



annual
report
2009/2010



Wastewater Management Authority

The Celicourt, Sir Celicourt Antelme Street, Port Louis

Tel: (230) 206-3000
Fax: (230) 211-7007
E-mail: wma@intnet.mu
Website: <http://wma.gov.mu>



Wastewater Management Authority

“Making life greener
and healthier”



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CHAIRMAN'S OUTLOOK

It gives me great pleasure to present the Annual Report of the Wastewater Management Authority for the period 01 July 2009 to 31 December 2010 to our stakeholders.

The Authority is pursuing its mission to expand the public sewer system, in line with Government's vision to connect 50% of the population to the public wastewater network by 2014/15.

The WMA Board adopted a three-pronged strategy with a view to meeting the objective set and our strategies focused on investing in sewerage infrastructure, consolidating the Operation and Maintenance services and ensuring financial sustainability.

Expanding the Sewer Network

The extension of sewer networks remained high on the agenda of the WMA Board. For the period under review, Rs2.43 billion was invested on capital projects to meet our objectives. The mega projects in the Plaines Wilhems region being undertaken under three different contracts are on course and are progressing satisfactorily. Another major project in the Baie du Tombeau region has been completed. As an agent of Government, the Authority took the necessary steps to fulfil its duty as provided for under the WMA Act and its legal instruments. Up to now 24% of the population has been connected to the public sewer system.

Consolidating the Operation and Maintenance Services

With the expansion of the sewerage network throughout the island, the Operation and Maintenance Services of the WMA will inevitably become a very important pillar of our core activities. We have a keen interest in providing quality service to our customers, thus the decision of the WMA Board to strengthen the Operations and Maintenance Department. The strategy adopted by the Board to consolidate its services is to recruit talented employees with the necessary skills and know-how as well as investing in specialised equipment.

Coupled with the abovementioned actions, the Board decided, as a policy, to reduce to a minimum the services which were being outsourced. In fact, it is planned that, by the year 2012, the Authority would, with the exception of the St Martin WTP, operate and maintain all the Wastewater Treatment Plants and Pumping Stations which are government owned assets.

The Board looks forward to the O&M Services being carried out in-house which would result in substantial savings on running costs.

Ensuring Financial Sustainability

Our commitment to Government, which is one of our main stakeholders, is to be a watchful steward of public funds. For us, it means adopting a sound financial management and delivering consistent financial performance while adhering to principles of good governance. Therefore, the Authority is trying its best to ensure its financial sustainability. The strategies to expand the sewer network in densely populated areas together with the manning of practically all the wastewater plants will pave the way for a financially sustainable organisation. One of the decisions of the Board to set up a Corporate Affairs Unit to manage the debts of the Authority is yielding positive results. To attain financial sustainability, wastewater rates would have to be reviewed in the near future. We are confident that the manifold actions taken by the Board and with the support of Government, the WMA would succeed in its endeavour to provide quality service as well as maintaining a sound financial status.

Our Human Capital

With the constantly changing environment, the factors that continue to drive and motivate the WMA are the dedication of our employees and the capital improvements in which we invest. One of our core values is to maintain a workplace environment based on honesty, trust and respect, where achievement is rewarded. Thus, our vision to develop a learning organisation is based on continuous training, knowledge sharing and investment in the well-being of our staff.

A special word goes to our Board members who have spared no effort to enable the WMA Board to meet regularly and even at short notice during the year to consider matters reserved for the Board, to deliberate on urgent policy decisions or to meet stringent deadlines. I wish to seize the opportunity to thank all our other stakeholders for supporting the Board in the arduous task of providing a better environment for the population.

We adhere to the moto "A better environment is essential to the health and welfare of our country people and families".

I extend my heartfelt thanks to everyone. Let us now look forward with determination to facing even more challenges in 2012



K. Lobine
Chairman

"...maintaining a workplace environment based on honesty, trust and respect"

Khushal Lobine read law at the University of Wolverhampton and at Cardiff Law School. He was called to the Bar of England and Wales and is also a member of the Honourable Society of the Lincoln's Inn.

He is well versed in Alternate Dispute Resolution (ADR) and assists the legal process in resolving disputes through mutual facilitation and mediation.

Mr Lobine is a practicing barrister and regularly advises local authorities, governmental institutions and parastatal bodies as well as private companies in the field of contract management, preparation and vetting of international bidding documents, Construction and Environmental Law and procure-ment procedures.

S STATEMENT OF OFFICER-IN-CHARGE

The period under review has been very enriching with, on the one hand the consolidation of our strategic plan, the accreditation of our Wastewater Laboratory and on the other, meeting the target set by the European Delegation in terms of Key Performance Indicator.

The mega Plaines Wilhems Sewerage Projects have been moving ahead satisfactorily, an indication that the Authority is progressively acquiring the necessary know-how to deal with major challenges inherent in major civil engineering works.

Furthermore in 2010, two minor projects were also completed in the region of Roche Bois and La Vallée Ste Croix located in the periphery of Port Louis. These projects were implemented due to inadequate sanitation facilities in these areas populated by low income groups thus avoiding risks to public health and to the environment.

The implementation of the new sewerage projects is leading to an expansion of the network system and an increase in the number of pumping stations and associated facilities necessitating the strengthening of the operations and maintenance capacity. By the end of 2010, over 720 kms of sewer lines over 200mm diameter were in operations coupled with 64 Pumping Stations. Therefore, the Authority is laying emphasis on the consolidation of the Operations and Maintenance division through additional resources and modern equipment so as to offer an efficient service to an evergrowing customer base.

A major milestone was also achieved during 2010 as the wastewater laboratory has been accredited to the International Standard ISO/IEC 17025:2005 for testing and calibration laboratories. This achievement is a milestone as the laboratory is one of the very few in Mauritius to have been accredited to that standard which would provide a springboard to generate additional revenue from testing of samples for other organizations in line with one of the Authority's objective of long term financial sustainability.

The Authority continues to benefit from the support of the Government and the various Donor Agencies for financing the sewerage projects. The WMA Board has been instrumental in providing the necessary guidance and support to management in its endeavours to meet the numerous challenges posed by the extensive programme of project implementation.

On the financial aspect, the revenue generated from the wastewater charges has stayed static as the volume consumed by the industries has decreased due to slower activities in the textile sector more specifically the dyeing plants. Also the number of houses that can be connected to the public sewer on the new projects is limited in the early phases of implementation.

The Authority's total expenses have gone up mainly due to the subcontracting of the operations and maintenance of St Martin Wastewater Treatment Plant and some 37 Pumping Stations. These costs are high because of the limited capacity in Mauritius to perform such tasks. To reduce costs, vacancies were filled in only where it was absolutely necessary to do so. Other cost cutting measures have been taken and will be maintained until the next tariff increase.

In an attempt to control the costs, the Board has decided that the Authority should set its stall so that the Pumping Stations be operated and maintained by in-house personnel at the expiry of the present contract. This action will also help towards capacity building.

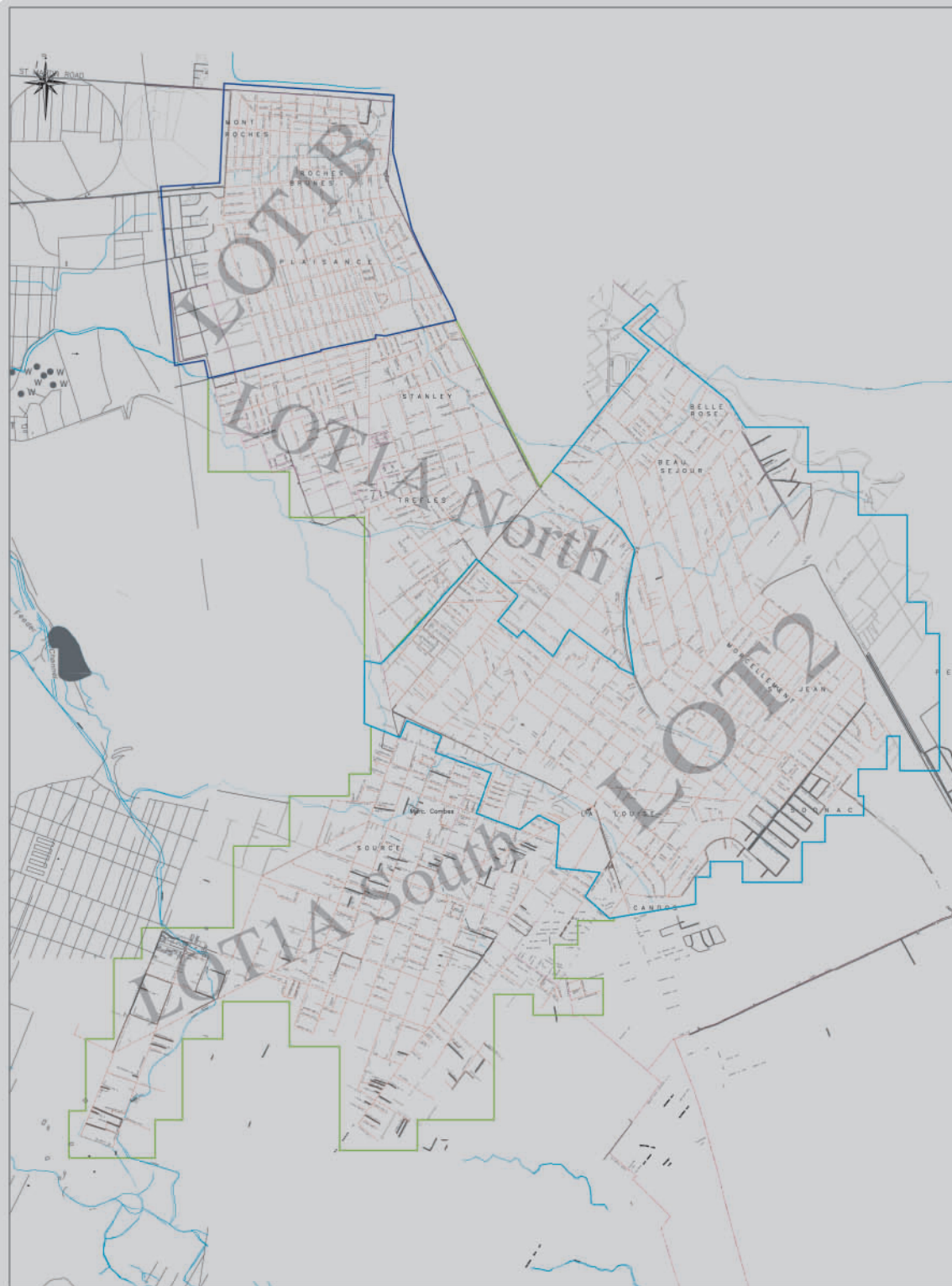
With the dedication of WMA employers and the support from Management and the Board, the Authority can look forward with confidence to meeting the future challenges inherent in these complex sewerage projects and the operations of the public sewer network thus contributing significantly to preserving the environment and protecting the health of all inhabitants.



D.R. Kundasamy

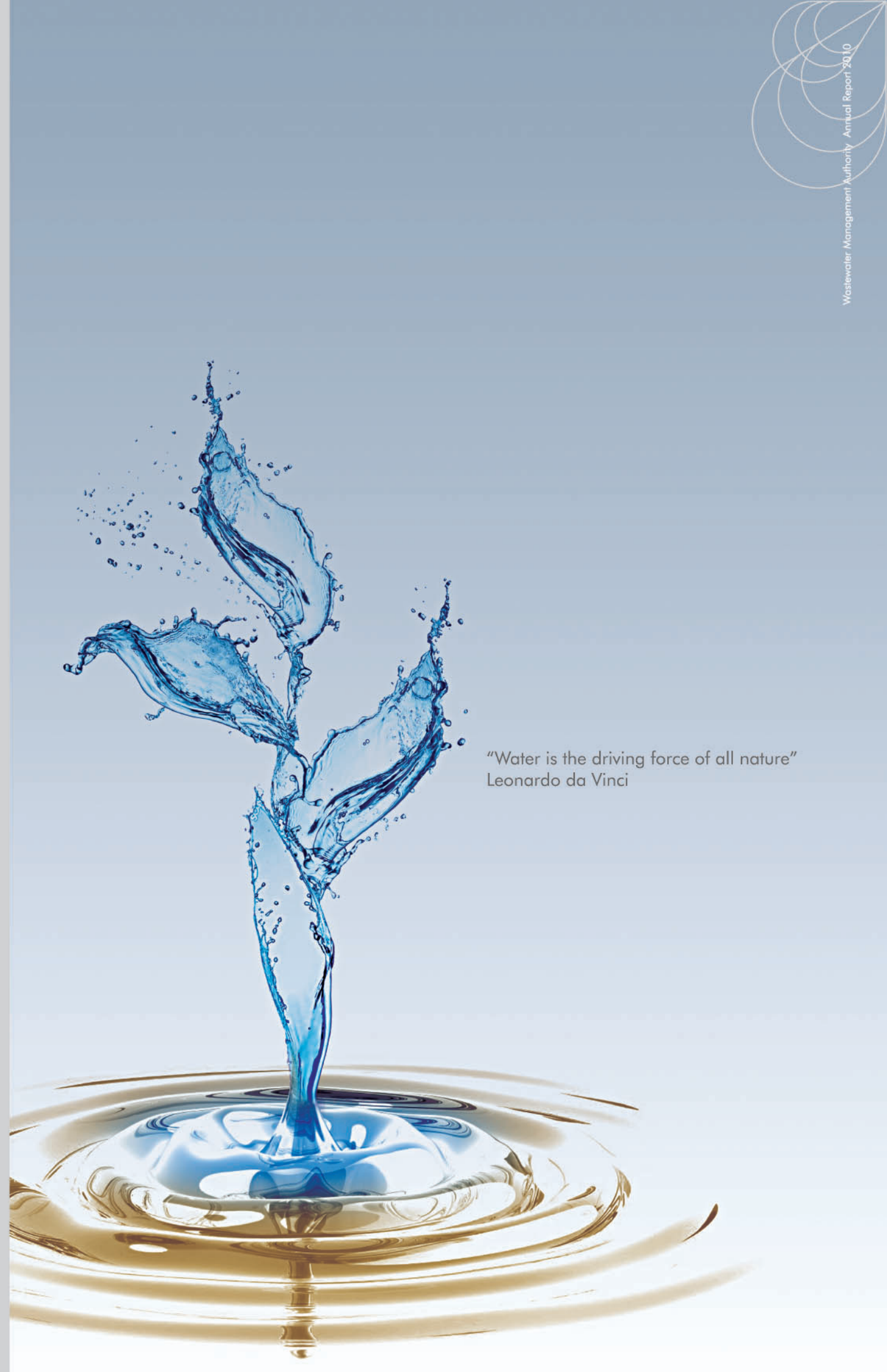


“We look forward with confidence to meeting the future challenges”



The map represents the area to be sewered under the Plaine Wilhems Sewerage Project.

These regions are: Quatre-Bornes, Rose-Hill, Bassin, Palma, Trèfles, Stanley, Mont-Roches, Roche-Brunes, Plaisance, Candos, Berthaud, Sodnac, St. Jean and Belle-Rose



"Water is the driving force of all nature"
Leonardo da Vinci

P PROJECTS PEAKING PHASE

Expanding the sewerage network is still the priority of the WMA, this in line with the stated mission of Government to connect about 50% of the population to the public sewer by 2014-2015. It is true to say that some delays have been encountered for reasons beyond the control of the WMA.

The network coverage of the island as at December 2010 has increased considerably, following the implementation of major projects in several regions. The progress achieved is due to the sound management of each project based on four important factors, namely finance, human capital, technical know-how and public relations.

The financial support of the international funding agencies and the Government of Mauritius are of crucial importance for the effective implementation of these complex projects.

WMA has received support from a number of international funding agencies in meeting the financial challenge of building a wastewater network for a projected population of 50,000 households. The following funding agencies are continuously providing their valuable support to the wastewater sector:

International Funding Agency	Sewerage Project
African Development Bank (AfDB)	Plaines Wilhems Sewerage Project (LOT 1B)
Agence Française de Développement (AFD)	Grand Bay Sewerage Project/ Phase 2
European Investment Bank (EIB)	Plaines Wilhems Sewerage Project (LOT 1A)
EXIM Bank of China	Plaines Wilhems Sewerage Project (LOT 2)
Japan International Cooperation Agency (JICA)	Grand Bay Sewerage Project/ Phase 1B
BADEA	Pailles Guibies Sewerage Project
World Bank	Baie du Tombeau/ Phase 3

M MAJOR PROJECTS ONGOING WORKS

The Plaines Wilhems Sewerage Project (PWSP), split into three contracts, namely LOT 1A, LOT 1B and LOT 2, is generally on course within the timeframe as scheduled. These capital projects aim at providing a proper sanitation disposal system to the regions concerned. The implementation of such complex projects demands the input and expertise of several parties. The works executions are very challenging and with the dedicated team which comprises WMA Project Managers, Consultants and Contractors, the tasks are being successfully handled.

The project area of the PSWP Lot 1A, funded by the European Investment Bank (EIB), covers the following regions of Quatre-Bornes and Rose-Hill Bassin, Palma, Trèfles, and Stanley. 13% of the project has been completed by the contractor JV C.F. Thymian Holding GbR-SOTRAVIC Ltd.



PWSP Lot 1B, funded by the African Development Bank (AfDB), neared 60% completion and covers the regions of Mont Roches, Roches Brunes, and Plaisance. The project has been contracted out to SOTRAVIC Ltd.

Finally, the PWSP LOT 2, supported by the EXIM Bank of China, has progressed to 55% and mainly concerns the regions of Candos, Berthaud, Sodnac, St Jean, and Belle Rose. The project has been contracted out to the JV Beijing Construction Engineering Group- SOTRAVIC Ltd.



All infrastructures damaged in the course of the project were reinstated following project completion.

C COMPLETED WORKS



The Baie du Tombeau Sewerage Project financed by the Government of Mauritius constitutes an important milestone in the Authority's mission to protect our marine environment. 1,200 houses were connected in the following localities of Baie du Tombeau: Morc. Rouillard, Morc. Swan amongst others.

The location and topography of the region were two major aspects contributing to the essentiality of the project. The latter eliminated the wastewater contamination threat faced by the Baie du Tombeau lagoon. The coastal road of Baie du Tombeau village was fully reasphalted.

F FUTURE PROJECTS

WMA COMING TO THE NORTH

The Grand Baie Sewerage Project, which includes some 15,000 new house connections, is one of the most important future sewerage projects. The preliminary investigation for the project has already been initiated. It will establish an integrated approach to wastewater management for the area; the project is intended to meet the needs of the growing population by the year 2015. The mega sewerage project of the North is an extension of the Grand Baie Sewerage Project (GBSP) Phase 1. 15,000 houses will be connected to the sewer network. The major aspects of the project are shown below.

	Project Area
GBSP Phase 1B	Cap Malheureux, Pereybere and Pointe-aux-Cannoniers
GBSP Phase 2	Trou-aux-Biches, Pointe-aux-Piments, Triolet, Morcellement, and Plaines des Papayes
Grand Baie Wastewater Treatment Plant (GBWTP)	Chemin Vingt Pieds Triolet

OTHER PROJECTS

Several other sewerage projects of lesser extent were identified in currently unserved regions, which lie within the WMA sewer planning boundary. The inhabitants of these regions suffer from nuisances and potential health hazards due to saturated and overflowing absorption pits/septic tanks. In order to alleviate these grievances, the WMA as a responsible authority regularly implements smaller sized projects to provide proper sanitation facilities to these regions. These projects are generally funded by the Government of Mauritius.

ROZANO AND PARISOT

Currently, two sewerage projects are being implemented namely the Rozano and Parisot sewerage projects. Due to the current wastewater disposal system which represented a potential threat to groundwater and public health, these projects were of major concern for the WMA. The Rozano sewerage project will connect 250 houses to the sewer network. Additionally, a pumping station will be constructed to cater for the new house connections. The project has been contracted out to H. Padiachy Contractor Ltd. The other one is the Parisot Sewerage Project which aims to alleviate the hardships faced by some 150 households due to wastewater overflows coming from saturated pits.

SEWERAGE PROJECT AT DESBOUCHERS



The Desbouchers Roche Bois Sewerage Project, completed in June 2010, connected some 125 houses to the sewer network. The pumping station located at Roche Bois was upgraded following recurrent overflow and blockage problems. This project was prioritized due to inappropriate sanitation facilities in the region. It was noted that the lack of space in the residents' premises prohibited them from building septic tanks. Morcellement La Vallée is located in the North-East of Port-Louis. The project was launched following numerous complaints from the inhabitants regarding the overflow of wastewater. Most of the houses are low-lying and therefore wastewaters produced by the households in Morcellement La Vallée have to be conveyed to a low point and pumped to the existing main along Ste Marie Street, St Croix.

The Morcellement La Vallée sewerage project was also completed in the year 2010 and 162 houses have been connected to the wastewater network. Most of the old existing cess-pits have been backfilled to avoid any possible problem. The implementation of Morcellement La Vallée Sewerage Project and Desbouchers Roche Bois Sewerage Project are clear indications of the concern of the Authority for providing better sanitation facilities to low-income population.

UPCOMING FEASIBILITY STUDY

The Bain des Dames, Camp Caval and Vallée des Prêtres regions will be connected to the sewer network in the near future. The feasibility study of these sewerage projects has already been initiated. Excavation works are expected to start in 2012.



OPERATIONS & MAINTENANCE

In line with the stated policy of the WMA Board to adopt an in-house Operation and Maintenance, the O&M department is set to play an important role within the organisation.

With the expansion of the sewerage network, more emphasis would be laid on the strengthening of the manpower and resources to be allocated to this department. For the 18-month period the budget allocated to the department amounted to Rs 375 million. With the taking over by the WMA of all the wastewater treatment plants and pumping stations, except the St Martin wastewater treatment plant, by the year 2012, the budget allocated for outsourcing the operation and maintenance would be reduced substantially. However, this decision would have to be coupled with the recruitment of specific human resources and the purchase of specialised equipment.

The following main wastewater treatment plants are operational:

WWTP	Year commissioned	Design capacity m ³ /day	Actual volume treated (m ³ /day)	Treatment
Baie du Tombeau	2002	45,000	22,000	Preliminary
St Martin	2005	69,000	40,000	Tertiary
Grand Baie	2006	5,300	1,100	Tertiary
Montagne Jacquot	2007	48,000	30,000	Primary
	Total	165,000	93,100	

ACTUAL SEWERAGE INSTALLATIONS IN OPERATION

The Bain des Dames, Camp Caval and Vallee des Pretres regions will be connected to the sewer network in the near future. The feasibility study of these sewerage projects has already been initiated. Excavation works are expected to start in the year 2012.

The following installations are operational:

- 4 major wastewater treatment plants (table above)
- 2 ocean outfalls at Montagne Jacquot (800m) and Baie du Tombeau (1,300m)
- 18 medium size and small wastewater treatment plants
- 723 km of sewer lines (Ø from 200 mm up to 1100 mm)
- 64 pumping stations
- 18,075 manholes

The Operation and Maintenance department also plays a key role in providing a proper service to WMA customers in cases of blockages in the sewer network and nuisances caused by overflow.

This department is a core component in the strategic set-up of WMA. The following activities fall under the responsibility of the Operation and Maintenance department:

- Operating and maintaining our 84 pumping stations
- Providing technical support to the Project Management Unit and other sections of the WMA
- Ensuring proper operation and maintenance of the public wastewater system
- Intervening in our sewer lines
- Ensuring the proper functioning of the 4 major treatment plants
- Taking the responsibility for upgrading of treatment plants and pumping stations as and when required



S St MARTIN WASTEWATER TREATMENT PLANT

GUIDED TOUR



3. The secondary treatment is known as the Activated Sludge Plant (ASP).

1. The screening system removes all materials up to 6mm, the grit detritor removes sand, gravels, silt, ash and other inorganic materials.

The primary sedimentation allows sediments to settle in a solid form.



2. Biofilter: The biofilter treats all the air that are extracted from the channel and buildings prior to release to the environment and it is a biological process.



4. The activated-sludge process is an aerobic, continuous flow treatment that uses aerobic micro-organisms to break down organic matter in wastewater.



5. The suspended solids with the mixed liquor from the aeration unit is separated from the treated waste by gravity in the final settling tank



6. Sand filtration and the UV Disinfection: The sand filtration removes any remaining suspended solid from the effluent prior to its disinfection by UV rays.



7. The secondary sludge conditioning is effected in a Gravity Drainage Deck with the help of polymers prior to the thickening process.



9. The biogas produced also contains hydrogen sulphide which is corrosive to metals and is being used as combustible for the Gas Generator. The present biogas production helps to run the Gas Generator for about 10-12 hrs daily and produces about 25-27% of the plant monthly energy demand.



8. The Thickened Sludge undergoes a digestion process in Mesophilic Anaerobic Digesters. The anaerobic digestion reduce the organic material to carbon dioxide, Methane, and other inert end products, in a nutshell biogas production.



10. The digested sludge is dewatered to an acceptable limit by centrifuges and is presently disposed to the landfill. The wastewater treated is being used for irrigation purposes.

CORPORATE GOVERNANCE REPORT



"We forget that the water cycle and the life cycle are one"
Jacques Yves Cousteau



C CORPORATE GOVERNANCE REPORT

The Wastewater Management Authority Board acknowledges the fact that it has a responsibility to ensure good governance throughout the Authority in order to help it fulfil its obligations towards all its stakeholders. The Board is responsible for ensuring the effectiveness of the Authority's system of internal controls while assessing the operational risks and considering the financing needs.

It is, therefore, strongly committed to the highest standards of corporate governance and adhered, as far as possible, to the provisions of the Code on Corporate Governance published in 2004. WMA's activities are also in accordance with the provisions of the WMA Act 2000.

THE WMA BOARD AND ITS COMMITTEES

As per the provisions of the WMA Act, the WMA Board comprises 10 members including the Chairperson. Each of the following Ministries has a representative on the WMA Board:

- Ministry responsible for finance
- Ministry responsible for economic development
- Ministry responsible for wastewater (Ministry of Energy and Public Utilities)
- Ministry responsible for water resources (Ministry of Energy and Public Utilities)
- Ministry responsible for health

The University of Technology of Mauritius is also represented on the WMA Board. Three members, one with longstanding experience in environmental matters and two in consumer interests, are appointed by the Minister of Energy and Public Utilities.

For the period July 09 to December 2010, the composition of the WMA Board was as follows:

• Mr.K Lobine	Chairman
• Mr S.Nemchand	Rep. of Ministry of Energy and Public Utilities
• Mrs P. Rojoo	Rep. of Ministry of Finance and Economic Development [Economic Dev. Division]
• Mrs S. Sew-Hee	Rep. of Ministry of Finance and Economic Development [Finance Division]
• Dr M. E. Allybokus	Member with wide experience in environmental matters
• Mr L. Juggoo	Rep. of Ministry responsible for Water Resources
• Mr G. Thandrayen	Rep. of Ministry of Health & Quality of Life
• Dr H. Chitto	Rep. of University of Technology of Mauritius
• Mr P. G.Cathan	Member with experience in Consumer interest (As from August 2009)
• Mr S.Ramgolam	Member with experience in Consumer interest

In accordance with the provisions of the WMA Act, the Board met at least once on a monthly basis to deal with matters specifically reserved for its decision. These matters include agreeing to and monitoring strategic plans and financial targets, as well as major decisions on resources. The Management of the Authority is overseen in the interest of its various stakeholders. It is also ensured that processes are in place to manage major risks, corporate governance issues and litigation.

For the period under consideration, the statistics with respect to Board meetings are detailed below:

Period	Board meetings	(Special) Board meetings	Total
2010	16	10	26

C CORPORATE GOVERNANCE REPORT

CHAIRMAN

The Chairman's role is to ensure the effective running of the Board on all aspects of its duties and setting its agenda. His other key responsibilities include leading the Board, promoting effective communication with stakeholders and ensuring constructive relations between all Board members. All members are encouraged to participate fully in the activities and decision-making process of the Board. The Chairman ensures that all Board members are properly briefed on issues arising at Board meetings.

OFFICER IN CHARGE

The Chief Executive Officer/ Officer in Charge (OIC) sees to it that day to day operational decisions are taken to ensure the proper management of the WMA's activities and implement the Board's approved strategy. The OIC recommends strategies and plans to the Board, makes routine decisions on resources and ensures that adequate operational and financial controls are in place. As the leader of the executive team, he plays an instrumental role in the implementation of the decisions of the Board and its Committees.

FUNCTIONING OF THE BOARD

Members of the Board, in the furtherance of their duties, have access to the required information and are encouraged to bring an independent judgement to deliberate on issues of strategy, performance, resources (including key appointments). To ascertain that no single person has unfettered powers of decision over the organization, there is a clear division of responsibility between the running of the Board and the operations of the Authority's business.

To enable the Board to discharge its duties, all Board members receive appropriate and timely information. Board papers are sent by the Secretary to the Board prior to Board meetings. All members have access to the guidance and services of the Secretary to the Board who is responsible for appropriate Board procedures being followed and that the Board complies with applicable rules and regulations including the Code on Corporate Governance.

BOARD COMMITTEES

In a bid to meet its responsibilities, the WMA Board has established the following four working Committees:

- 1). The Finance and Tender Committee
- 2). The Staff Committee
- 3). The Project Monitoring Committee (As from August 2010)
- 4). The Audit Committee

FINANCE AND TENDER COMMITTEE

This Committee examines expenditures, which are beyond the approval limit (Rs 500,000) of the Chief Executive Officer, prior to recommending same for the approval of the Board. It also ensures that allocation of tenders and financial expenditures are in accordance with the provisions of the WMA Act 2000 and those of the Public Procurement Act 2006, as well as other legal instruments under which the Authority operates.

The Finance and Tender Committee held fourteen meetings for the period July 2009 to December 2010 and comprised the following non-executive members:

Chairman : Dr. M.E. Allybokus
Members : Mr. S. Nemchand
Mrs. P. Rojoo
Mr. L. Juggoo

STAFF COMMITTEE

The Staff Committee considers, on behalf of the Board, all issues pertaining to human resource policies, remuneration, recruitment, and selection. Recommendations of the Staff Committee are relayed to the WMA Board for consideration and approval.

The Staff Committee met on fifteen occasions for the period under review and was constituted as follows:

Chairman : Mr. K. Lobine
Members : Dr. M.E. Allybokus
Mr.S. Nemchand
Dr H. Chitto

C CORPORATE GOVERNANCE REPORT

PROJECT MONITORING COMMITTEE

The Project Monitoring Committee (PMC) which was constituted by the Board in July 2010 aims at overseeing ongoing and future projects implemented by the WMA, on behalf of Government. Critical issues for the Board on project implementation are identified during meetings of the PMC and recommendations are made to the Board for appropriate decisions. Since its setting up, the Committee met on three occasions. Board members who were on the Committee are:

Chairman : Dr. M.E. Allybokus
 Members: Mr. S. Nemchand
 Mrs. P. Rojoo
 Mr. L. Juggoo

AUDIT COMMITTEE

The Audit Committee has as roles and responsibilities the review of financial reports of the Authority and the comments of external Auditors and the review of WMA's internal financial control including compliance with legal and regulatory provisions.

The Audit Committee met on three occasions. It reports to the Board on a quarterly basis. The membership of the Audit Committee was as follows for the period under report:

Chairman : Mr P. G. Cathan
 Members : Mrs S. Sew-Hee
 Mr.G.Thandrayen
 Mr S.Ramgolam

BOARD MEMBERS' ATTENDANCE AND REMUNERATION (JULY 2009 TO DECEMBER 2010)

Board Members	Board and Committees Attendance for the Period 01 July 2009 to 31 December 2010					Remuneration for the period (MUR)
	Board Meetings/ Special Board meetings (26)	SC* (15)	FTC* (14)	AC* (3)	PMC* (3)	
Mr.K Lobine Chairman	26/26	15/15				324,000.00
Mr S. Nemchand	23/26	14/15	13/14		3/3	74,800.00
Mrs D. Moosoohur (Alternate member)	3/26	1/15	1/14			9,265.00
Mrs P. Rojoo	24/26		13/14		3/3	59,500.00
Mr. k. Seebundhun (Alternate member)	2/26		1/14			1,615.00
Mrs S. Sew - Hee	23/26			3/3	3/3	39,950.00
Dr M. E. Allybokus	23/26	15/15	14/14			116,875.00
Mr L. Juggoo	17/26		12/14		2/3	93,075.00
Mr. Varun Bissessur (Alternate member)	2/26		2/14			6,035.00
Mr G. Thandrayen	15/26					29,750.00
Mr. S. Subratty (Alternate member)	11/26			3/3		11,475.00
Dr H. Chitto	24/26	14/15				63,750.00
Mr P. G. Cathan	25/26			3/3		41,225.00
Mr S. Ramgolam	21/26			2/3		66,300.00

*SC: Staff Committee *FTC: Finance & Tender Committee *AC : Audit Committee *PMC: Project Monitoring Committee

"The work an unknown good man has done is like a vein of water flowing hidden underground, secretly making the ground green"
 Thomas Carlyle

P POLLUTION CONTROL

The pollution Control Unit together with the wastewater laboratory are the quality control and compliance arm of the WMA and is playing a prominent role following the accrued industrial and property development of the island.

It monitors our treatment plants to ensure that the right protocol is being followed and that treated effluents are disposed of in an environmentally safe manner in line with the Environment Protection Act.

This unit also monitors private wastewater treatment plants found mainly in hotels and industrial zones.

The number of undertakings approved by the Wastewater Management Authority for the period June 2009 to December 2010 is as follows:

Year	2009/2010
EIA/PER	113
Building Permits	158
Land Subdivision	540

The tourism sector has, during the past decades, evolved as a main pillar of the economy of Mauritius. The continuing development in this sector is obviously linked with potential for increased pollution load on the environment. One of the main issues involved is the proper treatment and disposal of wastewater.

Some 50 coastal tourist hotels in Mauritius have their own on-site wastewater treatment plant and re-use the treated effluent for the irrigation of lawns, gardens and golf-courses. This is a very sustainable practice as it helps to reduce the stress on current water shortage.

The treated effluent used for irrigation must comply with the relevant environmental regulations for re-use of treated wastewater in irrigation, so as to preserve public safety and environmental protection. Thus, the WMA undertakes visits to these treatment plants to ensure that they are properly operated and maintained. Hotels are required to submit monthly results of analyses of their effluents to the WMA. The Wastewater Laboratory also takes independent samples of these effluents for analysis and cross-checking.

Conventional wastewater treatment plants such as activated sludge systems and septic tanks followed by rotating bio-contactors are proven technologies commonly adopted by the hotel sector. There is, however, a need worldwide to encourage sustainable treatment technologies which do not rely on fossil fuels and heavy use of chemicals, whose manufacturing produces green house gases and takes its toll on the environment. The treatment and disposal of wastewater sludge from activated sludge plants are also becoming an issue.



L LAUDABLE INITIATIVE

One major hotel in Mauritius, Club Med, which is found at Albion, has thus chosen to treat its wastewater via a sustainable treatment technology known as constructed wetlands. These consist of specially selected plants which are grown in a layer of gravel. The system is designed such that the wastewater, after undergoing sedimentation, is allowed to flow through the wetland. The same types of processes that occur in a conventional wastewater treatment plant take place in the wetland. These, however, make use of the energy found in nature and no other source of energy is required.



Constructed wetlands are a cost-effective solution for wastewater treatment because these can be less expensive to build, have lower operation and maintenance costs. Operation and maintenance require only periodic, rather than continuous, on-site labour and facilitate water recycling and re-use.

Constructed wetlands can also be very attractive, providing a fresh and green environment, where people can have a walk and relax.

The constructed wetland at Club Med treats wastewater to the required level for irrigation. It is also a remarkable recreational area and it is desirable that more enterprises choose this kind of technology for treatment of their wastewaters.



W WASTEWATER LABORATORY

Going for quality...

The Wastewater Laboratory has made it. It has successfully achieved accreditation on 3rd June 2010 to the International Standard ISO/IEC 17025:2005 which recognises the competence of testing and calibration laboratories, and represents one of the most recent ones to join the exclusive club of accredited laboratories in Mauritius.



Such an achievement has led the WMA to embrace new levels in leveraging the organisation's capabilities and move forward on the excellence curve. This laudable accomplishment represents a major milestone in the brief history of the WMA, and happened at an opportune moment where massive investments and expansion are occurring in the wastewater sector with the WMA being entrusted the responsibility to implement ambitious massive investment projects like the Plaines Wilhems Sewerage Project.

With the accreditation label, the Wastewater Laboratory has consolidated its position to play a more effective role in the monitoring of wastewater quality from sites like Wastewater Treatment Plants (WWTPs), industries and hotels amongst others, in view of ensuring that standards as per the WMA Act 2000 and EPA 2002 are met to protect our natural environment and water bodies. Modernised with highly sophisticated equipment, the laboratory has the capacity to carry out tests within some fifty (50) parameters in the water and wastewater media. During the period July 2009 to December 2010, the laboratory has collected a total of 3,755 samples and conducted 84,644 tests under its monitoring programme.



P PUBLIC RELATIONS

Going to the people...

The strategies of the Public Relation and Customer Care department for the period 2009-2010 were aimed at enhancing the corporate image of the WMA through the implementation of awareness campaigns and Corporate Social Responsibility activities in a consistent manner. The PRCC department acted as an important support system to all the ongoing projects whereby providing the project team with hands-on information on stakeholders (public, future customers, representatives of "Forces Vives", etc). The PR team is the interface between residents in the project areas and the technical team of ongoing projects.

Our public relations team identified key audiences for each sewerage project and implemented research-driven communication programmes to ensure that proper information about the WMA reaches its target group. We had a series of awareness campaigns, in various educational, religious and socio-cultural institutions. Flyers, press communiqués, brochures and posters are designed, displayed and distributed to inform the public on the importance of the sewer system. These were extensively used during the communication programmes.

During the same period, we welcomed students of colleges located in the project area of the Plaines Wilhems Sewerage Projects, on guided tours of the St Martin Wastewater Treatment Plant as part of their educational programme. Our state-of-the-art treatment system offers a unique opportunity for young people to see how biological science applies to the real world. We have also hosted tours for individuals from the community who have an interest in discovering how the plant operates.



We care for you...

In 2009, we launched our Customer Charter which provided such critical information as proper usage of the sewer system, WMA tariffs and contact information amongst others.

The Customer Charter is distributed among the attendees of various WMA functions and customers visiting the customer care offices.



H HUMAN RESOURCE MANPOWER

The WMA is mindful that its capacity to attain the aims of the authority depends on the quality of its people. Attracting and retaining high calibre talent staff continues to rank high on its agenda. The WMA focused its strategy on recruiting officers reckoning experience and qualifications to ensure the right mix of expertise for the timely implementation of the major capital projects in the various regions in our island.

During the period under review, the manpower comprised 394 officers.

TRAINING

The WMA has a young workforce and is committed to assist them to continuously develop their knowledge and skills to meet the challenges ahead. Training is not only seen as a means to acquire and build up individual knowledge and skills but also to help employees achieve more headway in their career path. In line with its policy and to keep abreast of the latest developments in the wastewater sector, the staff is being provided with local and international training.

For the period under review, over and above local training courses, 7 Engineers from the Operations and Maintenance Section and Project Management Unit attended the following courses abroad:

- Used Water Management, Singapore – (1)
- Integrated Water Resource Management, Singapore – (1)
- Sewerage Technology for Wastewater Control and Urban Drainage, Japan – (3)
- Domestic Wastewater Treatment Techniques, Japan – (2)

SPORTS AND WELFARE

With a view to improving efficiency and motivation, the Board Members, Management and employees are all involved in indoor and outdoor sports and welfare activities. These events represent an excellent opportunity for all of us to get together, talk and play as a united and fully integrated WMA Team and the same team spirit is pursued in all our professional activities as well.

The WMA obtained very good results at the 'Fédération Mauricienne des Sports Corporatifs' (FMSC) Annual sports activities as follows:



1. Our football team won the Champion FMSC Shield 2009 and also the 'Festival De Football' Eight a Side Football Champion in 2010.
2. Mr Shaheer Ramrakha won the Badminton Champion in 2009.
3. Our team reached the "Pétanque" Semi Final in year 2010.

It is to be noted that WMA Football Team has been promoted from the FMSC Shield Division to the FMSC Premier League Division. We have reached the third place in the Premier League and our next challenge is the Super League.

WMA Volleyball team was launched in October 2010. As from 2010, WMA staff also has access to Futsal and other indoor activities at the Pailotte Sports Complex.

H HEALTH AND SAFETY

Our organisation recognises that Health and Safety is of fundamental importance with respect to its employees and all other persons who may be directly affected by its operations.

The Wastewater sector is a very specific one where employees constantly face all sorts of risks and health hazards. The WMA is committed to providing and maintaining a healthy, safe and secure environment. Employees are given relevant training in health and safety. They are also provided with protective equipment, are vaccinated and undergo regular medical surveillance.



AUDITOR'S REPORT
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31st DECEMBER 2010



"All water has a perfect memory and is forever trying
to get back to where it was"
Toni Morrison



A AUDITORS' REPORT REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Wastewater Management Authority which comprise the statement of financial position as of 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

A AUDITORS' REPORT OPINION

In my opinion, the financial statements give a true and fair view of the financial position of the Wastewater Management Authority as of 31 December 2010, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

EMPHASIS OF MATTER

I draw attention to the fact that debtors have been continuously increasing over the years. As of 31 December 2010, total debtors amounted to some Rs. 189.4 million compared to Rs. 173.8 million as of 30 June 2009. A provision of Rs 70.6 million representing 37.2 per cent of total debtors was made in respect of doubtful debts. But the deficit for the period ended 31 December 2010 amounted to Rs 133.5 million.

Appropriate timely actions have to be taken to reduce the level of outstanding debts and at the same time curtail down the deficit.

My opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

Statutory Bodies (Accounts and Audit) Act

In my opinion, the Wastewater Management Authority has complied with the statutory Bodies (Accounts and Audit) Act, in so far as they relate to the accounts.



(Dr R. Jugurnath)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT-LOUIS

26 September 2011

S STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

ASSETS	Note	2010 Rs	2009 Rs
NON CURRENT ASSETS			
Property, Plant & Equipment	7	51,208,510	60,515,084
Investment In Projects	8	67,098,225	-
Long Term Loan	9	5,601,570	6,258,020
NON CURRENT ASSETS		123,908,305	66,773,104
CURRENT ASSETS			
Inventories	10	7,223,178	6,754,244
Receivables & Prepayments	11	168,471,067	160,992,155
Short Term Loan	9	1,386,972	2,187,840
Short Term Investment	12	60,531,549	201,863,683
Cash & Bank Balances	13	17,658,346	2,085,717
TOTAL CURRENT ASSETS		255,271,112	373,883,639
TOTAL ASSETS		379,179,417	440,656,743
EQUITY AND LIABILITIES			
EQUITY			
Retained Earnings		196,979,440	330,790,423
TOTAL EQUITY		196,979,440	330,790,423
NON CURRENT LIABILITIES			
Retirement Benefit Obligations	15	31,940,536	28,834,122
Deferred Income	14	3,531,072	6,296,258
Long Term Employee Benefits	16	21,300,791	14,637,131
TOTAL NON CURRENT LIABILITIES		56,772,399	49,767,511
CURRENT LIABILITIES			
Trade & Other Payables	17	119,900,716	58,150,869
Short Term Employee Benefits	16	3,735,645	-
Deferred Income	14	1,791,217	1,947,940
TOTAL CURRENT LIABILITIES		125,427,578	60,098,809
TOTAL LIABILITIES		182,199,977	109,866,320
TOTAL EQUITY & LIABILITIES		379,179,417	440,656,743

Originally approved by the Wastewater Management Authority on 28 March 2011,
revised on 8 September 2011 and signed on its behalf by:



(Chairman)



(Officer In Charge)

The notes on pages 38 to 51 form an integral part of these Financial Statements.

W WASTEWATER MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JULY 2009 TO 31 DECEMBER 2010

	Appendix	2010 (18 months) Rs	2009 (12 months) Rs
Wastewater Income	I	383,175,669	249,144,619
Other Income		29,796,107	14,869,777
Remuneration for Capital Projects		40,753,883	37,372,132
TOTAL REVENUE		453,725,659	301,386,528
Less Expenditure	II		
Operation & Maintenance Costs		(374,133,767)	(238,038,455)
Administrative Costs		(111,959,413)	(69,537,545)
Commercial Costs		(15,969,627)	(4,969,401)
Depreciation & Amortisation Costs		(18,316,046)	(7,376,066)
Finance Costs (Note 6)		(66,925,444)	(57,907,076)
TOTAL EXPENSES		(587,304,297)	377,828,543
Deficit For The Year		(133,578,638)	(76,442,015)

The notes on pages 38 to 51 form an integral part of these Financial Statements.



WASTEWATER MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2010

	RETAINED EARNINGS Period ended 31.12.10 Rs	RETAINED EARNINGS Year ended 30.06.09 Rs
At 1 July	330,790,423	391,131,350
Prior year adjustment*	(232,345)	16,101,088
Deficit for the year	(133,578,638)	(76,442,015)
As at 30 June/31 December	196,979,440	330,790,423

* For cash flow purpose receivables and prepayments Rs168,471,067. + Rs232,345 = Rs168,703,412.

The notes on pages 38 to 51 form an integral part of these Financial Statements.



WASTEWATER MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2010/30 JUNE 2009

	2010 Rs 18 MTHS	2009 Rs 12 MTHS
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	(133,578,638)	(76,442,015)
Adjustments for:		
Amortisation of Government grants	(2,921,910)	
Depreciation	18,316,046	6,295,527
Interest accruals	(531,549)	(11,863,895)
Interest received	(13,867,424)	-
Profit on sale of Plant & Equipment	(2,007,096)	(394,739)
Provisions	-	(2,093,595)
Retirement Benefit Obligations	3,106,414	-
Prior year adjustment	-	16,101,088
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(131,484,157)	(68,397,629)
(Increase)/ Decrease in accounts Receivable and Prepayments	(7,711,257)	(5,893,800)
(Increase)/ Decrease in Inventories	(468,934)	(3,981,661)
(Increase)/ Decrease in Trade and Other Payables	65,758,054	4,910,610
Increase/(Decrease) in Sick Leave and Passage Benefits Obligations	6,391,097	-
NET CASH USED FROM OPERATING ACTIVITIES	(67,515,197)	(73,362,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from sale of Investments	545,863,683	334,400,000
Investment in Projects	(67,206,373)	-
Interest Income	13,867,424	-
Investments	(404,000,000)	(245,200,000)
Proceeds from sale of Plant and Equipment	3,516,920	1,466,839
Purchase of Equipment	(10,411,146)	(26,690,844)
NET CASH GENERATED FROM INVESTING ACTIVITIES	81,630,508	63,975,995
CASH FLOWS USED FROM FINANCING ACTIVITIES		
Loan granted	(2,322,520)	(2,999,901)
Loan received	3,779,838	1,861,428
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,457,318	(1,138,473)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,572,629	(10,524,958)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	2,085,717	12,610,675
CASH & CASH EQUIVALENTS AT END OF YEAR	17,658,346	2,085,717

The notes and appendices on pages 38 to 51 form an integral part of these Financial Statements.

W WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the period 01 July 2009 to 31 December 2010

1 GENERAL INFORMATION

The Wastewater Management Authority ("WMA") has been established as a body corporate under the Wastewater Management Authority Act 2000, No. 39, enacted on the 30th August 2001.

2 BUSINESS ACTIVITY

The WMA is responsible for all matters relating to the collection, treatment and disposal of wastewater. It operates under the aegis of the Ministry of Energy and Public Utilities with specific functions. The WMA has been entrusted with the responsibility to construct infrastructure assets through an instrument, namely the "Convention de Maitrise D'Ouvrage Delegee". Once any particular project is completed and the works are handed over to the Government, the latter will entrust the operation and maintenance of these works to WMA through another instrument called "Contrat de Delegation".

3 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) by the WMA.

3.1 Adoption of IFRS

WMA has adopted all the new and revised Standards and Interpretation issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting period beginning on /or after 1 July 2009.

3.2 Standards and amendments to Published Standards and Interpretations issued but not yet effective.

- IFRS 5: Non-current Assets held for Sale and Discontinued Operations- Amendments resulting from April 2009 Annual Improvements to IFRSs – Annual periods beginning on or after 1 January 2010.
- IAS 1: Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs – Annual periods beginning on or after 1 January 2010.
- IAS 7: Statement of Cash Flows- Amendments resulting from April 2009 Annual Improvements to IFRSs – Annual periods beginning on or after 1 January 2010.
- IAS 17: Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs – Annual periods beginning on or after 1 January 2010.
- IAS 36: Impairment of Assets- Amendments resulting from April 2009 Annual Improvements to IFRSs – Annual periods beginning on or after 1 January 2010.
- IAS 39: Financial Instruments: Recognition and Measurement- Amendments resulting from April 2009 Annual Improvements to IFRSs – Annual periods beginning on or after 1 January 2010

W WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the period 01 July 2009 to 31 December 2010

- IFRIC 4 Determining whether an arrangement contains a Lease.
- IFRIC 9 Reassessment of Embedded Derivatives.
- IFRIC 10 Interim Financial Reporting and Impairment.
- IFRIC 14 IAS 19- The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.
- IFRIC 18 Transfers of Assets from Customers.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

It is anticipated that in future periods, adoption of the standards, amendments to published standards and interpretations which are relevant to Wastewater Management Authority's operations will have no material impact on the financial statements of the Authority.

4 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below:

4.1 Basis of preparation

The financial statements have been prepared in line with International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board wherever applicable. The preparation of financial statements requires not only the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements but also the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates.

4.2 Accounting convention

The financial statements are prepared under the historical cost convention.

4.3 Change in Reporting Date

The Authority reporting date was 30 June each year. The Statutory Bodies (Accounts and Audit) Act has been amended and Statutory Body should have a reporting period of 12 months ending 31 December. However, under its transitional provisions every Statutory Body, having an accounting period which ends 30 June, should adopt a reporting period of 18 months ending on 31 December 2010.

4.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment in value. There has not been any impairment of asset for period under consideration.

4.4.1 Depreciation

Depreciation is calculated on the straight line basis at annual rates estimated to write off the cost of the assets less their estimated residual values over their expected useful lives. The annual rates used are:

Equipment	10 – 20%
Motor vehicles	10 – 20%
Projects - civil works	2.5%
- Mechanical & Electrical	6.67%

No depreciation is charged on additions in the month of purchase nor is provision made in the month of disposal.

4.4.2 Impairment

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any and the carrying amount of the assets is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately unless the relevant asset is carried at a re-valued amount in which case the impairment loss is treated as a revaluation decrease.

4.5 Financial instruments

Financial instruments carried on the Statement of Financial Position include loans, trade and other receivables, cash and cash equivalents, and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.6 Currency Profile

WMA's financial assets and liabilities are presented in Mauritian rupees and the figures are rounded to the nearest Mauritian rupees.

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

4.7 Receivables

Trade receivables are carried at original invoice amount less provision made for impairment loss of these receivables and approximates their fair value. The amount of the provision has been determined by reference to debts, which are over three years old or are unlikely to be recovered.

4.8 Trade Payables

Trade payables are stated at their nominal value and approximate their fair value.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, and bank balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.10 Inventories

Inventory items are valued at the lower of cost or net realisable value. Cost comprises purchase costs from suppliers and any other costs incurred in bringing such inventory to its present condition and location.

4.11 Revenue recognition

Wastewater fees are recognised on an accrual basis. Commission costs paid to the CWA are recognised on wastewater fees collectible with the substance of the relevant agreement.

Other income includes:

- (i) Revenue derived from ancillary services and listed in appendix I.
- (ii) Remuneration for capital projects: A management fee of 2% of the costs of works (excluding VAT) performed is levied as per the Convention De Maitrise D'Ouvrage Delegee for the Wastewater works. Revenue is recognised on a quarterly basis based on capital expenditure incurred during the year.
- (iii) Interest income is recognised on an accrual basis with the substance of the relevant agreement made at time of investment.
- (iv) All supply of goods and services by the Wastewater Management Authority established under Wastewater Management Authority Act 2000 are to be zero-rated by virtue of the Value Added Tax (Amendment Bill) no XL11 of 2001.

4.12 Provision for retirement benefits

The Authority contributes to a pension scheme, which is a "Defined Benefit" plan. The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd (SICOM).

The amount for present value of the defined benefit obligation as adjusted for unrecognised past service costs and reduced by the fair value of plan assets is recognised in the Statement of Financial Position as at 31 December 2010.

The actuarial net gains and losses are recognised as income or expenditure under the corridor approach if cumulative unrecognised actuarial gains and losses at the end of the previous financial year exceed the greater of:

- 10 percent of the present value of the defined benefit obligations at the beginning of the year and
 - 10 percent of the fair value of the plan assets at the same date.
- The average remaining working lifetime of existing members is 26 years.

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

4.13 Provisions

A provision is recognized if, as a result of past event, the Authority has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.14 Employee Benefits

Employee benefits include:

Sick leave and passage benefits.

Employee benefits such as sick leave entitlements which fall due up to the reporting date in which the employees render the related service are measured at their nominal amounts and undiscounted. The nominal basis of measurement for sick leaves uses remuneration rates as at December 2010 and that for passage benefits are based on annual basic salary.

4.15 Related Parties

For the purpose of the financial statements parties are considered to be related to the authority if they have the ability directly or indirectly to control the authority or exercise significant influence over the authority in making financial and operating decisions or where the Authority is subject to common \ control of common significant influence. Related parties may be individuals or entities.

4.16 Use of estimates and judgement

The preparation of financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

4.17 Financial Risks Management

The financial risk factors to which the activities of the WMA are exposed are as follows:

• **Liquidity risk**

This refers to the possibility of default by the Authority to meet its obligations because of unavailability of funds to meet operational requirement. In order to ensure adequacy of its funding, cash flow forecasts are prepared periodically to identify any shortage of funds. The expenditure of the Authority is also matched against budgeted estimates to be within targeted limits.

• **Interest rate risk**

WMA's income and operating cash flows are substantially independent of changes in market interest rates. However, WMA's policy is to maximise returns on interest-bearing assets.

• **Credit risk**

Credit risk relates to the possibility of default by customers. The Authority credit risk is mainly attributable to its trade receivables. The amount presented in the Statement of Financial Position is netted against provision for doubtful receivables made for domestic and non-domestic customers that are three years old or are unlikely to be recovered.

4.18 Non-Monetary Assets from Government

Government grants related to non-monetary assets have been recognised as income on a systematic and rational basis over the useful life of the assets.

5 SALARIES AND RELATED COSTS

	2010 Number	2009 Number
Total number of employees as at 31.12.2010.	385 =====	420 =====

6 FINANCE COSTS

	2010 Rs	2009 Rs
Bank Charges	925,444	907,076
User fee	66,000,000 -----	57,000,000 -----
	66,925,444 =====	57,907,076 =====

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

7 PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment	Vehicles Rs	Equipment Rs	Total Rs
Cost/ Valuation:			
At 30 June 2009	47,816,147	51,082,656	98,898,803
Disposal	(9,019,300)	-	(9,019,300)
Additions		8,004,465	10,411,146
	2,406,681		
At 31 December 2010	41,203,528	59,087,121	100,290,649
Accumulated depreciation:			
At 30 June 2009	17,995,508	20,388,211	38,383,719
Disposal	(7,509,478)	-	(7,509,478)
Charge for the year	7,140,173	11,067,725	18,207,898
At 31 December 2010	17,626,203	31,455,936	49,082,139
Carrying Value: At 31 December 2010	23,577,325 =====	27,631,185 =====	51,208,510 =====

8. INVESTMENT IN PROJECTS

Investment in projects consisting of direct payment made by WMA for:

	Cost Rs	Depreciation Rs	Total Rs
Trunk Sewer	6,408,763	108,148	6,300,615
Jin Fei at Baie Du Tombeau	46,952,168	-	46,952,168
Baie Du Tombeau Project	13,845,442	-	13,845,442
Total as at 31 December 2010	67,206,373	108,148	67,098,225

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period 01 July 2009 to 31 December 2010

9 LOANS GRANTED

	2010 Rs	2009 Rs
Opening Balance	8,445,860	7,311,036
Loan Granted	2,322,520	2,999,901
Loan Repaid	(3,779,838)	(1,861,428)
Debtor	-	(3,648)
Closing Balance	6,988,542	8,445,860
Less amount falling due within one year	(1,386,972)	(2,187,840)
Amount falling due more than one year	5,601,570	6,258,020

Loan granted includes balances in respect of advances of Rs 6,988,543 made to eligible staff for the purchase of personal cars. The loan is repayable over a period of seven years at an interest rate of 7.5% per annum.

10. INVENTORIES

The inventories consist of mainly recurrent chemicals and spare parts for maintenance.

11. RECEIVABLES AND PREPAYMENTS

	2010 Rs	2009 Rs
Opening balance	149,437,121	146,919,602
Increase in Domestic and Non Domestic Drs	15,683,183	2,517,519
	165,120,304	149,437,121
Less impairment of debt (see Note 11.2)	(70,601,987)	(64,185,453)
Bills rendered to Domestic and Non Domestic Customers	94,518,317	85,251,668
Other receivables and prepayments	73,511,858	71,699,095
Deposits receivable	440,892	4,041,392
	168,471,067	160,992,155

11.1 Bills rendered to customers are shown at a net basis. The average credit period taken by consumers is 120 days. No penalty is charged on the receivables on the first 21 days from the date of delivery; thereafter a surcharge of 10% is applicable on payment.

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the period 01 July 2009 to 31 December 2010

11.2 Movement in the impairment of debt

	Rs
Balance as at 1 July 2009	64,185,453
Provision recovered	(7,049,370)
Provision for the year	13,465,904
Balance as at 31 December 2010	70,601,987

12 SHORT TERM INVESTMENTS

Short term investments consist of fixed deposits held with banks with fixed payments and maturities that the management has the intention to hold to maturity. Short term investments are shown at cost, including interest accrued.

13 CASH AND CASH EQUIVALENTS

	2010 Rs	2009 Rs
Cash at bank and in hand	17,658,346	2,085,717
	17,658,346	2,085,717

14. DEFERRED INCOME

Deferred Income is related to non-monetary assets from Government, mainly vehicles, which have been recognised as income on a systematic and rational basis over the useful life of the assets.

	2010 Rs	2009 Rs
Opening Balance	8,244,198	9,994,476
Received/ Disposed during the year	-	(669,739)
Amortisation	(2,921,910)	(1,080,539)
Closing Balance	5,322,288	8,244,198
Less amount falling due within one year	(1,791,217)	(1,947,940)
Amount falling due more than one year	3,531,071	6,296,258

W WASTEWATER MANAGEMENT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

15 RETIREMENT BENEFIT OBLIGATIONS

	18 months ending 31 Dec 2010 Rs	Year ending 30 June 2009 Rs
THE AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION AT END OF YEAR:		
Present value of funded obligations	102,364,400	93,512,924
(Fair value of plan assets)	(47,797,664)	(34,221,101)
Sub-Total	54,566,736	59,291,823
Unrecognized actuarial gain/(Loss)	(22,626,199)	(30,457,701)
LIABILITY IN THE STATEMENT OF FINANCIAL POSITION AT END OF YEAR	31,940,537	
	=====	28,834,122 =====

	2010 Rs	2009 Rs
THE AMOUNTS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME ARE AS FOLLOWS:		
Current service cost	8,714,321	5,410,166
Employee Contribution	(6,037,728)	(3,813,984)
Fund Expenses	329	56,190
Interest cost	14,728,286	6,560,352
(Expected return on plan assets)	(6,060,995)	(3,501,038)
Actuarial loss/(gain) recognized	811,784	0
Past service cost recognized	0	0
Transition effect of adopting IAS 19	0	0
TOTAL, INCLUDED IN STAFF COSTS	12,155,997 =====	4,711,686 =====

W WASTEWATER MANAGEMENT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

	2010 Rs	2009 Rs
MOVEMENTS IN LIABILITY RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION:		
At start of year	28,834,122	29,636,619
Total staff costs as above	12,155,997	4,711,686
Actuarial reserves transferred in	(170)	-
(Contributions paid by employer)	(9,049,413)	(5,514,183)
At end of year	31,940,536 =====	28,834,122 =====
Actual return on plan assets	==	==
	5,053,756	(400,524)

	2010	2009
MAIN ACTUARIAL ASSUMPTIONS AT END OF YEAR:		
Discount rate	10.50%	10.50%
Expected rate of return on plan assets	10.50%	11.00%
Future salary increases	7.5%	7.5%
Future pension increases	5.5%	5.5%

	2010 Rs	2009 Rs
RECONCILIATION OF THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION		
Present value of obligation at start of period	93,512,924	62,479,541
Current service cost	8,714,321	5,410,166
Interest cost	14,728,286	6,560,352
(Benefits paid)	(6,564,175)	(3,683,961)
Liability (gain)/loss	(8,026,956)	22,746,826
Present value of obligation at end of period	102,364,400 =====	93,512,924 =====

W WASTEWATER MANAGEMENT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

15 RETIREMENT BENEFIT OBLIGATIONS

	2010 Rs	2009 Rs
RECONCILIATION OF FAIR VALUE OF PLAN ASSETS:		
Fair value of plan assets at start of period	34,221,101	29,033,609
Expected return on plan assets	6,060,995	3,501,038
Employer contributions	9,049,413	5,514,183
Employee contributions	6,037,728	3,813,984
Actuarial Reserves transferred in	170	0
(Benefits paid + other outgo)	(6,564,503)	(3,740,152)
Asset gain/(loss)	(1,007,240)	(3,901,562)
Fair value of plan assets at end of period	47,797,664 =====	34,221,100 =====

	2010	2009
DISTRIBUTION OF PLAN ASSETS AT END OF PERIOD:		
Percentage of assets at end of year		
Government securities and cash	52.2%	56.35%
Loans	7.8%	8.06%
Local equities	25.2%	20.97%
Overseas bond and equities	14.0%	13.65%
Property	0.8%	0.97%
Debenture stocks	0.0%	0.00%
TOTAL	100% =====	100% =====

	2010	2009
ADDITIONAL DISCLOSURE ON ASSETS ISSUED OR USED BY THE REPORTING ENTITY		
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

W WASTEWATER MANAGEMENT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

	31 December 2010	30 June 2009
HISTORY OF OBLIGATIONS, ASSETS AND EXPERIENCE ADJUSTMENTS PERIOD ENDING		
Currency	Rs	Rs
Fair value of plan assets	47,797,664	34,221,101
(Present value of defined benefit obligation)	(102,364,400)	(93,512,924)
Surplus/ (deficit)	54,566,736	(59,291,823)
Asset experience gain/(loss) during the period	(1,007,240)	(3,901,562)
Liability experience gain/(loss) during the period	8,026,956	(22,746,826)
Year	2011	
Expected employer contributions (Estimate to be reviewed by WMA)	6,286,152	

Pension amounts and disclosures have been based on the report dated 22 February 2011 submitted by SICOM.

16 EMPLOYEE BENEFITS

WMA has provided for the employee benefits as under:

• PROVISION FOR SICK LEAVE

	2010 Rs	2009 Rs
Opening Balance	14,781,160	12,639,246
Payment during the year	(2,331,073)	(1,665,282)
Provision for the year	5,596,058	3,807,196
Closing Balance	18,046,145	14,781,160
Less Amount falling due within one year	(1,327,702)	(1,921,551)
Amount falling due after more than one year	16,718,443	12,859,608

• PROVISION FOR PASSAGE BENEFITS

	2010 Rs	2009 Rs
Opening Balance	3,864,179	2,086,656
Payment during the year	(2,189,039)	(1,718,514)
Provision for the year	5,315,151	3,496,037
Closing Balance	6,990,291	3,864,179
Less Amount falling due within one year	(2,407,943)	(2,086,656)
Amount falling due after more than one year	4,582,348	1,777,523

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

17 TRADE AND OTHER TRADE PAYABLES

	2010 Rs	2009 Rs
Accruals	106,581,355	47,889,423
Other Payables	13,319,361	10,261,446
	119,900,716	58,150,869

18 CONTINGENCIES

During this financial year the WMA has provided for an amount of Rs 21,715,575 as bank guarantee to Municipal Councils and Road Development Authority for acquiring way-leaves and totalling Rs 9.75 million as at 31.12.10 and Rs 90,000 to MRA and Ministry of Labour. There is no collateral security given by the Authority except payment of annual bank charges.

The way leaves are necessitated for the implementation of the Capital Projects.

At the statement of financial position date, WMA had contingent liability in respect of:

- (i) bank guarantees issued in the ordinary course of business from which it is anticipated that no material liabilities will arise.
- (ii) Cases pending before the Court where WMA is being sued. The total amount claimed to WMA is Rs 22,801,840.

19 CAPITAL COMMITMENTS

WMA has not contracted any capital expenditure at the statement of financial position date which has not been recognised in the financial statement.

20 DIRECTORS OR EMPLOYEES INTEREST

The Directors or employees do not have any interest in any contract or transaction with the organisation.

21 RELATED PARTIES TRANSACTIONS

The Government of Mauritius is deemed to directly or indirectly control the Authority, and exercise significant influence over the Authority in making financial and operating decision. The amount paid to and received from Government of Mauritius and its state-controlled entities relate generally to taxes, amount relating to pension and pension administration and payment of remuneration on capital projects and user fee.

The remuneration of directors and that of other members of key management during the year was as follows:

	2010 Rs	2009 Rs
Directors	1,004,935	587,000
Management Personnel	16,085,482	14,842,083
TOTAL	17,090,417	15,429,083

W WASTEWATER MANAGEMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 For the period 01 July 2009 to 31 December 2010

22 PRIOR YEAR ADJUSTMENTS

The prior year adjustment of (Rs 232,345) relates to surcharge prepaid in previous year.

W WASTEWATER MANAGEMENT AUTHORITY

INCOME STATEMENT

For the period 01 July 2009 to 31 December 2010.

APPENDIX I

	2010 (18 months) Rs	2009 (12 months) Rs
REVENUE- WASTEWATER FEES		
Domestic Tariff	165,592,632	103,097,125
Non Domestic Tariff	217,583,037	146,047,494
SUB-TOTAL	383,175,669	249,144,619
OTHER INCOME		
Surcharge	5,288,175	3,415,023
Septic Tank Emptying	300,391	160,339
Sale of tender documents	231,000	183,000
Tanker License Fees	1,102,570	722,821
Interest	14,420,453	25,561,675
Industrial Discharge Permit	10,800	7,700
Sundry Income	3,513,711	2,602,472
Sale of Treated Effluent	-	3,243,824
Remuneration for Capital Projects	40,753,883	14,869,777
Profit on Disposal of Fixed Asset	2,007,096	394,739
Amortisation of Government Grant	2,921,910	1,080,539
SUB-TOTAL	70,549,989	52,241,909
TOTAL INCOME	453,725,658	301,386,528

W WASTEWATER MANAGEMENT AUTHORITY

EXPENDITURE STATEMENT

For the period 01 July 2009 to 31 December 2010.

APPENDIX II

	2010 (18 months) Rs	2009 (12 months) Rs
OPERATION AND MAINTENANCE COSTS		
Staff costs and other related costs	141,457,433	88,514,694
Travel and Transport	17,193,022	10,707,753
Telephone	1,454,700	1,037,027
Electricity	60,927,334	37,691,171
Water Rates	1,271,994	971,463
Security Services	4,154,920	1,451,917
Repair and Maintenance costs	14,751,441	7,325,296
Motor Vehicle Costs	15,143,922	8,326,455
Contract Operating Agreement	117,477,230	81,525,531
Advertising Costs	301,770	482,380
Prior year Expenses	-	4,768
SUB-TOTAL	374,133,766	238,038,455
ADMINISTRATIVE COSTS		
Staff costs and other related costs	66,894,621	38,448,968
Travel and Transport	3,942,945	2,839,439
Postage	291,712	305,050
Telephone	2,374,725	1,432,885
Rent	23,982,981	14,070,718
Electricity	3,645,977	2,965,195
Printing and Stationery	3,513,900	3,238,398
Insurance	1,049,848	755,493
Security Services	190,575	103,64 5
Hired and Contracted Service	1,463,166	673,332
Consultancy Services	57,580	535,170
Seminars and entertainment	562,864	370,913
Legal and Audit Fees	2,092,379	2,402,538
Audit Fees	425,000	275,000
Other Fees	1,023,300	837,000
Advertising costs	447,840	283,801
Recruitment costs	-	-
Prior year Expenses	-	-
SUB-TOTAL	111,959,413	69,537,545

W WASTEWATER MANAGEMENT AUTHORITY

EXPENDITURE STATEMENT

For the period 01 July 2009 to 31 December 2010.

APPENDIX II (Contd.)

	2010 (18 months) Rs	2009 (12 months) Rs
COMMERCIAL COSTS		
Income Collection Fee	9,546,733	6,260,499
Impairment of Debts	6,422,894	(1,291,098)
SUB-TOTAL	15,969,627	4,969,401
DEPRECIATION	18,316,046	7,376,066
SUB-TOTAL	18,316,046	7,376,066
FINANCE COSTS		
Bank Charges	925,444	907,076
User fee	66,000,000	57,000,000
SUB-TOTAL	66,925,444	57,907,076
TOTAL EXPENDITURE	587,304,296	377,828,543

	2010 Rs	2009 Rs
SUMMARY		
Total Income	453,725,658	301,386,528
Total expenditure	(587,304,296)	(377,828,543)
Deficit for the year	(133,578,638)	(76,442,015)

W WASTEWATER MANAGEMENT AUTHORITY

CAPITAL EXPENDITURE FOR SERVICES UNDER THE CONTROL OF THE MINISTRY OF ENERGY AND PUBLIC UTILITIES

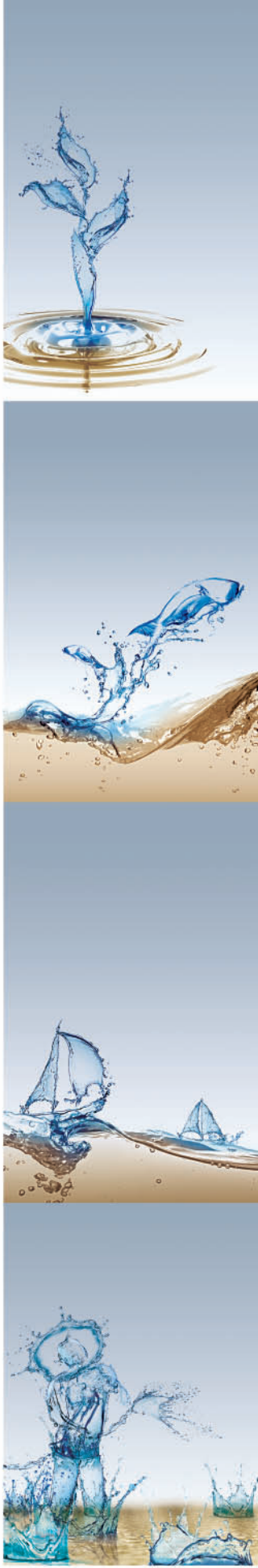
APPENDIX III

Year 2010

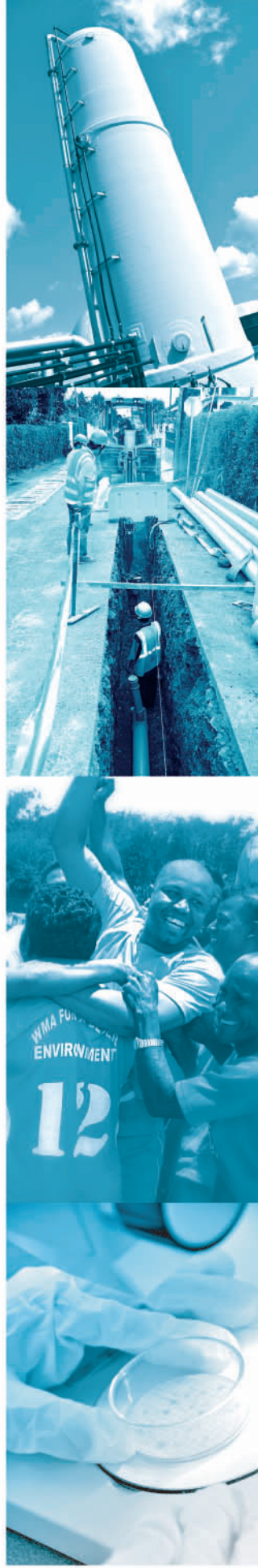
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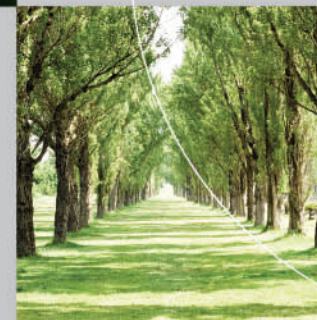
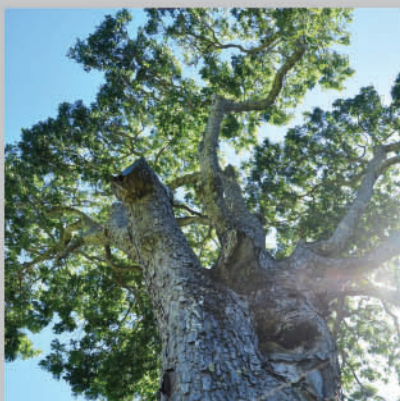
S/N	Title of Project	Project value	Cummulative Expenditure as at 30.06.09	Actual Expenditure 01.07.09 - 31.12.09	Actual Expenditure 01.01.10 - 31.12.10	Cummulative Expenditure Up to 31.12.10	Balance As at 31.12.10
1	Plaines Wilhems Sewerage Project Stage 1	8,727	2,063	722	877	3,662	5,065
2	House Service Connections	584	246	63	154	463	121
3	Grand Baie Sewerage Project	5,107	1,242	-	-	1,242	3,865
4	Rehabilitation in CHA Estates & Low Cost	1,427	984	27	121	1,132	295
5	Baie du Tombeau Sewerage Project	2,984	1,265	125	235	1,625	1,359
6	Environment West & Sanitation Project	3,121	2,142	-	-	2,142	979
7	Pailles Guibies Sewerage Project	906	6	7	5	18	888
8	Port Louis Rehabilitation	2,495	-	-	-	-	2,495
9	Upgrading of Wastewater Infrastructure	445	244	64	35	344	102
	GRAND TOTAL	25,796	8,192	1,008	1,427	10,627	15,169

N NOTES



N NOTES





**FOR A BETTER
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