaabong	0	0		0
Kaberamaido	0	0	0	0
Kapchorwa	0	0	0	0
Kotido	0	0	0	0
Kumi	0	0	0	0
Manafwa	0	0	0	0
Mbale	19	2,523	311	2,834
Moroto	0	0	0	0
Soroti	2	427	117	544
Tororo	0	411	145	556
Sub Total	21	3,361	573	3,934
Northern Region				
Adjumani	0	0	0	0
Apac	0	0	0	0
Arua	1	231	23	254
Gulu	14	783	77	860
Kitgum	0	0	0	0
Koboko	0	0	0	0
Lira	1	431	137	568
Moyo	0	0	0	0
Nebbi	0	0	0	0
Pader	0	0	0	0
Pakwach	0	0	0	0
Sub Total	16	1,445	237	1,682
Western & Southwestern Region				
Bunyangabu	0	0	0	0
Bushenyi	0	0	0	0
Fort Portal	0	228	20	248
Hoima	0	83	31	114
Ibanda	0	0	0	0
Kabale	19	669	178	847
Kamwenge	0	0	0	0
Kanungu	0	0	0	0
Kasese	0	0	0	0
Kisoro	13	190	11	201
Kyankwanzi	0	0	0	0
Kyenjojo	0	0	0	0
Lyantonde	0	0	0	0
Masindi	1	222	31	253
Mbarara	26	801	178	979
Mitooma	0	0	0	0
Mpondwe	0	0	0	0
Ntoroko	0	0	0	0
Ntungamo	0	0	0	0
Rubirizi	0	0	0	0
Ruhama	0	0	0	0
Rukiga	0	0	0	0
Rukungiri	0	0	0	0
Rushere	0	0	0	0
Sheema	0	0	0	0
Sub Total	59	2,193	449	2,642
TOTAL	237	25,062	3,641	28,703

ANNEX 7: Commercial Performance for the FY 2022/23

Area	Billings (Ushs)	Collections (Ushs)	Arrears (Ushs)	C/B Ratio (%)	Debt Age (Months)
Kampala	322,331,238,346	301,873,542,528	64,834,083,960	94%	2.4
Central Region					
Bugiri	406,934,558	389,682,832	160,120,495	96%	4.7
Buwama	674,538,182	663,208,643	223,454,715	98%	4.0
Bweyale	889,911,693	835,188,556	272,641,397	94%	3.7
Entebbe	31,477,333,992	27,745,962,728	14,768,427,298	88%	5.6
Iganga	2,778,250,276	2,530,181,683	1,073,835,065	91%	4.6
Jinja	36,462,680,395	25,345,755,309	21,208,202,218	70%	7.0
Kakumiro	160,284,358	126,816,932	85,599,552	79%	6.4
Kalungu	631,495,257	577,615,104	291,291,893	91%	5.5
Kamuli	728,136,705	677,615,901	290,752,233	93%	4.8
Kapeeka	2,084,216,308	1,903,324,026	1,225,168,893	91%	7.1
Kigumba	556,244,476	527,405,100	282,802,159	95%	6.1
Kyotera	1,716,853,768	1,628,540,423	606,872,914	95%	4.2
Lugazi	1,510,963,086	1,497,577,335	586,410,073	99%	4.7
Luweero	3,144,569,642	2,953,034,409	1,091,784,967	94%	4.2
Lwengo	654,317,210	635,885,730	189,465,116	97%	3.5
Masaka	9,886,893,000	7,793,065,871	7,590,964,041	79%	9.2
Mityana	2,144,009,641	2,052,504,771	565,984,807	96%	3.2
Mpigi	950,920,529	854,356,976	275,412,821	90%	3.5
Mubende	2,730,032,114	2,481,078,629	1,539,251,318	91%	6.8
Nakasongola	270,457,047	231,444,639	149,567,390	86%	6.6
Sembabule	1,055,375,796	967,379,478	373,200,756	92%	4.2
Sub Total	100,914,418,033	82,417,625,077	52,851,210,120	82%	6.3
Eastern Region					
Bukedea	333,670,520	303,460,843	160,919,798	91%	5.8
Kaabong	60,573,314	53,231,334	132,651,573	88%	26.3
Kaberamaido	293,346,787	274,799,579	117,541,909	94%	4.8
Kapchorwa	857,367,681	743,076,270	514,453,959	87%	7.2
Kotido	405,635,739	362,836,311	151,116,757	89%	4.5
Kumi	1,449,889,718	1,337,336,081	417,709,535	92%	3.5
Manafwa	671,731,974	576,178,642	683,022,859	86%	12.2
Mbale	10,886,019,885	10,203,690,214	8,106,603,269	94%	8.9
Moroto	1,055,337,895	872,321,006	874,256,108	83%	9.9
Soroti	5,691,507,076	5,292,317,610	2,749,802,488	93%	5.8
Tororo	6,078,973,856	5,224,332,492	4,056,205,212	86%	8.0
Sub Total	27,784,054,444	25,243,580,380	17,964,283,466	91%	7.8
Northern Region					
Adjumani	1,300,071,943	1,216,111,000	392,523,752	94%	3.6
Apac	813,640,193	794,093,472	183,971,502	98%	2.7
Arua	5,889,450,535	5,436,518,916	3,123,609,370	92%	6.4
Gulu	8,360,118,127	6,476,639,731	6,294,031,278	77%	9.0
Kitgum	1,223,258,984	1,147,378,810	627,204,537	94%	6.2
Koboko	1,010,636,913	914,610,973	825,692,957	90%	9.8
Lira	7,320,202,757	6,622,872,066	3,425,539,030	90%	5.6
Moyo	753,153,626	707,456,762	217,121,584	94%	3.5
Nebbi	1,724,861,167	1,564,792,905	1,560,826,145	91%	10.9
Pader	659,722,464	571,599,817	539,950,330	87%	9.8
Pakwach	797,110,060	773,714,810	175,750,782	97%	2.6
Sub Total	29,852,226,769	26,225,789,263	17,366,221,267	88%	7.0
West & Southwestern Region					
Bunyangabu	1,512,332,395	1,483,215,551	682,328,033	98%	5.4
Bushenyi	3,049,167,694	2,928,164,631	974,412,969	96%	3.8
Fort Portal	5,269,937,454	4,829,572,507	2,487,332,980	92%	5.7
Hoima	2,056,103,946	1,989,024,008	723,271,655	97%	4.2
Ibanda	1,431,333,774	1,342,666,401	677,658,550	94%	5.7
Kabale	3,137,514,282	2,925,573,114	1,122,500,024	93%	4.3
Kamwenge	1,419,579,078	1,261,090,645	522,332,165	89%	4.4
Kanungu	1,512,208,995	1,393,576,763	572,648,112	92%	4.5
Kasese	3,536,806,816	3,500,468,736	962,007,549	99%	3.3
Kisoro	2,082,311,042	1,897,730,980	823,128,547	91%	4.7
Kyankwanzi	184,427,309	147,712,395	159,980,507	80%	10.4
Kyenjojo	420,487,286	353,123,905	228,644,413	84%	6.5
Lyantonde	1,290,033,374	1,196,209,659	465,405,437	93%	4.3
Masindi	3,970,138,083	3,358,960,387	4,084,652,868	85%	12.3
Mbarara	19,361,242,408	19,091,594,069	9,873,394,729	99%	6.1
Mitooma	589,938,016	578,513,796	156,512,545	98%	3.2
Mpondwe	1,461,449,003	1,445,484,856	527,490,629	99%	4.3
Ntoroko	250,976,508	197,331,639	165,084,541	79%	7.9
Ntungamo	1,497,612,196	1,541,514,662	413,532,850	103%	3.3
Rubirizi	782,486,898	742,996,625	265,176,881	95%	4.1
Ruhama	521,702,890	522,948,455	230,740,735	100%	5.3
Rukiga	243,009,404	258,124,368	55,626,744	106%	2.7
Rukungiri	979,260,686	860,290,860	354,096,028	88%	4.3
Rushere	958,104,597	900,455,240	365,983,115	94%	4.6
Sheema	1,465,591,080	1,351,213,806	504,448,146	92%	4.1
Sub Total	58,983,755,217	56,097,558,058	27,398,390,753	95%	5.6
Grand Total	539,865,692,810	491,858,095,307	180,414,189,567	91%	4.0

ANNEX 8: Unit Cost Analysis (UGX.) for the FY 2022/23

Area	Volume of Water Produced m³		Total Costs (Ushs. "000") 2022/23			Cost per m³ (Ushs.)	
	2021/22	2022/23	Operating	Depreciation	Total	2021/22	2022/23
Head Office	-	-	**121,703,631**	**7,619,178**	**129,322,809**	-	-
Kampala	100,924,750	105,285,447	141,603,557	38,387,488	179,991,045	2,186	1,710
External Services	-	-	4,220,053	-	4,220,053	-	-
Central Region							
Bugiri	98,158	102,557	753,350	29,349	782,699	7,006	7,632
Buwama	-	320,474	971,113	1,505	972,618	-	3,035
Bweyale	236,291	235,668	902,971	171,363	1,074,335	4,607	4,559
Entebbe	9,122,825	9,654,746	11,091,859	3,637,639	14,729,498	1,503	1,526
Iganga	199,577	176,377	2,279,122	751,273	3,030,394	13,614	17,181
Jinja	8,933,293	9,442,126	10,909,917	2,176,324	13,086,242	1,595	1,386
Kakumiro	-	44,749	142,259	6,011	148,270	-	3,313
Kalungu	248,227	247,275	1,184,713	244,345	1,429,058	4,908	5,779
Kamuli	197,711	221,536	1,231,794	158,808	1,390,602	6,290	6,277
Kapeeka	638,478	733,885	1,928,294	311,582	2,239,876	2,482	3,052
Kigumba	157,122	134,583	1,030,983	74,403	1,105,386	5,990	8,213
Kyotera	682,668	663,678	1,888,989	424,702	2,313,691	3,618	3,486
Lugazi	478,471	413,090	1,266,777	889,691	2,156,468	5,715	5,220
Luweero	718,927	803,180	2,747,989	670,485	3,418,474	4,754	4,256
Lwengo	280,373	278,157	1,031,648	623,329	1,654,977	5,943	5,950
Masaka	2,756,998	2,698,779	5,926,985	2,088,788	8,015,773	2,802	2,970
Mityana	910,073	854,873	2,543,092	707,469	3,250,561	3,466	3,802
Mpigi	493,030	231,821	1,911,941	1,231,780	3,143,721	6,737	13,561
Mubende	724,734	744,938	2,352,747	1,459,875	3,812,622	5,098	5,118
Nakasongola	-	15,043	265,752	12,001	277,753	-	18,464
Sembabule	368,093	428,948	1,496,656	267,029	1,763,685	3,922	4,112
Sub Total	**27,245,049**	**28,446,483**	**53,858,951**	**15,937,750**	**69,796,701**	**1,977**	**2,454**
Eastern Region							
Bukedea	91,685	99,086	711,720	7,518	719,238	8,248	7,259
Kaabong	-	15,739	100,479	-	100,479	-	6,384
Kaberamaido	94,219	75,398	707,789	6,029	713,818	5,241	9,467
Kapchorwa	504,431	408,623	447,427	542,258	989,685	2,993	2,422
Kotido	172,712	121,384	1,027,042	230,812	1,257,854	7,444	10,363
Kumi	501,059	536,765	1,786,111	212,796	1,998,907	3,846	3,724
Manafwa	247,148	215,921	1,194,191	108,497	1,302,689	3,255	6,033
Mbale	2,758,210	2,972,984	7,627,094	1,687,953	9,315,047	3,330	3,133
Moroto	323,995	320,978	1,167,978	156,960	1,324,937	4,180	4,128
Soroti	1,853,155	1,881,842	3,722,916	2,184,744	5,907,660	3,369	3,139
Tororo	1,561,718	1,701,091	4,790,764	4,790,764	9,581,527	3,442	5,633
Sub Total	**8,108,332**	**8,349,811**	**23,283,511**	**9,928,331**	**33,211,842**	**2,872**	**3,978**
Northern Region							
Adjumani	437,644	448,810	1,206,350	122,116	1,328,466	2,431	2,960
Apac	270,253	275,610	1,259,480	245,789	1,505,269	5,251	5,462
Arua	1,622,989	1,577,549	3,349,135	476,517	3,825,652	4,082	2,425
Gulu	1,959,273	2,027,222	5,251,707	2,822,579	8,074,286	4,094	3,983
Kitgum	405,200	390,700	1,066,757	308,333	1,375,091	4,653	3,520
Koboko	362,840	350,555	1,158,633	297,822	1,456,455	3,748	4,155
Lira	2,521,317	2,537,199	5,214,876	1,428,664	6,643,540	2,509	2,618
Moyo	221,887	219,152	811,714	176,672	988,387	4,331	4,510
Nebbi	792,024	838,658	2,293,608	415,129	2,708,737	2,929	3,230
Pader	263,267	205,783	1,568,140	490,577	2,058,717	6,931	10,004
Pakwach	346,239	412,449	769,142	23,589	792,731	2,091	1,922
Sub Total	**9,202,933**	**9,283,687**	**23,949,542**	**6,807,789**	**30,757,330**	**3,535**	**3,313**
Western & Southwestern							
Bunyangabu	352,292	530,543	1,054,381	-	1,054,381	1,619	1,987
Bushenyi	1,479,274	1,225,159	3,572,823	3,450,898	7,023,721	4,918	5,733
Fort Portal	1,586,237	1,535,675	3,494,824	604,439	4,099,262	2,654	2,669
Hoima	692,496	599,244	1,835,684	437,593	2,273,277	3,431	3,794
Ibanda	400,243	407,738	865,836	273,017	1,138,853	3,292	2,793
Kabale	823,351	799,765	3,197,733	400,010	3,597,743	3,021	4,498
Kamwenge	570,893	437,621	1,982,095	390,759	2,372,854	3,501	5,422
Kanungu	566,763	543,072	1,481,407	382,311	1,863,717	2,961	3,432
Kasese	1,396,848	1,304,331	1,618,657	251,550	1,870,207	1,458	1,434
Kisoro	525,206	579,202	2,567,591	522,878	3,090,469	5,089	5,336
Kyankwanzi	54,601	56,993	410,571	16,420	426,992	8,065	7,492
Kyenjojo	-	169,981	507,879	13,579	521,458	-	3,068
Lyantonde	711,538	641,097	2,371,628	334,277	2,705,905	4,260	4,221
Masindi	1,121,815	995,397	2,570,851	857,044	3,427,895	2,810	3,444
Mbarara	6,411,768	6,871,156	12,316,377	2,435,947	14,752,324	2,230	2,147
Mitooma	-	217,570	907,633	32,864	940,498	-	4,323
Mpondwe	525,592	495,367	1,065,243	219,561	1,284,804	2,338	2,594
Ntoroko	142,066	132,047	788,702	699,636	1,488,339	4,988	11,271
Ntungamo	521,488	502,731	1,583,273	587,242	2,170,515	3,928	4,317
Rubirizi	277,264	275,463	841,966	5,791	847,757	2,496	3,078
Ruhama	190,030	159,425	1,354,254	240,824	1,595,079	6,830	10,005
Rukiga	-	69,069	891,711	40,607	932,318	-	13,498
Rukungiri	250,287	263,701	2,065,578	218,436	2,284,014	5,594	8,661
Rushere	144,151	187,891	1,752,521	280,809	2,033,330	14,046	10,822
Sheema	383,225	415,511	1,566,684	169,977	1,736,661	3,644	4,180
WESREC	-	-	587,671	10,989	598,660	-	-
Sub Total	**19,127,428**	**19,415,749**	**53,253,573**	**12,877,459**	**66,131,031**	**2,784**	**3,406**
TOTAL	**164,608,492**	**170,781,176**	**421,872,818**	**91,557,994**	**513,430,812**	**2,563**	**3,006**

ANNEX 9: Break-even Analysis (UGX.) for the FY 2022/23

Are a	Income ("000")		Operating Costs (Ushs. "000")		Working Ratio	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Head Office	92,457,448	80,357,693	131,992,269	121,703,631	1.43	1.51
Kampala	250,230,468	275,710,049	145,204,929	141,603,557	0.58	0.51
External Services	2,550,061	3,169,764	3,169,103.00	4,220,053	-	1.33
Central Region						
Bugiri	340,258	372,520	669,556	753,350	1.97	2.02
Buwama	-	662,828	-	971,113	-	1.47
Bweyale	800,155	798,216	914,553	902,971	1.14	1.13
Entebbe	24,925,503	27,231,756	9,917,372	11,091,859	0.40	0.41
Iganga	2,470,966	2,464,164	1,985,477	2,279,122	0.80	0.92
Jinja	26,859,948	31,431,404	10,169,783	10,909,917	0.38	0.35
Kakumiro	-	146,793	-	142,259	-	0.97
Kalungu	493,582	578,637	1,216,454	1,184,713	2.46	2.05
Kamuli	577,318	672,239	1,086,427	1,231,794	1.88	1.83
Kapeeka	1,625,180	1,819,598	1,530,770	1,928,294	0.94	1.06
Kigumba	553,412	493,948	844,341	1,030,983	1.53	2.09
Kyotera	1,794,336	1,507,365	2,015,115	1,888,989	1.12	1.25
Lugazi	1,409,870	1,353,708	1,853,770	1,266,777	1.31	0.94
Luweero	2,672,702	2,797,712	2,716,289	2,747,989	1.02	0.98
Lwengo	639,199	584,865	1,046,309	1,031,648	1.64	1.76
Masaka	8,120,084	8,584,813	5,517,915	5,926,985	0.68	0.69
Mityana	1,937,948	2,008,861	2,387,959	2,543,092	1.23	1.27
Mpigi	1,325,698	841,926	2,180,083	1,911,941	1.64	2.27
Mubende	2,199,863	2,395,219	2,184,614	2,352,747	0.99	0.98
Nakasongola	224,977	243,688	540,761	265,752	2.40	1.09
Sembabule	815,293	943,883	1,153,562	1,496,656	1.41	1.59
Sub Total	**79,786,292**	**87,934,143**	**49,931,110**	**53,858,951**	**0.63**	**0.61**
Eastern Region						
Bukedea	175,369	297,936	378,058	711,720	2.16	2.39
Kaabong	-	51,390	-	100,479	-	1.96
Kaberamaido	243,629	271,910	485,685	707,789	1.99	2.60
Kapchorwa	670,607	776,231	922,535	447,427	1.38	0.58
Kotido	474,055	360,797	959,233	1,027,042	2.02	2.85
Kumi	1,127,033	1,346,254	1,674,236	1,786,111	1.49	1.33
Manafwa	585,655	597,121	802,935	1,194,191	1.37	2.00
Mbale	8,160,606	9,493,920	7,483,116	7,627,094	0.92	0.80
Moroto	830,170	923,466	1,175,257	1,167,978	1.42	1.26
Soroti	4,873,649	4,973,768	3,979,750	3,722,916	0.82	0.75
Tororo	4,729,947	5,286,665	4,731,785	4,790,764	1.00	0.91
Sub Total	**21,870,720**	**24,379,459**	**22,592,590**	**23,283,511**	**1.03**	**0.96**
Northern Region						
Adjumani	1,072,389	1,171,268	942,714	1,206,350	0.88	1.03
Apac	732,285	732,326	1,177,112	1,259,480	1.61	1.72
Arua	5,034,733	5,205,225	3,389,791	3,349,135	0.67	0.64
Gulu	6,154,137	7,315,755	5,093,001	5,251,707	0.83	0.72
Kitgum	1,161,538	1,077,790	1,544,503	1,066,757	1.33	0.99
Koboko	907,804	860,352	1,027,113	1,158,633	1.13	1.35
Lira	5,877,641	6,418,085	4,866,122	5,214,876	0.83	0.81
Moyo	653,454	668,353	846,155	811,714	1.29	1.21
Nebbi	1,487,914	1,529,922	1,790,113	2,293,608	1.20	1.50
Pader	606,270	584,709	1,315,958	1,568,140	2.17	2.68
Pakwach	580,994	699,170	709,889	769,142	1.22	1.10
Sub Total	24,269,159	26,262,955	22,702,471	23,949,542	0.94	0.91
Western & Southwestern						
Bunyangabu	802,443	1,369,760	565,190	1,054,381	-	0.77
Bushenyi	2,872,767	2,696,113	3,777,121	3,572,823	1.31	1.33
Fort Portal	4,786,648	4,626,891	3,521,870	3,494,824	0.74	0.76
Hoima	1,866,205	1,795,061	1,903,188	1,835,684	1.02	1.02
Ibanda	1,187,542	1,251,756	1,088,250	865,836	0.92	0.69
Kabale	2,719,261	2,749,569	2,067,947	3,197,733	0.76	1.16
Kamwenge	1,142,314	1,258,597	1,663,199	1,982,095	1.46	1.57
Kanungu	1,201,828	1,352,670	1,281,736	1,481,407	1.07	1.10
Kasese	3,318,533	3,116,235	1,792,054	1,618,657	0.54	0.52
Kisoro	1,514,611	1,846,469	2,120,444	2,567,591	1.40	1.39
Kyankwanzi	147,721	166,422	386,524	410,571	2.62	2.47
Kyenjojo	-	368,750	-	507,879	-	1.38
Lyantonde	1,141,641	1,121,605	2,712,541	2,371,628	2.38	2.11
Masindi	3,337,587	3,616,709	2,342,879	2,570,851	0.70	0.71
Mbarara	15,460,125	16,826,197	11,824,372	12,316,377	0.76	0.73
Mitooma	-	536,736	-	907,633	-	1.69
Mpondwe	1,249,887	1,291,460	958,989	1,065,243	0.77	0.82
Ntoroko	198,630	218,249	701,521	788,702	3.53	3.61
Ntungamo	1,159,810	1,349,659	1,437,499	1,583,273	1.24	1.17
Rubirizi	606,709	701,325	690,075	841,966	1.14	1.20
Ruhama	451,055	467,128	1,067,075	1,354,254	2.37	2.90
Rukiga	-	220,991	-	891,711	-	4.04
Rukungiri	787,935	860,741	1,161,157	2,065,578	1.47	2.40
Rushere	902,907	862,115	1,726,720	1,752,521	1.91	2.03
Sheema	1,235,221	1,401,047	1,244,338	1,566,684	-	1.12
WESREC	-	173,625	-	587,671	-	3.38
Sub Total	**48,091,380**	**52,245,880**	**46,034,689**	**53,253,573**	**0.96**	**1.02**
TOTAL	519,255,527	550,059,943	421,627,161	421,872,818	0.81	6.86

ANNEX 10: Number of Staff for the FY 2022/23

Area	Male	Female	Total Staff	% Female	Water Connections	Staff Productivity
Head Office	286	202	488	41%	-	-
Kampala	1,214	594	1,808	33%	411,819	4
Central Region						
Bugiri	10	3	13	23%	1,869	7
Buwama	12	10	22	45%	3,239	7
Bweyale/Kiryandongo	13	2	15	13%	2,700	6
Entebbe/Kajansi	77	63	140	45%	46,424	3
Iganga	30	17	47	36%	11,211	4
Jinja	98	36	134	27%	37,029	4
Kakumiro	3	1	4	25%	1,120	4
Kalungu	15	5	20	25%	2,810	7
Kamuli/Mbulamuti	16	3	19	16%	3,661	5
Kapeeka	14	9	23	39%	3,339	7
Kigumba	13	7	20	35%	2,284	9
Kyotera	29	11	40	28%	6,823	6
Lugazi	14	14	28	50%	5,470	5
Luweero	30	17	47	36%	11,517	4
Lwengo	5	12	17	71%	3,280	5
Masaka	56	26	82	32%	19,088	4
Mityana	21	7	28	25%	7,676	4
Mpigi	16	6	22	27%	3,178	7
Mubende	16	15	31	48%	6,770	5
Nakasongola	4	2	6	33%	2117	3
Sembabule	22	7	29	24%	2,931	10
Sub-Total	**514**	**273**	**787**	**35%**	**183,847**	**4**
Eastern Region						
Bukedea	10	5	15	33%	1,280	12
Kaabong	4	1	5	20%	559	9
Kaberamaido	8	3	11	27%	936	12
Kapchorwa	15	5	20	25%	2,892	7
Kotido	10	1	11	9%	668	16
Kumi	25	9	34	26%	3,904	9
Manafwa	15	7	22	32%	5,977	4
Mbale	83	30	113	27%	22,286	5
Moroto	12	3	15	20%	1,650	9
Soroti	38	12	50	24%	10,715	5
Tororo	48	17	65	26%	15,367	4
Sub Total	**268**	**93**	**361**	**26%**	**66,221**	**5**
Northern Region						
Adjumani	12	5	17	29%	3,878	4
Apac	20	6	26	23%	2,983	9
Arua	35	11	46	24%	11,591	4
Gulu	56	15	71	21%	12,780	6
Kitgum	21	5	26	19%	5,031	5
Koboko	12	4	16	25%	2,526	6
Lira	54	13	67	19%	17,023	4
Moyo	12	0	12	0%	2,916	4
Nebbi	21	8	29	28%	6,141	5
Pader	23	9	32	28%	3,751	9
Pakwach	12	2	14	14%	2,285	6
Sub-Total	**278**	**78**	**356**	**22%**	**70,863**	**5**
Western & Southwestern Region						
Bunyangabu	16	9	25	36%	5,007	5
Bushenyi	45	11	56	20%	9,332	6
Fort Portal	31	15	46	33%	13,064	4
Hoima	16	8	24	33%	7,026	3
Ibanda	11	11	22	50%	6,139	4
Kabale	29	6	35	17%	8059	4
Kamwenge	26	7	33	21%	6,510	5
Kanungu	23	7	30	23%	6,530	5
Kasese	26	11	37	30%	9,623	4
Kisoro	20	5	25	20%	5,333	5
Kyankwanzi	4	0	4	0%	221	18
Kyenjojo	7	2	9	22%	2,607	3
Lyantonde	17	8	25	32%	3,232	8
Masindi	21	8	29	28%	7,434	4
Mbarara	100	60	160	38%	35,371	5
Mitooma	13	6	19	32%	2,850	7
Mpondwe	14	10	24	42%	4,682	5
Ntoroko	12	1	13	8%	831	16
Ntungamo	21	11	32	34%	5,558	6
Rubirizi	17	4	21	19%	2145	10
Ruhama	14	5	19	26%	2,595	7
Rukiga	9	5	14	36%	1,252	11
Rukungiri	20	11	31	35%	4,867	6
Rushere	15	15	30	50%	2,860	10
Sheema	22	15	37	41%	6,978	5
Subtotal	**549**	**251**	**800**	**31%**	**159,418**	**5**
TOTAL	**3,109**	**1,491**	**4,600**	**32%**	**892,093**	**5**

ANNEX 11: NWSC Operational Areas For The FY 2022/23 cont'd

REGION	Administrative Area		Town/ Urban Centres	District
KAMPALA METRO-POLITAN REGION	1	Kampala Water	Kampala City	Kampala
			Mukono Municipality	Mukono
			Kira Municipality	Wakiso
			Nansana TC	Wakiso
			Wakiso TC,Buloba	Wakiso
			Kakiri	Wakiso
CENTRAL REGION	1	Entebbe	Entebbe	Wakiso
			Kajjansi	Wakiso
	2	Jinja	Jinja	Jinja
			Njeru	Buikwe
			Buwenge	Jinja
			Kagoma	Jinja
	3	Lugazi	Lugazi	Buikwe
			Nkonkonjeru	Buikwe
			Buikwe	Buikwe
			Najjembe	Buikwe
	4	Iganga	Iganga	Iganga
			Mayuge	Mayuge
			Kaliro	Kaliro
			Busembatya	Bugweri
			Luuka	Luuka
	5	Bugiri	Bugiri	Bugiri
			Naluwerere	Bugiri
			Buwuni	Bugiri
	6	Mityana	Mityana	Mityana
	7	Masaka	Masaka	Masaka
			Mukungwe	Masaka
			Bukakata	Masaka
			Suunga	Kalungu
	8	Kalungu	Kalungu	Kalungu
			Lukaya	kalungu
	9	Sembabule	Sembabule	Sembabule
			Lutuuku	Sembabule
			Kyambi	Sembabule
			Nambirizi	Sembabule
			Mateete	Sembabule
			Mitete	Sembabule
			Ntuusi	Sembabule
			Lwebitakuli	Sembabule
			Lugushuru	Sembabule
	10	Mpigi	Mpigi	Mpigi
	11	Buwama	Buwama	Mpigi
			Kyabadaza	Butambala
			Gombe	Butambala
			Kayabwe	Mpigi
			Kibibi	Butambala
	12	Luweero	Luweero	Luweeero
			Wobulenzi	Luweeero
			Bombo	Luweeero
			Zirobwe	Luweeero
	13	Nakasongola	Nakasongola	Nakasongola
	14	Kapeeka	Kapeeka	Nakaseke
			Semuto	Nakaseke
			Nakaseke	Nakaseke
			Bukomero	Kiboga
	15	Mubende	Mubende	Mubende
			Kiganda	Kassanda
	16	Kigumba	Kigumba	Kiryandongo
	17	Bweyale	Bweyale	Kiryandongo
			Kiryandongo	Kiryandongo
	18	Kamuli	Kamuli	Kamuli
			Kisozi	Kamuli
			Mbulamuti	Kamuli
	19	Kyotera	Kyotera	Kyotera
			Kalisizo	Kyotera
			Sanje	Rakai
			Kakuuto	Rakai
			Rakai	Rakai
			Mutukula	Rakai

ANNEX 11: NWSC Operational Areas For The FY 2022/23 cont'd

REGION	Administrative Area		Town/ Urban Centres	District
	20	Lwengo	Mabirizi	Lwengo
			Kyazanga	Lwengo
			Kinoni -Lwengo	Lwengo
			Katovu	Lyantonde
	21	Kakumiro	Kakumiro	Kakumiro
			Nyalweyo	Kakumiro
			Kasambya	Kakumiro
			Kikoola	Kakumiro
			Nkooko	Kakumiro
			Mpasaana	Kakumiro
			Kisiita	Kakumiro
NORTHERN REGION	1	Apac	Apac	Apac
			Aduku	Kwania
			Ibuje	Apac
			Kayei Landing Site	Apac
	2	Arua	Arua	Arua
			Wandi	Terego
			Omugo	Terego
			Kubala	Terego
			Okpkotani	Arua
	3	Gulu	Gulu	Gulu
			Unyama	Gulu
			Anaka	Nwoya
	4	Lira	Lira	Lira
			Amach	Lira
			Dokolo	Dokolo
	5	Kitgum	Kitgum	Kitgum
	6	Pader	Pader	Pader
			Pajule	Pader
			Patongo	Agago
			Kalongo	Agago
	7	Nebbi	Nebbi	Nebbi
			Paidha	Zombo
			Nyapea	Zombo
			Okollo	Nebbi
			Parombo	Nebbi
	8	Pakwach	Pakwach	Packwach
	9	Adjumani	Adjumani	Adjumani
	10	Koboko	Koboko	Koboko
			Yumbe	Yumbe
	11	Moyo	Moyo	Moyo
EASTERN REGION	1	Mbale	Mbale	Mbale
			Budadiri	Sironko
			Sironko	Sironko
			Butebo	Butebo
	2	Bukedea	Kachumbala	Bukedea
			Bukedea	Bukedea
	3	Tororo	Tororo	Tororo
			Malaaba	Tororo
			Nagongera	Tororo
			Kwapa SC	Tororo
			Mella SC	Tororo
			Osukuru SC	Tororo
			Busia	Busia
	4	Manafwa	Bubutu SC	Namisindwa
			Bunabwana SC	Manafwa
			Sisuni SC	Manafwa
			Butiru TB	Manafwa
			Manafwa	Manafwa
			Lirima	Manafwa
			Lwakhakha	Manafwa
			Bumbo SC	Manafwa
			Buwoni SC	Manafwa
			Magale	Namisindwa
	5	Soroti	Soroti	Soroti
			Amuria	Amuria
			Serere	Serere
	6	Kaberamaido	Kaberamaido	Kaberamaido
			Otuboi	Kalaki
			Atiriri	Amuria
			Kalaki	Kalaki

ANNEX 11: NWSC Operational Areas For The FY 2022/23 cont'd

REGION	Administrative Area		Town/ Urban Centres	District
	7	Kumi	Pallisa	Pallisa
			Ngora	Ngora
			Kumi	Kumi
	8	Kapchorwa	Kapchorwa	Kapchorwa
			Sipi	Kapchorwa
			Kaserem(Upper Sipi)	Kapchorwa
	9	Moroto	Matany	Moroto
			Moroto	Moroto
			Kangole	Napak
	10	Kotido	Kotido	Kotido
	11	Kaabong	Kaabong	Kaabong
WEST & SOUTH WESTERN REGION	1	Hoima	Hoima	Hoima
	2	Kyankwanzi	Bukwiri	Kyankwanzi
			Banda	Kyankwanzi
			Kasambya	Kyankwanzi
			Misango	Kyankwanzi
			Kyankwanzi	Kyankwanzi
	3	Bushenyi	Bushenyi	Bushenyi
			Ishaka	Bushenyi
			Magambo	Bushenyi
			Kyabugimbi	Bushenyi
			Irembezi	Bushenyi
			Buhweju/Nsiika	Buhweju
			Kyangyenyi	Sheema
	4	Mitooma	Mitooma	Mitooma
			Kashenshero	Mitooma
			Rutookye	Mitooma
			Kabira	Mitooma
			Kanyabwanga-Omukabanda	Mitooma
			Bitereko-Iraramira	Mitooma
			Kati-Rwempungu	Mitooma
			Mayanga-Omuribiri	Mitooma
			Kisiizi-Kengyera	Rukungiri
	5	Sheema	sheema/shuku	Sheema
			Kabwohe	Sheema
			Kitagata	Sheema
			Bugongi	Sheema
			Itendero	Sheema
	6	Rubirizi	Katerera	Bushenyi
			Rubirizi	Rubirizi
			Ryeru	Rubirizi
	7	Kisoro	Kisoro	Kisoro
	8	Mbarara	Mbarara	Mbarara
			Kinoni	Mbarara
			Rubindi	Mbarara
			Bwizibwera	Mbarara
			Kashaka	Mbarara
			Biharwe	Mbarara
			Kaberebere	Isingiro
			Nyeihanga	Mbarara
			Kagongi	Mbarara
			Nakivale	Isingiro
			Oruchinga	Isingiro
	9	Fort Portal	Fort Portal	Kabarole
			Kichwamba	Kabarole
			Kiko	Kabarole
			Mugusu	Kabarole
			Kijura	Kabarole
	10	Kyenjojo	Kyenjojo	Kyenjojo
			Katooke	Kyenjojo
	11	Kasese	Kasese	Kasese
			Rugendabara	Kasese
	12	Bunyangabu	Kibiito	Bunyangabu
			Hima	Kasese
			Rubona	Kabarole
			Katebwa	Kabarole
			Kasunga-nyanja	Kabarole
			Rwimi	Bunyangabu
			Kicucu	Kabarole
			Kabale-Kabarole	Kabarole
	13	Masindi	Masindi	Masindi

ANNEX 11: NWSC Operational Areas For The FY 2022/23 cont'd

REGION	Administrative Area		Town/ Urban Centres	District
	14	Kabale	Kabale	Kabale
	15	Rukiga	Muhanga	Rukiga
			Kamwezi	Kabale
	16	Rukungiri	Rukungiri	Rukungiri
			Kebisoni	Rukungiri
			Buyanja	Rukungiri
			Nyakagyeme-Rwerere	Rukungiri
	17	Kanungu	Kanungu	Kanungu
			Kihihi	Kanungu
			Kambuga	Kanungu
			Butogota	Kanungu
			Kanyampanga	Kanungu
			Kanyantorogo	Kanungu
			Nyamirama	Kanungu
			Kateete	Kanungu
			Nyakinoni	Kanungu
			Nyanga	Kanungu
			Kirima	Kanungu
	18	Ibanda	Ibanda	Ibanda
			Rwenkobwa	Ibanda
	19	Kamwenge	Kamwenge	Kamwenge
			Ishongororo	Ibanda
			Bisozi	Kamwenge
			Kahunge	Kamwenge
			Bigodi	Kamwenge
			Katalyeba	Kamwenge
			Kabuga	Kamwenge
			Rukooko	Kabarole
			Kanara	Kamwenge
	20	Lyantonde	Lyantonde	Lyantonde
			Kasagama	Lyantonde
			Kaliro	Lyantonde
			Kinuka	Lyantonde
	21	Ntungamo	Ntungamo	Ntungamo
			Omungyenyi	Ntungamo
			Rubare	Ntungamo
			Kagarama	Ntungamo
			Rwentobo	Ntungamo
			Rweshemeire	Ntungamo
			Kyempene-Rugarama	Ntungamo
			Nyabihoko	Ntungamo
			Nyamunuka	Ntungamo
			Itojo	Ntungamo
			Kiziba	Ntungamo
	22	Rushere	Rushere	Kiruhura
			Kiruhura	Kiruhura
			Kazo	Kazo
			Sanga	Kiruhura
			Kanyareru	Kiruhura
			Kikatsi	Kiruhura
			Kinoni	Kiruhura
	23	Mpondwe	Mpondwe -Lhubirha	Kasese
			Katwe	Kasese
			Kithoma	Kasese
			Harukungu	Kasese
	24	Ruhama-Kitwe	Ruhama	Ntungamo
			Kitwe	Bushenyi
			Kikagati	Isingiro
			Mirama Hills	Ntungamo
			Rukoni	Ntungamo
	25	Ntoroko	Kanara	Ntoroko
			Rwebisengo	Ntoroko

National Water & Sewerage Corporation - GRI G4 Content Index

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
STRATEGY AND PROFILE DISCLOSURES			
STRATEGY AND ANALYSIS			
G4-1.	Statement from the most senior decision maker	YES	Page 24-25
G4-2.	Description of key impacts, risks and opportunities	YES	Coverage Map Page 11,Table 1-Page 12; Our Sustainability, Operational & Financial Report.
ORGANIZATIONAL PROFILE			
G4-1.	Name of organization	YES	Cover Page
G4-2.	Primary brands, products and/or services	YES	Pages 4, under our products & services. Report of Directors Page 112
G4-3.	Location of organization's headquarters	YES	Cover Page (Back page).
G4-4.	Number of (towns)where the organization operates	YES	Table 1; Key performance Indicators Row 1. Page 12
G4-5.	Nature of ownership and legal form	YES	Page No.4
G4-6.	Markets served by the organization (including geographic breakdown, sectors (Our Customers/Subscribers).	YES	Map Page 11, Page 68 (Operational Performance) data categorised by regions, Social Sustainability Table 11; Page 47 & Annex 11-Pagea 178-179
G4-7.	Scale of the reporting organization. (About us)	YES	Government Parastatal-Page 8
G4-8.	Total number of employees and gender.	YES	Page 5 under employees, Table 1; 2nd –Page 12-last row under financial performance last column FY 2022/23 Annex 10, Page 175
G4-9.	Percentage of total employees covered by collective bargaining agreements. (Staff under Union)	YES	All staff below Scale 2 (about 85%)
G4-10.	Description of the organization's supply chain	YES	Water Treatment Process. Page 86; Figure 21.
G4-11.	Significant changes during the reporting period regarding the organization's size, structure, ownership or it supply chain	YES	Operational Performance Report Page: 68-84; Financial Performance Report; Page 107-164, Annexes.
G4-12.	Precautionary approach or principle is addressed by the organization.	YES	Our Governance & Leadership & Sustainability Report (36-47 & Page 48-66 respectively)
G4-13.	Precautionary Approach	YES	Governance Report (Page 48-66) & Our risk & their management, Page 9 .
G4-14.	Membership of associations in which the organization has positions in governance bodies, participates in projects or communities, provides funding beyond routine memberships dues or views membership as strategic.	YES	AFWA, IWA, UIPE, FEU, SPA, WEP-WG, HCDP, WACOCO, UBTEB, SWAS Clubs, Rotary Clubs etc. Table 8; Page 42.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-1.	List of all entities included in the organization's consolidated financial statements or equivalent documents	YES	Pages :108-110
G4-2.	Explanation of the process of defining report content and the Aspect boundaries	YES	Page :8- About this Report.
G4-3.	List of all Material Aspects identified in the process for Defining Report	YES	Our Sustainability Report on Social, Economic and Environmental Issues Page 60-68.
STAKEHOLDER ENGAGEMENT			
G4-24.	List of stakeholder groups engaged by the organization	YES	Pages 34-35; Table 4; Stakeholder Engagement Materiality.
G4-25.	Basis for identification and selection of stakeholder with whom to engage	YES	Page 48; Under; Board of Directors.
G4-26.	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process		Page 42-43 Governance Report page 48, NWSC Act & Water Ac
G4-27.	Key topics and concerns that have been raised through stakeholder engagements, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	YES	Engagement with Parliamentary Committee on Natural Resources; Budget Committee; Pages 42-43

National Water & Sewerage Corporation - GRI G4 Content Index Cont'd

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-28.	Reporting period for information provided	YES	Cover Page and Financial Statements from Page 107.
G4-29.	Date of most recent previous report.	YES	From Page (107-127 Financial State-ments)
G4-30.	Reporting cycle.	YES	Cover Page/Financial Statements/ Operational Performance. (103-127)
G4-31.	Contact point for questions regarding the report or its contents.	YES	Annexed to this report addresses for all Areas of our Operations. Pages 184-186.
G4-32.	Report an "in accordance" option that the organization has chosen.	YES	Page No.8; About this Report.
G4-33.	Assurance – Policy and current practice with regard to seeking ex-ternal assurance for the report, if not included in an assurance report, explain the scope and basis of any external assurance provided. Also explain the relationship between the organization and the assurance provider.	YES	Done by the Financial Reporting (Fire) Awards Institute of Certified Public Accountants. NWSC Member of CPA. Page 8
GOVERNANCE			
G4-34.	Governance structure of the organization, including committees under the highest governance body and responsibilities in deci-sion-making on economic, environmental and social impacts.	YES	Page No.48-66
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 48 under Our Governance and Leadership.
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 48 under Our Governance and Leadership. Section under the Board of Directors.
G4-36.	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	YES	Pages No. 48 under Our Governance and Leadership.
G4-37.	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and feedback process-es to the highest governance body.	YES	Management meetings with stake-holders like Parliament; Development Partners on Mission; Government Agencies like Police (to handle illegal connection issues). Table 4-row on Government.
G4-38.	Composition of the highest governance body by independence, ten-ure on the governance body, number and nature of other significant positions and commitments, gender, membership of under-repre-sented social groups, competences, and stakeholder representation.	YES	Page No. 49, Table 12
G4-39.	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his/her function within the organization's management and the reasons for this arrangement).	YES	Page No.44- The Board Chairman NWSC is the overall Head and Managing Director manages the daily operations of the Corporation. (Gover-nance Report Page 48).
G4-40.	Nomination and selection processes for the highest governance body and its committees and the criteria used for nominating and selecting the highest governance body members including where and how diversity, independence experience and expertise are considered, and the extent of involvement of stakeholders including shareholders.	YES	Page No. 48(Appointment of the Board is done by the Minister of Water & Environment; Under Board composition.
G4-41.	Processes in place for the highest governance body to ensure con-flicts of interest are avoided and managed.	YES	Page 52-55, (Board Committees meetings)-
G4-42.	The highest governance body's and senior executives' roles in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	YES	Page 48-66
G4-43.	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	YES	Board Induction and Training (Page 57).
G4-44.	Processes in place for evaluation of the highest governance body's performance with respect to governance of economic, environmen-tal and social topics. Report whether such evaluation is indepen-dent or not, and its frequency. Report whether such evaluation is a self-assessment.	YES	External Consultants usually hired to evaluate the Board. This is done annually. (Page 57).

National Water & Sewerage Corporation - GRI G4 Content Index Cont'd

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-45.	The highest governance body's role in identification and management of economic, environmental and social impacts, risks and opportunities.	YES	Through our Corporate Planning Process. Board is responsible for preparing 3-year Corporate Plan according to the NWSC Act.
INCLUDE THE HIGHEST GOVERNANCE BODY'S ROLE IN THE IMPLEMENTATION OF DUE DILIGENCE PROCESSES.			
G4-46.	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics and social topics.	YES	Board committees & Responsibilities Page 51.
G4-47.	The frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	YES	Board meetings. Pages 52-56; which give the frequency of both Committee & Board meetings.
G4-48.	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	YES	Review reports are usually presented to the Board including our Annual Report which has most of the sustainability content.
G4-49.	Report the process for communicating critical concerns to the highest governance body.	YES	Through Board Meetings (48-52).
G4-50.	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	YES	Procurement of Chemicals and other procurements that fall in the threshold of the Board. (Board Minutes)
G4-51.	Remuneration policies for the highest governance body and senior executives.	YES	Page 56-Directors Remuneration (Table 20)
G4-52.	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	YES	Available in other Policy documents and guidelines-NWSC Act , Financial Management Act which guide the operations and procedures of NWSC
G4-53.	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	YES	Available in other Policy documents and guidelines-NWSC Act & Water Act.
G4-54.	Report the ratio of the annual total compensation of the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
G4-55.	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
ETHICS AND INTEGRITY			
G4-56.	Description of the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	YES	Page No.1-7 (Mission, Vision and core values)-NWSC Act.
G4-57.	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	YES	Customer Perspective Page 83-84; Improving Customer service through Digital Transformation; Toll Free Lines on all our social media platforms. Use of Whistle Blowers Policy .
G4-58.	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	YES	Customer Relationship Module (CRM- Page 83-84)-We listen to our customers/ Whistle blower policy available.
DISCLOSURES ON MANAGEMENT APPROACH			
G4-DMA	Report the evaluation of the management approach, including the mechanisms for evaluating the effectiveness of the management approach; results of the evaluation of the management approach and any related adjustments to the management approach.	YES	Our Strategy and Governance Report Page 48-66-Internal reporting mechanisms e.g. Daily reports, weekly reports, Monthly & quarterly reports.
G4-DMA	Report why the Aspect is material. Report the impacts that make this Aspect material.	YES	Operational & Financial Reports (Pages 68- 164)
G4-DMA	Report how the organization manages the material Aspect or its impacts.	YES	Sustainability Report 36-47.

National Water & Sewerage Corporation - GRI G4 Content Index Cont'd

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
ECONOMIC INDICATORS			
ECONOMIC PERFORMANCE, INCLUDING MARKET PRESENCE AND INDIRECT ECONOMIC ASPECTS.			
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	YES	Page 38-Financial & Economic Sustainability.
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	YES	Statement of Financial Position, Income Statement. Table 11-environmental & ecological sustainability.
G4-EC3	Coverage of the organization's defined benefit plan obligations.	YES	-Provident Fund. (Page 44-45) -Page 39-Our Social Sustainability Report.
G4-EC4	Financial assistance received from government.	YES	Note No.8 Page-145; UGX. 410.9 Billion.
G4-EC5	Ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	YES	Graduate Trainees paid Ushs.260,000 (which is double of the minimum wage of Ushs.130,000)
G4-EC6	Proportion of senior management hired from the local community at locations of significant operation.	YES	EMM Members on Page 64-66).
G4-EC7	Development and impact of infrastructure investments and services supported.	YES	Pages 97-106 Implementation of Infrastructure Development Projects.
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	YES	Our Value Creation Model, Page, 32-33. Table 11: Sustainability Performance Table. Page 47.
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	YES	Being implemented under the BUBU Policy; Bankers; Lawyers etc. Pages (108-110).
ENVIRONMENTAL INDICATORS			
ENVIRONMENTAL PERFORMANCE, INCLUDING MATERIALS, ENERGY, WATER, BIODIVERSITY, EMISSIONS, EFLUENT & WASTE, COMPLIANCE AND TRANSPORT.			
G4-EN1	Materials used by weight or volume.	YES	Weight provided in detailed operational reports, Note 19, inventories, chemicals, fuel & lubricants , etc.
G4-EN2	Percentage of materials used that are recycled input materials.	YES	shredding of used paper; and production of gas from Bugolobi Wastewater Treating Plant. (on-going-yet to be implemented due procedural delays).
G4-EN3	Energy consumption within the organization.	YES	UGX. 79.6 billion Electricity costs, page 161 under Schedule of Expenditure No.3.
G4-EN6	Reduction of energy consumption.	YES	Page 47; Table 11 under Environmental & Ecological Sustainability.
G4-EN7	Reductions in energy requirements of products and services.	YES	Table 11- On Page 47 & under Schedule of Expenditure No.3.
G4-EN8	Total water withdrawal by source.	YES	Annexed 1; 3rd Column page 166 (170 Million Cubic metres).
G4-EN8	Water sources significantly affected by withdrawal of water.	YES.	Utingo River in Gulu , R. Rwizi, Affected by climate change and human activities.
G4-EN10	Percentage and total volume of water recycled and reused.	YES	Table 11 under Environmental & Ecological Sustainability. Line 2, (Page 47).
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas outside of high biodiversity value outside protected areas.	YES	Noted reported here
SOCIAL INDICATORS – HUMAN RIGHTS			
HUMAN RIGHTS PERFORMANCE, INCLUDING STRATEGY & MANAGEMENT, NON-DISCRIMINATION, FREEDOM OF ASSOCIATION, CHILD LABOUR AND FORCED LABOUR			
G4-HR3	Total number on incidents of discrimination and corrective action taken.	NO	N/A

National Water & Sewerage Corporation - GRI G4 Content Index Cont'd

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	NO	N/A
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour.	NO	N/A
G4-HR6	Operations and suppliers identified as having significant risk, for incidents of forced or compulsory labour and measures to contribute to the elimination of all forms of forced or compulsory labour.	NO	N/A
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	NO	N/A
SOCIAL INDICATORS – SOCIETY			
SOCIETY PERFORMANCE, INCLUDING COMMUNITY, CORRUPTION, PUBLIC POLICY AND COMPLIANCE			
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	NO	-
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	NO	-
SOCIAL INDICATORS – PRODUCT RESPONSIBILITY			
PRODUCT RESPONSIBILITY, INCLUDING CUSTOMER HEALTH & SAFETY, PRODUCTS & SERVICES, MARKETING & COMMUNICATION AND CUSTOMER PRIVACY			
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvements.	YES	-Page 85-87 (Quality Assurance).
G4-PR5	Results of surveys measuring customer satisfaction.	YES	Customer Satisfaction survey report (89%)-Figure 3, Page 13.

Office Addresses and Contacts

HEAD OFFICE
Plot 3 Nakasero
P.O Box 7053 Kampala
Tel: 0313-315-101/102
Email: info@nwsc.co.ug
Website: http://www.nwsc.co.ug
Twitter: @nwsc
Facebook: waterug
Toll free: 0800-200-977/0800-300-977

KAMPALA WATER
Plot 39, Jinja Road
P.O Box 70255 Kampala, Uganda
Tel: 0313-315-600/516

KAMPALA WATER BRANCHES

CITY CENTER BRANCH
Plot 18/20,6th Street Industrial Area
TEL: 0313-315-500

MUKONO BRANCH
Opposite Mukono Police Station
TEL: 0313-315-459

NATEETE BRANCH
Plot 615 Gamba Plaza, Nalukolongo
TEL: 0313-315-445

BUNGA BRANCH
Plot 947 Gaba Road-Bunga
TEL: 0313-315-578

KYALIWAJJALA BRANCH
Along Kiira Road, after Spedag Ware-house
TEL: 0313-315-580

NAKAWA BRANCH
After Spear Motors at Premier Building
TEL: 0313-315-434/539

NAKULABYE BRANCH
2nd floor Mamu Supermarket
TEL: 0313-315-479

NDEJJE BRANCH
Opposite Rainbow Junior School.

MASANAFU BRANCH
In Munaku next to Power King Hotel

SEETA BRANCH
On Jinja Road opposite Riders Hotel
TEL: 0313-315-559

SALAAMA BRANCH
Salaama Road before St. Henry's Gardens
TEL: 0313-315-515

WAKISO BRANCH
Opposite Wakiso Health Centre.

URBAN PRO-POOR BRANCH
After total fuel station on Mengo hill road, kisenyi
TEL: 0313-315-442

NANSANA BRANCH
Bukomero on 7 Sisters Building, Hoima Road.
TEL: 0313-315-436

KANSANGA (NSAMBYA) BRANCH
Sussie house next to American Embassy, Gaba Road.
TEL: 0313-315-512

KIREKA BRANCH
Wabyona Plaza ground floor, Kireka.
TEL: 0313-315-518

KASANGATI (GAYAZA) BRANCH
Opposite Kasangati health center.
TEL: 0313-315-474

NTINDA BRANCH
Next to former DFCU Bank, Ntinda
TEL: 0313-315-440

MATUGGA BRANCH
Near Matugga Grade 2 Magistrates' court.
TEL: 0313-315-584

KYENGERA BRANCH
Opposite Gapco Petro Station, Kyengera – Masaka highway.
TEL: 0313-315-583

KANYANYA BRANCH
Block 207, Plot 2549
TEL: 0313-315-456

NAJJANANKUMBI BRANCH
Plot No 668 Entebbe road
TEL: 0313-315-431

BULENGA BRANCH
Bulenga Trading Center

BWAISE BRANCH
Bombo road, Opposite Planet Petrol Station Bwaise.
TEL: 0313-315-452/455

LUZIRA BRANCH
After Kitintale Market above UMEME Office
TEL: 0313-315-430

LUTETE BRANCH
Opposite Bobi wine road, 10 meters from Deluxe Supermarket

CENTRAL REGION

BUGIRI AREA
1st turn before oil Libya petrol station in Bugiri town.
P. O Box 94, Bugiri

BUWAMA AREA
Next to Buwama Town Council

BWEYALE AREA
Along Diika Road, Bweyale Town council.
P.O Box 92, Bweyale

ENTEBBE AREA
Plot 19/20 Kampala road
P.O Box 79, Entebbe

IGANGA AREA
Plot 49 Main street Iganga.
P.O Box 94, Iganga

JINJA AREA
Plot 7 Bell Avenue Jinja
P.O Box 301, Jinja

KALUNGU AREA
After Uganda Police in Kalungu town

KAMULI AREA
After Don petrol station in Kamuli town
P.O Box: 215, Kamuli

KAPEEKA AREA
Along Goma road

KIGUMBA AREA
After Kafu bridge along the Masaka highway
P.O Box:132 Kigumba

KYOTERA AREA
Same premises with Kyotera Town Council
P. O Box 36, Kyotera

LUGAZI AREA
Plot 44 Mubarak Saidi Road. P.O Box 296, Lugazi

LUWERO AREA
Plot 2 Kiwoko road
P.O Box 06, Luwero

Office Addresses and Contacts continued ▶

LWENGO
After Finance Trust Bank in Lwengo Town Council

MASAKA
Plot 29/31 Victoria Road
P.O Box 56, Masaka

MITYANA AREA
P.O Box 458, Ssaza Road

MPIGI AREA
300m-500m from the roundabout along mawonve road in Mpigi town
P.O Box 273, Mpigi

MUBENDE AREA
Next to Mubende Town Council offices, Kiwalabye road.
P.O Box 348, Mubende

NAKASONGOLA AREA
Next to Nakasongola prisons

SEMBABULE AREA
Along Masaka Road after Centenary Bank

EASTERN REGION

BUKEDEA AREA
Next to Uganda Police Station in Bukedea town

KABERAMAIDO AREA
Near Kaberamaido Town Council offices

KAPCHORWA AREA
Next Kapchorwa Municipal Offices

KOTIDO AREA
Along Losilung road opposite Good Shepherd Cathedral
P.O Box 81 Kotido

KUMI AREA
Along Mbale Road next to Kumi town council offices

MANAFWA AREA
Near Bugobero Town Council offices

MBALE AREA
Plot 1 Works Road
P.O Box 2548, Mbale

MOROTO AREA
Plot 33, Circular Road
P.O Box 49, Moroto

SOROTI AREA
Plot 4 Engwau Road
P.O Box 377, Soroti

TORORO AREA
Plot 44/48 Uhuru Drive
P.O Box 889, Tororo

NORTHERN REGION

ADJUMANI AREA
Along Moyo Road, same premises with Adjumani Town Council
P.O Box 3, Adjumani

APAC AREA
Along Akokoro Road, Apac Town Coucil,
P. O. Box 112, Apac

ARUA AREA
Plot 14 Avenue Road, Arua Town
P.O Box 980, Arua

GULU AREA
Plot 25, Gulu Avenue
P.O Box 167, Gulu

KITGUM AREA
P.O Box 212, Kitgum

KOBOKO AREA
Along Arua road after the Police Station
P.O Box 102 Koboko

LIRA AREA
Plot 10-12 Maruzi road
P.O Box: 243, Lira

MOYO AREA
Plot 18 Kerelu Crescent
P.O Box 27 Moyo

NEBBI AREA
Plot 3 Omaki Road
P.O Box 282, Nebbi

PADER AREA
Along Kalong road
P.O Box 8 Pader

PAKWACH AREA
Opposite Pakwach Town Council Offices

WESTERN & SOUTHWESTERN REGION

BUNYANGABU AREA
Near Bunyangabu District offices

BUSHENYI AREA
Plot 3 Tank hill, Bushenyi Municipality
P.O Box 339, Bushenyi

FORT PORTAL AREA
P.O Box 805, Fort Portal

HOIMA AREA
Plot 12, Kampala Road.
P.O Box 275, Hoima

IBANDA AREA
Opposite Tusu petrol station along Kamwenge road
P.O Box 307, Ibanda

KABALE AREA
Plot 32, Nyerere Avenue.
P.O. Box 627, Kabale

KAMWENGE AREA
Same premises with Kamwenge Town Council
P.O Box 1546, Kamwenge

KANUNGU AREA
Opposite Kanungu District Headquarters
P.O Box 26, Kanungu

KASESE AREA
Plot 1 Rukidi Street
P.O Box 356, Kasese

KISORO
P.O Box 273, Kisoro

KYANKWANZI
Opposite Torch Petrol Station

KYENJOJO
Along Kasiina, Fortportal road next to Unique FM

LYANTONDE AREA
Plot 47 Block 78 Kabula, Lyandonte
P.O Box 33, Lyantonde

MASINDI AREA
Plot 29/31, Masindi Port Road
P.O Box 545, Masindi

MBARARA AREA
Plot 3Galt Road, Mbarara
P.O Box 1371, Mbarara

MITOOMA AREA
Opposite Mitooma Health Center in Mitooma town.

MPONDWE AREA
Kaserengethe, opposite Bwera market

NTOROKO AREA
After Tooro Semiliki National Park

Office Addresses and Contacts continued ►

NTUNGAMO AREA
Next to Municipal offices, opposite Total petrol station
P.O Box 384 Ntungamo

RUBIRIZI AREA
Nyakasharu Town Council opposite Total petrol station

RUHAMA AREA
Next to Town Council offices
P.O Box 70, Ruhama

RUKIGA AREA
After Stabex petrol station, Muhanga town

RUKUNGIRI AREA
Opposite Municipal Council Offices
P.O Box 29, Rukungiri

RUSHERE AREA
Near Rushere town playground
P.O Box 03, Rushere

SHEEMA AREA
Opposite Sheema Stadium



National Water & Sewerage Corporation
3 Nakasero, P. O. Box 7053 Kampala - UGANDA
Tel: +256 313 315 101/102
Email: info@nwsc.co.ug
www.nwsc.co.ug

Doc Ref. No.: HQ/DMD-F&CS/CS&IF/GR/03