

*PS - PUMPING STATION

*LS - LIFTING STATION

*MS - MINI STATION



ANALYSIS & DISCUSSION

The Financial Statements together with the notes therein, for the year 2012, have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). In 2012, the Authority stepped up its effort towards a financially sustainable organisation. Government's decision to review wastewater tariff in 2012 has brought an additional revenue of Rs 97.4 million during the period under review compared to year 2011. The sustained effort of the Authority to track down debtors during the period under review has also proved fruitful whereby arrears amounting to Rs12 million have been collected as compared to Rs 2.2 million for year 2011.

In addition to the above, the Authority exercised a rigorous control on all its recurrent expenditures. The in-house operations and maintenance of the wastewater treatment plants and pumping stations have considerably decreased the cost for the operating agreement by Rs 34.65 million from 2011 to 2012.

With the support of the Ministry of Energy and Public Utilities, the Authority managed to renegotiate the tariff collection fee payable to the Central Water Authority (CWA) for the billing and collection of wastewater charges. The fee has been decreased from 5% on monthly collectible amount (representing around Rs 8.47 million) to a fix amount of Rs 5 million annually.

INCOME

During the period January 2012 to December 2012, the increase in wastewater tariff and the sustained effort of the Authority to recoup wastewater charges from debtors, has led to an increase in revenue collectible on wastewater charges. An analysis of the evolution of WMA income as from year 2007 is as follows:

	2007/08	2008/09	2010 (18 months)	2011	2012
Domestic Fee	97,991,354	103,097,125	165,592,632	107,741,620	141,019,686
Non-Domestic Fee	135,128,250	146,047,494	217,583,037	138,597,356	202,729,074
Other Income	58,368,585	37,372,132	29,796,106	11,260,733	10,927,292
Remuneration for					
Capital Projects	19,940,266	14,869,777	40,753,883	23,545,943	20,048,020
TOTAL INCOME	311,428,455	301,386,528	453,725,658	281,145,652	374,724,072

WASTEWATER MANAGEMENT AUTHORITY STATEMENT SHOWING REASONS FOR VARIANCES BETWEEN REVISED BUDGET AND ACTUAL AMOUNT

	REVISED BUDGET	ACTUAL AMOUNT	VARIANCE	COMMENTS/ NOTES
REVENUE	Rs	Rs	Rs	
Wastewater fees Other revenue	320,152,544 27,140,112	340,810,365 24,395,226	20,657,821 (2,744,886)	23 23
Total Revenue	347,292,656	365,205,591	17,912,935	
EXPENDITURE		1000000000		221
Operation and Maintenance costs Administrative costs	257,624,226 79,450,668	209,321,476 70,391,355	(48,302,750) (9,059,313)	23 23
Commercial cost	12,200,000	5,679,834	(6,520,166)	23
Finance costs	72,650,000	484,225	(72,165,775)	23
Depreciation	16,500,000		(16,500,000)	23
Total Expenditure	438,424,894	285,876,890	(152,548,004)	

WASTEWATER MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Reconciliation of fair value of plan assets	Year ending 31 December 2012	Year ending 31 December 2011
•	Rs	Rs
Fair value of plan assets at start of period Expected return on plan assets Employer contribution Employee contribution Actuarial Reserves transferred in (Benefits paid + other outgo) Asset gain/(loss)	53,360,443 5,615,128 6,378,071 4,252,273 830,043 (5,878,713) (963,729)	47,797,664 5,247,156 6,065,549 4,044,066 - (5,759,103) (4,034,889)
Fair value of plan assets at end of period	63,593,516	53,360,443
Distribution of plan assets at end of period Percentage of assets at end of period Government securities & cash Loans Local equities Overseas bonds & equities Property Debenture stocks	2012 58.8% 6.6% 21.0% 12.8% 0.8%	2011 50.60% 7.80% 23.2% 17.5% 0.9%
Total	100.0%	100.0%
Additional disclosure on assets issued or used by the re Percentage of assets at end of year	porting entity 2012 %	2011 %
Assets held in the entity's own financial instruments Property occupied by the entity Other assets used by the entity	0 0	0

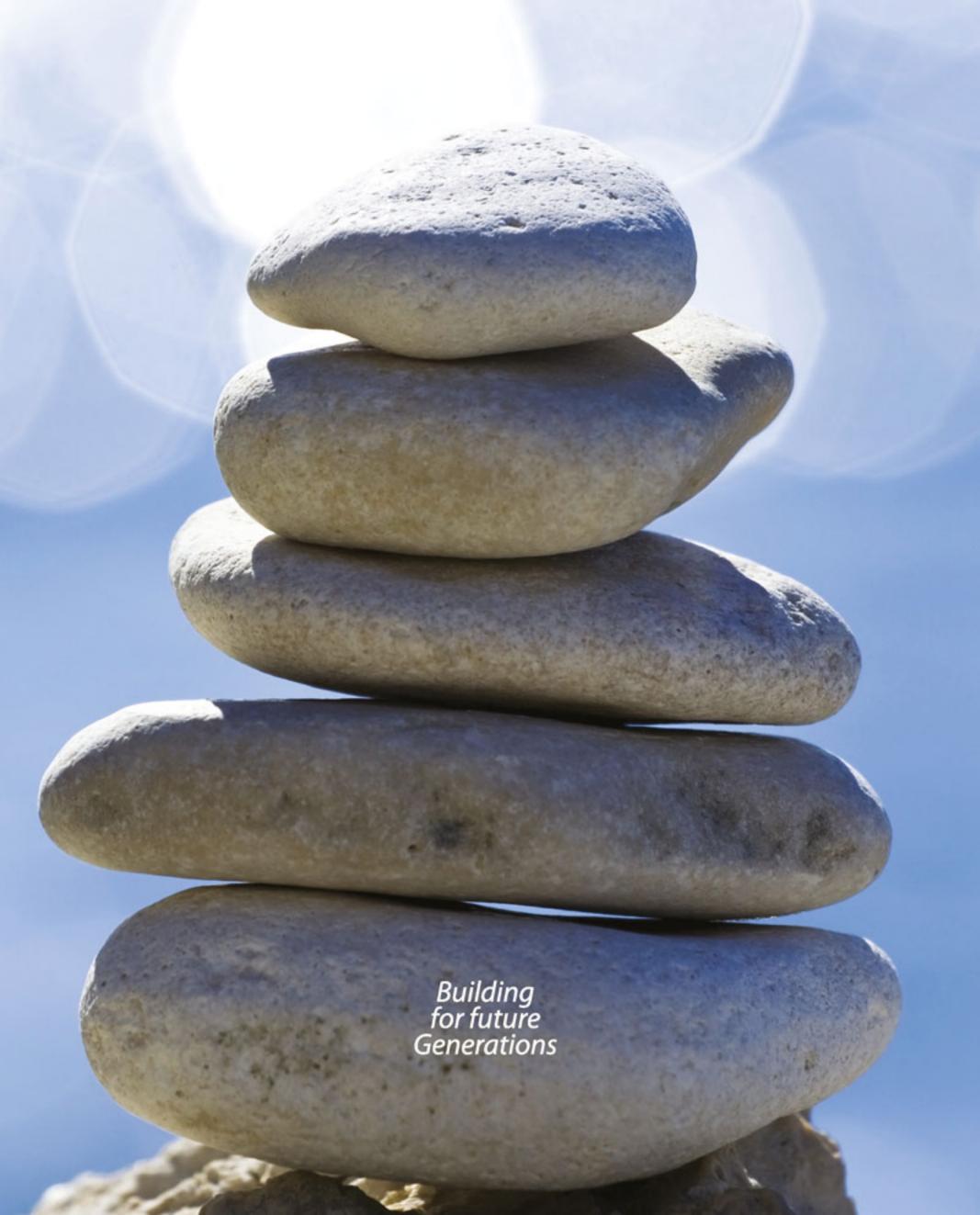


VISION

- Equip Mauritius with a state-of-theart sewerage system so as to preserve public health and to ensure a sustainable and clean environment for maintaining the island's reputation as a dream destination;
- Protect our water bodies and the environment for future generations.

MISSION

- ■Protect water and the marine environment of Mauritius;
- Provide an excellent quality of wastewater services for residential and business customers;
- Achieve financial sustainability, forge a reliable partnership with all stakeholders sensitive to the cause of the environment.



CORPORATE GOVERNANCE IN ACTION

BOARD COMMITTEES

To assist in fulfilling its duties, the Board has established five working Committees, namely:

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

Minutes of all meetings are provided at Board meetings and the respective Chairman of the Committee reports to the Board on meetings held for decision and approval.

FINANCE AND TENDER COMMITTEE

The Finance and Tender Committee provides an opportunity for detailed discussion and consideration of financial and procurement matters, ensuring value for money. It examines expenditures exceeding Rs500,000 and ensures that appropriate procedures are followed in accordance with existing laws and regulations, among others, the Public Procurement Act 2006 and the WMA Act 2000.

The Committee met 12 times during the year under review.

The Finance and Tender Committee was constituted as follows:

- Mr R. Bikoo Chairman
- Mr L. Juggoo
- Mrs P. Rojoa
- Mr G. Thandrayen

STAFF COMMITTEE

The Staff Committee assists the Board on Human Resources matters including selection, recruitment, promotion, remuneration and related policies which are conducive to employee commitment. It ensures that the Authority always has a qualitative and quantitative manpower.

The Committee met 21 times during the year and was constituted as follows:

- Mr K. Lobine Chairman
- Mr R. Bikoo
- Mr P. G. Cathan
- Dr H. Chittoo

AUDIT AND RISK COMMITTEE

The Audit Committee's terms of reference comply with the code of corporate governance for Mauritius. Amongst others, it monitors the integrity of the financial statements of the Authority, reviews its internal control and risk management systems and makes recommendations to the Board.

The Audit & Risk Committee comprising the following members, met 3 times:

- Mr P.G. Cathan Chairman
- Mrs S. Sew Hee (up to August 2012)
- Mr G. Thandrayen
- Mr S. Ramgolam

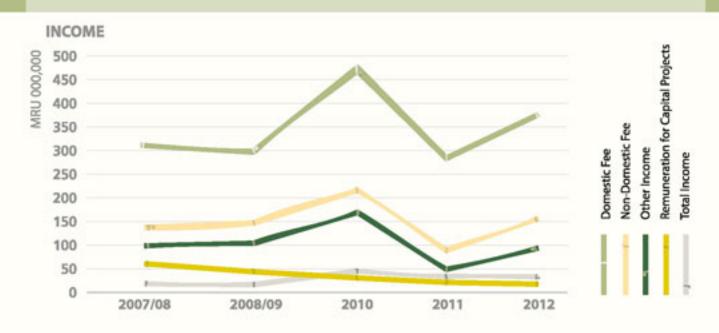
PROJECT MONITORING COMMITTEE

The Project Monitoring Committee plays a crucial role in assisting the Board in one of its core duties, that of ensuring that projects being implemented by the Authority on behalf of the Government are competently managed. It comprises Board members who are well versed in technical and financial matters.

The Committee held 14 meetings from January to December 2012 and had the following members:

- Mr R. Bikoo Chairman
- Mrs P. Rojoa
- Mr L. Juggoo
- Mr G. Thandrayen

ANALYSIS & DISCUSSION



SURPLUS/DEFICIT

The financial results for year 2012 show a deficit. The Authority has spared no effort to redress its financial position thus leading to the deficit being decreased from Rs 114,862,563 for year 2011 to Rs 34,708,155 for year 2012.

However, it is to be highlighted that though the financial statements show an accounting deficit of Rs 34.7 million, the Authority has accounted an operational surplus of Rs 63,093,996 for year 2012 which excludes provision for bad debts, payment of user fee and depreciation as compared to year 2011 where an operational deficit of Rs 32,378,386 was recorded.

	2007/08	2008/09	2010 (18 months)	2011	2012
Total Income	311,428,455	301,386,528	453,725,658	281,145,652	374,724,072
Total Expenditure	318,028,568	377,828,543	587,304,296	396,008,215	409,432,227
Surplus/Deficit	(6,600,113)	(76,442,015)	(133,578,638)	(114,862,563)	(34,708,155)
Operating					
Surplus/Deficit	(2,683,055)	(70,357,047)	(42,839,698)	(32,378,386)	63,093,996

STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS WITH FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	Rs
REVENUE	
Actual Revenue as per Statement of comparison Non cash items	365,205,591
Amortisation of grant	2,173,789
Non budgeted items Gain on disposal of asset Accounting adjustments Income 2011 received in 2012 Opening & closing revenue receivables Opening & closing prepayments	358,091 10,946,137 (27,928,873) 23,969,337
Revenue as per Statement of Financial Performance	374,724,072
EXPENDITURE	
Actual Expenditure as per Statement of comparison Non cash items Depreciation	285,876,890 - 12,733,887
Provision for sick leave & passage benefits Provision for bad debts	6,230,566 14,068,264
Non budgeted items Provisions Increase in pension cost	682,223
Accounting adjustments Opening & closing accruals Opening & closing prepayments	89,999,913 (159,516)
Expenditure as per Statement of Financial Performance	409,432,227

WASTEWATER MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

History of obligations, assets & experience adjustments

Period ending	2012	2011	2010	30 JUNE 2009
Currency	Rs	Rs	Rs	Rs
Fair value of plan assets	63,593,516	53,360,443	47,797,664	34,221,101
(Present value of defined benefit obligation)	(120,706,873)	(107,902,361)	(102,364,400)	(93,512,924)
Surplus/(deficit)	(57,113,357)	(54,541,918)	(54,566,736)	(59,291,823)
Asset experience gain/(loss)				
during the period Liability experience gain/(loss)	(975,039)	(4,034,889)	(1,007,240)	(3,901,562)
during the period	(1,316,666)	5,614,843	8,026,956	(22,746,826)
Year				2013
Expected employer contributions				6,986,819

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SEWER NETWORK: THE HEIGHTS

Over the past decades, the Republic of Mauritius has sustained economic growth, thanks to the rational development of its main resources. Agriculture, tourism, economic processing zones, the financial services and also information and communication technology constitute the country's main economic sectors.

In order to maintain the country's rapid economic development and preserve its fragile environment, Mauritius has to address environmental issues related to demographic growth and rapid changes in the use of water and land resources. In response to these needs, the Wastewater Management Authority has the responsibility of implementing all wastewater projects on behalf of Government and these are being dealt with within the Project Management Unit.

Throughout the years, in order to achieve the aims and objectives of Government, numerous projects in various regions of the island have been carried out with the help of international funding agencies.

These projects with the accompanying challenges, led the Authority to constantly revisit its construction methodology. Pipe laying works on busy urban roads, required a dexterous approach in handling the traffic diversion. On the other hand, renewal of old and defective wastewater pipes on busy roads made the WMA juggle skillfully between complex technical aspects of working with live sewer and keeping an active public relation with all local inhabitants.

ACHIEVEMENTS

PLAINES WILHEMS SEWERAGE PROJECT (PWSP)

Lot 1B - Plaines Wilhems Sewerage Project-Construction of Reticulation Network and House Connections

The PWSP, which is being implemented under 3 contracts, has recently seen the successful completion of Contract WW99F-Lot 1B in the region of Roches Brunes. This project, financed by the African Development Bank, was completed in 2012 and benefited some 3400 households. It also catered for the replacement of 10 kms of old water pipelines. The constant monitoring of this project has enabled the Authority to conduct the required works to the satisfaction of its customers. On-site supervision was carried out throughout the execution of the project to ensure that discrepancies are detected and addressed without delays. Consequently the quality of life for residents in the catchment area of Roches Brunes has been improved; septic tanks and cesspits have been eliminated. It is worth noting that such wastewater projects enable the conservation of the island's potable water resources as wastewater collected by the public sewerage system undergoes appropriate treatment before release into the ocean.

Lot 1A - Plaines Wilhems Sewerage Project-Construction of Reticulation Network and House Connections

The Plaines Wilhems Sewerage Project contract WW80F-Lot 1A consists of protecting the environment against wastewater pollution generated by both public and industrial activities especially in the regions of west Rose-Hill, southeast and part of central Quatre-Bornes. In 2012,

CORPORATE GOVERNANCE IN ACTION

CORPORATE GOVERNANCE COMMITTEE

The role of the Corporate Governance Committee is mainly to ensure that the reporting requirements on corporate governance, whether in the annual report or on an ongoing basis are in accordance with the principles of the Code of Corporate Governance.

The following Board members constituted the Corporate Governance Committee:

- Dr H. Chittoo Chairman
- Mr S. Ramgolam
- Mrs S. Sew Hee (up to August 2012)
- Mr G. Thandrayen

The Committee met once during the year under review

Attendance and remuneration of Board Members:

Board Members	Board and Committees Attendance for the Period 01 January 2012 to 31 December 2012						Remuneration
	Board Meetings (Including Special Board meetings)	SC*	C* FTC*	FTC* AC*	AC* PMC*	CGC*	for the Year 2012
	16	21	12	3	14	1	
Mr K. Lobine (Chairman)	15/16	21/21					216,000
Mr R. Bikoo	16/16	21/21	12/12		14/14		193,000
Mrs P. Rojoa	10/16		11/12		13/14		156,500
Mrs S. Sew-Hee	9/16			3/3		1/1	23,500
Mr L. Juggoo	15/16		9/12		12/14		138,500
Mr. V. Bissessur (Alternate Member)	1/16		1/12		1/14		11,400
Mr G. Thandrayen	10/16		10/12		13/14	1/1	141,500
Mr S. Subratty (Alternate Member)	3/16		2/12	2/3	1/14		15,700
Dr H. Chittoo	16/16	21/21				1/1	50,000
Mr P. G. Cathan	16/16	21/21		3/3			54,000
Mr S. Ramgolam	10/16			3/3		1/1	22,000

SC : Staff Committee

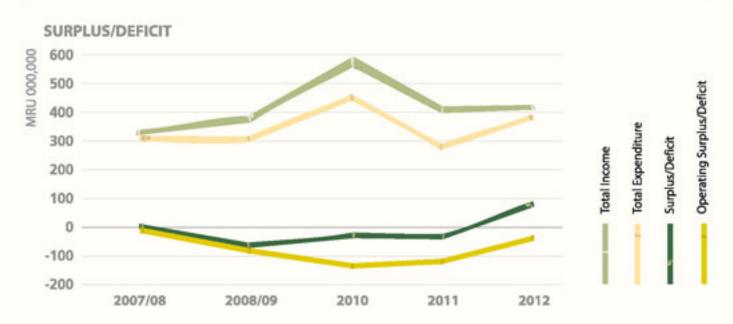
FTC : Finance and Tender Committee

AC : Audit and Risk Committee

PMC : Project Monitoring Committee

CGC : Corporate Governance Committee

ANALYSIS & DISCUSSION

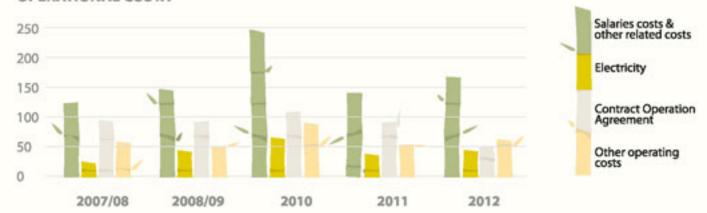


OPERATIONAL COSTS

During the period under review, the costs of operating the activities of the Authority have decreased mainly due to the inhouse operation and maintenance of wastewater treatment plants and pumping stations and the revision of the tariff collection fee payable to the CWA.

	2007/08	2008/09	2010 (18 months)	2011	2012
Salaries costs & other related costs	117,981,362	140,510,854	229,488,021	137,880,491	159,391,974
Electricity	18,290,092	40,656,366	64,573,311	37,976,147	44,742,183
Contract Operation Agreement	92,849,365	81,525,531	117,477,230	84,349,302	49,697,548
Other Operating Costs	59,990,691	52,050,824	85,026,795	53,318,098	57,798,371
Total Operational Costs	289,111,510	314,743,575	496,565,357	313,524,038	311,630,076

OPERATIONAL COSTA



Notes to the Cash Flow Statement

1.0 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in 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:

	2012	2011
Bank Overdraft	Rs (3,917,157)	Rs (5,969,311)
	(3,917,157)	(5,969,311)

2.0 Property, Plant and Equipment
During the period, the entity acquired vehicles, property, plant and equipment with an aggregate cost of Rs 8,680,109.33. Cash payments of Rs 6,588,082.27 were made to purchase property, plant and equipment and an amount of Rs 2,092,027.06 was from inventory.

An amount of Rs 1,953,521.52 has been excluded in the vehicles, property, plant & equipment as this amount relates to vehicles and pump received as grant.

An amount of Rs666,103 has been included in the inventories as this amount relates to inventory received as grant in the year 2012. An amount of Rs 2,092,027.06 has been excluded as it relates to inventory transferred to

WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

14.0 **EMPLOYEE BENEFITS**

WMA has provided for the employee benefits as under:

14.1 PROVISION FOR SICK LEAVE

THOVISION FOR SICK ELAVE	2012	2011
	Rs	Rs
Opening balance	21,282,548	18,046,144
Adjustment	43,633	-
Payment during the year	(2,247,460)	(1,990,896)
Provision for the year	4,330,716	5,227,300
Closing balance	23,409,437	21,282,548
Less amount falling due within one year	(1,879,249)	(1,433,973)
Amount falling due more than one year	21,530,188	19,848,575

14.2 PASSAGE BENEFITS		
PASSAGE BENEFITS	2012	2011
	Rs	Rs
Opening balance	6,123,747	6,990,291
Adjustment	78,422	-
Payment during the year	(1,474,625)	(1,930,571)
Provision for the year	1,885,715	1,064,027
Closing balance	6,613,259	6,123,747
Less amount falling due within one year	(1,622,088)	(1,065,565)
Amount falling due more than one year	4,991,171	5,058,182

CHAIRMAN'S OVERVIEW KHUSHAL LOBINE

The 2012 Annual Report sheds light on the activities of the Wastewater Management Authority (WMA). As a team we continued along our path towards an improved operation and delivery of services in the wastewater sector. The 2012 Annual Report is a window on the achievements and challenges of the WMA for the period under review.

Protecting the Environment

The Authority diligently pursued its objective of gradually extending the public sewer network throughout the island, thus ensuring that the discharge of wastewater does not adversely affect the environment. In this respect, the Board is satisfied with the progress achieved in the implementation of the mega wastewater project in the Plaines Wilhems region. With Government providing adequate funds, the Authority is well poised to embark on two major projects in the regions of Pailles-Guibies and Grand Baie. Other small wastewater projects in the regions of Bain des Dames, Camp Caval, Tranquebar and Vallée des Prêtres are also on the agenda of the WMA. During the year under consideration, the Authority



implemented projects totalling an amount of MUR 1.3 billion.

Commitment to sustainability

The Board considers sustainability as an important mandate and remains committed to developing the organisation in a responsible manner. Several measures to reduce operational costs and a lean organisational structure contributed towards WMA's cost containment strategy. The tariff increase effective as from January 2012 as well as the new regulations for services offered by the Authority coupled with cost reduction will consolidate the financial status of the WMA in the coming years.

SEWER NETWORK: THE HEIGHTS

under Contract WW80F-Lot 1A, financed partly by the European Investment Bank, some additional 17 km of street sewer were laid together with 9 km of defective water pipes replaced. The WMA was also faced with the daunting task of replacing an old pitch fibre sewer pipe along the busy Hugnin Road. With proper planning and constant effort by all those concerned, tremendous headway was achieved. By the end of 2012, only 100 metres of piping works remained to be laid out of a total length of 1,160 metres along Hugnin Road. As at the end of December 2012, 45% of the project was completed based on the original scope.

Lot 2 - Plaines Wilhems Sewerage Project-Construction of Reticulation Network and House Connections

Contract WW81F-Lot 2, financed by EXIM Bank of China, extended some 15 km of new sewer pipe to WMA assets in 2012. This project was initiated in line with the Government's policy to protect the environment and to cater for the long term housing and industrial developments in the regions of Central Quatre-Bornes, Sodnac and Belle-Rose. All the wastewater collected in these regions will be conveyed to the St Martin Wastewater Treatment Plant. The task of closing part of the busy St-Jean Road was one of the most serious challenges facing the WMA in 2012. Again, with proper coordination and planning, it was successfully effected to allow our Contractor to work in a safe and effective manner. As at December 2012, 86 km of wastewater pipes have been laid and 9,100 premises have been connected to the wastewater network, out of which 4,800 are operational.

INDIVIDUAL WASTEWATER CONNECTIONS

The House Connection Unit forms part of the

Project Management Unit and its main activities are:

- To provide sewerage connections to applications received.
- To launch and manage "Design and Build" contracts - these contracts are implemented in order to carry out sewerage connection works.
- To provide technical assistance to applicants / customers willing to perform sewerage connection works at their own costs.
- To open wastewater accounts for house connections carried out under all WMA projects

This Unit is presently providing sewerage connection to the premises of the inhabitants in the region of Port-Louis, Baie du Tombeau, Grand-Baie and Plaines Wilhems under contracts WW242W and WW243W.

Works under these contracts consist of providing sewerage connection to domestic, industrial and commercial buildings in sewered areas. The House Connection Unit holds under its responsibility the management of these contracts which also consists of:

- (i) the verification of preliminary surveys,
- (ii) vetting of designs and cost estimates,
- (iii) obtaining wayleaves from the various authorities concerned,
- (iv) issuing works orders and supervision of works on site.

Site works under the above 2 contracts consist mostly of effecting sewerage connections from the premises of the inhabitants to a main sewer line in the region. WMA officers have been active on site to supervise the works which are being carried out in the regions of Port-Louis, Baie du Tombeau, Grand-Baie and various towns and



WASTEWATER MANAGEMENT AUTHORITY APPROVED & REVISED ESTIMATES 2012

APPROVED ESTIMATES 2012 Rs		REVISED ESTIMATES 2012 Rs
365,750,000	REVENUE BUDGET	347,292,700
	OPERATING EXPENDITURE	
	Core services	
123,329,477	1.0 Staff & related costs	117,376,586
148,556,066	2.0 Other recurrent costs	151,114,506
271,885,543	Sub-Total (A)	268,491,092
	Support services	
63,657,201	1.0 Staff & related costs	40,983,928
48,596,356	2.0 Other recurrent costs	33,949,874
112,253,557	Sub-Total (B)	74,933,802
384,139,100	Total Operating Expenditure (A + B)	343,424,894
(18,389,100)	Operation Surplus/ (Deficit)	3,867,806
	Finance costs(User Fee)	
	1.0 Core services	45,818,175
66,000,000	2.0 Support Services	26,181,825
66,000,000	Sub-Total	72,000,000
16,000,000	Provisions for depreciation of WMA assets	16,500,000
6,500,000	Provisions for bad debts	6,500,000
(106,889,100)	Total Deficit	(91,132,194)
	Capital Expenditure	
3,000,000	3.0 Financial assets	2,500,000
20,020,000	4.0 Non Financial assets	22,498,000
23,020,000	Total Capital Expenditure	24,998,000

WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 Maîtrise D'Ouvrage Déléguée". 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 Délégation".

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 2012.

3.2

BASIS OF PREPARATION

(i) 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.

(ii) 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.

(iii) Functional and presentation currency

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

(iv) Reporting date

The financial statements cover a period of one year from 01 January 2012 to 31 December 2012.

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.

IPSAS 1: Presentation of Financial Statements.

4.1.2

IPSAS 2: Cash Flow Statements.

4.1.3

IPSAS 3: Accounting policies, Changes in Accounting Estimates and Errors.

4.1.4

IPSAS 4: The effects of changes in Foreign Exchange Rates.

4.1.5

IPSAS 5: Borrowing costs.

4.1.6

IPSAS 6: Consolidated and Separated Financial Statements.

WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

15.0

	224,757,749	156,688,605
Other Payables	3,345,792	2,583,796
Accruals	221,411,957	154,104,809
	Rs	Rs
TRADE AND OTHER TRADE PAYABLES	2012	2011

16.0

CONTINGENT LIABILITY

During the financial year WMA has provided for an amount of Rs 19,818,500 as bank guarantee for acquiring way-leaves and invitation for bids as follows:

	2012	2011
	Rs	Rs
Municipal Councils	13,618,500	14,002,500
District Council	120,000	866,710
Road Development Authority	6,000,000	6,000,000
Ministry of Labour & Industrial Relations	80,000	50,000
TOTAL	19,818,500	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 Rs 20,882,628.



Building a learning organisation

Since its creation, the Authority faced the serious problem of capacity building. This issue has been addressed by appropriate recruitment to strengthen our core services. We believe in our people and recognise that organisational performance is directly dependent on the performance of its human capital. With this mindset, the Board supported the idea of moving towards a learning organisation.

Continuous training, sponsorship for upgrading of qualifications and knowledge sharing forums are an integral part of WMA's culture now. Freshly graduated engineers are being trained in the fields of civil, mechanical and electrical engineering. In line with Government's policy, the Performance Management System (PMS) has been introduced successfully since January 2012. The PMS serves as a mechanism for optimising returns on the human capital and provides opportunities for our employees to build on their strengths. I seize this opportunity to thank our employees for their hard work, professionalism and loyalty.

Governance and Compliance

The Authority adopted appropriate corporate governance practices and the Board continues to prioritise a positive and pro-active approach to good Governance and emerging regulations and trends. The disclosure requirements as per the Code of Corporate Governance have been met and this has been confirmed by the Director of the National Audit Office in his report certifying the financial statements of the WMA. The organisation also promoted an ethical behaviour in its interaction with all its stakeholders. This has been possible thanks to our employees who have embraced a set of values which command the respect of internal and external stakeholders and a deep sense of accountability.

Last but not least, I would like to extend my deep appreciation to all Board members and the management team who worked hand in hand towards meeting the corporate objectives. We shall continue to improve on services delivered and further progress in the development of the wastewater sector in the coming years.

KHUSHAL LOBINE

SEWER NETWORK: THE HEIGHTS

villages in the district of Plaine Wilhems. Excavation works started on 04 June 2012. During the period under review, 195 house connections have been carried out under these 2 contracts.

The House Connection Unit also monitors design drawings submitted to the WMA for private buildings so as to ensure compliance with the regulations. Opening of accounts for all premises connected to the wastewater sewer network are carried out systematically.

For the period January to December 2012, several contracts have been executed by the Authority to carry out house connection works under the free house connection policy as illustrated in the table below:

PROJECT	NUMBER OF HOUSE CONNECTIONS COMPLETED
House Connection Contracts	195
Plaines Wilhems Sewrage Project	
- Lot 1A - Lot 1B - Lot 2	515 2,229 1,349
Rozano Sewerage Project	253



CORPORATE GOVERNANCE IN ACTION

THE GENERAL MANAGER

The responsibility of the General Manager is to manage the Authority's business and to implement Board strategies and policies. He is responsible for the day to day running of the Authority through the Management team and ensures that the actions of WMA are in line with the Board's vision and mission.

PROFILE OF MANAGEMENT TEAM

Dr Moussa Elias ALLYBOKUS

General Manager

- PhD.
- MSc.
- Bachelor in Civil Engineering.

Mr Navindranath JOWAHEER

Deputy General Manager (Administration)

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

Mr Tewfik Mohammad 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 Honors in Humanities.
- Diploma in Management.

Mr Jaylall BUNGSY

Financial Manager

- MSc.
- Fellow of the Association of Chartered Certified Accountant.
- = FCMA.

Mr Sooyashdeo SOOKHEE

Divisional Manager

- MSc Env. Eng.
- Bachelor in Civil Engineering.

Mrs Vimala LUCHMUN

Administrative and Human Resource Manager

- Master of Business Administration.
- Associate Member Institute of Chartered Secretaries and Administrators (UK).
- Diploma in Personnel Management.

Mr Preeyadev SOOKRAM

Ag Divisional Manager (Mechanical & Electrical)

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

Mr Jacques Alexis RADHAY

Ag Divisional Manager

- MSc Sanitary Eng.
- Bachelor in Civil Engineering.

Mr Mohammad Sajid PEEROO

Project Manager

- MBA (UK).
- Bachelor in Civil Engineering (UK).

Mr Mohamed Reza HASSARUP

Project Manager

- MSc Project Management
- Bachelor in Civil Engineering



WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

4.1.7

IPSAS 12: Inventories.

IPSAS 14: Events after Reporting Date.

IPSAS 15: Financial Instruments: Disclosure and Presentation.

4.1.10

IPSAS 17: Property, Plant and Equipment.

4.1.11

IPSAS 19: Provisions, Contingent Liabilities, Contingent Assets.

4.1.12

IPSAS 20: Related Party Disclosures.

IPSAS 21: Impairment of Non-cash - generating assets.

4.1.14

IPSAS 24: Presentation of Budget Information in Financial Statements.

4.1.15

IPSAS 25: Employee Benefits.

IPSAS ISSUED BUT NOT YET EFFECTIVE 4.3

4.2.1

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.

4.2.2

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.

4.2.3

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.

4.2.4

Amendments to IPSAS 23: Revenue from nonexchange 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.

4.2.5

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.

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

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.

Depreciation/ Amortisation

Depreciation is calculated on the straight line basis at annual rates estimated to write off the

WASTEWATER MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

17.0 STATEMENT OF CHANGES IN NET ASSETS & EQUITY FOR YEAR ENDED 31 DECEMBER 2012	Rs	Rs
Changes in net assets/equity for 2012		
Prior year expenses:		
Petty cash	(4,968)	
Fixed asset	(1,326,857)	
Depreciation previous years	(149,398)	
Bad debts	(1,168,718)	
Security services	(284,775)	
Electricity	(3,779,716)	
Deposit- carting away	(9,210)	
Remuneration -consultancy	(4,976,692)	
PAYE	(35,867)	
Total prior year expenses		(11,736,201)
Revenue for prior years:		
Passage benefits	88,202	
Sick leave	34,466	
Gratuity	19,104	
Overpayment previous years	525,524	
Deferred income	381,962	
Deduction control account	4,845	
Car loan	2,883	
Expenses prepaid	269,725	
Creditors	363,250	
Pension fund- transfer in	830,043	
Total revenue for prior years		2,520,004
Net revenue/expenses recognised directly in net assets/equity		(9,216,197)

Figures for 2011 have been omitted owing to change in items of expenses and revenue.

GENERAL MANAGER's REPORT

Dr MOUSSA E. ALLYBOKUS

It gives me great pleasure to report on the activities of the Wastewater Management Authority (WMA) for the year 2012. The Authority pursued its mission to deliver services responding fully to the expectations of its key stakeholders. 'Continuous improvement' which is our motto, is now fully ingrained in the organisational culture.

During the period under review, the Authority saw the successful completion of the Plaines Wilhems Sewerage Project Lot 1B, which was financed by the African Development Bank. The implementation of this project has benefited some 3,400 households in the regions of West Rose Hill, Mont Roches, Roches Brunes and Plaisance with modern sanitation facilities.

As far as the two ongoing contracts (Lot 1A and Lot 2) of the Plaines Wilhems Sewerage Project (PWSP) are concerned, they are well on track. It is expected that the PWSP Lot 2 which caters for the regions of Quatre Bornes and Sodnac would be completed by the end of year 2013. With the completion of this project, 102 km of sewer pipes would have been laid and some 12,000



households connected to the public sewer system. Apart from the above-mentioned major project, the Authority is pursuing its mission to connect individual premises in sewered areas. The WMA is looking forward to extending the sewer network (throughout the island) in small catchments where serious wastewater problems are being encountered.

The Authority is laying emphasis on the reinforcement of its operations and maintenance (O&M) services. The expansion of the sewer network and the increase in the number of customers imply that this essential core service has to play a strategic role for the future of the organisation. In fact, O&M support is being provided to around 76,000 households

INTERNATIONAL SUPPORT

SECURING THE SUPPORT OF INTERNATIONAL FUNDING AGENCIES:

des Papayes, Morcellement St. André and Mon Choisy (Project funded by AFD)

Throughout the years our development partners as listed below have been very supportive:

- African Development Bank (AfDB)
- Agence Française de Développement (AFD)
- European Investment Bank (EIB)
- EXIM Bank of China
- Japan International Cooperation Agency (JICA)
- Arab Bank for Economic Cooperation (BADEA)
- Organization of the Petroleum Exporting Countries (OPEC)
- World Bank

Relying on the strong support of the abovenamed funding institutions, the Authority is confident to handle the challenges on new projects such as:

- Baie du Tombeau Sewerage Project Phase III -This project will cater for the regions of Terre Rouge, Riche Terre, Le Hochet (World Bank funding for Consultancy Services)
- Pailles Guibies Sewerage Project (Phase I funded by BADEA/OPEC)
- Grand-Baie Sewerage Project Phase 1B the project comprises providing wastewater connections to the inhabitants of the regions of Pereybère, Cap Malheureux, Petit Raffray, The Vale (Project funded by JICA)
- West Coast Sewerage Project the project will enable the residents of the regions of Bambous, Cascavelle and Flic en Flac to be connected to WMA network (Grant from French Government for Consultancy Services)
- Grand-Baie Sewerage Project Phase 2 encompasses the regions of Triolet, Trou aux Biches, Pointe aux Piments, Fond du Sac, Plaine



CORPORATE GOVERNANCE IN ACTION

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

Internal Control and Risk Management

The Board has the overall responsibility for the Authority's system of risk management and internal controls as well as for the reviewing of its effectiveness. The Board views management of risk as an integral component of good business

practice with a view to supporting management's decision-making, improving the reliability of business performance, and assisting in the preparation of the company's consolidated accounts. The Board delegates to executive management the responsibility for designing, operating and monitoring both the system and the maintenance of effective internal control. The system of internal control is based upon an ongoing process of identifying, evaluating and managing key risks and includes the risk management processes referred to above. In that context, a risk assessment exercise is being carried out in respect of Health and Safety throughout the organisation.

Related Party Transactions

This section is illustrated at Notes 20 of the Financial Statements.



REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE

WASTEWATER MANAGEMENT AUTHORITY

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 2012, 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 of Supreme Audit Institutions. 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.

WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

cost of the assets less their estimated residual values over their expected useful lives. The annual rates used are:

Equipment	10-20%
Motor vehicles	10-20%
Projects (a) Civil works	2.50%
(b) Mechanical & electrical	6.67%
(c) Consultancy	20.00%

No depreciation is charged on additions in the month of purchase nor is provision made in the month of disposal. So far, assets received from Government are treated as grants in the accounts, the net book value is being treated as deferred income and amortised over a period of 10 years.

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 2012.

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

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.

4.9

REVENUE RECOGNITION

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

Other income includes:

- 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 Maîtrise D'Ouvrage Déléguée 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 WMA Act 2000 are to be zero-rated by virtue of the Value Added Tax (Amendment Bill) no XL11 of 2001.



WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

18.0

CAPITAL COMMITMENTS

WMA has contracted capital expenditure amounting to Rs 3,384,996 for the purchase of equipment and vehicle at the statement of financial date which has been recognised in the financial statement.

19.0

DIRECTORS OR EMPLOYEES INTEREST

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

20.0

RELATED PARTY TRANSACTION

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.

21.0

REMUNERATION OF DIRECTORS AND KEY PERSONNEL MANAGEMENT

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

	2012	2011
	Rs	Rs
Directors	1,022,100	2,243,943
Key Personnel Management	8,153,431	7,578,885
	9,175,531	9,822,828
Opening Balance	550,000	
Add loan granted during the year	/-	600,000
Less loan repaid	(120,000)	(50,000)
Closing Balance	430,000	550,000

throughout the island. We have also ensured an improved customer service and increased reliability.

In 2012, the Authority successfully completed the planned take-over and the carrying out of inhouse O&M of all wastewater facilities with the exception of the St Martin Wastewater Treatment Plant. 69 pumping stations as well as 10 wastewater treatment plants are now being operated and maintained by the WMA Team. This initiative which had the full support of the WMA Board and the parent Ministry resulted in a decrease of O&M costs as compared to the previous outsourced contract.

The Wastewater Laboratory together with the Pollution Control Unit spared no effort in carrying out due diligence exercises on industries licensed by the Authority. Constant monitoring has been effected to ensure that wastewater discharged into the public sewers is within the defined norms with a view to protecting the environment and preserving public health. While the Authority made no compromise on the delivery of services, rigorous control has been exercised over expenditures. From the audited financial statements, it can be observed that the organisation has been able to reduce expenditure on both Operation and Maintenance and Administrative costs. Furthermore, the reviewed wastewater tariffs, effective as from January 2012, brought additional revenue to the WMA. For the period under review, the Authority has registered an operational surplus excluding provision for bad debts, payment of user fees and depreciation.

Sustained efforts have also been geared towards the recovery of debts through the monitoring of debtors which has become a matter of concern for the WMA. Customers not paying their

wastewater charges on time are regularly reminded to settle arrears if any and in case of non-compliance appropriate legal actions are initiated.

Along with the mission to be financially sustainable, we believe that a knowledgeable and capable workforce is a prerequisite to support WMA's operational and strategic objectives and to meet future challenges. The introduction and acceptance of the Performance Management System throughout the organisation, as from this year, demonstrates the determination of the organisation to put in place modern management mechanisms so as to successfully meet the challenges ahead. Employees are regularly assessed and are informed of their weaknesses and strengths thus leading to an overall improvement in the performance of the WMA. In this endeavour, our employees are provided with training opportunities to attend courses both locally and overseas.

Conscious of the fact that a healthy workforce helps in achieving organisational objectives, sports and welfare activities are favoured and encouraged by management.

I am confident that the multi-pronged strategies adopted by the WMA and a continuous effort to build capacity, the Authority with the support of all stakeholders will be in a position to meet challenges lying ahead and implement wastewater projects for the benefit of the present and future generations.

Dr. MOUSSA E. ALLYBOKUS

Sustainable Growth

CORPORATE GOVERNANCE IN ACTION

Statement of Director's Responsibility for the Financial Statements

The Directors of the Wastewater Management Authority 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. It oversees the strategic direction of the WMA and its organisational structure. The Board discharges the above responsibilities either directly or through Board Committees for more in-depth analyses and review of various issues while retaining its responsibility for all policy matters. The Chairman of each Committee periodically tables 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 legislations in force, the safety and health of its staff. To fulfill 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 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 their responsibilities. Internal Audit is an independent function that reports directly to the Audit and Risk Management Committee. Business controls are reviewed on an ongoing basis by Internal Audit using a cycle-based risk approach.

Signed on behalf of the WMA Board of Directors:

Signature:..

Name: Khushal LOBINE Chairman, WMA Board

Signature:...

Name: Pierre Gérard CATHAN

Member, WMA Board

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 2012, 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 2012, total debtors amounted to some Rs 251.2 million compared to Rs 196.6 million as of 31 December 2011. Provision for doubtful debts amounted to Rs 93.3 million as of 31 December 2012, representing 37 per cent of total debtors.

Appropriate timely actions have to be taken to reduce the level of outstanding debts.

My opinion is not qualified in respect of this matter.

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.

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.

Statutory Bodies (Accounts and Audit) Act

The Board is responsible to keep proper accounting records for the purpose of recording all the transactions relating to the undertakings, funds, activities and property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

4.10

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 2012. 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 25 years.

4.10

A CONTRIBUTION 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. An amount of Rs 513,886 has been contributed in 2012.

4.11

PROVISIONS

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.

4.12

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 2012 and that for passage benefits are based on annual basic salary plus compensation at approved rates.

4.13

RELATED PARTIES

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

4.14

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.

4.15

FINANCIAL RISKS MANAGEMENT

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

4.15.1

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

22.0

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, reduction in electricity consumption and revision in contractual agreement.

22.4

ADMINISTRATIVE COSTS:

Savings were made as a result of not filling many vacancies, reduction in repairs and maintenance of equipment, consultancy services and advertising.

22.5

COMMERCIAL COSTS:

The decrease in commercial cost is mainly caused by a reduction in the commission paid to CWA for the billing and collection of wastewater charges.

22.6

FINANCE COSTS:

The increase is mainly due to more capital projects being completed and thus increasing the user fee payable to Government.

23.0

COMMENTS ON VARIANCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS

23.1

WASTEWATER FEES:

The increase in wastewater fees is owing to increase in tariff and arrears billed to customers who were not being billed.

23.2

OTHER REVENUE:

The reduction is mainly owing to the cost of consultancy services for capital projects which has been excluded in the remuneration claimed to Government.

23.3

OPERATION & MAINTENANCE COSTS:

Savings were made as a result of a reduction in electricity consumption, repairs & maintenance of equipment, motor vehicles cost and contractual agreement.



COMPLIANCE FOR A SUSTAINABLE ENVIRONMENT

The Pollution Control Unit is the compliance arm of the WMA and works in close collaboration with the Wastewater Laboratory. This unit ensures that all wastewater from infrastructural and industrial developments are properly managed thereby providing a high standard of sanitation that would preserve public health and ensure a sustainable and clean environment.

This mission is accomplished on a twofold level. On the one hand, all proposed development must clearly show that sufficient measures will be taken to ensure a proper collection, treatment and disposal of wastewater. On the other hand, existing facilities are inspected and monitored. The Pollution Control Unit carries out the following main tasks:

- Review and approval of wastewater related infrastructural and industrial development applications at EIA, building permit or landsubdivision level,
- Regulation, monitoring and control of industrial effluent discharges to the public sewer network,
- Monitoring and evaluation of public and private wastewater treatment plant effluent in compliance with the Environmental Protection Act discharge standards,
- Review and approval of applications for disposal of expired liquid products,
- Advice and assistance on wastewater related issues and nuisances,
- Participation in environmental committees, forums, seminars and workshops.

The major achievements of the PCU for financial year 2012 can be summarized as per the table below:

UNDERTAKING	YEAR 2012
EIA/PER	70
Building Permits	133
Land Sub-division	425
New Industrial Discharge Permits Issued	5
Industrial Discharge Permits Renewed	42
Number of industries inspected	130
Number of hotel wastewater treatment plants inspected	19

An industry generating effluent from its industrial activities and discharging same into the public sewer has to apply for an Industrial Discharge Permit from the Wastewater Management Authority under the Wastewater (Standards for Discharge of Industrial Effluent into a Wastewater System) Regulations 2004.

If classified under the above regulation, the licensed industry has to submit a monthly report to the WMA, comprising mainly two documents, namely, an effluent analysis results from a private laboratory and records of water consumption for the whole industrial complex. The report is verified systematically for ensuring compliance with prevailing regulations.

Hotels having wastewater treatment facilities and industries discharging effluent into the public sewer are required to carry out analysis of their effluent and submit results to the WMA for monitoring purposes. Generally all hotels submitting the effluent analysis results are compliant and actions are initiated against those



Opinion

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

25 September 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

4.15.2

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.

4.15.3

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.

Total number of employees as at 31 December

5.0

SALARIES AND RELATED COSTS

4.15.4

Currency Risk

There is the possibility of currency risk whenever payment for the purchase of goods and services are effected in foreign currency.

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 12.

2012	2011
Number	Number
416	377

6.0 FIN

FINANCE COSTS		
	2012	2011
	Rs	Rs
Bank Charges	455,841	302,186
User fee payable to Government	71,000,000	62,000,000
SUB-TOTAL	71,455,841	62,302,186

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

23.4

ADMINISTRATIVE COSTS:

Savings made due to reduction in the cost of printing & stationery, legal fees and fees to Board Members.

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 71m has not yet been paid.

23.7

DEPRECIATION:

The reduction in depreciation is caused by less capital expenditure being purchased

HISTORICAL PERSPECTIVE OF THE WASTEWATER SECTOR IN MAURITIUS

History

The first sewer pipes were laid in Port Louis in the late 19th century. Since then and until the mid 20th century, development in that sector was very slow. The sector started evolving when the present Plaines Wilhems system was constructed in the 1960's. Major improvements were also brought to the Port Louis system in the late sixties and early seventies. The operation of these systems was regulated by the Port Louis Sewerage Act and the Plaines Wilhems Sewerage Ordinance of 1904 and 1959, respectively.

The responsibility for the sewerage sector was entrusted to the then Ministry of Works. With the enactment of the Waste Water Authority Act in 1991, the responsibility of the wastewater sector was delegated to the Ministry of Energy at that time. The sector has been under the jurisdiction of several Ministries, during very short periods of time as follows:

PERIOD	MINISTRY
Up to 1995	Ministry of Energy, Water
	Resources and Postal Services
1995-1996	Ministry of Public Infrastructure
1996-1997	Ministry of Public Utilities
1997-1998	Ministry of Environment
1998-2001	Ministry of Public Utilities

Following the proclamation of the Wastewater Management Authority Act in August 2001, the Wastewater Management Authority (WMA) was established as a body corporate, to be responsible for all matters relating to the collection, treatment and disposal of wastewater. It operates as an autonomous entity under the aegis of the Ministry of Public Utilities, which was thereafter renamed, in 2008, as the Ministry of Energy and Public Utilities.

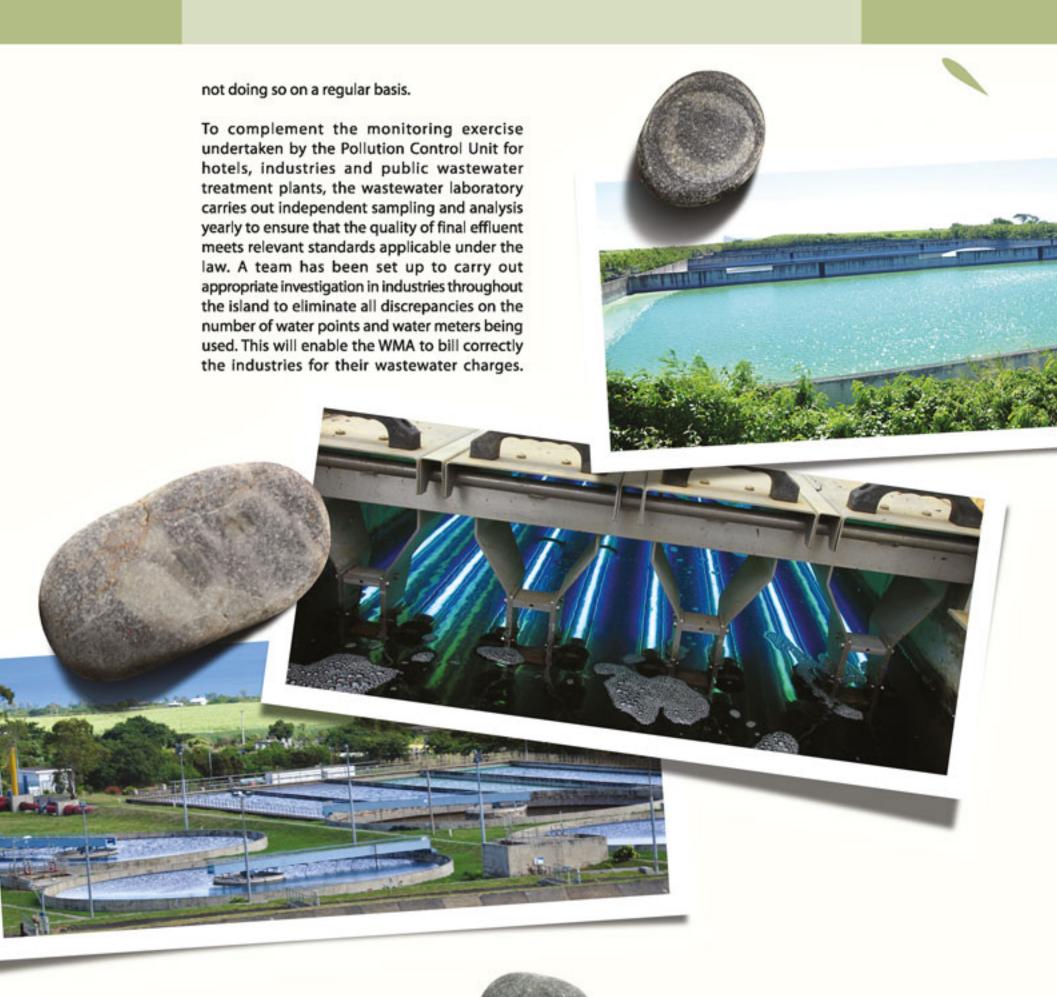
Parallel to the WMA Act, the Authority operates under two legal instruments as follows: (i)The Convention de Maîtrise d'Ouvrage Déléguée (for the construction of new works) (ii)The Contrat de Délégation (for the Operation & Maintenance of Public Wastewater Systems)

Under the Convention de Maîtrise d'Ouvrage Déléguée, the Government of Mauritius entrusted to the WMA the overall responsibility for the implementation of all projects under the National Sewerage Program (NSP).

Under the Contrat de Délégation, the Authority is accountable to the Government for the Operation and Maintenance of all Government's wastewater assets in use in the Public Sewerage Systems. As such, the WMA is responsible for the operations and maintenance of 550 km of sewer network, 69 wastewater pumping stations and 10 wastewater treatment plants.



COMPLIANCE FOR A SUSTAINABLE ENVIRONMENT



HUMAN CAPITAL: OUR VALUED ASSET

The Human capital is at the heart of the WMA and the Human Resources (HR) department spares no effort in supporting the Authority in building capacity. The commitment of the HR Department is to create and foster a conductive professional work culture across the WMA.

55 new recruits joined the WMA in 2012 to reinforce the operation and maintenance team in a bid to cope with the in-house operation & maintenance of treatment plants and pumping stations.

The WMA manpower stood at 420 for the period under review. A breakdown by job family and gender is illustrated in the chart below.

BREAKDOWN OF STAFF BY CATEGORY AND GENDER



Among the major achievements for the year 2012, was the implementation of the Performance Management System (PMS). Two performance appraisal exercises (mid-term and final) were conducted in the year 2012. The final exercise was successfully completed in December 2012 and the grant of increment for year 2013 to staff

was based on the outcome of the PMS.

42 schemes of service were reviewed after consultation with the Union and forwarded to the Ministry of Civil Service & Administrative Reforms for final certification.

STAFF DEVELOPMENT

The WMA firmly believes that a knowledgeable and capable workforce is a prerequisite to support its operational and strategic objectives and to meet future challenges.

The staff is given training opportunities to attend courses both locally and abroad. Seven officers attended courses in Sewerage Technology, Wastewater Treatment Techniques, Strategic Used Water Management and Project Management in Japan, Singapore, South Africa and the Philippines.

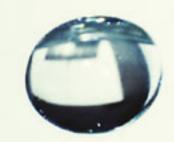
After their training overseas, the officers concerned shared the experience and expertise with other WMA officers through knowledge sharing sessions which are organized regularly.

Eighty officers of the Administrative / Finance and Technical cadres participated, inter alia, in the following courses: water administration & techniques, protection of the environment, Corporate Governance, data protection, computer and network security, fraud detection, public relations & corporate communications and performance appraisal system.

Administration Section

The Administration Section of the WMA acts as a facilitator to ensure that daily operations are professionally organised and coordinated while ascertaining the efficient and judicious use of assets.

Accountability across the board





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

7.0				
PROPERTY,	PLANT	8	EQUIPMEN	IT

	VEHICLES	EQUIPMENT	TOTAL
	Rs	Rs	Rs
Cost/Valuation			
At 31 December 2011	46,113,216	63,365,053	109,478,269
Disposal	(1,110,500)	-	(1,110,500)
Additions	2,137,215	8,402,092	10,539,307
At 31 December 2012	47,139,931	71,767,145	118,907,076
Accumulated depreciation			
At 31 December 2011	21,346,815	38,682,524	60,029,339
Disposal	(908,591)	2	(908,591)
Charge for the year	4,471,612	7,569,617	12,041,229
Depreciation- adjustment	149,398	-	149,398
At 31 December 2012	25,059,234	46,252,141	71,311,375
Carrying value			
At 31 December 2012	22,080,697	25,515,004	47,595,701

WASTEWATER MANAGEMENT AUTHORITY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

APPENDIX I

	2012	2011
	Rs	Rs
INCOME		
Domestic Tariff (fees)	141,019,686	107,741,620
Non Domestic Tariff (fees)	202,729,074	138,597,356
	343,748,760	246,338,976
OTHER INCOME		
Surcharge	4,889,780	3,868,663
Septic Tank Emptying	185,120	150,912
Sale of tender documents	160,500	12,000
Tanker License Fees	675,354	659,162
Bank Interest Received	168,974	2,400,640
Industrial Discharge Permit	11,600	10,300
Sundry Income	2,304,084	2,373,384
Remuneration for Capital Projects	20,048,020	23,545,943
Profit on Disposal of Fixed Asset	358,091	
Amortisation of Government Grant	2,173,789	1,785,672
	30,975,312	34,806,676
TOTAL INCOME	374,724,072	281,145,652

FUTURE PERSPECTIVE

STRATEGIC PLAN

The strategy of the WMA is guided by Government's strategy and policy towards the environment and sustainable development. In 1994, the Sewerage Master Plan was prepared providing an overall framework and strategy for improvement in the sanitation sector. A series of projects to be implemented over the period 1994 to 2013 were also identified.

Since its setting up in August 2001, the Authority has been implementing wastewater projects identified in the Sewerage Master Plan I and is pursuing its mission to extend the public sewer system, in line with Government's vision to give the Mauritian population access to modern sanitation facilities. The vision of the WMA is to equip Mauritius with a state-of-the-art

sewerage system, thereby providing a high standard of sanitation that would protect public health and ensure sustainable clean environment for the consolidation of the island's reputation of a dream destination.

Government, in January 2012, approved the Mauritius Wastewater Master Plan Study covering the twenty-year period (2014-2033). The objective is to connect about 80% of the population by 2033 for an estimated investment cost of MUR 40 billion for the corresponding period. The proposed implementation schedule in Phase I of the Master Plan Study (Period 2015-2023) which concerns the region of Vacoas, Rivière du Rempart, Goodlands, Mahébourg and Centre de Flacq would require capital expenditure amounting to MUR 12.8 billion.



QUALITY ASSURANCE

The Wastewater Laboratory is the analytical section of the Wastewater Management Authority providing qualitative and quantitative data which is of paramount importance in decision-making. It is accredited to the International Standards ISO/IEC 17025: 2005 since June 2010 and because of the importance of laboratory analyses in determining practical courses of action that may be followed, quality assurance program is applied to ensure the reliability of the wastewater/water data being generated.

The Wastewater Laboratory is involved in the monitoring of Wastewater quality from sites such as Wastewater Treatment Plants, industries, hotels and at times from potentially polluting activities, in view of meeting the regulatory requirements and process control needs. Its analysis potential covers a variety of parameters ranging from physio-chemical, chemical, microbiological to trace metals. The Laboratory has been provided with sophisticated equipment, trained technical personnel having full instrumentation capabilities and employs standard test methods based on APHA, HMSO and ISO for its testing activities.

Moreover, the Wastewater Laboratory participated in several projects for the year 2012 which are related to the environment and wastewater sector such as Lagoonal Monitoring in the region of Port-Louis, Independent Environment Audit on Wastewater Projects, Maurice Ile Durable and Technology Needs Assessment project with RISØE Centre.

The Laboratory Quality Management System established since 2009 has driven the Laboratory towards continuous improvement and has successfully met customer expectations and measured satisfaction till date. This successful achievement reflects the team spirit, dedication

and hardwork of all the laboratory staff, the encouragement and facilities provided by management and their commitment to extend the scope of accreditation.



HUMAN CAPITAL: OUR VALUED ASSET

These services include the following:

- Facilities Management management of building and services,
- Inventory of assets,
- Insurance of assets and staff,
- Office Management and Operations including Mail, Printing, Data Processing, Records Management,
- Transport Monitor use of Vehicle Fleet,
- Residence/Work Permits,
- Any other administrative service which contributes in achieving financial savings and increase the operational efficiency and effectiveness through efficient monitoring.

Health and Safety at the top of WMA's agenda

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

In order to manage possible work-related risks, a vaccination programme is ongoing for staff exposed to wastewater. In 2012, 226 employees were vaccinated against Hepatitis B, Tetanus and Typhoid.

Corporate Social Responsibility

The Authority acknowledges the importance of its social responsibility towards the community and its employees. The Board, having at heart the welfare of its workforce, continued to put at their disposal a gym at its Head Office under the guidance of a Physical Instructor and other recreational and health facilities such as football/futsal, badminton, squash as well as yoga sessions.

Conscious of the fact that a healthy workforce helps in achieving organisational objectives, participation in sports and welfare activities has been constantly encouraged by Management. The staff is given facilities to play football, badminton, squash, futsal on a weekly basis. They are also encouraged to bring along their family members during these activities in order to foster a sense of belonging to the Authority.

WMA participated in 2012 in the indoor games and various sports and athletic competitions organized by the Fédération Mauricienne des Sports Coorpératifs (FMSC) and won seven bronze and three silver medals in the Swimming Competition organized at the Serge Alfred Swimming Pool in November 2012.

In December 2012, an inter-WMA Futsal Competition was organized at the Gymnasium of the University of Mauritius.

To cater for the needs of the female staff, yoga sessions, under the supervision of a lady Coach, are held thrice a week during lunch time at Le Célicourt Building, Head Office. In addition, facilities for fitness activities are being provided to all WMA Staff thrice weekly after office hours at Le Célicourt building under the supervision of a qualified Sports Coach.

The Authority also sponsored specific local events in areas where wastewater projects are being implemented.

WASTEWATER MANAGEMENT AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	NOTE	2012		201	1
ASSETS		Rs	Rs	Rs	Rs
CURRENT ASSETS Receivables & Prepayments Short Term Loan Inventories TOTAL CURRENT ASSETS	11 9 10	187,538,221 777,615 19,914,563	208,230,399	157,577,357 4,467,720 22,196,456	184,241,533
NON CURRENT ASSETS Long Term Loan Property, Plant & Equipment Investment In Projects NON CURRENT ASSETS	9 7 8	6,472,365 47,595,701 82,030,881	136,098,947	4,573,669 49,448,930 80,610,343	134,632,942
TOTAL ASSETS (A)			344,329,346		318,874,475
LIABILITIES					
CURRENT LIABILITIES Cash & Cash equivalents		3,917,157		5,969,311	
Trade & Other Payables Short Term Employee Benefits Deferred Income TOTAL CURRENT LIABILITIES	15 14 12	224,757,749 3,501,337 1,626,423	222 002 666	156,688,606 2,499,537 1,602,703	166 760 157
NON CURRENT LIABILITIES			233,802,666		166,760,157
Retirement Benefit Obligations Long Term Employee Benefits Deferred Income TOTAL NON CURRENT LIABILITIES	13 14 12	34,654,425 26,521,359 6,984,763	68,160,547	33,972,202 24,906,757 6,944,874	65,823,833
TOTAL LIABILITIES (B)			301,963,213		232,583,990
NET ASSETS (A - B)			42,366,133		86,290,485
Net assets/equity					
Accumulated surplus			42,366,133		86,290,485
Total net assets/equity			42,366,133		86,290,485

Approved by the Wastewater Management Authority on 28 March 2013 and signed on its behalf by:

(Chairman) (Member)

The notes on pages 57 to 75 form an integral part of these Financial Statement

WASTEWATER MANAGEMENT AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8.0 INVESTMENT IN PROJECTS

	TRUNK SEWER	JINFEI PROJECT	CONSULTANCY ON 110A	TOTAL
	Rs	Rs	Rs	Rs
Cost/Valuation				
At 31 December 2011	6,408,763	55,780,461	775,719	81,135,243
Disposal	-	25	-	
Additions	2	2,113,196	-	2,113,196
At 31 December 2012	6,408,763	57,893,657	775,719	83,248,439
Accumulated depreciation				
At 31 December 2011	252,345	4	2	524,900
Disposal				
Charge for the year	144,197		139,629	692,658
At 31 December 2012	396,542		139,629	1,217,558
Carrying value				
At 31 December 2012	6,012,221	57,893,657	636,090	82,030,881

STATEMENT OF COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012

		A	PPENDIX II
		2012	2011
OPERATION AND MAINTENANCE COSTS		Rs	Rs
Staff costs and other related costs Travel and Transport Telephone Electricity Water Rates Security Services Repair and Maintenance costs		98,638,392 12,805,896 797,194 41,965,234 1,078,966 3,695,741 7,508,019	81,023,668 11,589,872 822,063 35,260,146 693,472 3,269,923 6,280,282
Motor Vehicle Costs Contract Operating Agreement Advertising Costs		12,727,323 49,697,548 151,318	11,123,461 84,349,302 27,956
SUB-TOTAL	A	229,065,631	234,440,145
Staff costs and other related costs Travel and Transport Postage Telephone Rent Electricity Printing and Stationery Insurance Security Services Hired and Contracted Service Consultancy Services Seminars and entertainment Legal Fees Audit Fees Fees to board members Advertising costs		44,515,408 3,432,278 362,348 1,525,000 15,028,500 2,776,949 2,742,133 601,337 309,600 982,525 61,700 277,364 2,359,782 300,000 1,082,100 71,746	42,220,691 3,046,260 203,643 1,065,620 15,028,500 2,716,001 899,516 665,711 135,773 300,901 366,805 402,936 2,239,096 200,000 2,426,443 686,704
SUB-TOTAL	В	76,428,770	72,604,600
COMMERCIAL COSTS Income Collection Fee Bad Debts (Provision)		5,679,834 14,068,264	6,177,107 8,650,108
SUB-TOTAL	c	19,748,098	14,827,215
DEPRECIATION		12,733,887	11,834,069
SUB-TOTAL	D	12,733,887	11,834,069
FINANCE COSTS Bank Charges User fee		455,841 71,000,000	302,186 62,000,000
SUB-TOTAL	E	71,455,841	62,302,186
TOTAL EXPENDITURE		409,432,227	396,008,215







WASTEWATER MANAGEMENT AUTHORITY STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2012

	XIQI					
	APPENDIX	2012		2012	20)11
		Rs	Rs	Rs	Rs	
REVENUE	1					
Wastewater fees		343,748,760		246,338,976	,	
Other Revenue		30,975,312		34,806,676		
Total Revenue			374,724,072		281,145,652	
EXPENSES	H					
Operation and Maintenance costs		229,065,631		234,440,145	i	
Administrative costs		76,428,770		72,604,600)	
Commercial cost		19,748,098		14,827,215	i	
Finance costs		71,455,841		62,302,186	,	
Depreciation		12,733,887		11,834,069)	
Total Expenses			409,432,227		396,008,215	
Deficit for the period			(34,708,155)		(114,862,563)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

9.0 LOANS GRANTED TO STAFF

	2012	2011
	Rs	Rs
Opening balance	9,041,389	6,988,542
Adjustment	2,883	(250,280)
Loan granted	934,970	4,973,030
Loan repaid	(2,729,262)	(2,669,903)
Closing balance	7,249,980	9,041,389
Less amount falling due within one year	(777,615)	(4,467,720)
Amount falling due more than a year	6,472,365	4,573,669

Loan granted includes balances in respect of advances of Rs 7,249,980 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

10.0 INVENTORIES

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

	2012	2011
	Rs	Rs
Equipment from Jin Fei Project	8,969,355	10,724,389
Spare parts for maintenance	5,485,858	5,328,864
Chemicals	1,061,772	692,079
Other consumables	4,397,578	5,451,124
Total	19,914,563	22,196,456

WASTEWATER MANAGEMENT AUTHORITY STATEMENT OF COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
SUMMARY	Rs	Rs
Total Income	374,724,072	281,145,652
Total Expenditure	(409,432,227)	(396,008,215)
Deficit for the year	(34,708,155)	(114,862,563)

OPERATIONS & MAINTENANCE: THE CHALLENGE

Operations and Maintenance (O&M) of the wastewater infrastructure is a core component in the strategic set-up of the WMA. Serving around 22% of the Mauritian population, the O&M division works in line with the policy of the Government to provide its services to residential units, commercial establishments and industries. Through the O&M activities, the Authority provides service to around 76,000 households throughout the island.

With the expansion of the sewerage network, more emphasis is being laid on strengthening the resources allocated to the department. During the period under review, the budget allocated for the operations and maintenance of the sewerage networks and wastewater treatment plants stood at MUR 249.51 million.

It is the policy of the Authority to protect the population from potential health hazards arising

from wastewater discharges. In accordance with the above mentioned policy, the operation and maintenance activities take on board the following:

- Preventive maintenance programme to maintain the integrity of the wastewater collection and treatment system,
- (ii) Regular sewer inspection for the detection of physical damage which is followed by immediate and appropriate repairs,
- (iii) Immediate response to all sewer related complaints followed by prompt correction of defective condition,
- (iv) Repair, rehabilitation, replacement and raising of manhole covers,
- (v) Carrying out sewer deviation works.

JAN to DEC 201	DETAILS	SN
4,54	Total domestic & Non domestic House Connections	1
100,000r	Average daily Volume of Wastewater Collected and treated, including Industrial Wastewater	2
1	Number of Wastewater Treatment Plants (Conventional Plants, Onsite Septic Tank and Leaching field)	3
	Number of Wastewater Pumping Stations	4
75,292	Length of sewer main jetted as a part of Preventive Maintenance	5
11,56	Number of sewer blockages cleared	6
6	Number of Wastewater Carrier Operators	7
4,11	Number of Trips of wastewater disposal by WMA Carriers	8
41,46	Number of Trips of wastewater disposal by private Carriers	9
	Total Volume of seepage carted away by WMA & Private Cesspool	10
594,217r	Carriers	

CORPORATE GOVERNANCE IN ACTION

Strong corporate governance is all about organisations having clear and systematic decision-making processes, giving meaning to responsibilities, avoiding conflict of interests, and ensuring transparency. Commitment to the mission and vision of the Wastewater Management Authority requires the integration of good corporate governance practices into daily business activities, thus ensuring fully that the Authority is both well governed and well managed. The Authority is convinced that Corporate Governance is a way of life, rather than a mere legal compulsion, which inspires and strengthens our stakeholders' confidence and commitment to the organisation. Through its Board and Committees, the WMA endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders.

THE WASTEWATER MANAGEMENT AUTHORITY BOARD

Board members are fully aware of their responsibilities, both individually and collectively, to promote the long-term success of the Authority. The Board has a formal schedule of matters reserved for it, which ensures that it takes, among others, all major strategy and policy decisions affecting the Authority. The Board sets the organisation's overall strategic direction, reviews management performance and assesses whether the Authority has the necessary financial and human resources in place to meet its objectives. It also reviews the Authority's projects management, approach to risk management and development of policies. The Board is responsible for promoting the long-term success of the WMA, ensuring that the principal goal of the organisation is to provide an efficient service to the nation. The long-term interests of stakeholders represented by employees, customers, suppliers, the community and the environment are factored into the group's management processes. Appropriate consideration is also given to risk assessment processes, social, environmental and ethical issues.

Through its vision, core values and formal policies, which set out what the WMA expects from employees in the running of its business, the Board seeks to engender a culture where business ethics, integrity and fairness are values that all employees endorse and apply in their everyday conduct.

The Board now comprises nine members as per the amended WMA Act 2000, consisting of a Chairperson, four representatives from different Ministries, a representative from the University of Technology, Mauritius and two members nominated by the Minister of Energy and Public Utilities in consumer interest.

For the year ended December 2012, the Board was constituted as follows:

Chairman

Mr Khushal Lobine

Wil Kildshal Cobine	Chambar
Mr Rajcoomar Bikoo	Representative of the Ministry of Energy and Public Utilities (Ministry responsible for wastewater)
Mrs Parween Rojoa	Representative of the Ministry of Finance and Economic Development (Economic Development Division)
Mrs Suilin Sew Hee	Representative of the Ministry of Finance and Economic Development (Finance Division) (up to August 2012)

PUBLIC RELATIONS & CUSTOMER CARE

PR IN ACTION

The Public Relations and Customer Care (PR & CCU) team adopted an integrated communication strategy to uphold the challenges of 2012; that is, to sensitise stakeholders in areas where there is heavy traffic flow and a multitude of businesses. St Jean Road in Q.Bornes, Hugnin Road in Rose Hill, and Palma Road were major hurdles for the completion of projects under PWSP Lot 1A and Lot 2. The works in these difficult localities went on smoothly mainly thanks to the intensive and aggressive PR Campaigns in an integrated approach combining print and electronic media, one-to-one communication, building community relationship through sponsorship and a scientific handling complaints mechanism.

The successful completion of one of the major sewerage project, the PWSP LOT 1B, was achieved within the ear-marked time frame and with a minimum number of complaints registered, again, thanks to intensive communication campaigns.

Our Commitment to Communicate

Despite the financial constraints and unavailability of Contractors for Individual House Connections works, we have been able to provide precise, hands-on and reliable information to the public. The PR & CCU team has the responsibility for effectively communicating information to the various stakeholders of WMA. We had a reinvigorated commitment to provide hands-on and reliable information to stakeholders. Our public relations and customer care staff were fervent about serving public interest and constantly finding remedial solutions to customer complaints as part of their duty towards the organization. At this stage the PR & CCU have succeeded in creating a sense of confidentiality and trust between the customers and the WMA. Concerning the media, there has also been an efficient flow of information vis-à-vis the electronic circuit and the written press.

With respect to the internal front, the Unit has been active concerning the internal flow of information between the PR & CCU and other departments. The unit has been working in close collaboration with other departments of the WMA towards achieving the objectives of the organisation.



WASTEWATER MANAGEMENT AUTHORITY STATEMENT OF CHANGES IN NET ASSETS & EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

		ACCUM	ULAT	E	D S	UR	Р	L	U S
	NOTE	20	12			201	1		
		Rs	Rs		Rs		R	ls	
Balance as at 1 January 2012 Changes in net assets/ equity for 2012			86,290,485	•		1	96,	979,	,440
Prior year expenses	17	(11,736,201)			(8,137,8	398)			
Revenue for prior years	17	2,520,004			12,311,	506			
Net revenue/ (expenses) recognised directly in net									
assets/equity			(9,216,197))			4,	173,	,608
Deficit for the period			(34,708,155))		(1	14,8	362,	563)
Total recognised expenses for the period			(43,924,352))		(1	10,6	88,	955)
Balance for the period			42,366,133	1			86,	290,	,485

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11.0 RECEIVABLES AND PREPAYMENTS

	2012	2011
	Rs	Rs
Opening balance	172,218,823	165,120,304
Increase /(decrease) in Domestic and Non Domestic debtors	54,724,420	7,098,519
Less impairment of debt -see paragraph 11.2	226,943,243 (93,320,358)	172,218,823 (79,252,094)
Bills rendered to Domestic and Non Domestic customers Other receivables and prepayments Deposits receivable	133,622,885 53,288,104 627,232	92,966,729 63,982,737 627,891
Total	187,538,221	157,577,357

11.1

Bills rendered to customers are shown at a net basis. The average credit period taken by customers 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	2012	2011
	Rs	Rs
Balance as at 1 January	79,252,094	70,601,987
Provision recovered	(6,624,085)	(7,215,799)
Provision for the year	20,692,349	15,865,906
Balance as at 31 December	93,320,358	79,252,094

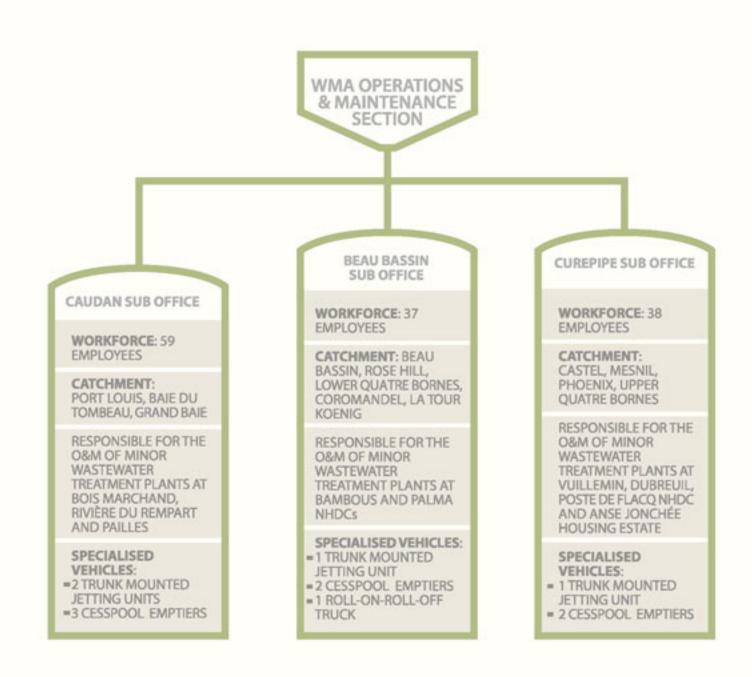
CAPITAL EXPENDITURE FOR SERVICES UNDER THE CONTROL OF THE MINISTRY OF ENERGY AND PUBLIC UTILITIES YEAR 2012

APPENDIX III

S/N	TITLE OF PROJECT	PROJECT VALUE	CUMM EXPD	ACTUAL EXPD	CUMM EXPD	ACTUAL EXPD	CUMM EXPD	BALANCE
			AS AT 31.12.10	01.01.11- 31.12.11	UP TO 31.12.11	01.01.12- 31.12.12	UPTO 31.12.12	AS AT 31.12.12
		Rs	Rs	Rs	Rs	Rs	Rs	Rs
1	Plaines Wilhems Sewerage Project Stage 1	8,727	3,662	1,029	4,691	1,227	5,918	2,809
2	House Service Connections	576	463	51	514	16	530	46
3	Grand Baie Sewerage Project	5,024	1,242		1,242	1	1,243	3,781
4	Rehabilitation in CHA Estates & Low Cost	1,462	1,132	100	1,232	30	1,262	200
5	Baie du Tombeau Sewerage Project	2,799	1,625	70	1,695	8	1,703	1,096
6	Environment West & Sanitation Project	3,121	2,142		2,142		2,142	979
7	Pailles Guibles Sewerage Project	2,027	18	5	23	5	28	1,999
8	Port Louis Rehabilitation	2,495						2,495
9	Upgrading of Wastewater Infrastructure	504	343	30	373	15	388	116
	GRAND TOTAL	26,735	10,627	1,285	11,912	1,302	13,214	13,521

OPERATIONS & MAINTENANCE: BRINGING OUR SERVICES CLOSER

The O&M Division operates from the Head Office and the three sub offices. The key tasks of the section is to ensure that the wastewater collection system is kept in good working condition, that is, the sewer lines are adequately maintained so that they can efficiently accomplish their intended function of collecting and conveying wastewater to the treatment plant under strict sanitary conditions.



CORPORATE GOVERNANCE IN ACTION

Mr Lomush Juggoo Representative of the

Ministry responsible for Water Resources (Water

Resources Unit)

Mr Guness Thandrayen Representative of the

Ministry of Health and

Quality of Life

Dr Hemant Chittoo Representative of the

University of Technology,

Mauritius

Mr Pierre Gérard Cathan Member with experience

in consumer interest

Mr Suraj Ramgolam Member with experience

in consumer interest

THE CHAIRMAN

The Chairman is primarily responsible for the efficient functioning of the Board, ensuring that Board Members are fully engaged in their roles and that they provide an effective contribution to the operation of the Board and the promotion of the success of the company.

The Chairman is also responsible for ensuring that Board Members receive comprehensive information on a regular basis to enable them to perform their duties properly, supported by the Secretary to the Board. As part of the preparation process for Board meetings, the Chairman has regular informal briefings with the members of the Board and the General Manager prior to the scheduled Board meetings.

Board papers are as far as possible distributed four days in advance of scheduled Board meetings to enable members to have a thorough insight into and an understanding of the matters to be discussed, and seek clarification, if the need arises.

All members have access to the advice and services of the Secretary to the Board and Management, who are accountable to the Board for ensuring that Board procedures are complied with.

PROFILE OF BOARD MEMBERS:

Mr Khushal LOBINE (Chairman)

- Read law at the University of Wolverhampton and at Cardiff Law School.
- Called to the Bar at England and Wales.
- Member of the Honourable Society of the Lincoln's Inn.
- Versed in Alternate 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 in Business Administration.
- BTech Electrical and Electronics Engineering.
- 25 years experience in the Utilities Sector.

Mrs Parween ROJOA

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

INFORMATION TECHNOLOGY

The IT Unit is responsible for the overall design, implementation and management of the IT infrastructure and applications within the organization. The unit provides support services to all the other sections in WMA including the sub-offices.

STRUCTURE OF THE IT UNIT

The unit is manned by 2 IT Officers and 2 IT Technicians. The IT Officers are mainly responsible for the day to day running of the IT infrastructure; including, software development, acquisition, configuration and implementation, as well as database administration while the IT Technicians perform administration of servers as well as ensure that all the hardware owned by the IT Unit are in good working condition. With regard to troubleshooting, the IT Officers and IT Technicians provide assistance to users facing difficulties with software and hardware respectively.

PROJECTS UNDERTAKEN BY THE IT UNIT

2012 has been very enriching for the IT Unit. With the purchase of a brand new server - equipped with the latest operating system, Microsoft Server 2012, the IT Unit has been successful in moving critical items such as the Domain Controller, Sage Line 500, HR/Payroll system, Attendance System, and Exchange 2007 which currently host our corporate mails, in a virtualized environment through Microsoft Hyper Visor from the old servers.

Other projects undertaken in 2012 by the IT Unit include:

The in-house development of a Debtors Management System - The purpose of the Debtors Management System is to manage all our debtors' accounts. The system allows users to issue reminder letters, keep track of reminders as well as getting a list of all agreements made. Further enhancements of the system are in the pipeline.

- The in-house development of a File Tracking System will enable the better management and monitoring of file movement within the WMA.
- A Contract Management System was configured in order to allow the IT Unit and Administration Section to keep a record of details relevant to contracts under their responsibility. This will enable both sections to keep track of expired contracts, contracts to be renewed amongst others.
- The corporate Intranet was revamped from SharePoint Foundation Services 3.0 to SharePoint Foundation Services 2010. SharePoint Foundation Services 2010 allows easier and more effective collaboration among users, as well as a better administration and monitoring of the Intranet. The platform's scalability is a major advantage allowing quick deployment of business solutions as a company changes and grows.
- A Mail Management System was configured through a template available in SharePoint Foundation Services 2010 in order to enable the Registry Section to keep a record of all correspondences being received by the WMA as well as details about the actions being taken on a particular issue.
- The IT Unit is also working in collaboration with the Government Online Centre (GOC) for the revamping of the corporate Website. One IT Officer and one IT Technician have already been trained for the administration of the website which will be hosted at the GOC.

WASTEWATER MANAGEMENT AUTHORITY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year.	(34,708,155)	(114,862,563)
Non-cash movements		
Prior year adjustment	(9,216,197)	4,173,608
Amortization	(2,173,789)	(1,785,672)
Depreciation	12,733,887	11,834,069
Increase in provisions relating to employee costs (Gains)/losses on sale of property, plant and	682,223	2,031,666
equipment	(358,091)	-
Increase in payables	70,685,545	39,157,749
Increase/(Decrease) in inventories	855,969	(9,644,414)
Increase/(Decrease) in receivables	(29,960,864)	10,893,710
Net cash flows from operating activities	8,540,528	(58,201,847)
Cash flows from investing activities		
Proceed from sale of Investments		118,531,549
Investment in Projects	(2,113,196)	(13,928,869)
Investments		(58,000,000)
Disposal of assets	560,000	
Purchase of Equipment	(6,726,587)	(9,975,642)
Net cash generated from investing activities	(8,279,783)	36,627,038
Cash flows used from financing activities		
Loan granted	(934,970)	(4,973,030)
Adjustment	(2,883)	250,279
Loan received	2,729,262	2,669,903
Net cash generated from financing activities	1,791,409	(2,052,848)
Net increase /(Decrease) in cash and cash equivalents	2,052,154	(23,627,657)
Cash & cash equivalents at beginning of year	(5,969,311)	17,658,346
Cash & cash equivalents at end of year	(3,917,157)	(5,969,311)

WASTEWATER MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

12.0)

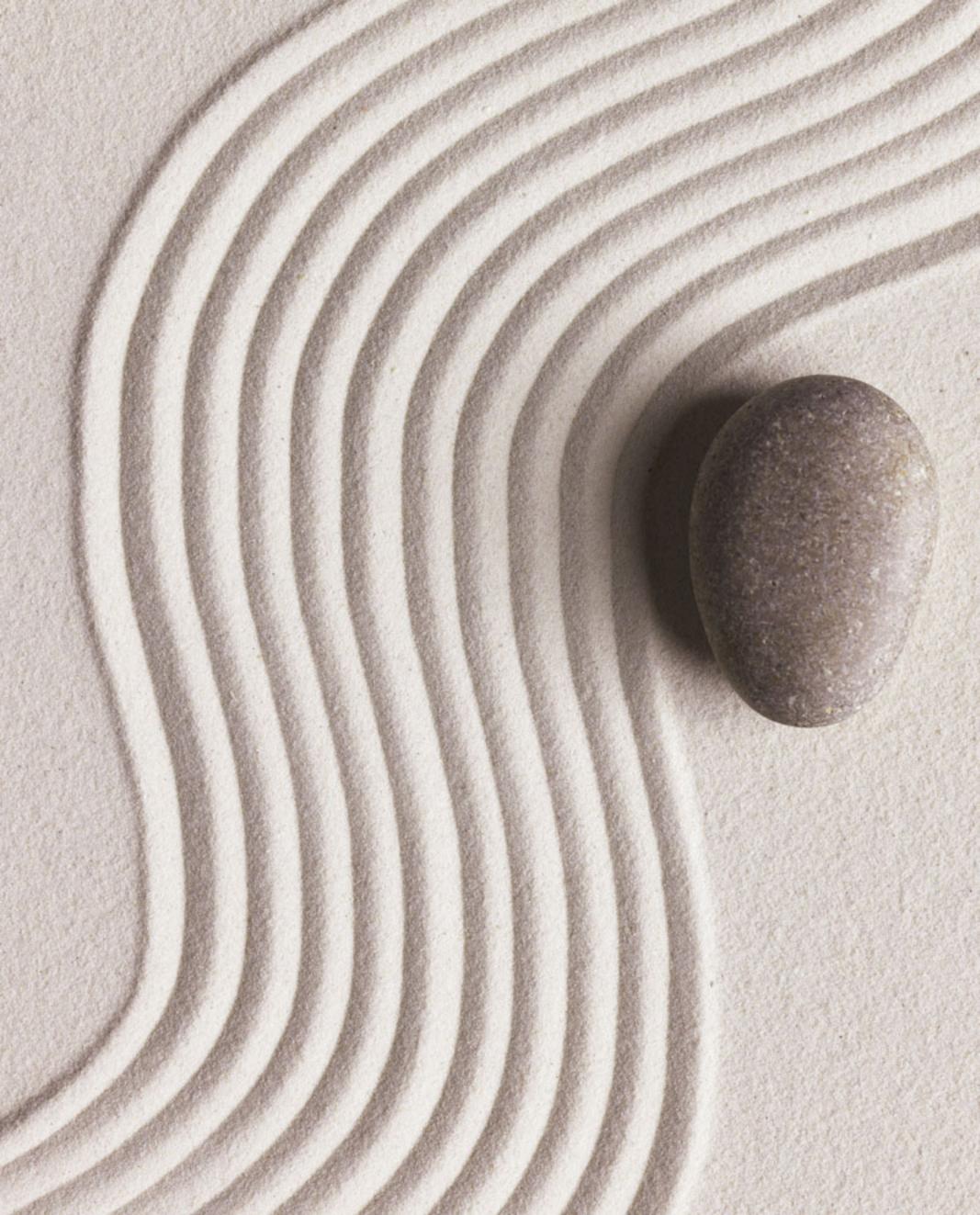
DEFENDED INCOME		
DEFERRED INCOME	2012	2011
	Rs	Rs
Opening balance Received during the year Adjusted during the year Amortisation	8,547,577 2,619,360 (381,962) (2,173,789)	5,322,288 5,328,865 (317,904) (1,785,672)
Closing balance Less amount falling due within one year	8,611,186 (1,626,423)	8,547,577 (1,602,703)
Amount falling due more than one year	6,984,763	6,944,874

13.0

RETIREMENT BENEFIT OBLIGATIONS

FIGURES FOR IPSAS 25 ADOPTION: For period ending 31 December 2012

Amounts recognised in statement of financial position	Year ending 31 December 2012	Year ending 31 December 2011
at end of year:	Rs	Rs
Present value of unfunded obligation (Fair value of plan assets)	120,706,873 (63,593,516)	107,902,361 (53,360,443)
Present value of unfunded obligation Unrecognised actuarial gain/(loss) Unrecognised transition amount	57,113,357 (22,458,932)	54,541,918 (20,569,716)
Liability recognised in balance sheet at end of year	34,654,425	33,972,202
Amounts recognised in statement of financial performance: Current service cost (Employee Contributions) Fund expenses Interest cost (Expected return on plan assets) Actuarial loss/(gain) recognised Past service cost recognised	6,490,762 (4,252,273) 85,561 10,790,236 (5,615,128) 391,179	6,163,024 (4,044,066) 620 10,748,263 (5,247,156) 476,529
Total, included in staff costs	7,890,337	8,097,214



MECHANICAL & ELECTRICAL: THE ESSENCE OF WMA

MANAGEMENT OF WASTEWATER TREATMENT PLANTS

The Wastewater Management Authority (WMA) has under its delegated responsibilities 4 major Treatment Plants, 6 minor ones and 69 Pumping Stations (PS) and Lifting Stations. In year 2012, two newly constructed pumping stations, namely, La Confiance Pumping Station and Rosano Pumping Station have been taken over by the WMA.

The maintenance of treatment plants and pumping stations involves a wide array of mechanical and electrical equipment, instrumentation and controls, as well as the maintenance of the buildings and other structures comprising the plant facility. The Mechanical and Electrical (M&E) Unit plays a key role in that respect.

This process involves the proper operation & maintenance of all electro-mechanical equipment installed at all pumping stations and treatment plants all over the island. Furthermore, the M&E Section is responsible for the licensing of private wastewater carriers. In addition, M & E assistance is also provided to other units of the WMA namely, the Project Management Unit (PMU), Pollution Control Unit (PCU) and other WMA departments as and when required.

The Electrical Section is for its part, responsible for the repairs and review of all electrical installations within the WMA, including offices and rented buildings occupied by WMA staff. The M&E Section which is involved in the procurement of all replacement and upgrading of equipment (pumps, generators, electrical items etc) endeavours to improve plant and equipment efficiency as well as introducing new technologies wherever appropriate.

The M&E Section is also responsible for upgrading

of existing treatment plants, pumping stations and lifting stations in accordance with a well engineered maintenance plan.

Between December 2006 and February 2007, WMA took over the activities for the Operation and Maintenance of two major wastewater treatment plants (WWTP), namely, Grand Baie and Mt Jacquot WWTP respectively. This initiative has proved to be a fulfilling experience at the operational level. The progress achieved also prompted Management to embark on the taking over of the operation of the wastewater facilities for the in-house management of all outsourced **Pumping Stations and Wastewater Treatment** Plants, with the exception of the St Martin Wastewater Treatment Plant. The WMA Board provided its total support for this challenging move of the Authority. The operation and maintenance of the St Martin Wastewater Treatment Plant is presently outsourced to Berlinwasser International GmbH and the O&M Contract is due to be completed on 31 August 2015.

In view of ensuring proper reliability, maintainability and prompt intervention of all the pumping stations, the maintenance teams under the direct control of the M&E department have been regionalised for better control and enhancement of O&M activities island-wide.





CORPORATE GOVERNANCE IN ACTION

Mrs S. SEW HEE (Up to August 2012)

- Representative of the Ministry of Finance & Economic Development.
- Economist at the Ministry of Finance and Economic Empowerment
- MSc in International Trade and Economic MBA General University of Technology Diplomacy
- BSc (Honours) Economics

Mr Lormesh JUGGOO

- Representative of the Water Resources Unit.
- Deputy Director at the Water Resources Unit.
- Masters in 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.
- and Quality of Life.
- Registered Civil Engineer.
- Masters degree in Engineering with merits in Mr Dharanand THACOOR Sanitary Engineering.
- Wide experience in water and wastewater treatment.

Dr Hemant B. CHITTOO

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

Mr Pierre Gérard CATHAN

- Board Director of Events Mauritius Ltd (Subsidiary of Mauritius Tourism Promotion Authority).
- Mauritius.
- ACCA Level 2.
- Cambridge University Diploma in Business with Marketing.
- Higher Stage In Accounting.
- Long experience in field of accounting in the Private Sector.

Mr Suraj RAMGOLAM

- Member with experience in consumer interest.
- Seasoned Project Manager.
- MBA with specialisation in Human Resource Management.
- BTech (Hons) in Computer Science and Engineering.
- Chief Sanitary Engineer at the Ministry of Health
 Conversant with public sector set up and is also engaged in social and community endeavours.

- Secretary to the Board.
- Masters degree in Business Administration in Human Resources and Knowledge Management.
- Degree of Bachelor of Science in Public Administration and Management.
- Diploma in Public Administration and Management.



WASTEWATER MANAGEMENT AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL AMOUNT	FINANCIAL STATEMENT
REVENUE	Rs	Rs	Rs	Rs
Wastewater fees	338,800,000	320,152,544	340,810,365	343,748,760
Other revenue	26,950,000	27,140,112	24,395,226	30,975,312
Total Revenue	365,750,000	347,292,656	365,205,591	374,724,072
EXPENDITURE				
Operation and Maintenance costs		257,624,226	209,321,476	229,065,631
Administrative costs	95,814,214	79,450,668	70,391,355	76,428,770
Commercial cost	14,970,000	12,200,000	5,679,834	19,748,098
Finance costs	66,500,000	72,650,000	484,225	71,455,841
Depreciation	16,000,000	16,500,000		12,733,887
Total Expenditure	472,639,100	438,424,894	285,876,890	409,432,227

STATEMENT SHOWING REASONS FOR VARIANCES BETWEEN ORIGINAL AND REVISED BUDGET

FOR THE YEAR ENDED 31 DECEMBER 2012

	ORIGINAL BUDGET	REVISED BUDGET	VARIANCE	COMMENTS/ NOTES
REVENUE Wastewater fees Other revenue	Rs 338,800,000 26,950,000	Rs 320,152,544 27,140,112	Rs (18,647,456) 190,112	22 22
Total Revenue	365,750,000	347,292,656	(18,457,344)	
EXPENDITURE Operation and Maintenance costs Administrative costs Commercial cost Finance costs Depreciation	279,354,886 95,814,214 14,970,000 66,500,000 16,000,000	257,624,226 79,450,668 12,200,000 72,650,000 16,500,000	(21,730,660) (16,363,546) (2,770,000) 6,150,000 500,000	22 22 22 22 22 22
Total Expenditure	472,639,100	438,424,894	(34, 214, 206)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Movements in liability recognised in statement of financial position:	Year ending 31 December 2012	Year ending 31 December 2011
	Rs	Rs
At start of year Total staff cost as above (Actuarial reserves transferred in) (Contributions paid by employer)	33,972,202 7,890,337 (830,043) (6,378,071)	31,940,537 8,097,214 - (6,065,549)
At end of year	34,654,425	33,972,202
Actual return on plan assets: Main actuarial assumptions at end of year:	4,678,136	1,212,267
Discount rate	10.00%	10.50%
Expected rate of return on plan assets	10.00%	10.50%
Future salary increases Future pension increases	7.00% 5.00%	7.50% 5.50%
The assets of the plan are invested in funds managed by State II The discount rate is determined by reference to market yields of		of Mauritius Ltd.
Reconciliation of the present value of defined benefit oblig	ation	
	Rs	Rs
Present value of obligation at start of period Current service cost Interest cost (Benefits paid) Liability (gain)/loss	107,902,361 6,490,762 10,790,236 (5,793,152) 1,316,666	102,364,400 6,163,024 10,748,263 (5,758,483) (5,614,843)

120,706,873

107,902,361

Present value of obligation at end of period

