



TARIFF FILING PROPOSAL

Financial Year 2016-17

Final Draft

December 2015

The Water and Sewerage Company
P.O Box 426
Maseru 100
Lesotho

Tel: (+266) 22312449
Fax: (+266) 22310006
Website: www.wasco.co.ls

Pursuant to the provisions of the operating licence signed on 30th April 2013

The Water and Sewerage Company (WASCO) has prepared and finalised this Tariff Filing Document.

The Tariff filing document has been seen and approved by the WASCO Board on 16th December 2015.

Signed:


.....
WASCO Chief Executive

Signed:

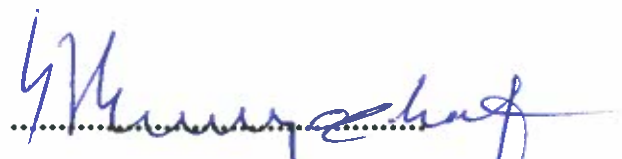

.....
Chairperson of the WASCO Board

Table of Contents

	Executive Summary	iv
1	Basis for Application	1
1.1	<i>Basis and Key Assumptions</i>	1
1.2	<i>Statement of WASCO's Regulated Business</i>	2
2	Review of Previous Year (2012-13)-Water and Sewerage	3
2.1	<i>Review of Outturn Regulatory Accounts and Budget Estimates</i>	3
2.2	<i>Production, Consumption and Sales Data</i>	4
3	Review of Current Year (2013-14) Water and Sewerage	6
3.1	<i>Review and Reconciliation of Management Accounts and Budget Estimates (April to September 2014)</i>	6
3.2	<i>Production, Consumption and Sales Data</i>	9
3.3	<i>Service Coverage</i>	9
3.4	<i>Water and Sewerage Quality</i>	10
4	Forecast for 2014-15 – Water and Sewerage	13
4.1	<i>Introduction</i>	13
4.2	<i>Statement of Approved Budget</i>	13
4.3	<i>Forecast Operating Costs</i>	17
4.4	<i>Forecast Capital Costs</i>	14
5	Proposed Tariff Requirements for 2014-15	18
5.1	<i>Regulated Accounts</i>	18
5.2	<i>Weighted Average Cost of Capital</i>	18
5.3	<i>Proposed Tariffs and Charges</i>	18
5.4	<i>The Basis and Rationale for Tariff Adjustment</i>	19

EXECUTIVE SUMMARY

This is a tariff review application for a single year period covering the period April 2016 to March 2017.

Expenditure to date (as at September 2015) for the financial year 2015-16 is recorded at M86, 786, 483. It is anticipated that expenditure will reach an amount of M181, 917, 647 at the end of the financial year. This will be a slight decrease 9.86 percent from the recorded expenditure of the 2014-15 financial year.

Revenue for the 2015-16 period to the end of September 2015 is recorded at M107, 449, 003. The projected revenue for the financial year is M195, 571, 260 this will be a slight decrease in revenue from the last financial year figure of M198, 666, 000 by 1.6 percent.

The planned expenditure for the financial year 2015-16 is estimated to be M242, 948, 268

The main drivers for expenditure in the next financial year include among others the following:

- Preventive maintenance endeavours for upkeep of key infrastructure
- Rehabilitation activities on key infrastructure to improve performance
- Provision of standby capacity in selected areas for sustainability of supply
- Provision of on the job training interventions for improved service delivery
- Augmentation of key personnel in selected operational areas

In order to meet the planned expenditure for the 2016-17 financial year, WASCO proposes a tariff adjustment of 13% to the existing volumetric tariff in all bands and no changes for standing charges. In order to fully establish the real costs to provision of service to its customers, WASCO has endeavoured to conduct a cost of service study which will be the basis for future tariff proposals.

Other key elements that underpin this tariff adjustment include the below expected consumption rate by WASCO customers due to the prevailing drought which will adversely affect revenues for the current year. Already consumption rates have been below expected levels for the period ending September 2015. As per the implementation of the OSR Project WASCO is intending to move further to the next phases in the recruitment of key personnel for the improvement of service delivery.

1 BASIS OF APPLICATION

1.1 Basis and Key Assumptions

- 1.1.1 The basis for the proposed adjustment of the WASCO volumetric tariff hinges on the need for the Company to meet its service delivery commitments that include provision of quality and reliable potable water and safe effluent disposal services.
- 1.1.2 The effect of inflationary pressure on acquisition of requisite materials for implementation of house connections, maintenance of reticulation infrastructure results in the ever growing expenditure burden on WASCO which is not backed up by commensurate revenue. The determination of the 2016-17 budget is based on divisional submissions based on item by item resources needed for the provision of services for the year.
- 1.1.3 The growth of the WASCO customer base is restricted to domestic customers which are growing at the rate of approximately 6000 connections per year. The rate of growth of non-domestic customers has been largely insignificant in recent years. Against this backdrop and based on a *Pareto* principle, the growth of domestic customers against non-domestic customers provides an insignificant impact on revenues. There has not been a substantial increase in non-domestic customers that would increase demand for potable water from WASCO and furthermore those that have been envisaged by the LNDC may not make any meaningful increase in water usage.
- 1.1.4 The key assumptions that underpin this tariff adjustment are that the WASCO recurrent budget is used to finance mostly routine activities which are heavily affected by the inflation rate (at 5.7 percent) as well as planned activities as per the WASCO Business plan which are developmental in nature. Also included in the WASCO business plan are planned remedial actions based on the findings of LEWA inspections during the course of this financial year. All these activities and initiatives will need increased financial resources of which the current tariff and hence received revenue will not suffice.
- 1.1.5 The other basis for this tariff adjustment is the fact that WASCO operated on a loss in the 2014-15 financial year and that planned revenues did not meet expected outturns while expenditure was more than expected. Hence the company struggled to meet its financial obligations and as a result could not obtain requisite materials for customer connections as well as for routine maintenance replacements and stand-by capacity. This tariff adjustment is meant to offset such shortfalls in the recent past and to guarantee sound service.
- 1.1.6 WASCO has approached local financiers to assist in terms of a loan in its quest to provide vehicular support for its operations and this has added an interest burden to its annual revenue. This is over and above existing loans that the company is servicing. Furthermore WASCO is planning to explore and roll out prepaid metering scheme which will be through a Public Private Partnership which will have a burden on WASCO in servicing the scheme.

1.2 Statement of WASCO's Regulated Businesses

- 1.2.1 The Water and Sewerage Company (PTY) Ltd came into being through a "Water and Sewerage Act No. 13 of 2010", thereby making it a fully-fledged public company earmarked to deliver water and sewerage services in the urban centres of the country.
- 1.2.2 WASCO operates in 16 centres serving 90, 797¹ customers nation-wide, about 6000 of whom are connected to sewer lines. There are also more than 4, 300 domestic prepaid connections, and more than 4, 400 communal pre-paid token holders. Industries and commercial premises, particularly in Maseru, use about 64 percent of the water produced, and domestic customers consume 36 percent.
- 1.2.3 As indicated earlier, the WASCO operates within the water and sanitation sector and reports functionally to the Ministry of Energy, Meteorology and Water Affairs but is overseen strategically by a Board of Directors. The Board is responsible for the overall strategic direction of the company and other key strategic areas of finances, Audit and Risk; and Performance Management. The WASCO is headed by a Chief Executive who is supported by a team of four heads of Divisions hereto referred to as Directors heading four divisions of Operations and Maintenance; Enterprise Project Management; Finance and Shared Services; Human Resources as well as a newly formed Corporate Services Divisions.
- 1.2.4 The business of WASCO emanated from the extraction and production of raw water from rivers and bore holes, its distribution and ultimate supply to households and entities as well as the extraction of sewer for safe disposal back into the environment. On this basis, the following functions or business of WASCO will be regulated (i.e. production, distribution and sewerage disposal). The functions of the Sanitation Services Unit (SSU) have since been outsourced to private contractor in 2011 and do not form part of this submission. WASCO's sewerage tankering services, which still occur in the districts are also not included in the regulatory accounts for purposes of this submission.

¹ Figure as at July 2015

2. REVIEW OF PREVIOUS YEAR: 2014-15 (WATER AND SEWERAGE)

Here below is a presentation and review of the performance of WASCO for the period ending March 2015.

2.1 Review of Out-Turn Regulatory Accounts and Budget Estimates

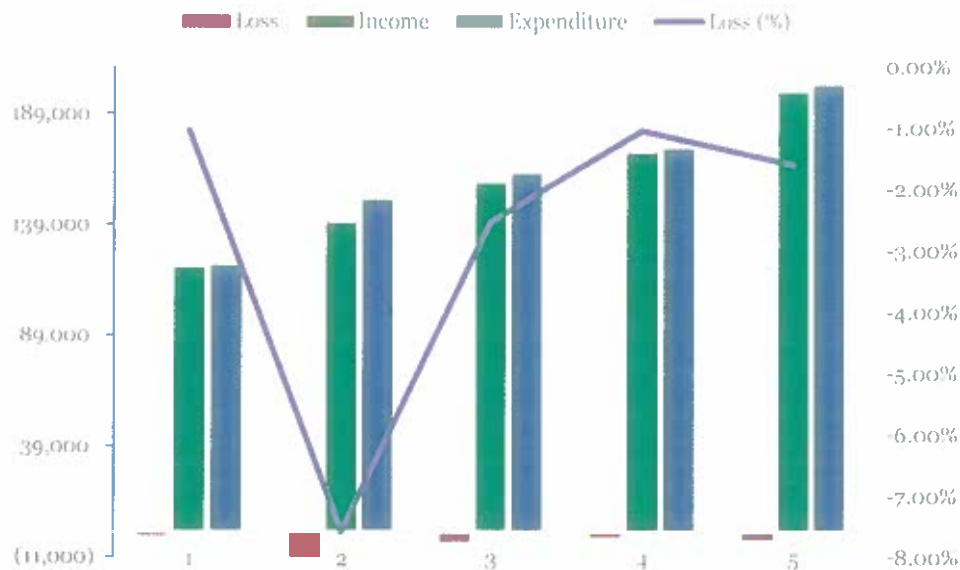
- 2.1.1 According to the results presented for the 2014-15 financial year, WASCO reported an annual operating loss of M3, 160, 000. Revenue generated for the period is M198, 666, 000. The main components of revenue have been Water and Sewerage billing M175, 628, 000(88.4%), new service connections at M15, 826,000 (7.96%). Other income registered a figure of M7, 212, 000.
- 2.1.2 Expenditure for the period is recorded at M201, 826, 000. The main contributors to expenditure have been manpower costs (at 40.59 percent), Power (at 9.15 percent), reticulation and plant maintenance (at 4.75 percent) and chemical usage makes a contribution of 3.81 percent.
- 2.1.3 The loss realised the 2014-15 financial year was higher than that of the previous year (at M1, 781 million). The increase in operating loss is mainly attributed to a substantial increase in expenditure for the year from the previous year's figure of M173, 233 million. The company experienced its highest loss (at M10, 595 million) during the 2011-12 financial year. This improvement has been largely as a result of a substantial and steady growth of Water and sewerage billing for the last five years since 2010-11 financial year.

The table below highlights the out-turn on the finances of WASCO for the review period as well as preceding years from financial year 2010-11.

Table 1: Revenue/Expenditure Outturn for 2010/11 to 2014/15

	2014-15	2013-14	2012-13	2011-12	2010-11
Item	M '000				
Total Revenue	198, 666	171, 233	157, 756	139, 705	119, 364
Water and Sewerage Billing	175, 628	151, 452	137,878	115,691	103,555
New Service connections	15, 826	14, 922	15,878	21,733	10,886
Other Income	7, 212	4, 646	4,000	2,285	4,818
Interest Income	-	-	9,305	-	5,944
Expenditure	201, 826	173, 014	161, 746	150,300	120,596
Manpower	81, 926	80, 743	69,327	68,133	65,053
Power	18, 460	16, 262	13,622	10,980	10,295
Reticulation and Plant Maintenance	9, 579	12, 556	7,684	9,545	7,808
Chemical Usage	7, 683	7, 230	5,460	6,688	4,272
New Connections Materials	13, 682	9, 912	7,955	10,110	6,126
Depreciation	17, 955	15, 086	14,767	14,586	13,751
Operating Profit	(3, 160)	(1, 781)	(3, 990)	(10,595)	(1, 232)

Figure 1: Income/Expenditure performance for the years 2010 to 2014



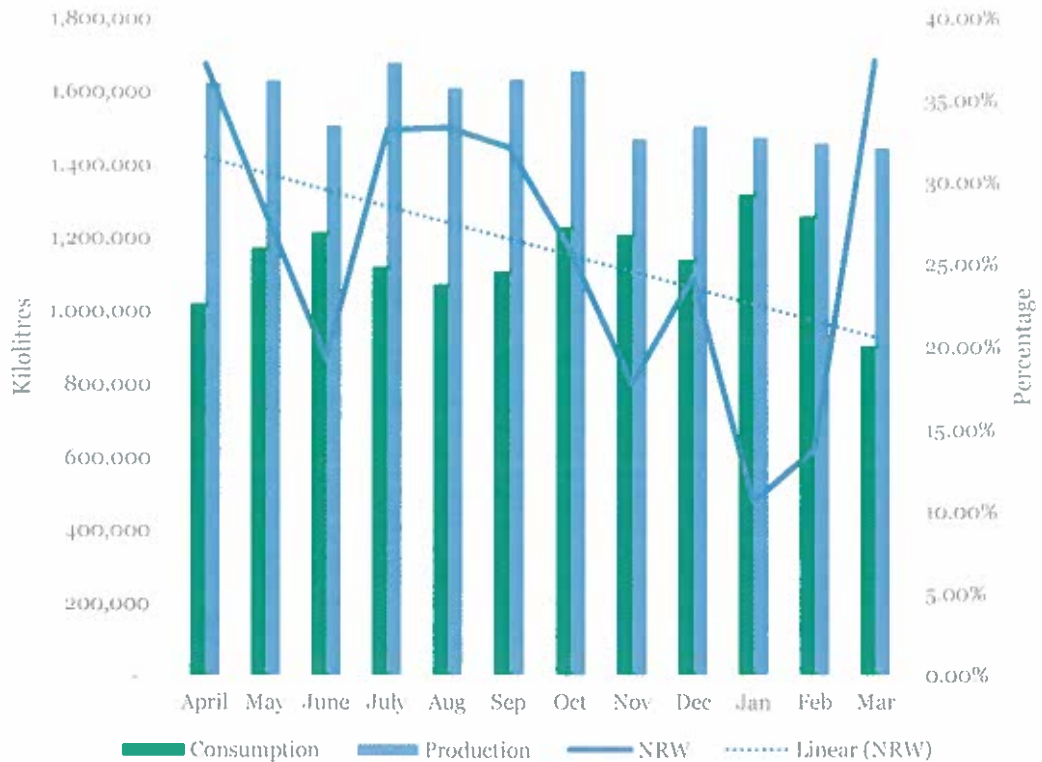
2.1.4 The main cost drivers for WASCO continue to be Manpower and electricity as well as chemical usage, while revenue is driven largely by service charges (water and sewerage billing). The rate of increase in expenditure on power has been very high in recent period mainly due to increase in tariffs by the LEC as well as increases in the demand for pumping due to increased coverage and population demand. The rate of growth of new service connection has been very erratic in recent years mainly due to slow implementation of reticulation extension initiatives and service coverage improvement projects.

2.1.5 A closer look into the presentation of the WASCO's financial statements for the financial year 2014-15 it can be seen that WASCO revenues from water and sewerage services did not attain the determined revenue requirement of M202.09 million as set by LEWA based on the tariff adjustment of 16.5 percent as well as standing charges adjustments. At M175. 63 million WASCO fell below the set revenue determination by M26.46 million (13.9 percent) this is despite a slight drop in billing performance against projected consumption sales as per the tariff determination. An operating profit, based on the set Tariff adjustment was envisaged at M9.7 million but WASCO realised an operating loss of M3.16 million. A detailed outline of the regulated accounts (actuals) as well as audited financial statements are presented in Appendix B

2.2 Production, consumption and sales data

2.2.1 Here below is a presentation of production and consumption data for the twelve month period ending in March 2015.

Figure 2: Analysis of production against billed consumption (April 2014- March 2015)



2.2.2 Total production for the period ending March 2015 amounted to 18.6 million kilolitres while billed consumption was recorded at 13.8 million kilolitres. The resultant non-revenue water reached a figure of 37.42 percent at the end of March 2015 while average NRW for the period was recorded at 26.07 percent. Average NRW surpassed the set target for the 2014-15 period even though at the end it peaked to 37.42, the highest in the financial year. Analysis shows that NRW has been behaving in a declining trend throughout the period which is a positive occurrence. This is so realised due to the fact that consumption has been maintained constant on average while production has declined.

3. REVIEW OF CURRENT YEAR: 2015-16 (WATER AND SEWERAGE)

3.1 Review and Reconciliation of Management Accounts and Budget Estimates (April-Sept. 2015)

3.1.1 Expenditure

Total expenditure for the period ending September 2015 totalled M86, 786, 483. This is against a budgeted expenditure of M112, 737, 135. This expenditure falls short of the budgeted expenditure for the period by 23 percent. When compared with the first quarter expenditure of M41, 086, 518, it can be realised that expenditure for the second quarter at M45, 699, 965 was marginally higher than that of the first quarter. The slow pace of expenditure is corroborated by the slow implementation of several initiatives in the 2015-16 business plan.

The table below presents how expenditure has been distributed among key items for the period ending September 2015.

Table 2: Distribution of Expenditure

Expenditure Item	Amounts
Manpower	39, 003, 992.97
Chemicals	4, 444, 501.67
Power	9, 441, 200.77
New connections Materials	5, 213, 105.38
Reticulation and meter Maintenance	1, 525, 720.49
Other Expenditure	16, 714, 428.02
Depreciation	10, 525, 413.49
Total Expenditure	86, 786, 483

3.1.2 Revenue Generation

The target set for revenue for the 2015-16 period is M236 million. Revenue for the period ending September 2015 was recorded at M107, 449, 003. This is against the budgeted figure for the period of M113, 298, 998. Compared with the first quarter, revenue seems to have marginally increased by M81, 941 for the period at M53, 765, 472. At M72, 820, 986 the main driver of revenue, Water Billing fell below the set target of M92, 516, 528 for the period. This represents a below expected consumption patterns by WASCO customers during the period.

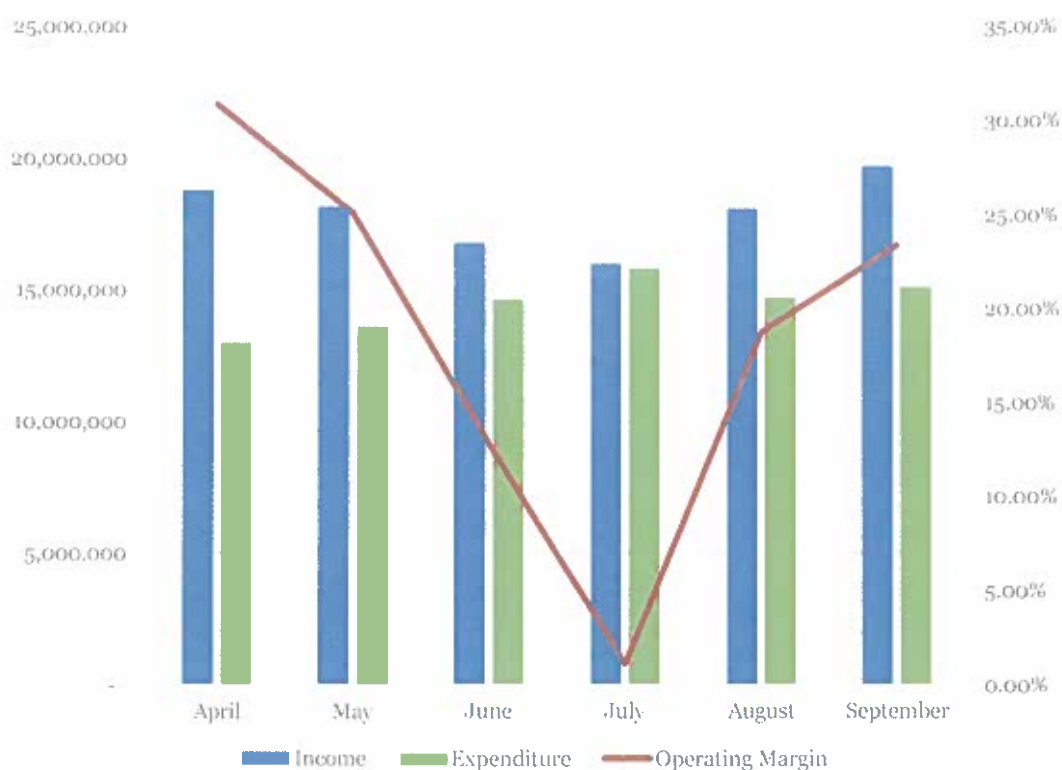
Here below is a tabular presentation of the contribution of the main items of revenue for WASCO for the period ending September 2015

Table 3: Distribution of Income

Revenue Item	Amounts
Water Billing	79,820,986
Sewerage Billing	18,433,280
New connections (water)	6,867,591
New connections (sewer)	166,770
Other Revenue	2,160,373
Total Revenue	107,449,003

- 3.1.3 From the above figures it can be realised that an operating profit of M20, 662, 519 has been generated for the first and second quarter period. This profit is higher than the budget profit of M5, 556, 863 for the period and the operating margin is 19.23 percent.

Figure 3: Income vs Expenditure with operating Margin (April – September 2015)



- 3.1.4 It can be inferred from the above figure that income has been dropping for the first quarter period while expenditure was increasing steadily thereby reducing the operating margin. This reached its lowest trough in July 2015 where income matched expenditure nearly on a one-to-one. Thereafter expenditure seems to start dropping for the period of the second quarter while income was on a steady

rise indicating increase in profits. The highest peak in profit and income for the period to date was realised in September 2015 with an income of M19, 692, 313 and an operating margin of 23 percent.

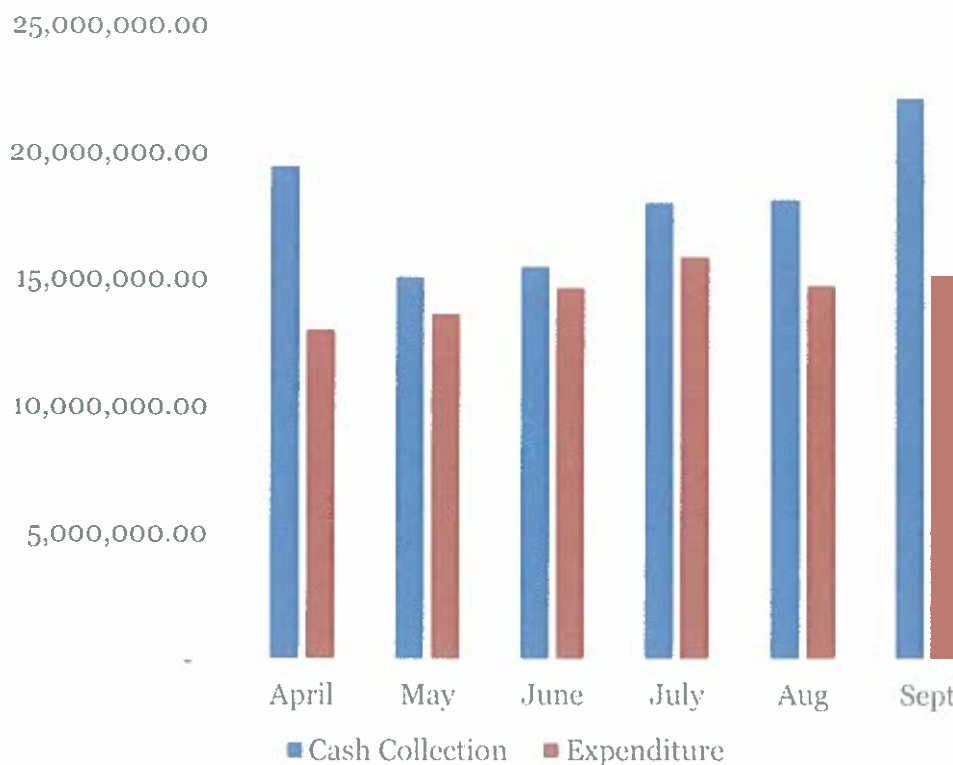
3.1.5 Collection performance

Actual collection (i.e receipts from customers) for the period to the end of September 2015 reached an average that is above the 18 million Maloti mark. This is a good sign that customers have improved their payment of bills following efforts by WASCO for them to do so. One notable occurrence is the sending of warning text messages to customers during the month of September 2015 which realised an unprecedented M22, 067, 813. The financial year 2014-15 collection averaged 14 million Maloti and this was just enough to meet planned expenditure and on several occasions the company struggled to meet such expenditure and had to be prioritized resulting in poor relationships with suppliers.

It is realised that with more efforts at making customer meet their bill obligations, WASCO can truly start making profits in the near future.

Here below is a pictorial presentation of collection against expenditure for the period under review.

Figure 4: Cash collection against Expenditure (April to September 2015)



It can be seen from the above figure that expenditure has been kept below the 15 million Maloti in all the months of the period with the exception of July and that collection has been sustained above expenditure during the period highlighting a healthy situation for WASCO. A notable observation is the steady rise in collection from the month of May 2015 which reached its peak in of slightly above 22 million Maloti is September 2015.

3.2 Production, consumption and sales data

3.2.1 Below is a detailed presentation of production, consumption and sales data for the period ending September 2015.

Table 4: Production, Consumption and sales Data (April to Sept. 2015)

Item	April	May	June	July	August	September
Water Production (m ³)	1,367,630	1,278,176	1,003,567 ²	1,031,625	1,684,245	1,991,454
Consumption (m ³)	1,148,871	1,213,880	1,662,074	1,356,090	1,285,576	1,141,468
Water Sales (Maloti)	13,346,153	14,881,522	11,320,932	14,164,064	12,226,519	-
Sewer Sales	3,043,698	2,943,833	4,221,499	3,175,659	2,938,319	-

3.3 Service Coverage

3.3.1 The target for water and sewer connections for the year has been set at 6,000 and 400 respectively. The performance of WASCO with regard to water and sewer connections for the second quarter ending in September 2015 was registered at 1,498 water connections and 92 sewer connections. Comparatively, the first quarter realised the achievement of 1,699 water connections undertaken and 142 sewer connections for the quarter. The rate of water and sewer connection has dropped for the second quarter and is below the set quarterly target of 1,500 and 100 for water and sewer respectively.

The table below presents the distribution of water and sewerage connections for the period April to September 2015 categorised according to those in Maseru, the north and south regions

² The figure for production for June and July have a shortfall for data for Metolong supply to Maseru due to unavailability of flow meters hence lower than consumption figures.

Table 5: Water and sewer connections (April to September 2015)

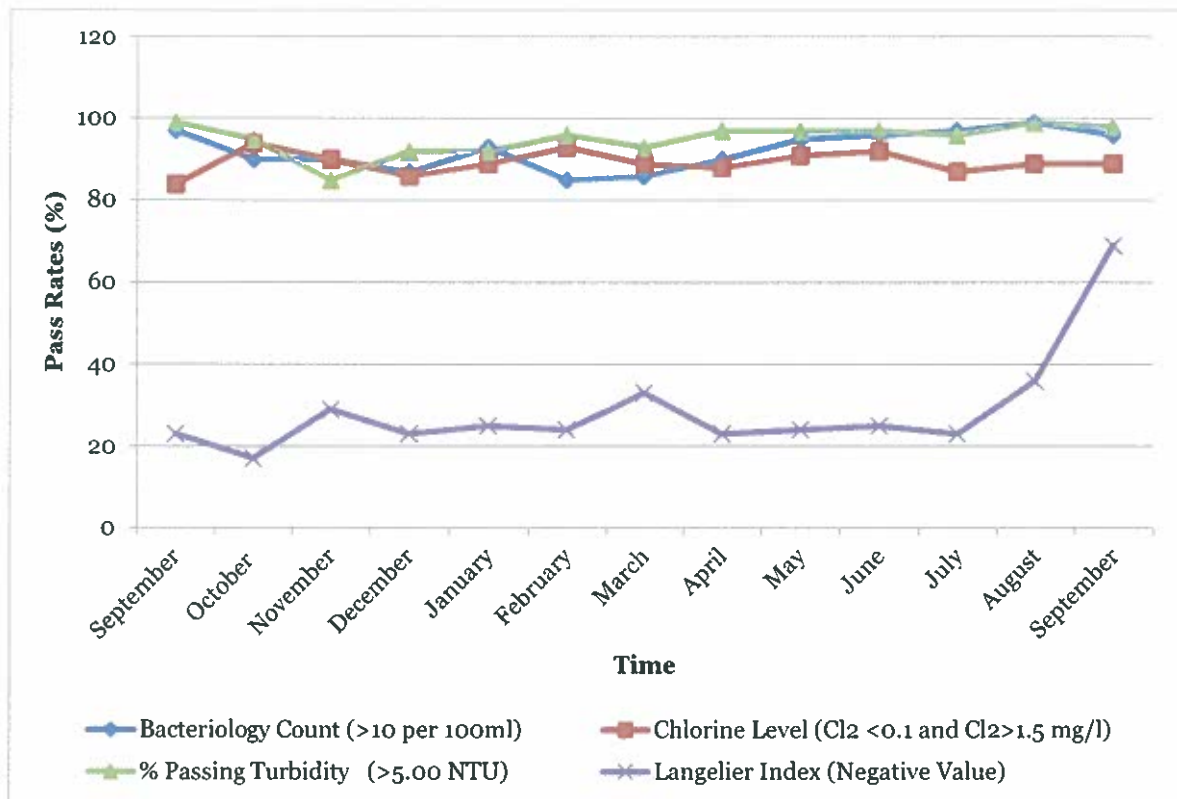
Water Connections							
Region	April	May	June	July	August	September	Total
Maseru	354	221	302	90	423	218	1, 658
North	192	118	202	72	152	218	934
South	79	97	134	86	102	107	605
Total	625	436	638	208	707	543	3, 197
Sewer Connections							
Region	April	May	June	July	August	September	Total
Maseru	36	66	34	16	22	43	217
North	2	0	0	0	1	1	4
South	4	0	0	1	6	2	13
Total	42	66	16	17	27	46	234

The total number of water connections for the period breached the half-way mark at 3, 197 against the set target of 6, 000 connections for the year. The same occurrence has taken place for sewer connections at 234 for the period ending September 2015. There is still a limited uptake of sewer connections in the districts due to limited infrastructure. It can be seen that in some instances there were no connections at all. There was a dip in the number of connections, both water and sewer during the month of July 2015.

3.4 Water and Sewerage Quality

- 3.4.1 Performance in the quality of water produced and supplied to the public has been very good during the review period as well as in recent months prior to the period. All treatment plants managed to maintain turbidity levels above the 95 percent mark for the past six months and have largely been above the 90 percent mark for almost a year to date. Samples passing bacteriology count have been erratic over the 12 month period and largely below the 95 percent but above the 90 percent mark. Samples passing residual chlorine tests were also very good recording figures above the 90 percent mark.
- 3.4.2 The second quarter performance of WASCO regarding water quality for treated water was recorded at 97 percent for the microbiology parameter. Samples that passed the turbidity tests were at 66 percent for >1.00 NTU and 98 for >5.00 NTU while tests for residual chlorine revealed a pass rate of 97 percent and 91 percent for <0.1 mg/l and >1.5 mg/l. Performance for samples passing the Langelier index tests made a steady improvement during the second quarter reaching a peak of 69 percent in September 2015.
- 3.4.3 The figure below presents the performance of treated water infrastructure for the last twelve month to September 2015.

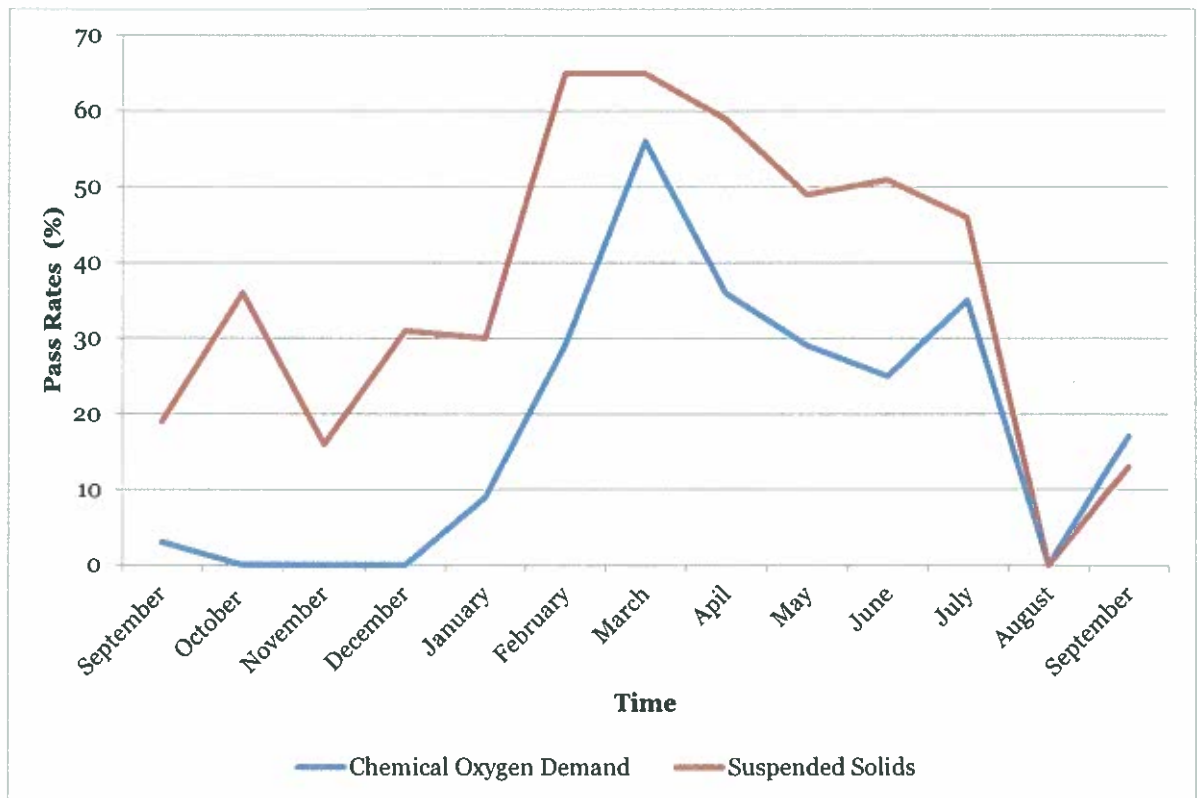
Figure 5: Quality of Water Produced (September 2014 to September 2015)



3.4.4 Following a period of good performance in the six months period to the end of June 2015, the performance of treated effluent dropped substantially during the second quarter. Samples passing the Suspended Solids and Chemical Oxygen Demand parameters registered similar pass rates of 25 percent in the second quarter. Measures will be put in place to return the performance to earlier rates

A clearer picture is laid out in the figure below.

Figure 6: Quality of treated effluent (September 2014 to September 2015)



4. FORECASTS FOR NEXT YEAR: 2016-17 (WATER AND SEWERAGE)

4.1 Introduction

- 4.1.1 The 2016-17 budget estimates respond to the planned objectives and commensurate initiatives and activities laid out in the 2016-17 Annual Business Plan as well as the implementation of routine operational activities aimed at delivering service to customers. The ABP and the responding budget focuses on the following main initiatives, namely, reducing debt by increasing cash collection, refurbishing the ailing reticulation system, reducing NRW, etc.

4.2 Priority initiatives for 2016-17

- 4.2.1 The following are priority initiatives to be implemented by WASCO in the financial year 2016-17.
- Reducing NRW through leak detection and management that entails procurement of requisite equipment namely, overflow control valves, pressure control switches, etc.
 - Improvement of billing through the procurement of smart meters for selected areas of Maseru as well as rolling out of prepaid meters in other areas other than Maseru.
 - A capacity building initiative aimed at improving employee performance and customer service through training interventions in key WASCO operational and support areas.
 - Sustenance of supply in areas that previously could not receive water adequately through provision of standby capacity.
 - The continued implementation of the organisational Structural Review project through the phased recruitment of proposed staffing needs in the areas of plant operation, meter reading, operations and maintenance and customer service.

4.3 Statement of Approved Budget

- 4.3.1 The 2016-17 WASCO budget has been presented and laid out in terms of key revenue and expenditure drivers. The key drivers of revenue for the company include water and sewer billing, connection fees for water and sewerage, reconnection fees, application fees and tankering. Water and sewerage billing income constitute just under 80 percent of proposed income for the 2015-16 financial year.
- 4.3.2 On the expenditure side the following are key drivers, namely salaries and related emoluments, fees (including consultancies), chemical usage for water and sewer treatment, power, and plant maintenance. Base salaries constitute about 43 percent of WASCO proposed expenditure while combined budget for electricity and chemical usage sums up to approximately 14 percent of total planned expenditure.
- 4.3.3 The 2016-17 budget highlights the need to explore more means to increase collection from customers. This is presented in the rolling out of smart meters

in selected areas of Maseru. The budget also brings to the fore the issue of the takeover of the Metolong Dam operations which has increased manpower and other operational costs. Other item that have the greatest impact on the 2016-17 budget include capacity building interventions aimed at improving employee performance and service to customers, provision of stand-by capacity at selected sites and installation of equipment aimed at curbing water losses and proper energy management.

4.4 Forecast Operating Costs

- 4.4.1 The growth of manpower needs of the company has not grown significantly in the past one to two years. However the effect of the implementation of the Organisational Structural Review, expected to take place in the 2015-16, which will be on an incremental basis for the subsequent financial years will put more pressure on manpower costs. It is envisaged that there will be a substantial growth in expenditure on Manpower in the coming years starting with the next financial year. Though the implementation of the organisational structure review will be implemented in phases, it is expected that the cost of this implementation would result in an increase in expenditure by approximately 5 million in the first year (2015-16). It is also the desire of the company to adjust upwards the salaries of members of staff by 6 percentage points in the next financial year.
- 4.4.2 The Metolong Dam water supply will provide much needed water to the areas of TY, Morija, Roma and Maseru. While it is expected that the takeover of the Metolong Dam operations by WASCO will leave some of the infrastructure that is being used currently for these areas unused, there will be a period that they will still be in operation together with the operation of Metolong treatment and conveyance, hence substantially increasing treatment and conveyance costs for a short period during the year. After this period there are some facilities and infrastructure (pump stations, treatment works, etc) that will be mothballed.
- 4.4.3 The determination of the inflation rate for the forecast period is at 5.7 percent and it has been envisaged that the growth of the inflation rate will be maintained in the single digit range for the near future and may be on the low side.
- 4.4.4 Here below is a tabular presentation of envisaged operating costs for the 2016-17 financial year.

Table 6: 2016-17 operating Budget

Items	2016-17 Budget			
	Distribution	Production	Sewer	Total
Expenditure				
Manpower	50,353,557	53,394,196	26,547,275	130,295,028
Electricity	54,509	15,579,212	3,851,942	21,361,322
Chemicals	0	7,917,146	11,137	7,928,283
Reticulation and Plant Maintenance	5,085,998	11,172,387	1,831,070	12,782,471

Administration Costs	8, 479, 013	14, 925, 589	2, 846, 226	26, 250, 829
Depreciation	7, 389, 999	8, 132, 332	2, 376, 931	17, 899, 263
Total Expenditure	90, 628, 889	116, 963, 785	38, 272, 214	245, 864, 887
Income				
Total Income	212, 563, 029	1, 966, 202	35, 823, 405	250, 352, 636

4.5 Forecast Capital Costs

Introduction

4.5.1 WASCO is implementing a number of projects aimed at improving service coverage and sound treatment of waste water. These projects are largely funded through funds from the Government of Lesotho and its development partners. Small projects are funded internally and are mainly focused towards reticulation extensions and small works.

4.5.2 The following projects are ongoing and will continue to be implemented during the 2016-17 financial year.

- Five Towns Water Supply Project,
- Urban and Peri-Urban Water Supply Project
- Maseru Waste Water Project

4.5.3 The Five Towns Water Project

For the coming financial year, it is planned that preliminary and detailed designs of the project will be finalised, procurement of contractor and commencement of construction works.

4.5.4 The Urban and Peri-Urban Water Supply Project

This project is considered complete. However, the next steps in the implementation of this project entail the transfer of water into the new network and implementation of interconnection lines.

4.5.5 The Maseru Waste Water Project

4.5.5.1 The implementation of phase two of the Maseru Waste water Project will be in two contracts namely MWWP-W4 and MWWP-W1.

4.5.5.2 The contract MWWP-W4 will comprise two lots for the coming year. Lot 1 entails the construction of a pump station and pump house as well as the construction of a rising main from the one to be constructed to an existing one. Lot 2 deals with the implementation of a 3000 meter sewer line at Thetsane East and additional works on the sewer network at Thetsane West. This also includes construction of 5000 meters of sewer network for Masowe.

4.5.5.3 The MWWP-W1 contract will entail the continuation of construction of on-site sanitation facilities (water closets and pit latrines) the identified areas.

4.5.5.4 The service contract under this project entails assisted operations which is skills transfer through training intervention exercises. Another service contract under this project deals with the development of a sanitation master plan for WASCO.

New Projects

4.5.6 The following are new projects that have been conceptualised for internal and external funding. WASCO envisages implementing these projects during the financial year.

4.5.7 Four Towns Wastewater Project

The project entails development of detailed designs, rehabilitation of the existing wastewater facilities and construction of the new wastewater treatment works, pumping stations, transmission mains, trunk mains, and collection sub mains in the four Towns of Botha Bothe, Hlotse, Maputsoe, and Teyateyaneng. The project will be implemented over a four year period and is estimated to cost approximately M600 million.

4.5.8 Greater Maseru Water Facilities Project

The project entails design and construction of water distribution network and associated infrastructure in the three packaged areas namely South (Masana, Mazenod, Motloheloa, Ha luka, Bosofo, Lenono and Makhoathi), South West (Tsiamé, Ha Tikoe, Ratjomose/Lesia, Tsautse and Qoaling) and North East (Maqalika, Mabote, Tsenola, Sehlabeng, Foso, Marabeng and Berea).

4.5.9 The project comprises design and construction of new water transmission mains, trunk mains, and collection sub mains, and pumping stations with supply of water mainly from Metolong water treatment works and other existing works. Due to extension requirements, a sizable reticulation network of pipes, various pumping options and additional reservoirs will be constructed.

4.5.10 The project will be implemented over a three year period and is estimated to cost approximately M309 million.

4.5.11 Maseru South West Wastewater Transmission Works Project

The project entails design and installation of a sewerage transmission main and a pump station from the proposed Pena-pena and surrounding residential areas to the Waste Water Treatment plant situated at Masowe area. The project will also include the construction of a sewerage network in the area surrounding Pena-pena Development and associated pump stations.

4.5.12 The project area will cover Pena-pena and surrounding Maseru South West (Masowe) areas comprising, amongst others, Semphetenyane, Masowe 1 and parts of Lithoteng in Maseru district

4.5.13 The Project will be implemented over a two year period and is estimated to cost M216 million.

5. PROPOSED TARIFF REQUIREMENTS FOR 2016-17

This chapter outlines the basis for the proposed tariff for the 2016-17 financial year.

5.1 Regulated Accounts

- 5.1.1 The value of the company's assets as well as its depreciation has been factored in the determination of the tariff for 2016-17 financial year. A thorough valuation of all WASCO assets will be conducted in the new financial year.

5.2 Weighted Average Cost of Capital

- 5.2.1 The determination of the weighted cost of capital does not form part of this filing proposal at this stage.

5.3 Proposed Tariffs and Charges

Volumetric Tariff Adjustment

- 5.3.1 As set out in the foregoing pages which highlighted performance of WASCO on its operation and finances as well as the desire to improve service delivery, WASCO envisages total operating costs to reach M245, 864, 887 in the 2016-17 financial year. A total revenue of M250, 352, 636 is needed recover the stated operating costs (including depreciation). A 13 percent adjustment on volumetric charges will yield a total revenue of M224, 640, 807 consisting of Water Billing Revenue and Sewer Billing Revenue of M191, 673, 860 and M32, 966, 947 respectively.

Table 7: Comparative analysis of the proposed tariff

Band	Current Tariffs /m ³	Increase/m ³	New Tariffs /m ³
Domestic Customers			
A: 0 – 5kl	4.51	0.59	5.10
B: >5 – 10kl	7.64	0.99	8.63
C: > 10 – 15kl	13.42	1.74	15.16
D: > 15kl	18.5	2.41	20.91
Domestic Standing charge	38.95	0.00	38.95
(Band A)	21.93	0.00	21.93
Non Domestic Customers			
- Industrial, business, government	12.21	1.59	13.80
- Schools, churches	12.21	1.59	13.80
-Other	12.21	1.59	13.80
Non-domestic Standing charge			
- Industrial, Business, Schools	272.35	0.00	272.35
- Government	393.39	0.00	393.39
- Churches,	272.35	0.00	272.35
- Other Non Domestic	196.7	0.00	196.7

- Standpipe customers	6.11	0.00	6.11
Waterborne sewerage customers			
Sewerage to be charged on 85% of water consumed	8.92	1.16	10.08
Low-Flush Waterborne sewerage customers			
Water closet customers to be charged on 60% of water consumed.	8.92	1.16	10.08

5.4 The Basis and Rationale for Tariff Adjustment

5.4.1 This section presents the justification for the proposed tariff adjustment for the financial year 2016-17.

5.4.2 *The Implementation of the Annual Business Plan*

WASCO has endeavoured to implement a number of initiatives aimed at improving service delivery during the 2016-17 financial year. These initiatives include the following

- The passed implementation of the Organisational Structural review project that entails recruitment of more staff to meet requirements
- Implementation of capacity building interventions in terms of training of staff in key operational areas.
- Procurement of appropriate equipment aimed at resolving the NRW problem in selected areas
- Provision of stand-by capacity for sustenance of supply

All these measures are being implemented in the forecast year in pursuit of WASCO goals in its strategic plan and also due to a determined need to meet set standards as well as to respond to key LEWA findings in the standard inspection of WASCO facilities.

5.4.3 *Offsetting the effects of inflation*

The cost of obtaining operational materials from key WASCO suppliers is expected to increase by an inflationary rate of 5.7 percent in the forecast year and these cost will be borne by WASCO in the quest to provide requisite service.

5.4.5 *Addressing financing costs*

WASCO, in its quest to provide services to its customers has had to augment its financial resources through the services of financial institutions by way of loans. WASCO has been supported by the Government of Lesotho to obtain loans from development partners and international financing institutions and in recent times has had to approach local commercial financiers to supplement its financial resources. These loan obligations have to be serviced and are burdening the company. The projected financing costs to WASCO are estimated at approximately M1.7 million.

5.4.6 The Effects of the recent drought conditions

Starting spring 2015 the country is experiencing an adverse weather phenomenon which is characterised by below normal rains and the depletion of ground water. This puts a strain to water resources from which WASCO obtains its raw water. WASCO has, in recent times, had to source water from other far of sources at a substantial cost and one that was not expected. The shortage of water has also affected production and hence consumption by WASCO customers which result in reduced revenues. This is demonstrated by below-expected revenues registered for the current financial year.

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

ASSETS	<u>Notes</u>	2015 M'000	2014 M'000
Non-current assets			
Property, plant and equipment	3	<u>1,216,241</u>	<u>1,190,093</u>
Current assets		134,979	140,183
Inventory	4	9,575	8,267
Trade and other receivables	5	84,946	71,814
Short-term investments	6	29,789	27,716
Bank and cash	7	10,669	32,387
TOTAL ASSESTS		<u>1,351,220</u>	<u>1,330,276</u>
CAPITAL AND LIABILITIES			
Capital and Reserves		1,148,513	1,111,955
Share Capital	8	1	1
GOL Funding	9	400,160	387,377
GOL Grant	10	821,656	794,722
Accumulated Funds	11	(65,016)	(61,856)
Reserves	12	(8,289)	(8,289)
Non-current liabilities		136,656	148,352
Provisions for Severance Pay	13	18,241	16,426
Long-term Loans	14	118,415	131,926
Current Liabilities			
Accounts payable	15	<u>66,050</u>	<u>69,969</u>
TOTAL CAPITAL AND LIABILITIES		<u>1,351,220</u>	<u>1,330,276</u>

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2015	2014
	<u>Notes</u>	M'000	M'000
Revenue		<u>195,208</u>	<u>171,233</u>
Manpower costs		81,976	80,743
Depreciation		17,955	15,086
Stock adjustment		14,574	2,027
Reticulation and plant maintenance		9,579	12,556
New connections		13,682	9,912
Other expenses	19	64,059	52,690
Total Expenses		<u>201,825</u>	<u>173,014</u>
Operating Profit/(Loss)		(6,617)	(1,781)
Net interest received/(charged)		<u>3,457</u>	<u>(12,501)</u>
Net Profit before taxation		(3,160)	(14,282)
Taxation	2.13	<u>-</u>	<u>-</u>
Profit/(Loss) for the year		(3,160)	(14,282)
Prior year adjustment	16	<u>-</u>	<u>9,278</u>
Profit/(Loss) at the year end		<u><u>(3,160)</u></u>	<u><u>(5,004)</u></u>

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	GOL Funding	GOL Grant	Share capital	Reserves	Accumulated surplus/ (Deficit)	Total
	M'000	M'000	M'000	M'000	M'000	M'000
Balance at 31 March 2013	389,381	736,616	1	(8,289)	(56,852)	1,060,857
Net loss for the year	-	-	-	-	(14,282)	(14,282)
Prior year adjustments	-	-	-	-	9,278	9,278
GOL funding	(2,004)	58,106				56,102
Balance at 31 March 2014	387,377	794,722	1	(8,289)	(61,856)	1,111,955
 Balance at April 2014	 387,378	 794,722	 1	 (8,289)	 (61,856)	 1,111,956
Net loss for the year	-	-	-	-	(3,160)	(3,160)
Prior year adjustments	-	-	-	-	-	-
GOL funding	-	28,199	-	-	-	28,199
Grant amortisation	12,782	(1,265)	-	-	-	11,517
Balance at 31 March 2014	400,160	821,656	1	(8,289)	(65,016)	1,148,512

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

STATEMENT OF CASH FLOW

	2015	2014
	M'000	M'000
CASH GENERATED FROM OPERATING ACTIVITIES		
Net Profit before interest charges	(3,160)	(14,282)
Adjustment for:		
Depreciation	17,955	15,086
(Profit)/Loss on fixed assets disposal	-	(212)
Provision for severance pay	2,027	3,115
Write offs & adjustment	14,574	2,027
Prior year adjustment	-	9,278
Interest paid	7,282	17,157
Interest income	<u>(3,457)</u>	<u>(4,656)</u>
	35,221	27,513
Changes in working capital:		
Decrease/(Increase) in inventory	(1,308)	1,788
Decrease/(Increase) in receivables	(13,132)	(380)
(Decrease)/Increase in payables	<u>(4,121)</u>	<u>3,838</u>
Cash generated from operations	16,660	32,759
Interest Paid	<u>(7,282)</u>	<u>(17,157)</u>
	<u>9,378</u>	<u>15,602</u>
CASH UTILISED IN INVESTING ACTIVITIES		
Purchased of tangible fixed assets	(44,137)	(125,413)
Transfer of Assets/Fixed provisions & other adjustments	(17,627)	92,619
Interest received	<u>3,457</u>	<u>4,656</u>
	<u>(58,307)</u>	<u>(28,138)</u>
CASH FROM FINANCING ACTIVITIES		
Increase in GOL contribution/grant	40,981	56,102
Increase/(Decrease) in the long term liabilities	<u>(11,696)</u>	<u>(6,119)</u>
	<u>29,285</u>	<u>49,983</u>
Net cash Movement for the year	(19,644)	37,447
Cash and Cash equivalent at the beginning of the Year	<u>60,102</u>	<u>22,655</u>
Cash and Cash Equivalent at the end of the Year	<u>40,458</u>	<u>60,102</u>

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

3. Property Plant and Equipment

	Cost	2015 Accumulated depreciation	Carrying Amount	Cost	2014 Accumulated Depreciation	Carrying Amount
Owned assets	<u>M'000</u>	<u>M'000</u>	<u>M'000</u>	<u>M'000</u>	<u>M'000</u>	<u>M'000</u>
Land & Buildings	31,220	(5,483)	25,737	31,084	(4,723)	26,361
Specialised Operational structures	194,996	(45,402)	149,594	194,996	(40,642)	154,354
Reticulation	288,124	(99,877)	188,247	279,604	(94,356)	185,248
Plant & Machinery	33,045	(18,456)	14,589	32,439	(15,303)	17,136
Motor vehicles	17,439	(14,719)	2,720	17,362	(13,795)	3,567
Office equipment & furniture	19,519	(10,046)	9,473	19,450	(7,209)	12,241
Assets in construction	820,327	-	820,327	790,446	-	790,446
Suspense	5,554	-	5,554	740	-	740
	1,410,224	(193,983)	1,216,241	1,366,121	(176,028)	1,190,093

**Carrying amount of Property, Plant and Equipment
can be reconciled as follows:**

	Carrying amount at beginning of year	Transfer to completed projects	Additions	Depreciation for the year	Disposal during the year	Carrying amount at end of the year
Land & Buildings	26,361	-	136	(760)	-	25,737
Specialised Operational structures	154,354	-	-	(4,760)	-	149,594
Reticulation	185,248	-	8,520	(5,521)	-	188,247
Plant & Machinery	17,136	-	606	(3,153)	-	14,589
Motor vehicles	3,567	-	77	(924)	-	2,720
Office equipment & furniture	12,241	-	69	(2,837)	-	9,473
Assets in construction	790,412	-	29,915	-	-	820,327
Suspense	740	-	4,814	-	-	5,554
	1,190,059	-	44,137	(17,955)	-	1,216,241

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

	2015	2014
	M'000	M'000
4 INVENTORY	9,666	8,388
Cost	<u>(91)</u>	<u>(91)</u>
Provision for obsolete stock	<u>9,575</u>	<u>8,297</u>
5 ACCOUNTS RECEIVABLE		
Trade receivables	96,726	85,715
Less: Provision for doubtful debts	<u>(17,283)</u>	<u>(20,256)</u>
Net trade accounts receivable	79,443	65,459
Miscellaneous debtors	4,674	4,667
Postal Services	106	196
Shoprite Services	579	1,048
Pick and Pay	197	201
Vodacom Mpesa services	229	-
Ecocash Services	213	-
Staff housing loan	2	7
Staff Travel imprest	(115)	187
Bloemwater Imprest Account	(410)	-
Prepaid Insurance	5	-
Debtors cash account	-	-
Other debtors	<u>23</u>	<u>49</u>
	<u>84,946</u>	<u>71,814</u>

The fair values of trade and other receivables are as follows:

Trade receivables	79,443	65,459
Sundry debtors	<u>5,503</u>	<u>6,355</u>
	<u>84,946</u>	<u>71,814</u>

The above values of trade and other receivables approximate fair value. There is no concentration of credit risk with respect to the trade receivables as the Company has a large number of customers regionally dispersed. The Company's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the company trade receivables. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

	2015	2014
	M'000	M'000
As of 31 March 2015 trade receivables of M96, 726, 000 (2014: M93,653,000) were impaired and provided for. The amount of the provision was M17, 283, 000,000 as of 31 March 2015 (2014:M20, 256)		
The individually impaired receivables mainly relate to Domestic and Non-domestic accounts mostly disconnected for non-payment.		
At 1 April	20,256	22,628
Provision for receivables impairment	(2,973)	(2,372)
At 31 March	<u>17,283</u>	<u>20,256</u>

The creation and release of provision for impaired receivables have been included in other expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets.

6 SHORT-TERM INVESTMENTS

Standard Lesotho Bank Income Fund Accounts	1,279	1,239
Standard Lesotho Bank Money Markets	<u>28,510</u>	<u>27,228</u>
	<u>29,789</u>	<u>28,467</u>

7 BANK AND CASH

Standard Lesotho Bank Call Accounts	5,985	7,144
Cashiers	<u>4,212</u>	<u>8</u>
<i>sub-total</i>	10,197	7,152
Standard Lesotho Bank Current Account	247	24,458
Others	<u>225</u>	<u>26</u>
	<u>10,669</u>	<u>31,636</u>

Note: A sweeping facility has been put in place to ensure that short-term current accounts cash deficits are immediately corrected.

8 SHARE CAPITAL

	2015	2014
	M'000	M'000
Authorised 1000 shares of M1 each	<u>1</u>	<u>1</u>
Issued and fully paid 1000 shares of M1 each	<u>1</u>	<u>1</u>

9 GOVERNMENT OF LESOTHO FUNDING

Government contribution to WASCO representing the valuation of net assets of the former Water and Sewerage Branch (as specified in the Second Schedule of the Lesotho Water and Sewerage Company Order of 1991) at 1st April 1992 plus projects under construction funded by the Government of Lesotho on behalf of WASCO.

	GOL Funding- Opening as at 01/04/2014	Additional receipt during the year	Adjustments during the year	GOL Funding as at 31/03/2015
	<u>M</u>	<u>M</u>	<u>M</u>	<u>M</u>
BSCR01 - GOL	365,605,168	12,782,309	-	378,387,477
BSCR04-Capital Contribution	2,133,414	-	-	2,133,414
BSCR11 - GOL-WSIP Funds	19,638,989	-	-	19,638,989
	387,377,571	12,782,309	-	400,159,880

10 GOVERNMENT OF LESOTHO GRANT

GOL grant represents debt forgiveness by the GOL analysed as follows:

	GOL Grant- Opening as at 01/04/2014	Additional receipt during the year	Adjustment/A mortisation during the year	GOL Grant as at 31/03/2015
	<u>M</u>	<u>M</u>	<u>M</u>	<u>M</u>
BSCR06 - Industrialisation Funding(GOL)	97,201,819	2,369,441	-	99,571,260.77
BSCR07 - GOL Grant(BADEA)	53,929,334	-	-	53,929,334.17
BSCR08 - GOL Grants	85,574,379	-	1,264,916	84,309,462.14
BSCR09 - BADEA Grant(5 Towns)	2,308,818	-	-	2,308,817.96
BSCR10 - EU Grant (6 Towns)	190,040,531	-	-	190,040,531.17
BSCR12 - IDA WSIP Project	41,383,744	-	-	41,383,744.49
BSCR13 - Metolong	12,543,279	-	-	12,543,278.64
BSCR 16 - OPEC Loan	24,263,343	-	-	24,263,342.87
BSCR 18 -EU Grant Immed. Measures	25,405,183	343,570	-	25,748,753.04
BSCR 19 -Health Sanitation PRO.	41,082,020	-	-	41,082,019.73
BSCR 20 -EU Grant MWWP	3,073,853	427,306	-	3,501,159.20
BSCR21-Maseru Wastewater - GOL	125,220,724	24,537,811	-	149,758,534.89
BSCR22-Maseru Wastewater-EDF (EU)	92,659,707	-	-	92,659,706.70
BSCR26 - MCC Grant	(329,580)	329,580	-	-
BSCR27- BADEA FIVE TOWNS	365,121	-	-	365,121
BSCR28- SADC WATER WEEKS	-	190,964	-	190,964
TOTAL as at 31/03/2015	794,722,274	28,198,673	1,264,916	821,656,030

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

Note 10 Continued

The interest on Long-term loans cancelled by Government of Lesotho was capitalised at the time of cancellation with the intention of amortising it according to the useful life of the financed assets. Due to the difficulty of apportioning the accumulated interest to the various Projects which the loan financed, the interest was charged to the Statement of comprehensive income in total at the end of March 2007.

11 ACCUMULATED DEFICIT

	2015	2014
	M'000	M'000
Balance at 1st April	(61,856)	(56,852)
Net profit/(loss) for the year	(3,160)	(14,282)
Prior year adjustment (NOTE 16)		9,278
	<u>(65,016)</u>	<u>(61,856)</u>

12 RESERVES

Revaluation reserve	(8,418)	(8,418)
General reserve	129	129
	<u>(8,289)</u>	<u>(8,289)</u>

13 PROVISION FOR SEVERANCE PAY

An amount equal to 90% of the provision for severance pay has been classified as long term liabilities. The basis used is the annual staff turnover.

	<u>18,241</u>	<u>16,426</u>
--	----------------------	----------------------

14 LONG TERM LIABILITIES

14.1 Maseru Waste Water-EIB	74,044	83,301
A loan advanced by European Investment Bank to finance the Sewer reticulation system & construction of treatment plant the repayment of loan for each tranche shall be paid by 40 Semi-annual installments.		
14.2 IDA-WSIP LOAN	30,957	30,957
A subsidiary agreement between Kingdom of Lesotho & WASCO for financing Lesotho Water sector improvement project. The loan is payable over the period of 25 years including grace period of seven years. The interest is charged at 2% p.a		
14.3 NEDBANK-LOAN	13,414	17,668
A loan advanced by Nedbank Lesotho to enable WASCO to finance the supply of clean water to the Maseru North East Areas (Maseru Peri_Urban Project). The loan is payable over the period of ninety six (96) equal monthly installments and payable on the 15th day of each succeeding month. Interest rate is subject to fluctuations in prime.		
	<u>118,415</u>	<u>131,926</u>

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

15	ACCOUNTS PAYABLE AND ACCRUALS	2015	2014
		<u>M'000</u>	<u>M'000</u>
	Accrued expenses	2,731	2,580
	Customers' deposits	7,627	7,060
	Due to contractors	1,006	25,234
	Interest payable to the government	22,978	22,517
	Interest payable to NedBank	-	(495)
	Provision for severance pay	2,027	1,825
	Trade creditors	2,482	183
	Vat payable	1,043	908
	Gratuity Provision	8,510	6,410
	Goods received not invoiced	9,423	4,948
	Income Tax Deducted	1,018	1,186
	Other payables	293	(272)
	Medical aid Insurance	-	(325)
	Withholding Tax (Trade Creditors)	71	139
	WASCO Staff Welfare Fund	-	(409)
	Long-term loan due within a year	6,841	-
	Salaries and Wages	-	(1,520)
		<u>66,050</u>	<u>69,969</u>

LESOTHO WATER AND SEWERAGE COMPANY (PTY) LTD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

16 DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

INCOME	2015	2014
	M'000	M'000
Water and Sewerage charges	175,628	151,452
New service connection	15,826	14,922
Gain on disposal	-	212
Other income	7,212	4,646
	198,666	171,233
EXPENSES		
Manpower costs	81,976	80,743
Electricity	18,460	16,262
Reticulation and plant maintenance	9,579	12,556
Chemicals	7,683	7,230
Transport	5,301	6,260
New connections	13,682	9,912
Telephone stationary & postage	3,829	4,975
Rents security & insurance	8,019	6,856
Training & travel expenses	1,587	1,588
Directors' fees	585	736
Audit fees	166	448
Office equipment	1,190	2,073
Other expenses (including write-offs)	19,724	8,072
Rates	488	562
Adjustment account	14,574	2,027
Depreciation	17,955	15,086
Bad debts	(2,973)	(2,372)
	201,826	173,014
Operating Profit/(Loss) for the year	(3,160)	(1,781)

TABLE	WASCO - DISTRIBUTION OF COSTS INTO THREE MAIN COST CENTRES				
	2014-2015 ACTUALS				TOTAL (M'000)
	COMPONENT	Dist (M'000)	Prod (M'000)	Sewer (M'000)	
REVENUE		163,900	0	34,766	198,666
EXPENDITURE					
Manpower costs		32,279	37,097	12,600	81,976
Electricity		-	16,409	2,051	18,460
Reticulation & Plant maintenance		3,209	5,967	403	9,579
Chemicals		-	7,543	140	7,683
Transport		3,791	1,510	-	5,301
New Connections		13,682			13,682
Telephone, stationery & postage		-	2,601	1,228	3,829
Rents, security & insurance		2,428	5,591	-	8,019
Training and travel expenses		947	356	284	1,587
Directors fees & consultancies		510	75	-	585
Audit fees		70	75	22	166
Office equipment		227	900	63	1,190
Other expenses		7,866	8,052	3,806	19,724
Rates		205	220	63	488
Adjustment account Depreciation		6,121	6,558	1,895	14,574
Depreciation		7,541	8,080	2,334	17,955
Bad debts		(1,249)	(1,338)	(386)	(2,973)
		77,627	99,697	24,501	201,825

TABLE	WASCO - DISTRIBUTION OF COSTS INTO THREE MAIN COST CENTRES				
	APR - SEPT 2015 MANAGEMENT ACCOUNTS				
COMPONENT	Dist (M'000)	Prod (M'000)	Sewer (M'000)	TOTAL (M'000)	
REVENUE	89,005	-	19,427	108,432	
Manpower costs	15,358	17,651	5,995	39,004	
Electricity	-	8,392	1,049	9,441	
Reticulation & Plant maintenance	1,085	2,017	136	3,238	
Chemicals	-	4,364	81	4,445	
Transport	1,694	675	-	2,369	
New Connections	5,213	-	-	5,213	
Telephone, stationery & postage	-	1,535	724	2,259	
Rent, security & insurance	1,094	2,518	-	3,612	
Training and travel expenses	871	327	262	1,460	
Directors fees & consultancies	605	88	-	693	
Audit fees	-	-	-	-	
Office equipment	47	186	13	246	
Other expenses	939	961	454	2,354	
Rates	-	-	-	-	
Adjustment account Depreciation	-	-	-	-	
Depreciation	4,386	4,700	1,358	10,444	
Bank Charges	215	230	66	511	
Provision for impaired debts	945	1,012	292	2,249	
Financing costs	1,510	1,618	467	3,595	
	33,962	46,274	10,897	91,133	

TABLE	WASCO - DISTRIBUTION OF COSTS INTO THREE MAIN COST CENTRES 2016-2017 BUDGET					
	COMPONENT	Per m3 analysis Fixed / Variable	Dist (M)	Prod (M)	Sewer (M)	TOTAL (M)
REVENUE			212,563,029	1,966,202	35,823,405	250,352,636
DIRECT COSTS						
Manpower costs						
Salary			40,426,200	43,881,406	25,075,599	109,383,204
Temporary employee			1,283,683	228,338	281,564	1,793,586
Fees & consultancies			4,248,689	5,960,210	932,915	11,141,814
Staff welfare			370,290	0	0	370,290
Social Responsibility			37,061	40,308	22,631	100,000
Security			3,987,634	3,283,934	234,567	7,506,134
Sub-Total - Manpower			50,353,557	53,394,196	26,547,275	130,295,028
Social Welfare/Benefits & Others						0
Total - Manpower	F		50,353,557	53,394,196	26,547,275	130,295,028
Electricity			54,509	15,579,212	3,851,942	19,485,663
Total - Electricity	V		54,509	15,579,212	3,851,942	19,485,663
Chemicals			0	7,917,146	11,137	7,928,283
Total - Chemicals	V		-	7,917,146	11,137	7,928,283
Maintenance						
Meters	F		4,230,342	0	0	4,230,342
Treatment Plant	V		-	5,622,726	1,065,690	6,688,416
Reticulation	F		150,000	0	150,000	300,000
Buildings	F		4,219	1,408,019	151,475	1,563,713
Total - Maintenance			5,085,998	11,172,387	1,831,070	12,782,471

Transport		5,988,605	5,057,096	61,104	11,106,804
Total - Transport	F	5,988,605	5,057,096	61,104	11,106,804
TOTAL - DIRECT COSTS		61,482,668	93,120,037	32,302,529	186,905,234
CONNECTION COSTS		10,052,853	0	0	10,052,853
Loss From Capital WIP (Compensations)		10,052,853	0	0	10,052,853
Total - Connection Costs		10,052,853	0	0	10,052,853
ADMINISTRATION COSTS					
Senior Management					
Middle Management					
Telephone, Stationary & Postage		1,584,666	4,027,917	967,676	6,580,259
Rates, and Insurance		290,561	303,008	94,757	688,326
Training & Travel Expenses		2,606,528	5,154,069	417,178	8,177,775
Directors Fees					0
Audit Fees		92,651	100,771	56,578	250,000
Office Equipment		113,162	3,079,895	0	3,193,058
Other Expenses		1,737,195	1,976,092	822,620	4,535,906
Office rent		70,033	76,171	42,766	188,969
Advertising		965,352	198,242	272,942	1,436,536
Bank charges		1,018,865	9,424	171,710	1,200,000
Sub-Total - Administration Costs		8,479,013	14,925,589	2,846,226	26,250,829
Others (specify)					
Total - Administration Costs	F	8,479,013	14,925,589	2,846,226	26,250,829
Provision for doubtful debts		2,572,635	23,797	433,568	3,030,000

Total - Provision	V	2,572,635	23,797	433,568	3,030,000
DEPRECIATION AND FINANCE COSTS					
Depreciation		7,389,999	8,132,332	2,376,931	17,899,263
Total Depreciation	F	7,389,999	8,132,332	2,376,931	17,899,263
FINANCE COSTS BY PROJECT LOAN					
Sub-Total - Finance Costs Others (specify)		651,719	762,030	312,960	1,726,709
Total - Finance Costs	F	651,719	762,030	312,960	1,726,709
TOTAL DEPRECIATION AND FINANCE COSTS					
		8,041,718	8,894,362	2,689,891	19,625,971
TOTAL COSTS BY COMPONENT					
DIRECT COSTS		61,482,668	93,120,037	32,302,529	186,905,234
CONNECTION COSTS		10,052,853	0	0	10,052,853
ADMINISTRATION & Debt COSTS		11,051,648	14,949,386	3,279,794	29,280,829
DEPRECIATION AND FINANCE COSTS		8,041,718	8,894,362	2,689,891	19,625,971
GRAND TOTAL		90,628,889	116,963,785	38,272,214	245,864,887

SALIENT FEATURES ON THE BUDGET

Operating Income - M 250,352,636

The budgeted income for the financial year 2016/2017 is estimated at M250.353m. Income has increased by 28% as compared to the 2015/2016 projected figure of M195.571m. Major part of the increase arises from a proposed 13% adjustment to the water tariffs with LEWA to be implemented in April 2016 and increase on customer base due to increase in the new water connections to be made in 2016/17. The forecast to the end of the current year is lower than anticipated due to the prevailing drought conditions.

New Water Connections income has also had an impact on the projected revenue. The budget reflects 6,000 connections countrywide.

The operating income is derived from the sources detailed below:

	<u>M</u>
Water Meter Billing	196,737,693
Water Tankered	102,581
Water New Connection: Maseru	12,720,000
Meter Test/Reconnection Fees	850,000
New Water Application Fees	325,000
Sewerage Billing	33,866,046
Sewerage New Connection	1,650,000
Sewerage Blockage	60,000
Penalty Income	30,000
Miscellaneous (Incl. sale of FA)	1,374,500
Delivery fees	1,296,000
Grant Armotised	1,340,816
TOTAL	250,352,636

A brief analysis has been made of the income categories which are deemed to be material.

Water Income - M196,737,693

Maseru Water Income - M141,502,829

Unaccounted for Water (Ufw) has been assumed to be 23% for the year 2016/17 in respect of Maseru area. The Unaccounted for Water is on the high side mainly due to pipe bursts, which are usually caused by construction works taking place within Maseru and the aging infrastructure which is currently being replaced. There are teams in place from WASCO which are responsible for carrying out inspections on project areas, to identify pipe bursts on time. Network section together with the Distribution and Metering sections, are also taking initiatives to reduce Ufw, such as, replacement of malfunctioning meters, identifying customers not appearing in the billing and collection system etc.

The Maseru water income budgeted for is 72% of total water billing income.

North Region - M29,787,780

North region continues to be the second largest contributor to WASCO's overall income. Maputsoe is the largest urban area following Maseru.

Urban Centre	Billing Amount M	%
Butha - Buthe	3,848,334	12.92%
Leribe	5,987,628	20.10%
Mapoteng	1,572,170	5.28%
Maputsoe	9,998,447	33.57%
Mokhotlong	2,789,152	9.36%
Peka	913,868	3.07%
Teyateyaneng	4,678,181	15.71%
TOTAL	29,787,780	100.00%

The income from the North constitutes around 15% of the total water billing income

South Region - M15,565,324

Budgeted income for the South region is M15,565,324 and this constitutes 8% of the total water billing income.

Urban Centre	Billing Amount M	%
Mafeteng	6,424,570	41.27%
Mohale's Hoek	4,161,761	26.74%
Qacha's Nek	2,113,268	13.58%
Quthing	2,317,365	14.89%
Semonkong	548,360	3.52%
TOTAL	15,565,324	100.00%

Central Region – M7,585,005

Budgeted income for Central region is M7,585,005 and this constitutes 4% of the total water billing income.

Urban Centre	Billing Amount M	%
Morija	1,003,790	13.23%
Roma	3,794,012	50.02%
Thaba - Tseka	2,787,203	36.75%
TOTAL	7,585,005	100.00%

Water new connections - M12,720,000

Water new connections Maseru – M7,822,800

Budgeted connections are 3,130 for Maseru area. In monetary terms the income is budgeted to be M7.8m and has assumed that an average connection fee of M2,500 will be charged

Water new connections North – M2,556,720

Budgeted connections for the North are 1,023 and have been charged at average connection fee of M2,500.

Water new connections South - M2,035,200

Budgeted connections for the South are 814 and have been charged at average connection fee of M2,500.

Water new connections Central - M318,000

Budgeted connections for the Central are 130 and have been charged at average connection fee of M2,500.

Sewerage Billing - M33,866,046

Sewerage Billing Maseru -	28 124 33
Sewerage Billing North -	2 930 96
Sewerage Billing South -	927 15
Sewerage Billing Central -	1 883 59

Maseru sewerage billing budgeted for constitutes 83% of the total sewerage income, whereas the percentages for North, South and Central are 9%, 3% and 6% respectively.

The actual charge is based on 85% of water consumed (excluding wet industries which have a special rate) However since not all customers are connected to the sewer line a percentage of actual sewage billed to actual water billed, based on historic trends, was used to determine the budget figure.

Operating Costs - M245,948,368

The budgeted operating costs are estimated at M245,948,368. This has increased by 33% as compared to the projected figure of M184.517m. Major increase arises from the following expenditure items

Salaries and Benefits

Forecast	Budget	Increase	% increase
97,495,487	111,176,790	13,681,303	14.03%

There is 14.03% increase from projected figure. The increase is attributable to a notch plus an inflation factor of 6% that has been applied to WASCO salaries.

The additional 8.03% increase is due to new positions as envisaged in the new structure which is aimed at improving efficiencies , benefits such as pension, severance pay, gratuity, housing allowance, shift allowance, operators allowances, acting allowances, responsibility allowance and leave pay are salary related and increased at the same rate as salaries

Car allowances and water allowances have increased by a factor of 6% like other costs, and medical aid also increased by 6% inflation rate

Overtime

Forecast	Budget	Decrease	% increase
2,162,497	1,223,099	-939,398	-43.44%

The decrease in overtime is as a result that WASCO now puts staff on standby for activities such as pipe bursts, breakdowns instead of paying overtime and also a shift work system has been introduced in the Operations Division.

Fees and consultancies

Forecast	Budget	Increase	% increase
1,578,991	8,100,731	6,521,740	413.03%

The increase has been caused by a number of consultancies budgeted for in the coming year such as; Revaluation of Assets (M1m), Legal fees and settlements for possible disputes(M1m), Public relations activities (M0.9m), Road reinstatements (M1.2m), Power correction activities (M1.2m). These are costs that will be incurred to improve efficiencies as well as to assist the company to be compliant with the relevant requirements.

Power

Forecast	Budget	Increase	% increase
18,207,914	19,485,663	1,277,749	7.02%

The increase in power is to cater for a possible rate increase by the Lesotho Electricity company.

Chemicals and Consumables

Forecast	Budget	Increase	% increase
6,533,400	7,928,283	1,394,883	21.35%

The increase is meant to cater for increased costs of chemicals as well as a possible increase in the quantities to cater for both increased production as well as possible increased treatment requirements which are likely to come as a result of possible heavy rains to come.

Training& Workshops

Forecast	Budget	Increase	% increase
789,610	1,505,776	716,166	90.70%

WASCO has been neglecting training in the recent past and this is affecting the health of the organization as there is apparent need to keep the employees abreast of the current trends in their respective areas of expertise.

Operating Profit – M4,404,269

An operating profit of M4.404m has been budgeted for, and this has resulted to profit margin of 1.76%. This is mainly due to increased sales from new connections and application of increase on WASCO tariffs.

Net Profit - M2,284,531

After factoring the interest income and expenditure as well as catering for the emergency fund, the company ends up at a budgeted net profit of M2.284m resulting a net profit margin of 0.91%

Tariff Increase

A tariff adjustment factor of 13% on the volumetric water tariffs will be filed with LEWA to continue to assist WASCO to recover its operating and financing costs and be able to make enough investment for smooth operation of the Company.

CONSOLIDATED SUMMARY OF RECURRENT BUDGET FOR FINANCIAL YEAR 2016/17

Ref.		BUDGET				TOTAL	2015/16 Actual October 2015	BUDGET		Per % of Total	Per % Incr /decr
		Admin Overhead Summary	MSU & Districts Summary	Core Activities Summary	Nil Cost Projects Summary			2015/16 Forecast	WASCO 2015/16		
1.01	Water Meter Billing	-	196,737,693	196,737,693	-	196,737,693	93,295,773	111,954,927	185,033,056	78.58%	75.73%
	Water Tankard	-	102,581	102,581	-	102,581	75,380	90,456	296,944	0.04%	0.04%
1.02	Water New Connection	-	-	-	12,720,000	12,720,000	11,846,165	14,215,398	15,811,100	5.08%	-10.52%
1.03	Meter Test/Reconnection Fees	850,000	-	850,000	-	850,000	638,553	754,264	845,400	0.34%	12.69%
1.04	New Water Application Fees	-	-	-	325,000	325,000	298,450	358,140	410,620	0.13%	-9.25%
1.05	Sewerage Billing	-	33,866,046	33,866,046	-	33,866,046	21,140,656	25,368,787	29,777,544	13.51%	33.49%
1.06	Sewerage Tankard	-	-	-	-	-	212,733	254,800	362,456	0.00%	100.00%
1.07	Sewerage New Connection	-	-	-	1,650,000	1,650,000	1,404,220	1,683,064	1,775,060	0.66%	-2.08%
1.08	Sewerage Blockage	-	60,000	60,000	-	60,000	14,956	17,948	3,000	0.02%	234.31%
	Penalty Income	30,000	-	30,000	-	30,000	82,524	99,029	20,000	0.01%	0.00%
1.09	Miscellaneous (incl. sale of FA)	475,000	20,000	495,000	879,500	1,374,500	32,447,449	240,000	38,936,818	0.55%	85.89%
1.10	Delivery Fees	1,296,000	-	1,296,000	-	1,296,000	581,003	697,204	672,000	0.52%	17.78%
	Grant Amortised	1,340,816	-	1,340,816	-	1,340,816	948,587	1,138,425	1,340,816	0.54%	17.78%
	TOTAL INCOME	3,991,816	230,786,720	234,778,536	15,574,500	250,352,636	161,976,050	195,571,260	236,587,996	100%	28%
	EXPENDITURE										
2.01	Salaries	30,492,644	39,219,847	69,711,690	5,292,474	75,004,164	45,842,043	63,461,577	63,461,577	30%	36%
2.02	Overtime	358,693	816,606	1,175,299	47,000	1,233,099	1,802,881	2,162,497	1,141,666	0%	-43.4%
2.03	Other Benefits	13,309,559	17,128,954	30,438,513	2,717,428	33,155,941	33,079,796	39,695,755	31,529,318	13%	-16%
2.04	Temporary Employees	408,974	1,010,968	1,431,842	361,744	1,793,586	522,320	635,784	1,184,910	1%	186%
2.05	Directors Fees	1,522,910	-	1,522,910	-	1,522,910	556,452	667,623	833,920	1%	128%
2.06	Commission to Agents	1,518,173	-	1,518,173	-	1,518,173	449,463	539,236	899,590	1%	182%
2.07	Consultancy Fees & Comm.	4,672,940	3,277,791	7,950,731	150,000	8,100,711	1,315,826	1,578,991	7,541,566	3%	413%
2.08	Staff Welfare	309,970	48,320	358,290	12,000	370,290	641,859	770,231	1,218,952	0%	-52%
2.09	Social Responsibility	100,000	-	100,000	-	100,000	39,749	47,698	100,000	0%	110%
2.10	Travelling	4,547,291	1,456,115	6,003,406	485,097	6,488,503	1,078,528	1,294,234	6,177,251	3%	401%
2.11	Training & Workshops	1,426,551	-	1,426,551	79,225	1,505,776	158,008	789,609	906,692	1%	91%
2.12	Uniforms	456,096	-	456,096	-	456,096	112	134	80,692	0%	340596%
2.12	Protective Clothing	325,574	1,408,187	1,734,061	120,110	1,854,171	391,628	469,954	1,709,277	1%	
2.12	Tools	101,320	660,333	761,653	112,063	873,716	172,185	206,622	733,013	0%	323%
2.13	Advertising	750,264	-	750,264	686,271	1,436,536	117,798	141,357	1,300,409	1%	916%
2.14	Security	7,506,134	-	7,506,134	-	7,506,134	4,797,004	5,257,664	5,402,170	3%	30%

Office Equipment	2.15	2,459,264	328,018	2,787,283	380,775	3,168,058	924,912	2,772,185.03	1,109,895	1%	185%
Office rent	2.16	188,969	-	188,969	-	188,969	98,259	171,788.88	117,911	0%	60%
Building Maintenance	2.17	1,107,036	449,350	1,556,386	-	1,556,386	712,487	1,437,108.84	854,984	1%	82%
Insurance (Non Vehicles)	2.18	488,326	-	488,326	-	488,326	3,249,922	592,843.16	3,249,922	0%	-85%
Rates	2.19	200,000	-	200,000	-	200,000	343,613	425,000.00	412,336	0%	-51%
Telephone / Fax	2.20	4,143,180	-	4,143,180	-	4,143,180	1,880,988	3,552,890.00	2,257,185	2%	84%
Postage & Office Materials	2.21	2,152,094	144,684	2,296,779	140,300	2,437,079	1,483,130	2,191,594.85	1,776,996	1%	37%
Power	2.22	698,895	15,528,768	16,227,663	3,258,000	19,485,663	14,339,928	19,310,378.00	18,207,913.92	8%	7%
Chemicals & Consumables	2.23	-	7,825,507	7,825,507	102,775	7,928,283	4,611,166	4,582,259.19	6,531,399.55	3%	21%
Vehicles	2.24	4,135,708	6,971,096	11,106,804	-	11,106,804	3,176,019	11,732,999.82	3,811,222	5%	191%
Plant	2.25	-	7,912,340	7,912,340	128,000	8,040,340	2,488,551	7,814,105.36	2,586,261	3%	169%
New Connection Materials & F	2.26	-	-	-	10,052,853	10,052,853	7,720,010	13,580,000.00	9,264,012	4%	9%
Retubulation Maint. Mats.	2.27	-	5,046,147	5,046,147	691,851	5,737,998	3,633,603	5,434,121.39	4,360,322	2%	32%
Meter & Service Maint. Mats.	2.28	3,282,725	947,017	4,230,342	-	4,230,342	873,090	4,036,753.09	1,047,708	2%	304%
Audit Fees	2.29	250,000	-	250,000	-	250,000	165,877	200,000.00	199,032	0%	26%
Bank Charges	2.30	1,200,000	-	1,200,000	-	1,200,000	1,072,634	890,000.00	1,235,160	0%	-1%
Loss From Capital W/P (Compensations)	2.31	-	-	-	850,000	850,000	755,742	500,000.00	906,890	0%	-6%
LICENSE FEES		1,045,000	-	1,045,000	-	1,045,000	24,458	3,876,141	29,350	0%	3460%
Write-offs		-	-	-	-	-	260,590	-	312,708	0%	
Loss From Staff Debtors		-	-	-	-	-	-	-	-	0%	
Loss From Sale of Assets		-	-	-	-	-	-	-	-	0%	
Depreciation Charges	2.32	2,338,419	14,620,083	16,958,501	940,761	17,899,263	13,419,064	18,132,892.00	16,102,877	7%	11%
Impaired Debts		3,030,000	-	3,030,000	-	3,030,000	-	4,500,000.00	-	1%	
TOTAL OPERATING COSTS		94,518,609	124,820,231	219,338,840	26,609,528	245,948,368	152,139,693	229,974,268	184,517,647		33%
Operating Profit/(Loss)		(90,526,793)	105,966,090	15,339,297	(11,035,028)	4,304,269	10,836,357	6,613,728	11,053,612		
Interest Received	3.01	(3,456,971)	-	(3,456,971)	-	(3,456,971)	10,674,787.34	4,708,361.32	12,749,745		-127%
Financing Costs	3.02	1,726,709	-	1,726,709	-	1,726,709	5,274,564	6,511,771.72	6,329,477		-73%
PROFIT / (LOSS)		(95,710,472)	105,966,090	10,555,618	(11,035,028)	6,134,531	16,186,580	4,810,318	17,473,880		
PROVISION FOR EMERGENCY		3,850,000	-	3,850,000	-	3,850,000	3,850,000	3,850,000	3,850,000		
NET PROFIT / (LOSS)		(99,560,472)	105,966,090	6,405,618	(11,035,028)	2,284,531	12,336,580	960,318	13,623,880		
Operating Profit Margin						1.76%	6.65%	-40.590%	5.65%		
Net Profit Margin						0.91	7.57		6.97		

INVESTMENTS

RETICULATION EXTION 50mm UPVC	7 Km	16.507	115.547	Installation of new reticulation extension for villages of Ha Lague (Saubong, Thodamang Hara Tropo, Miliam Area) (Selling to Ha Lekkeat) (Aboladeng)
Water reticulation of Ha Nho	1.2km	180.000.00	180.000	Increasing service coverage to serve 45 households - QUTTING
Water reticulation of Ha Raima - QUTTING	0.8km	120.000.00	120.000	Increasing service coverage to serve 30 households - QUTTING
Extension of Sensitive Water supply (Phase 2)	400m	170.000.00	170.000	Increasing service coverage - QUTTING
Extending pipe reticulation - QUTTING	1	250.000.00	250.000	To replace Upvc pipes with GI pipes - QUTTING
Renovation of 50mm upvc pipe main from Mopangne spring at Ha Side	1	224.202	224.202	To enable gravity flow from Mopangne spring easily passage to town reservoir without entering Ha Side spring tank. The will minimize pumping hours and less electricity consumption. QACHAS NEK
100mm Non return valve for New reservoir A	1	13.682.30	13.682	Prevention of back flow from reticulation back into the new reservoir through the outlet at night when the system is saturated and full - QACHAS NEK
50mm upvc pipe to serve Border gate and Mainalong	1	234.652.00	234.652	Installation of new reticulation main line to cover villages of Border gate - Phuok Ha and Mainalong with a potential of 200 house holds - QACHAS NEK
Reticulation Reticulation upgrade	1	200.000.00	200.000	people are connecting from other customers connections because of the shortage of water mains which is totally wrong according to practices and procedures of the company PEKA
Reticulation Extension at Ha Lale/foane 45mm	1	950.000.00	950.000	1 km Extension at Ha Lale/foane, Cost Sheet as per Engineering - ROMA

2,458,083

Items	No. Required	PLANT		Cost (M)	Remarks
		Unit cost			

Low lift submersible pump	1	80,000.00	80,000	SEMONKONG	
Dosing pumps for the package plant	3	60,000.00	60,000	As standby for chlorination & dosing of coagulant - OUTHING	
Filer media	3	190,000.00	190,000	As replace - OUTHING	
Fertiliser	1	500,000	500,000	Replacement - STORES	
Submersible Pump	1	50,000.00	50,000	Standby Capacity at Treatment Plant - ROMA	
High Lift Pump Set	1	80,000.00	80,000	Standby Capacity at Treatment Plant - ROMA	
Public Chlorine Pumps	2	100,000.00	200,000	Replacement of metal covered pumps that are easily corroded/perforated by chlorine gas - OACHAS NEK	
Standby capacity for the side	1	60,000.00	60,000	pump and motor for replacement of old half size high lift pumps - OACHAS NEK	
Aspirator	1	150,000.00	150,000	Required as a technological improvement to the labon process in the laboratory. Handles more samples in a shorter time, drastically minimises the human error element	
Booster pump set - Hlasele	1	80,000	80,000	Standby Capacity at Hlasele Pump House - THABA-TSEKA	
Automation at Hlasele	1	30,000	30,000	New Control measure for NRW - THABA-TSEKA	
Submersible pump - River	1	50,000	50,000	New capacity increase at Inake Treatment Plant - THABA-TSEKA	
High lift pump set - WTP	1	80,000	80,000	Standby Capacity at WTP in the Mosepe - THABA-TSEKA	
Chlorinators	4	25,000	100,000	For chlorination into our systems BOTHA-BOTHE	
Submersible pumps	3	50,000.00	150,000	To supplement water production at Mosepe plant, sourcing water from the dam along morosene river and on the weir below the plant. BOTHA-BOTHE	
Oversewing pump	2	25,000	50,000	For desludging trenches - DISTRIBUTION	
Chain block beam	1	100,000	100,000	It is essential during pump installations as there is currently no such provision - PRODUCTION	
Spare pump Village gale booster set		80,000.00	80,000	UTION	
Spare Pump Medium North set	1	180,000.00	180,000	PRODUCTION	
Three Thutlane Spies high lift pump	1	550,000.00	550,000	PRODUCTION	
Trailing pipe pump set	1	70,000.00	70,000	PRODUCTION	
Three 13 ML (Spate and Standby)	2	120,000.00	240,000	PRODUCTION	
Spare pump Tende booster set		70,000.00	70,000	PRODUCTION	
Under ground cable fault detector	1	50,000.00	50,000	For use by workshop on site to repair faulty underground cables. WORKSHOP	
Visual IR thermometer	1	35,000.00	35,000	For use in identifying hot spots in control panel and motors (PPM activities) - WORKSHOP	
Vibration analyzer	1	35,000.00	35,000	For use in all our pump cabins during preventative missions. WORKSHOP	
2T Portable electrical test	1	40,000.00	40,000	For use by workshop during pump installations. WORKSHOP	
Submersible pump and hydraulic hoses	1	120,000.00	120,000	For use when jacking by workshop during well points maintenance. WORKSHOP	
Hydraulic gripping tool	5	25,000.00	125,000	For gripping steel electrical cable. WORKSHOP	
Welding Plant	2	25,000.00	50,000	For Use in workshop. WORKSHOP	
STANDBY CHLORINATORS	2	25,000	50,000	Purchase of complete chlorinator sets at Mahoropa and Molele MAPOTENG	
High 2 lift pump set - PS	1	80,000	80,000	MAPUTSOE	
High Lift Pump set - Intake	2	70,000	140,000	MONHOTLONG	
Pump sets - office	1	60,000	60,000	MONHOTLONG	
Submersible pumps	2	40,000.00	80,000	MONHOTLONG	
Pump and m Pump set - PS	1	100,000	100,000	For standby capacity, it must be replenished but we are operating with just one pump and we have just recently had a water shortage that took two weeks because we had no spare - PEKA	
Pump & mof 2 Pump set - Intake	2	80,000.00	160,000	for standby capacity - PEKA	

Electric panel electric pa Electric panel	2	70,000.00	340,000	the existing panel is no longer safe to work with as it has got wires all over the place and a also has got parts that are not easily replaceable as it was built a long time ago - TSEKA
Submersible Pump	1	50,000.00	50,000	Stand-by Capacity at Treatment Plant RCMA
High L di Pump Set	1	80,000.00	80,000	Stand-by Capacity at Treatment Plant RCMA
37 KW Pump Set (Replacement of old worn out) Highline	2	88,000.00	176,000	both pumps are dead and we are now using a borrowed pump TY
Electric Panel (Highline) Replacement of burnt	1	189,000.00	189,000	the existing panel is no longer safe to work with after a burnt TY
44KW pump set substation	1	108,000.00	108,000	excess standby capacity, one other pump set is broken TY
12KW pump set transfer pump	1	60,000.00	60,000	excess standby capacity TY

5,116,000

LAND AND BUILDINGS

Items	No. Required	Unit cost	Cost (M)	Remarks
Plumbing for Operator's houses & office and geyser and labour	4	4,500.00	18,000	MCA project did not incorporate the plumbing in their design and BOO SEKHONKONG
Fire place/stoves for Operator's Houses and labour	3	11,000.00	33,000	SEKHONKONG
Fencing of Office premises with palisade	220m	1.00	220,000	To replace the dilapidated fence to secure the boundary. Quoting
Protection of the packager plant	40,000	1.00	30,000	To protect perimeter from adverse weather conditions (1) Quoting
Shelter for pigs for main store/for southern regional stores	2		300,000	For additional storage of pigs due to increase in quantities
Shedding at southern regional stores	1		150,000	To protect stores material from bad weather conditions
Palisading of store room, main stores	1		150,000	To ensure control of main store
construction of inoculation channels walls	1	50,000.00	50,000	only one inoculation tank used. Inability to reuse the second to avoid overflow as the newly constructed inoculation channel that has low walls. OACHA'S NEK
construction of new ponds	1	0.00	0	need for new ponds to serve Oachacha, hospital ponds used at present, poorly constructed and properly located, too small to cater for the growing town
fencing of treatment plant house	1	90,000.00	90,000	protection of operator houses from people and traffic from nearby road - OACHA'S NEK
Office Partitioning for consultants, PMO office and auditors	2	12,500	25,000	Urgent office space needed - PROJECTS PLANNING
Seems Proofing CE's Office	1	60,000	60,000	House from the Boardroom penetrates into CE's office
Accommodation	6	10,340	62,040	For Customer Care 12, HRM, CPM, PRM and DSHR Secretary
Guard Houses	2	45,000	90,000	For the existing sewer attendants working at Thifatsane and Oaching ManCicla
Guard Houses	5	15,000.00	75,000	Security guard houses at Oaching, Butha, Mthale's Hook, Mafikeng and Morge
Office extension	1	250,000.00	250,000	Morge
Office extension	1	150,000.00	150,000	Mogoping
partitioning of offices	1	25,000	25,000	Maseni West
Carport and paving	1	80,000.00	80,000	Maseni West
Paving and Carport	1	80,000.00	80,000	WASCO headquarters grounds and carports at Old Workshop premises
Refurbishment of reception	1	60,000.00	60,000	Improve Company Image
fencing - WTP	1	100,000	100,000	Replacement of worn out fence - THABA - TSEKA
fencing - Wildlife reserve	1	20,000.00	20,000	Protection from vandalism and unauthorised entry - THABA - TSEKA
fencing of sewer ponds with electric fence	1	171,000.00	171,000	To guard against unauthorised entry and protection of the ponds - BOTHA BOTHE

Procurement of guard house				20,000.00	20,000	To accommodate sewer attendant on wet weather and the soda MAPOTENG
Building main building in Building maintenance - PS				120,000	120,000	120,000 meter is leaking in and supposes our pumps to downing due to old building structure and it really doesn't look good PERKA

2,462,040

Items	No Required	Unit cost	Cost (RM)	Remarks
Lap Top for Asset Manager	1	20,000	20,000	New Lap Top for Samonglong
Laptop	1	1,000	20,000	Laptop for to replace an old one for AM - OUTTING
Desktop & printer	1	1,000	25,000	To replace an old one for Cashier & Operators - OUTTING
Laptop	1	22,000	22,000	Replacement of DP's old laptop - FINANCE
Laptop	1	15,000	15,000	Replacement of FA's old laptop - FINANCE

Desktop	1	10,000.00	10,000	Replacement of Assistant Accountant (Cambridge) - FINANCE
Lap top	1	15,000	15,000	The laptop for Regional Manager SOUTH is slow and used up, it was purchased in 2008. DISTRICT SOUTH ADMIN
Photocopying machine	1	15,000	15,000	To be used by Regional office in Uthmaniyah DISTRICT SOUTH ADMIN
Laptop for Area Manager	1	15,000	15,000	New laptop to replace old one currently used - ROMA
Desk Top Computer	1	15,000	15,000	New computer for Operators - ROMA
Desk top	1	15,000.00	15,000	For Operators - QACHAS NEK
Laptop	1	15,000	15,000	Replacement of old defective laptop used by Manager Laboratory
LAPTOP	1	15,000.00	15,000.00	Print's laptop is over 5 years needs replacement - it is slow and some keys are also
Computer	1	15,000	15,000	Replacement of ATOM's old computer - SHARED SERVICES
New fax machine	1	15,000.00	15,000	Masara Yrati - SHARED SERVICES
Desk Top Computer	1	15,000	15,000	New computer for proposed Office Assistant - THABA TSEKA
Laptop	1	20,000	20,000	Replace old and incapable laptop of Area Manager as it is more than five years and cannot perform new spreadsheets. - BOTHA-BOTHE
Printer	1	15,000.00	15,000	To enable documents to be scanned to the computer or laptop as the current one does not have that facility. - BOTHA-BOTHE
Laptop Computer	2	15,000	30,000	For new Network Supervisor & replacement of manager's - DISTRIBUTION
GP'S Device	1	15,000	15,000	Accurate positioning of network system DISTRIBUTION
Wireless Projector	2	13,500	27,000	These are for the boardroom. The current one in the Mainboard room has reached capacity on usage ICT
Microsoft Youngs License Package	370	5500	2,405,000	WASCO is currently not licensed to run microsoft products, if this can be audited it is likely that the penalties will be imposed ICT
Network Monitoring Screen 55 inch	1	50,000.00	50,000	Network management tool has been downloaded this helps ICT efficiency in update ICT
Server Room Security Camera	1	40,000.00	40,000	Currently there is no security for Server Room which compromises WASCO information ICT
CISCO Switch	2	21,000.00	42,000	Standby switch. Currently there is no switch for emergencies ICT
Document Management System	1	105,000.00	105,000	Implementation of feasibility study for Document Management System ICT
UPS	17	2,100.00	35,700	ICT
Cardiograph Printers	4	2,400.00	9,600	ICT
AS Laptop	1	21,000.00	21,000	ICT
ICT Equipment (Laptops)	1	0.00	-	ICT (POSSIBLE DUPLICATIONS)
Lap top	1	15,000	15,000	Replacement of manager's which is now 5 years old METERING
Desk top	5	10,000	50,000	1 - being supervisor, 3 - customer service (old giving challenges), 1 - Meter Maintenance METERING
Heavy duty large rolling trolleys 2000gsm	2	160,000.00	320,000	replacement of the two old printers one hardly working, another no longer unused METERING
Lap top	1	15,000.00	15,000	For use by the Maintenance Manager WORKSHOP
Lap top	1	15,000.00	15,000	For use by the Maintenance Planner WORKSHOP
Portable Lap top	1	15,000.00	15,000	For use in programming of identity and pacs WORKSHOP
Laptop	1	20,000	20,000	Replacement of the dead DISTRICT NORTH ADMIN



MOTOR VEHICLES		240,000	For modification of sewerage tanks - SHARED SERVICES
Water Tanks		240,000	

120,000.00

2

19,772,066
16,000,000
1,772,066

INVESTMENTS

2,450,089

Items	No Required	Unit cost	Cost (M)	Remarks
Low lift submersible pump	1	80,000.00	80,000	SEMOIKONG
Dosing Pumps for the package plant	3	60,000.00	60,000	As standby for chlorination & dosing of coagulant - OUTHING
Filter media	3	190,000.00	190,000	As replace - OUTHING
Forklift	1	500,000	500,000	Replacement - STORES
Submersible Pump	1	50,000.00	50,000	Stand-by Capacity at Treatment Plant - ROMA
High-Lift Pump Set	1	80,000.00	80,000	Stand-by Capacity at Treatment Plant - ROMA
Plastic chlorine Pumps	2	100,000.00	200,000	replacement of metal covered pumps that are easily corroded/perforated by chlorine gas - OACHA'S NEK
standby capacity for H/L side	1	60,000.00	60,000	pump and motor for replacement of old half size high lift pumps - OACHA'S NEK
Autoballator	1	150,000.00	150,000	Required as a technological improvement to the filtration process in the laboratory. Handles more samples in a shorter time, drastically minimises the human error element
Booster pump set - Halseide	1	60,000	60,000	Stand-by Capacity at Halseide Pump House - THABA-TSEKA
Automation at Halseide	1	30,000	30,000	New Covid measure for NRW - THABA-TSEKA
Submersible pump - River	1	50,000	50,000	New capacity increase at Intake Treatment Plant - THABA-TSEKA
Highlift pump set - WTP	1	80,000	80,000	Stand-by Capacity at WTP in Ha Mosope - THABA-TSEKA
Chlorinators	4	25,000	100,000	For chlorination into our systems BOTHA- BOTHE
Submersible pumps	3	50,000.00	150,000	To supplement water production at Morosope plant, sourcing water from the dam along morosope river and on the weir below the plant BOTHA- BOTHE
Dewatering pump	2	25,000	50,000	For dewatering trenches - DISTRIBUTION
chain block beam	1	100,000	100,000	this is essential during pump installations as there is currently no such provision - PRODUCTION
Spare pump Village gate booster set		80,000.00	80,000	UCTOM
Spare Pump Medium North set	1	180,000.00	180,000	PRODUCTION
Talase Thasane Spare high lift pump	1	550,000.00	550,000	PRODUCTION

Thabong spare pump set	1	70,000.00	70,000.00	PRODUCTION	
Taco 13 ML (Spare and Standby)	2	120,000.00	240,000.00	PRODUCTION	
Spare pump Tendo booster set		70,000.00	70,000.00	PRODUCTION	
Under ground cable fault detector	1	50,000.00	50,000.00	For use by workshop on site to repair faulty underground cables WORKSHOP	
Visual fire thermometer	1	35,000.00	35,000.00	For use in identifying hot spots in control panel and motors (PPLU activities) WORKSHOP	
Vibration analyser	1	35,000.00	35,000.00	For use in all our pump stations during preventative measures WORKSHOP	
21 Portable electrical Hoses	1	40,000.00	40,000.00	For use by workshop during pump installations WORKSHOP	
Submersible pump and hydrant hoses	1	120,000.00	120,000.00	For use when jacking by workshop during well points maintenance WORKSHOP	
Hydraulic grappling tool	5	25,000.00	125,000.00	For grapping thick electrical cable WORKSHOP	
Welding Plant	2	25,000.00	50,000.00	For use in workshop WORKSHOP	
STANDBY CHLORINATORS	2	25,000.00	50,000.00	Purchase of complete chlorinator sets at Nakhorana and Malosi MAPOTENG	
Light 2 ft pump set PS	1	80,000.00	80,000.00	MAPUTSOE	
1410 Regard Pump set Intake	2	70,000.00	140,000.00	MOHOTLONG	
Pump sets office	1	60,000.00	60,000.00	MOHOTLONG	
Submersible pumps	2	40,000.00	80,000.00	MOHOTLONG	
Pump and m pump set Pump set PS	1	100,000.00	100,000.00	for standby capacity, it must be remembered that we are operating with just one pumpset and we have just recently had a water shortage that took two weeks because we had no spare PEKA	
Pump & mol 2 Pump set Intake	2	80,000.00	160,000.00	for standby capacity PEKA	
Electric panel Electric panel	2	70,000.00	140,000.00	the existing panel is no longer safe to work with as it has got wires all over the place and also has got parts that are not easily replaceable as it was built a long time ago	
37 KVA Pump Set (Replacement of old worn out Nqabane	2	88,000.00	176,000.00	both pumps are dead and we are now using a borrowed pump TY	
Electric Panel (Nqabane) Replacement of burnt	1	189,000.00	189,000.00	the existing panel is no longer safe to work with after it burnt TY	
45KVA pump set PHUTHATHANA	1	108,000.00	108,000.00	enhance standby capacity, one other pump set is broken TY	
12KVA pump set transfer pump	1	60,000.00	60,000.00	enhance standby capacity TY	
			4,986,000		

LAND AND BUILDINGS					
Items	No. Required	Unit cost	Cost (R)	Remarks	
Planting for Operator's houses & office and grasses and labour	4	4,500.00	18,000.00	ICA project did not incorporate the planting in their design and BOO SEMOHONG	
Fire place/ stoves for Operator's houses and labour	3	12,000.00	36,000.00	SEMOHONG	
Removal of Office premises with pallade	230m	1.00	230,000.00	To replace the dilapidated fence to secure the boundary - Outhing	
Protection of the package plant	40,000	1.00	40,000.00	To protect pipework from adverse weather conditions (1) Outhing	
Shelter for pipes for main stores and southern regional stores	2		300,000.00	For additional storage of pipes due to increase in quantities	
Shedding at southern regional stores	1		150,000.00	To protect stores materials from bad weather conditions	
Planting of barometer main stores	1		150,000.00	To ensure control of main stores	
Construction of Irrigation channels/walls	1	50,000.00	50,000.00	only one substation left used, facility to utilize the newly constructed Irrigation channel that has low walls QACHAS NEK	
Construction of new ponds	1	0.00	0.00	need for new ponds to serve Qachas Nek, hospital ponds used at present, poorly constructed and property located too small to cater for the growing town	
Removal of traditional plant house	1	90,000.00	90,000.00	protection of operator houses from people and traffic from nearby road - QACHAS NEK	
Office Planting for consultants, PVO office and auditors	2	12,000.00	24,000.00	urgent office space needed - PROJECTS PLANNING	
Sound Proofing CE's Office	1	60,000.00	60,000.00	Notice from the Boardroom penetrates into CE's office	
Agro-robotics	6	10,340.00	62,040.00	For Customer Care 2, PHU, CPU, PRN and DSHM Secretary	

Guard Houses	2	45,000	90,000	For travelling sewer attendants working at Thabana and Oeding fire Clinics
Guard Houses	6	15,000.00	75,000	Security guard houses at Oeding, Bouthu, Mhale's Hook, Mafeking and Moppe
Office extension	1	250,000.00	250,000	Moppe
Office extension	1	150,000.00	150,000	Mafeking
Paving of offices	1	25,000	25,000	Masau West
Carport and paving	1	80,000.00	80,000	Masau West
Paving and Carport	1	80,000.00	80,000	WASCO-headquarters grounds and carshade at Old Workshop premises
Refurbishment of reception	1	60,000.00	60,000	Improve Company image
Fencing WTP	1	100,000	100,000	Replacement of worn out fence - THABA- TSEKA
Fencing - Helder reservoir	1	20,000.00	20,000	Protection from vandalism and unauthorised entry - THABA- TSEKA
Fencing of stock ponds with electric fence	1	171,000.00	171,000	To guard against unauthorised entry and protection of the ponds BOTHA-BOTHE
Procurement of guard house	1	20,000.00	20,000	To accommodate sewer attendant on wet weather and the both MAPOTENG
Building new building in building maintenance - PS	1	120,000	120,000	building is leaking in and supplies our pumps to draining due to old building structure and if really doesn't look good PEKA

2,462,040

ICT

Items	No Required	Unit cost	Cost (R)	Remarks
Lap Top for Area Manager	1	20,000	20,000	New Lap Top for Simonkong
Laptop	1	1,000	20,000	Laptop for to replace an old one for AM - OUTHING
Desktop & printer	1	1,000	25,000	To replace an old one for Cashier & Operators - OUTHING
Laptop	1	22,000	22,000	Replacement of DF's old laptop - FINANCE
Laptop	1	15,000	15,000	Replacement of FA's old desktop - FINANCE
Desktop	1	10,000.00	10,000	Replacement of Assistant Accountant (Cashbook) - FINANCE
Lap top	1	15,000	15,000	The laptop for Regional Manager SOUTH is slow and used up, it was purchased in 2008. DISTRICT SOUTH ADMIN
Photocopying machine	1	15,000	15,000	To be used by Regional office in Mook DISTRICT SOUTH ADMIN
Desk top	1	15,000.00	15,000	For Operators - OACHA'S NEK
Laptop	1	15,000	15,000	Replacement of old, defective laptop used by Manager Laboratory
LAP TOP	1	15,000.00	15,000	PRAN's laptop is over 5 years needs replacement - it is slow and some keys are also
Computer	1	15,000	15,000	Replacement of ATO's old computer - SHARED SERVICES
New fax machine	1	15,000.00	15,000	Masau West - SHARED SERVICES
Desk Top Computer	1	15,000	15,000	New computer for proposed Office Assistant - THABA TSEKA
Laptop	1	20,000	20,000	Replace old and incapable laptop of Area Manager as it is more than five years and cannot perform new spreadsheets - BOTHA-BOTHE

Printer				15,000.00	15,000	To enable documents to be scanned to the computer of laptop as the current one does not have that facility - BOTHA BOTHE
Laptop Computer		2		15,000	30,000	For new Network Supervisor & replacement of manager's - DISTRIBUTION
GPS Device		1		15,000	15,000	Accurate positioning of network system DISTRIBUTION
Wireless Projector		2		13,500	27,000	These are for the boardroom. The current one in the Mainboard room has limited capacity on usage ICT
Microsoft Volume License Package		300		6500	2,405,000	WASCO is currently not licensed to run microsoft products, it this can be added it is likely that the possibilities will be imposed ICT
Network Monitoring Screen 50 inch		1		50,000.00	50,000	Network management tool has been downloaded that helps ICT efficiency in uptime ICT
Server Room Security Camera		1		40,000.00	40,000	Currently there is no security for Server Room which compromises WASCO information ICT
CISCO Switch		2		21,000.00	42,000	Standby switch. Currently there is no switch for emergencies ICT
Document Management System		1		105,000.00	105,000	Implementation of feasibility study for Document Management System ICT
UPS		17		2,100.00	35,700	ICT
Capitex Printers		4		2,400.00	9,600	ICT
AS Laptop		1		21,000.00	21,000	ICT
ICT Equipment (Laptops)		1		0.00		ICT (POSSIBLE DUPLICATIONS)
Lap top		1		15,000	15,000	Replacement of manager's which is now 5 years old METERING
Desk top		5		10,000	50,000	1 - billing supervisor, 3 - customer services (old giving challenges), 1 - Meter Maintenance METERING
Heavy duty large format plotter 2000gsm		2		160,000.00	320,000	replacement of the two old plotters which are hardly working, another no longer unused METERING
Lap top		1		15,000.00	15,000	For use by the Maintenance Manager WORKSHOP
Lap top		1		15,000.00	15,000	For use by the Maintenance Planner WORKSHOP
Portable Lap top		1		15,000.00	15,000	For use in programming of telemetry and plc's WORKSHOP
Laptop		1		20,000	20,000	Replacement of the dead DISTRICT NORTH ADMIN
LAPTOP		1		20,000	20,000	Replace old and incapable laptop of Area Manager if it is more than five years. MAPOTENG
Desk top		2		15,000	30,000	New computers operators and office assistant MAPUTSOE
Laptop for Area Manager		1		20,000	20,000	New laptop to replace old one currently used - ROMA
Desk Top Computer		1		15,000	15,000	New computer for Operators - ROMA
					3,567,300	
				OTHER		
Renovation of storage dam pipeline		1		76,730.00	76,730	Mogalakgote dam project THABA TSEKA
Renovation of boreholes at the Kuthabo		2		100,000	200,000	To increase water supply, especially during dry seasons BOTHA BOTHE
Fair media		120		3,600.00	432,000	For filtration stage of the WTP - BOTHA BOTHE
Renovation of rising main from Moretele plant		800		770.00	616,000	To enable good water supply as the rising main is always bursting BOTHA BOTHE
Proposed MAINTENANCE HANDHELD				25,413.33	25,413	METERING
L Shaped office desk		1		14,000.00	14,000	Replacement of old manager's METERING
Blackboard board box lot		1		30,000.00	30,000	For housing of both bearings and electromechanical consumables in vehicles WORKSHOP
Zoning of reservoirs		800		650	375,000	Isolation of 3 reservoirs that were connected in series for a distance of 500m with 300mm Upvc pipe. LERIBE

Reinforcement of intake tower	1	1,000,000	1,000,000	Reinforcement of intake tower - LERBIE
Tufa intake reinforcement extension	1200	650	780,000	Reinforcement extension of 0.3mm up to pipe at Tufa intake for a distance of 1200m for 50 households - LERBIE
DRAINING OF BOREHOLE'S	3	400,000	1,200,000	To install sufficient standby source on drought season - LAPOTENG
Sand for filter (120 ton)	120	4,000,000	480,000	MOH-HOTLONG
Rehabilitation of Waste Water Spills	1	600,000,000	600,000	Rehabilitation of Ponds - ROHA
			5,898,643.33	

MOTOR VEHICLES				
Water tanks	2	120,000,000	240,000	For modification of sewage tanks - SHARED SERVICES

19,812,066
18,000,000
1,812,066

WATER AND SEWERAGE COMPANY

<u>CAPITAL BUDGET 2015/2016- GOL BUDGET AND OTHER EXTERNAL FINANCING</u>						
Project Title	Source of Funding	Type of Fund	Status of Project	Requested Budget 15-16 (Maloti)	Project Description/Objective	
1. Maseru Waste Water	GOL	Grant	Ongoing	60,000,000	The project is intended to provide the population residing within Maqalika catchment area with waste water treatment plant thereby reducing the pollution that eventually collects at Maqalika dam. It comprises of the following components: Construction of Agric-College waste water treatment plant, Rehabilitation and extension of sewerage system, Construction of new pumping stations and rehabilitation of the existing pumping stations and on-site facilities in unsewered areas.	
Sub-Total	EIB	Loan		95,850,000		
				155,850,000		
2. MCC Urban and Peri-Urban Water Network	MCC	Grant	Ongoing	-	The Project is intended to provide for Water Network , Reticulation Extension, Infrastructure Rehabilitation, New Water Supply system to Semonkong and Augumentation of Mazenod Water Supply	
	GOL	Grant		19,500,000		
Sub-Total				19,500,000		

3. Five Towns Water Supply	GOL	Grant	Ongoing	10,000,000	To contribute towards general welfare of the population in the covered towns by facilitating access to quality water supply at economically affordable rates.
	OPEC	Loan		-	
	Saudi Fund BADEA	Loan Loan		45,150,000	
Sub Total				55,150,000	

4. Greater Maseru Water and Sanitation	GOL	Grant	Ongoing	500,000	The project is aimed at providing water and sanitation services for people living at peripherals of Maseru City.
	BADEA	Loan		4,000,000	
				-	
Sub Total				4,500,000	

Summary Sources of Funding

<u>Summary Sources of Funding</u>					
Total GOL Contributions Total Other Grants Total Loans (WASA is responsible for Principal and interest payment.) GRAND TOTAL			2015/2016		
			90,000,000		
			4,000,000		
			141,000,000		
			235,000,000		