



UEDCL
Lighting up your world



FINANCIAL
YEAR 24/25
**ANNUAL
REPORT**



2025 was of significance in Uganda's electricity sub-sector where Government repossessed its distribution assets from private electricity distributors —and for UEDCL, this commenced **THE YEAR OF STABILIZATION.**

COVER VISUAL

For UEDCL, 20**25** commenced **The Year of Stabilization.**

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Lighting Up
Your World



2,378

Employees across our service centres



UEEDCL
Lighting up your world
Safety for life



Implemented BUBU Policy and signed contracts with local companies to supply cables, transformers and meters hence supporting local grown industries.



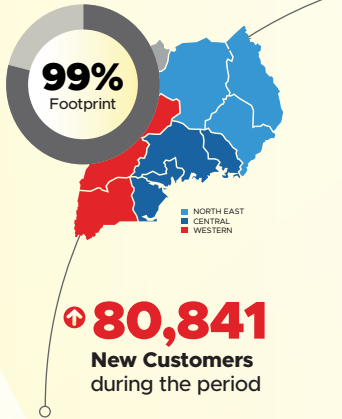
UEEDCL
SERVICE
LightingUpYourWorld

YEAR IN REVIEW

Infrastructure

- 467 Transformers replaced
- 2,089KM of LV lines inspected
- 9,698KM of MV lines inspected
- 180,000 new connection kits deployed

UGX 87.5Bn
operating surplus
before depreciation,
amortisation and tax



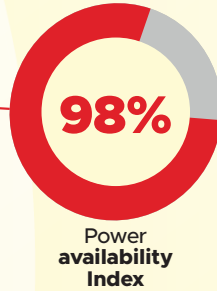
669.4Bn
FY2025

111.3Bn
FY2024



2.4 Million customers
on the national grid

100%
Revenue
collection
rate



Reached communities
through CSR initiatives in
health and social events

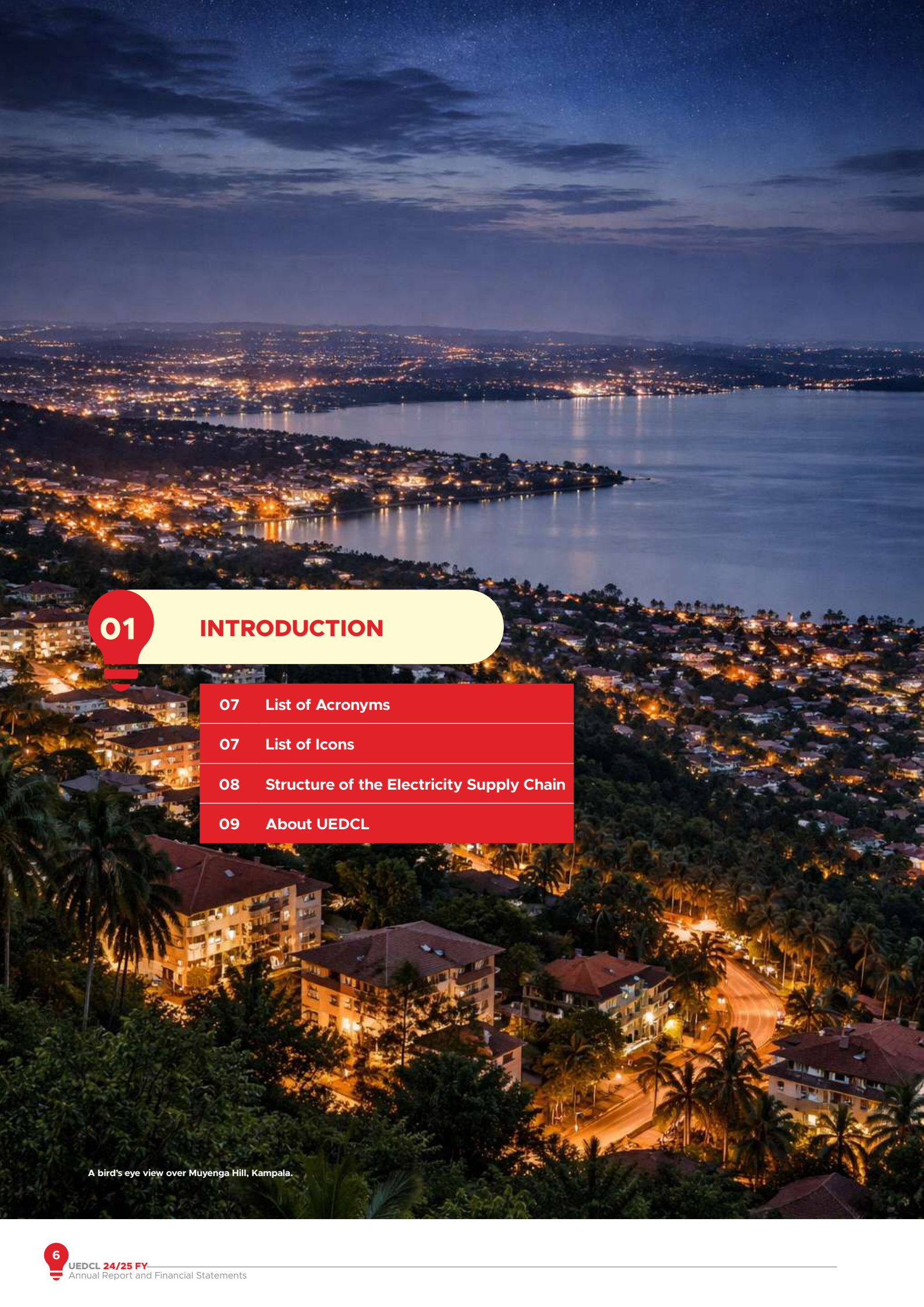


174 acres
of eucalyptus-tree plantations
cultivated giving community
farmers a livelihood & furnishing
our pole plant with raw poles.



2,000
Poles issued
per month
on average

UGX459bn
paid as transmission obligations



01

INTRODUCTION





















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A bird's eye view over Muyenga Hill, Kampala.

LIST OF ACRONYMS

Bn	Billion	MoFPED	Ministry Of Finance, Planning and Economic Development
DLP	Defects Liability Period	MWH	Megawatt Hour
ECP	Electricity Connections Policy	MV	Medium Voltage
ERA	Electricity Regulatory Authority	PACMECS	Pader Abim Community Multipurpose Energy Cooperative Society
FY	Financial Year	PPA	Power Purchase Agreement
GIS	Geographical Information System	UEDCL	Uganda Electricity Distribution Company Limited
GOU	Government Of Uganda	UETCL	Uganda Electricity Transmission Company Limited
IFRS	International Financial Reporting Standards	UGX	Uganda Shillings
KRECS	Kyegegwa Rural Energy Cooperative Society	UNBS	Uganda National Bureau of Standards
KIL	Kilembe Investments Limited	WIP	Work In Progress
KV	Kilo Volts	SOR	Standard Operating Regulations
LAA	Lease and Assignment Agreement		
LV	Low Voltage		
MEMD	Ministry Of Energy and Mineral Development		

LIST OF ICONS

				
UEDCL Light	Customers	Pole Plant	Office Location	Security Guard
				
Eucalyptus trees	Social Media	Female	Male	Engineer
				
Corporate Social Responsibility	Plantation Farmer	Revenue	Domestic Customer	Commercial Customer
				
Institution	Van	Motor Cycle	Truck	Single cabin
				
Staff	Government	Partnership	Customer Service	Grid

A list of key standardized icons used in this report

Structure of the Electricity Supply Chain



Figure 1: Structure of the Electricity Value Chain

ABOUT UEDCL

The Uganda Electricity Distribution Company Limited (UEDCL) is a Public limited company—utility responsible for electricity distribution and distribution infrastructure management in Uganda. The Company was established on April 1, 2001 following the unbundling of the former Uganda Electricity Board (UEB) into its successor entities: Uganda Electricity Generation Company Limited (UEGCL), Uganda Electricity Transmission Company Limited (UETCL), and UEDCL, pursuant to the Electricity Act Chapter 157.

1. Mandate

Outlined below are the legislative and functional mandates that define UEDCL's roles and responsibilities.



LEGISLATIVE

UEDCL's core functions are derived from the following laws:

a) The Electricity Act Chapter 157

UEDCL is mandated to:

i. Own and operate electricity distribution infrastructure across Uganda, except West Nile and Kalangala Islands.

ii. Maintain and upgrade distribution networks.

b) The Public Enterprises Reform and Divestiture Chapter 78 governs UEDCL's operations as a public limited Company formed under the Companies Act Chapter 106 with two shareholders; Minister of Energy & Mineral Development and Minister of Finance, Planning & Economic Development.



FUNCTIONAL

UEDCL is directly responsible for:

a) Electricity Distribution:

Operating, building and maintaining the national distribution grid.

b) Sale of electricity:

To supply electricity to consumers

c) Asset Ownership:

Holding legal title to electricity distribution assets from 11kV to 33kV.

d) Grid Maintenance and Upgrades:

Ensuring reliability and efficiency of distribution infrastructure.

e) Pole manufacturing

f) Regulatory Compliance:

Adhering to license terms as issued under the Electricity Act Chapter 157.

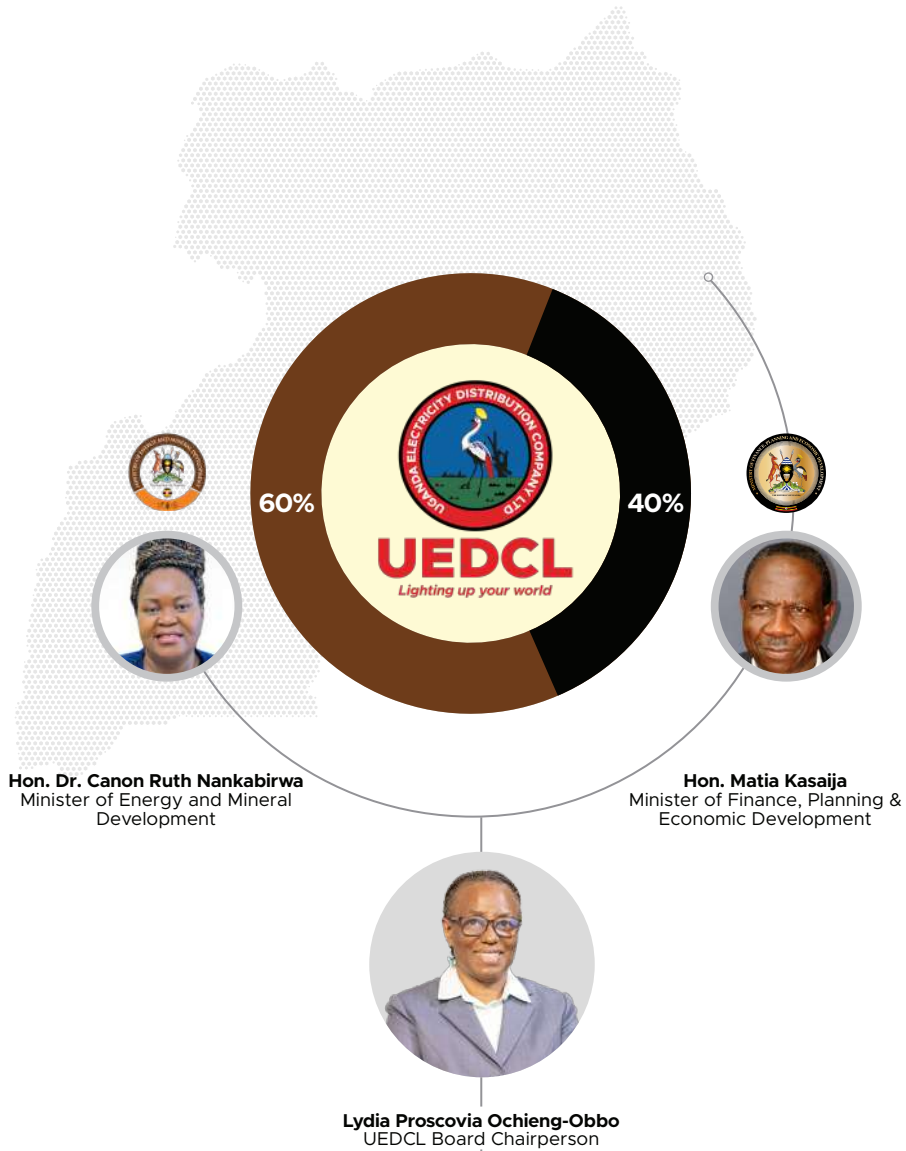
e) Concession monitoring of the grid operated by WENRECo



UEDCL operates the grid from 11kV to 33kV

2. Profile

Upon assuming control of 99% of the electricity distribution network, UEDCL's profile changed accordingly based on an increased responsibility resulting from a large customer base and diverse range of stakeholders. The Shareholders of the Company include MEMD (60%) and MOFPED (40%).



Paul Mwesigwa
UEDCL Managing Director

UEDCL is mandated to develop, own, and operate the electricity distribution network at 33kV and below across the country. The Company is 100 percent owned by the Government of Uganda through the Ministry of Energy and Mineral Development (MEMD), which holds 60 percent shareholding, and the Ministry of Finance, Planning and Economic Development (MoFPED), which holds the remaining 40 percent.

Following the unbundling of UEB and the introduction of private sector participation, UEDCL retained a statutory mandate on behalf of Government under the respective Lease and Assignment Agreements (LAAs) to monitor the performance of private distribution concessionaires, particularly in relation to asset development, asset management, and adherence to prudent utility practices. In 2022, the Government of Uganda made a policy decision not to renew electricity distribution concessions

upon expiry of their license tenures, a directive that has since been successfully implemented.

To date, UEDCL has taken over seven electricity distribution licenses, including; - Ferdsult Engineering Limited (2017), Bundibugyo Energy Cooperative Society (2021), Pader Abim Community Multi-Purpose Energy Cooperative Society (2023), Kyegegwa Rural Energy Cooperative Society (2023), Kilembe Investments Limited (2024), Umeme Limited (2025), and Hydromax (2025).

In line with its expanded mandate, UEDCL applied to the Electricity Regulatory Authority and was granted License for Sale of Electricity No. 232 and License for Distribution of Electricity No. 231, both of which became effective on 1 April 2025 and remain in force for a period of three years, up to the 2027/2028 financial year.

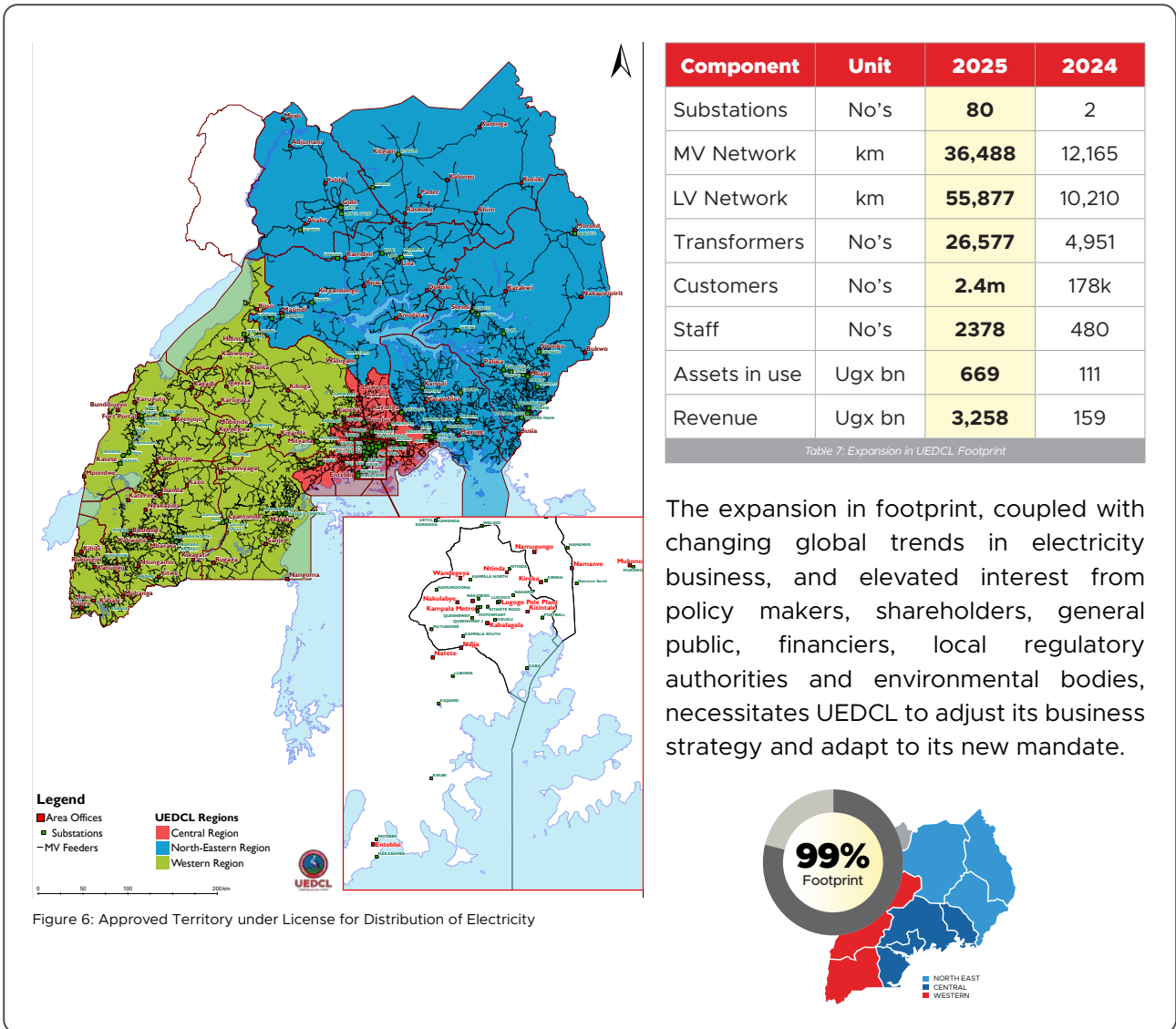


Figure 6: Approved Territory under License for Distribution of Electricity

The expansion in footprint, coupled with changing global trends in electricity business, and elevated interest from policy makers, shareholders, general public, financiers, local regulatory authorities and environmental bodies, necessitates UEDCL to adjust its business strategy and adapt to its new mandate.

3. Licenses

UEDCL acquired from ERA the Licenses for: Sale of Electricity number 232 and License for Distribution of Electricity number 231, effective 1st April 2025, and will remain in force for a term of 3 years to the financial year 2027/2028. In addition to the Licenses, ERA approved the performance parameters for the period as indicated below.

CATEGORY	DESCRIPTION	UNIT OF MEASURE	2025	2026	2027
Net Operating Costs	Direct staff costs	USD*103	37,684	39,632	41,009
	Other staff costs		7,935	8,055	8,537
	Repair and maintenance		14,481	14,885	15,238
	Transport costs		9,334	10,284	11,234
	Administration costs		7,911	9,082	9,287
	DOMC total		77,345	81,938	85,305
Non-network asset costs		USD*103	6,222	0	0
Financing costs		USD*103	0	0	0
Distribution efficiency		Percent	0	0	0
Days lag		Days	0	0	0
Target uncollected debt factor		Percent	0.05%	0.05%	0.04%
Minimum new connection targets		Number	225,000	300,000	300,000
Reliability and quality of supply	SAIDI	Hours	87	81	76
	SAIFI	Interruptions	68	63	59
Overall distribution loss factor		Percent	14.59%	13.65%	12.31%

Table 8: Performance Parameters Approved by Authority for period 2025 to 2027



UEDCL MD Paul Mwesigwa and the then Board Chairman Francis Tumuheirwe formally receive the distribution licenses from the Minister of Energy Dr. Canon Ruth Nankabirwa at the Uganda Media Centre.

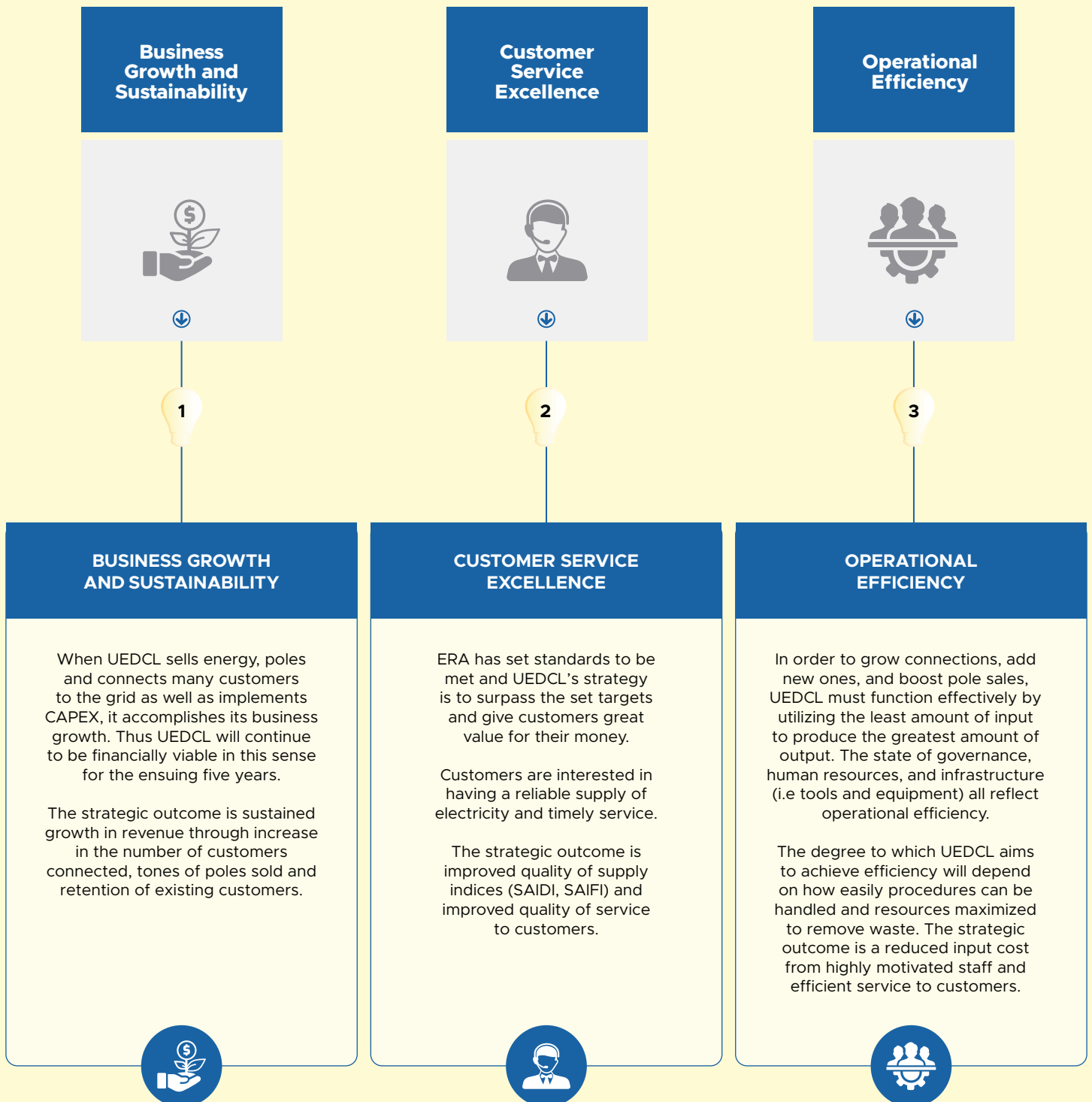


Dr. Sarah Wasagali Kanaabi, emeritus ERA Chairperson, hands out the instruments of service to the then-Board Chairman Francis Tumuheirwe and UEDCL Managing Director Paul Mwesigwa.

4. Corporate Strategy

In December 2025, UEDCL embarked on an exercise to review and refine its strategy for the 5-year period 2026 to 2030. The strategy was developed based on the balanced scorecard approach. The final report was designed to integrate the Project Implementation Action Plan (PIAP) approach recommended by the National Planning Authority.

Under the balanced scorecard method, we refined the mission, vision, values, themes and objectives of the Company based on the SWOT analysis.



5. Strategic Description



CORE VALUES



Safety



We protect life, property and the environment from damage, loss and depletion of natural reserves.



Integrity



We conduct our business in an ethical, transparent and equitable manner.



Customer Centeredness



We aim to satisfy customer needs in all ways possible without compromise.



Innovation



We embrace new ideas and leverage on modern technologies to improve our business.



Collaboration



We seek to collaborate with like-minded people and entities both internally and externally to achieve our vision.

6. Company Products and Services



Estate Management



Distribution Concession Monitoring



Electricity Distribution



Treated pole production



Sale of electricity to consumers



02

CORPORATE GOVERNANCE

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In the year under review, UEDCL had eight members of the Board to oversee the operations of the Company on behalf of the shareholders.

The Chairman was Mr. Francis Tumuheirwe and the members were;

1. Mr. Kalanguka–Kayondho
2. Mr. Christopher Mugisha
3. Dr. Brian Isabirye
4. Eng. Cecilia Nakiranda Menya
5. Mr. Godfrey Mundua
6. Mrs. Elizabeth Kasenene Rumanyika
7. Mr. Paul Mwesigwa.

Mr. Godfrey Mundua resigned on 27th August 2024 and Mrs. Elizabeth Kasenene Rumanyika’s term ended on 24th May 2025. Mrs. Lydia Proscovia Ochieng-Obbo was appointed as a member of the Board on 22nd August 2024.

She has since been appointed the Board Chairperson.

The Chairperson is responsible for leadership of the Board and for ensuring its effectiveness in all aspects of its function.

The Board of Directors is charged with leadership, compliance and performance of the Company.

Within the leadership purpose, the Board provides strategic direction to ensure that the Company’s mandate is delivered in an efficient and effective manner.

The Board also ensures that the Company is compliant with all legal, regulatory and accountability statutes.

As far as performance is concerned, the Board routinely guides management on matters of business policy and practice.

THE BOARD CHAIRPERSON
Steers the Board of Directors



THE DIRECTORS
are responsible for

1 Leadership	2 Compliance	3 Performance
Provide strategic direction to ensure that the Company’s mandate is delivered in an efficient and effective manner.	Ensure that the Company is in compliance with all legal, regulatory and accountability statutes.	The Board routinely guides Senior Management on matters of business policy and practice.



The Board of Directors and the Senior Management Team in session, 2024.

BOARD COMMITTEES

To make its meetings effective, the Board constituted Committees comprising of at least three members. These committees are: Finance, Human Resource and Administration Committee; Audit Committee; and Technical Committee. The respective Committee reports and recommendations were used as a basis for the Board's decisions and actions.

Finance, Human Resource and Administration Committee

This Committee is responsible for monitoring the integrity of the financial statements of the Company, financial performance, reporting as well as budget performance and expenditure. The Committee is also responsible for approving policies and practices proposed by Senior Management for the acquisition and retention of appropriate skills and remuneration.

The Committee held 4 meetings in the course of the financial year on the dates indicated below.

	13.09.2024	17.01.2025	13.03.2025	18.06.2025
Lydia Ochieng-Obbo	P	P	P	P
Christopher Mugisha	P	P	P	P
Kalanguka-Kayondho	P	P	P	P
Elizabeth Kasenene	P	P	A	P
Paul Mwesigwa	P	P	P	P
<i>Finance, Human Resource and Administration Committee held 4 meetings</i>				
Legend: P is present, A is absent with apology, RC is Retired from the Committee, R is retired from the Board.				

Audit Committee

The Audit Committee is responsible for ensuring that the Company complies with appropriate accounting standards, taking into account the views of the external auditors. It also ensures that the recommendations and findings of the external auditors as indicated in the Management Letter are closed. It also continuously reviews the effectiveness of the Company's internal controls and risk management systems.

The Audit Committee held no meetings because the Chairman of the Committee resigned on 27th August 2024 and the Committee had no quorum.

Technical Committee

The Committee is responsible for assessing the Company's performance in distribution concession monitoring and evaluating the Company's performance in maintaining the integrity of the distribution network and related assets. **The Technical Committee held two meetings virtually.**

	25.09.2024	17.03.2025
Lydia Ochieng-Obbo	A	P
Eng. Cecilia Menya	P	P
Christopher Mugisha	P	P
Dr. Isabirye Brian	P	P
Kalanguka-Kayondho	P	P
Elizabeth Kasenene Rumanyika	P	A
Paul Mwesigwa	P	P
<i>The Technical Committee held 2 meetings</i>		
Legend: P is present, A is absent with apology, RC is Retired from the Committee, R is retired from the Board.		

Board Sub-Committees

To effectively carry out its responsibilities, the Board operates through Board Sub-Committees, each established to provide focused oversight within defined areas of authority. All Board Sub-Committees are composed of and chaired by Non-Executive Directors to ensure independence and oversight. The Committees are supported by the Company Secretary, who facilitates their work in accordance with approved Terms of Reference.

UEDCL currently has three (3) Board Sub-Committees, namely:

a) Finance, Human Resource and Administration Committee:

The Finance, Human Resource and Administration Committee comprises of three Non-Executive Directors. The Committee provides oversight and guidance on matters relating to; finance, human resource management, legal services, procurement, logistics/Inventory, and financing of the Company's operations.

b) Audit Committee

The Audit and Risk Committee comprises of three Non-Executive Directors. The Committee is responsible for oversight of statutory financial reporting, internal controls, risk management, internal audit, and compliance. The Internal Audit function reports functionally to the Board through the Audit and Risk Committee to ensure objective and independent assurance on the adequacy of internal controls, governance processes, and risk management, while administratively reporting to the Managing Director.

c) Technical Committee

The Technical Committee comprises of three Non-Executive Directors and provides oversight on matters relating to; engineering, network operations, project construction, information and communication technology (ICT), and commercial performance, ensuring that technical and operational decisions are aligned with the Company's corporate objectives and regulatory requirements.

All Board Sub-Committees submit reports and recommendations to the full Board for deliberation and decision making and/or approval. The Board is chaired by the Chairperson, while the Managing Director provides regular updates on operational and corporate performance across the business at Board meetings.

Induction and Capacity Development

After appointment to the Board, all members undergo a tailored induction program to orient them on the matters of the electricity industry, organizational culture, governance, and strategic priorities. The induction program includes meetings with key stakeholders, senior management, and field officers to better understand the current challenges and risks faced by UEDCL.

The Board members are kept informed of all applicable legislation, regulations, rules, and standards relevant to the electricity sector which have material impact on the Company's current and long-term operations.

The Board members are provided with the Board Charter and terms of reference for the committees as part of the pack prior to commencing their term of office.

The Board is individually and collectively charged with the responsibility of identifying opportunities for continuous executive development to keep abreast with the trends in relevant areas such as corporate governance, leadership, risk management, strategy, and finance for each financial year.

The Company regularly facilitates learning and development opportunities for the members of the Board.

Board Evaluation

The Board is required to undertake an annual review of its performance against agreed corporate targets and assess the growth and development of its members to continuously enhance the performance as a whole.



The Minister of Energy and Mineral Development, Dr. Canon Ruth Nankabirwa Ssentamu chairing the 2024 Annual General Meeting at Petroleum House Entebbe



THE BOARD OF DIRECTORS

At the top of the Corporate Governance pyramid sits the Board of Directors (the 'Board') which is responsible for providing strategic direction over long term concerns of the Company and ensuring that the Company is adequately resourced to deliver on its mandate.

The Chairperson has overall responsibility of providing leadership to the Board and ensuring that decisions made by the Board are collective and effective.

The Managing Director is responsible for the execution of the approved strategic plan and together with the Senior Management Team, reports to the Board periodically.

The Board of Directors through its Charter is charged with the following responsibilities.

- a) To appoint the senior management team, approve their remuneration and assign key performance indicators.
- b) To approve long-term and annual corporate plans and budgets.
- c) To raise the required financing depending on the business needs.
- d) To manage relationships with key stakeholders, investors, customers, Government, regulators, development partners, and the general public.
- e) To implement risk management and internal control framework.
- f) To oversee financial management and reporting.
- g) To ensure compliance with regulations, rules, guidelines, and governing laws.
- h) To generate corporate strategy to cope with changes in local operating environment both local and technological advancements in the global space of electricity distribution business.

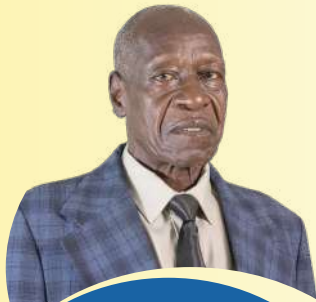
The UEDCL Board of Directors is composed of eight (8) members, comprising seven (7) Non-Executive Directors representing the Shareholders and one (1) ex-official member, who serves as the Managing Director and is responsible for the day-to-day management of the Company.

The Board provides overall strategic leadership, policy direction, and oversight of the Company and is accountable for ensuring sound corporate governance, financial sustainability, risk management, and performance in line with UEDCL's mandate.

The Board members have the optimal mix of competencies, knowledge, and experience both general and sector-specific in areas of legal, strategy, regulation, public finance management, operations, information technology, engineering, human resource, and stakeholder management which are all integral to enterprise success.



**Lydia Proscovia
Ochieng-Obbo**
CHAIRPERSON



Ben Ojok
DIRECTOR



Christopher Mugisha
DIRECTOR



Dr. Brian Isabirye
DIRECTOR



**Florence Namatta
Mawejje**
DIRECTOR



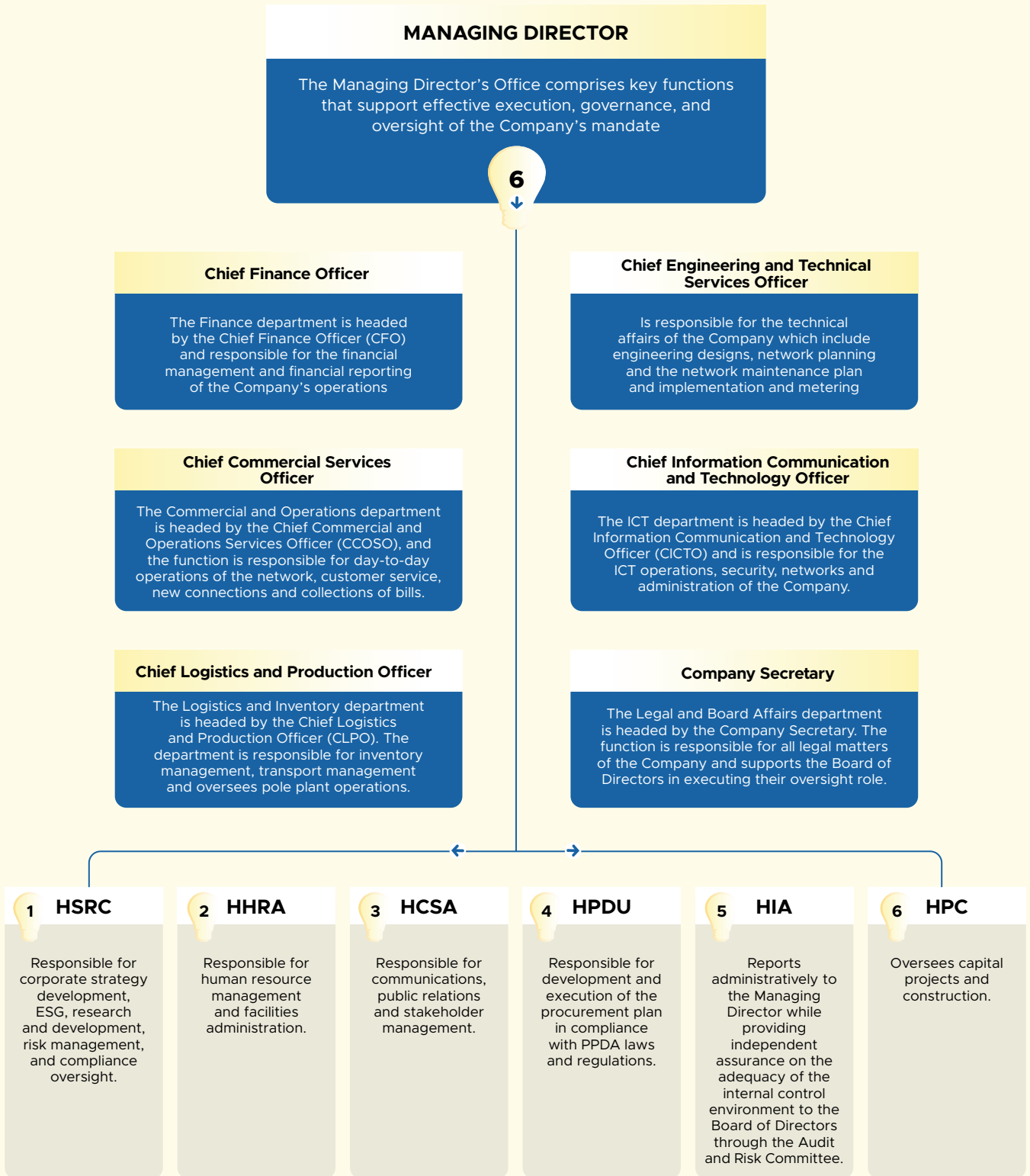
**Biwaga Stella
Marie Cingtho**
DIRECTOR



Paul Mwesigwa
MANAGING
DIRECTOR

SENIOR MANAGEMENT TEAM

UEDCL is currently structured around six departments and six functions as depicted below:



- 1. **HSRC** Head Strategy, Compliance and Regulation
- 2. **HHRA** Head Human Resource and Administration
- 3. **HCSA** Head Corporate and Stakeholder Affairs
- 4. **HPDU** Head Procurement and Disposal Unit
- 5. **HIA** Head Internal Audit
- 6. **HPC** Head Projects and Construction



Paul Mwesigwa
Managing Director



Eng. Joselynne Rwabwogo
Chief Commercial Services Officer



Jacqueline Kiwanuka
Chief Finance Officer



Eng. Protaze Tibyakinura
Chief Technical and Engineering Services Officer



Moses Awateh
Chief Logistics and Production Officer



Nelson Bagenda
Chief ICT Officer



Jonan Kiiza
Head Corporate and Stakeholder Affairs



Boniface Barongo
Head Human Resource and Administration



Dorothy Mubiru
Company Secretary



Justine Nakagiri
Head Internal Audit



Innocent Byamukama
Head Procurement & Disposal Unit




Isaac Mufumbiro
Head Strategy, Compliance and Regulation



Eng. Isaac Serwadda
Head Projects and Construction

BOARD CHAIRPERSON'S MESSAGE

 In behalf of the Board of Directors, I am honoured to present the Annual Report of the Uganda Electricity Distribution Company Limited (UEDCL) for the financial year ended 30 June 2025.

The year under review marks a defining moment in the history of UEDCL and in the development of Uganda's electricity distribution sector.

It also marks my first report as Chairperson of the Board at a time when the Company has assumed a substantially enlarged national mandate.

Following the expiry of the Umeme Concession on 31 March 2025, and pursuant to the grant of the relevant licences, UEDCL assumed responsibility for electricity distribution across approximately 99 per cent of Uganda with effect from 1 April 2025. This was more than an operational transition; it was the assumption of a strategic



national responsibility under public stewardship. As a result, UEDCL has entered a new institutional era. Its role in the national economy is broader, its public obligations greater, and the expectations placed upon it correspondingly higher. The Company now occupies a central place in Uganda's development architecture, with its performance bearing directly on industrial productivity, commercial activity, household welfare and national confidence in essential public infrastructure.

In this context, the role of the Board is clear: to provide sound governance, strategic direction and principled oversight; to safeguard the long-term sustainability of the Company; and to support the development of a resilient, efficient and accountable national utility.

We are fully conscious of the challenges that accompany a transition of this scale, including network constraints, operational pressures and system losses. Yet these challenges also define the opportunity before us: to strengthen the distribution system, reinforce public confidence and build an institution equal to its national mandate.


During the final half of 2025, UEDCL reviewed its strategic direction to reflect its enlarged role

and future responsibilities for 2026 to 2030 and embarked on internal organisational changes to improve overall performance. The Board will remain firmly focused on ensuring that the Company's priorities are aligned with Government policy, national development objectives and the broader public interest. Our commitment is to uphold the highest standards of governance, accountability and institutional integrity as the foundation upon which sustainable performance must rest.

On behalf of the Board, I extend sincere appreciation to the Shareholders - the Ministry of Energy and Mineral Development and the Ministry of Finance and Economic Development; our Regulator - the Electricity Regulatory Authority (ERA), our customers and all our stakeholders, for their continued support.


I also thank the Managing Director, Management and Staff, for their commitment during this historic transition, and my fellow Directors for their diligence and stewardship.

UEDCL has entered a new chapter of national service. With sound governance, sustained investment and disciplined execution, I am confident that the Company is well positioned to deliver enduring value to Uganda and its people.

 **UEDCL has entered a new chapter of national service. With sound governance, sustained investment and disciplined execution, I am confident that the Company is well positioned to deliver enduring value to Uganda and its people.**

Lydia Proscovia Ochieng-Obbo
Chairperson, Board of Directors

MANAGING DIRECTOR'S MESSAGE

 In behalf of Management and Staff, I am pleased to present the Annual Report of the Uganda Electricity Distribution Company Limited (UEDCL) for the financial year ended 30th June 2025.

The Financial Year (FY) 2025 was a landmark year for UEDCL and the most consequential operational period in the Company's recent history. Following the expiry of the Umeme concession on 31st March 2025, UEDCL assumed direct responsibility for electricity distribution across most of Uganda and now serves more than 99 percent of the country, with approximately 2.49 million customers. This transition repositioned UEDCL from a supervisory and asset-holding entity into a fully operational national electricity distributor, with direct responsibility for network operations, customer service, revenue collection and service delivery at scale.

Management's overriding priority during the year was to execute a stable and effective transition while establishing the operating foundations required for national-scale distribution. This involved maintaining continuity of supply during handover, absorbing a substantially expanded asset base, integrating a significantly larger workforce, and instituting the systems, controls and accountabilities appropriate to a utility of UEDCL's new scale. The successful delivery of this transition constitutes a major institutional achievement and provides a firm platform for the next



phase of performance improvement.

The financial results for the year reflect the scale of that transformation. Revenue increased from UGX 111.3 billion in FY2024 to UGX 669.4 billion in FY2025, driven by increased electricity sales, growth in the customer base and the commencement of distribution operations in the final quarter of the year. The Company recorded an operating surplus of UGX 87.5 billion before depreciation, amortisation and tax, underscoring the operational strength of the core business and the viability of the enlarged distribution platform.

The reported loss after tax of UGX 193.3 billion was principally attributable to accounting effects associated with asset recognition, depreciation and tax adjustments arising from the deferred tax on the transitional asset. These were largely non-cash and transition-related in nature and should be distinguished from the Company's underlying operating performance, which remained resilient during a year of exceptional structural change.

Operationally, UEDCL now manages more than 92,252 kilometres of distribution lines, over 26,577 transformers and more than 80 substations nationwide.

To support this expanded footprint, the Company strengthened its workforce for nationwide deployment and advanced the alignment of people, processes and controls around a unified operating model. Our focus is on building a disciplined, performance-driven utility capable of delivering improved reliability, stronger operational control and a consistently better customer experience.

The transition also brought into sharper focus the underlying condition of parts of the network and the operational demands of a system of this size, including overloaded substations and feeders, maintenance requirements, inventory constraints and pressure on system losses.

These issues have been treated as immediate management priorities. The response now underway is

directed at network stabilisation, improved maintenance responsiveness, stronger system visibility and controls, replenishment of critical stocks and spares, and more targeted investment in network reinforcement and modernisation.

Looking ahead, 2026 will be the first full year in which UEDCL operates as Uganda's national electricity distributor. Management's priorities are therefore clear: to stabilise operations, improve reliability, strengthen customer service, reduce energy losses, improve collections, deepen workforce productivity and implement the Strategic Plan for 2026–2030 with discipline and measurable outcomes. Under that Strategic Plan, the Company is targeting strong progress in customer growth, loss reduction, system modernisation and long-term financial sustainability.

Management's task now is to convert scale into performance, transition into stability and mandate into measurable service delivery. UEDCL enters 2026 with a stronger operating base, clearer institutional alignment and a firm commitment to deliver sustained improvement across the distribution business.

I wish to express my sincere appreciation to the Government of Uganda, our Shareholders, the Ministry of Energy and Mineral Development, the Ministry of Finance, Planning and Economic Development, the Electricity Regulatory Authority and all sector stakeholders for their continued support during this important transition.

I also thank the Board of Directors for its oversight and guidance, and commend Management and staff for their resilience, professionalism and commitment during an exceptional year. Above all, I thank our customers for their patience and trust as we continue to strengthen service delivery across the country.

UEDCL is fully engaged in the work of building a stronger, more efficient and more responsive national distribution utility in support of Uganda's development.



The successful delivery of this transition constitutes a major institutional achievement and provides a firm platform for the next phase of performance improvement.

Paul Mwesigwa
Managing Director, UEDCL

BUSINESS PERFORMANCE REVIEW

The report provides an overview of the commercial operating highlights for the period July 2024 to June 2025.

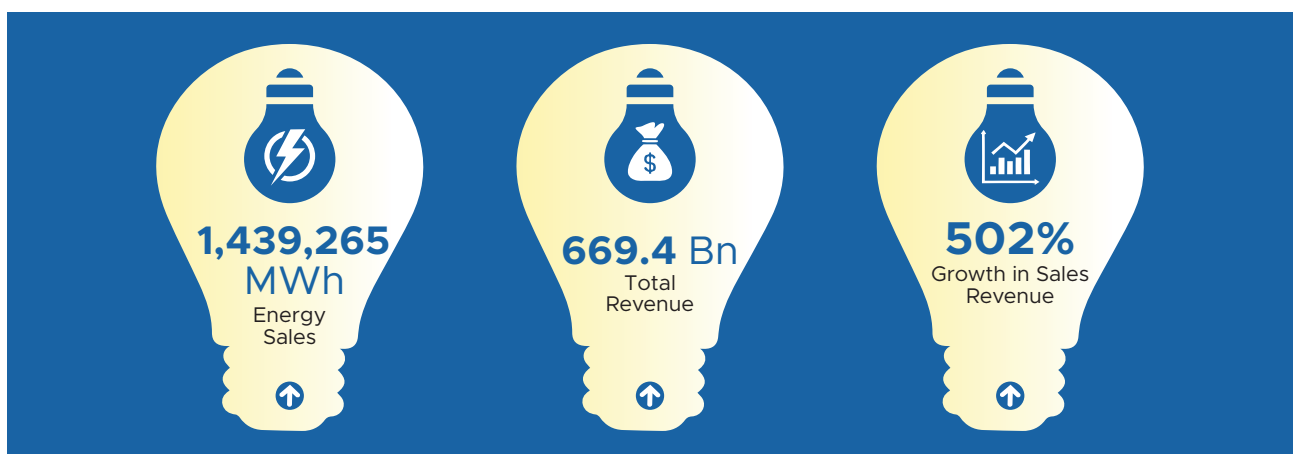
During the Financial Year 2024/2025, we registered increased purchases and sales as summarised in the table below;

PERIOD	FY 2023/2024	FY 2024/2025	% GROWTH
Energy Purchased (Net evacuation)-MWh	189,396	1,757,344	828%
Energy Sold-MWh	154,965	1,439,265	829%
Actual Energy loss %	18%	18%	0%
Revenues (UGX. Bn)	111.3	669.4	502%
Customer Base	173,624	2,487,346	1333%

key performance statistics as of June 2025



Transformer upgrades



ENERGY SALES (MWh)

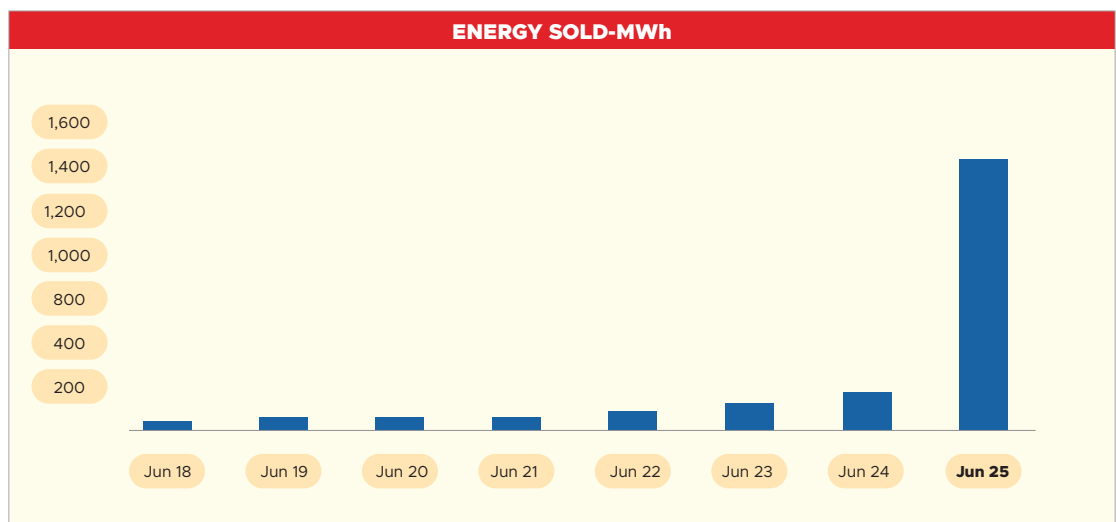
UEDCL has maintained steady energy sales growth over the years. As a result of the asset re-transfer, energy sold increased by 829% from 154,965 MWh in June 2024 to **1,439,265 MWh** in June 2025.

PERIOD (YEARS)	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25
Energy Sold-MWh	38,178	48,812	51,976	61,559	71,154	86,656	154,965	1,439,265

Energy Sales



UEDCL Network upgrade in Mbarara City



SALES REVENUE (UGX)

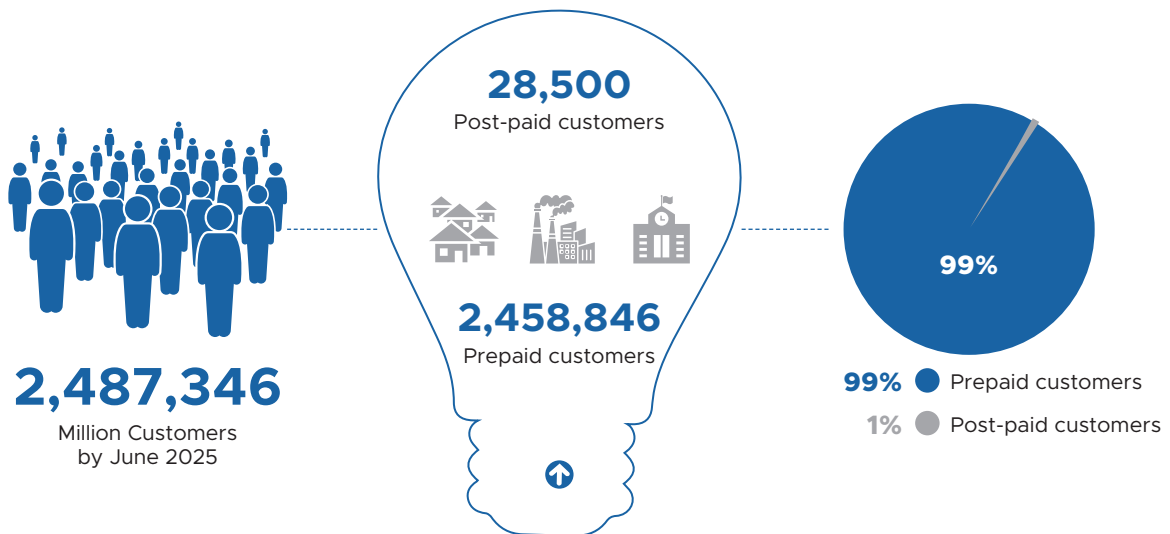
During the period under review, UEDCL registered cumulative total revenue of 669.4Bn, representing 502% sale revenue growth from the previous period.

	FY 2022/23	FY 2023/24	FY 2024/25
Revenues (UGX. Bn)	67.60	111.3	669.4
<i>Sales Revenue</i>			

CUSTOMER NUMBERS

As of June 2025, customer numbers had reached 2,487,346. A total of 28,500 are postpaid customers and 2,458,846 are prepaid customers. Prepaid customers represent 99% of the customer base.

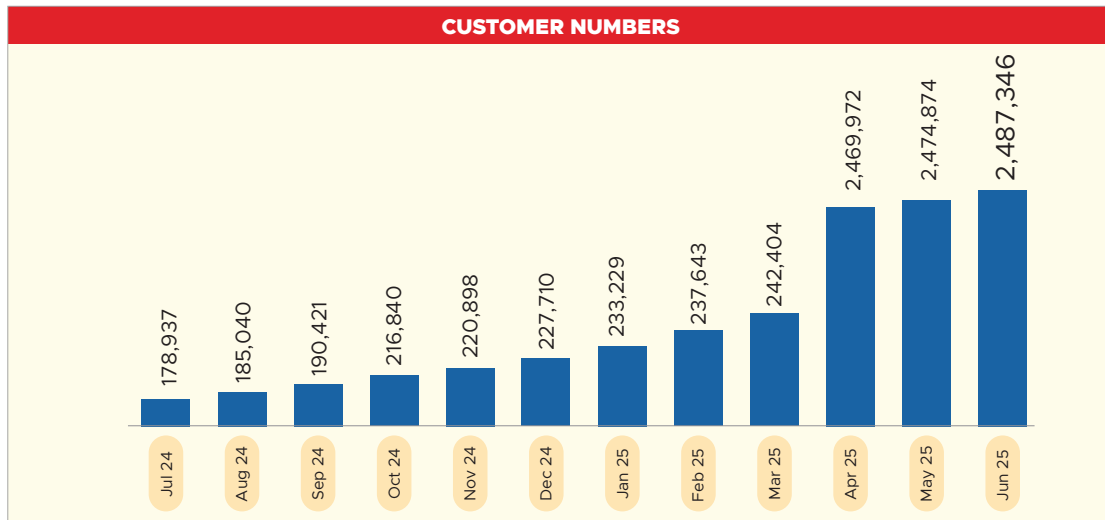
During the period under review, 80,841 new customers were added to the grid. Additionally, 2,227,568 customers were received as the company took over Umeme Limited in April 2025. Customer growth was majorly attributed to the asset re-transfer (Umeme Limited) as well as the Government Electricity Connection Policy.



Lighting up homes

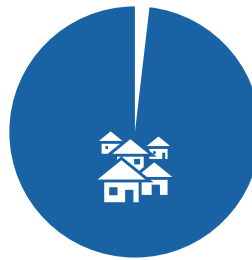
CUSTOMERS NUMBERS

The chart shows a huge spike in customer numbers in April 2025 when UEDCL took over Umeme Limited, growing from 242,404 to 2,469,972 customers - a 919% growth and by June 2025, the customer base had grown up-to 2,487,346.



CUSTOMERS BY TARIFF

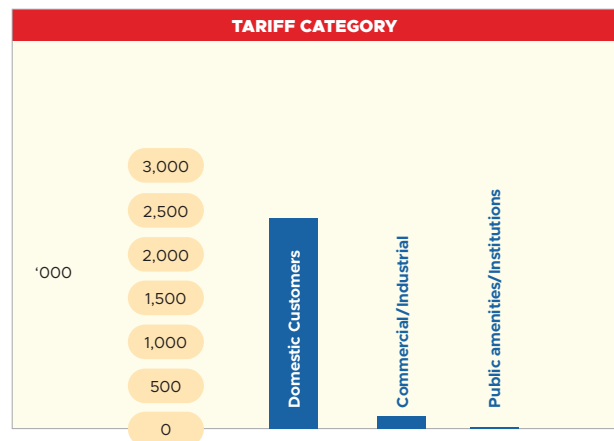
Our customer base is mostly domestic (96%), with commercial and industrial customers making up 4% and a small portion of public amenities.



96% ● Domestic
4% ○ Commercial & Industrial

TARIFF CATEGORY	NUMBER
Domestic	2,395,467
Commercial	86,825
Medium Industrial Consumers	6
Medium Industrial Consumers - Manufacturing	1,381
Medium Consumers - Service	2,511
Large Industrial Consumers HV	-
Large Industrial Consumers - Manufacturing	578
Large Consumers - Service	135
Extra Large Industrial Consumers EV	55
Public Amenities	387
Institutional Cooking	1
TOTAL	2,487,346

Customers by Tariff



CUSTOMER SUPPORT



A customer receives service at UEDCL Service Centre in Kabale



Customer Experience

Our 24-hour Contact Center handles digital and voice channels, supported by nationwide service centers, ensuring that customers have a world class experience. The contact center is central to boosting accessibility and confidence in the business.

Improved Customer Availability

Contact Centre availability stood at 79.3% in the year of reporting. This has strengthened the ability to receive and respond to customer complaints in a timely manner, hence improving customer experience.

Expanded Service Capacity

The number of Contact Centre Agents increased from 100 to over 130 in the reporting period, enhancing capacity to manage rising customer complaints, reducing call congestion, and supporting improved response times across all channels.

Multi-channel Customer Engagement

We engage customers through multiple digital and social media platforms, including X (formerly Twitter), LinkedIn, WhatsApp, Mobile App, YouTube, TikTok, and Instagram. These channels enable customers to access information, report issues, and interact with the Company using any of the aforementioned platforms thus improving convenience and transparency.

Electricity Connection Policy (ECP)

The implementation of the Electricity Connection Policy across the business improved livelihoods. This also supported the National Electrification Agenda.

Dedicated Support for Large Power Users

A specialized Customer Relationship Team was established to manage Large Power User accounts, ensuring faster complaint resolution and tailored engagement.

Between July 2024 and June 2025, over 140 Large Power User customers were physically visited, strengthening relationships and service responsiveness within this critical customer segment.

Service Centre Expansion

Our footprint expanded to include 100 service centres. This has improved accessibility regarding our services as well as improved customer experience.

Incidence Resolution

A Total of 123,625 ticket incidents were received between July 2024 to June 2025 with an average resolution time of 8 days. The numbers grew in April 2025 after the asset retransfer. Ticket resolution was adversely affected by limited technical staffing at each area office.

During the reporting period, the technical teams managed multiple competing activities, including new connections, inspections, the TID rollover exercise, and response to faults and breakdowns, which exceeded the available manpower of one technical assistant and two linesmen per area office.

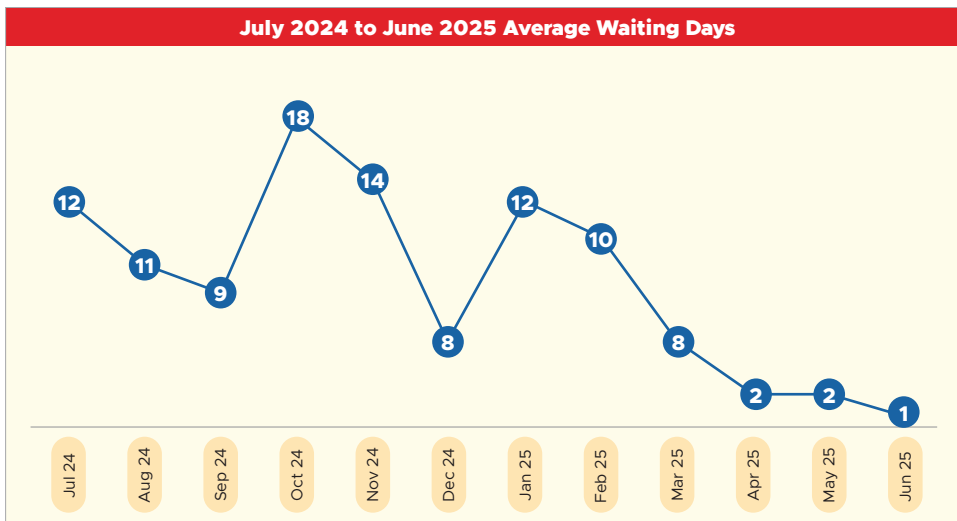
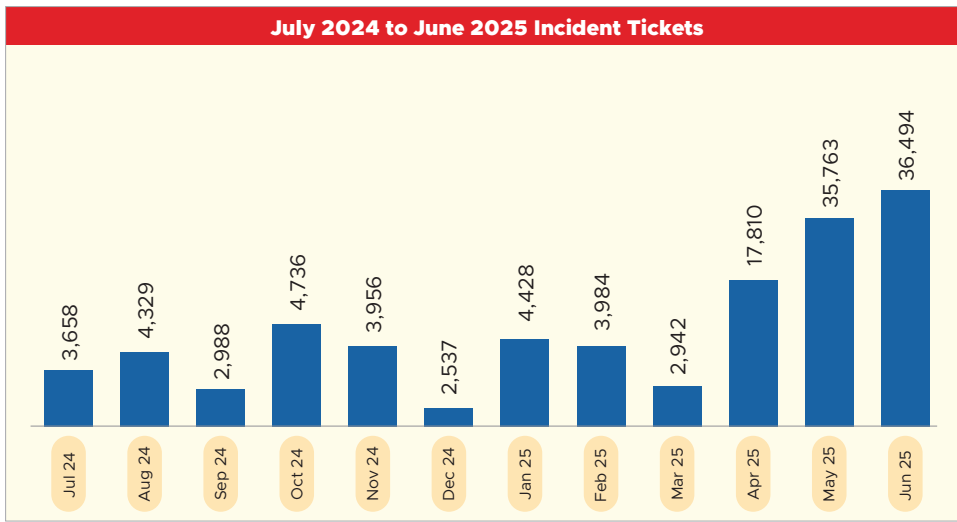


140

Large Power User customers were physically visited, strengthening relationships and service responsiveness within this critical customer segment.



UEDCL's Customer Relations Officer Ronah Nabimanya (extreme left) leads a UEDCL team on customer visits to engage and pick feedback.



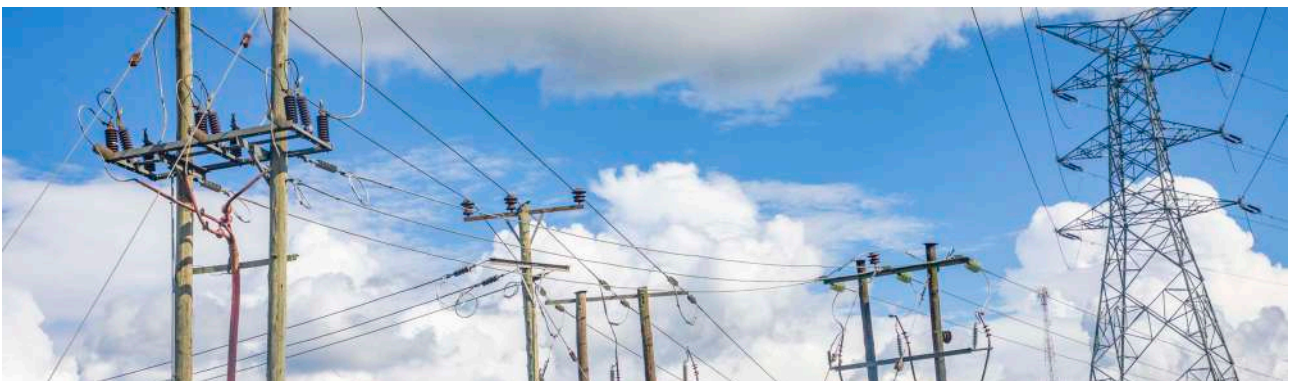
resolved within 8 days on average



*Uganda Electricity Distribution Company Limited is Regulated by the Electricity Regulatory Authority

KEY QUARTERLY ACHIEVEMENTS

- Effective Communication:** Maintained effective communication across all organizational levels and with stakeholders, ensuring that no critical issues went unaddressed.
- Asset Transfer Compliance:** The transfer of assets was executed in strict accordance with established standards and specifications.
- Workforce Integration:** Effective absorption and integration of experienced staff from Umeme into UEDCL, ensuring continuity of expertise and operations. This was facilitated by the effective change management initiatives that were deployed during and post transition.
- Institutional Knowledge:** Retained experienced professionals with 20 years of utility operations expertise
- Ongoing Monitoring Post-Transfer:** There is an established formal structured framework for continued support and monitoring post-transfer under the ESG Department. This is facilitating early identification and swift resolution of any emerging operational, technical, or financial issues.
- The formal asset handover process was completed on schedule with strong inter-agency coordination.
- Financial Settlement:** A \$118.4 million buyout payment was processed and transferred by Government of Uganda to Umeme Limited on schedule as terms of the Lease and Assignment Agreement.
- Regulatory Compliance:** Acquired Licenses for sale and distribution of electricity from ERA on 31st December 2024.
- Service Continuity:** Customer-interface operations were maintained without disruption; vending and billing systems remained stable throughout the transition.
- Work and Storage Locations, pole plant remained operational, some critical equipment (trucks, forklifts) were received and smoothed operations.
- Pole Plant Operations:** Remained unaffected and production continued. In-house pole manufacturing capacity proved invaluable for maintaining network maintenance despite supply chain constraints.





03

ENGINEERING AND TECHNICAL SERVICES

- 39** Transition Success
- 41** Status of the Distribution System
- 42** Operational Success
- 47** Network Planning

INTRODUCTION

The year 2024/25 posed, probably, the most challenging period in the history of the organization. This period saw the climax of the electricity distribution asset retransfer process that followed the natural end of the 20-year Umeme concession and the Kilembe Investments Limited concession which was in charge of electricity distribution in the Rwenzori sub-region (Rwenzori Service Territory).

The year marked the peak of the implementation of the asset retransfer roadmap that started the previous financial year.

Most of the activities of the year involved planning and fast-tracking of the transition activities that aimed at a seamless asset retransfer from Umeme Limited back to UEDCL without major business disruptions. Emphasis was put on ensuring service continuity and power reliability during

the transition period. The retransfer process climaxed on April 1st 2025. Prior to the Big Switch, the Rwenzori Service Territory handed over its concession to UEDCL on October 1st 2024.

This journey was in line with the policy directive and issued guidelines to consolidate the electricity distribution assets and operations under Government of Uganda. In addition, this was part of the planned second-generation reforms in the electricity supply industry that are under phased implementation by Government.

It should be noted that the above activities had to be implemented together with the routine electricity distribution activities as mandated through the ERA-issued license for electricity distribution and sale within the 10 service territories that covered all the rural and rural-urban regions of the country.

MAJOR ACHIEVEMENTS

The achievements of the period under review are grouped in two categories

Transition



Operational



TRANSITION











The Engineering and Technical Services department played a pivotal role in the implementation of the transition coordination activities, guaranteeing successful asset retransfer without electricity supply disruptions.

The contribution was made through the leadership of the Engineering Working Group. The working group was established under the Asset Retransfer Coordination Committee, and was charged with the responsibility of delivering a smooth transition.

The working group was responsible for implementing the joint transition coordination (between Umeme and UEDCL) activities that would allow the parties to have a mutual understanding and appreciation of the components of the distribution system.

The team designed a mechanism that allowed continuity of service during and after the asset retransfer. The same identified the possible challenges, developed agreed mechanisms to address the possible challenges and ensure a smooth transition.

Specifically, the Engineering and Technical Services department provided leadership of the working group and delivered on the following;

-  Participated in the development of the optimal transition departmental structure that would ably manage the planning development, establishment and maintenance of the distribution network post asset retransfer.
-  Developed a checklist for the systems that were being used in the management of the distribution network, studied the associated process flows within the systems and identified possible challenges during and after retransfer. The group was then able to come up with possible remedies for the identified challenges.
-  Received, reviewed and discussed the status of Engineering Projects that were ongoing and agree on their treatment during and after asset retransfer.
-  Studied parts of the distribution system that were owned by third parties and agreed on their treatment during and after the retransfer.
-  Studied the meter management process, including acquisition, testing and certification, group coding, meter reading for postpaid customers, and bill delivery mechanisms.
-  Enlisted all the Engineering Standards that Umeme subscribed to, understood the obligations arising out of these subscriptions and took care of them throughout the transition process.
-  Reviewed the Updated Network Drawings (configuration and single line diagram) showing the substations, switching stations, RMUs, circuit breakers, isolators, feeder pillars, distribution transformers and MV feeders. The extent of the network asset, including the Substations, Switching Stations, RMUs, Line Isolators, MV route length, distribution transformers, LV route length, feeder pillars, MV and LV poles.
-  Reviewed the annual maintenance plan for 2024 with a view of identifying areas that would be maintained during and post-asset retransfer to ensure continuity in asset maintenance after the retransfer.
-  Reviewed the network performance reports, singling out worst performing parts of the network and planning for appropriate interventions after the retransfer.
-  Review the status of substations; looking at loading status, age, serviceability, and technology.

The Engineering & Technical Services department developed a status report for the distribution system that was prepared for retransfer. This Report was issued prior to the retransfer. It should, however, be noted that this report was based on the vast knowledge UEDCL had gathered from the network monitoring activities.

The report gave a picture of what the network was, but required validation immediately after asset retransfer (through a detailed network audit and physical inspections). This (validation) exercise would only be carried out after the retransfer, with UEDCL in full view of the entire network.

The above transition activities were all done and

made a strong foundation for the asset retransfer, enabling supply continuity during and after the transition. The peak of these activities was the actual Big Switch on 31 March 2025 when UEDCL took over the distribution assets (both network and non-network) without major supply and service disruptions associated with the transition.

The network and non-network assets that support the electricity distribution business were received from Umeme. UEDCL immediately assumed the operations role and responsibility of the asset.

The table below details of the extent of the network assets that were retransferred, and the total cumulative assets at the start of the new operational era.

NO.	ASSET CATEGORY	RECEIVED FROM UMEME	UEDCL LEGACY ASSETS	TOTALS TO-DATE
1	MV Lines (km)	24,323	12,165	36,488
2	LV Lines (km)	45,667	10,210	55,877
3	Distribution transformers	19,319	5,020	24,339
4	Substations (UEDCL pure)	60	2	62
5	Substation (shared with UETCL)	40		40
6	Switching Stations	22	2	24

Table 4: UEDCL Distribution Assets

STATUS OF THE DISTRIBUTION SYSTEM

With UEDCL in full view of the distribution system, the Engineering & Technical Services department embarked on a thorough audit / inspection of the distribution system with a view of validating the findings earlier documented in the status report prior to the retransfer of the assets.

The focus was on determining the actual status of the distribution system that returned to the Government of Uganda after 20 years. This was a very critical exercise aimed at determining the network condition and the data gathered was to be used as baseline information during future performance evaluation. The status report facilitated proper infrastructure maintenance planning going forward, and projected the investment plans required to establish a distribution system that is aligned to the National Development Plan requirements.

The distribution asset validation exercise focused on determining the following;

1. The physical presence of the asset.
2. Condition of the asset in terms of operation status of components.
3. Network condition in terms of loading status and capacity to serve the demand requirements.
4. Condition of the asset in terms of age and technological fitness; to determine maintainability of the asset components and ability to serve current and future needs.

The three-month exercise commenced during the fourth quarter of the FY 2024/25 (May 2025). By the end of the period under review, the exercise was still ongoing. The final report is expected by the end of the first quarter of 2025/26.

OPERATIONAL

The year under review is composed of two components; the nine months of UEDCL's planning and fast-tracking of the asset retransfer process and the three months of national distribution grid operations after the asset retransfer (April – June 2025).

It should be noted that network operations faced significant challenges during the entire period under review.

This was driven by the following;

1. The main operational activities under both UEDCL and Umeme were sharply competing.
2. There was reduced focus on the establishment of prudent maintenance of the distribution asset by the operator Umeme Limited. This was driven by the Government's decision to not renew Umeme's concession. Thus the noticeable reduced asset maintenance by the operator and this continuously compromised the asset conditions hence network breakdown experienced post-asset retransfer.
3. The decision of the Government created restrictions on capital investments by the operator. The assets were then starved of investments for a period of over about three years. This caused the assets to deteriorate and operate under constrained conditions.

As a result of the above, the commencement of the post-concession was marred with lots of surprises that had not been anticipated.

a) A number of network components were out of service; many transformers (over 206 pieces) were faulty, while a couple of medium voltage network structures had collapsed and had been isolated from the network.

b) The staff deployment and settlement took some weeks, and operational teams had to gradually pick up the required speed.

c) A lot of transitional activities affected the level of network operations. For example, stock reconciliation took two weeks with stores serving only for emergency purposes, while administrative handover activities pre-occupied the first two weeks of the transition.

d) A number of stock items were not available, yet they were needed (on the first day) to keep the network up and running.

Despite the above challenges, we were able to cope and establish ourselves into the planning and implementation of short-term strategies necessary for laying a foundation for our long-term outlook.

Major achievements by June 30, 2025 included;

1) UEDCL employed the approach of “emergency treatment” in its network operations for the initial period of the transition. The approach involved identifying the components of the network that were either non-function and/or safety hazards to the public.

2) Immediate actions were taken to restore those network components into full functionality and safety to the public. Notably, the replacement of 206 distribution transformers that were out of action prior to the asset retransfer date, and 131 medium voltage structures that had been isolated from the grid.

3) Efforts were made towards improving the quality of supply and service by upgrading the parts of the network that were found with capacity constraints. Specifically, we were able to do the following upgrades during the first three months of the post-concession period:

a) Kakiri Substation: From 10/14MVA to 2 x10/14MVA

b) Kabale Central Substation: From 2.5MVA to 5MVA

c) Masaka Central Substation: from 14MVA to 19 MVA

4) Progressed planning for the implementation of CAPEX projects – network investments aimed at improving power reliability.

5) Grew the system demand from 986MW (in April 2025) to 1,023MW (by the end of June 2025).

6) Overall average power availability index of 97.96% as measured on the medium voltage network.

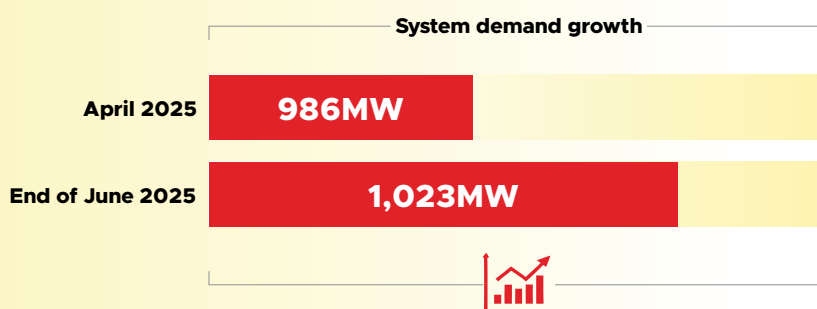
7) We registered the System Average Interruption Frequency Index (SAIFI) ranging between 5.42 – 9.16 interruptions per months.

8) We registered the System Average Interruption Duration Index (SAIDI) ranging between 7.93 – 12.39 hours.

9) Completed residual projects inherited from Umeme, including Luzira integration, Kasana integration, and Kabale substation upgrade.

10) Developed and rolled out a robust annual maintenance plan for 2025. By the end of the Financial Year (June 2025), the following maintenance activities had been performed.

11) The department spent the first quarter of the post-concession period harmonizing material specifications and standards for various grid development and management. We were able to drill down to the documentation of the required processes and procedures that will go a long way in enhancing efficiency and effectiveness in distribution grid development and management.





Kakiri Substation
From 10/14MVA to 2 x10/14MVA



Kabale Central Substation
From 2.5 MVA to 5MVA



Masaka Central Substation
Addition capacity of 5MVA to 19MVA

ACTIVITIES	MEASURE	ANNUAL PLANNED	APRIL - JUNE 2025
Line Inspection LV	KM	42,744	2,089
Line Inspection MV	KM	32,626	9,697
Vegetation Management MV and LV	KM	70,073	5,238
Distribution transformers Inspected	No.	22,348	1,656
Distribution transformers Maintained	No.	19,517	532
Distribution transformers Load Balanced	No.	19,087	222
Distribution transformers Replaced	No.	919	467
Poles 10m - Replumb	No.	22,024	717
Poles 12m - Replumb	No.	19,093	550
Poles 14m - Replumb	No.	16,560	244
Poles 10m - Replace	No.	9,882	906
Poles 12m - Replace	No.	3,258	515

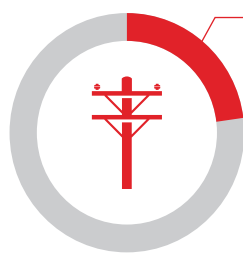
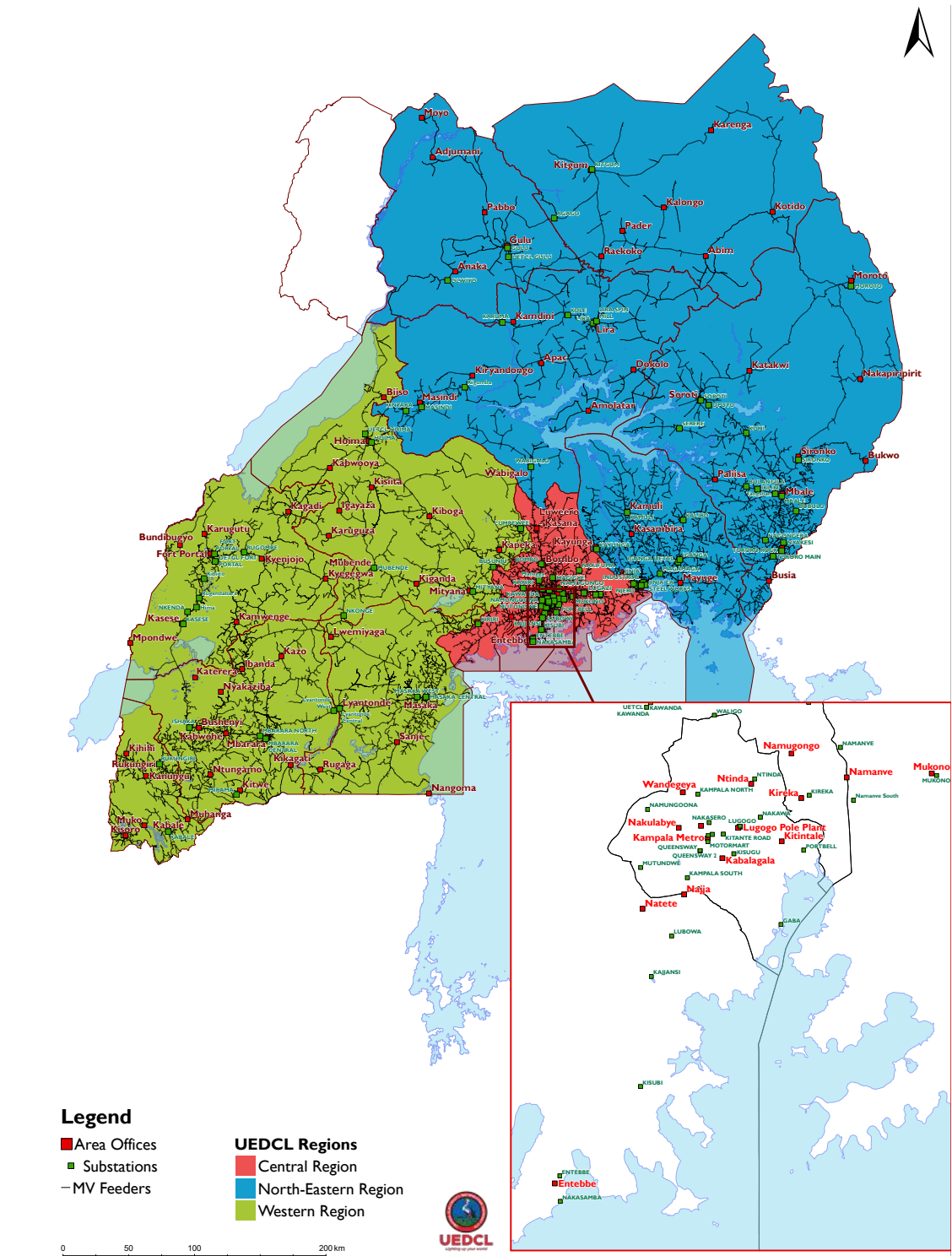
Table 4: Cumulative Umeme additions to Distribution Network, 2005 – 2023 (USD)



UEDCL MV Lines



Masaka Substation 33/11 kV



30%

Under UEDCL, network assets expanded by 30% overall (28% for MV lines and 32% for LV lines). The government's rural electrification program, which expanded the grid into rural regions to increase access to power, was the driving force behind this expansion.

Figure 5: Distribution Network coverage to-date

Description	2022/23	2023/24	Growth	Rate
Medium Voltage Lines(km)	9,692	12,374.48	2,682.48	28%
Low Voltage Lines(km)	7,809	10,328.68	2519.68	32%
Power Stations	2	2	0	0%
Distribution Transform-ers	3,817	5,133	1,316	34%

Table 5: Distribution Network Growth and Coverage

NETWORK PLANNING

i) Network design, packaging and project costing

The planning unit remained in charge of the electrical grid's expansion, maintenance scheduling, and effective network design. The following table summarizes the numerous designs and scoping that were created for different projects that the projects department packaged for implementation:

No.	Category	Quantity
1	Commercial Schemes	35
2	Line Diversions	15
3	Transformer Injections	4
TOTAL		5,133

Table 5: Distribution Network Growth and Coverage

ii) Network Impact Assessment Studies

In order to evaluate the network's capacity to handle additional loads, supply quality, and technical losses, network impact assessment studies were conducted. The table below provides a summary of these:

No.	Project Name	Declared Load	Industry	Feeder
1	Vinci Grands	1 MVA	Water Treat-ment	Kyabirikwa – Kikagati 33 kV
2	Ambitious Quarry	600 kW	Construction	Olwiyo – Adjumani 33 kV
3	Tangi Camp (Tilenga Project)	1.1 MVA	Oil and Gas	Olwiyo – Pakwach 33 kV
4	Bugungu Camp (Tilenga Project)	1.1 MVA	Oil and Gas	Bulindi – Biiso 33 kV

Table 7: Network Impact Assessment studies

iii) Review of Feasibility Study Reports for Mini Hydro Power Plants

UEDCL received communication from UETCL to review feasibility study reports for a number of mini hydro power plants. The purpose of the review was to validate the studies performed on the UEDCL network and also ensure that the impact of the evacuation of these plants on the UEDCL network in terms of loading, quality of supply and losses were within acceptable limits. Upon review, UEDCL issued a recommendation to UETCL regarding issuance of power purchase agreements.

The following plants were reviewed:

No.	Plant Name	Capacity	Developer	Proposed Evacuation Feeder
1	Latoro HPP	4.82 MW	Aswa Lolim Hydro Power Company Ltd	Olwiyo – Pakwach 33 kV
2	Mitaano HPP	13.6 MW	Pago Uganda Limited	Nyakagyeme – Kanyantorogo 33 kV
3	Nengo Bridge HPP	8.6 MW	Hydro Max Nengo Bridge Limited	Nyakagyeme – Kanyantorogo 33 kV

Table 8: Feasibility Studies carried out by UEDCL

CONCESSION MONITORING – STATUS OF THE DISTRIBUTION NETWORK

In compliance with Section 2.16(a) and (b), Section 2.9(b) of the Lease and Assignment Agreement (LAA), and the terms of the current O&M Agreement, the concessioned networks, Umeme and WENRECo, were able to resume routine monitoring activities during the financial year under review. The applicable agreement was followed in carrying out the mandates for keeping an eye on the condition of the assets used for the distribution of electricity and verifying any additions or modifications to those assets.

The distribution network experienced notable expansion as a consequence of asset acquisitions and modifications in the year under review during the aforementioned operations. It should be noted that a sizable distribution network was added to the concessioned areas by the Government of Uganda's electrification initiatives. Schedules demonstrating the expansion of different network elements in the two concession areas are provided below.

Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Medium Voltage Lines(km)	14,216	14,972	15,298	16,636	17,257	17,689	22,059
Low Voltage Lines(km)	19,930	20,828	21,741	22,405	22,692	23,006	43,018
Power Stations	61	62	63	65	65	74	77
Distribution Transformers	12,405	13,799	14,016	14,274	15,415	15,925	20,832
Customer Numbers	1,291,811	1,469,963	1,506,920	1,636,431	1,757,563	1,830,000	2,030,000

Table 9: Umeme Network Growth

Although there were instances of non-compliance, such as delays in the timely submission of requested information and unresolved compliance risks including outstanding wayleave issues, WENRECo largely adhered to the requirements of the O&M Agreement, particularly in executing the planned R&M activities for the UEDCL West Nile grid.

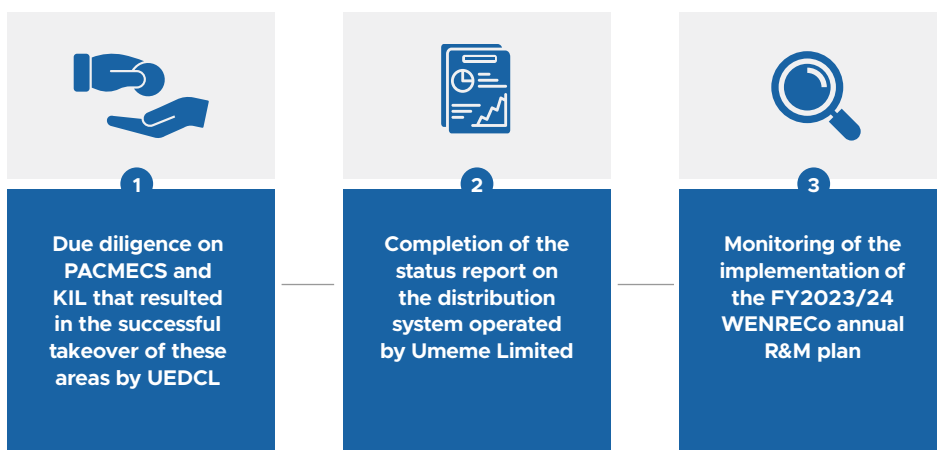
Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Medium Voltage Lines(km)	571.91	571.91	629.2	700.11	881.2	951.3	1218.63
Low Voltage Lines(km)	413.05	413.05	478.1	567	621	986	1176.903
Power Stations	2	2	2	2	2	2	2
Distribution Transformers	260	279	298	334	463	534	646

Table 10: WENRECo Network Growth



Lazebu Trading Center in WENRECo concession lacking access due to wayleaves

Apart from normal routine monitoring activities, the following were key achievements in FY 2023/24:



NO.	ASSET CATEGORY	PARTICULARS	FORECAST (UGX)
1	Proposed New Feeders for System Reliability and Redundancy	Arua West 33 kV feeder	537,576,985
		Arua East 33 kV Feeder	1,503,345,547
2	Network automation	Full operationalization of the SCADA system for effective network control, monitoring, and switching	1,933,700,000
3	Substation spares	Switchgear upgrades at the Euwata	581,000,000
4	Network Configuration from Delta to Horizontal crossarm formation with Aerial Earth	Reconfigure and introduce aerial earth in the areas of Nyagak to Arua, (Feeder 2), Arua to Yumbe (Feeder 4), Nebbi to Pakwach (Feeder 5) with the T-offs	to be scoped
TOTAL			2,621,922,532

Table 11: ERA approved WENRECo Investment Plant 2024-28

SAFETY

As we conduct business in the electricity industry, the company's primary focus continues to be the safety of its workers, contractors, clients, and the general public.

With the integral nature of electricity whereby incidents pose the potential for severe injuries and even fatalities, the state and expansive distribution network and the magnitude and volume of operations, we acknowledge the inherent safety risks associated with the operation of distribution infrastructure.



We ensure safety of staff, contractors and the public through

 STAFF	Provision of PPE	
	Safety Messaging	
	Training	
 CONTRACTORS	Provision of PPE	
	Safety Messaging	
	Training	
 THE PUBLIC	Community Barazas	
	Safety Messaging	
	Warning Signs	



Safety is of great concern to the Company as we transact our electricity business

Promoting a Safety Culture

As we conduct business in the electricity industry, the company's primary focus continues to be the safety of its workers, contractors, clients, and the general public.

With the integral nature of electricity whereby incidents pose the potential for severe injuries and even fatalities, the state and expansive distribution network and the magnitude and volume of operations, we acknowledge the underlying safety risks in operation of distribution infrastructure.



Safety Awareness Campaigns

Our work ethic and beliefs prioritize safety. We don't want our operations to endanger our employees, contractors, or the general public. Personal Protective Equipment (PPE), network response to emergencies, onboarding and retraining technical workers, and public awareness messaging via mass media platforms were all part of our safety plan.

We regrettably report that six public fatalities occurred during the year as a result of illegal lines used for power theft and interference with the distribution network (vandalism). We still strongly advise people not to tamper with the infrastructure that distributes energy, to safeguard the system, to report any instances of vandalism, and to keep up aggressive initiatives to raise public awareness of important safety issues.

The key to increasing customer satisfaction is improving customer service experience. The company benefits when there are fewer accidents involving both employees and the general public because this lowers the company's liability.

Additionally, we ran public safety campaigns using a variety of platforms, such as multi-sectoral consultative committees, trade shows, school presentations, and community sensitization forums. Additionally, we trained employees and contractors in important areas such as general health, first aid, fire safety, operational safety, and statutory safety compliance.

UEDCL is particularly concerned about the increased frequency of distribution network vandalism, which puts employees and the general public at risk for injury, as well as the rising expense of network replacement and extended outages.

In order to take prompt action, UEDCL is also collaborating with government security agencies and other interested parties to identify the offenders. In its current form, the Electricity Act, Chapter 157 suggests severe deterrent consequences for vandalism and power theft.

Enhancing Public Safety

Our dedication to safety extends beyond our activities and includes fostering constructive community interactions.

To prevent electrocution, UEDCL has implemented a number of interventions. These interventions include ongoing safety trainings and raising awareness. UEDCL also keeps the distribution network safe by replacing bad poles, installing network protection equipment, and removing as little vegetation as possible from the path of the power line. Strong outcomes, such as a quicker restoration of the power supply, were produced by close monitoring, proactive preventative maintenance, and prompt response times for corrective maintenance.

We also make sure that the safety programs are sufficiently funded and that the right tools and protective gear are easily accessible to our employees who work on the network. We regrettably recorded nine (9) fatal accidents in 2023–2024, which were primarily caused by unauthorized power use, compromised internal domestic wirings, and network interference, including interference with distribution lines, wayleave violations, vandalism, and low public awareness coverage in the new service territories (PACMECS & KRECS) of the distribution network that UEDCL recently took over.

In our ongoing efforts to eradicate this loss of life or injury, UEDCL continues to encourage the public to be watchful and to promptly report any safety-related occurrences through any of our communications channels. Additionally, UEDCL encourages the public to keep an eye out for any instances of power theft or vandalism of network assets, such as leaning or broken poles, sagging or broken wires, sparking transformers, grown vegetation obstructing network lines, open transformer or meter installations, tampered installations, and any other instances of power theft.

All network operations are controlled from the National Control Centre through automated and manual operations to avoid operational accidents while staff are working on the network.

Close monitoring and proactive preventative maintenance, along with quick reaction times for corrective maintenance yielded sound results including faster restoration of services. Our losses reduction field campaigns are also aimed at regularizing illegal and vandalized connections and infrastructure for a safety front.



UEDCL Technician running pre-tests following installation of a new transformer







HEALTH

First aid and response to emergency (Electric shock incidents)

At least one person from each office has received training in first aid administration and firefighting equipment use. Additionally, UEDCL consistently provided sufficient, well-maintained first aid kits and firefighting supplies at each station.

Safety, Health and Environment Risk Management

Key Risks and Mitigation Measures on Safety, Health and Environment were identified.

	RISK	MITIGATION
SAFETY 	Risks to our staff, contractors and the public resulting from the network and our business operations.	Implementation of safety and health strategy that includes technical staff development, workflow controls, emergency responses, public awareness campaigns and provision of personal protective equipment.
OPERATIONAL PERFORMANCE 	Failure to deliver on the regulated operational matrix, thus negatively impacting performance and financial health of the organization.	<ul style="list-style-type: none"> • Prioritized implementation of the Annual Operating plans to deliver on the targets and operational matrix.
NETWORK ASSETS FAILURE 	Risks of network failure especially primary plant, with significant prolonged outages to customers	<ol style="list-style-type: none"> 1. Proactive maintenance 2. System protection 3. Physical assets security 4. Building redundancy in the network
REGULATORY CHANGES 	Changes in the regulatory environment that may have negative impact on Company performance and ability to deliver on its required mandate	<ol style="list-style-type: none"> 1. Contract mitigation clauses 2. Compliance framework 3. Stakeholder engagements
PEOPLE 	Inability to attract and retain highly skilled safety informed workforce given the specialized nature of operation.	Implementation of human capital Management strategy addressing work environment, development, safety remuneration and retention strategies.
ENVIRONMENTAL & CLIMATIC CHANGE 	Effects of waste discharge from distribution network (oil spills) and effects of storage facilities (pole beds).	<ol style="list-style-type: none"> 1. Compliance with environmental laws and regulations 2. Supply chain management of inputs and disposal from our operations. 3. Climate change mitigation strategy to both minimize UEDCL's impact on the environment and to mitigate risks to UEDCL's assets and operations caused by the changing climate.

Safety Health and Environment Risk Management

Note: UEDCL is subjected to laws and regulations in various jurisdictions in which it operates. UEDCL has established regulatory and environmental policies and procedures to comply with the applicable laws and regulations.

Safety and Health Strategic Work Program

Training of UEDCL staff

In order to provide our employees with the necessary skills to do their tasks effectively, UEDCL trained 314 employees in 2024–2025 for a total of 5,272 hours, with an average of 6 training hours per employee.

Sufficient supply of personal protective equipment (PPE) and instructions on how to use the same, as well as training on the International Health and Safety Passport (ECITB), systems operating regulations, quarterly performance evaluations of SHEs, safety audits and communication, firefighting and emergency response, and safe driving and riding techniques.



134
staff trained



6 Training hours per staff



AUDIENCE	SAFETY TRAINING COURSE	NUMBER OF PARTICIPANTS
Employees	Safety Induction training for new employees	55
Employees	HIV awareness training	145
Employees	SOR training (covering both ORHVS and ORLVS) Full course	35
Employees	SOR training (covering both ORHVS and ORLVS) Refresher Course	46
Employees	First Aid Training.	50
Employees	Training on fire fighting and emergency response	300
Employees	Defensive Driving	425

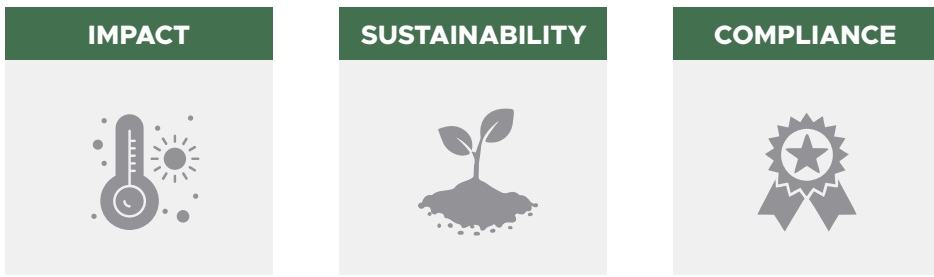
Table 12: Safety Trainings conducted & scheduled






ENVIRONMENT



One of UEDCL tender eucalyptus at Nalumunye



We ensure impact, sustainability and compliance through

- 
Conducting Environmental Audits
- 
Reducing Waste
- 
Planting Trees



SDG 13 "Climate Action," aims to combat climate change and its impacts by strengthening resilience, integrating climate change measures into national policies, and improving education and awareness.

SDG 15 "Life on Land," aims to protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and reverse land degradation.



Committed to building a responsible business that minimises its adverse impact on the environment

Environmental Impact and Sustainability

a) Environmental Impact

UEDCL is dedicated to creating a sustainable business that enhances its environmental performance while reducing its effect on the environment.

UEDCL, an energy distribution company, strives to lower waste, greenhouse gas emissions, and other air pollutants because it understands how the environment affects its business operations. The business works with stakeholders to find environmentally friendly solutions to land use issues and manages hazardous items in accordance with legal standards.

UEDCL prioritizes environmental management, and through standards like ISO 14001-Environmental Management, the company has embraced industry best practices and principles.

b) Environmental Sustainability

1. Environmental Assessments and Compliance

To ensure smooth project acceptance and execution, UEDCL consults with project affected communities and performs Environmental and Social Impact Assessments for all major capital projects in accordance with environmental legislation.

Although the Electricity Regulatory Authority has identified UEDCL as one of the electricity supply industry's most complying with the National

Environmental Guidelines, the company is aware of how climate change affects its business operations. To make sure that ongoing projects remain environmentally sustainable, we also carry out environmental audits and monitoring.

According to a baseline assessment by UEDCL, major problems like floods, storms, abrupt seasonal changes, and the consequences of bush burning have cost the company a lot of money in energy sources, replacement costs, and accidents. The business is methodically incorporating the study's suggestions into its daily operations.

2. Tree Planting

During the period, UEDCL rolled out the following groups farmers that were allowed to plant and maintain the Kyampisi 30-acre eucalyptus plantation;

- A) Kyampisi Tailors Group
- B) Nzu Youth Group
- C) Bakuseka Majja Development Group
- D) Zibulattude Women's Group
- E) Akwata Empola Nzu S.h.g.

In addition, UEDCL has the following farmer groups that planted and are now maintaining the Walumwany 74-acre eucalyptus plantation;

- A) Tweekembe Development Group
- B) Kyojja Omanyi Coffee Dealers
- C) Alinyikira Forestry Group



UEDCL's Manager Quality Assurance, Martin Bogere (orange reflective jacket) engages some of the community farmers at the 74-acre eucalyptus plantation in Walumwany, Mpigi District.



UEDCL eucalyptus plantations



Community farmers maintain the UEDCL 74-acre eucalyptus plantation in Walumwanyi, Mpigi District.



Through these plantations, UEDCL is giving the community farmers of Walumwanyi and Kyampisi a fair shot at decent living

SDG 8 Decent Work and Economic Growth

SDG 13, "Climate Action," aims to combat climate change and its impacts by strengthening resilience, integrating climate change measures into national policies, and improving education and awareness.





Our staff were engaged on waste management practices, proper handling and control of hazardous waste



3. Use Of Pole Beds To Preserve The Environment

UEDCL minimises environmental effects, by setting up standard pole beds at station level for temporary storage during O&M business. The pole beds prevent pollution from stored creosote treated poles and safeguard fire hazards that may destroy treated poles during storage.

4. Waste Management

Our waste management agenda aims at reducing, reuse and recycling, which directly aligns with responsible consumption and production.

By implementing procedures to limit waste generation, properly handling, and disposing of hazardous material and promoting the “3Rs” of waste management (reduce, reuse, recycle), UEDCL contributes to more sustainable production processes and resource efficiency.

Our waste management procedures and guidelines focus on proper handling, collection, and disposal of hazardous and non-hazardous materials. We engaged staff on waste management practices, proper handling, and control of hazardous wastes through our ESG engagements and continuous internal communications.

Our scrap material is stored in centrally designated places, segregated, and then reused, recycled, or disposed by NEMA licensed agents. The retired network poles are cut into 3-metre poles after reaching their end-of-life service and re-used by interested parties.

During the Financial Year 2024-25, we took significant steps towards managing of our waste effectively. A total of 55.860 tonnes contaminated used transformer oil, scooped soil contaminated with transformer oil, contaminated creosote soil collected from pole plant, and from worn-out pole beds were managed by De-waste in terms of draining, storage, and disposal at a NEMA licensed entity.

In addition, 61 irreparable old transformers were taken off the network, pending management approval for disposal at Lugogo main stores. We recognise the importance of responsible disposal of such equipment. Therefore, we outsourced this process to Orion Transformer & Electric (U) Limited and Transmax (U) Ltd. The two firms are reputable companies that deal in the sale and repair of transformers. They were contracted for proper handling of the transformers, including transportation, repair, storage, and disposal in accordance with the NEMA regulations.

Furthermore, 1240 empty drums of contaminated creosote were also disposed through acceptable disposal mechanism. In addition, fleet lubricants, are another waste stream that requires careful management. To this end, we ensure that all disposal of fleet lubricants is done by NEMA licensed agents.

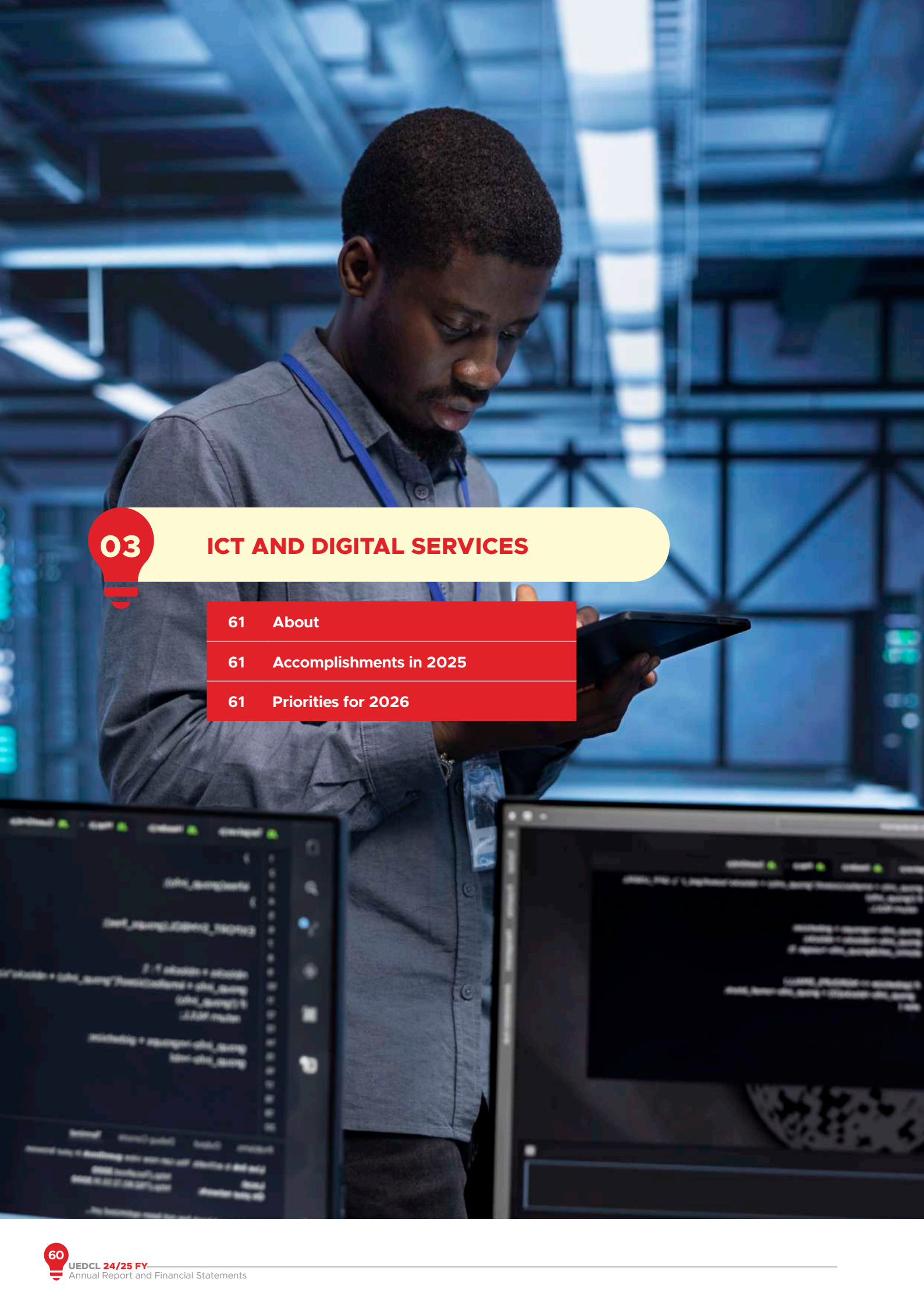
The disposal of these lubricants was done in accordance with the disposal policies and procedures set by NEMA. Overall, there has been good progress in this regard, but more efforts are required for continuous improvement.

5. Vegetation Clearance From Proximity To UEDCL Network Assets

To maintain safe, healthy, and accessible conditions at our facilities and power-lines, UEDCL continues to prioritise timely weeding of vegetation on the distribution network and substations with limited application of herbicides in our substations. This ensures the safety, supply reliability and minimises any negative impact on the surrounding ecosystem.

We obtain consent letters from the National Forestry Authority and other relevant Authorities whenever line clearance is required in protected areas.

Senior staff are assigned to oversee vegetation clearance to ensure UEDCL complies with the protocols agreed upon with the Authorities.



03

ICT AND DIGITAL SERVICES

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61 Accomplishments in 2025

61 Priorities for 2026

The year 2025 demanded continuity without compromise: stabilizing critical platforms, securing the digital footprint and enabling UEDCL’s business operations through reliable digital services. In 2026 we will shift from stabilization to optimization - completing enterprise identity consolidation, expanding WAN reach, hardening resilience and accelerating customer and revenue-assurance capabilities.

From 1 April 2025, ICT executed rapid staff/service onboarding, stabilized inherited ICT assets and ensured continuity of critical operational and customer platforms during the transition.



System Stability (Critical Platforms)

- Sustained Tier-1 availability at 99.7-99.9% across core systems and networks.
- Improved resilience readiness: production/DR optimisation (40+ servers, SAN storage, replication testing) and data-centre reorganisation.
- Stabilised customer operations: contact centre migration (Convex to Cisco Calabria) and billing consolidation (Ultima to LMS).

Digital Workforce and Service Delivery

- Provisioned 2,500+ Microsoft 365 email accounts (90% coverage) under uedcl.co.ug.
- SAP ITSM-driven support improved responsiveness; peak months exceeded 2,700 tickets with full compliance on Priority 1 and 2 incident resolution.
- Recovered Active Directory after accidental deletion; tightened recovery controls and access governance


Cybersecurity, Risk and Resilience


- Contained one customer-data exposure incident on X and filed with PDPO; reinforced awareness and response controls.
- Expanded Microsoft Purview DLP monitoring to IT personnel and critical business accounts (Finance, Procurement, Chiefs, HoDs and PAs).
- Upgraded FortiSIEM and completed pentest for eLearn and mobile app; findings remediated.


Governance and Compliance

- Approved ICT Change Management Charter; CAB oversight sustained for production changes.
- Operational Risk Register updated quarterly; Business Impact Analysis completed for critical process prioritization.
- 23 audit findings tracked; 82.6% closure rate achieved by Dec 2025; DR drills completed for Imon and EFRIS.

PRIORITIES FOR 2026

 Complete WAN expansion procurement/rollout (56 of 98 sites scoped) and renew ISP SLAs.

 Finalize AD and Microsoft 365 consolidation; strengthen monitoring, HA and DR capabilities.

 Execute end-user refresh and ICT asset consolidation; implement ERA-approved investments (monitoring, power backup replacement, core network upgrades).



A woman with glasses and a man in a business setting. The woman is in the foreground, looking towards the man. The man is in the background, slightly out of focus.

04

HUMAN RESOURCE & ADMINISTRATION

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The Human Resource and Administration function is responsible for the strategic planning, development, and implementation of human resource management policies, systems, and practices aimed at attracting, developing, motivating, effectively utilizing, and retaining a competent and high-performing workforce.

The Human Resource Function oversees



while ensuring compliance with applicable Labour laws, public service guidelines, and internal policies.

In addition, the function provides administration support services that enable a safe, productive, and well-coordinated working environment, thereby supporting the company’s operational efficiency in order to achieve UEDCL’s corporate objectives.



Description	June 2021	June 2022	June 2023	June 2024	June 2025
No. of Staff	380	378	346	480	2,378

Staffing trends for the past 5 years period

Recruitment update

Recruitment at UEDCL is a strategic function aimed at attracting, selecting, and deploying the right talent to support the Company's strategic and operational objectives. During the reporting period, recruitment activities were guided by the new organisational structure, which had been approved by the shareholders and the regulator - Electricity Regulatory Authority (ERA). It provided for a total of 2,712 positions.

The recruitment process which was 97% online, entailed job analysis, advertisement of vacancies, shortlisting, interviews, and onboarding, all conducted in strict adherence to principles of transparency, fairness, meritocracy, and equal opportunities. Particular focus was placed on filling critical technical Engineering positions, which are essential to enhancing operational efficiency and service delivery across the 15 service territories.

By the end of June, 2025, UEDCL had successfully recruited and deployed 92% of the approved human capital structure. Recruitment was also strategically linked to succession planning and workforce optimisation, ensuring that human resources were aligned with long-term strategic and operational needs of the Company.



Retirement Planning

UEDCL actively supported employees through the ICEA Retirement Benefit Scheme, providing guidance on pension contributions, benefits management, and retirement preparedness.

Many staff were also helped to Join the UEDCL Staff SACCO. Staff approaching retirement were prepared on their entitlements, with programmes designed to ensure smooth transitions to a life outside public service. These welfare and retention initiatives reflect UEDCL's commitment to nurturing a motivated, healthy, and future-ready workforce.

Staff welfare & retention strategies

The average retention rate in the last five (5) years stands at 96.3%. UEDCL continues to prioritise staff welfare and retirement planning as a strategic pillar for employee engagement, productivity, as well as a retention strategy.



Staff Performance Management

UEDCL recognises that staff performance is a critical driver of organisational efficiency, service delivery, and the achievement of corporate objectives. During the reporting period, the Human Resource function continued to implement an online structured Performance Management System (PMS) to monitor, evaluate, and enhance employee productivity across all levels of the organisation.

The performance management framework encompassed clear goal setting, key performance indicators (KPIs), periodic performance appraisals, and continuous feedback mechanisms, ensuring alignment between individual, departmental, and organisational objectives.

The performance appraisal system at UEDCL focused on capacity-building, recognition and reward initiatives, including performance-based incentives and commendations, all employed to motivate high-performing staff and a reinforced culture of excellence. Through these measures, UEDCL ensured that staff performance directly contributes to operational efficiency, customer satisfaction, and the business growth and sustainability, while fostering accountability, professionalism, and continuous improvement within the workforce.



Change management training conducted as part of the strategic transition process at UEDCL

1

Training as a Business Enabler

In 2025, the Training and Development function transitioned from a traditional support role into a core operational enabler, directly reinforcing UEDCL's mandate of safety, reliability, regulatory compliance, and service continuity.

As the Company consolidated operations, following the asset re-transfer in the distribution space, the need for a competent, standardized, and safety-anchored workforce became paramount for pivotal staff to quickly attain requisite skills, authorizations, and operational discipline on the live network.

2

Safety & Operating (SOR) Training

The Programme conducted at our Njeru Training facility (In Buikwe), was guided by an approved SOR Guiding Principle, a revised SOR Manual, standardized assessment and certification criteria.

This structured approach ensured that only competent and duly authorized personnel are permitted to construct, install, control, operate and maintain UEDCL's high and low voltage systems which directly strengthens network safety and operational integrity, in an environmentally sustainable manner.


3

From Training to Authorization: Competence with Accountability

This approach fostered a renewed sense of professional responsibility among technical staff, as reflected in participant feedback:

“Successfully navigating the intensive process, including interviews, technical assessments, and demanding training, makes this achievement even more meaningful. This process has thoroughly prepared me for the responsibilities ahead... I am absolutely committed to maintaining the highest standards of safety, professionalism, and integrity to ensure the reliability of the national grid.”

Luzinda Arafat-Technical Assistant, Operation & Maintenance



Such feedback underscores the cultural shift from attendance-based training to competence-driven authorization.

4

Cultural alignment and Integration

In addition to SOR, UEDCL implemented a wide range of local, cost-effective, and high-impact trainings, including:

- Change Management across all layers of staff (528 staff trained).
- Cultural Alignment, Leadership & Supervisory Skills (598 staff trained).
- Staff induction and onboarding for Contract Technicians and Graduate Trainees.
- Technical refresher Programmes were delivered by internal facilitators.

All local trainings were documented, monitored, and certified through certificates of participation, ensuring traceability, audit compliance, and institutional memory.

5

Corporate and Leadership Development: Aligning People, Strategy, and Performance

Other Key corporate interventions delivered in 2025 were in the areas of;

- Cultural Alignment
- Leadership Management
- Supervisory Skills and
- Change Management training.

reaching 78 staff across the business. These trainings targeted SMT, middle managers, and emerging leaders who play a pivotal role in translating strategy into day-to-day execution.



UEDCL staff display their completion certificates after the training



a) Company Estates & Facilities

Administration manages 100 Service Centers countrywide. 25 of these are owned by UEDCL, while 75 office premises are rented.

UEDCL Tower serves as the Company head office, whereby 57% of the space is used by staff, while 43% is rented out to generate revenue for Maintaining the building.

Administration manages facilities like Generators, AC systems, lifts and essential services including cleaning.

b) Conditional Assessments of all buildings

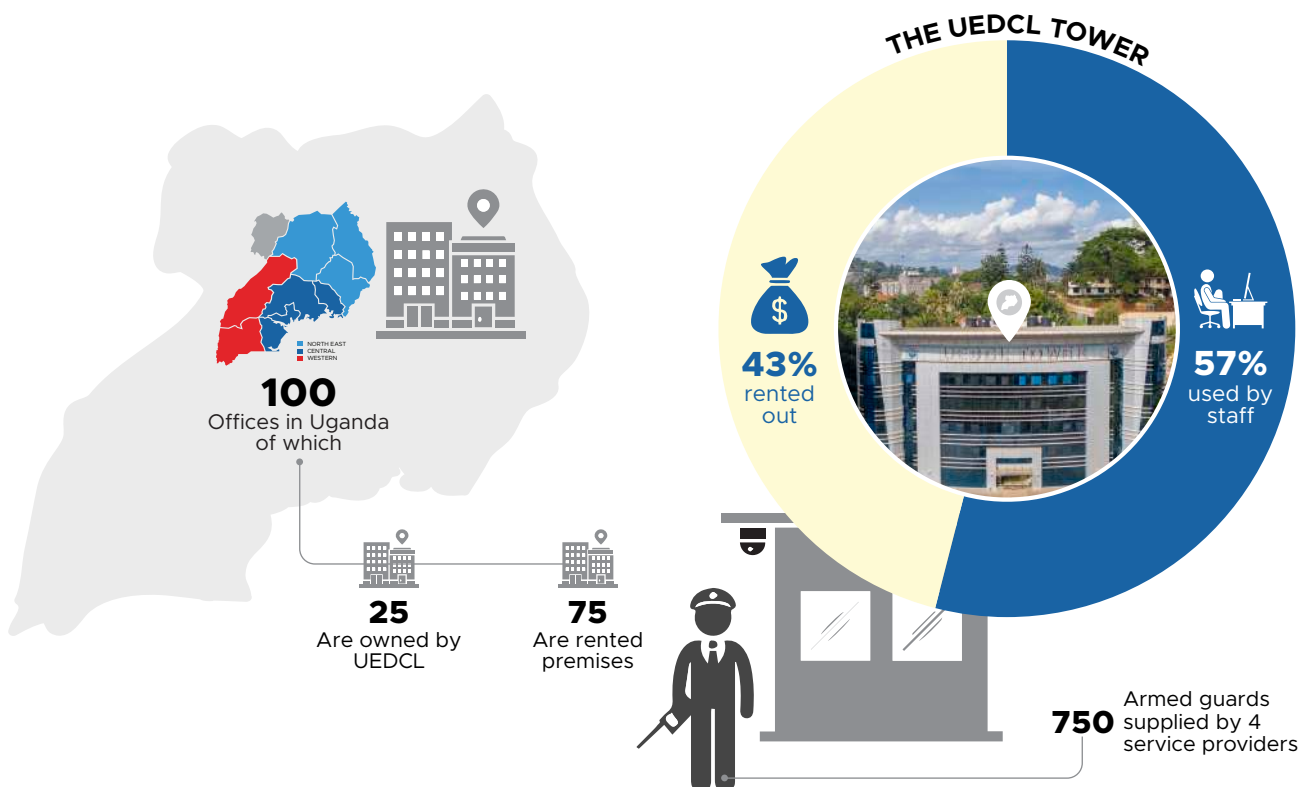
At the takeover from Umeme, UEDCL inherited buildings that were constructed as early as 1950s (using asbestos roofing). UEDCL immediately engaged Ministry of Works & Transport (Public structures

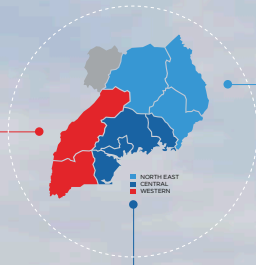
Department) for technical condition assessment of all buildings countrywide. By end of June 2025, the first report had come out. From the report the following are ongoing:

- Works for re-roofing UEDCL Tower Head office are soon commencing.
- Structural plans for a new Electricity hub based in Industrial will soon come out.

c) Company Security Management

Administration also manages the security of the Company. After Umeme the takeover on 1st April 2025, we engaged Four (4) Service providers who supplied 750 armed guards. They provide 24hr security to a total of 100 offices and 65 substation sites. In addition to automated traffic barriers, we use CCTV systems to manage security at sensitive and critical sites.





WESTERN

- Biiso
- Bundibugyo
- Bushenyi
- Fort-Portal
- Hoima
- Ibanda
- Igayaza
- Kabale
- Kabwohe-
- Sheema
- Kabwooya
- Kagadi
- Kamwenge
- Kanungu
- Kapeka
- Karugutu
- Karuguuza
- Kasese
- Katerera Rubirizi
- Kazo
- Keyegegwa
- Kiboga
- Kiganda

- Kihiihi
- Kikagati
- Kisiita
- Kisoro
- Kitwe
- Kyenjojo
- Lubhiriha
- Lwemiyaga
- Lyantonde
- Masaka
- Mbarara
- Mityana
- Mpondwe
- Mubende
- Muhanga
- Muko
- Nangoma
- Ntungamo
- Nyakaziba-
- Buhweju
- Rugaaga
- Rukungiri
- Sanje

CENTRAL

- Amolatar
- Apac
- Bombo
- Dokolo
- Entebbe
- Gayaza-Magyigye
- Kabalagala
- Kamdini
- Kampala Metro
- Kireka
- Kiryandongo
- Kitintale
- Lira
- Lugazi
- Luweero-Kasana
- Masindi
- Mpigi
- Mukono
- Najjanankumbi
- Nakulabye
- Namanve
- Namugongo
- Nateete
- Ntinda
- Wabigalo
- Wandegeya

NORTHEAST

- Abim
- Adjumani
- Anaka
- Bukwo
- Busia
- Gulu
- Iganga
- Jinja
- Kalongo
- Kamuli
- Karenga
- Kasambira
- Katakwi
- Kayunga
- Kitgum
- Kotido
- Mayuge
- Mbale
- Moroto
- Moyo
- Nakapiripirit
- Pabbo
- Pader
- Pallisa
- Rackoko
- Sironko
- Tororo



UEDCL Service Centre locations across Uganda

www.uedcl.co.ug



UEDCL
Lighting up your world



CONTACT US

Light UP

HOW TO BUY LIGHT

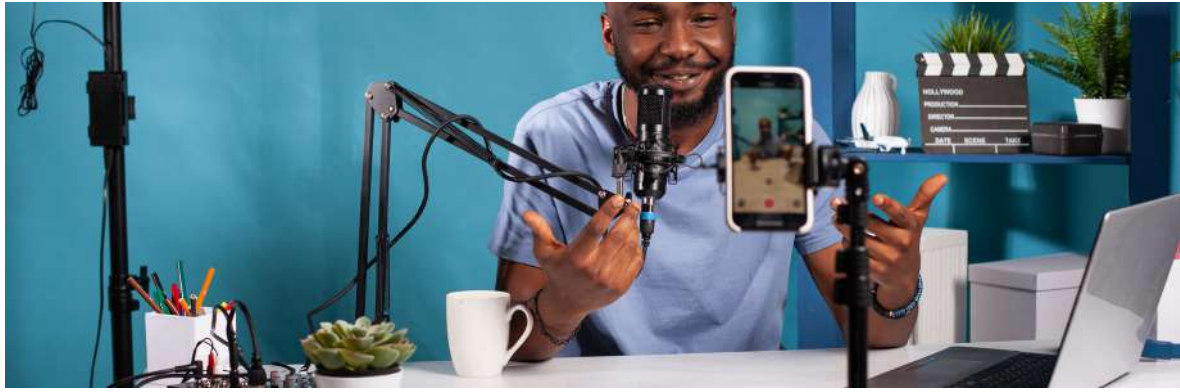


UEDCL Service Centre along Market Street, Mbale guarded by security.

04

COMMUNICATIONS & STAKEHOLDER AFFAIRS

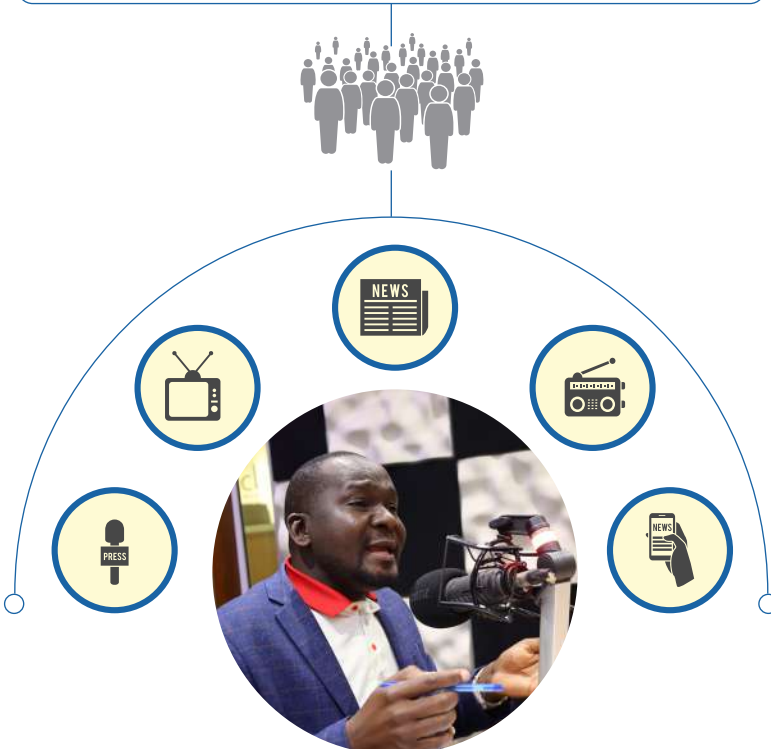
- 71 Communications
- 72 Our Stakeholders
- 77 Customer Experience
- 79 Corporate Social Responsibility



UEDCL informed its stakeholders such as



through various communication outlets like



SDG 16, or the "Peace, Justice and Strong Institutions" goal, focuses on promoting peaceful and inclusive societies, providing access to justice, and building effective, accountable institutions

UEDCL and the Fourth Estate continue to have a solid and productive collaboration

OUR STAKEHOLDERS



We at Uganda Electricity Distribution Company Limited (UEDCL) are aware that our ability to comprehend and meet the demands and expectations of our stakeholders is critical to our success. We are proud of our longstanding dedication to fostering meaningful interaction, open communication, and solid collaborations.

We are dedicated to establishing constructive and fruitful relationships with our shareholders, customers, staff, communities, and business partners through regular and organized interactions, even as expectations continue to change.

We always have open discussions with our stakeholders to better understand the problems that matter most to them, making sure that their opinions and concerns are heard.

Feedback from stakeholders is essential for forming our engagement approach, bolstering our business, and guaranteeing compliance with new legal mandates and national development goals.

This solid basis for stakeholder participation was important during the fiscal year 2024–2025, which was a turning point for Uganda’s energy industry.

After Umeme Limited’s concession expired naturally on March 31, 2025, the year saw the effective transfer of electricity distribution assets from Umeme Limited to UEDCL on April 1, 2025.

This change, known as “The Big Switch,” confirmed the Ugandan government’s trust in UEDCL to effectively and openly oversee the infrastructure for power distribution. A few months prior, the corporate affairs division, which subsequently grew, led several interactions with the media, transition committees, political technocrats, and other stakeholders that were previously outlined in the transitional communication plan.

The public’s perception of UEDCL’s preparedness to assume control of the distribution network was somewhat ambiguous in the run-up to the Big Switch. Through the Big Switch Campaign, we increased public and stakeholder involvement. We did this by using leadership exposure, community outreach programs, mass media channels, and one-on-one interactions to manage and create the narrative surrounding the transition.

With an emphasis on openness, cooperation, and consistent communication, engagement initiatives were customized to each stakeholder group’s needs, interests, new connections, post-transition token use, vending platforms and options, and impact. Stakeholder confidence increased as a result of these initiatives, and the transfer was generally seen as well-organized and handled.

After the Big Switch was executed successfully, UEDCL moved into a new phase that was characterized by increased stakeholder expectations as well as

operational accountability.

To guarantee that stakeholders were informed and involved, this required constant involvement through the use of all available channels, such as the media, neighborhood projects, and internet platforms.

Within the first month of operations, vandalism became a significant problem; six incidences were reported in Nakasongola alone, with more cases in Mityana and Mukono.

The company’s reputation suffered as a result of these actions, which caused extended disruptions. In response, UEDCL stepped up community awareness campaigns and cooperation with law enforcement, encouraging people to report vandalism to the Company’s toll-free numbers and local authorities. As a result of these concerted efforts, the number of cases has been gradually decreasing.











Through the Big Switch Campaign, we increased public and stakeholder involvement using



Summary of the 2024/2025 Stakeholder Map & Engagement Activities



STAKEHOLDER GROUP	WHY WE ENGAGED	HOW WE ENGAGED
<p>1</p>  <p>Shareholders</p>	<p>Our shareholders (Ministry of Finance Planning and Economic Development and Ministry of Energy and Mineral Development) have an interest, influence in the Company strategy, governance and performance. They are sensitive to issues that affect operational stability, service reliability and sustainability.</p>	<ul style="list-style-type: none"> • The shareholders hosted planning meetings and consultations for us to provide updates on the transition, operational performance and strategic direction. • In the same reporting period, the shareholders led UEDCL to Parliamentary Committee appearances (Natural Resources Committee, National Economy, Budget and others). • The shareholders secured financing in time for the Umeme Buy-out Amount • Partnered with the Ministry of Energy and Mineral Development to deliver the Big Switch event that marked the official handover of Umeme Ltd's Assets to UEDCL on April 1, 2025. • The shareholders convened the Extra-ordinary Annual General Meeting (EAGM) on December 30, 2024 to approve the Company's HR structure and its implementation plan . • Published the 2023/2024 Annual Report to communicate progress on performance and commitments.
<p>2</p>  <p>Regulator</p>	<p>The regulator (Electricity Regulatory Authority) oversees UEDCL operations in-line with the licenses obligations, compliance with national electricity laws, and industry best standards. Engagement ensures transparency, accountability and alignment to sector expectations.</p>	<ul style="list-style-type: none"> • UEDCL held tariff planning meetings before and after the transition • UEDCL submitted periodic compliance reports in line with regulatory requirements. • UEDCL responded to ERA's audits, inspections and data requests in a timely manner. • UEDCL implemented the Authority's decision to takeover KIL and KRECS. • UEDCL participated in technical ad compliance review meetings including tariff review public hearings. • UEDCL partnered with ERA on the Africa energy symposium.
<p>3</p>  <p>Employees</p>	<p>We heavily rely on the effort and dedication of our employees to achieve our business objectives to deliver and improve quality service to our customers. We recognize that when employees are engaged, they bring out their best.</p>	<ul style="list-style-type: none"> • Regularly shared company updates through email, meetings and other internal communication platforms. • Conducted monthly company-wide safety engagements to enhance safety awareness and ensure compliance. • Facilitated onboarding and cultural alignment trainings for all staff following the transition. • Conducted performance management sessions for all staff.

<p>4</p>	 <p>Customers</p>	<p>As a utility business, we are always looking for new ways to improve customer satisfaction. To understand and respond to these needs, we have to proactively engage with our customers through all the available channels.</p>	<ul style="list-style-type: none"> • Maintained a 24/7 Call Centre and digital channels to ensure seamless access to respond to customer queries and inquiries. • Undertook a rebranding strategy for the business post-transition. • Conducted routine Large Power Users(LPU) visits to address concerns specific to this customer group. • Implemented the “Big Switch” media campaign to keep customers and the public informed about the transition. • Implemented a vending campaign to ensure seamlessly access to vending platforms during and after the transition. • Proactively communicated scheduled and major and unplanned outages mainly through SMS and official social media. • Held over 200 radio and TV talk shows to share updates and respond to service issues. • Participated in Trade Fairs and exhibitions including the UMA Trade Fair as well as Energy and Minerals Week to directly interact with customers and address key service issues.
<p>5</p>	 <p>Media</p>	<p>The media sets the agenda that in-turn shapes public perception. Proactive media engagement ensures accurate and timely communication of company updates and initiatives , while shaping the narrative in the public arena</p>	<ul style="list-style-type: none"> • Held national Press conferences to share key updates on critical business milestones like the first 100 days and other business developments. • Conducted courtesy visits to leading media houses including Nation Media Group, Vision Group, CBS, and Next Media Services. • Issued timely press releases and statements to communicate key updates and developments. • Published quarterly tariffs in the mainstream and social media spaces as approved by the Authority from time to time. • Maintained regular contact with media houses, providing clarification on key service issues through interviews, comments and talk show appearances.
<p>6</p>	 <p>Communities</p>	<p>Our communities offer insights on a wide range of social issues and local concerns that impact operations and other stakeholders</p>	<ul style="list-style-type: none"> • Through our Corporate Social Responsibility Program (CSR), we responded to critical social issues such as health, safety and education in Central, Western, Madi and Eastern regions under UEDCL’s licensed area of operations. • Held town hall and one-on- one meetings with local and opinion leaders to address concerns and gather feedback on our services. • Conducted anti- vandalism community barazas and town drives mainly in Nakasongola and Mukono Districts to promote vigilance and reporting.
<p>7</p>	 <p>Energy sector players</p>	<p>Engaging with energy sector players helps to inform our strategy and performance. Often times we are facing similar system challenges such as vandalism of electricity infrastructure.</p>	<ul style="list-style-type: none"> • Participated in sector platforms such as the Government Communications Officers Forum • Participated in key sector initiatives like the National Renewable Energy Conference.
<p>8</p>	 <p>Suppliers</p>	<p>Suppliers play a critical role in the delivery of our services. By engaging with them periodically we are better placed to address current and emerging issues, drive supply chain innovation and accelerate local economic impact.</p>	<ul style="list-style-type: none"> • Maintained regular contact through calls, emails and surveys managed by our procurement team. • Provided supplier support including referrals. • Prioritized procurement from local suppliers and manufacturer to promote BUBU. • Maintained regular expressions of interest through the media and other official UEDCL channels of communication.

Summary of the 2024/2025 Stakeholder Map & Engagement Activities

UEDCL LIGHT APP

Simple
Fast &
Convenient



Get it on Google Play



uedcl.co.ug/online



Our customer information material comes alive in a digital format. **SCAN TO READ ONLINE.**

Great Customer Service is core to our business...



*Uganda Electricity Distribution Company Limited is Regulated by the Electricity Regulatory Authority

CUSTOMER EXPERIENCE





During the reporting period, UEDCL made significant strides to improve the overall customer experience, increased customer base and proactive stakeholder engagements, and enhanced service delivery.

One of the most notable developments this year was the continued implementation of the Government of Uganda’s Free Electricity Connection Policy (ECP).

Through this initiative, UEDCL facilitated thousands of new connections across all its service territories, especially in under-served rural and peri-urban communities. This move directly supports the national electrification agenda and brings the dream of universal electricity access closer to reality.



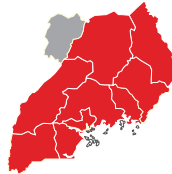
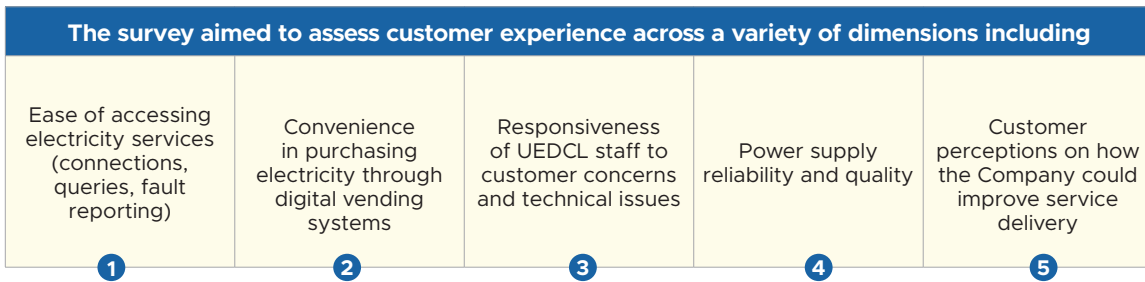
To maintain strong relationships with our expanding customer base, UEDCL undertook several deliberate engagement initiatives. These were guided by our commitment to customer-centric service delivery. They included;

OUTREACHES	RADIO SHOWS	SCHOOLS	FORUMS
 <p>Community outreaches aimed at creating awareness on energy use, safety, and connection procedures</p>	 <p>Live radio talk shows to provide a platform for real-time interaction and feedback</p>	 <p>School safety awareness campaigns designed to educate young people on safe electricity practices</p>	 <p>Public forums and barazas in various districts, offering direct engagement with communities and local leaders</p>

These engagements focused on key priority areas such as:




To further improve the quality of service, UEDCL undertook a comprehensive Customer Satisfaction Survey (CSAT) across all operational territories.

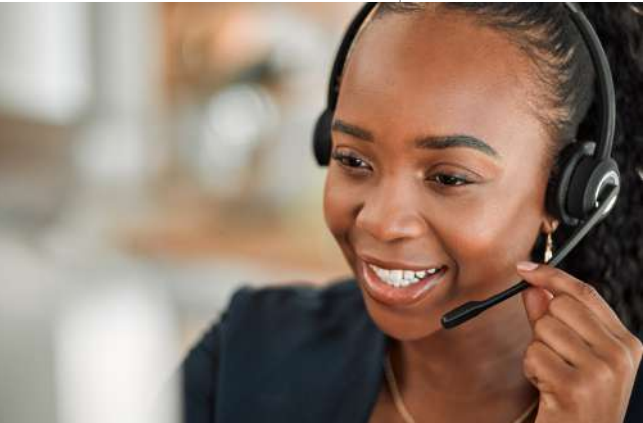


The Customer Satisfaction Survey was conducted across all operational territories





Feedback collected from the survey has been instrumental in identifying service gaps and has informed the development of targeted interventions to improve customer experience.



Feedback collected from the survey has been instrumental in identifying service gaps and has informed the development of targeted interventions to improve customer experience.

These include strengthening customer support systems, expanding digital platforms, and improving response times for technical faults and outages. Moving forward, UEDCL is committed to implementing strategic action plans to address the areas of concern highlighted by the CSAT.

Our goal is to deliver a consistently high-quality experience that builds trust, satisfaction, and long-term loyalty among all our customers.

CORPORATE SOCIAL RESPONSIBILITY

Beyond just distributing power, UEDCL understands its obligation to make a significant contribution to the social and economic advancement of the areas it serves.

In an effort to address social inequity and foster goodwill among our stakeholders, the company continues to address social issues through partnerships with charitable and non-governmental organizations (NGOs), giving health and educational causes first attention.

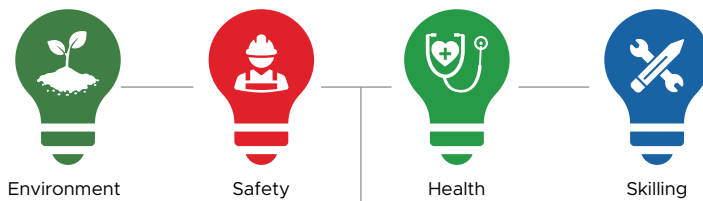
In order to carry out projects that enhanced the safety, well-being, and health of the people we serve, UEDCL collaborated with Rotary Uganda, the Buganda Kingdom, and other organizations throughout the reporting period.

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In 2025, UEDCL collaborated with the Lubowa and Bwebajja Rotary Clubs to address a range of social and environmental issues in several impoverished communities. The clubs organized sanitation drives, community health camps, and the distribution of educational materials to schools.

These programs, along with staff charity drives, have enhanced livelihoods and increased UEDCL's visibility in the neighborhood.

OUR CSR PRIORITIZED



TO ADDRESS SOCIAL INEQUITY



TO FOSTER GOODWILL AMONG STAKEHOLDERS



FOSTERING COMMUNITY WELLBEING



SUSTAINABLE DEVELOPMENT GOALS



1 L-R UEDCL's Senior Stakeholder Relations Officer Noeline Biribonwa, Chief Finance Officer Jacqueline Kiwanuka and the Chief Engineering and Technical Services Officer Eng. Protaze Tiyakinura present to The Katikkiro (Prime Minister) of Buganda Charles Peter Mayiga a dummy cheque of UEDCL's support.

2 UEDCL Staff seize a photo opportunity with The Katikkiro (Prime Minister) of Buganda Kingdom Charles Peter Mayiga at the Kabaka Birthday Run.

3 UEDCL Staff after the run





UGANDA ELECTRICITY DISTRIBUTION COMPANY LIMITED



COMMUNITY



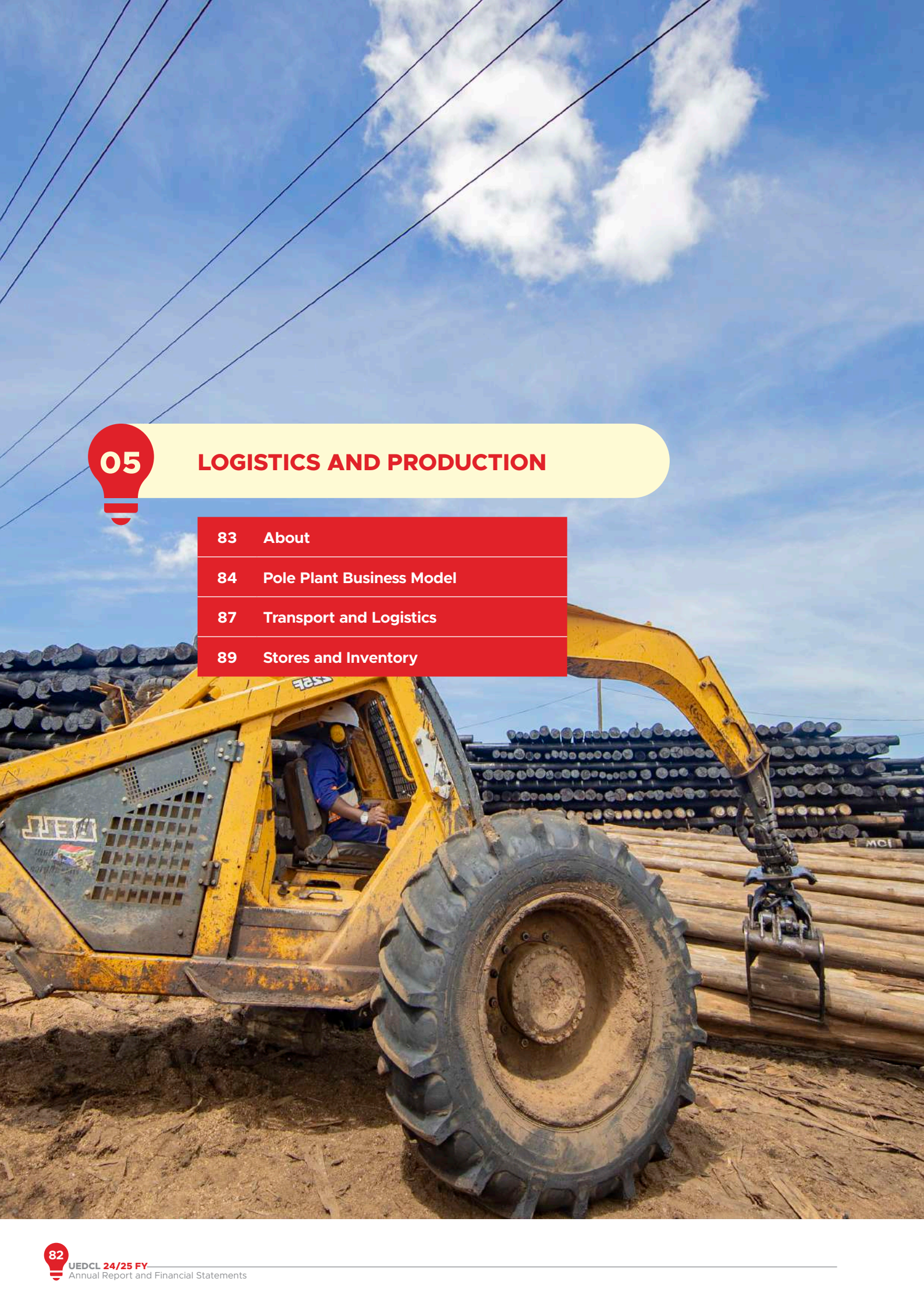
These activities are a reflection of UEDCL's broader mission to create shared value beyond the provision of electricity.



FOSTERING COMMUNITY WELLBEING



- Goal 3** To ensure healthy lives and promote well-being for all at all ages.
- Goal 13** Taking urgent action to tackle climate change and its impacts.
- Goal 4** Ensure inclusive and quality education for all and promote lifelong learning.
- Goal 9** To build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 10** Reduce Inequality



05

LOGISTICS AND PRODUCTION

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With its infrastructure evident throughout the UEDCL territory, the Logistics and Production Department is the primary enabling department divided into:



Pole Plant, Stores & Inventory, and Transport & Logistics are the Department’s three main divisions.

Following the takeover of asset management upon the natural end of the Umeme concession and the expiration of the Lease and Assignment Agreement (LAA) on March 31, 2025, the Stores, Inventory and Transport and Logistics sectors experienced significant changes.

The logistics and production department at UEDCL is supported by these two functions. For this reason, in order to maintain smooth operations, UEDCL took Umeme’s workforce as well as its assets (motor vehicles and material inventories).

The team’s rapid recall, cooperation, and unity were the department’s main transition concerns. This was accomplished, and we are still nurturing the foundation of this accomplishment. The group bonded fast and maintained a positive attitude.

At the logistic service level, this can be traced. Under the UEDCL portfolio, the pole factory has continued to operate as an independent business unit. The plant purchases poles from farmers and impregnates them under pressure using a substance known as creosote oil.

The national utility network is where the poles are installed. A portion of the poles are shipped to South Sudan and Congo, two nearby nations.

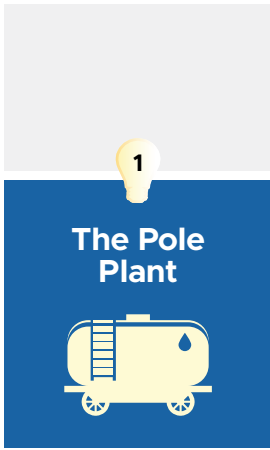
The plant is proud of its international certifications, which include the US EAS 322:2002 product certificate, ISO 9001:2015, and Quality Management System. The plant collaborates closely with UNBS to guarantee that all agreed-upon quality requirements are included into the facility’s overall operations.



Quality poles since 1956



*Certificate ISO 9001:2015 Quality Management System US EAS 322:2002 Product Certificate

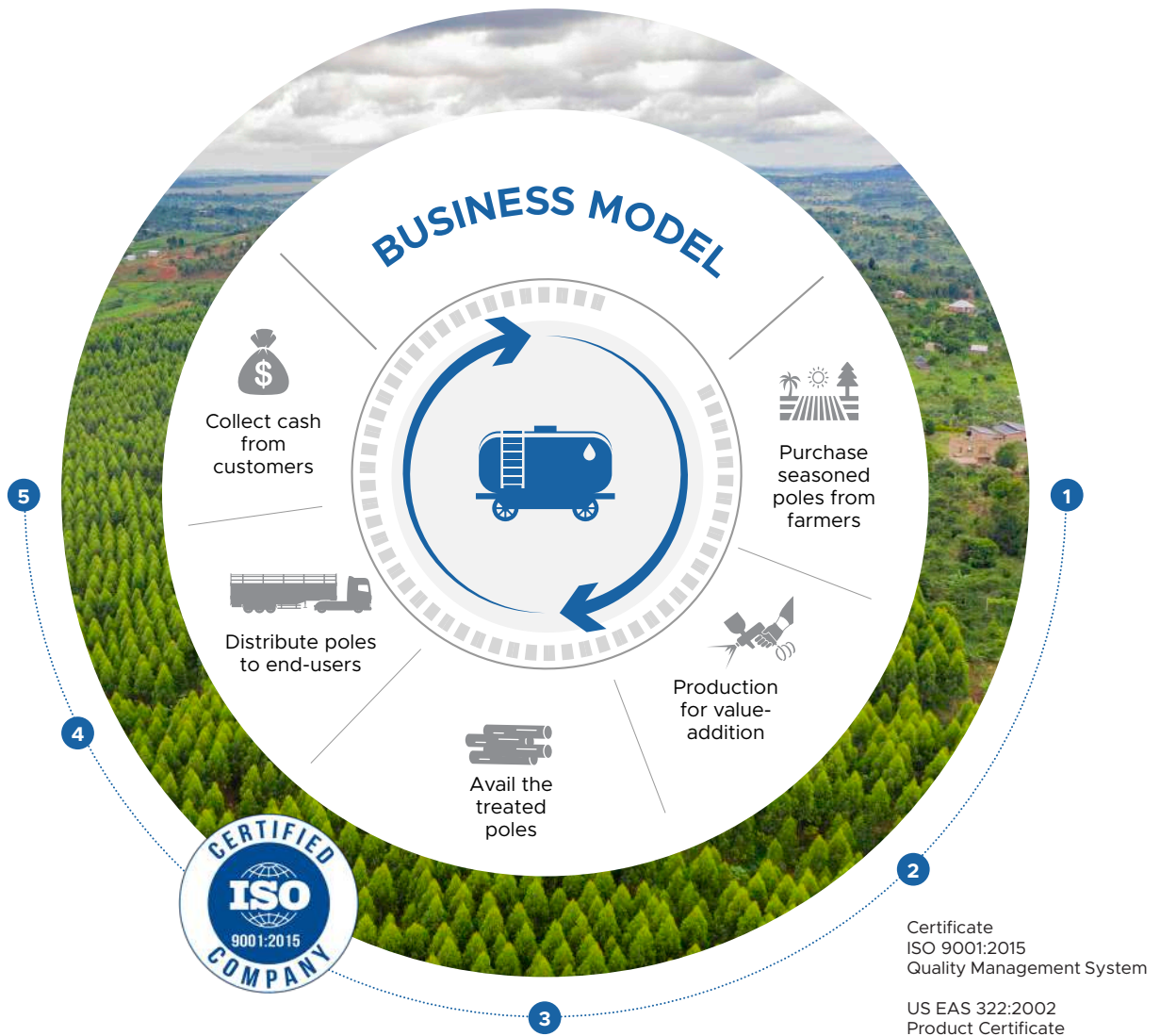


Fin. Year	2024/25	2023/24
Total poles sold	16,998	19,219
Budgeted number of poles	26,052	20,643
% age achieved	65%	93%

Table 1: Comparison of total poles sold against budgeted sales

Pole Plant performance 2024-2025

The factory sold 16,998 poles during the 2024–2025 fiscal year, which is 65% of the total amount budgeted for that time frame. UEDCL territories as well as other outside clients like Umeme purchased the poles.



The year's sales performance of 65% is less than the 93% attained in 2023–2024. The decline was ascribed to missed sales to Umeme, our largest client, which reduced its pole purchases in preparation for the asset retransfer to UEDCL that began on April 1st, 2025.

During that time, 22,407 poles of various diameters were treated. All the poles passed quality checks and fit for utility network.

Pole Production					
Pole Size	9mtr	10mtr	12mtr	14mtr	TOTAL
No. Of poles	1,774	11,058	6,133	3,442	22,407
%age	7.9	49.4	27.4	15.3	100

Table 2: Total poles treated

Quality and Standards

The production of poles is anchored on the quality standards adopted by the company. These standards are strictly followed and annual audits conducted before renewal is done by UNBS.

Traceability of UEDCL poles

UEDCL distinguishes the poles made at its facility using Radio Frequency Identification technology. There are readable chips on each pole. During the manufacturing process, the chips are inserted. This allows us to keep an eye on their performance once they are deployed.



UEDCL Pole Plant, Lugogo

The Green Drive

Cognizant of the source of materials for the pole plant, the management under guidance of the Board, embarked on a five-year green strategy. To date, over 100 acres of land surface have been covered by 'Green Gold' (trees).

a) Tree Planting at;

Kyampisi

Maintenance of the 30 acres of trees planted in Kyampisi is being conducted. This is a ring of trees planted around the 75 acres meant to accommodate the Creosote, CCA and Concrete Plants. Following a reservation scheme sought by UEDCL and granted by PPDA, services of local communities were procured to carry out the establishment and maintenance of the trees.

Walumwanyi

Replanting of the 31 hectares of land that was leased out to UEDCL by NFA was completed. This was achieved through mobilization of community groups to carry out all the planting and maintenance activities. As it was the case with planting in Kyampisi, the reservation scheme came in handy; community groups were employed to establish and maintain the Walumwanyi plantation. This is one way of meeting UEDCL's Corporate Social Responsibility in supporting communities to improve household incomes. Pole Plant investment implementation project.

The plans to relocate the Pole Plant from the current location in Lugogo are underway. This will be completed before the end of August 2026. The relocation will allow for the introduction of other lines of production to increase the pole production and boost sales.



Acres of trees in Walumwanyi



Acres of trees in Kyampisi



SDG 13 "Climate Action," aims to combat climate change and its impacts by strengthening resilience, integrating climate change measures into national policies, and improving education and awareness.

SDG 15 "Life on Land," aims to protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and reverse land degradation.



UEDCL has so-far covered 105 acres of land with 'Green Gold'

2

Transport and Logistics



The year 2024/2025 provided a critical test of UEDCL's transport and logistics function and systems, validating its transition preparedness to handle the expanded mandate and operational resilience. Movement of engineering teams, and material distribution across the service territories were key aspects of ensuring effective response to network faults and other operational needs countrywide.

By mid-June 2025, the function was well-positioned to support new connections alongside other operations of a growing network. Key contributions include timely material delivery, efficient fleet utilization, improved road safety record, strengthened fuel and asset management controls, highlighting the section's operational excellence.

Fleet Growth and New Fleet Additions

At the beginning of 2025, the total fleet stood at 316 vehicles (motor cycles and motor vehicles). This increased to 1,464 by the end of the reporting year, boosted by assets received from Umeme and 85 new vehicles, representing 78% growth. To ably support the network, we initiated procurement of a pole handler, 40 pick-ups trucks, and a trailer, aimed at supporting operations effectively.

In line with PPDA asset management practices, 151 obsolete vehicles are scheduled for disposal. The process has been initiated, pending the Government of Uganda disposal protocols. This expected to be concluded within the Q1 of the subsequent year.

Mechanization Drive

In a bid to enhance our capacity to support field teams, we have successfully piloted the use of a Mechanized Truck with augers; with capacity to carry, drill and erect poles, saving time and labour resources. To allow our logistics trucks carry more meters and other light materials efficiently, we upgraded the tray sizes.

Coupled with acquisition of a trailer for movement of poles, solidal and other heavy materials, our total haulage capacity has increased by 28%.

To improve brand visibility, the fleet was rebranded according to the new UEDCL brand guidelines in the first four months after taking over operations from Umeme.

To build an agile support team, three senior staff received international training certificates, while all the 13 members were trained at least twice during the year. This exposed the team to advanced technologies, and leadership skills.

Vehicle Inspection

Internal engineers made field visits every three months to do routine vehicle checks in order to guarantee vehicle safety and reliability. In order to make well-informed judgments, the Ministry of Works and Transport carried out a fleet assessment, with 1,107 vehicles undergoing scheduled inspections.

Vehicle Monitoring & Fuel Management

GPS is used to track at least 98% of the UEDCL fleet. This serves as the foundation for our reporting, which has improved network security and decreased traffic accidents and infractions.

We have made great progress in enhancing fuel management controls, increasing efficiency, and implementing a model that guarantees continuous supply.

To redesign and improve the Fleet Fuel Management System (FFMS), the department also worked closely with the internal Information Technology Department. This automated system is designed to track fuel usage, accountability, and consumption in real time. On February 1, 2026, the pilot program got underway.



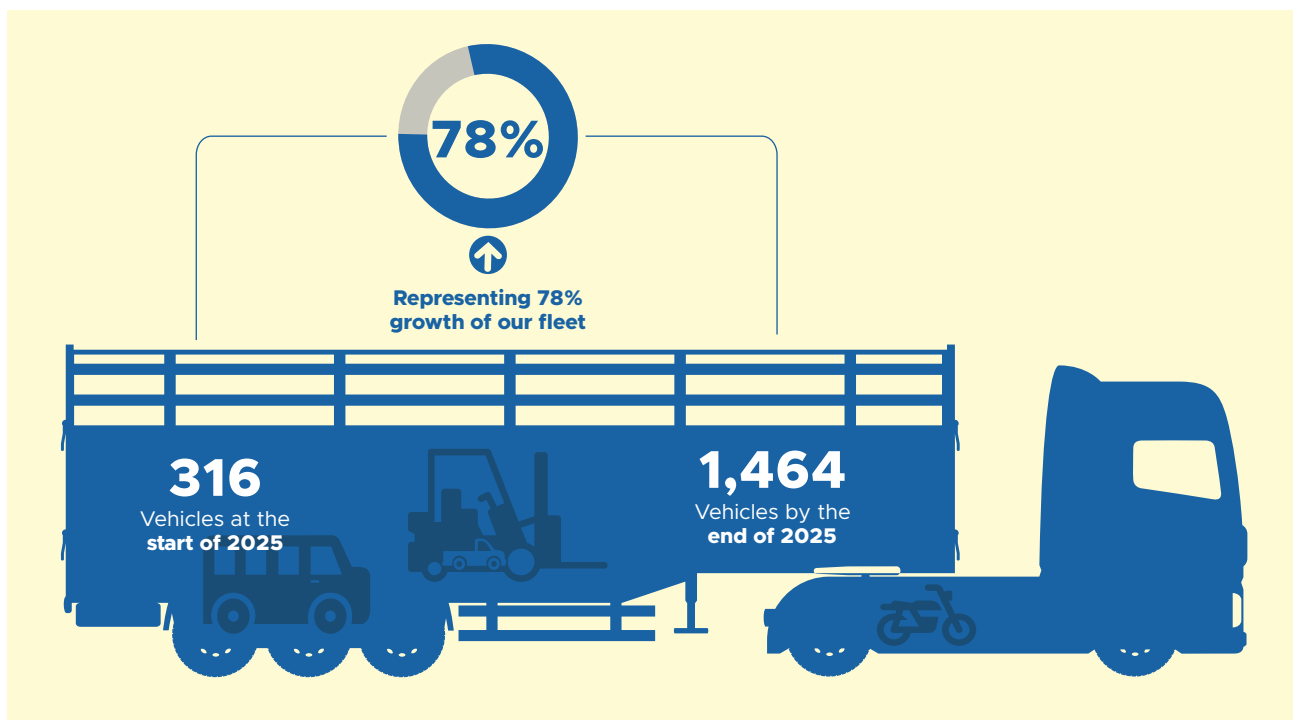
Preparing for a field excursion

Material Movement and other Logistics Support

Cargo Clearance: With a turnaround time of 13 days, all shipments of essential materials, such as meters and metering units, were swiftly cleared in the reporting period. This was accomplished by working together with many stakeholders, which reduced demurrage expenses.

Delivering all available infrastructure materials allowed the Transport & Logistics function to reach important milestones.

In the year of reporting, the function supplied 2,000 poles and 140 transformers per month. Additionally, it used 95% internal resources to deploy 180,000 new connection kits during the course of the year. This endeavor guaranteed ongoing network upkeep, growth, and client relationships. Additionally, it made it easier to transport transformers, old poles, and other junk materials from the field back to the main warehouse.





Managing more than \$30 million in crucial assets throughout an advanced multi-echelon distribution network, the Inventory and Stores department is a vital component of UEDCL's service delivery mandate. The department coordinates end-to-end supply chain activities through 114 facilities, including a central hub, 15 territory distribution centers (including four mega stores in Kampala), and 98 last-mile district stores. By making network materials available and delivered last mile, it helps achieve the country's electrification goals.

Our inventory management system is rapid and flexible. UEDCL has 176 supply chain specialists that provide round-the-clock operational coverage. Because of this, we have been able to get 90% perfect order fulfillment and 99.8% stock correctness, which directly supports the goals of loss reduction, budgetary restraint, and service continuity.

Strategic Value Proposition

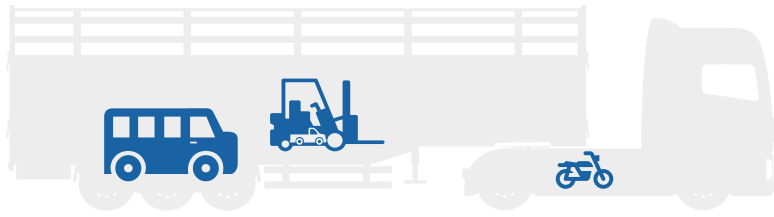
Optimizing Assets and Managing Working Capital: In order to optimize stock holding costs and preserve the availability of mission-critical materials, our inventory strategy strikes a balance between capital efficiency and service level needs. Line and accessories (39.62%), meter and accessories (30.66%), switch-gear (10.85%), transformers (8.95%), tools (4.77%), and poles (4.73%) are the six main categories that make up the current portfolio.

Risk Mitigation and Business Continuity: Strategic inventory placement across territories supports grid modernization programs, World Bank, ADB, and CFC-funded projects, and continuous loss reduction efforts by ensuring operational resilience against supply chain disruptions.

Supply Chain Architecture and Capabilities

- Multi-Echelon Network Design
 - Central Distribution Hub (Lugogo): Master inventory control, bulk storage (66.80% utilization), primary receiving, and quality assurance gateway
 - Territory Distribution Centers (15): Regional demand aggregation, inventory deployment, and secondary distribution, including four metro mega stores
 - Area Stores (98): Last-mile positioning, rapid deployment capability, and field interface
- Technology Enablement
- Enterprise-wide inventory visibility through ECRIV/SAP -ERP (What is this in full?)
 - Predictive analytics for demand forecasting and safety stock optimization
 - RFID (What is this in full?) and barcode systems ensuring traceability and loss prevention
 - Quality Assurance and Compliance: Rigorous receiving inspection protocols, supplier quality management, and adherence to UEDCL material specifications ensure infrastructure reliability. All operations comply with internal controls, ERA requirements, and international warehousing standards.

SUPPLY CHAIN ARCHITECTURE



1

SERVICE LEVEL RECOVERY

Use strategic sourcing, supplier development, and expedited delivery methods to speed up the acquisition of commodities with less than 95% availability. By Q4, 95%+ availability in every material class is the goal.

2

NETWORK OPTIMIZATION

Implement inventory rationalization study to optimize stock positioning, eliminate slow-moving items, and improve inventory turns. Deploy advanced forecasting models to reduce safety stock requirements, while maintaining service levels.

3

DIGITAL SUPPLY CHAIN

Deploy Internet of Things (IoT)-enabled inventory tracking, automated replenishment algorithms, and mobile-first warehouse operations. Implement control tower visibility for real-time supply chain performance monitoring.

4

SUSTAINABLE OPERATIONS

Adopt circular economy principles for asset life-cycle management, implement green warehousing practices, and optimize transport routes to reduce carbon footprint.

Governance, Risk and Compliance

- **Inventory Governance Framework** Structured delegation of authority, segregation of duties, and periodic cycle counting ensure asset protection and financial control. Monthly stock reconciliations and variance analysis maintain accountability across the 114-facility network.
- **Risk Management** Active management of supply chain risks including supplier performance monitoring, obsolescence prevention through demand-supply alignment, physical security protocols, and business continuity planning for critical materials.
- **Safety and Environmental Stewardship** Zero harm culture embedded across all operations through daily toolbox talks, hazard reporting, 100% PPE compliance, and continuous safety training. Climate-controlled storage protects sensitive equipment, while energy-efficient lighting and material handling equipment reduce environmental impact.

Organizational Capability and Talent Strategy

- Our 176-person supply chain team—140 permanent and 36 contract personnel—represents a strategic investment in operational capability. Structured career pathways from area to territory to central operations ensure talent retention and capability development. Ongoing training in inventory management, SAP systems, safety protocols, and customer service sustains operational excellence.
- Cross-functional collaboration with procurement, technical services, projects, and commercial operations embeds supply chain thinking across the value-chain, optimizing total cost of ownership and enabling data-driven decision-making.

Supply Chain as Strategic Enabler

- From a transactional storage operation to a strategic business partner that promotes operational performance, capital efficiency, and service excellence, the inventory and store's role has changed over time. Our comprehensive supply chain platform combines advanced network architecture, technological support, and industry knowledge.

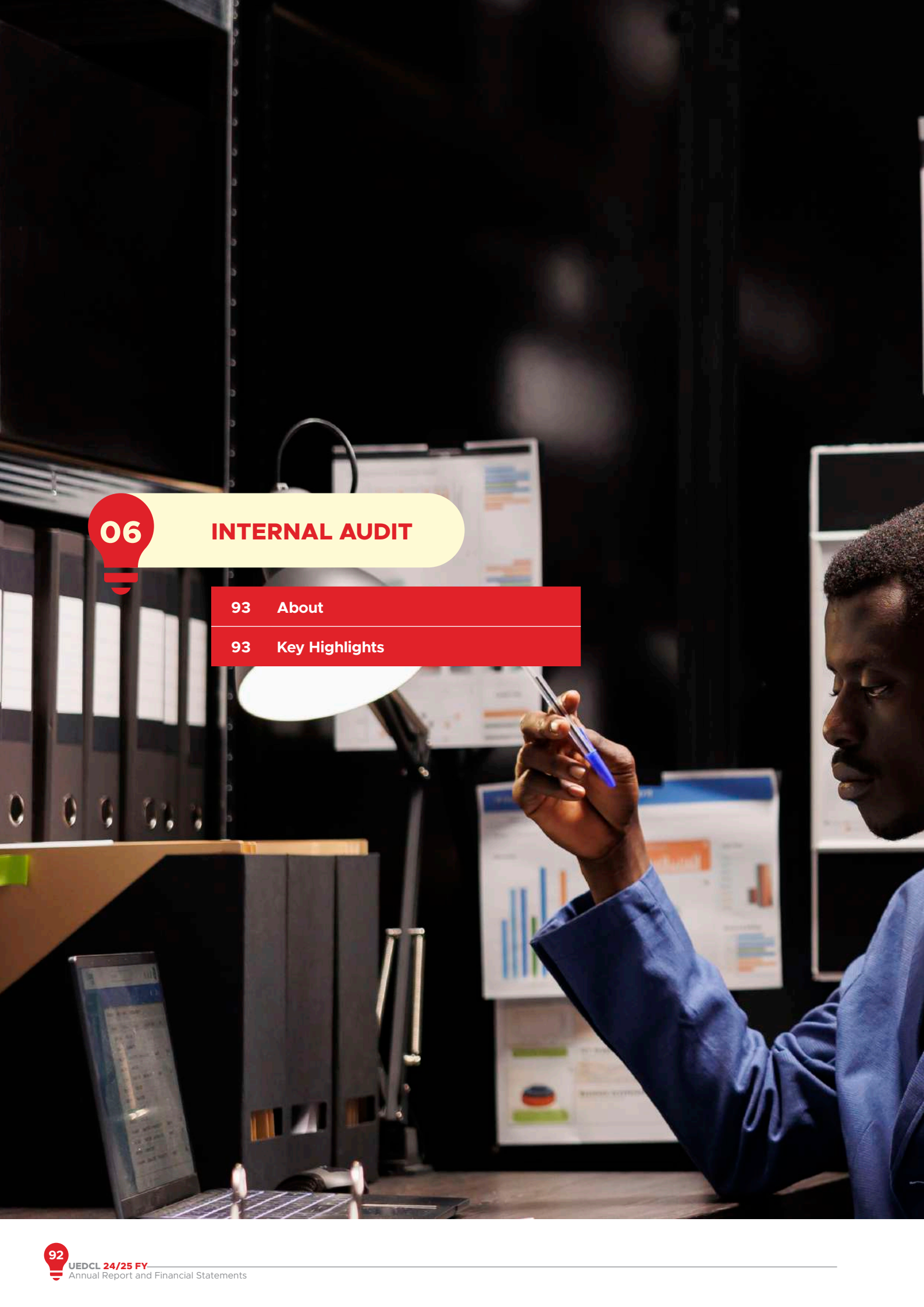
This puts UEDCL in a strong position to meet its challenging goals for electrification and service quality while upholding operational stability and financial restraint.

While UEDCL executes the Umeme transition, grid modernization requirement, and customer growth trajectory, the Inventory and Stores department is prepared to increase capacity, reduce expenses, and provide the supply chain flexibility needed for "Lighting Up Your World."

The function achieved significant milestones by delivering all available infrastructure materials, averaging delivery of 140 transformers, and 2,000 poles per month, and 180,000 new connection kits throughout the year, using 95% internal resources. This effort ensured network maintenance, expansion and customer connections. As materials were delivered in the field, reverse logistics including old poles, transformers, and other scrap materials were returned to the central store.

Although the Transport and Logistics function has seen growth, improvement, and advancement overall, our goals are still quite high. In order to improve the quality of vehicles, the section now concentrates on completing outstanding transportation and logistics procurement and putting fleet replacement plans into action. With a better observatory and equipment, it is also concentrating on improving telematics and track and trace. Additionally, it will concentrate on increasing stakeholder participation both internally and externally, automating fuel management using the Fleet and Fuel Management System, and increasing vehicle and equipment capacity to further improve efficiency and reduce costs.

Maintaining the best practices incorporated into the ISO-9001:2015 certification (Quality Management System), adopted by the Company. The Pole Plant will concentrate on continuously improving the quality of the poles it produces.



06

INTERNAL AUDIT

93 About

93 Key Highlights

A function established within UEDCL to provide independent and objective assurance of processes, systems, operations, the effectiveness of controls and compliance with internal policies, relevant laws, audit manual and regulatory standards.

The mandate of the Internal audit function is to strengthen UEDCL's ability to create, protect, and sustain value by providing the Board & Management with independent, risk-based & objective assurance, advice, insight, and foresight.

The mandate is rooted in S.48 of the Public Finance Management Act Cap.171, S.14 of the Companies Act Cap.106, S.13 of the ERA Corporate Governance guidelines 2019 and the UEDCL Board Charter.

The function is independently positioned with direct accountability to the Board of Directors.




The Head Internal audit reports functionally to the Audit Committee of the Board and administratively to the Managing Director. The Board establishes, approves, and supports the mandate of the Internal Audit function.

The Internal Audit Charter sets out the terms of reference of UEDCL's Internal Audit function in compliance with the International Professional Practices Framework (IPPF).

During the FY2024/2025, the Internal Audit function executed its mandate by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes throughout UEDCL.

Departmental initiatives were implemented by qualified internal auditors in conformance with the Global Internal Audit Standards, which are set in the public interest.

KEY HIGHLIGHTS

-  Internal audit team increased from 3 to 12 staff to support the expanded UEDCL mandate post transition.
-  Implemented 95% of the risk-based audit plan that took into consideration UEDCL's strategic priorities, regulatory requirements, the transition and other emerging risks. The completed engagements resulted into improvements in governance, financial reporting, operational efficiency, reputation and regulatory compliance.
-  Revised the Internal Audit Charter and Methodology to take into account:
 - A notable change in the Global Internal Audit Standards. The IPPF, which organizes the Institute of Internal Auditor's authoritative body of knowledge on the professional practice of internal auditing, was updated in 2024. The IPPF includes Global Internal Audit (GIA) Standards, Topical Requirements, and Global Guidance. The new GIA Standards, released January 9, 2024, became effective January 9, 2025.)
 - The new UEDCL structure that was implemented effective 01 April 2025 following the natural end of Umeme Ltd's 20-year concession and asset retransfer to UEDCL.
 - Significant changes in the Board, Senior Management and Internal Audit teams.

KEY HIGHLIGHTS

- 💡 Commenced procurement of an Audit management and analytic system aimed to:
 - Improve efficiency, effectiveness, transparency and accountability through provision of real-time reporting of internal audit results and monitoring of management action plans.
 - Inform business decision making and assure that key business risks are managed within the approved risk appetite through use of automated data analytic tools to mine, analyze, interpret and report relevant data and appraise key stakeholders of the same.
 - Enhance communication, collaboration and management support of a risk-based audit process through identification, assessment and prioritization of high-risk areas for audit focus.

- 💡 Implemented capacity building initiatives including but not limited to: sponsorship, attendance & moderation at the Institute of Internal Auditors (IIA) Annual Conference, ISACA, PPDA, local & international trainings among others. Together with some members of the UEDCL Board of Directors, attended the Board and Audit Committee Workshop in May 2025. UEDCL was recognized at the IIA events as a Gold Sponsor and strong advocate of the Internal audit profession.

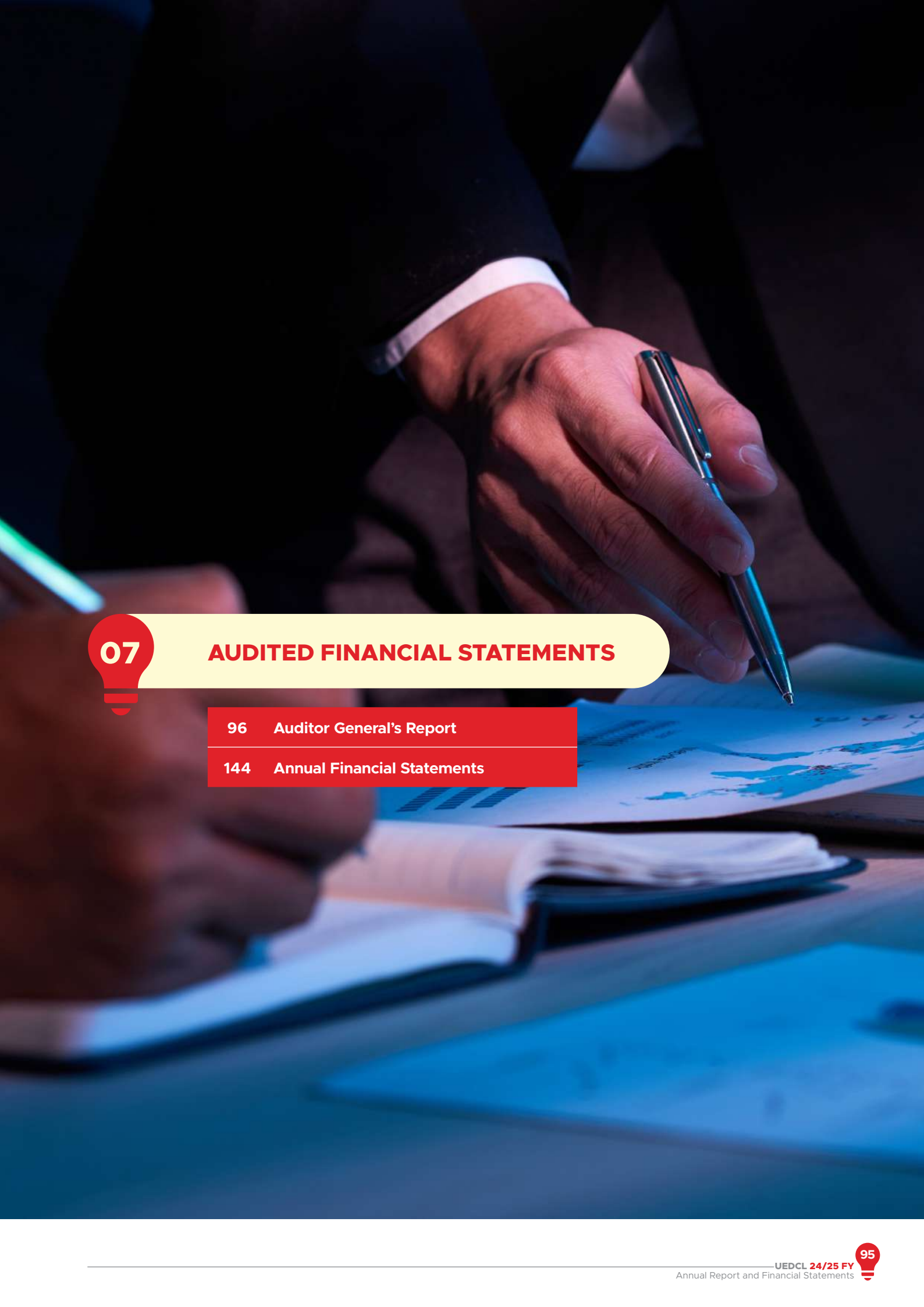
- 💡 Established an Internal audit strategic business partnership plan aimed to improve stakeholder collaborations and business support beyond audit engagements. In addition, supported external audit stakeholders including Office of the Auditor General, Subvention audit by Ministry of Energy & Mineral Development and the PPDA.



From Left to Right: Head Internal Audit – UEDCL; Division Audit Director - FINCA Microfinance Global Services, LLC; Director of Audit - Office of the Auditor General and the Chief Internal Auditor - Absa Bank Uganda Ltd



The UEDCL Head Internal Audit receiving an award for the 19th Annual Internal Audit Conference Gold Sponsorship.



07

AUDITED FINANCIAL STATEMENTS

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144 Annual Financial Statements

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THE REPUBLIC OF UGANDA

OFFICE OF
THE AUDITOR GENERAL
APOLLO KAGWA ROAD,
PLOT 2C,
P.O. Box 7083,
KAMPALA.

FOR ANY CORRESPONDENCE ON **DCG. 158/292/01/025**
THIS MATTER PLEASE QUOTE NO:

19th December, 2025

The Managing Director,
Uganda Electricity Distribution Company Limited
Kampala

**REPORT OF THE AUDITOR GENERAL ON THE UGANDA ELECTRICITY DISTRIBUTION
COMPANY LIMITED – UEDCL FOR THE YEAR ENDED DECEMBER 2025**

I am enclosing herewith a report which I have already sent to the Rt. Hon. Speaker of Parliament in accordance with Article 163 (4) of the 1995 Constitution of the Republic of Uganda.

A handwritten signature in blue ink, appearing to read 'E. Akol'.

Edward Akol
AUDITOR GENERAL

- Copy to:
- The Inspector General of Government
 - “ The Permanent Secretary/Secretary to the Treasury
Ministry of Finance, Planning & Economic Development
 - “ The Permanent Secretary,
Ministry of Energy & Mineral Development
 - “ The Company Secretary, UEDCL



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE UGANDA ELECTRICITY DISTRIBUTION COMPANY LIMITED FOR
THE AUDIT YEAR ENDED DECEMBER 2025

OFFICE OF THE AUDITOR GENERAL
UGANDA

DECEMBER 2025

PREAMBLE

This report presents the findings, conclusions and recommendations on the audit of the Uganda Electricity Distribution Company Limited (UEDCL) for the audit year ended December 2025.

The report is based on audit observations made on all types of audits undertaken on the Uganda Electricity Distribution Company Limited (UEDCL) during the audit year. This is intended to provide stakeholders with a clear understanding of my key findings and conclusions. The recommendations outlined in this report aim to support the entity in achieving its goals and objectives and to promote better service delivery.

This report has 4 sections:

Section 1: Financial audit report for the year ended 30th June 2025;

Section 2: Key findings on compliance with the specified regulatory framework;

Section 3: Highlights on evaluation of entity's performance;

Section 4: Appendices and financial statements

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List of Acronyms

SN	ACRONYM	MEANING
1.	BOD	Board of Directors
2.	EBIT	Earnings Before Interest and Tax
3.	ECP	Electricity Connection Policy
4.	ERA	Electricity Regulatory Authority
5.	ESG	Environmental Social and Governance
6.	FY	Financial Year
7.	GCC	General Conditions of a Contract
8.	GIS	Geographical Information System
9.	GOU	Government of Uganda
10.	HV	High-Voltage
11.	IESBA	International Ethics Standards Board for Accountants
12.	INTOSAI	International Organization of Supreme Audit Institutions
13.	IPSAS	International Public Sector Accounting Standards
14.	ISSAI	International Standards of Supreme Audit Institutions
15.	LAA	Lease and Assignment Agreement
16.	LV	Low-Voltage
17.	MEMD	Ministry of Energy and Mineral Development
18.	MDAs	Ministries Departments and Agencies
19.	NAA	National Audit Act
20.	O&M	Operation and Maintenance
21.	PPDA	Public Procurement and Disposal of Public Assets
22.	QOSs	Quality Of Service Standards
23.	ROA	Return on Assets
24.	SCADA	Supervisory Control and Data Acquisition
25.	UEB	Uganda Electricity Board
26.	UEDCL	Uganda Electricity Distribution Company Limited
27.	UETCL	Uganda Electricity Transmission Company Limited
28.	UGX	Uganda Shillings
29.	VHF	Very High Frequency
30.	WENRECO	West Nile Rural Electrification Company

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SECTION 1: REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF UGANDA ELECTRICITY DISTRIBUTION COMPANY FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2025

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of Uganda Electricity Distribution Company Limited (UEDCL) for the financial year ended 30th June 2025, which comprise the Statement of Financial Position as at 30th June 2025, the Statement of Financial Performance, the Statement of Changes in Equity, and the Statement of Cash Flows, together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Uganda Electricity Distribution Company Limited as at 30th June 2025, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements under the Companies Act Cap.106 of the Laws of Uganda.

Basis of Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the 1995 Constitution of the Republic of Uganda, the National Audit Act, Cap 170, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matters disclosed in the financial statements;

1.1 **Expiry of the UMEME Concession and Assumption of Distribution Operations by UEDCL**

I draw your attention to page 8 of the financial statements, which discloses that the electricity distribution concession granted to Umeme Limited under the Lease and Assignment Agreement (LAA) between the Government of Uganda and Umeme Limited expired on 31st March 2025. Following the natural expiry of the concession, the distribution assets were re-transferred to Uganda Electricity Distribution Company Limited (UEDCL) in accordance with the provisions of the LAA.

As disclosed, UEDCL assumed electricity distribution operations for the final three months of the financial year ended 30th June 2025, resulting in a significant change in the nature and scale of the Company's operations during the year. This transition led to material changes in revenue streams, cost structures, asset base, and tax positions.

Management has further disclosed that the Company recorded a loss after tax of UGX.193.450Bn, mainly attributable to the initial recognition of deferred tax liabilities arising from the re-transferred assets.

Accordingly, the financial performance and position for the year under review are not directly comparable with those of the prior year, and users of the financial statements should interpret the results with due regard to this significant change in operations.

1.2 **Trade and other Receivables**

Disclosed in Note 7.9 on page 31 of the financial statements, are trade and other receivables of UGX.238.496Bn, which is approximately forty (40) times more than the opening balance of UGX.5.920Bn, representing a 3,928% increase. This was majorly attributed to unpaid power sales to UMEME, totaling to UGX.220.390Bn.

Furthermore, a review of note 7.17 to the Financial Statements revealed an increase in the amount due from related parties by UGX.118.89Bn (87.9%) from UGX.135.18Bn in financial year 2023/2024 to UGX.254.07Bn in financial year 2024/2025 as detailed in the table below;

Table 1: Amounts due from related parties

Related party	30 th June 2025 "UGX Mn"	30 th June 2024 "UGX Mn"	Percentage Change
UMEME	12,536	96,547	(87.0)%
UETCL	8,140	-	100.0%
GOU entities	233,396	38,634	504.1%
TOTAL	254,072	135,181	87.9%

Source: analysis of UEDCL receivables

The outstanding amounts in relation to GOU entities (UGX.233.396Bn) relate to;

- i. UGX.38.6Bn due from the Government's commitment to fully refund the funds UEDCL had paid to UEB pensioners.
- ii. UGX.194.7Bn relates to unpaid electricity bills due to UMEME by Government entities.

The delay in collecting receivables compromises the effective management of the Company's assets and may negatively affect the distribution network availability and reliability.

Management explained that the company's trade receivables largely consist of long-outstanding, mostly uncollectable unpaid electricity bills by Government entities inherited from the previous operator (UMEME), with no current recovery mechanism in place, making a sector-level policy intervention critical to prevent further accumulation and service delivery risks. Regarding the UGX.38.6Bn, shareholders agreed at the last AGM to consider converting the amount into dividends to settle the long-outstanding balance, however, the engagements have been unsuccessful due to Government funding constraints and competing priorities.

Recommendation

I advised the Accounting Officer to continue engaging UETCL, ERA, MoFPED and affected government entities to implement a coordinated, time-bound strategy for recovery of government arrears, including; migration of customers (MDAs) to prepaid meters and policy measures to address structural sector debt to enable recovery. Going forward, the Company and sector stakeholders should advocate for sector-wide solutions such as; direct budgetary provision for government utility payments.

Other Matter

In addition to the matters raised above, I consider it necessary to communicate the following matters other than those presented or disclosed in the financial statements;

1.3 Non-recognition of Distribution Lines Constructed by the MEMD

Paragraph 31 of IPSAS 23: *Revenue from Non-Exchange Transactions (Taxes and Transfers)*, requires an asset arising from a non-exchange transaction is recognized when the entity gains control of the resources, the inflow is probable, and the fair value can be reliably measured. Revenue is recognized when these criteria are met, unless a condition requires the entity to return the asset or consume it for a specific purpose, in which case a liability is recognized. In addition, Paragraph 12 of IPSAS 45, PPE, requires that PPE acquired through a non-exchange transaction is measured at its deemed cost.

Contrary to these standards, a review of the asset register revealed that distribution network infrastructure acquired through non-exchange transactions during the year was not recognized.

During the financial year, the Ministry of Energy and Mineral Development (MEMD) commissioned four (4) distribution network assets and handed them over to UEDCL to maintain and operate. These assets are currently supplying power to UEDCL customers, and therefore generating economic benefits to the Company. The commissioned assets were funded under the ERT III project and include the following;

- i) EPC Works for Line 14: Mubende-Kyabayanja-Ngangi with Tee-Off Kahirimbara, Kibaale-Kikwaya and Karuguza Ss, Kibonge, Buronzi, Katete, Nyamarunda, Kitoro and Kabale Primary School. A total of 130.7km of Medium Voltage and 145km of Low Voltage lines in the districts of Mubende, Kibaale and Kagadi Districts.
- ii) EPC Works for Lot 2B. Line 12: Nakifuma Nagojje, Walusubi Katogo, Mbaliga-Namele, Nakasajja and Kyampisi. A total of 75.32km of Medium Voltage and 170.80km of Low Voltage lines in Mukono District.
- iii) Grid Intensification 10STs Lot 3: Southern, South Western, North Western and Mid-Western Service Territories. 60.96km of Medium Voltage and 185.17km of Low Voltage lines in the districts of Kisoro, Rubanda, Kabale, Rukiga, Kanungu, Rukungiri, Masaka, Ntugamo, Isingiro, Kyotera, Rakai, Ibanda, Kazo and Sembabule.
- iv) Construction of Medium Voltage Networks, Installation of Distribution Transformers and the Associated Low Voltage Networks in Various Regions of the Country Under Lot 7: Kiboga, Kyankwanzi, Hoima, Kibaale and Kagadi district. A total of 103km of Medium Voltage and 87.88km of Low Voltage lines – GOU Funded.

I further noted that the Company has an MOU with MEMD in regard to the implementation of GOU funded projects; however, the agreement does not detail the treatment of distribution assets constructed by the Ministry that are commissioned and transferred to UEDCL.

Consequently, in absence of a clear instrument on the measurement and treatment of items of PPE acquired through non-exchange transactions with MEMD, the assets under the control and ownership of UEDCL could remain understated over various accounting periods.

Management explained that these power lines were not capitalized due to lack of vesting instruments with costs and valuation of assets. Management has taken note of this recommendation and has written to Ministry of Energy to provide vesting instruments and the value of these constructed lines. Based on the vesting instruments, these lines will be capitalized and the corresponding revenue will be recognized under grants and shall be amortized over their useful life.

Recommendation

I advised the Accounting Officer to engage MEMD to establish a mechanism for the transfer of commissioned projects. Furthermore, since the assets are controlled by UEDCL, and are generating economic benefits, disclosure notes within the financial statements should be made in the absence of reliable estimates of costs.

1.4 Expired leases

The PFMA Cap. 171 requires government entities to safeguard government assets such as land. Consequently, public entities and corporations should maintain active lease agreements, track expiry dates, and renew leases in a timely manner to safeguard organizational assets and mitigate legal and operational risks.

However, I noted that the Company continues to occupy twelve parcels of land under expired lease agreements, thereby operating without valid contractual authority or legal tenure. I also noted that management was in the process of renewing six (6) of the expired leases. Appendix 1 details.

This indicates inadequate monitoring of lease expiry dates and weaknesses in asset management controls. Furthermore, operating under expired land leases exposes the Company to loss of property rights, disruption of operations and legal and financial risks including; possible eviction, increased penalties or higher renegotiated lease fees. Management explained that a consultant was engaged in 2015 to manage the Company's land transactions due to staffing shortages in the legal department, including renewal and registration of expired properties, with six flagged properties currently under their handling and the remainder managed internally. To improve tracking of lease expiry dates, the Company plans to procure a Land and Wayleaves Management System with lease-tracking functionality, which has been included in the 2026 Non-Network Capex budget.

Recommendation

I advised the Accounting Officer to ensure that all expired land leases are promptly renewed, maintain an updated lease register with renewal dates and fast track the ongoing process of renewing the expired leases.

Other Information

The Directors are responsible for the other information. The other information comprises the statement of responsibilities of the Directors, commentaries by the Managing Director and the Chief Finance Officer, and other supplementary information.

The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

Management's Responsibility for the Financial Statements

Under Article 164 of the 1995 Constitution of the Republic of Uganda and Section 43 of the Public Finance Management Act, Cap 171, the Accounting Officer is accountable to Parliament for the funds and resources of the Company.

The Directors are also responsible for the preparation of financial statements in accordance with the requirements of IPSAS and for such internal controls as management determines necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Directors have a realistic alternative to the contrary.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Officer.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Conclude on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to deliver its mandate. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to fail to deliver its mandate.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that complies with the IPSAS and Company's Act, Cap 106.

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence and, communicate to the Accounting Officer all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Other Reporting Responsibilities

In accordance with Section 18 (1) of the National Audit Act (NAA), Cap 170, I report to you, based on my work described on the audit of Financial Statements that, except for the matters in Section 2 of this report, whose effect has been considered in forming my opinion on the financial statements, the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

I have nothing to report in this regard.

Other Legal and Regulatory Requirements

As required by the Companies Act Cap. 106, of the laws of Uganda, I report to you, based on my audit, that;

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purposes of the audit;
- ii. In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and
- iii. The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



Edward Akol
AUDITOR GENERAL
KAMPALA

19th December, 2025

SECTION 2: REPORT ON THE AUDIT OF COMPLIANCE WITH THE RELEVANT REGULATORY FRAMEWORK

I conducted a compliance audit on the selected key subject matter in line with Section 18 of the National Audit Act (NAA), Cap 170 and in accordance with the International Standards of Supreme Audit Institutions (ISSAI 4000)¹ on compliance auditing.

The primary objective of the audit was to obtain sufficient and appropriate audit evidence to form a conclusion on whether the Company complied with relevant identified criteria. The area of focus for the compliance review was Procurement Management.

Audit Criteria

The criteria for the audit was based on Acts of Parliament, regulations, and manuals/guidelines that are intended to be followed during implementation of the stated interventions. I therefore designed audit procedures to assess the extent of compliance.

Audit Methodology

My audit was conducted based on the information and records provided by the Company staff. In executing the audit, various approaches were exercised which included;

- Document reviews;
- Physical inspections;
- Interviewing relevant officials of the Project; and
- Analyzing data provided.

Audit Findings

The material findings with respect to the compliance criteria for the applicable subject matters are as follows;

2.0 Procurement, Disposal and Contract Management Irregularities

I undertook the audit of procurement and disposal management with the overall objective of assessing and establishing the degree of compliance of the UEDCL's Procurement and disposal systems and processes with the provisions of the PPDA Act CAP 205, PPDA Regulations 2023, PPDA guidelines and Circulars issued from time to time and assess the level of procurement performance during the year. The specific objectives that guided the audit were as follows;

- a) To establish whether the entities procurement and disposal processes were conducted in compliance with the PPDA Act 2025, PPDA Regulations 2023, PPDA guidelines and Circulars with regard to the performance of the procurement structures.
- b) To establish if the contracts were effectively managed and that goods, services and works were delivered/performed in accordance with the conditions of the contracts.
- c) To establish the level of procurement performance for the year under audit

¹ ISSAI 4000 - Compliance Audit Standard

- d) To establish the efficiency and effectiveness in contract implementation including application of the Environmental, social, health and social safeguards (ESHS) where applicable. The audit examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes.

At the end of the document review, physical verification was undertaken to ascertain the level of contractual delivery and whether the items were fit for purpose.

A sample of Eighty-two (82) procurement files was selected based on stratified random sampling using the Contracts Committee minutes and the monthly procurement and disposal reports. The distribution of transactions population and sample for the audit was as documented below;

Table 2: Summary of procurement Audit Coverage

Method	Population size	Population value - UGX	Sample size	Sample value - UGX
Open Bidding	57	221,057,623,710	43	192,922,733,424
Restricted Bidding	12	3,716,797,160	7	2,634,741,720
Request for quotations/proposals	85	6,091,733,599	27	2,479,241,800
Direct procurement	13	2,618,209,447	5	1,224,973,011
Total	167	233,484,363,916	82	199,261,689,955
Audit coverage (%)			49%	85%

Source: OAG analysis of procurement data

A number of weaknesses and failures were identified as detailed below;

2.1 Procurement Planning

2.1.1 Failure to prepare multi-year procurement plans

Section 60(6) of the PPDA Act, Cap.205, requires an entity that undertakes a procurement over a period of more than one financial year to prepare a multi-year procurement plan using the guidelines issued.

I reviewed procurement reports for the financial year 2024/25 and noted that sixty (60) procurements worth UGX.34,705,302,843 as detailed in **Appendix 2** were initiated in prior periods and completed in the current year, however, the entity did not prepare multi-year procurement plans for the procurements as required by the Act.

The failure to prepare multi-year plans creates uncertainty regarding the availability of funds, which may lead to project delays and cancellations.

Management acknowledged the observation and committed to inclusion of multi-year procurements in plans, especially for framework contracts that go beyond one year. UEDCL is also seeking to do multi-year tariff application to the Regulator to ensure alignment with the long lead items and projects that are sometimes affected by external forces like wayleaves.

Recommendation

I advised the Accounting Officer to ensure that multi-year procurement plans are prepared for procurements expected to span more than one year for proper planning and budgeting.

2.1.2 Non-compliance with reservation schemes

Paragraph 2 of the PPDA Guideline number 11 of 2024, *Guidelines to promote participation of registered associations of women, PWDs*, requires an entity to reserve at least 15% of its annual procurement plan budget for awards to registered associations of women, youth, and persons with disabilities.

I reviewed the entity's published procurement plan and noted that the entity did not indicate the procurements reserved for registered associations as required by the guidelines. As such, no contract awards were made to the registered associations. The failure to reserve procurements for registered associations undermines the legislator's objective of promoting the participation of women, youth, and PWDs in public procurement proceedings.

Management explained that a lot of emphasis has been put on the local manufacturers as the company has complied with the requirement to support local manufacturers. All cables, transformers and meters were purchased locally, and these account for more than 65% of the expenditure on materials. Going forward, management shall consider the registered associations and owned businesses targeting the youth, PWDs and women.

Recommendation

I advised the Accounting Officer to ensure that the published procurement plans indicate procurements reserved for registered associations to facilitate their participation and ensure compliance with the reservation scheme guidelines.

2.1.3 Implementation of unplanned procurements

Regulation 2 of the PPDA (Procurement Planning) Regulations, 2023 requires the entity to have an annual procurement plan for each financial year. According to Section 60 (10) of the PPDA Act Cap. 205, no Procurement should be conducted outside the procurement plan except in cases of emergencies.

I noted that the company undertook six (6) procurements worth UGX.1,436,194,142, which were not included in the approved plan and were not of an emergency nature as detailed in **Appendix 3**. There was no evidence of an amended plan approved by the contracts committee, and notification done to the Secretary to the Treasury and the Authority as required by the Act.

Undertaking procurements outside the plan potentially leads to diversion of funds, which affects the implementation of planned and budgeted activities.

Management explained that due to the nature of the transition, there were a few procurements that were not planned for but required by the Business due to the retransfer of Assets including staff.

Recommendation

I advised the Accounting Officer to always ensure that all procurements initiated are verified against the approved procurement plan prior to implementation. Necessary approvals should be obtained in case of any amendments to the procurement plan.

2.1.4 Inadequate market assessment

Regulation 3 (3a) of the PPDA (Rules and Methods of procurement) Regulations, 2023 states that in estimating the value of the supplies, works or services required an entity shall base the estimate on an assessment of the market price.

I noted that the entity undertook Ten (10) procurements worth UGX.7,186,902,459 and USD.779,124.54 without obtaining the market prices of the requirements to support the estimated values of the procurements. I was therefore unable to confirm that the procurement values were based on up to date information and prices that achieve value for money. In some instances, there were significant variances between the estimated value of procurement and the actual award price. Refer to **Appendix 4** for details.

Failure to use current price information could potentially result in awards at unreasonable or higher than market prices, effectively leading to loss of public funds.

Management explained that going forward, market surveys shall be done by the end user before requisitions are submitted to PDU. The different sources of market rates including previous purchase data, requests for information shall be used. The company is also implementing a system that shall contain Data business warehouse where average rates can be picked for same specifications. Other effects such as change in technology and specifications changes shall also be included because they affect these rates.

Recommendation

I advised the Accounting Officer to conduct market surveys and maintain an up-to-date price list on which procurement value estimates are based.

2.1.5 Inadequate needs assessment

Section 36 of the PPDA Act, Cap 205 requires the user department to initiate procurement requirements and forward to PDU prior to commencement of each procurement. The user department should adequately assess, justify, and document their needs to ensure that procurements are aligned with actual operational requirements.

A review of four (4) procurements worth UGX.2,634,526,056 revealed that the user department did not support the procurements with a documented comprehensive needs assessment before initiation of the process. For instance, a procurement for Supply of Manage Engine ICT system and monitoring tool was implemented up to the contract award stage, and the contract was not issued due to existence of an alternative operational system (Solar winds). Refer to **Appendix 5** for details.

Failure to conduct and document proper needs assessment prior to initiation of procurements may result in procuring goods and services that are unnecessary, unsuitable or not aligned to the Company's needs. This could lead to waste of resources and inefficiency in service delivery.

Management explained that needs assessment is usually done during the budgeting process and justifications provided. Being a highly regulated entity, after Board review and approval, we present all our budgets to ERA for the final approval and at that time, justifications are given for both Capital and Operational expenditure.

Recommendation

I advised the Accounting Officer to ensure that user departments support all procurement requisitions with a documented justification memo and needs assessment report. These should be included in the procurement files to enable assessment.

2.2 Initiation and Solicitation

2.2.1 Unjustified lotting of procurement requirements

Regulation 11 of the PPDA (Rules and Methods) Regulations, 2023 permits an entity to divide the procurement requirements into separate lots, where it is anticipated that the award of several separate contracts shall result in optimum value for the entity. The bidding document should clearly state the number of lots included in the procurement process; the nature of each lot; the number of lots for which a bidder may bid; and the method of evaluating each of the lots or multiple lots.

Two (2) procurements worth UGX.11,909,074,183 as detailed in **Appendix 6** were subdivided into multiple lots based solely on varying quantities, yet the items in each lot were identical in specifications, nature and purpose. There was no justification provided for division into lots and no assessment was documented to show that multiple contracts would result in optimum value for the company.

Furthermore, the basis used to determine quantities allocated per lot was not explained, which suggests that the lotting did not comply with the technical and economic rationale on which Regulation 11 is based.

Unjustified lotting may increase administrative costs and contract management burdens, while distorting competition by favoring particular bidders.

Management explained that the lotting process was intended to spread the risk with multiple suppliers to ensure continuity and security of supply. Due to capacity constraints, bidders are sometimes unable to supply all the quantities that are required by the business. Given the nature of the business, lotting mitigates periodic stock outs of key materials since there is no single manufacturer of transformers, cables or meters to meet the entire demand of UEDCL. Further, since most of these manufacturers are established in Uganda, the company awards under Lots in order to spread the business.

Recommendation

I advised the Accounting Officer to ensure that subdivision of procurements into lots is properly justified, and that identical items should be packed as a single lot unless a clear and evidence-based justification demonstrates that multiple lots provide better value for the company.

2.2.2 Tailored specifications

Regulation 38 of the PPDA (Rules and Methods of procurement) Regulations, 2023 prohibits an entity from issuing specifications with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item, except where a standardized policy is adopted by a competent authority.

I noted that whereas the user department did not categorically make reference to the desired brand name or trademark, the specifications for the procurement of Supply of Enterprise Hardware (UEDCL/Supplies/2024-2025/10035) with a value of UGX.2,449,138,616 were tailored to a certain supplier and brand, which contravenes the above requirement.

Furthermore, there were several requests for clarification from various bidders, an indication of inadequacies while developing the specifications of the requirements, contrary to Regulation 42(a) that requires an entity preparing a bidding document to ascertain that the statement of requirements defines precisely the requirements and in a manner that leaves no doubt or assumption by the bidder.

Tailoring specifications to particular brands disadvantages potential bidders, thereby undermining the principles of effective competition and fairness, while Inadequacies in the specification of requirements could result in unsuitable deliveries.

Management explained that for this specific procurement, there was a pre-bid meeting to iron out any requests for clarification and the requests from bidders were subsequently clarified.

Recommendation

I advised the Accounting Officer to ensure that specifications are based on functional and performance requirements rather than brand names to enable effective and fair competition. user departments should engage technical experts for each procurement, subject to draft detailed specifications of requirements, and have them validated or reviewed prior to the initiation of procurements.

2.2.3 Use of Inappropriate Procurement Methods

Regulation 6 (3) of the PPDA (Rules and Methods for procurement) Regulations, 2023, requires an entity to determine the choice of procurement method based on; the estimated value of the procurement, the circumstances relating to the procurement requirements, and the type of procurement (supplies, works or services). Contrary to the above, I noted the following;

- i) One (01) procurement worth UGX.230,536,600 was conducted using the RFQ method even when the estimated value exceeded the threshold for RFQ method prescribed by PPDA's Guideline 1 of 2024 on thresholds for procurement methods.
- ii) Despite exceeding the threshold for open bidding, one (01) procurement with an estimated value of UGX.559,320,000 were conducted using the restricted bidding method without justification that the supplies, works or services were only available from a limited number of bidders.
- iii) One (01) procurement worth UGX.472,000,000 was conducted using the direct procurement method with no sufficient justification for conditions specified in Regulation 25. There was no evidence of an emergency, or that the requirements were only available from one provider, continuity, or additional requirements. Refer to **Appendix 7** for details.

Use of inappropriate methods not only undermines the principles on which procurement laws, regulations, and guidelines are based, but also leads to the acquisition of supplies, works, and services at uncompetitive prices.

Management explained that the accreditation has been sought and improvements on this area registered with clear tracking and segregation of tax and thresholds.

Recommendation

I advised the Accounting Officer to enhance controls and ensure that the choice of procurement methods and contracts committee approvals for the same are guided by the PPDA regulations and guidelines.

2.2.4 Inadequate Shortlists

Regulation 53 (1-2) of the PPDA (Rules and methods for procurement of supplies, works and non-consultancy services) regulations, 2023 provides a shortlist to have at least six (6) bidders unless it is not practical.

Ten (10) procurements worth UGX.1,417,794,286 conducted using the Request for Quotation and restricted bidding methods had shortlists below the minimum of six (6) bidders despite having sufficient numbers of potential bidders on the pre-qualified lists of suppliers. Refer to **Appendix 8** for details.

Inadequate shortlists defeat the motive of enhancing competition to achieve value for money.

Management explained that some of the procurements have limited supply base and are restrictive. Cable manufacturers are only 4 in the country, and the reservation scheme limits such numbers. However, we are committed to minimum of 6 and go up to 8-10 bidders under restrictive bidding where these are available.

Recommendation

I advised the Accounting Officer to always ensure that shortlists have an adequate number of bidders in order to obtain at sufficient quotations so as to enable effective competition.

2.2.5 Shortlists of non-prequalified suppliers

Regulation 53 (3) of the PPDA (Rules and Methods) Regulations, 2023 requires that an entity develops a shortlist for procurement requirements using the entity's list of providers prequalified for groups of procurements which are similar, or PPDA's register of providers, another entity's pre-qualified list, or market knowledge. A bidder shall not be included unless they are expected to fully satisfy the qualification requirements of competence, capacity, resources, and experience required for the execution of the procurement.

For Ten (10) procurements worth 961,407,020, despite having a prequalified list of providers for various supplies, services, and works, the entity shortlisted bidders that were not on the prequalified list without justification. This resulted into obtaining bids that were not technically compliant which affected competition. **Appendix 9** details.

Although management explained the regulation allows a shortlist to be developed from the register of providers of the authority, the list of pre-qualified providers of another PDE and market knowledge, the failure to shortlist prequalified providers undermines the purpose for which the prequalification process was intended, including limited evaluation procedures and transparency.

Recommendation

I advised the Accounting Officer to ensure that the shortlist is developed using the providers on the prequalification list. Justification for any deviation should be included in the submission to the contracts committee for approval.

2.2.6 Low bidder participation

In accordance with Section 46 of the PPDA Act, Cap.205, all public procurements should be conducted in a manner that maximizes competition and achieves value for money.

I analyzed the bidders' participation by comparing the number of the shortlisted bidders with the corresponding numbers of participants and noted that there was a low bidder turnout for Seven (07) procurements worth UGX. 817,003,110 as detailed in **Appendix 10**

The low bidder participation can be attributed to unacknowledged bid invitations, unclear instructions to bidders, and insufficient shortlists that affect bidders' ability to respond and comply.

Low bidder turnout limits effective competition and defeats the motive of enhancing competition to achieve value for money.

Management explained that the bids are sent using emails, the company maintains records demonstrating that the request was dispatched to the contact information provided by the bidder when they acquired the bid documents. Some bids are returned late and rejected, while some are not returned. However, management plans to conduct a new pre-qualification exercise to expand our providers list and classification that suits our Business Growth.

Recommendation

I advised the Accounting Officer to investigate and address the causes of low bidder turn up to maximize competition in accordance with the basic principles of procurement.

2.3 Evaluation

2.3.1 Irregularities in the evaluation processes

Regulation 5 of the PPDA (Evaluation) Regulations, 2023 requires the evaluation of bids to be conducted in accordance with the evaluation criteria specified in the bidding documents. The regulations further give guidance on the evaluation rules and procedures to be followed and prohibits the Evaluation Committee from making any amendments, including any addition to the evaluation criteria stated in the bidding document, or the use of any other criteria other than the criteria specified in the bidding document.

Contrary to the regulations, seven (7) procurements worth UGX.1,390,601,183 had evaluation irregularities as summarized below and detailed in **Appendix 11**.

- i) For three (3) procurements, the evaluation committee irregularly obtained alternative quotations with reduced quantities due to budget constraints, without going through the proper negotiation processes.
- ii) Under two (2) procurements, the evaluation was revised based on information submitted after the bid opening process, without prior submission of the original findings and recommendations to contract committee for consideration.
- iii) There was one (1) instance in which the evaluation committee assessed a bid that was neither on the shortlist approved by the Contracts Committee nor included in the record of bids issued.
- iv) There was also one (1) instance where the evaluation committee recommended award of a business related consultancy to a legal firm, without conducting due diligence on the prior experience of the bidder in related services.

The identified irregularities undermine the integrity, fairness, and transparency of the evaluation process and can lead to the award of contracts to unqualified bidders, resulting in contract implementation delays, poor service delivery, and potential financial losses to Government.

Management explained that the PPDA has engaged and trained staff that participate in evaluations and this shall continue to happen. A checklist for quality assurance was developed. This is supposed to be attached to the file before submission to the contracts committee.

Recommendation

I advised the Accounting Officer to ensure that evaluation committee members are adequately trained, and appointed based on expertise and experience. Management should establish an internal quality assurance and oversight system for all evaluation reports before contract award to detect and prevent such irregularities.

2.4 Contract Placement, Award and Management

2.4.1 Notice of Best Evaluated Bidder (BEB)

Regulation 3(4) of PPDA (Contracts) Regulations, 2023 requires an entity shall deliver a copy of the notice of best evaluated bidder to all bidders who participated in the bidding process in any of the following ways— (i) by electronic mail; (ii) by post or courier; or (iii) in person.

For three (3) procurements amounting to UGX.1,189,091,428 as detailed in **Appendix 12** there was no evidence that Best Evaluated Bidder (BEB) notices were issued to all participating bidders prior to contract award, as required by the Regulations.

Failure to issue BEB notices denies bidders the mandatory standstill period for administrative review and undermines transparency, fairness, and accountability in the procurement process. The absence of BEB notice issuance exposes the Entity to risks of procurement disputes and possible administrative reviews, which may invalidate procurement decisions, which affects service delivery timelines.

Management acknowledged the audit observation and committed to implement the recommendation to ensure that evidence of all dispatched communication is available on file.

Recommendation

I advised the Accounting Officer to ensure that BEB notices are issued to all bidders for every procurement and that evidence of dispatch, such as email logs, or delivery acknowledgments, is properly maintained on file to demonstrate compliance.

2.4.2 Unauthorized contract variations

Regulation 54 (6b) of the PPDA (contracts) regulations, 2023, states that a contract amendment shall not be issued to a provider without obtaining the approval of the Contracts Committee;

I noted that two (02) contracts (detailed in **Appendix 13**) worth UGX.807,182,539 were varied without obtaining the approval of the contracts committee as required by the above regulation.

Unapproved contract variations expose the entity to a risk of financial loss due to inflated prices at the time variation.

Management acknowledged the observation and committed to undertake additional trainings of the Contract managers. Additionally, the Contracts Management officer shall follow up all contracts and provide administrative support to the contract managers.

Recommendation

I advised the Accounting Officer to ensure that all contract variations are sufficiently justified and approved, in accordance with the regulations.

2.4.3 Contract management deficiencies

Regulation 50 of the PPDA (Contracts) regulations, 2023 requires the Accounting Officer to appoint a person with appropriate skills and experience from the User Department to be the contract manager. The regulation further gives guidance on the contract management records that should be maintained for proper contract management, including contract management plans and reports.

Review of contract management revealed the following deficiencies;

- i) Whereas the user department heads nominated persons to be appointed as contract managers in compliance with Regulation 51, It was noted that for all the ten (10) sampled contracts worth UGX.1,003,126,340 awarded during the year, there were no formal appointments of contract managers by the Accounting Officer. Details in **Appendix 14**.
- ii) For eighteen (18) contracts worth UGX.7,013,577,506, there were no contract management details such as contract management plans and reports, site minutes, monitoring reports, payment vouchers, progress and completion certificates, and other contract management correspondences. Refer to **Appendix 15** for details.
- iii) UEDCL did not maintain a contract register to track the progress of all contracts awarded and implemented during the year.

Failure to adhere to established controls in contract management may hamper the achievement of the contract objectives, lead to poor quality of goods, works, and services, thereby constraining service delivery. In addition, it may be difficult to comprehensively track contracts, their progress status, payment status, and thus delays and non-performance may not easily or promptly be detected and addressed.

Management acknowledged the observation and explained that a contracts management officer has been recruited to follow up on contracts management and work with the respective Contract managers. Appointment letters will be signed by the Accounting officer and filed in as required by the regulations.

Recommendation

I advised the Accounting Officer to ensure that all parties involved in contract management perform their respective roles in accordance with the regulations, to facilitate the timely and successful completion of contracts.

2.4.4 Procurement and Contract implementation delays

Regulation 52(1b) of the PPDA (Contracts), Regulations 2023 requires the contract manager to make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract. In addition, Section 51 of the PPDA Act Cap. 205, all procurement and disposal shall be conducted in a manner that promotes, economy, efficiency and value for money.

I noted that ten (10) contracts worth UGX.96,103,963,961 and USD.779,124.54 experienced significant delays at various stages of the procurement cycle as detailed in **Appendix 16**. For some, the contractors failed to complete the contracts/deliver performance obligations within the timelines stipulated in the contracts without evidence of contract extensions of valid justifications.

Contract implementation delays affects the delivery of the services for with the contracts are intended.

Management acknowledged the observation and committed to ensure that contract management and monitoring is improved, with an additional resource to coordinate performance evaluations and follow up.

Recommendation

I advised the Accounting Officer to strengthen the contract monitoring systems to ensure that delays are detected and addressed accordingly.

2.5 General Procurement Observations

2.1 Failure to Take Action on Non-Attending Contracts Committee Members

Regulation 5 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 states that the Accounting Officer may terminate the appointment of a member of the Contracts Committee for failure to attend three consecutive scheduled meetings without reasonable grounds.

A review of the Contracts Committee attendance records revealed that One (1) member did not attend any of the contracts committee meetings held during the year, without documented justification for the failure to attend. Despite this persistent non-compliance, there was no evidence that the Accounting Officer initiated termination procedures as required by the PPDA Regulations.

Failure to enforce attendance requirements undermines the effectiveness of the Contracts Committee, delays decision-making processes, and reflects weak oversight in enforcing governance.

Management acknowledged the audit observation and stated that they had written to PS/ST for a replacement of the officer.

Recommendation

I advised the Accounting Officer to enforce the provisions of the PPDA Regulations by initiating appropriate action against any member who fails to attend three consecutive scheduled meetings without reasonable grounds.

2.1.1 Failure to capture and submit beneficial ownership information of companies awarded public contracts

Under circular no. 1 of 2021; Submission of beneficial ownership information for firms, which are awarded government contracts, PPDA, instructed all government entities to comply with the requirements to collect beneficial ownership of companies that they were awarding public contracts. The purpose of this was to help government to understand and know the persons they were dealing with to fight corruption, fraud, tax evasion and achieve greater transparency.

Contrary to the above, I noted that the beneficial ownership of companies that participated and were awarded contracts was not provided during bidding, and neither was it requested for at contract award. I further noted that the PPDA monthly reports only capture the physical address of the BEB under beneficial ownership which audit deemed inadequate.

The failure to submit beneficial ownership information at bidding or contract award undermines Government's efforts to enhance transparency and fight corruption.

Management explained that this is usually requested for from the successful bidders that are awarded and is also included in all internal Board paper approvals. Management takes note of this finding and shall include this form in the Standard Bidding Documents going forward.

Recommendation

I advised the Accounting Officer to adhere to the circular and collect beneficial ownership details in line with the principles of transparency in public procurements.

2.1.2 Irregularities in the procurement for insurance brokerage services

Section 40 of the PPDA Act, Cap. 205 permits an entity to engage third party procurement and disposal services where it is deemed that there is lack of technical capacity, and subject to guidelines and prior approval of the Authority. Additionally, I advised the Accounting Officer to confirm availability of funds to pay in full for the services and that these should be obtained from firms pre-qualified by the Authority following the procedure laid down by the Authority's guidelines.

During the year, the company conducted a procurement for insurance brokerage services under procurement reference number UEDCL/SRVCS/2024-2025/10216. Review of the procurement file revealed the following irregularities;

However, review of the procurement process indicated the following inadequacies;

- i. The insurance brokers were procured to assist the company in procuring insurance services for assets and staff welfare, however, there was no approval obtained from the Authority to engage the broker as a third party in the procurement process as required by the act.

- ii. The terms of reference (TORs) indicate that the broker will be paid by the insurance firms ultimately contracted. While this arrangement aligns with the insurance regulatory provisions governing brokerage commissions, it does not fully align with the fundamental principles of public procurement, particularly relating to transparency, accountability and value for money. By removing UEDCL from the payment structure, there is a risk that the broker's incentives may be influenced more by the insurance provider than by the interests of UEDCL as a client, for example, recommending a provider who pays the highest commission rather than complying with PPDA's guidelines on soliciting and evaluation. The lack of consideration may also hamper effective contract management.
- iii. The evaluation committee deviated from the methodology stated in the bid document of Quality and Cost Based Selection (QCBS) and instead applied a Technical compliance method. In addition, the Evaluation committee did not sign code of ethics declaration forms as required by the regulations.
- iv. Paragraph 12.1 (page 34 of the SBD) required that the bid achieving the highest score shall be the BEB, the addendum indicated that the awards will be lotted in 1-Network assets, 2-Non-network assets & 3-Staff welfare without giving detailed instructions of how the bidders should bid, whether or not they can bid or be awarded all or one of the lots. 3 bidders obtained the min score of 80% for all lots and were all given, contrary to the evaluation methodology. The evaluation committee did not justify the criteria used to select which bidder gets which lot, which appears irregular.
- v. The draft contracts were cleared by Solicitor General on 12th June 2025 subject to changes, however there are no signed contracts and other contract management details on file.

The above inadequacies raise a possible conflict of interest by the broker while recommending companies for award and thus leading to potentially awarding contracts to highly priced insurance service providers. In addition, deviation from the stated evaluation criteria contravenes the PPDA Regulations, compromises fairness, and may disadvantage bidders.

Management took note of the recommendation and shall ensure that consistency in evaluations and Standard Bid Document is maintained, and contracts are signed on time.

Recommendation

I advised the Accounting Officer to review the contract arrangement for insurance brokerage services to ensure that it fully supports the basic principles and objectives of public procurement, and safeguards the company's interests. UEDCL should consider procuring insurance services directly rather than through a broker by co-opting an insurance specialist on the evaluation committees.

2.2 Disposals

2.2.1 Failure to plan for disposals of public assets

Regulation 2 of the PPDA (Disposal of public assets) Regulations, 2023 requires the Accounting Officer to cause a review of public assets each financial year, in order to identify and plan for assets due for disposal. The entity may use the Board of survey or user department for the identification.

I noted that despite existence of assets due for disposal, the Accounting Officer did not appoint a board of survey to verify the assets to be boarded off during the year. The procurement and disposal plan did not include items for disposals and as such, no disposals were conducted.

The failure to plan for disposals may result in; accumulation of obsolete and unserviceable assets leading to inefficient use of storage space and potential safety hazards, loss of potential revenue from timely disposals, as well as increased risk of asset management, unauthorized use or misappropriation.

Management took note of the recommendation, and these shall be aggregated from the user departments for assessment prior to disposal.

Recommendation

I advised the Accounting Officer to institute an annual asset review process by formally appointing a Board of Survey to identify assets due for disposal, and to ensure that all identified disposals are duly incorporated into the annual procurement and disposal plan.

Conclusion

The evidence obtained is sufficient and appropriate to provide a basis for my conclusion. Based on the work performed and described in this report, except for the findings stated above, nothing has come to my attention that causes me to believe that the Procurement and Contract Management in the Company is not in compliance, in all material respects, with the relevant criteria.



Edward Akol

AUDITOR GENERAL

KAMPALA

19th December, 2025

SECTION 3: REPORT ON PERFORMANCE EVALUATION

In accordance with Schedule 2 of the Public Finance Management Act Cap. 171 on the presentation of financial statements, and Section 18 of the NAA, Cap 170, I undertook an evaluation of the Uganda Electricity Distribution Company performance in comparison with planned activities and outputs for the year as well as its mandate. This section presents the findings from the evaluation of the performance;

3.1 Budget Performance

3.1.1 Planning and Budgeting

Strategic plan funding estimates form a basis for allocation of funds by the Electricity Regulatory Authority and the board to the entity. Accordingly, the strategic plan's annual funding forecasts are meant to inform the annual budget estimates for the entity.

An entity's Strategic Plan forms a basis for the preparation and implementation of the annual work plans to deliver on the entity's strategic and overall NDP objectives. The strategic plan also underpins the entity's mandate, upon which the strategic plan is developed.

Entities contribute towards the NDP III through the implementation of their respective strategic plans. With the NDP III being in its final year of implementation, I assessed the overall performance of the strategic plan to establish the extent to which UEDCL achieved its strategic objectives and observed the following;

3.1.1.1 Funding and implementation of the strategic plan

Comparative analysis of Strategic Plan Cost Estimate and the Strategic Plan actual funding over the implementation period indicated funding with 12% in excess of the funding requirements to implement activities to deliver on the strategic plan objectives. Details are shown in the table below;

Table 3: Inconsistencies between the annual work plan and the forecasted strategic Plan funding requirement for FY 2024/2025

Classification	Strategic Plan Cost Estimate for the period (20/21-24/25) "UGX Mn"	Actual funding (20/21-24/25) "UGX Mn"	Variance	% Variance
Staff Costs	118,683	129,323	10,640	9%
Other Related Costs	37,938	20,781	(17,157)	-45%
Transport Costs	14,956	21,788	6,832	46%
Repair & Maintenance	30,956	58,260	27,304	88%
UMEME Monitoring Costs	798	553	(245)	-31%
Administrative Costs	43,561	46,055	2,494	6%
Sub Total	246,892	276,760	29,868	12%
Capital Investment	525,091	Not provided	N/A	

Source: analysis of strategic plan and annual work plan funding.

The above indicated that the company's planned activities were sufficiently funded, however, I was unable to assess the extent of implementation of the strategic objectives due to management's failure to avail critical information including; total budget figures, actual amounts spent, targets, actual funding for capital investments, realized performance and reasons for performance under each objective to enable assessment.

There is a risk that excess funds are not utilized in accordance budgetary plans and approvals.

Although management explained that the information was available for review, it was not submitted for audit verification.

Recommendation

I advised the Accounting Officer to submit the relevant information to enable assessment of the company's strategic performance in the subsequent audits.

3.1.1.2 Readiness to implement National Development Plan IV

Section 12(6) of the PFMA, Cap 171 requires that the entity's budget is consistent with the National Development Plan, the Charter of Fiscal Responsibility, and the Budget Framework Paper (BFP).

The annual budget shall be aligned with the entity's Strategic Plan, which shall also be aligned with the National Development Plan.

I noted that the entity had not finalized a new draft strategic plan aligned to the NDP IV by its commencement date of 1st July, 2025, resulting in delayed alignment with national priorities. Additionally, there was no evidence that the entity assessed or documented preliminary lessons learnt from the implementation of the outgoing strategic plan.

Failure to assess lessons learnt from the previous strategic period limits institutional learning and risks repetition of past weaknesses, which compromises the entity's ability to effectively implement NDP IV interventions.

Management explained that the company attended cluster meetings for the sustainable energy development program overseen by both the Permanent Secretary and the Minister of Energy and Mineral Development to align the strategic plan to the National Development Plan IV issued by the National Planning Authority. A draft strategic plan aligned to the format prescribed by the National Planning Authority was prepared and is undergoing internal reviews prior to submission for certification.

Recommendation

I advised the Accounting Officer to finalise and align the new strategic Plan to the NDP IV. The previous strategic plan should be assessed, lessons learned, and actions required for improvement properly documented.

3.1.2 Budget Implementation

3.1.2.1 Revenue Performance

According to the approved revenue estimates for the year 2024/2025, the company budgeted to collect UGX.664Bn out of which UGX.651Bn was realized representing a 98% performance as detailed below;

Table 4: Revenue Performance

Source	Budget (UGX)	Revenue Earned (UGX)	Variance UGX	%
Lease Rental Revenue/ Administration fees	7,552,349,188	6,822,304,856	(730,044,332)	(10%)
Rental Income - UEDCL Towers	1,738,250,002	1,460,721,718	(277,528,284)	(16%)
Grid Energy Sales	639,600,516,763	631,421,843,760	(56,398,475,260)	(9%)
Inspection Fees – Revenue	1,113,435,258	2,067,997,032	954,561,774	86%
Wiring Certificate Fees	46,664,154	34,537,383	(12,126,771)	(26%)
Sales of Poles - Others/Umeme	14,105,163,996	6,358,896,347	(7,746,267,649)	(55%)
Sundry Income	297,000,000	1,072,536,225	764,220,096	257%
Non Refundable Tender Fee	12,799,998	95,712,516	82,912,518	648%
Interest Received	100,624,382	1,804,139,889	1,703,515,507	1,693%
Total	664,566,803,741	651,138,689,726		

Source: UEDCL Budgets

The failure to realize budgeted revenue affects the overall objective of revenue budgeted to support the company's budgets.

Management attributed the 2% shortfall to a drop in the sale of poles resulting from low pole purchases by M/s UMEME Ltd during the period (July2025 to March2025).

Recommendation

I advised the Accounting Officer to strengthen revenue mobilization and collection processes to ensure all budgeted revenue targets are met.

3.1.2.2 Budget Overruns

I reviewed the detailed approved budget and actual expenditure and noted that several expenditure lines exceeded their allocated budgets by overruns amounting to UGX.22.2Bn.

The major contributors to budget overruns were; Pension schemes, medical expenses, transformers and meter replacement, Tax and other consultancy costs, ERA Licensing Fees and Software Support Costs. **Appendix 17** refers.

Overruns are indications of weaknesses in budget monitoring processes and pose a potential threat of diversion of funds from planned activities.

Management explained that the regulatory approval was insufficient for the year under review. UEDCL has written to the regulator for additional funding because failure to fund these activities has a direct impact on quality of service.

Recommendation

I advised the Accounting Officer to refrain from exceeding the approved budget limits. Further, approval should be sought from the board or regulator prior to excess expenditure.

3.1.3 Performance Reporting

3.1.3.1 Evaluation of appropriateness of performance targets and indicators

A performance indicator is a measurable value that demonstrates how effectively an organisation is achieving its key outputs. In order to correctly measure performance, the performance indicators should be appropriate in respect to the activities for which performance is being assessed/measured.

I reviewed the performance indicators in the approved work plan and observed that the indicators used to measure performance for some activities would not provide the most appropriate measure of performance. In some cases, the indicators were generic and not specific to the activity while in other cases, management did not provide indicators. Refer to **Appendix 18** for details.

Using in-appropriate performance indicators to measure performance negates the purpose of performance measurement, impairs accountability for funds appropriated, and is likely to mislead the users of the Company performance information.

Management explained that in order to track the execution of the strategic plan, management adopted a 3-tier performance management system, i.e. at corporate, department and individual level. Further, in designing the corporate key performance indicators, management adopted the balanced scorecard method by taking into account factors specific to the industry and Uganda.

Recommendation

I advised the Accounting Officer to always ensure that the performance indicators used to measure performance are appropriate and facilitate accurate assessment of performance.

3.1.3.2 Failure to indicate activities for planned outputs

A work plan should clearly link planned outputs to corresponding activities, performance indicators, performance targets and timelines to ensure proper implementation, monitoring and accountability.

I reviewed the approved work plan and noted that out of one hundred seventeen (117) planned outputs, management did not provide activities for eighty-six (86) in the period under review. **Appendix 19** refers.

Failure to indicate specific activities for planned outputs in a work plan may lead to poor implementation and monitoring of outputs leading to inefficient resource utilization and delays in achieving set targets.

Management acknowledged the audit observation and committed to implement the recommendation.

Recommendation

I advised the Accounting Officer to ensure that all planned outputs are supported by clearly defined activities to enable comprehensive performance reporting and evaluation.

3.1.3.3 Lack of costed departmental work plans supporting the annual budget

Section 18(i)(3) of the UEDCL financial policies and procedures manual states that the department heads, principals and seniors shall prepare write ups of activities and costs for the revenue and capital items in their departments.

I noted that annual work plans were prepared separately from the budget estimates, and as a result the budget and activity performance are monitored separately.

Failure to link activity planning and budgeting may lead to expenditure on activities that are not key to the company's mandate and Corporate Business Plan, which may result in creation of unfunded priorities and affecting budget performance analysis.

Management acknowledged the observation and stated that the work plan for the subsequent financial year 2025/2026 has been costed.

Recommendation

I advised the Accounting Officer to ensure that activities in the annual work plan are appropriately costed to ensure appropriate budgeting and improve budget monitoring and assessment.

3.1.3.4 Inadequate performance reporting

I reviewed the company's performance reports to assess their adequacy. Based on my review procedures, I observed the following;

- i) 117 outputs were planned for implementation during the year out of which ten (10) did not have performance measurement indicators. In such cases, management reported the activity performance in generic ways.
- ii) Five (5) activities did not have quantified performance measurement indicators. In such cases, there was no basis for measuring the reported performance.
- iii) Performance for fifty-three (53) outputs was not reported in the performance reports.

- iv) The performance reports did not indicate performance targets for six (6) outputs.
- v) The performance report does not attribute costs to the implemented activities reported by management. In the circumstances, I was unable to assess the extent to which management efficiently utilized the available resources to achieve the intended outcomes. **Appendix 20** refers.

The above shortcomings indicate weaknesses in the system of performance monitoring, evaluation and reporting. In addition, these significantly affect accountability since the performance in this form cannot be compared with the approved annual plans and targets.

In my previous audit, management indicated that a performance monitoring tool had been enhanced to enable allocation of performance measurement indicators, basis of scores and attribution of costs to the implemented activities. However, my review indicated no evidence of implementation of the enhanced tool.

Management explained that the company launched the human resource information system with a module on performance management where all staff are required to conclude performance agreement and appraisals every 6 months with their supervisors. Further, at corporate level, the company launched quarterly performance management reviews under the strategy office and the reports are discussed at SMT level and staff level during periodic engagements with the field teams.

Recommendation

I advised the Accounting Officer to ensure that systems of performance monitoring, evaluation and reporting are enhanced to improve the quality of the information provided in the company's performance report.

3.1.3.5 Extent of implementation of planned outputs

I reviewed sixty-four (64) outputs for which clear performance indicators and actual performance were available and noted that the following;

- i. 38 (59.3%) outputs were fully implemented.
- ii. 20 (31.3%) outputs were Partially implemented.
- iii. 6 (9.4%) outputs were not implemented at all.

The unimplemented activities include; approval of the Human resource manual and training policy, updating staff contracts 30 days before expiry and preparation of quarterly update reports by the procurement department among others. Refer to **Appendix 20** for details.

Failure to implement planned activities hampers achievement of company objectives and the intended service delivery.

Management acknowledged the audit observation and committed to implement the recommendation.

Recommendation

I advised the Accounting Officer to always ensure that funded activities are fully implemented, and roll over pending activities to the next accounting period.

3.2 Performance On Quality of Service

In accordance with section 11 (i) of the Electricity Act, CAP 157, ERA is required to protect the interests of consumers in respect to the quality and reliability of the electricity supply services.

I assessed the company's performance on key quality-of-service standards (QOSS) against the set targets by ERA and observed the following;

3.2.1 Average Duration of Interruptions in Service on the Distribution Network

The Grid Code requires a licensee under regulation 15.4.3, to exert their best efforts in minimizing supply interruptions resulting from planned maintenance or augmentation, with a commitment to restoring supply promptly.

The SAIDI standard measures the average power outage duration in a year, for each customer served by UEDCL. ERA set the SAIDI standard at 88.6 hours for the distribution network for 2025 (April-December) and when prorated to the post retransfer period under review (April-June) the target was 28.87.

However, UEDCL scored an average of 31.78 hours of power outage per customer during the period between April to June 2025.

Table 5: SAIDI (post asset retransfer)

Details	2025 April-June Target	2025 April-June Actual
SAIDI (Hours)	28.87	31.78

Source: UEDCL Quality of Service Reports

Power outages are due to emergency shutdowns, faults, network constraints, transient faults and planned shutdowns among others. A full year analysis of these causes was conducted and summarized in the table below;

Table 6: Causes of Power Outages

Cause	Frequency	Percentage
Emergency Shutdown	3,386	8.31%
Fault	28,969	71.08%
Network Constraint Shutdown	519	1.27%
Planned Shutdown	584	1.43%
Transient fault	713	1.75%
Transient Faults	6,473	15.88%
Unplanned shutdown	112	0.27%
Unplanned Works	2	0.00%
Grand Total	40,758	100.00%

Source: UEDCL Network Technical Reports

This implies that a UEDCL customer experienced power outages for a total period of 31.78 hours (1.3 days) on average during the year of audit, 3 hours above the required minimum standard.

Management explained that power reliability has been a persistent challenge both before and after the asset retransfer, driven by the poor state of the electricity distribution system, including aged assets, obsolete components, and critical network strain from overloaded lines and substations. The situation worsened in the years preceding the retransfer, as private operators reduced investment and maintenance of the distribution assets in anticipation of Government policy changes. Reports from the Authority in March 2021 highlighted under-deployment of approved Distribution Operations & Maintenance Costs (DOMC) by UMEME, which hindered proper network upkeep. The problem intensified in 2022 when the Government officially declared the non-renewal of UMEME's concession, freezing investments and further starving the system of essential maintenance.

Management further noted that another key factor affecting reliability is the increasing constraints on the national transmission infrastructure, as the quality and stability of power at UEDCL's take-off points directly impacts the distribution network. In response, UEDCL has now completed a comprehensive assessment of the retransferred system, identified the full extent of deficiencies, and developed a five-year investment plan aimed at restoring network integrity, improving power quality, and stabilizing service delivery for consumers.

Recommendation

I advised the Accounting Officer to engage the regulator on devising strategies and solutions to reduce transient faults and improving response to network constraints and shutdowns. Furthermore, the Accounting Officer should engage with relevant stakeholders concerning timely implementation of the five-year investment plan.

3.2.2 Period taken to replace a faulty meter

The standard measures the period it takes the utility to replace a faulty meter but excludes such meters whose defects are due to customer tampering. The ERA standard requires that all customers' meters withdrawn due to defect are returned and power is restored within 5 working days.

Thirty-two percent (32%) of the meters withdrawn due to defect were returned to the clients after 5 working days contrary to the standard as shown below;

Table 7: Performance on reconnection after faulty meter

QOSS	Description of Standard	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Financial Year Average Performance within standard	Performance outside the standard
13	Standard Period to replace faulty meter	52%	63%	Nil	88%	68%	32%

Source: UEDCL Quality of Service Reports

The improved performance in quarter 2 of 2025 is attributed to the integration of service territories previously operated by UMEME. The service territories under the pre-asset-transition period remain significantly below standard performance. The poor performance was attributed to the logistical challenges related to transport and human resource to handle competing activities. This created time delays in attending to and replacement of faulty meters.

Delayed meter replacements could prolong disconnection periods that are not customer prompted. This could result into commercial loss and power theft.

The most affected customers are those in the areas of; Mityana, Kiganda, Kapeka, Biiso, Hoima, Mubende, Kiboga, Mukono, Natete, Nakulabye, Najjanakumbi, Kayunga, Kasese, Kampala Metro and Naalya.

Management explained that the delay in replacing meters was caused by the high failure rate coupled together with manpower challenges. Over 13% (315,000) of the meters on the network have either reached or exceeded their useful life of 10 years hence the high failure rate (see table below). An additional 7% (181,000) are approaching the end of their useful life and are therefore prone to failure.

Table 8: Age of Customer Meters

AGE	0 – 2Yrs	3 - 5Yrs	6 - 8Yrs	9Yrs	10Yrs	>10Yrs	TOTAL
No. of Meters	829,022	546,242	665,890	181,483	173,143	141,932	2,537,712
%age of total	33%	22%	26%	7%	7%	6%	100%

As a solution, the company has so far contracted 952 individuals using an output-based payment model. These were deployed across the country to expedite the replacement of meters. As a result, 39,996 meters have been replaced since April 2025 against a backlog of 79,596 faulty meters.

Table 9: Meter replacements post asset retransfer

Tariff	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
Single Phase	778	1,854	2,872	6,603	11,955	5,867	2,824	5,247	38,000
Three phase	66	190	361	347	449	275	145	163	1,996
Total	844	2,044	3,233	6,950	12,404	6,142	2,969	5,410	39,996

Source: analysis of meter replacement data

The period taken to replace meters is therefore expected to reduce after the backlog has been cleared.

The logistical issues remain a challenge due to manufacturing delays. However, delivery for 89,000 single phase and 20,852 three phase meters is scheduled to begin in December 2025.

Recommendation

I advised the Accounting Officer to improve the logistical chain in handling faulty meters in order to reduce the lead-time on their replacement.

3.2.3 **Period Taken to Process Applications and Connect New Customers**

a. **Period taken to Process Customer Applications**

This standard measures the time taken in days for UEDCL to process the customers' application from the time the company acknowledges receipt of inspection fees from the client, to the time of issue of a new connection invoice to the client. The ERA standard requires that this process should last a maximum of ten (10) working days.

I noted that UEDCL's compliance with this standard was at 99%. This implies that almost all customer applications who had paid inspection fees were processed within the required minimum standard period.

Table 10: Performance on the time taken to process a connection application

QOSS	Description of Standard	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Financial Year Average Performance within Standard	Performance outside the standard
5	Period between receipt of inspection fees to Issuance of connection invoice	100%	100%	100%	98%	99%	1%

Source: UEDCL Quality of Service Reports

b. **Period taken to connect customers**

The standards measure the time taken in days to connect a single-phase, three-phase light and heavy customers from the time of receipt of payment for the new connection to the time the client is connected to supply. Single-phase customers are further broken down into those who do not require any pole for a service connection and those who would require one or more poles.

Although the performance in QOSS 5 was noted to be 99%, I noted inefficiency in the subsequent process after a customer had made payment especially with the customers who did not require any pole to be connected to power. Details are shown in the table below;

Table 11: Performance on the time taken to connect customers

QOSS	Description of Standard	Minimum Standard	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Financial Year Average Performance within Standard	Performance outside the standard
1	Client does not require any pole for a service connection (Single-phase)	Within 10 working days	21%	30%	14%	17%	20%	80%
2	Client requires one or more poles (Single-phase)	Within 15 working days	88%	67%	100%	23%	69%	31%
3	Three-phase Light Customer Connection period	Within 15 working days	90%	68%	85%	29%	68%	32%
4	Three-phase Heavy Customer Connection Period	Within 30 working days	100%	100%	n/a	63%	88%	12%

Source: UEDCL Quality of Service Reports

The performance below standards was attributed to accumulation of a back-log of connections under the ECP. As at the end of 2024, quality of service reports indicate, the Company had 6,514 pending connections in UEDCL pre-asset-transition territories. The slow connection rate during this period was partly attributed to the existing manpower that could not match the flow rate of applications.

Post-transition under performance was attributed to UMEME accumulated back-logs during the period under which ECP had been suspended due to funding challenges. The connection applications were inherited by UEDCL in the final quarter of the financial year.

Delays in connections result into delayed access to power supply by potential clients, which affects service delivery and part of the company's mandate in increasing electricity access.

Management responded that it had mobilized resources by procuring framework contracts for supply of materials, most of which are in advanced stages pending approval by the solicitor general's office. This will help reduce the average waiting days for all connections, for example No-pole connections improved to 52% and Three-phase heavy improved to 81% in Q3 2025.

In addition, the company has hired 945 contract technicians to implement No-pole connections as well as 15 labor and transport companies to implement pole services. Meter deliveries are expected to improve by the end of December 2025.

Recommendation

I advised the Accounting Officer to continue supporting the connections department to enable timely connections to improve electricity access. Furthermore, procurement of connection materials should be fast-tracked to clear connection back-logs.

3.3 Management of Network and Non-Network Assets

3.3.1 Utilization of Capital Expenditure

a. Capital Budget Performance

Capital expenditure is necessary for investment in the distribution network to maintain and as well as improve quality of service. Review of Capital Expenditure (CAPEX) budget performance revealed the following;

- i) The ERA approved capex budget for the 2025 tariff year was USD.74,119,442 which indicated a shortfall of 37% of the required funds by UEDCL (USD.117,546,654). The reasons for the budget cuts were justified in the ERA approval and were mainly due to a lack of sufficient justification, an application of the incorrect rates and thus approvals for such items were deferred or adjusted accordingly.
- ii) Funding for projects worth USD.25,002,287 of the approved USD.74,119,442 was to be obtained from a drawdown on debt, which had not yet been obtained by the end of the financial year. The first half of 2025 under performance could be partly attributed to this financial budget performance as detailed in iii) below.
- iii) Funding of projects worth USD.49,117,156 of the approved USD.74,119,442 was to be funded through the tariff, of which USD.37m had already been recovered prior to April 2025 by UMEME and remitted to UEDCL as transition capex. However, the balance of USD.12Mn was to be recovered through the April 2025 – December 2025 tariff period. By 30th June 2025, an extra USD.7.8m had been collected in this regard which implies that a total of USD.44.8Mn (61%) out of USD.74.1Mn had been recovered from the tariff for capital expenditure by the end of the period.

Table 12: Additional Transition Capex

Account	Period	Description	(UGX Mn)	(USD Mn)
Grants	April	Transition Capex	9,760	2.6
Grants	May	Transition Capex	9,760	2.6
Grants	June	Transition Capex	9,760	2.6
		TOTAL	29,280	7.8

Source: General Ledger

The overall capex budget performance was at **61%** as at 30th June 2025.

b. Implementation of Capital Expenditure

Review of performance of the approved capex funds of USD.74,119,442 revealed the following;

Although USD.44.8m (61%) of the approved capex was obtained, project implementation had not yet commenced as summarized in the table below;

Table 13: Summary of Progress on Planned 2025 Capital Expenditure in UMEME service Territories

S/N	Description of Task Details	2025 ERA approval (USD) (UEDCL Details)	Q3 2025 Available Budget (USD)	Status of Implementation as at 30 th June 2025
1	Substations	9,540,309.67	2,385,077.42	2%
2	New Distribution lines	11,651,213.05	2,912,803.26	1%
3	Transformer Injections	13,736,944.03	3,434,236.01	1%
4	Line Refurbishment & Reliability	23,120,357.93	5,780,089.48	0%
5	Emergency Capex	6,738,131.10	1,684,532.78	5%
6	New Connections (Planned 225,000)	10,464,018.00	2,616,004.50	0%
		75,250,973.78	18,812,743.45	
	Variance from Approved Budget	(1,131,531.78)	(282,882.95)	
	ERA Approved Budget	74,119,442.00	18,529,860.50	

Source: UEDCL Progress report submission to ERA

The delays in capital project implementation were attributed to delays in the procurement process, which significantly affects progress of critical network investments.

Delays in investments consequently result into network faults and associated deficiencies that affect the quality of services particularly regarding the reliability of supply, power access and customer service.

Management explained that UEDCL has engaged PPDA for accreditation to reduce on the procurement process lifecycle plan. The accreditation was awarded and it is helping on long lead time procurements. Furthermore, Contracts had been signed by June 30th 2025 and the delivery for most of them was in the first quarter of the following financial year 2025/26.

Recommendation

I advised the Accounting Officer to fully operationalize and leverage on the acquired PPDA accreditation to eliminate procurement related delays that affect service delivery.

3.4 Management of Land

3.4.1 Properties not in active use

Review of the utilization of the company assets revealed that the company owns thirty-five (35) properties that are currently not in active use as detailed in **Appendix 21**. This could be due to inadequate asset planning, delayed decision making on utilization as well as inadequate monitoring of property usage.

Non-utilization of land deprives the company of the potential economic benefits and exposes the entity to the risk encroachment.

Management explained that the unutilized land is mainly reserved for future expansion of the distribution infrastructure (like substations) as the demand and business grows. As aforementioned, in the short term, management plans to fence off all the unutilized land. A budget was submitted to ERA for approval as part of 2026 Capex program.

Recommendation

I advised the Accounting Officer to develop and implement a clear utilization plan for all assets owned and controlled by UEDCL.

3.4.2 Untitled Land

According to Paragraph 16.13.11 of the Treasury Instructions, 2017, a government entity shall be considered to have control of land if it has the title to the said land. If the entity does not have title to the land, the entity shall not be considered to have control. Paragraph 16.3.1 further requires the Accounting Officer to take full responsibility and ensure that proper control systems exist for the management of noncurrent assets and that preventative mechanism are in place to eliminate theft, losses, wastage and misuse.

UEDCL has seven (7) properties that are not titled which makes it difficult to confirm legal ownership. There was no evidence of ongoing efforts to secure land titles for the identified properties. The details are in the table below;

Table 14: Untitled Land

SN	Property	UEDCL Service Area	Property Use	Comment	Current Status
1.	Wabigalo	Bombo	Wabigalo Substation	Wabigalo Substation	Not Given
2.	Part of Plot 244, Block 253, Kyaggwe, Land at Mbuyaga	Mukono	Mukono-Katosi Single Phase Voltage Regulator	Kisoga Switching Station	Not Given
3.	Muyembe Switching Station	Sironko	Sironko Switching Station	Muyembe Switching Station	Not Given
4.	Rugendabara Switching Station	Kasese	Rugendabara Switching Station	Rugendabara Switching Station	Not Given
5.	Part of LRV2769 Folio 9, Ranch 41A4, Ankole Ranching scheme, Nyabushozi County	Lyantonde	Lyantonde West Switching Station	Lyantonde Switching Station 2	Not Given
6.	Mbale Industrial Park Substation	Mbale	Mbale Industrial Park Switching Substation	Mbale Industrial Substation	Not Given
7.	Nakasamba	Entebbe	Nakasamba Substation	Nakasamba Substation	Not Given

Source: Special audit for the end of the LAA between UMEME and UEDCL

Failure to title land exposes the company to a high risk of encroachment, illegal occupation, boundary disputes or loss of ownership through other registered claims.

Management explained that the process of securing titles to the above properties by UEDCL has been ongoing. However, most untitled land was acquired by UMEME. Since UEDCL was not a party to the contracts of acquisition, it has no locus or legal standing to push the sellers to complete the requisite documentation for title creation. Notably, UEDCL is engaging UMEME on completion of the titles.

Recommendation

I advised the Accounting Officer to prioritize securing land titles for all untitled land owned and controlled by UEDCL.

3.4.3 Encroachment on Land

I noted that some of the company's properties have been encroached on by third parties while others have Company developments encroaching on the neighboring properties as detailed in **Appendix 2223**.

For properties fully encroached upon by third parties, management's ability to assert ownership rights and derive economic benefit from these assets is severely compromised, potentially triggering de-recognition requirements under property accounting standards.

Encroachment on the entity's properties exposes the company to risks including loss of land ownership through adverse possession claims after prolonged, unchallenged occupation, and financial loss arising from potential litigation costs to defend title or evict encroachers, or the need to secure and reclaim the land.

Conversely, where UEDCL developments encroach on neighboring properties, the company faces legal liability, possible demolition orders, compensation claims, and reputational damage.

Management explained that a joint Wayleaves, Projects and Legal department action plan was sanctioned and is being undertaken to conduct an audit of all the land of the company across the nation. The team comprises of the wayleaves manager, who is a licensed surveyor, and his team and they are supposed to; open boundaries, install permanent markers after serving notices to encroachers, if any, submit a joint survey, or in the alternative initiate legal proceedings for the recovery of land. Further, letters of notice were served to encroachers in Kapchorwa, Kasese, Rukungiri, Mbarara, Mbale City and Kumi Municipality as part of routine land management. Notably, the encroachers in Kapchorwa have since been removed from the land.

In addition, legal proceedings for land recovery have been initiated in the courts of law in relation to the Njeru substation and the Iganga Pole yard. Other legal proceedings will progressively be initiated to recover other properties.

Recommendation

I advised the Accounting Officer to engage a licensed surveyor to re-establish property boundaries and install permanent boundary markers. In addition, legal processes to remove encroachers should be initiated.

3.4.4 Failure to maintain a comprehensive land asset register

According to Instruction 16.6.1 of the Treasury Instructions of 2017, in regard to land assets, the Accounting Officer is required to maintain an electronic or manual register for all assets that includes the date of purchase of the asset, the land registration number, the acquisition cost of the asset and the physical location of the asset.

I reviewed the land register and established that whereas management maintains one, it was not complete and reliable due to the following;

- i) Critical information for some of the land assets including; the title description, acquisition information, size, place of title custody, user and current condition (encumbrances) are not recorded.
- ii) Some of the land formerly in use by UMEME was not incorporated in the land register.
- iii) The land lease interests owned by the company do not have status including date of expiry, rent paid and terms and conditions of the leases.

The failure to maintain a comprehensive land register affects planning and optimum utilisation of land resources. It further hinders tracing of assets which is likely to lead to loss and unlawful disposal of the said land assets.

Management explained that the land register shall be expanded to include title description, acquisition information, size, place of title custody, user and current condition where it is missing, if possible. This is also part of the mandate of the joint land audit and recovery team. Furthermore, a procurement will be initiated for the purchase of a Land and Wayleaves Management System that will, among others, have the functionality to track leases. This has been included in the 2026 Non-Network Capex Budget. The system will also have the full up to date land asset register.

Recommendation

I advised the Accounting Officer to expedite the process of acquiring the Land Management system to facilitate maintenance of a comprehensive and proper land register in accordance with the requirements of the Treasury instructions.

3.5 Payroll and Human Resource Management

3.5.1 Review of the Company Structure

I reviewed the organizational structure and noted variances between the number of staff provided for on the established staffing structure and the number of staff on the staff list in the respective positions as detailed below;

- i. Nine (9) staff under four (4) positions were recruited above the establishment contrary to the recruitment policy and procedures as detailed in the table below;

Table 14: Overstaffing

Position	No. on Structure	No. on Staff List	Overstaffing
CAD Technician	3	7	4
Planning Engineer (New Schemes)	3	4	1
Receptionist	1	2	1
Central Truck Drivers	6	9	3
TOTAL			9

Source: analysis of staffing data

- ii. Fourteen (14) staff were appointed to positions that were not in the approved organizational structure as detailed below;

Table 15: Unapproved Positions

Position	No. on Staff List
Data Centre Manager	1
Executive Driver	1
Records Assistant	1
System Control Engineer	8
Executive Driver	2
Ethics & Integrity Officer	1
TOTAL	14

Source: analysis of staffing data

- iii. Out of the approved staff 2489, 2,378 (95%) positions were filled leaving 111 positions unfilled as detailed in **Appendix 24**.

Overstaffing and unapproved positions may lead to operational inefficiencies, where roles overlap or are duplicated, hampering clear accountability as well as unauthorized staff costs, while understaffed positions may result in reduced efficiency, delays in service delivery, and increased workload on the existing staff.

Management explained that the six positions flagged as unapproved are in fact fully approved roles within the structure, with only minor title variations that require alignment. Management further notes that there are no significant staffing gaps or overstaffed roles. While ERA approved UEDCL's overall company structure and capped the 2025 headcount at 2,712, it granted UEDCL the flexibility to recruit appropriate staff as needed, provided this remains within the approved staff costs and headcount.

Recommendation

I advised the Accounting Officer to align the workforce to the approved organizational structure, eliminating duplicate or redundant roles if any.



Edward Akol
AUDITOR GENERAL
KAMPALA

19th December, 2025

SECTION 4: APPENDICES AND FINANCIAL STATEMENTS

APPENDICES

Given the volume of the appendices, these have been shared in electronic form





UEDCL
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**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2025**

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1. COMPANY INFORMATION

DIRECTORS	: Mr. Francis Tumuheirwe– Chairman : Mr. Paul Mwesigwa (Managing Director) : Mr. Kalanguka Kayondho : Mr. Christopher Mugisha : Ms. Lydia Ochieng Obbo (Effective 22/08/2024) : Eng. Cecilia Nakiranda Menya : Ms. Elizabeth Rumanyika Kasenene : Mr. Godfrey Mundua (resigned 27/08/2024) : Dr. Brian Isabirye Eliphaz (Ph.D.)
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COMPANY AND BOARD SECRETARY

: Ms. Esther Mulyagonja
: 6th Floor UEDCL Tower
: Plot 37, Nakasero Road
: P.O. Box 7390,
: Kampala, Uganda

REGISTERED OFFICE

: 6th Floor UEDCL Tower
: Plot 37, Nakasero Road
: P.O. Box 7390,
: Kampala, Uganda

AUDITOR

: Office of the Auditor General
: Apollo Kaggwa Road
: Plot 2C
: P.O. Box 7083,
: Kampala, Uganda

SOLICITORS

: The Attorney General
: Bauman House
: Parliament Avenue
: P.O Box 7183
: Kampala, Uganda

MAIN BANKERS

: Stanbic Bank Uganda Limited

: Plot 45, Kampala Road

: P.O. Box 7131,

: Kampala, Uganda

: Standard Chartered Bank Uganda Limited

: 5 Speke Road,

: P.O. Box 7111,

: Kampala, Uganda

: Absa Bank of Uganda Ltd

: Plot4, Hannington Road,

: P.O. Box 7101,

: Kampala, Uganda

: DFCU Bank Limited

: Plot 2, Jinja Road

: P.O. Box 70,

: Kampala, Uganda

: Citibank Uganda Limited

: Plot No. 4 Ternan Avenue

: P.O. Box 7505,

: Kampala, Uganda

2. STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are required under the Companies Act, Cap 106 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended. Also, under the Public Finance Management Act (PFMA) CAP 171 section 45 (2), it requires establishing effective systems of risk management and internal controls to manage the institution resources.

Thus, the directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

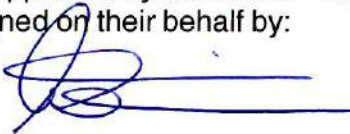
The directors are of the opinion, that, the system of internal control and risk management as implemented by management within the company provides reasonable assurance that the financial records are reliable for the preparation of the financial statements under the International Public Sector Accounting Standards (IPSAS).

The directors have reviewed the company's cash flow forecast for the year as at June 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The Directors report and financial statements as set out below on pages 5 to 54, which have been prepared on the going concern basis, were approved by the Board on this day of; _____ and were signed on their behalf by:


CHAIRMAN


MANAGING DIRECTOR


DIRECTOR

29th December 2025
Kampala, Uganda

3. REPORT OF THE DIRECTORS

UEDCL'S MANDATE

Government formulated UEDCL on 1st April 2001 after unbundling the Uganda Electricity Board with the mandate to own and operate all the distribution electricity lines below 33Kv across the country. It also entered a Public Private Partnership to attract private capital by signing a concession agreement- the lease and Assignment Agreement (LAA) with Umeme Ltd in 2005 for a period of 20 years and this ended on 31st March 2025.

Effective 1st April 2025, UEDCL operations are under-pinned to two licenses (Licenses for Sale and Distribution of electricity) running for an initial period of three years covering the entire country except West-Nile region and Kalangala district.

PRINCIPAL ACTIVITIES

As prescribed under UEDCL's mandate, the principal business activities include Investment into the electricity distribution network, connection of customers, electricity retail distribution, provision of excellent customer service, operation of a pole treatment plant, and provision of other related services in the energy sector,

SUMMARY OF FINANCIAL RESULTS

For the period ending 30th June 2025, the net loss after deducting the total operating costs, depreciation and amortization has been summarized below.

	June 30, 2025 UShs Millions	June 30, 2024 UShs Millions
Surplus before Tax, Depreciation & Amortization	87,479	7,038
Less: Amortization & Depreciation	(56,116)	(17,126)
Surplus before Tax	31,363	(10,088)
Less: Tax (charge)/Credit	(224,686)	(836)
Net Surplus/(Loss)	(193,323)	(10,924)

DIVIDEND

The directors do not recommend payment of a dividend for the Financial Year 2024/2025.

OTHER BUSINESS PARAMETERS:

During the course of running the UEDCL business, the Directors keep track of the key performance parameters in order to monitor and analyze the trends and below is a summary of the major business parameters over the different financial years.

Description	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25
Energy (Unit purchased (MWh)	100,502	124,523	149,078	189,396	1,757,344
Energy (Units sold (MWh)	77,833	93,289	117,527	154,965	1,439,265
Energy losses	23%	25%	21%	18%	18%
No. of Transformers	2,717	3,221	3,817	4,951	26,577
Total length – MV lines (Km)	7,899	8,438	9,692	10,329	36,374
Total Length – LV Lines (Km)	5,687	6,404	7,809	12,374	55,878
No. of customers	89,368	96,969	111,164	173,624	2,487,346
Power Availability %	91%	92%	91%	91%	92%
Cash collection %	100%	99%	100%	100%	100%
UEDCL Investments (Millions)	3,883	3,447	21,324	73,047	28,818
No. of poles produced	19,528	17,691	14,472	19,252	22,060
Total number of Employees	380	378	346	480	2,489

The total investments for the last 5 (five) years amount to Shs.130.5bn. These include new connections, substations, low voltage lines and other capital items. For the past five years, the operational activities of UEDCL have expanded significantly with the network increasing from 7,899km to 36,374km for MV, customers increasing to 2.48 million in number and increase in the staff numbers (380 to 2,489).

The company has instituted measures on billing and cash collection to the extent that customers are accurately billed on time and arrears efficiently collected and this has enabled UEDCL to have a cash collection rate of 100% for the FY2024/25.

The energy loss has improved from 23% in FY2020/2021 to 18% for the year ended June 2025, the improvement is a result of faulty meter replacement and the resumption of connections under the ECP. The increased visibility and awareness campaigns to the communities all over the country encouraging customers to report any meter tampering and other illegal issues have also impacted a reduction in the energy losses as at June 2025.

During the period, power availability improved to 92% as a result of supply reliability from UETCL as well as remote network monitoring which enabled timely restoration in case of outages.

The financial statements set out on pages 8 to 60 were approved by the Board on 29th December 2025 and were signed on its behalf by:

BY ORDER OF THE BOARD

[Handwritten Signature]

.....
COMPANY SECRETARY

Date: *29th December* 2025

Kampala Uganda

4. FINANCIAL STATEMENTS

4.1. STATEMENT OF FINANCIAL PERFORMANCE

	Notes	June 30,2025 UShs Millions	June 30,2024 UShs Millions
Total revenue from operations	7.1	669,433	111,299
Expenses			
Cost of sales	7.2.1	(459,742)	(53,065)
Staff & Administrative expenses	7.2.2	(120,706)	(50,347)
Other Operating expenses	7.2.3	(1,506)	(849)
Total expenses		(581,954)	(104,261)
Surplus before tax and asset amortization		87,479	7,038
Amortization of Leased assets & Depreciation	7.2.4	(56,116)	(17,126)
Taxation	7.2.5	(224,686)	(836)
Surplus/(Loss) for the period		(193,323)	(10,923)
Surplus/(Loss) after taxation		(193,323)	(10,923)

The Umeme Limited concession that was acquired through the Lease and Assignment Agreement (LAA) between the Government of Uganda and Umeme Limited came to its natural end on 31 March 2025. As a result of this expiry, the assets formally leased to Umeme Limited were re-transferred to UEDCL as per the LAA. Consequently, in the final 3 months (April to June 2025) leading to the end of the financial year, the UEDCL business changed significantly. It is therefore important that the comparison with the prior is made with careful consideration of this substantial change in business operations.

The company registered a loss after tax due to the initial recognition of deferred tax related to the re-transferred assets.

4.2. STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	June 30,2025 UShs Millions	June 30,2024 UShs Millions
Non - current assets			
Property, plant and equipment	7.3	2,041,621	1,966,216
Investment Property	7.4	-	19,903
Biological Assets	7.5	678	-
Operating lease prepayments	7.6	542	564
Intangible assets	7.7	27,852	10,731
Restricted funds – Escrow	7.8	35	54
Total non - current assets		2,070,728	1,997,468
Current assets			
Inventories	7.9	139,022	32,462
Trade receivables	7.10	238,379	5,920
Bank and cash	7.11	391,711	43,390
Due from related parties	7.17.1	252,771	135,180
Total current assets		1,021,883	216,952
TOTAL ASSETS		3,092,611	2,214,420
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	7.12	0.001	0.001
Share application money	7.13	249,969	249,969
Accumulated deficit	4.4	(313,991)	(103,091)
Reserve (Distribution Asset Retransfer)	4.4	205,480	-
Shareholders' funds		141,458	146,878
Non-current liabilities			
Non-refundable capital contribution from Public	7.15.1	42,897	36,539
Non-refundable capital contribution from Grants	7.15.2	293,758	198,714
NR Capital Retransfer Assets	7.15.3	1,892,458	-
Deferred Income fund	7.15.4	42,600	-
Deferred Tax Liability	7.2.5	233,812	-
Financial liability – Leased Assets	7.18	-	1,789,123
Total non-current liabilities		2,505,525	2,024,376
Current liabilities			
Trade and other payables	7.14	26,176	9,645
Customer deposits	7.16	9,339	247
Current Income Tax payable	7.2.5	8,508	-
Amounts due to related parties	7.17.2	401,605	33,274
Total current liabilities		445,628	43,166
TOTAL EQUITY AND LIABILITIES		3,092,611	2,214,420

The financial statements were approved and authorised for issue by the Board of Directors on^{29/16}..... December 2025 and were signed on its behalf by:


CHAIRMAN


MANAGING DIRECTOR


DIRECTOR

4.3. STATEMENT OF CASH FLOWS

	June 30,2025 UShs Millions	June 30,2024 UShs Millions
CASHFLOWS FROM OPERATING ACTIVITIES		
(Deficit) before taxation reconciled to operating activities	31,236	(10,923)
Adjustment for:		
Amortization of leased assets and depreciation	55,357	16,215
Amortization of Investment Property	759	910
Release of Capital Contributions	(59,015)	(10,819)
Provision for Bad debts: Increase/decrease	-	335
Realized Exchange (gain)/loss	269	(55)
Interest earned	(1,806)	(895)
Stock Write-off	122	186
Income Tax paid	(5,127)	-
Loss/Gain on disposal of Property, plant and Equipment	-	7
Movement before working capital changes	21,795	(5,039)
Change in Inventories	(106,560)	(12,909)
Change in trade and other receivables	(143,151)	(23,463)
Change in trade and other payables	384,863	31,088
Net cash generated/ (used in) from operating activities	156,947	(10,323)
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35,475)	(351,865)
Disposal of Property, Plant and Equipment	-	23
Payment of Purchase of Intangible Assets	(91)	(17,623)
Purchase of land, Leased and freehold	-	-
Stock Write-off	-	(187)
Interest earned	1,806	894
Change in restricted funds – Escrow	(19)	(23)
Net cash used in investing activities	(33,779)	(368,781)
CASHFLOWS FROM FINANCING ACTIVITIES		
Deferred Income assets – Umeme Limited	-	339,364
Change in deferred income fund (New)	42,600	-
Change in Customer Deposits	9,091	-
Non-refundable capital contribution; Donor, GOU & Public	160,417	69,501
Movement in non-refundable Capital contribution Hybrid	13,045	-
Net cash generated from financing activities	225,153	408,865
Net change in cash and cash equivalents	348,321	29,761
Cash and cash equivalents at start of year/period	43,390	13,629
Cash and cash equivalents, at end of year/period	391,711	43,390

4.4. STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share application money	Accumulated Deficits	Reserve (retransfer)	Total
	UShs Mns	UShs Mns	UShs Mns	UShs Mns	UShs Mns
Opening balance as at July 01 2023	0.001	249,969	(75,092)		174,877
(Deficit) for the year		-	(10,924)		(10,924)
Prior year adjustment ¹			(17,075)		(17,075)
Balance as at June 30, 2024	0.001	249,969	(103,091)		146,878
Opening balance as at July 01 2024	0.001	249,969	(103,091)		146,878
Retransfer receivables ²				205,480	205,480
Surplus for the year		-	(193,323)		(193,323)
Prior year adjustment			6,300		6,300
Prior year deferred income tax charge – Note 7.2.5			(23,877)		(23,877)
Balance as at June 30, 2025	0.001	249,969	(313,991)	205,480	141,458

¹ This amount relates to energy lost for the prior periods as a result of bulk evacuation of independent power generation plants (IPPs) through the distribution lines which are not designed for evacuation. In addition to the recognition of deferred income tax for the FY 2024/2025,

² This amount relates to the asset retransfer transactions particularly the distribution receivables inherited from the previous operator.

The notes set out on pages 12 to 58 form an integral part of these financial statements:

5. NOTES TO THE FINANCIAL STATEMENTS

5.1 SIGNIFICANT ACCOUNTING POLICIES

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

General information

The financial statements of the Company for the period ended June 30, 2023 were authorized for issue in accordance with the resolution of the Board of Directors. The Company's principal business activities involve monitoring the electricity distribution concession, creosote wood pole treatment at Lugogo, electricity sale and distribution and provision of related services within the energy sector.

5.2 Statement of compliance and basis of preparation

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements have been presented in Uganda Shillings, which is the functional and reporting currency of the Company and all values are rounded to the nearest Millions (Ushs Millions).

5.3 Going concern

The financial performance of the company is set out in the Director's report and in the statement of financial performance. The financial position of the company is set out in the statement of financial position and the disclosures in respect of risk management are set out in the notes.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Uganda Companies Act, 2012.

The statement of financial performance represents the profit and loss account, while the Statement of Financial position represents the balance sheet both referred to in the Act.

5.4 Financial assets

a) Initial recognition and measurement

Financial assets within the scope of International Public Sector Accounting Standard (IPSAS 29) Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

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

The company's financial assets include: cash and short-term deposits; trade and other receivables; loans and other receivables and due from related parties

b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification. Financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with changes in fair value recognized in surplus or deficit.

c) Loans and receivables

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

d) Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the company has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by considering any discount or premium on

acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

e) De-recognition

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

The right to receive cash flows from the asset has expired or is waived. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the company has transferred substantially all the risks and rewards of the asset; or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

f) Impairment of financial assets

The company does an assessment of its assets at each reporting date whether there is objective evidence that a financial asset or a company of financial assets is impaired. A financial asset or a company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization

g) Impairment of Financial assets carried at amortized cost

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

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

loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

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

5.5 Financial liabilities

a) Initial recognition and measurement

Financial liabilities within the scope of International Public Sector Accounting Standards (IPSAS 29) are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition.

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

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

b) Subsequent measurement

The measurement of financial liabilities depends on their classification.

c) Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by International Public Sector Accounting Standards (IPSAS 29).

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

d) Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses

are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

e) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

f) Offsetting of financial instruments

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

g) Fair value of financial instruments

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

5.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a) Sale of energy

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

b) Rendering of services

The Company recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to:

- The stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting.

- Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, considering historical trends in the number of services actually provided on past goods; and
- Revenue from time and material contracts is recognized at the contractual rates as labor hours are delivered and direct expenses incurred.

c) Rental income

Rental income arising from operating leases on investment properties is accounted for on as realized over the lease terms and included in revenue.

5.7 Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda Shillings (functional currency) at rates ruling at the transaction dates. Assets and liabilities at the statement of financial position date which are expressed in foreign currencies are translated into Uganda Shillings at rates ruling at the reporting date.

The resulting differences from conversion and translation are dealt with in the statement of comprehensive income in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

5.8 Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

	Rate % => months
Substations	6.5% (185 months)
Low voltage lines	4.8% (250 months)
Pole services	4.5% (267 months)
Furniture and fittings	25.0% (48 months)
Computers and Peripherals	25.0% (48 months)
MIS and communications	30.0% (40 months)
Office equipment	20.0% (60 months)
Motor vehicles	25.0% (48 months)
Tools and field Equipment	30.0% (40 months)
Pole plant machineries	5.0% (240 months)

Leased assets consist of all the network assets as defined in the Lease Assignment Agreement in use by Umeme Limited, leased land in use by UEDCL and any other asset that qualifies under a lease arrangement by the company.

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

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

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

5.9 Investment properties

Investment properties are long-term investments in land and buildings that are not occupied substantially for own use. Investment properties are initially recognized investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of the components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to day maintenance of an investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over the life span of the property or the lease period, whichever comes earlier.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future

economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Investment properties are amortized according to IPSAS 17: 72(d) which states that legal or similar limits on the use of the asset, such as the expiry dates of related leases

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

Depreciation for investment properties is calculated using the straight-line method to write down the cost of the property to its residual value over its estimated useful life using the following annual rate

	Rate %
Freehold land	Nil
Leased Land and Building	Lease period (40 years)

Biological Assets

The company uses IPSAS 27 Agricultural Assets to govern its Biological Assets (living plants) undergoing transformation or growth for economic benefit. Initial recognition is after confirmation of control, probable future benefits, and a measurable value.

The methodology used to measure the change in value is Fair Value less Cost to Sale (FVLCS) with gains/losses recognized in the statement of financial performance.

5.10 Research and development costs

The Company expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Company can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

5.11 Inventories

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

After Initial recognition, various categories of inventories are valued as under;

- Raw Materials - At weighted average Cost,
- Work in progress – At weighted average cost,
- Finished goods – At lower of cost and net realizable value.

Costs includes all the costs incurred in bringing each product to its present location and condition.

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

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

Inventories are recognized as a capital/revenue expense when deployed for utilization on a capital project or consumption in the ordinary course of operations of the Company.

5.12 Leases

The company as lessee

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Company. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Company also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

5.13 Employee benefits

The costs of all short-term employee benefits, such as: medical insurances, gratuity, leave pay, National Social Security Fund (NSSF) and others are recognized during the period in which the employee renders the related service. The Company recognizes the expected cost of performance bonuses only when the Company has a good financial performance period and has secured an approval from the Board of Directors to make such payment.

The NSSF costs to the company is the mandatory employer's contribution as a percentage specified by the NSSF Act to the employee's consolidated salary.

5.14 Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

5.15 Related parties

The Company regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Company, or vice versa. The shareholders and Members of key management are regarded as related parties.

5.16 Service concession arrangements

The Company analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Company recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the company also recognizes a corresponding financial liability, adjusted by a cash consideration paid or received.

5.17 Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Company. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial

statement giving reasons for overall variance with comparatives between budget and actuals within the year.

5.18 Significant judgements and sources of estimation uncertainty

The preparation of the Company's financial statements in conformity with International Public Sector Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

5.19 Judgments

In the process of applying the company's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

5.20 Operating lease commitments – company as lessor

The company enter into property leases of certain of its properties. The status of the lease is determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

5.21 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

- a) Provisions; these are contingents as they are uncertain in timing or amount, however they arise as a result of occurrence of an event that may be within or outside the company's control. Provisions are recognized in the circumstances when: any entity has a present obligation (legal or constructive) as a result of a past event, it's probable that an outflow of resources embodying economic benefit or service potential will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligations.
- b) Depreciation and Amortizations – Useful life of assets; any entity depreciation different categories of assets with different depreciation rates in line with the expected useful life of the asset. Additionally, the company may choose to depreciate separately the parts of an item that do have a different life expectancy with a significant cost in relation to the total value of the asset. The depreciation charge for the period is usually recognized in surplus or

deficit. Sometimes, the future economic benefit or service potential embodied in an asset is absorbed in producing other assets (e.g. stock in the manufacturing plant), in this case the depreciation charge constitutes part of the cost of other assets. The depreciable value is determined after deducting its residual value and depreciation of an asset begins when it is available for use at the same time depreciation ceases when the asset is derecognized.

The company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

5.22 Fair value estimation – financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5.23 Impairment of non-financial assets and cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Cash generating assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows are prepared for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

The company reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the Company undertakes impairment tests, which require the determination of the fair value of the asset and its recoverable service amount. The estimation of these inputs into the calculation relies on the use estimates and assumptions.

Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

5.24 Grants from Donors

Donor funded projects are accounted for and disclosed accordingly, the asset/s constructed from those funding is recorded as part of property plant and equipment. The corresponding grant income is recognised as deferred income and it's amortized as per the useful life of the asset.

6 New Standards and Interpretations:

6.1 Standards and interpretations effective and adopted in current year:

There was no new issued standards and interpretations applicable to the entity that are effective for the current financial year and that are relevant to its operations.

6.2 Standards and interpretations not yet effective

The entity has chosen not to early adopt standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after January 01, 2017.

Standards and interpretations	Effective dates: Year beginning on or after	Expected impact
PBE IPSAS 34 Separate Financial Statements	January 1, 2019	Unlikely there will be material Impact
PBE IPSAS 35 Consolidated Financial Statements	January 1, 2019	Unlikely there will be material Impact
PBE IPSAS 36 Investment in associates and Joint ventures	January 1, 2019	Unlikely there will be material Impact
PBE IPSAS 37 Joint Arrangements	January 1, 2019	Unlikely there will be material Impact
PBE IPSAS 38 Disclosure of Interests in Other Entities	January 1, 2019	Unlikely there will be material Impact
PBE IPSAS 39 Employee Benefits		Unlikely there will be material Impact
PBE IFRS 9 Financial Instruments	January 1, 2021	Unlikely there will be material Impact

7. SPECIFIC FINANCIAL STATEMENT NOTES

7.1. Revenue from operations:

		June 2025 UShs Millions	June 2024 UShs Millions
Energy Revenue			
	Notes		
Domestic		206,342	34,364
Commercial		101,106	25,208
Street lighting		50	81
Medium industrial		94,678	8,930
Large industrial		118,822	4,047
Extra-large industrial		80,902	-
Public amenities		1,775	-
Service fee		27,747	4,996
Total Amount billed to Customers		631,422	77,626
Less: Non energy revenue	a		
Customer Rebates		(875)	-
Non-Network Assets		(7,629)	-
Skills Fund		(203)	-
Hybrid Connections		(200)	-
Network Assets		(39,038)	-
ERA approved Kalangala Infrastructure Investments		(275)	-
Total Non energy revenue		(48,220)	-
Less: Deferred Income-unutilized energy		(8,923)	-
Add Realised customer rebates		683	
Other revenue:			
Amortisation-Deferred Income	b	59,015	10,819
Asset retransfer Income	c	15,509	-
Lease Rental Revenue/ Admin fees	d	6,822	8,422
Sales of Poles	e	6,359	9,507
Inspection fees		2,068	692
Interest Received		1,804	1,244
Rental Income - UEDCL Towers	f	1,461	1,598
Sundry Income		1,073	1,123
Other non-Operating Income		576	149
Sale of Scrap/Asset disposal		52	60
Interest Received - Escrow A/c		1	3
Loss/(Gain) on exchange		(269)	56
Total other revenue		94,471	33,673
Total Revenue		669,443	111,299

Collection of revenue:

Revenue is collected through 23 partners made up of 17 commercial banks and 6 FinTech (Financial Technology) companies.

a) Non-Energy Revenue

In accordance to the License for sale of Electricity ERA/LIC/SL/024/232, the regulator approved Ush 144.6bn for April2025 to Dec2025 to be collected from customers through the retail tariffs for purchase of both network and non-network assets. During the FY2024/25, only 3 months (Apr to June 2025),48.2bn had been collected.

Non-network assets are those assets which do not directly improve or expand the Distribution Network but are necessary for operation of the Distribution Network. The approved collections for non-network assets were Ush 7.6 billion for the period April2025 to June2025

These amounts along with others as detailed in the table above are included in the amounts billed to customers but excluded from the reported revenue in line with the funding mechanism.

b) Amortisation-Deferred Income:

The assets constructed from donor funds, grants or customer funded are recorded as property plant and equipment. Income from the funding is recognised as deferred income and it is amortised over the useful life of the respective assets.

c) Asset retransfer Income:

This is the residual Income from the March2025 post-paid Sales that were collected by UEDCL on behalf of Umeme as per the LAA.

d) Lease revenue:

This is the administration costs component under the LAA as approved by the Electricity Regulatory Authority (ERA).

e) Sale of poles;

The company operates a creosote wood pole treatment plant at Lugogo as a business unit.

f) Rental Income,

refers to the revenue generated from the UEDCL tower which is an investment property. This income is collected from the space un-occupied by the company.

7.2. Operating Costs

7.2.1. Cost of sales

	June 2025 UShs Millions	June 2024 UShs Millions
Electricity Purchase (UETCL)	451,889	46,209
Cost of poles sold (<i>Note i</i>)	4,004	6,856
Generation Levy	3,849	-
	459,742	53,064
Note (i); Cost of Poles Sold		
Opening stock for the year	2,106	3,587
Add: Purchases and direct expenses	7,078	5,375
Less: Closing stock as the end of the year	(5,180)	(2,106)
	4,004	6,856

7.2.2. Staff and Administrative expenses

Staff Costs

	June 2025 UShs Millions	June 2024 UShs Millions
Salaries and wages	42,012	18,433
NSSF contributions	4,365	1,978
Gratuity allowance	7,299	2,378
Other staff costs	9,468	4,309
	63,144	27,098

Other administrative expenses

General administration expenses	15,833	6,083
Directors' remuneration and benefits	829	896
Transport costs	9,661	4,147
Repairs and maintenance	27,218	10,027
Rent	1,389	488
Legal expenses	20	127
Bank Charges	152	78
Security/Police Guards	1,730	856
Electricity	553	284
Escrow Agency & Issuance fees	55	76
Provision for Stock write (off)	122	187
	57,562	23,249
Total administrative expenses	120,706	50,347

7.2.3. Other operating expenses

Provision for Bad debts	-	335
Insurance	1,303	355
Umeme Monitoring Costs	107	151
Loss/Gain on Asset Disposal	96	8
	1,506	849

7.2.4. Depreciation and Amortisation

	June 2025	June 2024
	UShs	UShs
	Millions	Millions
UEDCL – Depreciation charges (Note 7.3a)	8,920	7,672
UEDCL – Lease amortization (Note 7.5)	-	-
UEDCL – Intangible asset amortization (Note 7.6)	749	751
Amortization of Investment property (Note 7.4)	615	737
Prev Leased Assets-Depreciation Charge Note 7.3b)	144,783	141,476
Prev Deferred Income- Ammortisation Note 7.19)	(105,262)	(149,544)
Prev Umeme Lease Ammortisation Note 7.5b)	23	23
Prev -Umeme Intangible Asset Amortisation Note 7.6b)	6,288	16,010
	56,116	17,125

The Leased assets were in use by Umeme for the first 9 months of the financial year were retransferred back to UEDCL on 1st April 2025. These assets have been consolidated into the UEDCL PPE in the statement of financial position. After the retransfer date, the depreciation of these assets has been recognised in the statement of financial performance.

7.2.5. Taxation

The current income tax liability is provided for in the financial statements based on the financial results included therein adjusted in accordance with the provisions of the Income Tax Act (Cap 340) of Uganda less any tax credits and withholding tax recoverable.

a) Income tax expense

	Jun-25
	Ushs million
Current income tax charge for the year	14,751
Deferred income tax charge for the year	209,936
Income tax expense	224,686
Prior year deferred income tax charge	3,139

The reconciliation between the income tax expense and the product of accounting profit and the tax rate is as follows.

Accounting profit before tax	31,363
At statutory income tax rate of 30%	9,409
Tax effect of:	
Expenses not allowable for tax purposes	1,674
Effect on assets from Umeme at TWDV	213,367
Rental income (taxed separately)	236
Income tax expense reported in the income statement	224,686

b) Current income tax payable/(receivable)

Current income tax payable brought forward	(76)
Income tax charge for the year	14,515
Rental tax charge for the year	236
Withholding tax paid	(1,041)
Income tax paid	(5,127)
Tax payable(receivable)	8,508

c) Deferred tax liability.

Deferred tax is calculated on all temporary differences using the liability method at the applicable rate of 30%. The net deferred tax liability is attributed to the following:

		Movement		
	Closing balance	Current Year	Prior Year	Opening balance
Accelerated tax depreciation	247,025	220,507	5,780	20,738
Provision for bad debts	(248)	(248)	-	-
Provision for deferred income	(12,964)	(12,964)	-	-
Tax losses	-	2,641	(2,641)	-
Net deferred tax liability	233,813	209,936	3,139	20,738

7.3. Property, Plant & Equipment
7.3 A Property, Plant & Equipment – In use by UEDCL

	Land and Buildings	Substations, Low voltage lines and services	Furniture, fittings, tools and other equipment	Computer and other office equipment	Motor Vehicles	Pole Plant	Capital work in progress	Total
Cost	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
At 1 July 2023	5,097,727	114,577,698	2,487,029	2,137,642	9,341,788	1,455,098	1,264,200	136,361,182
Additions	-	-	-	-	-	-	22,639,240	22,639,240
Eliminated on disposal	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
Transfers from WIP	20,800	18,999,805	421,748	655,384	605,726	-	(20,703,462)	-
As at 30 June 2024	5,118,527	133,577,503	2,908,777	2,793,026	9,947,513	1,455,098	3,199,978	159,000,423
At 1 July 2024	5,118,527	133,577,503	2,908,777	2,793,026	9,947,513	1,455,098	3,199,978	159,000,423
Additions	-	-	-	-	-	-	35,475,689	35,475,689
Eliminated on disposal	-	-	-	-	-	-	-	-
Investment Adjustment	19,288,289	-	-	-	-	-	-	19,288,289
Transfers from WIP	-	28,818,552	674,510	2,082,938	1,556,364	-	(33,132,364)	-
As at 30 June 2025	24,406,816	162,396,054	3,583,287	4,875,964	11,503,878	1,455,098	5,543,303	213,764,400
Depreciation								
At 1 July 2023	(2,349,403)	(22,861,350)	(1,994,140)	(1,546,653)	(7,975,356)	(879,963)	-	(37,606,865)
Eliminated on disposal	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
Charge for the year	(196,265)	(5,879,827)	(247,198)	(356,495)	(826,962)	(160,318)	-	(7,667,065)
As at 30 June 2024	(2,545,668)	(28,741,177)	(2,241,337)	(1,903,149)	(8,802,318)	(1,040,281)	-	(45,273,930)
At 1 July 2024	(2,545,668)	(28,741,177)	(2,241,337)	(1,903,149)	(8,802,318)	(1,040,281)	-	(45,273,930)
Eliminated on disposal	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
Charge for the year	(319,445)	(6,755,679)	(380,190)	(576,788)	(827,702)	(60,504)	-	(8,920,308)
As at 30 June 2025	(2,865,113)	(35,496,856)	(2,621,528)	(2,479,937)	(9,630,020)	(1,100,785)	-	(54,194,238)
Net book value								
As at 30 June 2024	2,572,859	104,836,326	667,440	889,877	1,145,195	414,817	3,199,978	113,726,493
As at 30 June 2025	21,541,703	126,899,198	961,759	2,396,027	1,873,858	354,313	5,543,303	159,570,162

7.3 B Property, Plant & Equipment – UMEME Category

	Land and Buildings	Substations, Low voltage lines and services	Furniture, tools and other equipment	Computer and other office equipment	Motor Vehicles	Pole Plant	Capital work in progress	Total
Cost	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
At 1 July 2023	28,558,011	2,578,884,262	43,377,556	47,073,868	64,416,669	-	-	2,762,310,365
Additions	52,948	312,786,845	5,552,362	1,345,089	2,039,250	-	-	321,776,494
Eliminated on disposal	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	-	-	-	-
As at 30 June 2024	28,610,959	2,891,671,107	48,929,918	48,418,957	66,455,919	-	-	3,084,086,859
At 1 July 2024	28,610,959	2,891,671,107	48,929,918	48,418,957	66,455,919	-	-	3,084,086,859
Additions	1,632,819	168,244,479	1,758,108	795,031	3,663,969	-	-	176,094,407
Eliminated on disposal	-	(1,166,422)	(583,597)	-	-	-	-	(1,750,019)
Adjustment	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	-	-	-	-
As at 30 June 2025	30,243,778	3,058,749,163	50,104,430	49,213,988	70,119,888	-	-	3,258,431,247
Depreciation								
At 1 July 2023	(6,799,397)	(955,213,623)	(35,771,637)	(42,836,988)	(50,472,349)	-	-	(1,091,093,993)
Eliminated on disposal	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
Charge for the year	(675,266)	(124,934,135)	(4,938,391)	(3,354,394)	(6,600,825)	-	-	(140,503,011)
As at 30 June 2024	(7,474,663)	(1,080,147,758)	(40,710,027)	(46,191,382)	(57,073,174)	-	-	(1,231,597,004)
At 1 July 2024	(7,474,663)	(1,080,147,758)	(40,710,027)	(46,191,382)	(57,073,174)	-	-	(1,231,597,004)
Eliminated on disposal	-	229,721	582,255	-	-	-	-	811,975
Adjustment	-	-	-	-	-	-	-	-
Charge for the year	(703,155)	(134,903,624)	(4,272,437)	(1,414,289)	(4,301,657)	-	-	(145,595,161)
As at 30 June 2025	(8,177,818)	(1,214,821,662)	(44,400,209)	(47,605,671)	(61,374,831)	-	-	(1,376,380,190)
Net book value								
As at 30 June 2024	21,136,296	1,811,523,348	8,219,891	2,227,575	9,382,745	-	-	1,852,489,855
As at 30 June 2025	22,065,960	1,843,927,501	5,704,221	1,608,317	8,745,058	-	-	1,882,051,057
Total PPE	43,607,663	1,970,826,700	6,665,980	4,004,344	10,618,916	354,313	5,543,303	2,041,621,219

All the Property, Plant and Equipment under note 7.3 are owned by UEDCL.

7.4. Investment Properties

	June 2025	June 2024
	UShs Millions	UShs Millions
Cost		
At start of year	29,776	29,776
Cost value at end of year	29,776	29,776
Amortization		
At start of year	(9,873)	(9,136)
Charge for the year	(615)	(737)
	(10,488)	(9,873)
Net Book Value at 30th April 2025	19,288	-
Transfer to PPE	(19,288)	-
Net Book Value at end of year	-	19,903

The asset held as investment property is the UEDCL Tower. This property was acquired to be utilized as the UEDCL head office and all the un-occupied space was rented out to the public in order to generate additional revenue. As at 30th June 2025, UEDCL had increased its occupancy to 56% of the space and therefore the property was reclassified from 01st May 2025 to Property, Plant and Equipment.

7.5. Biological Asset

	June 2025	June 2024
	UShs Millions	UShs Millions
Cost		
At start of year	-	-
Cost value at end of year	678	-
Amortization		
At start of year	-	-
Charge for the year	-	-
	-	-
Net Book Value at end of year	678	-

The Company has established two plantations of eucalyptus trees, one at Walumanyi 23 hectares and the second one in Kyampisi 10 hectares. The forests are now 2-3 years old and the valuation above is the discounted estimate of the future value at the current stage of the plantations.

7.6. Operating Lease prepayments:

Leased Land held under operating lease previously in use by Umeme

	June 2025 UShs Millions	June 2024 UShs Millions
Cost		
At start of year	763	763
Addition during the year	-	-
Disposal	-	-
At end of year	763	763
Amortization		
At start of year	(199)	(176)
Charge for the year	(22)	(22)
Disposal	-	-
At end of year	(222)	(198)
Net book Value-Previously in use by Umeme	542	564

Leased Land held under operating lease- in use by UEDCL

	June 2025 UShs Millions	June 2024 UShs Millions
Cost		
At start of year	5.7	5.7
Addition during the year	-	-
Disposal	-	-
At end of year	5.7	5.7
Amortization		
At start of year	(5.7)	(5.7)
Charge for the year	-	-
Disposal	-	-
At end of year	(5.7)	(5.7)
Net book Value	-	-

Part of the land in use on the distribution network such as the location of substations, switching stations and unrented company offices is leased from each respective authority in the area. These leases have been amortized over the remaining period (number of years) to the expiry of the respective lease terms.

7.7. Intangible assets

The intangible assets are made up of Management Information Systems (MIS) in use by UEDCL and Government of Uganda concession transaction fee from Umeme Limited. The Transaction fee was fully amortised by 31st March 2025.

Intangible Assets (UEDCL)

	June 2025	June 2024
	UShs	UShs
	Millions	Millions
Cost		
At start of year	3,769	3,721
Additions	91	48
Disposal	-	-
At end of year	3,860	3,769
Amortization		
At start of year	(2,508)	(1,756)
Charge for the year	(748)	(751)
Disposal	-	-
At end of year	(3,256)	(2,508)
NBV – Intangibles- UEDCL	603	1,261

Intangible Assets (Previously in use by UMEME)

	June 2025	June 2024
	UShs	UShs
	Millions	Millions
Cost		
At start of year	57,851	40,277
Additions	24,827	17,574
Disposal	(760)	-
At end of year	81,918	57,851
Amortization		
At start of year	(48,381)	(32,370)
Charge for the year	(6,861)	(16,011)
Disposal	573	-
At end of year	(54,669)	(48,381)
NBV – Intangibles-Previously in Use by Umeme	27,249	9,470

7.8. Restricted fund (ESCROW):

At start of year	53	29
Charges	(72)	(74)
Deposits by UEDCL to service account	55	96
Forex Exchange Movement	(1)	3
At end of year	35	54

The Escrow account was created as one of the conditions under the Lease and Assignment Agreement (LAA). The account is still open until conclusion of all the surviving obligations of the agreement.

7.9. Inventories

	June 2025	June 2024
	Ushs	Ushs
	Millions	Millions
Network materials (a)	126,380	26,181
Treated creosote poles	5,179	2,106
Seasoned poles	1,640	2,503
Creosote oil	1,183	1,332
Work in progress	226	414
Other pole treatment accessories	65	60
Consumable Materials in Transit	4,521	65
	139,194	32,661
Stock Control Account (b) below	(172)	(199)
Total Inventories	139,022	32,462

Items held under inventories include all the stock held at the company stores for materials for the pole production processes, electricity network construction and maintenance work done by UEDCL across the country.

- a) A significant portion of network materials were received from Umeme Ltd at the retransfer date on 1st April 2025. Network materials worth Ushs126bn include conductors, communication cables, stay wires, treated poles.

- b) The movements in impairment of some inventory items is through the stock control account as per the analysis below

Opening Balance	(199)	843
Add: Stock Adjustments/Written off	151	60
Less: Impairment	(124)	(1,102)
Closing Balance	(172)	(199)

7.10. Trade and other receivables

	June 2025	June 2024
	Ushs	Ushs
	Millions	Millions
Energy consumers (a)	220,390	2,517
Less impairment allowance	(828)	(908)
	219,561	1,608
Withholding tax – URA (b)	-	565
Prepayments and other receivables (c)	18,952	3,634
Staff debtors	(134)	112
	238,379	5,920

a) Energy receivables:

Trade receivables increased significantly during the year. The increase mainly arose from the takeover of post-paid receivables from Umeme Limited effective 1 April 2025, following the expiry of the concession period on 31 March 2025. These balances relate to periods going back over 180 days. The balances relate majorly to Government agencies including Ministries, MDAs, parastatals and others that have not settled their bills over the years.

b) Withholding tax:

The withholding tax receivable reported in the prior period is now being accounted for under Note 7.2.5 as current income tax recoverable because UEDCL is now in a tax payable position.

c) Prepayments and Other receivables:

Prepayment was made for the different insurance policies acquired for the business as well as licenses for the different software applications. Additionally, the other receivables include amounts owed from the UEDCL Tower tenants as well as the three months' rent advance bills as stipulated in the rental agreements. It is expected that this rent shall be collected in the subsequent quarters.

Movements in the provision for impairment allowance on receivable balances:

	June 2025	June 2024
	UShs	UShs
	Millions	Millions
At start of year	(908)	(573)
Charge for the year	79	(334)
Adjustment	-	-
At end of year	(828)	(908)

Trade receivables are carried at amortized cost and are stated net of expected credit losses, determined in accordance with the applicable financial reporting framework (IFRS 9 / IPSAS 41 financial Instruments). Management continuously assesses the recoverability of outstanding amounts, monitors customer payment trends, and engages major debtors particularly Government institutions to enhance collection performance. All trade receivables are expected to be realized within twelve months after the reporting date.

7.11. Bank and Cash:

Description	June 2025	June 2024
	UShs	UShs
	Millions	Millions
Commercial banks	390,183	39,827
Cash in Transit	104	3,500
Fintechs	1,387	61
Office Imprest	37	0.104
Total	391,711	43,390

The total commercial bank balance includes UShs 54.174 billion which relates to restricted funds that were approved by the Electricity Regulatory Authority. These funds are being deployed for the planned projected network investment requirements.

7.12. Share Capital

	June 2025	June 2024
	UShs	UShs
	Millions	Millions
Authorized, issued and fully paid up 2025: 2 (2024: 2) ordinary shares of UShs. 500 each	0.001	0.001
	0.001	0.001
Reconciliation of number of shares issued:		
Ordinary shares reported as at 1 January	0.001	0.001
	0.001	0.001

7.13. Share application money

This represents net assets acquired from UEB on April 01, 2001 and subsequent additions in December 2014 after converting all the GOU unpaid principal loans into share application money for conversion to equity on issue of shares to GOU.

At start of year	249,969	249,969
Additions/conversions to equity during period	-	-
At end of year	249,969	249,969

7.14. Trade and other payables

Trade payables (a)	20,564	4,249
Accruals and other payables (b)	501	4,430
Provision for gratuity (c)	5,111	966
	26,176	9,645

- a) Trade and other payables are non-interest bearing and are normally settled on 30-day terms. These are mainly distribution network materials and suppliers of pole treatment related materials.
- b) Accruals and other payables relate to NSSF, PAYE, Insurance payable and customer advances.
- c) Gratuity is the amount paid to each staff at his/her anniversary in line with the contracted employment date. This gratuity is computed at 25% of the gross salary and an accrual is made for this amount on a monthly basis. It is important to note that a section of staff opted for a pension scheme in which case their respective pension (computed similarly) is paid into the pension scheme on a monthly basis.

7.15. Deferred Income

During the year 2024/2025, the company received capital contribution from the; public and GOU. Below is the movement:

7.15.1. Non-Refundable capital contribution from Public

	June 2025 UShs Millions	June 2024 UShs Millions
At start of year	36,539	33,578
Contributions received from general customers	8,033	4,636
Release to the performance statement (note 7.1)	(1,675)	(1,675)
At end of year	42,897	36,539

The contribution from GOU relates to the project financing through the Ministry of Energy for UEDCL to construct specific electricity projects in different parts of the country. Under this arrangement, all the completed projects were handed over to UEDCL or Umeme Ltd for operation and maintenance depending on the specific area where the network extension was constructed.

7.15.2. Non-Refundable capital contribution from Grants (GOU)/ADB/KFW

At start of year	198,714	132,174
Contributions from GOU/and other donors	156,348	75,748
Adjustments		-
Payoff Umeme and Kilembe Mines	(3,965)	-
Write off materials	-	(64)
Release to the performance statement (note 7.1)	(57,339)	(9,144)
At end of year	293,758	198,714
Total Non-Refundable capital; Public, GOU	336,655	235,252

The amount of US\$ 156,348 billion arises from receipt of materials during the year from Government and other donors that is valued at average market prices.

7.15.3. Non-refundable capital contribution

a) Non-refundable capital contribution others

	Jun-25	Jun-24
	US\$ Millions	US\$ Millions
At start of year		
ERA/Tariff funded Non-Network Assets _Umeme	(81,852)	-
Customer Funded/Hybrid Assets _ Umeme	(84,548)	-
Grants (ADB, KFW, UDB, WB, AFD)	(476,264)	-
Hybrid Customer Receivable (UDB)	2,768	-
Hybrid-Refundable Capital	(13,045)	-
At end of year	(652,942)	-

b) Capital Retransfer Assets

	Jun-25	Jun-24
	UShs	UShs
	Millions	Millions
At start of year	-	-
NR Capital Retransfer Assets	(1,239,516)	-
At end of year	(1,239,516)	-

7.15.4. Deferred Income Fund

Description	Opening at the start of the year	Funding Additions during the year	Utilization of funding during the year	Fund closing at year end
Customer Rebates	-	(875)	1,367	492
Non-Network Assets Fund	-	(7,629)		(7,629)
Skills Fund	-	(203)		(203)
Kalangala Infrastructure Services	-	(275)		(275)
Hybrid Connections	-	(200)	4,253	4,053
Network Assets	-	(39,037)		(39,037)
Total	-	(48,220)	5,620	(42,600)

Collections into this fund are received by the company through the tariff as approved by the Electricity Regulatory Authority (ERA) for each tariff period. For the tariff period beginning 1 April 2025 and ending 31 December 2025, a total of UShs 144.6 billion was approved. For purposes of the financial statements ending 30th June 2025, the total amount prorated and collected as well was UShs 48.2 billion.

The funds for this tariff period were allocated to; refund to UEDCL for customer connections made through the Hybrid Connections Financing Project, customer rebates as approved by the ERA, skills development (facilitation for Graduate

Trainees), Network and Non-Network assets acquisition and revenue to the Kalangala Infrastructure Services (KIS) distribution network.

7.16. Customer Deposits:

7.16.1. Customer Security Deposits - Prepaid Energy Unearned Revenue

At start of year	17	17
Claimed / release during the year	-	-
Unearned Revenue	8,924	-
At end of year	8,941	17

At the end of the reporting period, not all the prepaid energy paid for by customers had been consumed and the Revenue was adjusted.

7.16.2. Customer Deposits – UEDCL Tower tenants

At start of year	229	379
Received during the year	823	670
Utilized/released during the year	(655)	(820)
At end of year	397	229
Total Customer deposits	9,339	247

Security Deposit received from UEDCL tower tenants and rent prepayment. These prepayments are utilized by UEDCL during the course of the year with the combined balance payable at the reporting date.

7.17. Related party transactions

The Company is controlled by the Government of Uganda, which owns 100% of the Company's shares. Related party transactions include transactions between the sister companies i.e., Uganda Electricity Generation Company Limited, Uganda Electricity Transmission Company Limited, Umeme Limited and Government Agencies

7.17.1. Related party transactions	June 2025 UShs Millions	June 2024 UShs Millions
Umeme Limited	12,537	96,547
UETCL	6,838	-
GoU entities (a)	233,396	38,633
	252,771	135,180

7.17.2 Due to related parties

Uganda Electricity Transmission Company Ltd (b)	350,405	33,296
Umeme Limited	50,861	(22)
UEDCL – Office electricity bills	339	

401,605 **33,274**

a) Due from Government entities:

The amount due from Government has two components one of which relates to energy debt worth Ushs194.7bn and UShs 38.6 bn relates to the UEB pension payment that was paid off by the Company and the Government undertook full responsibility to refund the money in a 3-instalment payment plan during the 2014/2015 and 2015/2016 financial years. However, the plan was not executed and to date, this amount remains outstanding.

b) The amount payable to UETCL comprises:

The Bulk Supply bills for the months of May and June 2025 worth 321.88 billion which are payable in the months of July and August 2025 respectively as per Power Sales Agreement between UEDCL and UETCL,

Related party transactions during the year

	June 2025 UShs Millions	June 2024 UShs Millions
Purchases and Sales to Related parties:		
- Power Purchases (UETCL)	451,889	46,208
- Admin fees and pole sales (Umeme)	6,822	16,132
- Rental Income (UEGCL)	52	47
Compensation to directors and key management staff:		
- Directors' remuneration	829	896

7.18. Deferred Income – Leased Assets

The Deferred Income – leased assets relate to the assets leased out under the concession arrangement to Umeme Limited at the inception of the lease and all the additions thereafter. Under the International Public Sector Accounting Standards (IPSAS) 13, all such assets belong to the grantor (UEDCL) due to the fact that the operator will be fully compensated for all investments made.

Cost		
At start of year	2,721,392	2,381,934
Asset additions during the year	240,240	343,818
Disposals	(24,928)	
Transfers based on Asset Funding	(1,557,854)	(4,360)
Derecognized Assets of Network	(16,992)	
Closure of the Financial Liability	(1,239,516)	
At end of year	122,341	2,721,392

Amortization

At start of year	(932,268)	(782,724)
Charge during the year	(105,849)	(149,544)
Depreciation on Disposals	915,189	0.611
Depreciation on derecognized Assets of Network	587	
At end of year	(122,341)	(932,267)
Net Book Value - Financial Liability	-	1,789,124

7.19. Risk management objectives and policies

7.19.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's credit risk is primarily attributable to its trade and other receivables, estimated by the company's Finance department based on prior experience, existing financial and economic factors faced by the debtor and the exit options available.

The credit risk on trade and other receivables is limited because the company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds with financial institutions is also low, because the institutions are banks with high credit-ratings.

The amount that best represents the company's maximum exposure to credit as at June 30, 2025, is made up as follows:

	Total	Fully Performing	Past due	Impaired
	Ushs	Ushs	Ushs	Ushs
	Millions	Millions	Millions	Millions
As at June 30, 2025				
Financial assets				
Cash and cash equivalents	391,710	391,710		
Trade and other receivables	238,379	237,551	828	
Due from related parties	252,771	214,137	38,634	-
	882,860	843,398	39,462	-
As at June 30, 2024				
Financial assets				
Cash and cash equivalents	43,390	43,390		

Trade and other receivables	5,919	5,012	908	
Due from related parties	135,181	28,212	106,967	-
	184,490	76,614	107,875	-

Cash and cash equivalents are fully performing.

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low. The debt that is impaired has been fully written off although efforts to recover continue.

The amounts due from related parties i.e. UEB pension refund claim from the Ministry of Finance Planning and Economic Development; is overdue and pose a significant credit risk to the company's working capital.

7.19.2 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk through continuously monitoring forecasts and matching the maturity profiles of financial liabilities and ongoing review of future commitments and credit facilities available to the company.

From the liquidity management analysis below, the company has an exposure arising from the unconcluded retransfer buyout amount negotiations. As at 30th June 2025, part of the buyout amount had been paid by GOU on 31st March 2025 pending conclusion of the arbitration process.

	Total	Less than 1 month	Between 1 & 3 months	Between 3 & 12 months	Over 1 Year
As at June 30, 2025	UShs Millions	UShs Millions	UShs Millions	UShs Millions	UShs Millions
Financial Assets					
Inventories	139,022	(3,808)	108,406	1,962	32,462
Trade receivables	238,379	143	224,310	8,143	5,783
Cash/Bank	391,711	(12,964)	301,175	66,469	37,030
Due from related parties	252,771	(10,862)	155,775	41,012	66,846
Total Financial Assets	1,021,883	(27,491)	789,666	117,586	142,121
Financial Liabilities					
Amount owing to related parties	(401,605)	32,958	(389,462)	(11,827)	(33,275)
Trade and other payables	(26,176)	2,448	(7,427)	(11,554)	(9,643)

Customer deposits	(9,339)	(9,125)	85	(51)	(247)
Financial Liability	-	10,127	1,854,592	(75,595)	(1,789,124)
Total Financial Liabilities	(437,120)	36,408	1,457,788	(99,027)	(1,832,289)
Net Liquidity Surplus	584,763	8,917	2,247,454	18,559	(1,690,168)

7.19.3 Market risk

7.19.3.1 Interest risk

As the company has no significant interest-bearing assets and liabilities, the company's income and operating cash flows are substantially independent of changes in the market interest rates.

7.19.3.2 Foreign currency risk

The company's operations are predominantly in Uganda where the currency was relatively stable against the major convertible currencies. Majority of the purchases were denominated in local currency and therefore no mismatch existed between sales and purchases. In terms of non-uniformity in currency of trade, for some other business units such as the pole plant; all sales are in USD as a way of managing risk since most of the inputs in the poles production like the creosote oil are imported in USD.

7.20 Events after reporting date

Management is not aware of any material events which occurred after the reporting date and up to the date of this report; which requires adjustments to or disclosures in the accompanying financial statements.

7.21 Commitments

The Company did not have any significant commitment as at year-end.

7.22 Contingencies

The Company is a defendant in various legal actions and has received several claims in respect of way leaves, electrocution and former employees. The way leaves cases relate to rural electrification scheme lines that were constructed by UEDCL on behalf of the Ministry of Energy and Mineral Development through REA plus others from UEB times.

Any liability arising out of the UEB related cases will be the responsibility of Government and has to be settled by the Government of Uganda and the other claims are supposed to be financed by the cash generated from the use of UEDCL assets through the lease fees payable as approved by the ERA. However, no approval has

been secured from the Regulator. The insurance companies will meet liability, if any, arising out of electrocution cases. The directors have been advised by their Legal counsel that it is possible, but not probable, that the action will succeed and accordingly no provision for any claims has been made in these financial statements.

CIVIL CASES:

	CASE	BRIEF FACTS	CURRENT STAGE
1	WESIGYE CHRISTOPHER & BYARUHANGA ERIC & 128 ORS V UEDCL ELECTRICITY DISPUTES TRIBUNAL	The Claimants allege that UEDCL trespassed on their land and destroyed property including crops and trees while installing and maintaining electric lines. The claimants' demand is USHS 880 million in compensation and USHS 2 billion as damages.	Hearing was concluded. Judgment will be on notice.
2	LABOUR COMPLAINT 648/2020 BISASO EMMANUEL AND MR. KASUMBA DEO INDUSTRIAL COURT	The Complainants' claim against UEDCL is for a declaration that the complainants were unlawfully dismissed.	Filed all pre-trial documents and await the court to fix the matter for hearing.
3	CIVIL SUIT NO. 44 OF 2022 AGABA JOHNSON V UEDCL HIGH COURT OF UGANDA AT FORT PORTAL	The Plaintiff sued UEDCL for negligence causing death of his son.	Consent order was signed in court for settlement by Insurance
4	CIVIL SUIT NO. 24 OF 2023 AKULLU SUZAN & 2ors V UEDCL HIGH COURT OF UGANDA AT LIRA	Plaintiffs sued UEDCL for negligence leading to bodily injuries. The insurer made an offer to the Plaintiffs which they rejected. The Plaintiffs demand USHS 1.5 billion in compensation, USHS 1.75 million special damages and costs of the suit.	Third party application to bring the insurer on board granted by Court.
5	CIVIL SUIT NO. 105 OF 2008 OPENDI RAYMOND V UEDCL & UMEME CHIEF MAGISTRATES COURT OF TORORO	This matter was filed in 2008 and in 2013, a third party notice was extracted against UEDCL. However, the case was decided in	The case was settled by UMEME vide a consent settlement

		2015. The Plaintiff appealed the decision and the High Court ordered for a retrial. The matter is now for retrial.	
6	CIVIL SUIT NO. 06 OF 2024 OKECH ALFRED V UEDCL HIGH COURT OF UGANDA AT LIRA	The Plaintiff sued UEDCL for compensation due to damage on his school allegedly caused by wires on UEDCL's line.	Matter was fixed for hearing before the trial judge.
7	CIVIL SUIT NO. 35 OF 2021 OPOLOT JOHN V UMEME & UEDCL HIGH COURT OF UGANDA AT SOROTI	This case was filed in Soroti High Court for Negligence causing death, special and General damages for loss of earnings, mental anguish, shock, suffering and loss, claimed.	Parties were directed to file pre-trial documents as they explore final settlement of this case.
8	CRIMINAL CASE NO. 227 OF 2023 UGANDA V AZIKU VICTOR & MUHUMUZA GERALD UTILITIES COURT	The suspects were arrested and charged with illegal connections. Prosecution has since closed its case.	Hearing was concluded. Matter is awaiting judgment of court.
9	CRIMINAL CASE NO. 31 OF 2024: UGANDA V MULONDO KHALIFAN & 2 ORS UGANDA V DISON MUKOBE CHIEF MAGISTRATES COURT OF MAYUGE	The accused were found with vandalized materials and charged in Mayuge Magistrates Court. Two accused were sentenced to 6 years in prison and the third one acquitted. The Police managed to trace Dison Mukobe who was allegedly buying the materials.	Prosecuting Mukobe's case ongoing
10	SDREF 04/31/01/2024 UGANDA V ISABIRYE ANTHONY CHIEF MAGISTRATES COURT OF KAMULI	The suspect was arrested after being found in possession of vandalized electricity materials. He was charged in court under the Penal Code. I was able to guide the court that the suspect be charged under the	Hearing of the Plaintiff's case was concluded. Matter is on defence.

		Electricity Act. The court allowed the charge sheet to be amended to charge the suspect under the Electricity Act.	
11	CRIMINAL CASE NO. 590 OF 2023 UGANDA V MIRO JOSEPH UTILITIES COURT	The suspect was arrested with vandalized materials by the community and charged under the Electricity Act. Investigations have been completed and the file is for hearing.	Hearing prosecution case pending two witnesses to be concluded.
12	BULIISA C.S NO. 009/2019: AYUB KALIBAGWA AMED VS. UEDCL & REA BULIISA MAGISTRATES COURT	The claim is for compensation for constructing a line through the Plaintiff's land without compensation and cutting down his acacia trees.	The matter is awaiting fresh directions after the Plaintiff's application to add Attorney General to the suit was allowed.
13	KAAHWA WILSON Vs UEDCL - Civil Suit No.66/2021 KYENJOJO CHIEF MAGISTRATE'S COURT	The Plaintiff's claim against UEDCL is for trespass to land, general damages, and an order that the powerline be removed from his land at Katooke LC1, Katooke Town Council, Kyenjojo District.	Matter was dismissed for want of prosecution. Plaintiff intends to reinstate
14	WANDERA MOSES v AG & UEDCL (Civil Suit No. 050 of 2021) IGANGA CHIEF MAGISTRATES COURT	Mr. Wandera Moses sued the Attorney General and UEDCL for damages for unlawful trespass by the Defendants to his land situated at Bwoya East Village, Bwoya Parish, Banda Sub-county in Namayingo District.	Parties filed all pre-trial documents and hearing is ongoing.
15	BOSCO WALUMBE VS. UEDCL LABOUR DISPUTE NO 233 of 2023 INDUSTRIAL COURT	The claim is for what was referred to as unfair termination, terminal benefits and	Parties filed all pre-trial documents. We await court to fix

		<p>general and punitive damages. The claim by the Plaintiff is in the region of 425,000,000/= (Four Hundred twenty five million shillings).</p>	<p>the matter for hearing.</p>
	<p>KARMALI MINAZ & LIBERTY ICD VS UNRA, UIA & UEDCL. CS 166 of 2024</p> <p>HIGH COURT OF UGANDA AT MUKONO</p>	<p>The Plaintiff's claim against UEDCL jointly and severally with the other two entities, is for compensation and damages for wayleaves land use in Namanve. The claim by the Plaintiff is in the region of 7,058,411,500/= (Seven billion fifty-eight million four hundred eleven thousand five hundred shillings).</p>	<p>UEDCL filed all pre-trial documents. UNRA and UIA yet to file. Matter to be referred to trial judge for hearing.</p>
16	<p>NAMUSIBO BASIMASI vs UEDCL COMPLAINT No EDT 003 OF 2023</p> <p>ELECTRICITY DISPUTES TRIBUNAL</p>	<p>MS Namusibo Basimasi brought at complaint at the tribunal for compensation and damages for unlawful trespass by the Defendants to her land situated at Bwalula Village, Isegero Parish, in Bugiri District. The claim by the Plaintiff is in the region of 620,000,000/= (Six hundred and twenty million shillings).</p>	<p>Filed a reply to the complaint. No further action has been taken to prosecute the case.</p>
17	<p>RUKIDI CELESTINO vs AG & UEDCL CS 003 of 2024</p> <p>CHIEF MAGISTRATES COURT OF PACKWACH</p>	<p>The plaintiff's claim is for compensation and damages for unlawful trespass by the Defendants to his land in Kanyinyi lower village Packwach district.</p>	<p>Filed a written statement of defence and since that time no further action has been taken to prosecute the case.</p>
18	<p>GRACE ANYANGO (suing through her lawful attorney Dorothy Anyango) vs UEDCL</p>	<p>The plaintiff's claim against UEDCL and two others is for</p>	<p>Hearing of the matter ongoing.</p>

	& 2 ORS Civil Suit No.005 Of 2024 CHIEF MAGISTRATES COURT OF BUKWO	damages for trespass and allegedly connecting her premises in Suam Bukwo district to the electricity grid without authorization.	
19	EDT COMPLAINT NO. 003/2019: NITCO LTD VS UMEME AND UEDCL ELECTRICITY DISPUTES TRIBUNAL	This complaint was filed at the Electricity Disputes Tribunal and by a company seeking compensation for alleged trespass to its land. UEDCL filed its defence-denying liability.	Final submissions filed. Awaiting judgment
20	LIRA H.C.C.S NO. 21/2018: UEDCL VS ACUT CONSTRUCTION LTD HIGH COURT OF UGANDA AT LIRA	UEDCL filed the suit seeking compensation of about 58,000,000/= for a damaged transformer and the resultant energy loss when the defendant company vehicle rammed into it in Loro, Oyam District.	UEDCL failed to serve defendant due to inability to find their address.
21	HCCS No. 33/2018: ROMANS 8.1 MINISTRIES LTD VS UEDCL AND UMEME HIGH COURT OF UGANDA COMMERCIAL DIVISION	The claim is for breach of statutory duty, breach of contracts and compensation for a transformer which was removed from the vicinity of the plaintiff company factory hence causing loss to them in sales. This is in UMEME operated area and UEDCL denies liability. The claim is for 170m/-.	UEDCL filed WSD in this case. No further action has happened on this case.
22	HOIMA CS NO.30/2018: CHOTUM GEORGE VS. UEDCL CHIEF MAGISTRATES COURT OF HOIMA AT HOIMA	The claim is for compensation for alleged trespass by UEDCL by erecting poles on the Plaintiff's land. The Plaintiff also wants court to order	The matter is yet to be fixed for hearing or mediation.

		UEDCL to remove the electric poles and wires from his land.	
23	LIRA H.C.C.S NO. 026/2019: OKULLO ALFRED AND 184 OTHERS VS UEDCL. HIGH COURT OF UGANDA AT LIRA	The plaintiffs are claiming about 2bn/- in total for trespass to their land by constructing a power line through. UEDCL filed its defence denying liability The case has not been fixed for hearing or mediation.	Matter awaits hearing dates.
24	C.S NO. 096/2019: KABAGAMBE GEORGE VS UEDCL CHIEF MAGISTRATES COURT HOIMA	The plaintiff filed this suit claiming compensation for his trees and vegetables, which were allegedly destroyed during the diversion of power line in Hoima District.	Matter waits hearing dates
	CIVIL SUIT NO.111 OF 2015: ATUKWASE BERNARD VS UGANDA ELECTRICITY DISTRIBUTION COMPANY LIMITED CHIEF MAGISTRATES COURT MASAKA	The Plaintiff sued UEDCL for alleged trespass by building a line across his land in Gayaza village, Kimanya –Kyabakuza in Masaka Municipality in 2014 without his consent. UEDCL's defence is that it did not build any lines in that area.	Matter awaits hearing dates
25	LAND CLAIM NO. 014 OF 2014: OLAL SIMON AND 502 OTHERS VS UEDCL & UEB. THE HIGH COURT OF UGANDA AT LIRA	503 people claim that they received notices of line survey/construction but they were never compensated for their property, which was affected by the construction of the Masindi-Apac 33 KV line that was constructed by UEB under the Urban Power Rehabilitation project. They want court to order UEDCL and UEB	Hearing to commence.

		to pay them the compensation due to them.	
26	C. S NO. 05 OF 2013: WANA LODOVICO VS UMEME& UEDCL HIGH COURT OF UGANDA AT MBALE	The Plaintiff is seeking compensation for the death of his 13-year-old daughter, Eseza Kabeja. She was electrocuted on 22nd April 2012 upon riding a bicycle near electricity wires that had fallen in a puddle of water on Bukatikoko Village Road in Tirinyi Sub county, Kibuku District. The claim is for UShs.500,000,000=	Matter is part heard.
27	H.C.C.S NO. 129 OF 2014: KAKUGU SYLVAN VS UMEME LTD& UEDCL COURT OF APPEAL	The plaintiff's claim against UMEME and UEDCL jointly and severally was for damages for alleged trespass to land at Kamuli Namugongo Kira Municipality. Judgement was made in favour of the plaintiff, but UEDCL appealed to the Court of Appeal. Umeme did not appeal.	Stay of execution was granted to UEDCL, pending appeal.. UEDCL received a letter from UMEME dated 18th June 2024 seeking indemnification for the amount 530,736,000
28	C.S NO.058 OF 2011: SALEH ABDU ALYANGA VS UMEME LTD & UEDCL CHIEF MAGISTRATES COURT OF LIRA AT LIRA	The Plaintiff claims that in 2006 Umeme trespassed on his land at Kichope in Lira Municipality by building a power line through it without his consent. He claims that he was constructing a house then but could not roof it because the line was built over it. Umeme Limited filed a third party notice against	Matter has stalled due to inaction by Plaintiff.

		UEDCL claiming that the line was built in 2004 before it took over the network and UEDCL was joined as a party to the suit.	
29	H.C.CS NO.586 OF 2004: RICHARD TINKAMANYIRE VS UEDCL & UMEME HIGH COURT LAND DIVISION	The 33Kv line from Lugogo to Port Bell via Gaba Water Works passes through the Plaintiff's land comprised in LRV 2822 Folio 16, Plot 252 at Gaba. The Plaintiff claims that the said line was constructed in 1992 by UEB without obtaining consent from the then owner of the land, one Specioza Kwesigabo. He is seeking orders for the line to be diverted. He is also seeking that compensation and damages totaling to 50m/- should be paid to him.	Case is part heard.
30	CIVIL SUIT NO. 06/2015: EYOOBIA AND OTHERS VS UEDCL AND WENRECO HIFG COURT OF ARUA	This case was dismissed with no order as to costs. The Plaintiffs have filed a notice of appeal to the Court of Appeal. To date, we have not been served with Memorandum of Appeal or any other document relating to the appeal.	Appeal has not yet been pursued.
31	HCCS NO. 149 OF 2005: JOHN FREDRICK MUBIRU VS UEDCL HIGH COURT OF UGANDA CIVIL DIVISION	The Plaintiff sued for terminal benefits. His lawyers wrote a letter asking to settle the matter at 185m/-. Kateera & Kagumire Advocates are handling the matter.	In the meantime, we filed pretrial documents.

32	<p>CIVIL SUIT NO. 37/2020: MUGISHA AGGREY VS URSB, UEDCL, BASHASA & CO. ADVOCATES AND AUDITOR GENERAL</p> <p>HIGH COURT CIVIL DIVISION</p>	<p>The plaintiff filed this suit in the civil division of the High Court, seeking payment of pension and terminal benefits, costs and interests. He proceeded under Order 36 of the CPR. UEDCL successfully filed an application for leave to appear and defend the suit.</p>	<p>Judgment was entered against the Plaintiff and case was dismissed with no order as to costs.</p>
	<p>CIVIL SUIT NO. 210 OF 2009: MUGISHA AGGREY VS UEDCL AND AG</p> <p>CHIEF MAGISTRATES COURT AT MENGO</p>	<p>Mugisha Aggrey, a former employee of UEDCL filed this suit seeking for compensation for malicious prosecution.</p>	<p>Matter was dismissed by Court for being filed outside limitation. Plaintiff has since filed a notice of appeal.</p>
33	<p>CIVIL SUIT NO. 24/2019: ABONGA JOSEPH AND 75 OTHERS VS UEDCL</p> <p>HIGH COURT OF UGANDA AT GULU</p>	<p>The plaintiffs filed the above suit seeking for compensation for trespass to their land due to the power line extension from Angagura-Aswa Ranch in Pader District. UEDCL filed a defence denying liability explaining that the compensation assessment was almost complete and the plaintiff would be compensated.</p>	<p>Claimants compensated and matter has since stalled.</p>
34	<p>CIVIL SUIT NO. 25/2019: BATAMBUZE PAUL VS UEDCL & ATTORNEY GENERAL</p> <p>CHIEF MAGISTRATES COURT OF BUGIRI</p>	<p>The Plaintiff filed the above suit for trespass to his airspace, removal of power line from his airspace, compensation, temporary and permanent injunction and costs of the suit.</p>	<p>P.O was raised by Attorney General and ruling has not been delivered.</p>
35	<p>CIVIL SUIT NO. 0097/2020: KAKUMU PEREZ VS UEDCL</p>	<p>The Plaintiff filed the above suit against UEDCL for trespass</p>	<p>Matter has stalled due to</p>

	HIGH COURT LAND DIVISION	and/ or unlawful deprivation and occupation of land and seeks an eviction order, general damages, or compensation and costs of the suit. The Plaintiff seeks compensation to the tune of USHS 56,880,000=	Plaintiff's inaction.
36	EDT. COMPLAINT NO. 23/2020: KABAYO SAMUEL VS AG & UEDCL ELECTRICITY DISPUTES TRIBUNAL	The Complainant's claim against the Respondents jointly and severally is for special, aggravated and general damages for trespass to his property comprised in Block 12 Plot 494, land at Rujumbura, Rukungiri District.	The suit has stalled due to the Complainant's inaction.
37	CIVIL SUIT NO. 41/2020: SHEIKH MUHAMMAD KAMIRA VS UEDCL HIGH COURT OF UGANDA AT JINJA	The Plaintiff's claim against UEDCL in the above case is for compensation for his piece of land at Nasuti-Nambale Sub County, general damages and costs of the suit. UEDCL then filed a defence denying liability explaining that the plaint did not disclose a cause of action, was barred by limitation and that the same should be dismissed with costs.	No further action has been taken by the Plaintiff.
38	CIVIL SUIT NO. 33/2019: BULAFU WILSON & ORS VS UEDCL & 3 ORS. HIGH COURT OF UGANDA AT MBALE	The Plaintiffs are seeking compensation as dependants for the death of a one Wakooba Patrick Kuloba who was knocked down on 27th October, 2018 by the 4th Defendant while	Case has stalled due to Plaintiff's inaction.

		driving motor vehicle Registration No. UBD 386G along Kumi Road, Mbale clock tower. UEDCL filed a defence denying all liability and all allegations of being vicariously liable for the actions of 2nd Defendant and that it is being wrongly sued.	
39	H.C.CS No. 032 OF 2022: BYARUHANGA AFRICANO V UEDCL HIGH COURT OF UGANDA AT FORT PORTAL	The Plaintiff sued UEDCL in negligence leading to damage of property. We have since filed our defence and await further directions from court. Our insurer assessed the damage and made an offer to the Plaintiff but he is yet to get back to us on whether or not it is acceptable.	Matter has not been fixed for directions.
40	CIVIL SUIT NO. 49/2019: SARAH NANKYA VS UEDCL, ERA & UMEME LTD. HIGH COURT OF UGANDA AT MPIGI	The Plaintiff's claim against the defendants jointly and severally lies in trespass on the suit land. She therefore prays for compensation to the tune of USHS 142,048,000= as well as general damages and costs of the suit.	UEDCL filed its defense denying any and all liability and were duly served. No further steps have been taken by the Plaintiff
41	CIVIL SUIT NO. 0048/2020: MUSHABE HENRY V UEDCL HIGH COURT OF UGANDA AT MBARARA	The Plaintiff's claim against UEDCL in the above matter is for return of his original owner's copy of the Certificate of Title, a declaration that the Defendant Company is illegally holding onto the Plaintiff's Certificate of Title, general and punitive damages as well as interest and	No further action has been taken by the Plaintiff.

		costs. UEDCL denies having the title.	
42	CIVIL SUIT NO. 001/2021: BYARUGABA FIDERI VS REA & UEDCL CHIEF MAGISTRATES COURT OF KABALE	The Plaintiff filed Civil Suit No. 51 of 2020 against UEDCL wherein he claimed special, general and aggravated damages for trespass to land and cutting down of trees all amounting to USHS 37,350,000=. UEDCL went on to file its defence denying all liability on the 17th day of December, 2020.	The plaintiffs have since taken no further steps.
43	KAKUGU TUMWESIGIRE SYLVAN vs UMEME & UEDCL CS 1536 of 2023	The plaintiff's claim against UMEME and UEDCL jointly and severally is for damages for trespass to land at Bunga Wakiso. The claim by the Plaintiff is in the region of 1,000,000,000/= (One billion shillings).	Parties to file pre-trial documents.
44	KAKUGU TUMWESIGIRE SYLVAN vs UMEME & UEDCL C.S 23 of 2024	The plaintiff's claim against UMEME and UEDCL jointly and severally is for damages for deprivation of ownership and usage of land at Kirinya Bweyogerere Division Kira Municipality. The claim by the Plaintiff is in the region of 1,000,000,000/= (One billion shillings).	Parties to file pre-trial documents.
45	EDT NO. 035 OF 2024: KIRIKO LAMECH V UEDCL ELECTRICITY DISPUTES TRIBUNAL	The Complainant sued UEDCL for trespass on their land in Nakasajja, Mukono district.	Response to the Complaint filed. Matter will be referred to mediation.

46	LUCY ADONYO vs UEDCL and UMEME CS No 030 of 2024	The Plaintiffs claim is for special damages for allegedly causing the death of her spouse in an electrocution that occurred in Amac Trading Center Lira district. The area is outside UEDCL's operational jurisdiction	UEDCL filed a defence in response to the suit, but the case has not yet taken off.
47	C.S NO. 10 of 2025; SUNDAY AMOS & KAJOINA VERONIKA v UEDCL	The suit was brought against UEDCL for the death of a one Kirungi Charles after getting in contact with UEDCL lines in Bundibugyo	UEDCL has since engaged the parties to explore settlement by the insurer.
48	MISC. APP NO. 29 OF 2025; OPOK CAROLINE ANGEYO V UEDCL	The Applicant is seeking orders to substitute UMEME with UEDCL in C.S no. 5 of 2025.	UEDCL has since filed an Affidavit in reply to the application and now we await directions of court.
49	BEN MUGUMURA vs UMEME and UEDCL Complaint 14/ 2022 (Electricity Tribunal)	This suit was brought against UMEME alone for alleged trespass to land in Mubende district. Whereas this is under the jurisdiction of UMEME, they sought to have the tribunal grant a third-party notice for contribution by UEDCL, on the grounds that the pole was erected prior to the concession.	Matter before the Electricity Tribunal pending hearing.
50	Godfrey Semanda	A claim for damages for alleged trespass by Umeme to Kibuga Block 28 Plot 866 at Makerere.	Umeme sought indemnification of the total amount from UEDCL by letter dated 13th December 2024.
51	Dr. JF Tiromwe Civil Suit No. 386/2012	A Claim for trespass to land at Kakiika Parish, Mbarara District.	Umeme by letter dated 13 December 2024 claimed

		Court ordered Umeme to pay Compensation of Shs. 510,480,443 plus costs of Shs. 50,000,000	indemnification of Shs. 579,795,123 from UEDCL.
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7.8 Going concern:

During the year ended June 30, 2025 the company has a positive shareholders' funds of UShs 224 billion (2024: UShs147 billion). These conditions indicate the existence of a material certainty for going concern in the future.

7.9 Comparatives:

The current period Financial Statements are prepared for 12 months ended June 30, 2025 and previous year financial statement prepared for 12 months ended June 30, 2024 therefore the comparative figure is comparable.



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