

ANNUAL REPORT  
2011



WASTEWATER MANAGEMENT AUTHORITY  
ANNUAL REPORT 2011

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# CONTENT

CHAIRMAN'S STATEMENT 4

GENERAL MANAGER'S STATEMENT 6

CORPORATE GOVERNANCE 8

PROFILE OF BOARD MEMBERS 10

PROFILE OF MANAGEMENT TEAM 14

#### CORE SERVICES

Projects 18  
Operations and Maintenance 27  
Mechanical and Electrical 29  
Laboratory 30  
Pollution Control 31

#### SUPPORT SERVICES

Human Resources 33  
Public Relations & Customer Care 34  
Analysis and Discussion 38

AUDITOR'S REPORT & FINANCIAL STATEMENTS 42-68

# Chairman's Statement

The publication of the 2011 Wastewater Management Authority Annual Report once again demonstrates the Board's strong will to integrate good governance practices throughout the organisation. The Authority is keen to inform its key stakeholders on the performance, challenges and achievements for the period under review pursuant to its statutory objectives. In line with its vision and mission, the Authority played its role in preserving our underground water, the sea and rivers and will continue to do so for a sustainable environment.

## CONSTRUCTING FOR FUTURE GENERATIONS

With the number of projects being implemented and those in the pipeline, the Wastewater Management Authority is leaving no stone unturned towards the realisation of Government's vision to further develop the wastewater sector and connect a major part of the Mauritian population to the public sewer and this, in spite of the huge capital investment required in the sector. The mega projects being implemented in the Plaines Wilhems region, which consist of three contracts, are progressing satisfactorily. Preliminary tasks on other projects concerning the central, northern and western regions of the country are also well on track. Convinced of the implementation capacity of the Authority, several Funding Agencies have expressed their readiness to provide funding for the wastewater projects.

## QUALITY SERVICE TO OUR CUSTOMERS

With the expansion of the public sewer network and more households being connected, we are reiterating our dedication to providing our customers with a service of high standards of excellence. The Authority has embarked, with the support of the Ministry of Energy and Public Utilities, on the process of modernising the equipment of Pumping Stations and Wastewater Treatment Plants. This strategic decision aims at decreasing operation and maintenance costs and is coupled with the accreditation of the wastewater laboratory, the compliance aim of WMA for the standard of effluent treated by Wastewater Treatment Plants.

With a view to enhancing the quality of our service, we constantly articulate a message that binds our employees to a shared vision of the objectives of the Authority.

## ENSURING FINANCIAL SUSTAINABILITY

2011 has been very challenging for the Authority to manoeuvre within the budgetary constraints. The Authority had to adopt a series of actions to mitigate the financial deficit while not compromising on the level of service. Internal costs have been reduced for more efficient and effective operations. Measures have also been initiated for the undertaking of in-house operations and the maintenance of practically all wastewater facilities which had been previously outsourced to private contractors. In the same spirit, the Corporate Affairs Unit (CAU) created for tracking down debtors, was reinforced. Supported by WMA legal advisers, defaulting customers are monitored by the CAU on a regular basis for settling areas related to wastewater charges which constitute the main source of revenue for the Authority.

## OUR MOST VALUED ASSET - OUR PEOPLE

It has always been the Board's policy that the most important investment that a company makes is on its human resources. The Authority relies on the support of its employees to keep pace with the ever changing environment, be it technological, legal or financial. We are creating suitable and comfortable work conditions conducive to employee commitment and satisfaction. Besides the provision of recreational and sport activities, we are catering for the development of their talents through regular training and sponsorship for higher professional education.

Through the relentless determination of our employees, we proudly serve our customers every day. We consider that we have turned momentum in our favour to address the challenges that still lie ahead.

## CORPORATE RESPONSIBILITY

At the level of the Board, we are conscious of the importance of corporate responsibility. During the period under review, the Board set up a Corporate Governance Committee having as mandate to foster reporting requirements on corporate governance. At the heart of this is a strong Board team which both supports and encourages Top Management, so that together, we can unlock WMA's huge potential for providing an even better service to all our stakeholders.

I seize this opportunity to convey my sincere thanks to all the Board members, for their unflinching support and collaboration. On behalf of the Board, I would also like to convey the Board's warmest welcome to Dr M E Allybokus, a respected expert in the wastewater sector, appointed General Manager of the Authority as from December 2011. We are confident that his professionalism, expertise and leadership will usher in a new mindset at the WMA, focusing on strategic decisions which will engage the Authority on the path of excellence and go well beyond our stakeholders' expectations.

Dear stakeholders, we once again wish to reiterate that the Board will continue to concentrate on delivering exemplary governance at the highest level to enable our executive team move ahead with confidence. I avail myself of this opportunity to thank every stakeholder contributing to the present and future success of the Authority.

KHUSHAL LOBINE  
Chairman



"WITH A VIEW TO ENHANCING THE QUALITY OF OUR SERVICE, WE CONSTANTLY ARTICULATE  
A MESSAGE THAT BINDS EMPLOYEES TO A SHARED VISION OF THE OBJECTIVES OF THE AUTHORITY."



# General Manager's Statement

As a new member called to head the Management Team, I have the pleasure to report on the activities of the Wastewater Management Authority for the period January to December 2011.

The Authority is pursuing its mission to extend the public sewer, in line with Government's vision to provide to the Mauritian population access to modern sanitation facilities. During the period under review, the Authority faced numerous challenges with the implementation of the mega Plaines Wilhems Sewerage Project and the ongoing expansion of the public sewer network. With the collaboration of the parent Ministry and other key stakeholders, the Authority is forging ahead with its strategy to protect both the water resources and the marine environment.

Ongoing works contracts to the tune of Rs5.7 billion and Consultancy Contracts valued at Rs 276 million were managed during the year. This has not been an easy task mainly because of the inherent inconveniences caused to inhabitants due to the major excavation works in the regions concerned. Backed by extensive public relations activities, the Authority has been able to handle the complaints while explaining the importance of wastewater projects to the inhabitants. In fact, much emphasis is laid on the communication strategy towards our primary and secondary stakeholders with regular public awareness campaigns in the project areas.

The holistic approach of the WMA is not only geared towards the management of mega projects, but also, towards minor ones such as the Rozano Project in Vacoas which was completed this year. This is illustrative of the knowhow acquired by the WMA project team. The project was completed ahead of schedule and within the allocated budget.

Parallel to the implementation of major infrastructure works, the Authority spared no effort to provide suitable sanitation to people residing in CHA complexes and low income housing estates. Rehabilitation works in six priority CHA sites have been earmarked for the coming year and, upon implementation, should provide a better environment to the inhabitants concerned.

The Authority has revisited thoroughly its methodology with respect to the implementation of the wastewater projects. Based on previous experiences, where the WMA had encountered an increase in contract values, a paradigm shift is being adopted by the Authority. Detailed topographical surveys and designs are favoured in all new Consultancy Contracts with a view to mitigating cost increases in projects. This has been incorporated in the Consultancy Contracts documents for the forthcoming projects in the regions of Palles /Gubies and Grand Baie.

The implementation of the new sewerage projects is leading to an increase in the number of customers connected to the sewer system. The Authority's Operations and Maintenance Team is constantly ensuring the proper functioning, inspection, and maintenance of house sewers and wastewater systems. In 2011, the Authority paved the way for taking over the O&M activities of the 41 pumping stations and lifting stations and one major wastewater treatment plant by an in-house team as from 2012. As a result, the WMA, with the exception of the St Martin Wastewater Treatment Plant, operates the totality of the Wastewater Treatment Plants, Pumping Stations and Lifting Stations by its own in-house teams.

The Wastewater Laboratory is constantly undergoing innovation with respect to the collection and analyses of wastewater samples. During the second surveillance assessment conducted by MAURITAS, the WMA Laboratory has proved its competence by extending its scope for accreditation of three additional parameters bringing the total to seventeen. The Laboratory, upon request, provides its services in carrying out tests for parastatal and private institutions on a commercial basis. In addition, the Wastewater Laboratory is also closely monitors inland and lagoonal waters.

The financial results for the year 2011 show a deficit. This is mainly due to the increase in the operational costs of the Authority and a reduction in the revenue collectible which can be attributed to the cessation of business activities of some industries and some customers not paying wastewater charges on time. However, with the taking over of the 41 Pumping Stations and the expected increase in wastewater tariffs as from 2012, the Authority's financial situation should improve to a certain extent. Over and above the measures mentioned earlier, a sustained effort is being made by the Authority to track down debtors.

The challenges lying ahead of the Authority reside in the continued effort and collaboration of its employees. Innovation, creativity, enthusiasm and efficiency are the key words for the years to come for the implementation of the new sewerage projects already identified in the new Sewerage Master Plan Report which aims at connecting 80% of the country's population by year 2033.



DR MOUSSA E ALLYBOKUS  
General Manager



"THE AUTHORITY HAS REVISITED THOROUGHLY ITS METHODOLOGY WITH RESPECT TO THE IMPLEMENTATION OF THE WASTEWATER PROJECTS."

## REPORT ON CORPORATE GOVERNANCE

The Wastewater Management Authority Board remains committed to the achievement of high standards of corporate governance which it considers to be central to the effective management of the Authority and to maintenance of the confidence of its stakeholders. The Authority prides itself for being an Equal Opportunity Organisation where emphasis is laid on fairness, equity and professionalism.

This report describes how the principles of the Code for Corporate Governance have been applied during the year ending December 2011.

### THE WASTEWATER MANAGEMENT AUTHORITY BOARD

The Board has the legislative authority to perform the functions, determine the policies that control the activities of the Authority and is responsible for overall corporate governance. Amongst others, the Board determines strategies in line with the vision of Government, monitors management's performance in delivering against agreed strategies and ensures that appropriate and effective risk management measures and internal controls are put in place.

### BOARD STRUCTURE

The Board comprises ten members, as provided for in the WMA Act 2000, consisting of a Chairperson, representatives from five Ministries, a representative from the University of Technology, Mauritius and three members nominated by the Minister of Energy and Public Utilities - one with longstanding experience in environmental matters and two in consumer interest.

## REPORT ON CORPORATE GOVERNANCE

For the year ended December 2011, the Board was constituted as follows:

Mr Khushal Lobline - Chairman

Mr Rajcoomar Bikoo - Representative of the Ministry of Energy and Public Utilities (Ministry responsible for wastewater)

Mrs Parween Rojoo - Representative of the Ministry of Finance and Economic Development (Economic Development Division)

Mrs Sullin Sew Hee - Representative of the Ministry of Finance and Economic Development (Finance Division)

Mr Lomush Juggoo - Representative of the Ministry responsible for Water Resources (Water Resources Unit)

Mr Guiness Thandrayen - Representative of the Ministry of Health and Quality of Life

Dr Hemant B. Chittoo - Representative of the University of Technology, Mauritius

Dr Moussa E. Allybokus - Member with wide experience in environmental matters (up to 14 November 2011)

Mr P. Gérard Cathan - Member with experience in consumer interest

Mr Suraj Ramgolam - Member with experience in consumer interest

### THE CHAIRMAN

The Chairman leads the Board to ensure effectiveness in all aspects of its role and, in consultation with the General Manager and Secretary to the Board, plans agenda items and timings for Board meetings. The Chairman ensures that Board members are kept fully apprised so that they have all the necessary information to participate constructively in Board discussions. In addition, the Chairman is regularly in touch with Board members and Management between formal meetings, providing him with the opportunity for a creative and constructive exchange of views on the overall activities of the Authority.

### BOARD COMMITTEES

The Board has set up five sub-committees to assist in the discharge of its duties, namely:

- Finance and Tender Committee
- Project Monitoring Committee
- Staff Committee
- Audit & Risk Committee
- Corporate Governance Committee

None of the Committees exercises a decision-making role. They report

and make recommendations to the Board for decision and approval.

### FINANCE AND TENDER COMMITTEE

The Finance and Tender Committee examines expenditures exceeding Rs500,000 and ensures that appropriate procedures are followed in accordance with existing laws and regulations, amongst others, the Public Procurement Act 2006 and the WMA Act 2000.

The Committee met 13 times during the year under review.

The Finance and Tender Committee was constituted as follows:

- Dr M. E. Allybokus (Chairman - up to 14 Nov 2011)
- Mr R. Bikoo (member up to 19 Nov 2011 and Chairman as from 20 Nov 2011)
- Mr L. Juggoo
- Mrs P. Rojoo
- Mr G. Thandrayen (as from 20 Nov 2011)

### STAFF COMMITTEE

The Staff Committee has the responsibility for making recommendations to the Board on human resources matters and other staff related policies. The Staff Committee also acts as Selection Panel in connection with recruitment exercises. A major role of the Committee is to attract and retain key personnel of the highest quality, and to motivate them to deliver within the general framework of corporate governance.

The Committee met 38 times during the year and was constituted as follows:

- Mr K. Lobline - (Chairman)
- Mr R. Bikoo
- Dr M. E. Allybokus (up to 14 Nov 2011)
- Mr P. G. Cathan (as from 20 Nov 2011)
- Dr H. Chittoo

### AUDIT AND RISK COMMITTEE

The role of the Audit & Risk Committee is mainly to assist the Board in its duties regarding the integrity of the financial reporting and auditing processes and the maintenance of a sound internal control and risk management system. It reports to the Board on a quarterly basis.

During the year under review, the Committee met 5 times, focusing mainly on the reports from External and Internal Auditors. It comprised the following members:

- Mr P. G. Cathan (Chairman)
- Mrs S. Sew Hee
- Mr G. Thandrayen
- Mr S. Ramgolam



# PROFILE OF BOARD MEMBERS

## MR KHUSHAL LOBINE (CHAIRMAN)

- Read law at the University of Wolverhampton and at Cardiff Law School.
- Called to the Bar in England and Wales.
- Member of the Honourable Society of the Lincoln's Inn.
- Versed in Alternative Dispute Resolution (ADR)
- Assists the legal process in resolving disputes through mutual facilitation and mediation.
- Regularly advises local authorities, government institutions and parastatal bodies as well as private companies in the fields of contract management, preparation and vetting of international bidding documents, Construction and Environmental Law and procurement procedures.

## MR RAJCOOMAR BIKOO

- Representative of the Ministry of Energy and Public Utilities
- Director, Technical Services, Ministry of Energy and Public Utilities
- Master of Business Administration
- BTech Electrical and Electronics Engineering
- 25 years experience in the Utilities Sector

## DR MOUSSA ELLIAS ALLYBOKUS (UP TO 14 NOVEMBER 2011)

- Member with wide experience in environmental matters
- PhD
- MSc
- Bachelor in Civil Engineering

## MRS PARWEEN ROJOA

- Representative of the Ministry of Finance & Economic Development (Economic Development Division)
- Economist/Analyst, Ministry of Finance & Economic Development
- Msc International Trade & Economic Diplomacy
- BSc(Honours) Economics

## MRS SULIN SEW HEE

- Representative of the Ministry of Finance & Economic Development (Finance Division)
- Economist at the Ministry of Finance and Economic Development
- MSc in International Trade and Economic Diplomacy
- BSc (Honours) Economics

## MR LOMUSH JUGGOO

- Representative of the Water Resources Unit
- Deputy Director at the Water Resources Unit
- Master of Business Administration with Project Management
- Degree in Civil Engineering
- More than 15 years of experience in the Water Sector

## MR GUNESS THANDRAYEN

- Representative of the Ministry of Health and Quality of Life
- Chief Sanitary Engineer at the Ministry of Health and Quality of Life
- MSc Engineering with merit in Sanitary Engineering

- Registered Civil Engineer
- Wide experience in water and wastewater treatment

## DR HEMANT B. CHITTOO

- Representative of the University of Technology, Mauritius (UTM)
- Associate Professor and Outgoing Head of School (SBMF/UTM)
- PhD - Management
- MSc in Economics and Social Studies
- BSc (Hons) in Management
- Chartered member of the Institute of Logistics and Transport

## MR PIERRE CÉRARD CATHAN

- Higher Stage In Accounting
- ACCA Level 2
- Diploma in Business with Marketing – University of Cambridge
- Currently studying MBA General at University of Technology (UTM)
- Board Director of Events Mauritius Ltd (Subsidiary of Mauritius Tourism Promotion Authority)
- Long experience in the field of accounting in the Private Sector

## MR SURAJ RAMGOLAM

- Member with experience in consumer interest
- Project Manager
- Btech (Hons) in Computer Science and Engineering
- MBA with specialisation in Human Resource Management
- Conversant with public sector set up and also engaged in social and community endeavours.

## MR NAVIN JOWAHEER (UP TO 20 DECEMBER 2011)

- Secretary to the Board
- Master of Business Administration
- Associate Member- Institute of Chartered Secretaries and Administrators (UK)
- Diploma in Journalism- London School of Journalism

## MR DHARANAND THACCOOR (AS FROM 22 DECEMBER 2011)

- Ag Secretary to the Board
- MBA in Human Resources with Knowledge Management
- BSc in Public Administration and Management



MR KHUSHAL LOBINE (CHAIRMAN)



MR RAJCOOMAR BIKOO



DR MOUSSA E ALLYBOKUS



MR PIERRE CÉRARD CATHAN



MRS SULIN SEW HEE



MR SURAJ RAMGOLAM



MRS PARWEEN ROJOA



DR HEMANT B. CHITTOO



MR GUNESS THANDRAYEN



MR LOMUSH JUGGOO



MR NAVIN JOWAHEER



MR DHARANAND THACCOOR

## REPORT ON CORPORATE GOVERNANCE

### PROJECT MONITORING COMMITTEE

The Project Monitoring Committee monitors projects being implemented by the Authority on behalf of the Government. It comprises Board members with technical and financial backgrounds, whose tasks are to scrutinize technical and financial issues, usually of very complex nature and make appropriate recommendations to the Board.

The Committee conducted 12 meetings during the year 2011 and comprised the following members:

- Dr M.E. Allybokus - (Chairman - up to 14 Nov 2011)
- Mr R. Biko - (member up to 19 Nov 2011 and Chairman as from 20 Nov 2011)
- Mrs P. Rajoo
- Mr L. Juggoo
- Mr G. Thandrayen (as from 20 Nov 2011)

### CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee has been set up recently by the Board mainly for promoting good corporate governance practices at the WMA. The Committee's main tasks are to provide guidance to the Board on aspects of corporate governance and to recommend the adoption of policies and best practices as appropriate for the Authority. The Terms of Reference adopted by the Committee are aligned with the code of Corporate Governance for Mauritius.

The following Board members constituted the Corporate Governance Committee:

- Mr S. Rangalam (Chairman)
- Dr H. Chittoo
- Mrs S. Sew-Hee
- Mr G. Thandrayen

### BOARD MEMBERS ATTENDANCE AND REMUNERATION FOR THE YEAR 2011

	Board Meetings (including Special Board meetings)	Staff Committee	Finance & Tender Committee	Audit & Risk Committee	Project Monitoring Committee	Rs
Mr K. Labine Chairman	22/22	38/38	13	5	12	216,000
Mr R. Biko	22/22	29/38	12/13		11/12	167,500
Mrs P. Rajoo	21/22		13/13		12/12	146,500
Mr K. Seebundhun (Alternate member)	1/22					700
Mrs S. Sew-Hee	18/22			5/5		37,500
Dr M. E. Allybokus	19/22	32/38	13/13		11/12	163,000
Mr L. Juggoo	15/22		12/13		12/12	144,000
Mr V. Bissessur (Alternate Member)	2/22					1,400
Mr G. Thandrayen	12/22					22,500
Mr S. Subratty (Alternate Member)	7/22			5/5		8,400
Dr H. Chittoo	22/22	38/38				57,500
Mr P. G. Cathan	22/22	6/38		5/5		43,500
Mr S. Rangalam	14/22			5/5		37,500

## REPORT ON CORPORATE GOVERNANCE

### THE GENERAL MANAGER

The General Manager is responsible for the day to day running of the Authority through the Management team, implementing the strategies and policies agreed by the Board. He leads in developing the Authority's strategy for Board's approval and in managing risk.

The Management Team of WMA comprised the following:

- Mr D. Kundasamy - Officer in Charge (up to 23 Nov 2011)
- Dr M. E. Allybokus - General Manager (as from 1 Dec 2011)
- Mr N. Jowaher - Secretary to the Board (up to 20 Dec 2011)  
Deputy General Manager - Administration (as from 21 Dec 2011)
- Mr S. Sookhee - Divisional Manager (as from 21 Dec 2011)
- Mr J. Bungsy - Finance Manager
- Mr S. Fulleo - Director of Human Resources
- Mr R. Jaunky - Public Relations Director
- Mrs V. Luchmun - Administrative and Human Resources Manager

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Authority is conscious of the importance of its social responsibility towards the community. For its employees who play an important role in the achievement of corporate success, the Board has set up an education scheme for employees pursuing higher studies. This is in line with the policy of the Board to create a culture of learning organisation.

The Board, also convinced of the importance of having a healthy workforce, has agreed to put at the disposal of its employees various facilities to practise sports activities.

### HEALTH AND SAFETY

The WMA is committed to a zero-incident work environment with a safety culture based on team work and safety leadership as it firmly believes in "every person going home safe and healthy everyday". The safety and well-being of our staff are at the heart of our strategy. Actions initiated for health, safety and welfare are detailed in the Human Resources Section of the Annual Report.

### INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors recognises the importance of internal control and risk management in achieving its corporate goal. Management is responsible for establishing processes and procedures for identifying,

evaluating and managing the significant risks faced by the Authority. The General Manager reports any risk promptly to the Board. The Audit and Risk Committee reviews and makes recommendations to the Board on the risks and internal control strategies and policies as recommended by Management and constantly monitors compliance with same.

As regards operational risk, the WMA maintains a comprehensive insurance cover for its properties or those entrusted to it against material damage and public liability.

### ETHICS

The WMA is highly committed and practises a policy for fair, honest dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. The Authority expects all employees to share its commitment to high moral, ethical and legal standards.

### INFORMATION SYSTEM AND INFORMATION SECURITY

As unavailability of the information system resulting from an accidental event or otherwise may hamper the smooth running of the Authority's business, appropriate firewalls, security guidelines and extensive backup facilities are in place to counter potential threats.

# PROFILE OF MANAGEMENT TEAM

**DR MOUSSA ELIAS ALLYBOKUS**  
General Manager (As from 02 dec 2011)

- PhD
- MSc
- Bachelor in Civil Engineering

**MR DHARMARAJAN KUNDASAMY**  
Officer-in-Charge (24 Nov 2005 to 23 Nov 2011)

- MSc in Business Administration
- Bachelor in Mechanical Engineering
- Diploma in Mechanical & Electrical Engineering

**MR NAVIN JOWAHEER**  
Deputy General Manager (Admin) (As from 21 Dec 2011)

- Master of Business Administration(UK)
- Associate Member - Institute of Chartered Secretaries and Administrators(UK)
- Diploma in Journalism-London School of Journalism

**MR T. M. SADEK FUTLOO**  
Director of Human Resources

- MSc in Business Administration
- Executive Course in Human Resources Management
- Diploma in Personnel Management
- Diploma in Census/Surveys

**MR ROSHAN JAUNKY**  
Public Relations Director

- MSc in Human Resource Studies
- BA Honours in Humanities
- Diploma in Management

**MR JAYLALL BUNGSY**  
Finance Manager

- MSc in Finance (Le-UK)
- Fellow of the Association of Chartered Certified Accountant (FCCA)
- Fellow of the Chartered Institute of Management Accountant and Chartered Global Management Accountant (FCMA & CGMA)

**MR SOOYASHDEO SOOKHEE**  
Divisional Manager

- MSc Env Eng
- Bachelor in Civil Engineering

**MR PREEYADEV SOOKRAM**  
AG Divisional Manager (M&E)

- MBA in Project Management
- Bachelor in Engineering (Electrical)

**MR JACQUES ALEXIS RADHAY**  
AG Divisional Manager (PCU)

- MSc Sanitary Eng
- Bachelor in Civil Engineering

**MRS VIMALA LUCHMUN**  
Administration and Human Resource Manager

- MBA with specialization in Human Resources
- Associate Member - Institute of Chartered Secretaries and Administrators(UK)
- Diploma in Personnel Management

**MR MOHAMMAD SAJID PEEROO**  
Project Manager

- MBA(UK)
- BEng (Hons.) Civil Engineering (UK)

**MR MOHAMED REZA HASSARUP**  
Project Manager

- MSc Project Management
- Bachelor in Civil Engineering

**MR HEMANT KALISARAN**  
Project Manager

- MBA (Project Management)
- Bachelor in Civil Engineering

**MR RAJEEV JHURRY**  
Project Manager

- Bachelor in Civil Engineering

**MRS RANJEETA JOYSURY**  
AG Laboratory Manager

- MSc in Chemistry
- BSc in Chemistry



**DR MOUSSA E. ALLYBOKUS**  
General Manager



**MR NAVIN JOWAHEER**  
Deputy General Manager



**MR T. M. SADEK FUTLOO**  
Director of Human Resources



**MR ROSHAN JAUNKY**  
Public Relations Director



**MR JAYLALL BUNGSY**  
Finance Manager



**MR SOOYASH-DEO SOOK-HEE**  
Divisional Manager



**MR PREEYADEV SOOKRAM**  
AG Divisional Manager (M&E)



**MRS VIMALA LUCHMUN**  
Administration &  
Human Resource Manager



**MR MOHAMMAD SAJID PEEROO**  
Project Manager



**MR HEMANT KALISARAN**  
Project Manager



**MR RAJEEV JHURRY**  
Project Manager



**MR JACQUES ALEXIS RADHAY**  
AG Divisional Manager (PCU)



**MRS RANJEETA JOYSURY**  
AG Laboratory Manager

## STATEMENT OF CHANGES IN NET ASSETS & EQUITY FOR YEAR ENDED 31 DECEMBER 2011

The Authority's Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and in compliance with the requirements of prevailing statutes.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The fundamental statutory responsibilities of the Board of Directors are to lay down the overall policies regulating the various business/activities of the Authority, to oversee the WMA's strategic direction and its organisational structure. The Board discharges the above responsibilities either directly or through Board Committees for more in-depth analysis and review of various issues while retaining its responsibility for all policy matters. The Chairman of each Committee periodically places reports of its proceedings before the Board for approval/information, as may be relevant. The Board promotes openness, integrity and accountability to improve corporate behaviour, strengthens control systems over business and reviews management performance on a regular basis. In addition the Board is committed to ensure as far as reasonably possible, and in accordance with legislation in force, the safety and health of its staff. To fulfil their responsibilities, Board members have unhindered access to accurate, relevant and timely information.

### INTERNAL CONTROL

Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Such systems should ensure that all transactions are authorised and recorded and that any material irregularities are detected and rectified within a reasonable time-frame. The Authority has an established Internal Audit function which assists the Board and Management in effectively discharging its responsibilities. Internal Audit is an independent function that reports directly to the Audit and Risk Management Committee. Business controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach.

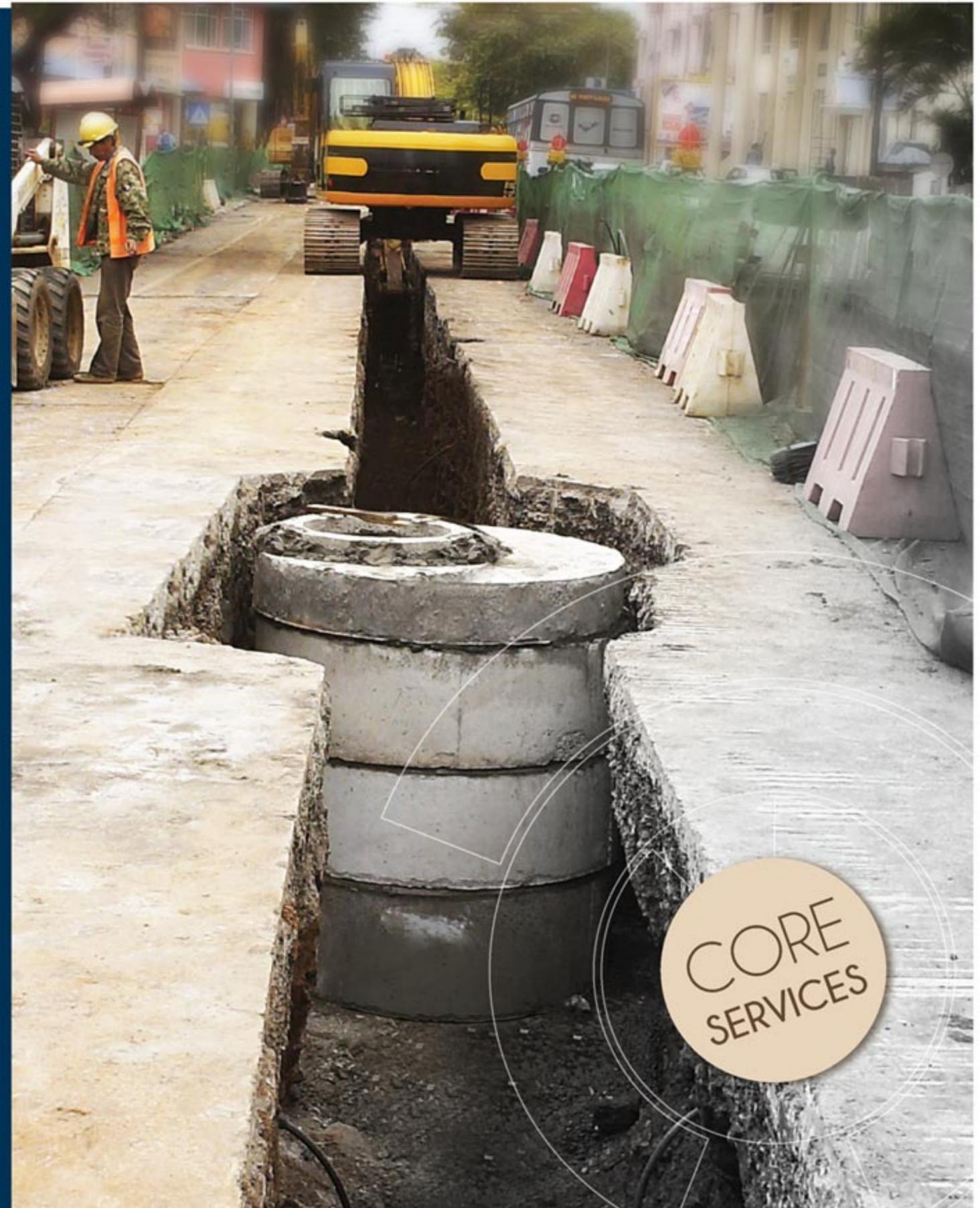
Signed on behalf of the WMA Board of Directors:



Mr KHUSHAL LOBINE  
Chairman, WMA Board



Mr PIERRE GERARD CATHAN  
WMA Board Member



CORE  
SERVICES

## PROJECTS

### PROJECT MANAGEMENT UNIT

The Project Management Unit (PMU), responsible for the implementation of all wastewater projects on behalf of Government, has thoroughly revisited its methodology. Considerable progress was achieved in 2011. The three major projects being implemented in the Plaines Wilhems region have witnessed substantial headway. The pool of qualified and experienced engineers of the Project Management Unit is undergoing a continuous learning cycle through training. The wastewater sector is today performing with increased professionalism.

The Rozano Project in Vacoas is a typical example of the "Savoir-Faire" of the WMA project team. The project of a contract value of MUR 98 million will be completed before schedule and within the allocated budget. 279 houses were connected to the WMA network. This project which was supervised by the WMA included the construction of a pumping station.

### CHALLENGES AHEAD

Foreign agencies are convinced of WMA's competencies and have expressed their willingness to finance other major projects such as:

- Pailles /Cubies Sewerage Project
- Grand Baie Sewerage Project – Phase 1B encompassing the regions of Pereybère, Cap Malheureux, Petit Raffray, The Vale

- Grand Baie Sewerage Project – Phase 2 encompassing the regions of Triolet, Trou aux Biches, Pointe aux Pitons, Fond du Sac, Plaine des Papayes, Marcellement St André and Mon Choisy
- Baie du Tombeau Sewerage Project Phase III encompassing the regions of Terre Rouge, Riche Terre and Le Hochet
- West Coast Sewerage Project encompassing the regions of Bambous, Cascavelle and Flic en Flac

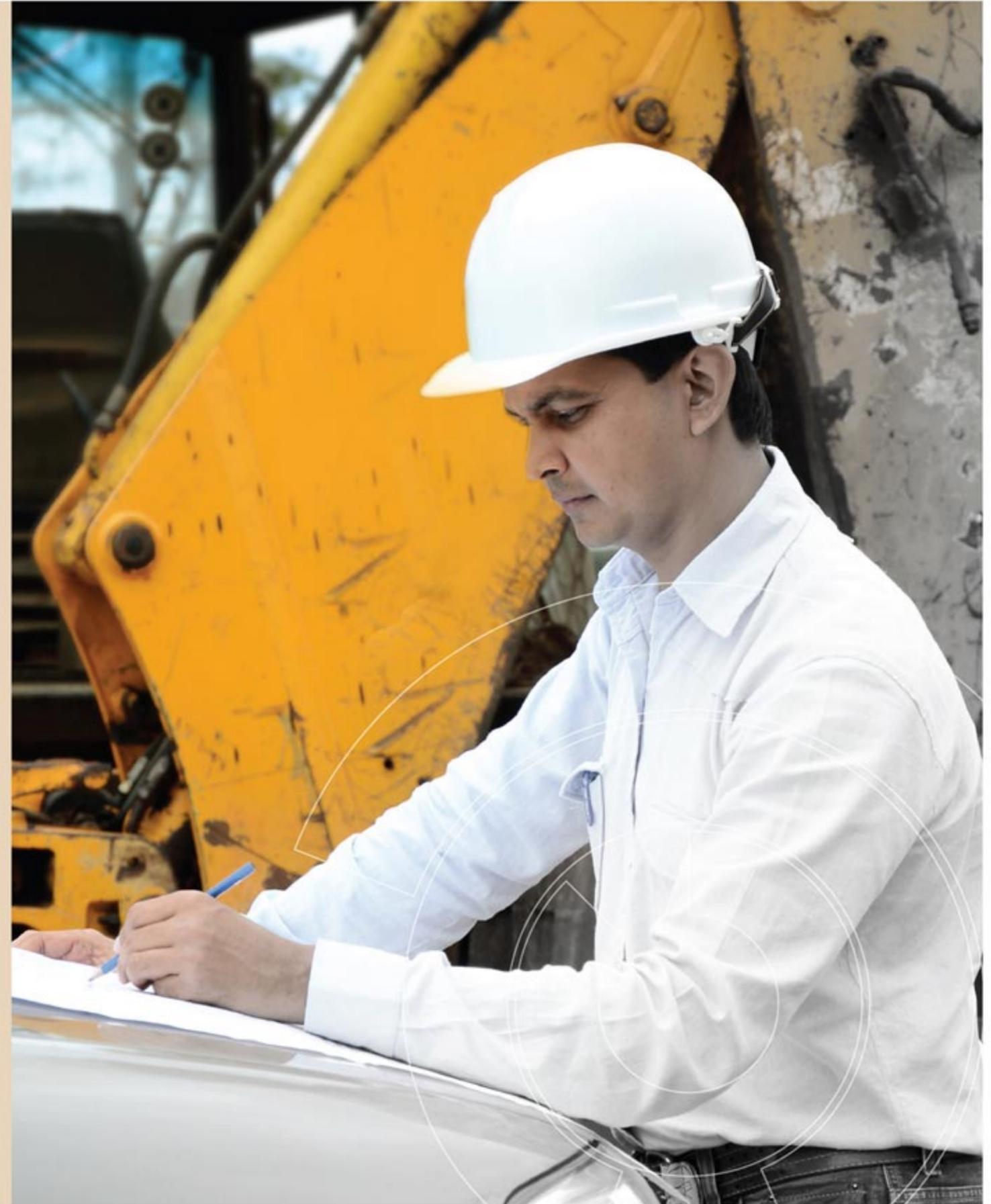
### WASTEWATER PROJECTS

In line with Government's vision to provide a modern sanitation system throughout the island, the WMA has achieved significant progress in its network coverage especially with the peaking phase of the three contracts under the Plaines Wilhems Sewerage Project.

In the same momentum, other strategic areas of the country are being earmarked to be seweraged in the coming years. The undeniable complexity of such capital projects requires sound project management with emphasis on components of finance, human capital, technical savvy and public relations.

With a proven track record to implement complex sewerage projects, our valuable development partners continue to provide their support to achieve Government's mission to connect about 50% of the population to the public sewer network in the coming years. The following projects have benefited from the financial support of funding agencies listed below:

DEVELOPMENT PARTNERS	AMOUNT FUNDED BY DEVELOPMENT PARTNERS	PROJECTS
African Development Bank (AfDB)	EURO 7.8m	Plaines Wilhems Sewerage Project ( Lot 1 B)
	USD 10.4m	
Agence Française de Développement (AFD)	EURO 65m	Grand Bay Sewerage Project (Phase 2)
European Investment Bank (EIB)	EURO 35 m	Plaines Wilhems Sewerage Project (Lot 1 A)
EXIM Bank of China	RMB 480m	Plaines Wilhems Sewerage Project (Lot 2)
Japan International Cooperation Agency (JICA)	Yen 701.2m	Grand Bay Sewerage Project (Phase 1 B)
Arab Bank for Economic Development in Africa (BADEA)	USD 8m	Pailles/ Cubies Sewerage Project (Consultancy & Works )
World Bank	USD 2m	Baie du Tombeau(Phase 3) (Consultancy)



## PROJECTS



### PROGRESS UPDATE

The Plaines Wilhems Sewerage Project comprising Lot 1A, Lot 1B & Lot 2 will provide the regions of Quatre-Bornes, Palma, Roche Brunes and Rose Hill with a sanitation system not only aiming to protect the environment but which also reflects a willingness to provide a modern system as per international norms. The project would be completed by the year 2015 with some 29,000 premises connected to the newly built public sewer.

The Lot 1B project in the vicinity of Roches Brunes has been completed up to 90% in 2011. Some 30% progress has been achieved on Lot 1A side concerning parts of Quatre Bornes and Palma, whereas the Lot 2 has achieved 80% completion in the regions of Socrac and Old Quatre Bornes. The major challenges ahead would be the construction of sewers on the busy St Jean Road and on the bustling Hugnin Road.

The Pailles/Gubies area, located in the suburbs of Port Louis, would shortly see the wish of its inhabitants becoming a reality. Many complaints due to saturated pits have been received and as such, a new wastewater project would be implemented in order to relieve such grievances. The design for the system has been initiated in 2011 and is well underway.

The WMA has always kept a high priority to give easy access to proper sanitation systems in low cost housing estates. The results are visible on some 30 estates completed under 3 phases of sewerage rehabilitation. In the same breath, the feasibility study for the rehabilitation of 27 low-cost estates has been completed in year 2011 and works will start on 6 priority sites once the design is completed. An expression of interest for the Consultancy Services was launched in 2011.

The priority sites are:

- Cité Malherbes
- Cité Palmerstone
- Cité La Cure
- Cité Paul & Virginie
- Cité Ailee
- Cité Vallée des Prêtres



20

Water and Sewerage  
11th Annual Report  
2010-2011

## PROJECTS

### OTHER WASTEWATER PROJECTS

Under its scheme to provide sewer connections to inhabitants living in areas already being served by public sewers, House Connections and Sewer Rehabilitations contracts for a value of Rs 200m were completed in year 2011 with some 753 residential connections. Moreover, other projects concerning localised catchments were also implemented with a view to abating environmental nuisances in the regions of Parisot and Riverside in Phoenix. Some 100 households benefited from that project.

### WASTEWATER PROJECTS – FUTURE OUTLOOK

Coming to the future outlook for WMA, areas in Grand Baie such as The Vale, Pereybère, Cap Malheureux, Triolet, Fond du Sac, Plaine des Papayes etc. would soon be served with a proper wastewater disposal system with the valuable help of our development partners, namely Agence Française de Développement and Japan International Cooperation Agency. In year 2011, preparation of the basic surveys was effected in order to compile ample data for the project definition. The WMA will soon proceed with the tendering exercise to recruit consultants for the design phase of the project.

The western areas of the island would also witness new developments. The West Coast Sewerage Project aims at providing a network in the western coast of the island and would encompass the region of Flic en Flac. In the first phase, regions of Bambous, Cascavelle and Flic-en-Flac will be sewerred and a new wastewater treatment plant will be constructed. The project is at consultancy stage for a feasibility study.

An expression of interest for the Consultancy Services for the feasibility study and preliminary design, for implementation of other minor projects in the regions of Bain des Dames, Camp Cavale, Vallée des Prêtres and Tranquebar have also been launched in 2011; the main aim being to provide the inhabitants with sanitation facilities that would eliminate nuisances related to wastewater pit overflows.



21

Water and Sewerage  
11th Annual Report  
2010-2011



## PROJECTS

### CAPITAL INVESTMENT FOR THE YEAR 2011:

Projects	Funding Agencies	Starting Date	Completion Date	Contract Price MUR	Cumulative Expenditure (m)	Expenditure in 2011(m)	House Connections achieved in 2011
Plaines Wilhems - Lot 1A	EIB	1-Dec-09	31-May-14	2 842 498 362	1100	450	89
Plaines Wilhems - Lot 1B	AfDB	10-Dec-08	Sept-12	972 900 000	519,4	182	736
Plaines Wilhems - Lot 2	EB CHINA	17-Dec-07	Jun-12	2 405 383 923	1700	626	2162
Parrot Riverside	GoM	20-Jan-10	Aug-11	62 000 000	56,9	21,9	43
House Connections PL&North	GoM	11-Feb-10	25-Feb-12	100 000 000	95,8	25	81
House Connections PWilhems	GoM	28-Jan-10	11-Feb-12	100 000 000	96,8	25	87
<b>TOTAL</b>				<b>6,482,782,285</b>	<b>3,568,9</b>	<b>1,329,9</b>	<b>3,198</b>



## PROJECTS

### UNDERSTANDING PROJECT IMPLEMENTATION

#### PROJECT IDENTIFICATION

- Government Policy
- National Sewerage Programme
- Sewerage Master Plan
- Request from localities facing sewerage problems

#### CONSULTANCY PHASE

- Appointment of consultant
- Feasibility Study
- Design

#### CONSTRUCTION PHASE

- Appointment of Contractor
- Public Relations Activities- Awareness Campaigns
- Survey of Catchment Areas- streets, lanes houses etc
- Approvals and clearance from relevant authorities prior to start of works- Municipalities, TMRSU, RDA, Police etc
- Localised Public Relations prior to starting of works- Distribution of flyers, radio communiqués, meetings with local "forces vives" etc
- Consent Forms to be signed by house-owners



24

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1102  
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## PROJECTS

### UNDERSTANDING PROJECT IMPLEMENTATION

#### CONSTRUCTION PHASE

- Health and Safety measures to be followed
- Start of construction works involving excavation and pipelaying along roads and on premises
- Reinstatement of roads and fixtures on premises to the satisfaction of relevant authorities and house-owners

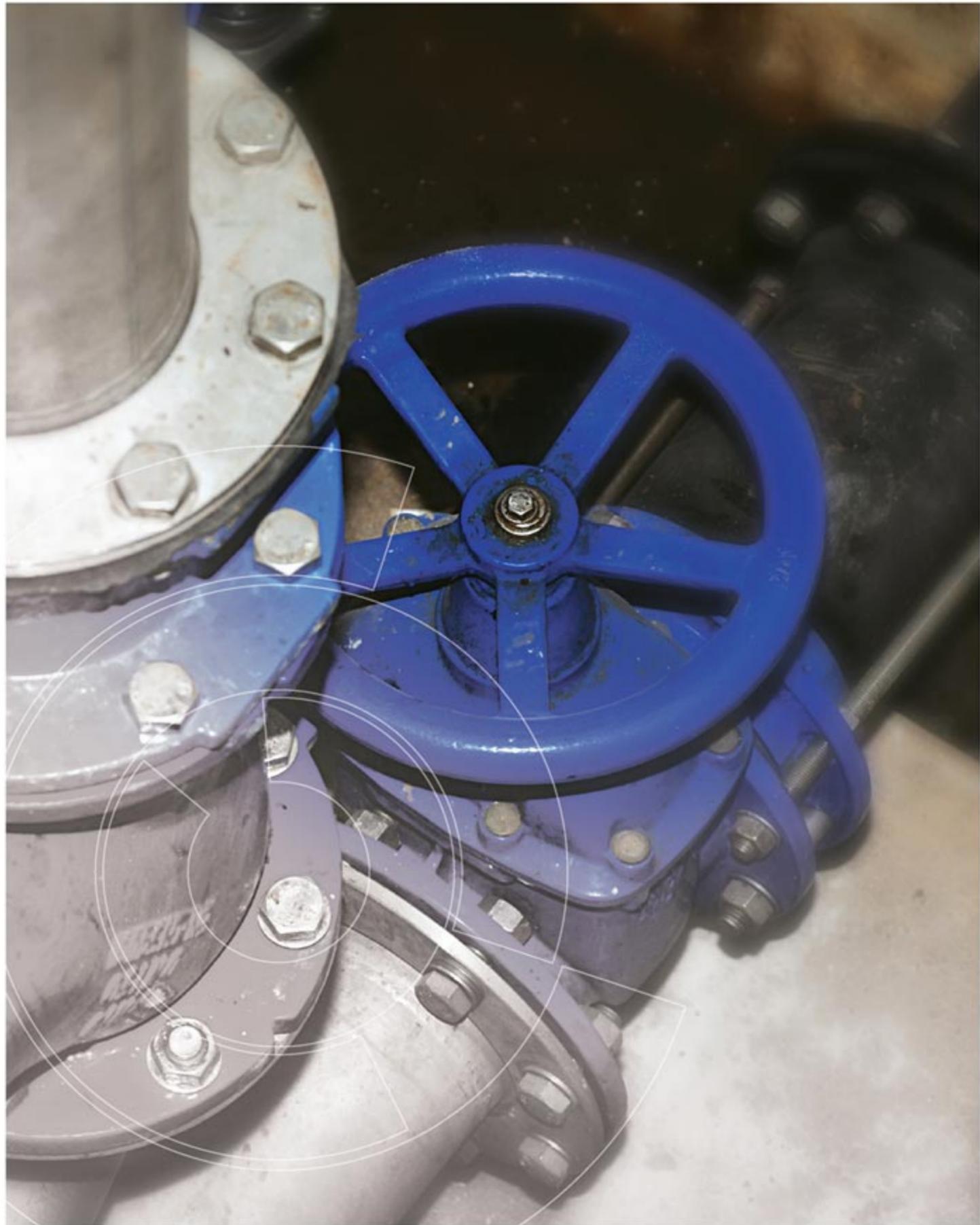
#### TAKING OVER BY WMA

- Works are handed over to WMA after completion
- Registration of new customers
- Start of billing
- Operation and Maintenance of network



25

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1102  
Agencia Nacional de Regulación



## OPERATIONS AND MAINTENANCE

The Operation and Maintenance Section operating from the Head Office and three suboffices serve around 29% of the Mauritian population connected to the public sewer. The section handles daily complaints relayed by the Public Relations & Customer Care department and those registered at suboffices. For the year under review, the team based at the suboffices cleared 11,751 sewer blockages. With a view to preventing recurrence of blockages, several measures have been implemented like ensuring provision of grease traps near restaurants, repair to sewer lines, sewer replacements and routine maintenance. About 50 m of sewers were replaced by our in-house team in 2011.

Ninety-four notices, in line with provision of the WMA Act 2000, have been served upon owners and occupiers of defective sewer premises that were potential hazards to public health. Moreover, as at end 2011, the length of sewer network taken over by the WMA is 550 kilometres. Preventive maintenance using sewer jetters have been carried out on the main sewers. 61.6 kilometres of main sewer have been jetted.

For the period under report, the Roche Bois Pumping Station received a total volume of 570,997 cubic metres seepage from registered and licensed Private Operators.



## OPERATIONS AND MAINTENANCE

SN	DETAILS	January 2011 to December 2011
1	Average daily volume of wastewater collected & treated including industrial wastewater (m <sup>3</sup> )	103,140 m <sup>3</sup>
2	Wastewater Treatment Plants (Nos.) (Conventional Plants, Onsite Septic Tanks + Leaching field)	19
3	Wastewater Pumping Stations (Nos.)	68
4	Length of sewer main jetted (Preventive Maintenance Unit)	61,592 m
5	Number of sewer blockages cleared	11,751
6	Wastewater carrier Operators (Nos.)	57
7	Trips of wastewater disposal by WMA Carriers (Nos.)	3,352
8	Trips of wastewater disposal by private carriers (Nos.)	41,463
9	Total volume of seepage carted by WMA & Private Cesspool Carriers (m <sup>3</sup> )	570,997 m <sup>3</sup>

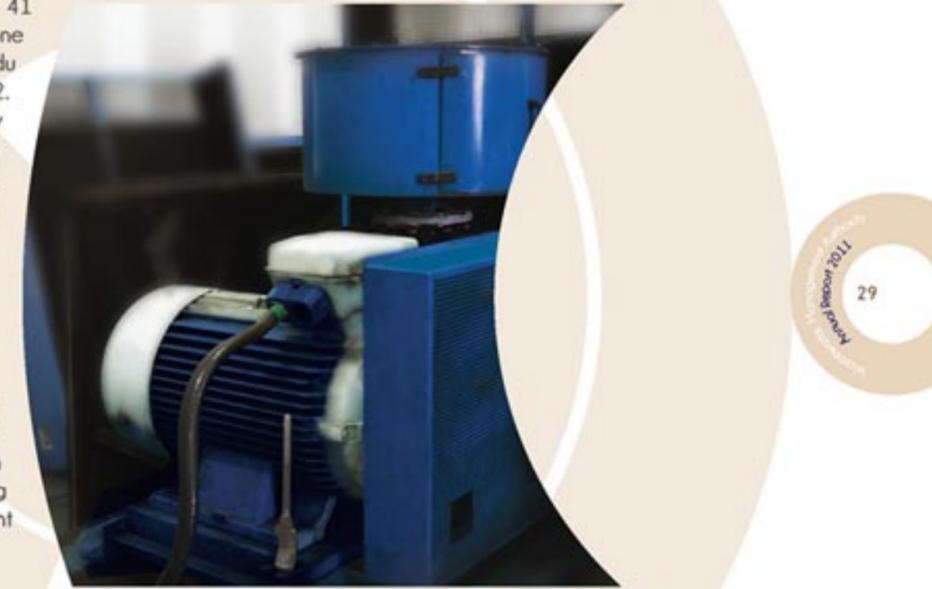
## MECHANICAL AND ELECTRICAL

The main duty of the Mechanical & Electrical department covers the proper operation and maintenance of all electro-mechanical equipment installed at all pumping stations and treatment plants across the island.

The Wastewater Management Authority has under its delegated responsibilities 4 major treatment plants, 6 minor ones and some 70 pumping stations and lifting stations.

During the period under review, the WMA has been paving the way forward to take over the Operation & Maintenance activities of 41 pumping stations and lifting stations and one major wastewater treatment plant (Baie du Tombeau) by an in-house team as from 2012. As a result, the WMA will operate the totality of the wastewater treatment plants, pumping stations and lifting stations by in-house teams, with the exception of the St Martin wastewater Treatment Plant which is presently outsourced to Berlinwasser International AG.

With regard to budgeting, the cost of repairs and maintenance of plant and equipment at Montagne Jacquot Treatment Plant and Grand Bay Wastewater Treatment Plant amounts to approximately Rs 4.6 million whereas the cost of contract and operating agreement for the St Martin Treatment Plant amounts to approximately Rs 78.6 million.



## LABORATORY

The Wastewater Laboratory, accredited to the International Standards ISO/IEC 17025: 2005 is the Analytical Arm of the Wastewater Management Authority. It oversees in the monitoring of Wastewater quality from sites like Wastewater Treatment Plants (WWTPs), industries and hotels among others, with a view to ensuring that standards as per the WMA Act 2000 and EPA 2002 are met in line with the protection of our natural environment and water bodies.

The following parameters have been accredited:

### CHEMICAL PARAMETERS

#### CHEMICAL

Ammonium  
Chemical Oxygen Demand (COD)  
Chloride  
Conductivity  
Nitrate as N  
Nitrite  
Orthophosphate  
pH  
Sum of Nitrate & Nitrite

### METAL PARAMETERS

#### METALS

Copper  
Iron  
Manganese  
Nickel  
Zinc

The laboratory has recourse to standard test methods from APHA-MSO/ISO and other prescribed test methods, using sophisticated equipment for testing and investigating suspected cases of pollution especially those caused by wastewaters. It has also participated in several projects during the period January 2011-December 2011 which are related to the environment and wastewater sector, namely: Profiling of River Plains Wilhems, Lagoonal Monitoring in the region of Port-Louis, Independent Environment Audit on Wastewater Projects, Maurice Ile Durable, United Nations Framework Convention on Climate Change and Integrated Coastal Zone Management.

Moreover, the Wastewater Laboratory has the appropriate Quality Management System and has successfully established customer expectations and measured satisfaction till date.

During the second surveillance assessment conducted on 29th November 2011 by MAURITAS, the Wastewater Laboratory has not only proved its competency but by extending its scope for accreditation of three additional parameters, it has also shown that it will always undergo constant innovation. In addition to improving its processes and services, the Laboratory is also involved in bringing revenue to its organisation. This successful achievement would not have been possible without the hard work and collaboration of all the laboratory staff, the encouragement of the Management/WMA Board and their commitment to take the Wastewater Management Authority towards a brighter future.

Number of samples taken

WMA Sites:	1105
Non WMA Sites:	715

31,928 tests were carried out during the period under report



## POLLUTION CONTROL

The Pollution Control Unit is responsible for regulating, monitoring and controlling industrial effluent discharges to the public sewer network. It also monitors and evaluates public and private wastewater treatment plant effluent in compliance with the Environmental Protection Act.

The Unit is the data custodian for the environmental indicator 'wastewater pollution load' which provides the environmental indication data (Chemical Oxygen Demand, Settleable Solids, Nitrogen, and Phosphorus) and data interpretation, for public and private wastewater treatment plants and industrial premises.

The following permits were issued in 2011:

Environmental Impact Assessment/ Preliminary Environmental Report	63
Building Permit	177
Land Subdivision	452



## SUPPORT SERVICES



## HUMAN RESOURCES

Building capacity and consolidating its structure to ensure the timely implementation of the major capital projects and the efficient maintenance of the constantly expanding sewer network, are among the major challenges of the Human Resources Section of the WMA. Management capacity was reinforced at the Executive level in December 2011 with the recruitment of a General Manager, Dr M.E. Allybokus, Former Associate Professor at the University of Mauritius and expert in the wastewater field, and a Deputy General Manager (Administration), Mr N. Jowaher, former Secretary to the Board of the Authority.

Furthermore, 7 WMA officers were promoted to higher positions; 29 officers who were employed on a contract or a temporary basis were offered substantive appointment and 17 new recruits joined the WMA in 2011.

As at end 31st December 2011, the Authority had a workforce of 377 employees.

### STAFF DEVELOPMENT

The WMA firmly believes that building an effective team to support its strategic and operational objectives and to meet future challenges, training and staff development are critical. In this connection, 3 Engineers followed courses in Sewerage Technology for Wastewater Control and Urban Drainage and Industrial Wastewater Treatment Techniques in Japan which were funded by the Japan International Cooperation Agency.

The officers concerned shared their knowledge and experience with other WMA officers through information dissemination sessions organised on a regular basis.

With regard to local training courses, 28 staff of the Administrative / Finance and Technical cadres participated, inter alia, in the following courses:

- Corporate Governance, Fraud and proceeds of Crime,
- Risk Assessment,
- Conciliation and Mediation,
- Cloud Security,
- Construction Claims
- FIDIC Conditions of contract.

### DISCIPLINARY AND GRIEVANCE HANDLING PROCEDURES

In order to reinforce the code of conduct for employees, WMA implemented in 2011 a set of Discipline and Grievance Procedures.

### MEDICAL INSURANCE

As a responsible and caring organisation, WMA has since 2007 implemented a Medical Insurance Scheme for all its employees contributing 80% of the premium in respect of each staff.

### ADMINISTRATION SECTION

In order to implement the strategic and operational objectives of the WMA, the Administration Section provides common administrative support and services to all units of the WMA in terms of Facilities

Management, Office Management & Operation including mail, data processing and record management.

The Transport Unit falling under the responsibility of a Planning and Transport Coordinator ensures the proper and efficient monitoring of the fleet of 53 vehicles of the WMA.

Expenditure related to maintenance and repairs of WMA vehicles amounted to Rs 3.1M for the 12-month period.

### HEALTH AND SAFETY AND WELFARE

In view of the specificity of the wastewater sector, the Authority is fully committed to maintain a safe, healthy and proper working environment to support its staff and effectively manage work-related risks. To that effect, 238 staff including new recruits were vaccinated in 2011 against Hepatitis B, Tetanus and Typhoid.

WMA also organises regularly First Aid Courses for the benefit of its staff; in 2011, 78 employees followed First Aid Courses.

The WMA believes that a healthy workforce and work/life balance help in achieving organisation and objectives. In that respect sports and welfare activities have been encouraged by the Authority. The Pallate Omnisports Complex has been put at the disposal of the WMA staff on Saturdays from 16:00 to 18:00 hours for badminton, squash and futsal activities. Staff members are encouraged to participate in these activities with their family members at the Complex to foster a sense of belonging to the Authority.

The WMA has also arranged that the Cadets football pitch and that of Gyrikhana be made available for the training of the WMA football team.

WMA participated regularly in various sports activities organised by the Fédération Mauricienne des Sports Coopératifs (FMSC) and won the championship in 2011 in Badminton and two other silver medals, one in shot put and one in the 60-metre race.

To cater for the needs of the female staff, yoga sessions, under the supervision of a lady yogi, are held thrice a week during lunch time at the Head Office.



Mr. KURROOMAN RAVICHANDRA  
Head : Office Attendant

Years of service : 41 years

## PUBLIC RELATIONS & CUSTOMER CARE

The Public Relations and Customer Care Department worked relentlessly to uphold the positive image of the organisation, working in close collaboration with the technical and operational departments to ensure that our stakeholders are fully satisfied with the services provided. The team working from the WMA Head Office, is responsible for complaints handling, maintaining and disseminating information to the public at large.

### STRATEGIC COMPLAINT HANDLING EARNS ACCEPTANCE AND RECOGNITION

In 2011, complaint handling has been integrated, as a core component, in all the activities of WMA. Following the implementation of a strategic and scientific complaint handling process, the PR team has gained acceptance and recognition from stakeholders of the organisation – customers, project residents, staff and our parent Ministry. Customers have expressed their appreciation for the concern and professionalism demonstrated by the complaint handling staff.

Our aim is to sustain and improve the positive service culture at the WMA. Best practices in the handling of complaints – fairness, accessibility, responsiveness, efficiency and integration—are considered for the implementation of our complaint handling process. Successful efforts are constantly being made by our staff to improve the handling of complaints. One example is our database system. It incorporates such features as accessibility to all complaint handling staff and ability to search across several fields, to allow rapid retrieval of critical information. The time taken to obtain the status of a complaint has thus been significantly reduced.

Complainants are provided with feedback regarding their grievances. The feedback allows the customer service staff to ensure that a complainant obtains immediate and total satisfaction with the corrective measures taken.

### COMPLAINTS REGISTERED AND ATTENDED TO AT THE PUBLIC RELATIONS & CUSTOMER CARE DEPARTMENT FOR THE YEAR 2011

Complaints	Nos
Operations & Maintenance	
Port Louis	1564
Beau Bassin	354
Curepipe	140
Delayed house connection	348
Billing	153
Project complaints	648

### PUBLIC RELATIONS

The Public Relations and Customer Care Department maintains a high level of commitment towards its different stakeholders. The Public Relations team focuses mainly on problems relating to the implementation of projects – educating the general public, fostering strong community ties with local residents and complaint handling such as reinstatement works and problems relating to environmental concerns on ongoing project areas. For the year under review the focus has been on the mega projects in the Plaines Wilhems area and other minor projects implemented by WMA.

## VALUING OUR CUSTOMERS

PROVIDING HOUSE SEWER CONNECTION TO THE PEOPLE OF MAURITIUS FOR THE BETTERMENT OF THE ENVIRONMENT

FIRST STAGE OF THE PROJECT REACHING SOME 30,000 FAMILIES

### CONTEXT

The high population density and industrial concentration in the Plaines Wilhems region explains the need to increase the capacity and extend the area covered by the public sewerage system. The Plaines Wilhems Sewerage Project Stage 1 Phase 1 is divided into three distinct areas named LOT 1A, LOT 1B and LOT 2. It encompasses three of the main cities of Mauritius: Quatre-Bornes, Rose Hill and Beau Bassin. The urgency to implement a public sewerage system in the aforementioned regions is mainly based on such environmental considerations as groundwater infiltration and uncontrolled discharges of sewage. That is, a future degradation of the underground and marine water resources has been forecasted.



Mr Prem Durgana Durgadu, beneficiary, 3 Avenue Mallefille, Belle Rose

The sewerage project has benefited me with a proper infrastructure which I do not have to worry about paying for the emptying of pit. As such I no longer have sanitary problems like bad odour. Since there is no storage of any soiled water in my premises, there is no proliferation of mosquitoes and this even prevents rats and cockroaches to enter my house and premises.



"Now, we do not have to worry about the maintenance of our septic tank. Also, more space is available in our yard."

Mr. and Mrs. J.M.D Nursimloo, beneficiary, Avenue De La Paix, Morc Dookun



Mr. Leste Luc Destre Laval, beneficiary, residing at Mariamen Kovil Street discussing about the quality of works being carried out within his premise with WMA employee. The resident expressed his gratitude towards the WMA for providing assistance to all the inhabitants of the Plaisance area, at all times, when required.



With the wastewater service I have now a wider space in my premises where I can use for future development of my house. Moreover, the setting up of the sewerage network has helped me to contribute towards the protection of the environment more specifically the boreholes.

Mrs Sheila Carl, beneficiary, 8 Avenue St Louis, Belle Rose

### OBJECTIVES

- Improve water quality; Reduce the quantity of 'darkwaters' (or residential effluents) and 'graywaters' (or residential effluents) entering water bodies (rivers and boreholes).
- Reduce the threats to public health problems caused by improper disposal of wastewater.
- Protect the biodiversity of the marine environment of the island.

### IMPACT

- 30 000 buildings (residential and commercial) shall be connected to the public sewerage services upon the completion of the PWSP Stage 1 Phase 1.
- Actually a daily flow of 45 000 m<sup>3</sup> is being treated by the St Martin Treatment Plant and by year 2015, the St Martin Treatment Plant will treat a daily flow of 60 000 m<sup>3</sup> wastewater.



## ANALYSIS AND DISCUSSION

In the year 2011, the Authority continued its effort towards a financially sustainable organisation. However, this has proved to be difficult with the rise of operational costs (Rs 313.7m) as well as a decrease in revenue (Rs 281.9m). The WMA Board, aware of the foreseen deficit for 2011, had approached Government for a review of the wastewater charges. In fact, in December 2011 Government agreed to an increase in wastewater charges with effect from 1st January 2012.

Along with the above-mentioned measure, the Authority also focused on other ways and means to redress its financial situation. One of the most important initiatives is the taking over of all wastewater Pumping Stations and Treatment Plants (except St Martin) planned as from end of January 2012.

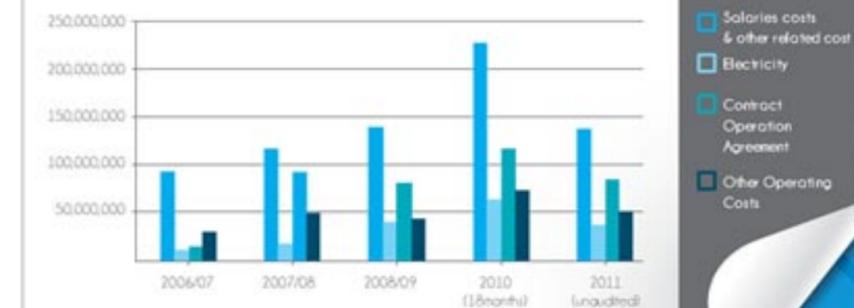
A sustained effort has also been made to track down debtors during the period under review. 451 cases were lodged in Court during the year 2011. About Rs 2.2M has been recovered from our debtors. Conscious of the need to be a responsible organisation, WMA customers owing wastewater charges have, on request, been given settlement facilities to reimburse amounts owed to the Authority. During the period under report, 500 agreements for payment facilities have been signed with our customers for an amount of Rs 5M.

An analysis of the main financial indicators is given below:

### INCOME

There has been a drop in the revenue collectible on wastewater charges especially in respect of non-domestic customers. This could be explained by the reduction in the water supply as well as cessation of business of some industries.

	2006/07	2007/08	2008/09	2010 (18 Months)	2011
Domestic Fee	81,233,197	97,991,354	103,097,125	165,592,632	107,741,620
Non-Domestic Fee	125,098,285	135,128,250	146,047,494	217,583,037	138,597,356
Other Income	35,931,532	48,239,028	34,128,308	29,796,106	11,260,733
Remuneration for Capital Projects	22,164,687	19,940,266	14,869,777	40,753,883	23,545,943
Sale of treated effluent	8,732,080	10,129,557	3,243,824	-	-
<b>Total Income</b>	<b>273,159,781</b>	<b>311,428,455</b>	<b>301,386,528</b>	<b>453,725,658</b>	<b>281,145,652</b>



The Operating Services are:

- Operation and Maintenance Section
- Pollution Control Unit
- Project Monitoring Unit
- Mechanical & Electrical Department
- Laboratory Department
- Survey Department

The Support Services are:

- Administration & Corporate Department
- Finance & Procurement Department
- Customer Care Department
- Information Technology Department
- Internal Audit Department

### SURPLUS/DEFICIT

The financial results for the year 2011 show a deficit. As mentioned earlier, the revenue was inadequate to meet the operational costs.

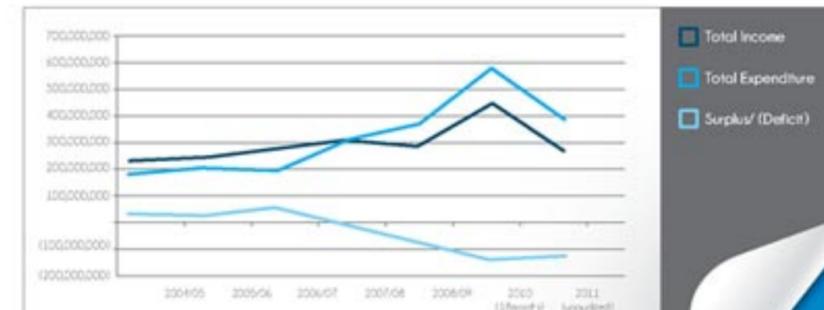
	2006/07	2007/08	2008/09	2010 (18 Months)	2011
Total Income	273,159,781	311,428,455	301,386,528	453,725,658	281,145,652
Total Expenditure	206,795,363	318,208,568	377,828,543	587,304,296	396,008,215
<b>TOTAL</b>	<b>66,364,418</b>	<b>(6,780,113)</b>	<b>(76,442,015)</b>	<b>(133,578,638)</b>	<b>(114,862,563)</b>

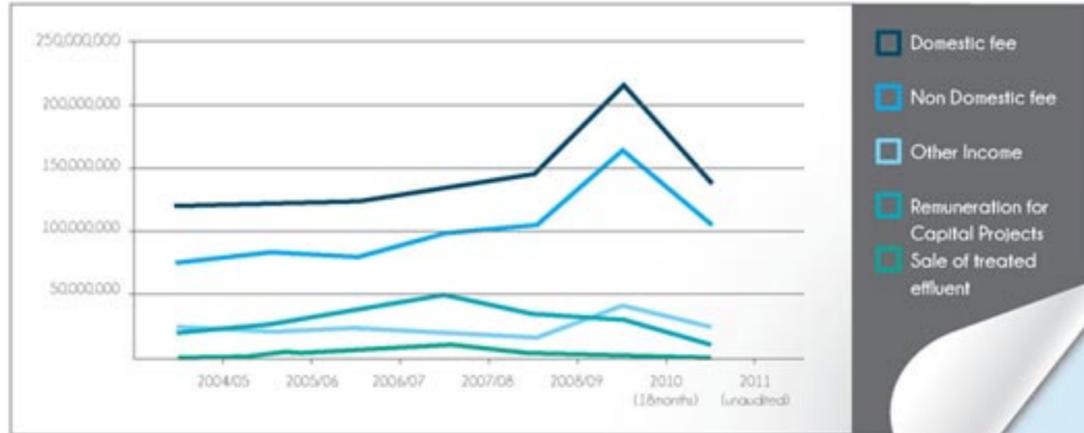
### NOTE:

The total expenditure also includes:

- Provision for bad debts
- Depreciation of WMA Assets
- Payment of User fee to Government (deferred)

In view of the deficit, the Authority has requested for a deferment in the payment of User fee to Government.





### OPERATIONAL COSTS

The costs of operating the activities of WMA have increased significantly during the past five years. There has been an expansion of the sewer network and WMA is now bearing all the expenditure for the Operation and Maintenance costs of all wastewater infrastructures delegated to it by Government.

	2006/07	2007/08	2008/09	2010 (18 Months)	2011
Salaries costs & other related costs	94,209,700	117,981,362	140,510,854	229,488,021	123,244,359
Electricity	11,475,936	18,290,092	40,656,366	64,573,311	37,976,147
Contract Operation Agreement	15,070,098	92,849,365	81,525,531	117,477,230	83,349,302
Other Operating Costs	29,992,704	50,824,580	44,883,249	74,554,617	62,474,937
<b>TOTAL</b>	<b>150,748,338</b>	<b>279,945,399</b>	<b>307,576,000</b>	<b>486,093,179</b>	<b>307,044,745</b>



## 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 2011, the statement of financial performance and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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.

### 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 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

### EMPHASIS OF MATTER

#### RECEIVABLES

I draw attention to the fact that debtors have been continuously increasing over the years. As of 31 December 2011, total debtors amounted to some Rs 196.6 million compared to Rs 189.4 million as of 31 December 2010. A provision of Rs 79.2 million representing 40 per cent of total debtors was made in respect of doubtful debts. But the deficit for the period ended 31 December 2011 amounted to Rs 114.8 million.

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

#### STAFF COSTS

Leaves taken by employees in some cases were not recorded or wrongly recorded. There were cases of overpayments of overtime and sick leaves and over and under provision of passage benefits.

Internal checks should be improved. Leave sheets and payments of benefits should be properly verified.

My opinion is not qualified in respect of these matters.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### MANAGEMENT'S RESPONSIBILITY

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

## AUDITORS' REPORT REPORT ON THE FINANCIAL STATEMENTS

### AUDITOR'S RESPONSIBILITY

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

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

### OPINION

Statutory Bodies (Accounts and Audit) Act

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

The Financial Reporting Act

The Board is responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). My responsibility is to report on these disclosures.

In my opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the "Code".



(Dr R. Jugurnath)  
Director of Audit

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

8 October 2012

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011

	Note	2011		2010	
		Rs	Rs	Rs	Rs
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash & Cash equivalent	13	-		17,658,346	
Receivables & Prepayments	11	157,577,357		168,471,067	
Inventories	10	22,196,456		7,223,178	
Short Term Loan	9	4,467,720		1,386,972	
Short Term Investment	12	-		60,531,549	
<b>TOTAL CURRENT ASSETS</b>			184,241,533		255,271,112
<b>NON CURRENT ASSETS</b>					
Long Term Loan	9	4,573,669		5,601,570	
Investment in Projects	8	80,610,343		67,098,225	
Property, Plant & Equipment	7	49,448,930		51,208,510	
<b>NON CURRENT ASSETS</b>			134,632,942		123,908,305
<b>TOTAL ASSETS (A)</b>			318,874,475		379,179,417
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Cash & Cash equivalents	13	5,969,311		-	
Trade & Other Payables	17	156,688,606		119,900,716	
Short Term Employee Benefits	16	2,499,537		3,735,645	
Deferred Income	14	1,602,703		1,791,217	
<b>TOTAL CURRENT LIABILITIES</b>			166,760,157		125,427,578
<b>NON CURRENT LIABILITIES</b>					
Retirement Benefit Obligations	15	33,972,202		31,940,536	
Long Term Employee Benefits	16	24,906,757		21,300,791	
Deferred Income	14	6,944,874		3,531,072	
<b>TOTAL NON CURRENT LIABILITIES</b>			65,823,833		56,772,399
<b>TOTAL LIABILITIES (B)</b>			232,583,990		182,199,977
<b>NET ASSETS(A - B)</b>			86,290,485		196,979,440
<b>NET ASSETS/EQUITY</b>					
Accumulated surplus			86,290,485		196,979,440
<b>Total net assets/equity</b>			86,290,485		196,979,440

The Financial Statements were originally approved by the WMA on 28 March 2012. The Financial Statements were amended and approved by the WMA on 28 September 2012. Reviewed and signed on its behalf by:

KhILGAL LOBINE  
(chairman)

M. PIERRE GERARD CATHAN  
WMA Board Member

The notes on pages 51 to 64 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2011

	Appendix	2011		2010 01.07.09 to 31.12.10	
		Rs	Rs	Rs	Rs
<b>REVENUE</b>					
Wastewater fees	I	246,338,976		383,175,669	
Other Revenue		34,806,676		70,549,990	
<b>TOTAL REVENUE</b>			281,145,652		453,725,659
<b>EXPENSES</b>					
Operation and Maintenance costs	II	234,440,145		374,133,767	
Administrative costs		72,604,600		111,959,413	
Commercial cost		14,827,215		15,969,627	
Finance costs		62,302,186		66,925,444	
Depreciation		11,834,069		18,316,046	
<b>TOTAL EXPENSES</b>			396,008,215		587,304,297
<b>DEFICIT FOR THE PERIOD</b>			(114,862,563)		(133,578,638)

## STATEMENT OF CHANGES IN NET ASSETS & EQUITY FOR YEAR ENDED 31 DECEMBER 2011

		Accumulated surplus / 2011	Accumulated surplus / 2010
	Rs	Rs	Rs
<b>BALANCE AS AT 1 JANUARY 2011</b>		196,979,440	330,790,423
Changes in net assets/ equity for 2011			
Expenses:			
Prepaid expenses for previous years	(664,441)		
Revolving fund	(250,279)		
Stock 2009- Head Office	(5,879,428)		
Stock 2009- Montagne Jacquat	(373,750)		
Stock 2009- Grand Bay	(970,000)		
	<b>(8,137,898)</b>		
<b>REVENUE</b>			
Rent 2009	187,856		
Car loan 2010	4,881		
Accruals 08/09	864,871		
Rechargeable works 2010	3,900,000		
House Connections Deposits	6,080,310		
Prepayment Non Dam	1,273,589		
	<b>12,311,506</b>		
Net revenue/ expenses recognised directly in net assets/equity		4,173,608	(232,345)
Deficit for the period	(114,862,563)		(133,578,638)
Total recognised expenses for the period		(110,688,955)	(133,810,983)
Balance for the period		86,290,485	196,979,440

Note: Details for year 2010 is not available as it is the first year adoption of IPSAS

## CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 2011

	2011	2010
	Rs	Rs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit	(114,862,563)	(133,578,638)
<b>NON - CASH MOVEMENT</b>		
Prior year adjustment	4,173,608	-
Amortization	(1,785,672)	(2,921,910)
Depreciation	11,834,069	18,316,046
Interest accrued and received		(14,398,973)
Increase in provisions relating to employee costs	2,031,666	3,106,414
(Gains)/Losses on sale of property, plant and equipment	-	(2,007,096)
Increase in payables	39,157,749	72,149,151
Increase in inventories	(9,644,414)	(468,934)
Decrease in receivables	10,893,710	(7,711,257)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(58,201,847)</b>	<b>(67,515,197)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from sale of Investments	118,531,549	545,863,683
Investment in Projects	(13,928,869)	(67,206,373)
Investments	(58,000,000)	(404,000,000)
Interest income	-	13,867,424
Disposal of assets	-	3,516,920
Purchase of Equipment	(9,975,642)	(10,411,146)
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>36,627,038</b>	<b>81,630,508</b>
<b>CASH FLOWS USED FROM FINANCING ACTIVITIES</b>		
Loan granted	(4,973,030)	(2,322,520)
Revolving fund adjusted	250,279	-
Loan received	2,669,903	3,779,838
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>(2,052,848)</b>	<b>1,457,318</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(23,627,657)</b>	<b>15,572,629</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>17,658,346</b>	<b>2,085,717</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF YEAR</b>	<b>(5,969,311)</b>	<b>17,658,346</b>

## NOTES TO THE CASH FLOW STATEMENT

### 1.0 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand, balances with banks, and investments of fixed deposits held with banks with fixed payments. Cash and cash equivalents included in the cash flow statement comprise of the following statement of financial position amounts:

	2011	2010
	Rs	Rs
Cash on hand and balances with banks	(5,969,311)	17,658,346
Short-term investments	-	60,531,549
	(5,969,311)	78,189,895

### 2.0 PROPERTY, PLANT AND EQUIPMENT

During the period, the economic entity acquired property, plant and equipment with an aggregate cost of Rs 9,975,642. Cash payments of Rs 9,975,642 were made to purchase property, plant and equipment.

### 3.0 INVENTORIES

An amount of Rs5,328,863 has been excluded in the inventories as this amount relates to inventory received as grant.

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	FINANCIAL STATEMENT
	(Rs)	(Rs)	(Rs)	(Rs)
<b>REVENUE</b>				
Wastewater fees	266,200,000	247,400,000	252,352,909	246,338,976
Other revenue	28,708,100	31,253,615	33,033,471	34,806,676
<b>TOTAL REVENUE</b>	<b>294,908,100</b>	<b>278,653,615</b>	<b>285,386,380</b>	<b>281,145,652</b>
<b>EXPENDITURE</b>				
Operation & Maintenance costs	334,538,651	267,624,175	260,734,577	234,440,144
Administrative costs	82,436,509	79,550,925	73,456,757	72,604,600
Commercial cost	9,655,000	12,200,000	5,690,442	14,827,215
Finance costs	69,000,000	62,700,000	281,185	62,302,186
Depreciation	14,000,000	14,000,000	11,834,069	11,834,069
<b>TOTAL EXPENDITURE</b>	<b>509,630,160</b>	<b>436,075,100</b>	<b>351,997,030</b>	<b>396,008,215</b>

## STATEMENT SHOWING REASONS FOR CHANGES BETWEEN ORIGINAL AND FINAL BUDGETS

FOR THE YEAR ENDED 31 DECEMBER 2011

	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE	COMMENTS/ NOTES
	(Rs)	(Rs)		
<b>REVENUE</b>				
Wastewater fees	266,200,000	247,400,000	(18,800,000)	22.1
Other revenue	28,708,100	31,253,615	2,545,515	22.2
<b>TOTAL REVENUE</b>	<b>294,908,100</b>	<b>278,653,615</b>	<b>(16,254,485)</b>	
<b>EXPENDITURE</b>				
Operation & Maintenance costs	334,538,651	267,624,175	(66,914,476)	22.3
Administrative costs	82,436,509	79,550,925	(2,885,584)	22.4
Commercial cost	9,655,000	12,200,000	2,545,000	22.5
Finance costs	69,000,000	62,700,000	(6,300,000)	22.6
Depreciation	14,000,000	14,000,000	-	
<b>TOTAL EXPENDITURE</b>	<b>509,630,160</b>	<b>436,075,100</b>	<b>(73,555,060)</b>	

## STATEMENT SHOWING REASONS FOR VARIANCES BETWEEN FINAL AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE	COMMENTS/ NOTES
	(Rs)	(Rs)		
<b>REVENUE</b>				
Wastewater fees	247,400,000	252,352,909	4,952,909	23.1
Other revenue	31,253,615	33,033,471	1,779,856	23.2
<b>TOTAL REVENUE</b>	<b>278,653,615</b>	<b>285,386,380</b>	<b>6,732,765</b>	
<b>EXPENDITURE</b>				
Operation & Maintenance costs	267,639,175	260,734,577	(6,904,598)	23.3
Administrative costs	79,535,925	73,456,757	(6,079,168)	23.4
Commercial cost	12,200,000	5,690,442	(6,509,558)	23.5
Finance costs	62,700,000	281,185	(62,418,815)	23.6
Depreciation	14,000,000	11,834,069	(2,165,931)	23.7
<b>TOTAL EXPENDITURE</b>	<b>436,075,100</b>	<b>351,997,030</b>	<b>(84,078,070)</b>	

STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS  
WITH FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

	Year ended 31 December 2011
REVENUE	Rs
Actual Revenue as per Statement of comparison	285,386,380
Non cash items	
Amortisation of grant	1,785,672
Non budgeted items	-
Accounting adjustments	(2,610,351)
Income 2010 received in 2011	(32,225,295)
Opening & closing revenue receivables	28,755,084
Opening & closing prepayments	54,162
<b>Revenue as per Statement of Financial Performance</b>	<b>281,145,652</b>
EXPENDITURE	
Actual Expenditure as per Statement of comparison	340,162,961
Non cash items	
Depreciation	11,834,069
Provision for sick leave	3,347,797
Provision for bad debts	8,650,108
Non budgeted items	-
Provisions	
Increase in pension cost	2,031,666
Accounting adjustments	
Opening & closing accruals	30,912,725
Opening & closing prepayments	(931,111)
<b>Expenditure as per Statement of Financial Performance</b>	<b>396,008,215</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2011

1.0 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.

2.0 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".

3.0 ADOPTION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) BY THE WMA

3.1 ADOPTION OF IPSAS

WMA has adopted the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB) that is relevant to its operations and effective for accounting period beginning on / or after 1 January 2011.

3.2 BASIS OF PREPARATION

(i) First time adoption of IPSAS

These are the first set of financial statements prepared in compliance with IPSAS. Last year's financial statements were prepared in compliance with IFRS. The adoption of IPSAS has not required significant changes to be made to the accounting policies previously followed by the Authority and has not resulted in changes in assets and liabilities.

(ii) Statement of compliance

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) which is a Board of the International Federation of Accountants Committee (IFAC).

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) of the International Accounting Standards Board (IASB) are applied.

(iii) Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently through the year.

(iv) Functional and presentation currency

The financial statements of WMA are presented in Mauritian rupee (Rs)

(v) Reporting date

The financial statements cover a period of one year from 01 January 2011 to 31 December 2011. The comparative period covers 18 months from 01 July 2009 to 31 December 2010

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 4.0 ACCOUNTING POLICIES

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

#### 4.1 STANDARDS ISSUED BY IPSASB AND USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS.

- 4.1.1 IPSAS 1: Presentation of Financial Statements.
- 4.1.2 IPSAS 2: Cash Flow Statements .
- 4.1.3 IPSAS 9: Revenue from Exchange Transactions .
- 4.1.4 IPSAS 12: Inventories .
- 4.1.5 IPSAS 17: Property, Plant and Equipment.
- 4.1.6 IPSAS 19: Provisions, Contingent Liabilities, Contingent Assets
- 4.1.7 IPSAS 20: Related Party Disclosures.
- 4.1.8 IPSAS 21: Impairment of Non-cash- generating assets.
- 4.1.9 IPSAS 24: Presentation of Budget Information in Financial Statements.
- 4.1.10 IPSAS 25: Employee Benefits.

#### 4.2 IPSAS ISSUED BUT NOT YET EFFECTIVE

- 4.2.1 IPSAS 3: (Accounting Policies, changes in accounting estimates and Errors) requires disclosure of new IPSAS that have been issued but is not yet effective.
- 4.2.2 IPSAS 28: Financial Instruments: Presentation (Effective as from 1 January 2013)  
IPSAS 28 prescribe principles for classifying and presenting financial instruments as liabilities or net assets/ equity and for offsetting financial assets and liabilities
- 4.2.3 IPSAS 29: Financial Instruments: Recognition and measurement (Effective January 2013)  
IPSAS 29 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non financial-items
- 4.2.4 IPSAS 30: Financial Instruments: Disclosures (Effective January 2013)  
IPSAS 30 requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of the financial instruments for the entity's financial position and performance and the nature and extent of risks arising from them and their management.
- 4.2.5 Amendments to IPSAS 23: Revenue from non-exchange transactions (Effective January 2013)  
These amendments require an entity, when determining whether a transaction satisfies the definition of contribution from owners, to consider the substance rather than the form of the transaction. If, despite the form of the transaction, the substance is that of a loan or another kind of liability, or revenue, the entity is required to account it as such and make appropriate disclosures.
- 4.2.6 Improvements to IPSAS 1: Presentation of financial statements- as a result of amendments to IPSAS 30- Financial Instruments: Disclosures (Effective 1 January 2013). The amendments require an entity to disclose information concerning its objectives, policies and processes for managing capital and how to comply with this requirement.

#### 4.3 ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

#### 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 the year 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 are as follows:-

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

Equipment	10-20%
Motor vehicles	10-20%
Projects- (a) Civil works	2.50%
(b) 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 revalued amount in which case the impairment loss is treated as a revaluation decrease.

There was no impairment of assets during the year 2011.

#### 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 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.

#### 4.7 PAYABLES

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

#### 4.8 CASH AND CASH EQUIVALENTS

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

#### 4.9 INVENTORIES

Inventory items comprise consumable stores, chemicals, maintenance materials, spare parts for plant and equipment from contracts which are held for distribution or consumption at no charge or for a nominal charge. They are measured at the lower of cost and replacement cost. Replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 4.10 REVENUE RECOGNITION

Wastewater fees are recognised on an accrual basis. Commissions 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 are listed at appendix I.
- (ii) Remuneration for capital projects represents a management fee of 2% of the costs of works (excluding VAT) performed and levied as per the Convention De Maitrise D'Ouvrage Deleguee 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.

### 4.11 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 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 2011.

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.

### 4.11 A CONTRIBUTIONS TO THE NATIONAL PENSION SCHEME

The contributions to the National Pension Scheme on behalf of temporary and contract employees are expensed in the Statement of Financial Performance in the period in which they fall due.

### 4.12 PROVISIONS

A provision is recognised 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.

### 4.13 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 2011 and that for passage benefits are based on annual basic salary plus compensation at approved rates.

### 4.14 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 or common significant influence. Related parties may be individuals or entities.

### 4.15 USE OF ESTIMATES AND JUDGMENT

The preparation of financial statements in accordance with IPSAS 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 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 4.16 FINANCIAL RISKS MANAGEMENT

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

#### 4.16.1 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 weekly and sometimes daily to identify any shortage of funds. The expenditure of the Authority is also matched against budgeted estimates to be within targeted limits.

#### 4.16.2 INTEREST RATE RISK

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

#### 4.16.3 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.

### 4.17 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 and adjusted annually whenever the need arises. See note 14

### 5.0 SALARIES AND RELATED COSTS

	2011	2011
	Number	Number
Total number of employees as at 31 December 2011	377	385

### 6.0 FINANCE COSTS

	2011	2011
	Number	Number
Bank Charges	302,186	925,444
User fee payable to Government	62,000,000	66,000,000
	62,302,186	66,925,444

NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2011

7.0 PROPERTY, PLANT & EQUIPMENT

	Vehicles	Equipment	Total
	Rs	Rs	Rs
<b>COST/VALUATION</b>			
At 31 December 2010	41,203,528	59,087,121	100,290,649
Disposal	(788,022)	-	(788,022)
Additions	5,697,710	4,277,932	9,975,642
<b>At 31 December 2011</b>	<b>46,113,216</b>	<b>63,365,053</b>	<b>109,478,269</b>
<b>ACCUMULATED DEPRECIATION</b>			
At 31 December 2010	17,626,203	31,455,936	49,082,139
Disposal	(574,909)	-	(574,909)
Charge for the year	4,295,521	7,226,588	11,522,109
<b>At 31 December 2011</b>	<b>21,346,815</b>	<b>38,682,524</b>	<b>60,029,339</b>
<b>CARRYING VALUE AS AT 31 DECEMBER 2011</b>	<b>24,766,401</b>	<b>24,682,529</b>	<b>49,448,930</b>

8.0 INVESTMENT IN PROJECTS

	Trunk Sewer	JinFei Project	Baie Du Tambeau Project (110A)	Consultancy on 110A	Total
	Rs	Rs	Rs	Rs	Rs
<b>Cost/Valuation</b>					
At 31 December 2010	6,408,763	46,952,168	13,845,442	-	67,206,373
Disposal	-	-	-	-	-
Additions	-	8,828,293	4,324,858	775,719	13,928,870
<b>At 31 December 2011</b>	<b>6,408,763</b>	<b>55,780,461</b>	<b>18,170,300</b>	<b>775,719</b>	<b>81,135,243</b>
<b>ACCUMULATED DEPRECIATION</b>					
At 31 December 2010	108,148	-	-	-	108,148
Disposal	-	-	-	-	-
Charge for the year	144,197	-	272,555	-	416,752
<b>At 31 December 2011</b>	<b>252,345</b>	<b>-</b>	<b>272,555</b>	<b>-</b>	<b>524,900</b>
<b>CARRYING VALUE</b>					
<b>At 31 December 2011</b>	<b>6,156,418</b>	<b>55,780,461</b>	<b>17,897,745</b>	<b>775,719</b>	<b>80,610,343</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2011

9.0 LOANS GRANTED TO STAFF

	2011	2010
	Rs	Rs
Opening balance	6,988,542	8,445,860
Less adjustment	(250,280)	-
Loan granted	4,973,030	2,322,520
Loan repaid	(2,669,903)	(3,779,838)
<b>CLOSING BALANCE</b>	<b>9,041,389</b>	<b>6,988,542</b>
Less amount falling due within one year	(4,467,720)	(1,386,972)
Amount falling due more than one year	4,573,669	5,601,570

Loan granted includes balances in respect of advances of Rs 9,281,669 made to eligible staff for the purchase of personal cars. The loan is repayable over a period of five to seven years at an interest rate of 7.5% per annum.

10 INVENTORIES

The inventories consist of mainly recurrent chemicals, spare parts for maintenance and equipment from Jin Fei project.

	Rs
Equipment from Jin Fei Project	10,724,389
Spare parts for maintenance	5,328,864
Chemicals	692,079
Other consumables	5,451,124
<b>Total</b>	<b>22,196,456</b>

11 RECEIVABLES AND PREPAYMENTS

	2011	2010
	Rs	Rs
Opening balance	165,120,304	149,437,121
Increase / (decrease) in Domestic and Non Domestic debtors	7,098,519	15,683,183
	172,218,823	165,120,304
Less impairment of debt -see paragraph 11.2	(79,252,094)	(70,601,987)
Bills rendered to Domestic and Non Domestic customers	92,966,729	94,518,317
Other receivables and prepayments	63,982,737	73,511,858
Deposits receivable	627,892	440,892
	157,577,358	168,471,067

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 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.

### 11.2 MOVEMENT IN THE IMPAIRMENT OF DEBT

	Rs
Balance as at 1 January 2011	70,601,987
Provision recovered	(7,215,799)
Provision for the year	15,865,906
Balance as at 31 December 2011	79,252,094

### 12 SHORT TERM INVESTMENTS

Short term investments consists of fixed deposits held with banks with fixed payments at maturities that the management has the intention to hold to maturity.

### 13 CASH AND CASH EQUIVALENTS

	2011 Rs	2010 Rs
Cash at bank and in hand	(5,969,311)	17,658,346
	(5,969,311)	17,658,346

### 14 DEFERRED INCOME

	2011 Rs	2010 Rs
Opening balance	5,322,288	8,244,198
Received during the year	5,328,865	-
Disposed during the year	(317,904)	-
Amortisation	(1,785,672)	(2,921,910)
Closing balance	8,547,577	5,322,288
Less amount falling due within one year	(1,602,703)	(1,791,217)
Amount falling due more than one year	6,944,874	3,531,071

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 15 RETIREMENT BENEFIT OBLIGATIONS FIGURES FOR IPSAS 25 ADOPTION FOR:

For period ending 31 December 2011

	12 months ending 2011 Rs	18 months ending 31 December 2010 Rs
<b>AMOUNTS RECOGNISED IN BALANCE SHEET AT END OF YEAR:</b>		
Present value of funded obligation (Fair value of plan assets)	107,902,361 (53,360,443)	102,364,400 (47,797,664)
	54,541,918	54,566,736
Present value of unfunded obligation	-	-
Unrecognised actuarial gain/(loss)	(20,569,716)	(22,626,199)
Unrecognised transition amount	-	-
<b>Liability recognised in balance sheet at end of year</b>	<b>33,972,202</b>	<b>31,940,537</b>
<b>AMOUNTS RECOGNISED IN INCOME STATEMENT:</b>		
Current service cost	6,163,024	8,714,321
Employee Contribution	(4,044,066)	(6,037,728)
Fund expenses	620	329
Interest cost	10,748,263	14,728,286
(Expected return on plan assets)	(5,247,156)	(6,060,995)
Actuarial loss/(gain) recognised	476,529	811,784
Past service cost recognised	-	-
Transition effect of adopting IAS 19	-	-
<b>Total, included in staff costs</b>	<b>8,097,214</b>	<b>12,155,997</b>
<b>MOVEMENTS IN LIABILITY RECOGNISED IN BALANCE SHEET:</b>		
At start of year	31,940,537	28,834,122
Total staff cost as above	8,097,214	12,155,997
(Actuarial reserves transferred in)	-	(170)
(Contributions paid by employer)	(6,065,549)	(9,049,413)
At end of year	33,972,202	31,940,536
<b>ACTUAL RETURN ON PLAN ASSETS:</b>	<b>1,212,267</b>	<b>5,053,756</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2011

15 RETIREMENT BENEFIT OBLIGATIONS FIGURES FOR IPSAS 25 ADOPTION FOR:  
For period ending 31 December 2011 ( Contd. )

MAIN ACTUARIAL ASSUMPTIONS AT END OF YEAR:

Discount rate	10.5%	10.5%
Expected rate of return on plan assets	10.5%	0.11
Future salary increases	7.5%	7.5%
Future pension increases	5.5%	7.5%

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd. The discount rate is determined by reference to market yields on bonds.

Reconciliation of the present value of defined benefit obligation

Present value of obligation at start of period	102,364,400	93,512,924
Current service cost	6,163,024	8,714,321
Interest cost	10,748,263	14,728,286
(benefits paid)	(5,758,483)	(6,564,175)
Liability (gain)/loss	(5,614,843)	(8,026,956)
<b>Present value of obligation at end of period</b>	<b>107,902,361</b>	<b>102,364,400</b>

Reconciliation of fair value of plan assets

Fair value of plan assets at start of period	47,797,664	34,221,101
Expected return on plan assets	5,247,156	6,060,995
Employer contribution	6,065,549	9,049,413
Employee contribution	4,044,066	6,037,728
Actuarial Reserves transferred in	-	170
(Benefits paid + other outgo)	(5,759,103)	(6,564,503)
Asset gain/(loss)	(4,034,889)	(1,007,240)
<b>Fair value of plan assets at end of period</b>	<b>53,360,443</b>	<b>47,797,664</b>

DISTRIBUTION OF PLAN ASSETS AT END OF PERIOD

Percentage of assets at end of period	2011	31 December 2010
Government securities & cash	50.6%	52.2%
Loans	7.8%	7.8%
Local equities	23.2%	25.2%
Overseas bonds & equities	17.5%	14%
Property	0.9%	0.80%
Debtenture stocks	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 DECEMBER 2011

15 RETIREMENT BENEFIT OBLIGATIONS FIGURES FOR IPSAS 25 ADOPTION FOR:  
For period ending 31 December 2011 ( Contd. )

	2011	31 December 2010
	₹	₹

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	-	-
Property occupied by the entity	-	-
Other assets used by the entity	-	-

HISTORY OF OBLIGATIONS, ASSETS & EXPERIENCE ADJUSTMENTS

Period ending	2011	31 December 2010
Currency	Rs	Rs

Fair value of plan assets	53,360,443	47,797,664
(Present value of defined benefit obligation)	(107,902,361)	(102,364,400)
<b>Surplus/(deficit)</b>	<b>(54,541,918)</b>	<b>(54,566,736)</b>

Asset experience gain/(loss) during the period	(4,034,889)	(1,007,240)
Liability experience gain/(loss) during the period	5,614,843	8,026,956

Year	2012	2011
Expected employer contributions	6,952,092	6,286,152
(Estimate to be reviewed by WMA)		

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 16 EMPLOYEE BENEFITS

WMA has provided for the employee benefits as under:

#### 16.1 PROVISION FOR SICK LEAVE

	2011	2010
	Rs	Rs
Opening balance	18,046,144	14,781,159
Payment during the year	(1,990,896)	(2,331,073)
Provision for the year	5,227,300	5,596,058
Closing balance	21,282,548	18,046,144
Less amount falling due within one year	(1,433,973)	(1,327,702)
Amount falling due more than one year	19,848,575	16,718,442

#### 16.2 PASSAGE BENEFITS

	2011	2010
	Rs	Rs
Opening balance	6,990,291	3,864,179
Payment during the year	(1,930,571)	(2,189,039)
Provision for the year	1,064,027	5,315,151
Closing balance	6,123,747	6,990,291
Less amount falling due within one year	(1,065,565)	(2,407,943)
Amount falling due more than one year	5,058,182	4,582,348

### 17 TRADE AND OTHER TRADE PAYABLES

	2011	2010
	Rs	Rs
Accruals	154,104,809	106,581,355
Other Payables	2,583,797	13,319,361
	156,688,606	119,900,716

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 18 CONTINGENCIES

During the financial year WMA has provided for an amount of Rs 20,919,210 as bank guarantee for acquiring way-leaves and invitation for bids as follows:

	Rs
Municipal Councils	14,002,500
District Council	866,710
Road Development Authority	6,000,000
Airport of Mauritius Ltd	50,000
Total	20,919,210

There is a collateral security given to the State Bank of Mauritius Ltd in respect of the overdraft facilities taken.

The way-leaves are necessary for the implementation of Capital Projects.

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

- (a) Bank guarantees issued in ordinary course of business from which it is anticipated that no material liabilities will arise.
- (b) For cases pending before the Court where WMA is being sued. The total amount claimed to WMA is Rs22,801,840.

### 19 CAPITAL COMMITMENTS

WMA has not contracted any capital expenditure at the statement of financial date which has not been recognised in the financial statement. Amount of retention money payable for Jin Fei project is not yet known.

### 20 DIRECTORS OR EMPLOYEES INTEREST

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

### 21 RELATED PARTY 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 fixing tariff 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:

	2011(12 MTHS)	2010 (18 MTHS)
	Rs	Rs
Directors	2,243,943	1,004,935
Management personnel	7,578,885	16,085,482
	9,822,828	17,090,417

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

### 22. COMMENTS ON VARIANCES BETWEEN ORIGINAL AND FINAL BUDGET

- 22.1 Wastewater fees :-The reduction in wastewater fees is mainly owing to severe drought and regular cuts in the water supply.  
 22.2 Other Revenue :- The increase was computed based on the trend of monthly receipts.  
 22.3 Operation & Maintenance costs:-Major savings were made as a result of not filling many vacancies, sharp reduction in electricity consumption, repairs & maintenance of equipment , motor vehicles cost and revision in contractual agreement .  
 22.4 Administrative costs:-Savings were made as a result of not filling many vacancies, reduction in printing and stationary, consultancy services and legal fees .  
 22.5 Commercial costs:-The increase in commercial cost is mainly caused by the provision for bad debts  
 22.6 Finance costs:-The reduction is caused by a decrease in user fee payable as a result of less expenditure on capital expenditure.

### 23. COMMENTS ON VARIANCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS

- 23.1 Wastewater fees :-The reduction in wastewater fees is mainly owing to severe drought and regular cuts in the water supply.  
 23.2 Other Revenue:-Amounts have been received for unexpected and non budgeted items.  
 23.3 Operation & Maintenance costs:-Savings were made as a result of not filling many vacancies, sharp reduction in electricity consumption, repairs & maintenance of equipment , motor vehicles cost and revision in contractual agreement .  
 23.4 Administrative costs:-Savings made due to reduction in the cost of postage, telephone, printing & stationary, insurance, audit & legal fees.  
 23.5 Commercial costs:-The increase in commercial cost is mainly caused by the provision for bad debts  
 23.6 Finance costs:-User fee amounting to Rs 62m has not yet been paid.  
 23.7 Depreciation :-The reduction in depreciation is caused by less capital expenditure being purchased.

## APPENDIX I

### INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	BUDGET 2011	REVISED BUDGET 2011	ACTUAL 2011 (12 MTHS)	ACTUAL 2010 (18 MTHS)
	Rs	Rs	Rs	Rs
<b>INCOME</b>				
Domestic Tariff (fees)	119,400,000	109,100,000	107,741,620	165,592,632
Non Domestic Tariff (fees)	146,800,000	138,300,000	138,597,356	217,583,037
	266,200,000	247,400,000	246,338,976	383,175,669
<b>OTHER INCOME</b>				
Surcharge	3,276,000	3,000,000	3,868,663	5,288,175
Septic Tank Emptying	232,100	195,800	150,912	300,391
Sale of tender documents	100,000	20,000	12,000	231,000
Tanker License Fees	700,000	950,000	659,162	1,102,570
Bank Interest Received	500,000	2,417,815	2,400,640	13,867,637
Interest Receivable	-	-	-	552,816
Industrial Discharge Permit	-	-	10,300	10,800
Sundry Income	500,000	500,000	2,373,384	3,513,711
Remuneration for Capital Projects	23,400,000	24,170,000	23,545,943	40,753,883
Profit on Disposal of Fixed Asset	-	-	-	2,007,096
Amortisation of Government Grant	-	-	1,785,672	2,921,910
	28,708,100	31,253,615	34,806,676	70,549,989
<b>TOTAL INCOME</b>	<b>294,908,100</b>	<b>278,653,615</b>	<b>281,145,652</b>	<b>453,725,658</b>

## APPENDIX II

### STATEMENT OF COMPREHENSIVE EXPENDITURE - YEAR ENDED 31 DECEMBER 2011

	BUDGET 2011	REVISED BUDGET 2011	ACTUAL 2011 (12 MTHS)	ACTUAL 2010 (18 MTHS)
	Rs	Rs	Rs	Rs
<b>OPERATION AND MAINTENANCE COSTS</b>				
Staff costs and other related costs	113,964,652	84,839,735	81,023,668	141,457,433
Travel and Transport	14,909,619	11,589,872	11,589,872	17,193,022
Telephone	2,153,200	1,205,000	822,063	1,454,700
Electricity	48,420,250	40,174,100	35,260,146	60,927,334
Water Rates	1,250,000	693,472	693,472	1,271,994
Security Services	3,325,000	3,269,923	3,269,923	4,154,920
Repair and Maintenance costs	18,700,000	10,780,000	6,280,282	14,751,441
Motor Vehicle Costs	19,415,930	14,872,072	11,123,461	15,143,922
Contract Operating Agreement	112,250,000	100,170,000	84,349,302	117,477,230
Advertising Costs	150,000	30,000	27,956	301,770
<b>SUB-TOTAL</b>	<b>A</b>	<b>334,538,651</b>	<b>234,440,145</b>	<b>374,133,767</b>
<b>ADMINISTRATIVE COSTS</b>				
Staff costs and other related costs	46,039,809	42,221,133	42,220,691	66,894,621
Travel and Transport	2,953,980	3,046,260	3,046,260	3,942,945
Postage	377,000	300,000	203,643	291,712
Telephone	846,800	1,295,000	1,065,620	2,374,725
Rent	17,283,000	17,283,000	15,028,500	23,982,981
Electricity	1,579,750	1,825,900	2,716,001	3,645,977
Printing and Stationary	3,222,000	2,362,490	899,516	3,513,900
Insurance	1,020,000	1,520,000	665,711	1,049,848
Security Services	180,000	135,773	135,773	190,575
Hired and Contracted Service	1,184,070	1,255,000	300,901	1,463,166
Consultancy Services	1,800,000	560,000	366,805	57,580
Seminars and entertainment	475,000	475,000	402,936	562,864
Legal Fees	3,500,000	3,200,000	2,239,096	2,092,379
Audit Fees	275,000	425,000	200,000	425,000
Fees to board members	1,000,000	2,426,443	2,426,443	1,023,300
Advertising costs	700,000	720,000	686,704	447,840
Interest payable	100	100	-	-
<b>SUB-TOTAL</b>	<b>B</b>	<b>82,436,509</b>	<b>72,604,600</b>	<b>111,959,413</b>

## APPENDIX II (contd.)

### STATEMENT OF COMPREHENSIVE EXPENDITURE - YEAR ENDED 31 DECEMBER 2011 (Cnfd. )

	BUDGET 2011	REVISED BUDGET 2011	ACTUAL 2011 (12 MTHS)	ACTUAL 2010 (18 MTHS)
	Rs	Rs	Rs	Rs
<b>COMMERCIAL COSTS</b>				
Income Collection Fee	6,655,000	6,200,000	6,177,107	9,546,733
Bad Debts (Provision)	3,000,000	6,000,000	8,650,108	6,422,894
<b>SUB-TOTAL</b>	<b>C</b>	<b>9,655,000</b>	<b>14,827,215</b>	<b>15,969,627</b>
<b>DEPRECIATION</b>				
<b>SUB-TOTAL</b>	<b>D</b>	<b>14,000,000</b>	<b>11,834,069</b>	<b>18,316,046</b>
<b>FINANCE COSTS</b>				
Bank Charges	1,000,000	700,000	302,186	925,444
User fee	68,000,000	62,000,000	62,000,000	66,000,000
<b>SUB-TOTAL</b>	<b>E</b>	<b>69,000,000</b>	<b>62,302,186</b>	<b>66,925,444</b>
<b>TOTAL EXPENDITURE</b>		<b>509,630,160</b>	<b>435,575,274</b>	<b>587,304,296</b>

### SUMMARY

	BUDGET 2011	REVISED BUDGET 2011	ACTUAL 2011	ACTUAL 2010 (18 MTHS)
	Rs	Rs	Rs	Rs
Total Income	294,908,100	278,653,615	281,145,652	453,725,658
Total expenditure	(509,630,160)	(435,575,274)	(396,008,215)	(587,304,296)
Deficit for the year	(214,722,060)	(156,921,659)	(114,862,563)	(133,578,638)

## APPENDIX III

### CAPITAL EXPENDITURE FOR SERVICES UNDER THE CONTROL OF THE MINISTRY OF ENERGY AND PUBLIC UTILITIES YEAR 2011

(IN MILLION RUPEES)

S/N	TITLE OF PROJECT	Project value	Cumm Expd As at 31.12.10	Actual Exp		Balance as at 31.12.11
				01.01.11- 31.12.11	Cumm Expd up to 31.12.11	
1	Plaines Wilhems Sewerage Project Stage 1	8,727	3,662	1,029	4,691	4,036
2	House Service Connections	576	463	52	515	62
3	Grand Bate Sewerage Project	5,024	1,242	-	1,242	3,782
4	Rehabilitation in CHA Estates & Low Cost	1,462	1,132	100	1,232	230
5	Bate du Tombeau Sewerage Project	2,799	1,625	70	1,695	1,104
6	Environent West & Sanitation Project	3,121	2,142	-	2,142	979
7	Pailles Cubles Sewerage Project	2,027	18	5	23	2,003
8	Port Louts Rehabilitation	2,495	-	-	-	2,495
9	Upgrading of Wastewater Infrastructure	504	343	30	373	131
<b>GRAND TOTAL</b>		<b>26,735</b>	<b>10,627</b>	<b>1,286</b>	<b>11,913</b>	<b>14,822</b>

## NOTES





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