



PROGRESS IN

MOTION

ANNUAL REPORT

2022-2023





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A close-up photograph of two hands, one from the left and one from the right, squeezing water together. The hands are positioned above a pool of water, and the water being squeezed is falling into the pool, creating a large splash and many bubbles. The background is a bright, hazy sky, suggesting a sunny day. The overall color palette is dominated by blues and whites, with the skin tones of the hands providing a warm contrast.

CORPORATE OBJECTIVE

About the CWA

The Central Water Authority (CWA) is a Corporate Body established under the CWA Act 1971, with subsequent amendments and became operational in 1973. It operates under the aegis of the Ministry of Energy and Public Utilities and is the sole Authority in Mauritius responsible for the treatment and distribution of potable water to households, government and the business community, among others, with a view to fostering economic growth and social development. The Authority is administered and controlled by a Central Water Board (CWB).



MISSION

To secure and provide a sustainable water supply service of appropriate quality at an affordable price which meets the growing needs of the people and to support the economic development of the country.



VISION

To excel in the provision of an uninterrupted round-the-clock service of world class standard throughout the year to the entire population of Mauritius.



VALUES

Excellence & Efficiency

To achieve excellence in our customer relations, the quality of water and the availability of supply together with an efficient use of our resources.

Integrity & Courtesy

To act with integrity and always show courtesy in all our dealings with our stakeholders and also with our environment.

Teamwork & Innovation

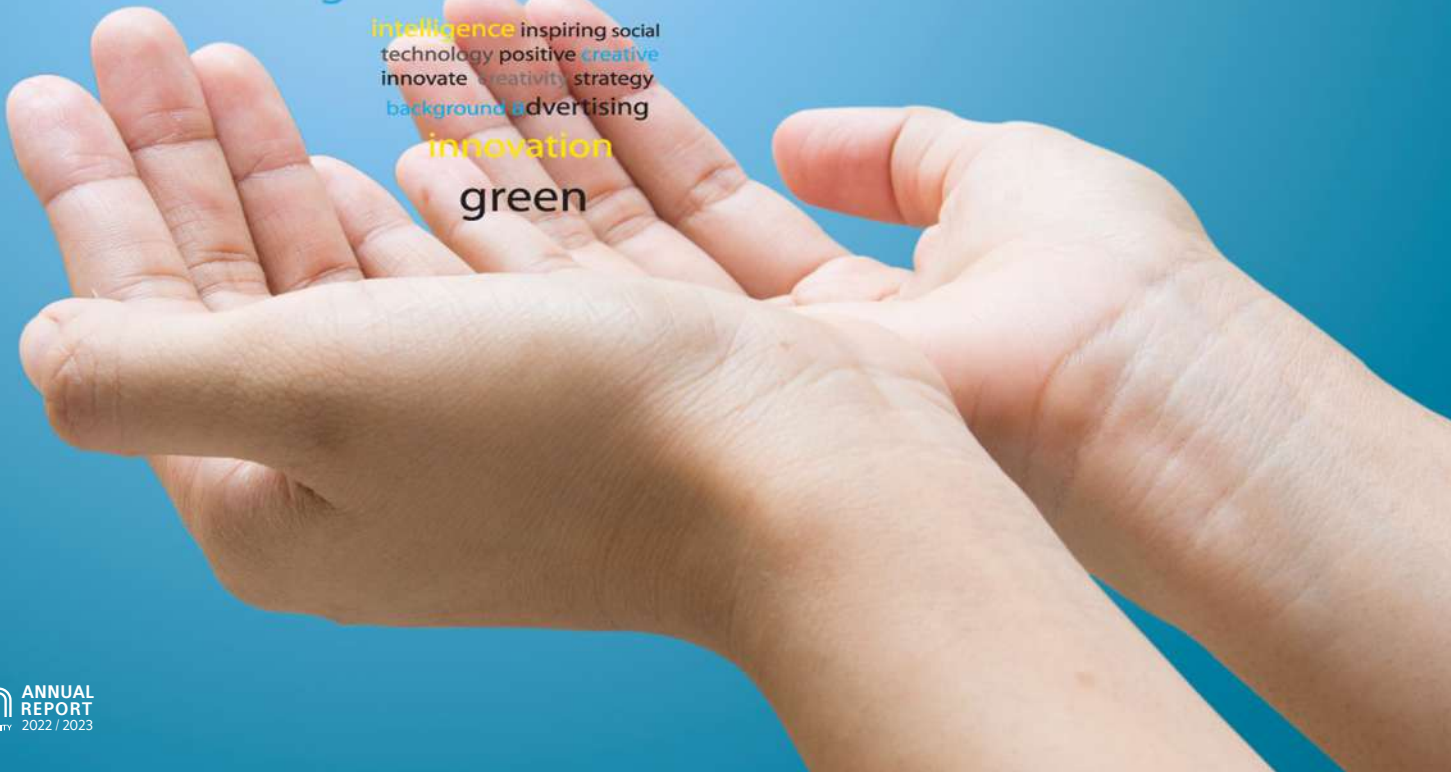
To work together as a single team and always innovate to ensure that our customers enjoy a reliable and adequate water supply at a fair and reasonable cost.



OBJECTIVES

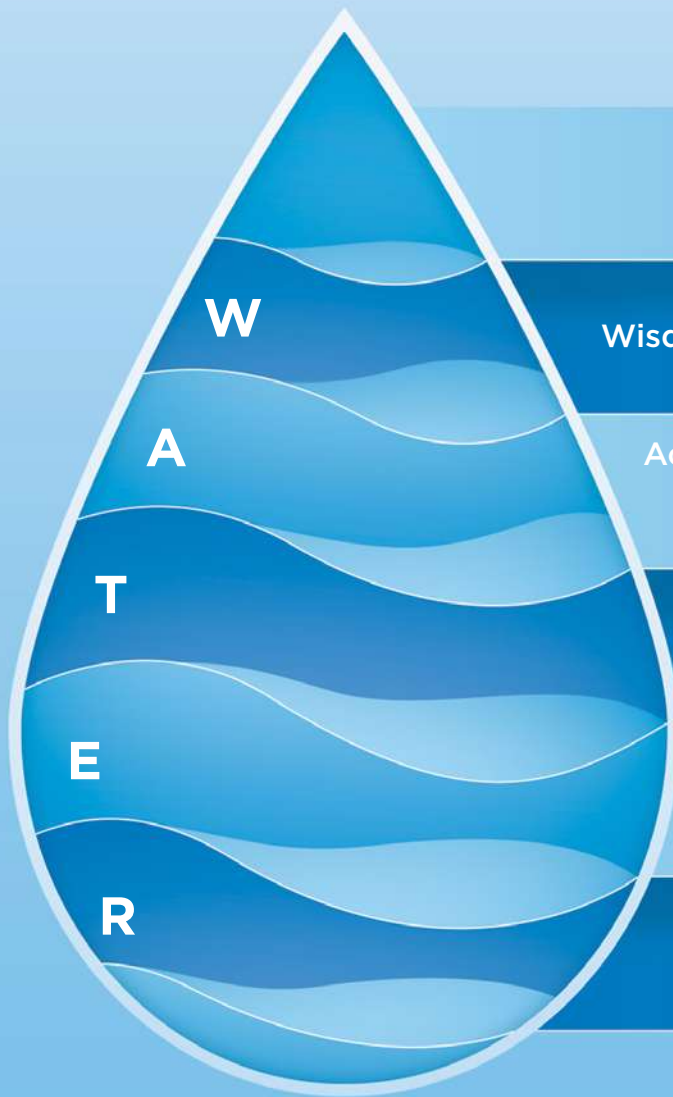
1. To ensure security of supply with a round-the-clock service
2. To improve customer service and manage the corporate image
3. To sustain water quality to meet international benchmarks
4. To consolidate financial viability and operate in a cost effective manner
5. To reduce non-revenue water to an economically acceptable level by improving the network efficiency

intelligence inspiring
marketing business
symbol sign key concept brand vision
leadership light social brainstorm think
green teamwork vectors success planning
text big product new box network key
internet
innovation core values
intelligence inspiring social process
graphics technology positive creative
innovate energy creativity strategy
solutions imagination global
background crossword advertising
goals communication
intelligence inspiring social
technology positive creative
innovate creativity strategy
background advertising
innovation
green



CUSTOMER CHARTER

“The Promise That We Make To Our Customers”



Wisdom: “Water, a way of life”

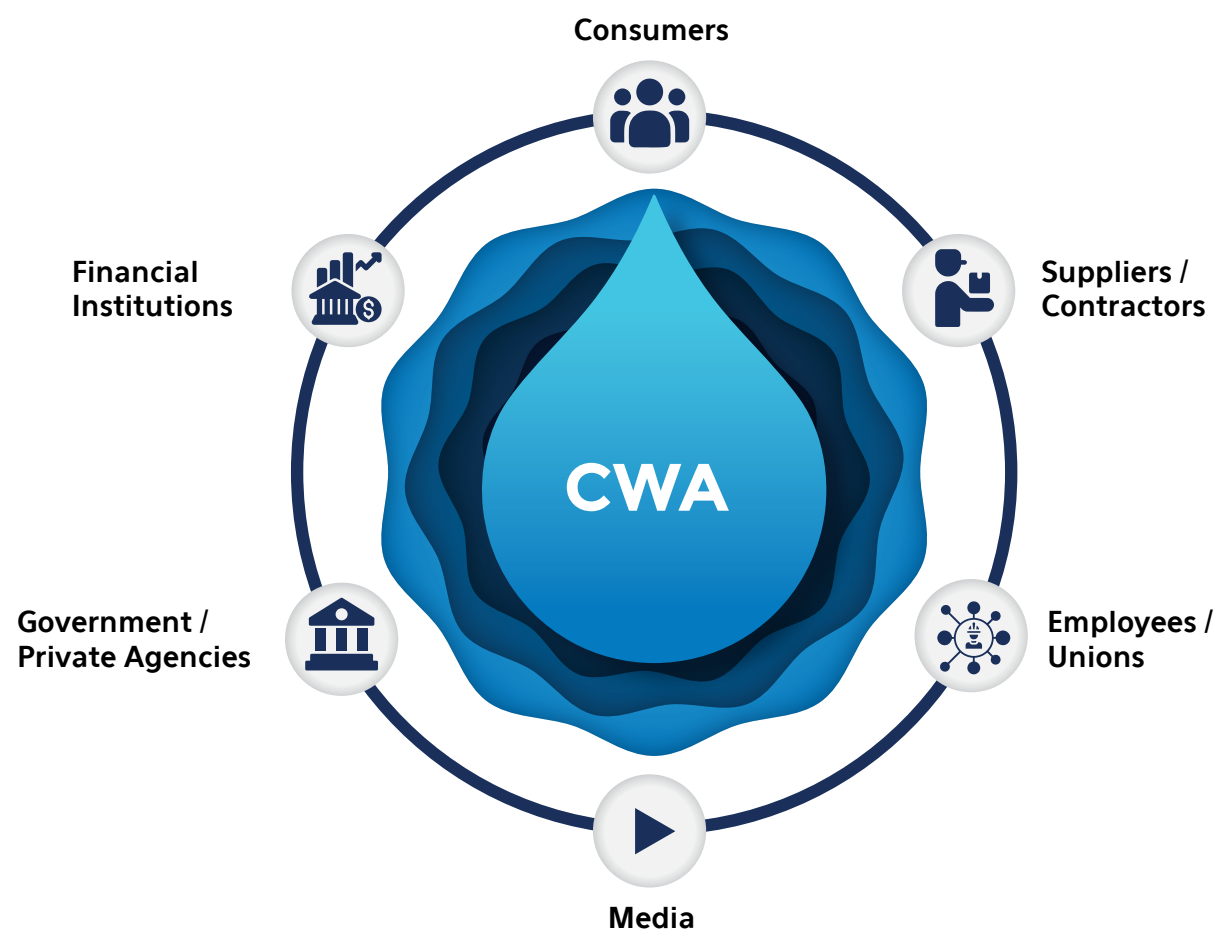
Accountability: “We account for activities of the Authority and take full responsibility”

Transparency: “We fulfil our mandate in an ethical and open manner”

Excellence: “We are leaders and innovators in our sector who get it right on time everytime”

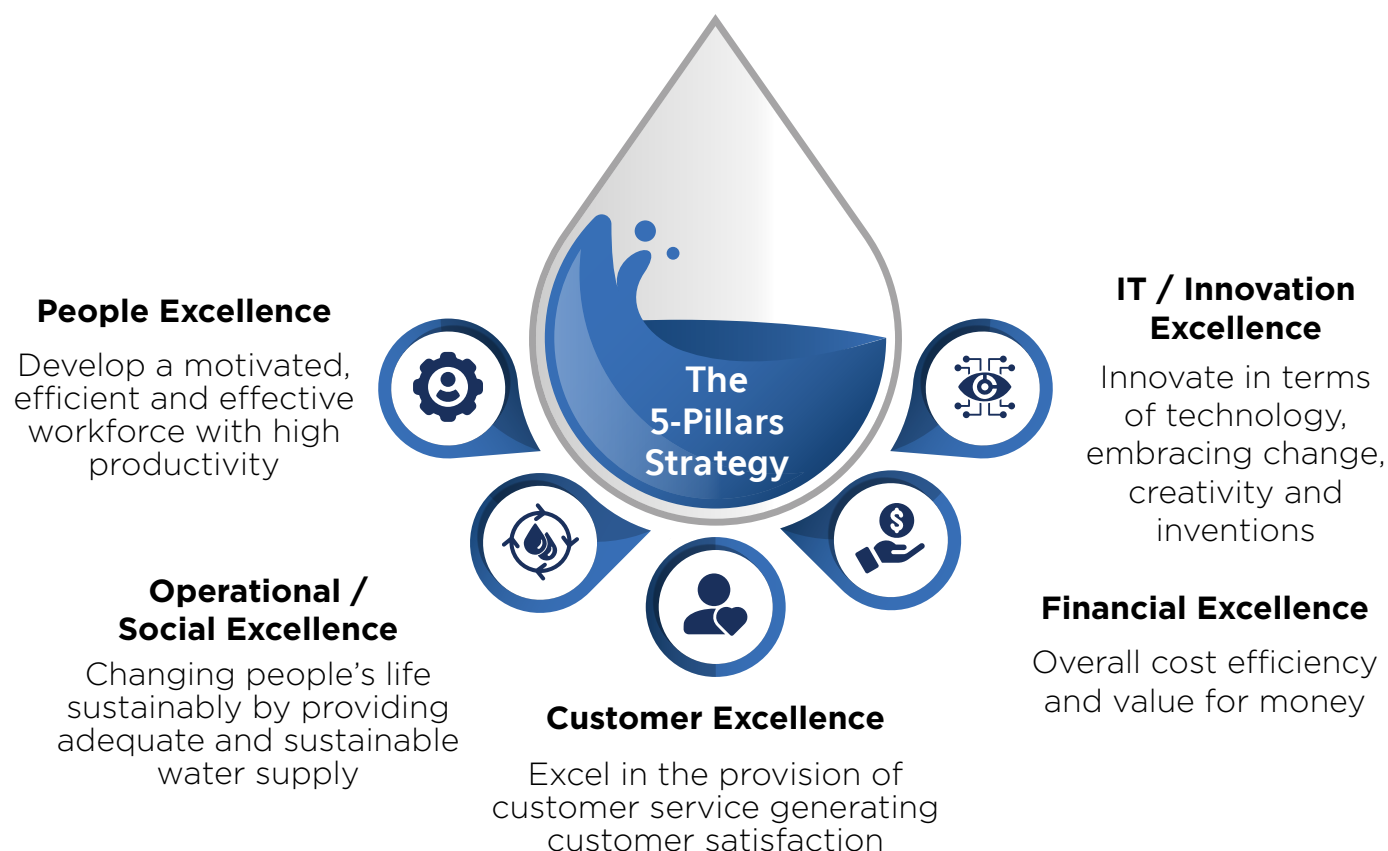
Respect: “We respect each other as well as our customers and the needs of the public”

OUR STAKEHOLDERS



THE STRATEGIC PILLARS

To enhance the efficiency of operations at the CWA, a full-fledged Turnaround Plan through an integration of five pillars, namely Financial Excellence, People Excellence, Operational / Social Excellence, IT and Innovation Excellence and Customer Excellence, have been adopted. These five strategic pillars have adopted an integrated approach to work reversing the causes of distress at CWA and transform it into a more economically improved and healthier organisation.





STRATEGIC DIRECTION

The CWA has a wide potable water distribution network serving almost the entire population and all sectors of the economy with a total length of 5,400 kms. Out of the 5,400 kms pipelines, there are approximately 1,500 kms of pipes which are very old (varying from 50 to 80 years old), obsolete, defective and responsible for massive losses of water, frequent bursts and inadequate carrying capacity. These pipes are in Asbestos Cement (AC), Cast Iron (CI), Galvanized Iron (GI), Steel (ST) and Polyvinyl chloride (PVC), which cannot be easily repaired. These account for about 50-60% wastage. Pipe replacement has become a top priority so as to reduce Non-Revenue Water (NRW) and leakages. In light of the above, some 500 kms pipes which are critical and need urgent replacement have been identified in all the six (6) Water Supply Zones with a view to improving the water supply situation.

The Strategic Actions

1. Replacement of Critical Network

- Out of the **1,500 kms** of pipelines which need to be replaced, CWA has identified some 500 kms of most critical ones which need to be replaced as a matter of top priority based on (i) Age of Pipe (ii) History of Pipe Bursts (iii) Huge and Frequent Leakages (iv) Sample tests which have been effected with CWA's latest detection equipment.

- Replacement of these critical pipeline would result in an estimated savings of about 20% Non-Revenue Water (NRW).
- The strategy to replace some 500 kms of pipes are as follows:
 - (a) by the In-House Team of CWA (up to 1 km – mainly small laterals)
 - (b) by SME Contractors (1 – 3 kms – mainly medium laterals, excluding classified roads)
 - (c) by major Contractors (above 3 kms – classified roads)

2. Other Projects

- Upgrading / Construction of Water Treatment Plant
- Construction of ten (10) new Service Reservoirs over the next 2 – 3 years with capacity ranging 2,000 m³ – 3,000 m³.
- Setting up of new (mini) barrages and intake structure to tap additional water from rivers and to be treated through Containerised Pressure Filters (CPFs).

3. Production of Incremental Water

- Plan to produce additional water, exploiting underground water and other sources to produce about 100,000m³ of incremental daily.

- The above strategy would meet water demands particularly during the Dry Season and with a view to supplementing the decrease in water production from Containerised Pressure Filters during heavy rainfall.

4. Manpower

- Recruitment of Key Staff & Provision of Trainings

5. Setting Up of In-House Customer Experience Service Centre

6. Investment in New IT Solutions



BOARD MEMBERS

AHSISH KUMAR NILAMBER
CHAIRPERSON

ZEENAT K
GUNESS-
GOOLBAR

Permanent Secretary
Ministry of Energy &
Public Utilities
(Board Member up to August 2022)
*Representative of the Ministry
responsible for the subject of energy*

B. KISSOON-
LUCKPUTTYA

Deputy Permanent Secretary
Ministry of Energy & Public Utilities
(Board Member from September 2022 to
March 2023)
*Representative of the Ministry
responsible for the subject of energy*

RENUKA DEVI
BISESSUR

Deputy Permanent Secretary
Ministry of Energy & Public Utilities
(Board Member as from 24 March 2023)
*Representative of the Ministry
responsible for the subject of energy*

DHARAMRAJ
PALIGADU

Deputy Financial Secretary
Ministry of Finance, Economic
Planning and Development
(Board Member up to April 2023)
*Representative of the Ministry responsible
for the subject of finance*

FEIZAL
DELIOR

*Member with experience in agricultural,
industrial, commercial, financial, scientific
or administrative matters, appointed by
the Minister.*

TIRAT
MOOSSUN

*Member with experience in agricultural,
industrial, commercial, financial, scientific
or administrative matters, appointed by
the Minister.*



**SHIRINE
JEETOO**

Deputy Director
Labour & Industrial Relations
Ministry of Labour, Human Resource
Development & Training
(Board Member up to 18 August 2022)

*Representative of the Ministry responsible for
the subject of labour & industrial relations*



**KHINDEV
GUNPUTH**

Deputy Director
Labour & Industrial Relations
Ministry of Labour, Human Resource
Development & Training
(Board Member as from 26 August 2022)

*Representative of the Ministry responsible for
the subject of labour & industrial relations*



**HEMNISH
RAM URDHIH**

Lead Analyst
Alternate Member
Ministry of Finance, Economic
Planning & Development
(Replacing Mr. D. Paligadu as Board
Member as from May 2023)



**DOUMERAJ
JAHAJEEAH**

Director Technical Services
Alternate Member
Ministry of Energy &
Public Utilities



**AMRITA DEVI
GOINDEN**

Assistant Director
Labour & Industrial Relations
Alternate Member
Ministry of Labour, Human Resource
Development & Training

MANAGEMENT TEAM

Ramprakash Maunthrooa

*General Manager
Appointed on 23 August 2022*

Jean Gaetan Armoogum

*Deputy General Manager (Administration)
Officer in Charge up to 22 August 2022*

Dhanveersingh Juddoo

IT Director

Outtum Issur

Chief Financial Officer

Chandrasen Matadeen

Chief Engineer (Operations)

Madhoochandra Lobind

*Ag Chief Engineer
(Planning & Design)*

Sewraj Busgeeth

*Ag Chief Engineer
(Planning & Design)*

Sewkumarsing Dinassing

*Ag Chief Engineer
Water Resources / Operational Supporting Services*

Mitradev Lobind

*Ag Chief Engineer
(Water Treatment Plant)*

Prithiviraj Kissoon

*Ag. Manager Commercial
Services*

Madina Surfraz

Ag. HR Manager

Aniket Mundloll

*Corporate Secretary
(Resigned on 30 October 2022)*

Ramakrishna Neelayya

*Administrative Manager
(up to January 2023)*

*Assigned duties as Zone Manager wef
February 2022*

Vinaye Thakoor

*Administrative Manager
(as from February 2023)*

Yousra Lalmahomed

Chief Internal Auditor

Vinod Kumar Untoo

Manager Procurement & Supply

Atish Soobroydoo

Economist / Analyst

Poorunduth Gopal

*Public Relations & Communication
Coordinator*

BOARD'S
RESPONSIBILITY
STATEMENT



The Central Water Board is responsible for the proper keeping of accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Central Water Authority (CWA).

The Board is responsible for the preparation of financial statements in accordance with Accrual IPSAS.

The Board is also responsible for the integrity of these annual financial statements and for the objectivity of any information presented therein.

In preparing these financial statements, the Board has:

- maintained proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority;
- ensured that the financial statements provide an integral and transparent state of affairs, Income and Expenditure Account and cash flows of the Authority;
- selected suitable accounting policies and applying them consistently;

- safeguarded the assets of the Authority by maintaining appropriate internal control systems and procedures;
- taken reasonable steps to prevent and detect fraud and any other irregularities;
- prepared same on a going concern basis;
- made judgments and estimates that are reasonable and prudent.
- ensured compliance with the Code of Corporate Governance and provide reasons in case of non-compliance with any requirement of the Code.

The Board has an overall responsibility for the safeguarding of assets of the Authority and to prevent and detect fraud and other irregularities. An Audit & Risk Committee has been set up to assist the Board in discharging its oversight duty and responsibility and ensuring the integrity of financial statements, compliance with applicable legal and regulatory requirements and an effective performance of the Internal Audit function.

The Authority has an established Internal Audit department which assists management in effectively discharging its responsibilities. The Internal Audit is an independent function that reports functionally to the Audit & Risk Committee and administratively to the General Manager.

CORPORATE
GOVERNANCE
REPORT

INTRODUCTION

The Central Water Authority (CWA), qualified as a Public Interest Entity under the Financial Reporting Act 2004, is bound to apply the eight governance principles contained in the Code and to explain how these principles have been applied.

The implementation of the Code at the level of the CWA has been based on the 'Guidance of Statutory Bodies' of the National Code of Corporate Governance for Mauritius (2016).

GOVERNANCE STRUCTURE

Governance Charter

CWA's governance structure is set out in its Board Charter. The Charter defines the role, function and objective of the Board, Board Committees, the Chairman and the General Manager. It also sets out how they interact in order to promote efficient, transparent and ethical functioning / decision-making processes within the Authority.

Board Charter

The Board Charter, which was approved by the Board in April 2018 has been worked out in line with provisions of the Central Water Authority Act (1971), has been maintained for the FY 2022/23.

The Board Charter, which provides the Terms of Reference for the Board also describes

the duties and powers of the Board, the supervision of financial reporting, the decision making process and other general provisions in connection with conflict of interest, remuneration, induction of board members and confidentiality of information.

The Board Charter can be consulted on the CWA's Website (<https://cwa.govmu.org>).

Code of Ethics

A Code of Ethics for Directors has been adopted by the Board on 05 April 2018. The purpose of the Code is to:

- provide guidance to Directors and help them recognising and dealing with ethical issues; and
- help to foster a culture of honesty and accountability and mechanisms to report unethical conduct.

The Code of Ethics clearly describes the responsibilities of Directors on issues pertaining to their duties as Directors, conflict of interest, corporate opportunities and fair dealings.

Constitution

By virtue of the Central Water Authority Act (Act 20 of 1971), the Central Water Authority (CWA) was established as a body corporate, responsible for the control, development and conservation of water resources. In relation to the exercise of the powers of the Authority under the aforesaid Act, the Minister may give such directions to the

Authority as he considers necessary in the public interest and the Authority shall comply with such directions. The CWA is administered and controlled by a Board, which is accountable and responsible for the performance and affairs of the Authority and in meeting all legal and regulatory requirements.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

THE CENTRAL WATER BOARD ("The Board")

The Central Water Authority (CWA) is administered and controlled by a Central Water Board (the "Board").

The four (4) main functions of the Board are as hereunder:

- To approve, monitor, review and evaluate the implementation of strategies, policies and business plans;
- To prepare a statement of corporate objectives;
- To ensure that the organisation complies with the highest standards of governance and that it has an effective system of controls in place so that risks can be properly assessed and managed;
- To ensure that communication of all material information to the stakeholders be made in a transparent way.

Mandate

Being responsible in promoting the long-term success of the Authority, the Board endeavours, inter-alia, to:

- exercise leadership, intellectual honesty, integrity and judgment in directing the Authority with a view to achieving sustainable prosperity whilst ensuring both performance and integrity.
- continuously review the processes and procedures in place to ensure the effectiveness of the Authority's internal systems of control to safeguard the Authority's assets and reputation.
- set the strategic direction and long-term goals and ensuring that adequate resources are available for the Authority to implement the strategic plan.
- ensure that the Authority complies with all relevant laws, regulations and codes of best business practice.

Through its vision, core values and formal policies, which set out what the CWA expects from employees in the running of its businesses, 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.

In accordance with Section 7(2) of the Central Water Authority Act 1971 the Board comprises six (6) members:

- a Chairperson;
- a representative of the Ministry responsible for the subject of finance;
- a representative of the Ministry responsible for the subject of energy;
- a representative of the Ministry responsible for the subject of labour and industrial relations; and
- two (2) members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister.

In line with Section 7(3) of the CWA Act, every ex-officio member shall remain a member for as long as he holds the office by virtue of which he became a member and every appointed member shall hold office for not more than 2 years but shall be eligible for reappointment.

As per Section 7(4) of the CWA Act, the Chairperson shall be appointed by the Minister on such terms and conditions as he thinks fit.

As per Section 12 of the CWA Act, the General Manager shall attend every meeting of the Board and may take part in its deliberations but he shall not be entitled to vote on any question before the Board.

As per Section 14 of the CWA Act, the General Manager shall:

- (1) *be appointed by the Minister on such terms and conditions as he thinks fit;*
- (2) *act in accordance with such directions as he may receive from the Board or any delegate appointed by the Board under Section 17 of the said Act.*

Role of the Board

Central Water Board	Sets out the vision, mission, goal, values, strategic objectives, targets and overall direction of the organisation.
	Leads and controls the organisation.
	Monitors risks.
	Develops good working relationships with Senior Management Team.
	Controls and oversees the activities of the Senior Management Team.
	Ensures the Authority meets all legal and statutory requirements.
	Cares for stakeholder's interests.

Board Meeting Process

Beginning of Financial Year	Planning of Board Meetings for the ensuing year is set by the Secretary to the Board in consultation with the Chairperson.
Setting of Agenda	Agendas for the Board are finalised by the Secretary to the Board in consultation with the General Manager and the Chairperson.
Before the Meeting	Agenda and all relevant Board papers are sent electronically (via Diligent Board Software) to the Chairperson and the Board Members as far as possible three (3) days prior to the scheduled meeting.
Board Meeting	Regular matters as well as the reports of the various Board Committees are discussed.
After Board Meeting	Board decisions are issued to the respective Heads of Divisions after consultation with the General Manager / Chairperson as far as possible within 48 hours after the Board meeting.
	Minutes are produced and sent to the Chairperson for review and comments prior to circulating to Board Members.
	Follow-up on certain Board decisions are ensured by the Secretary to Board.

In accordance with Section 7 of the Central Water Authority Act, the Minister of Energy and Public Utilities, re-constituted the Board of the Central Water Authority for a period of two (2) years with effect from **26 August 2022**.

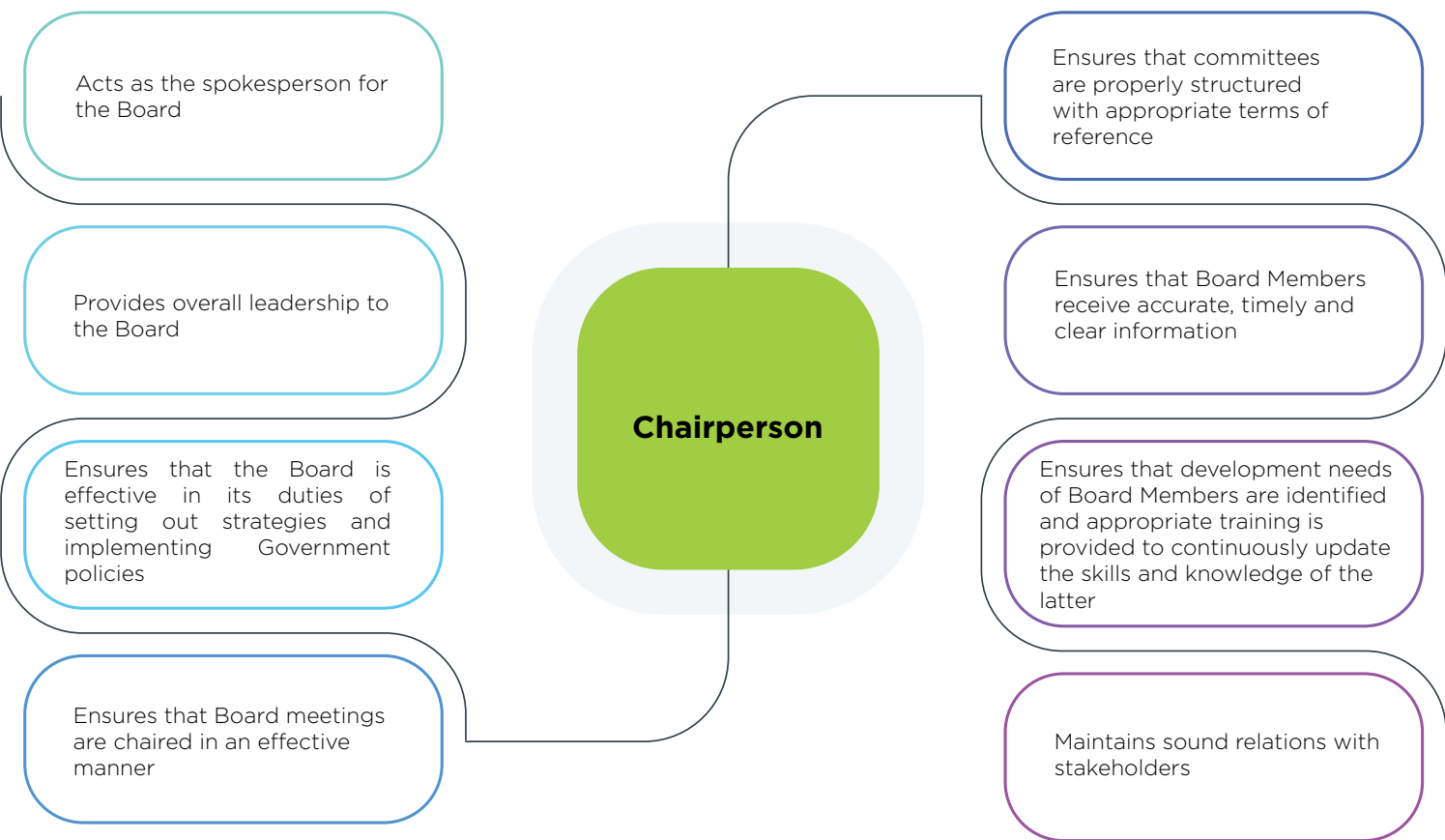
The composition of the Board during the period under review as follows:

Name	Description
AHSISH KUMAR NILAMBER	Chairperson
DHARAMRAJ PALIGADU <i>(up to April 2023)</i>	Representative of the Ministry responsible for the subject of finance
HEMNISH RAM URDHIN <i>(as from May 2023)</i>	
ZEENAT K GUNESS-GOOLBAR (Ms.) <i>(up to August 2022)</i> B. KISSOON-LUCKPUTTYA (Ms.) <i>(from September 2022 to end Feb 2023)</i> RENUKA DEVI BISSESSUR (Ms.) <i>(as from March 2023)</i>	Representative of the Ministry responsible for the subject of energy
SHIRINE JEETOO (Ms.) <i>(up to July 2022)</i> KHINDEV GUNPUTH <i>(as from August 2022)</i>	Representative of the Ministry responsible for the subject of labour and industrial relations
FEIZAL DELIOR TIRAT MOOSSUN	Two (2) members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister

- *Mr. Hemnish Ram Urdhin was the alternate member of the Ministry of Finance, Economic Planning & Development;*
- *Mr. Doumeraj Jahajeeah was the alternate member of the Ministry of Energy & Public Utilities;*
- *Ms. Amrita Devi Goinden was the alternate member of the Ministry of Labour, Human Resource Development & Training.*

Key Governance Position

The key roles and responsibilities of the Chairperson of the Board and the Board Committees have been clearly defined in the Board and the Board Committee Charters. The role of the Chairperson of the Board is distinct and separate from that of the General Manager and there is clear division of responsibilities with the Chairperson leading the Board and the General Manager managing the day-to-day business of the organisation. The key roles and responsibilities as hereunder:



General Manager

Acts in accordance with such directions as he may receive from the Board or any delegate appointed by the Board under Section 17 of the CWA Act

Manages the day-to-day affairs of the Authority

Executes plans and strategies in line with the policies set by the Board

Provides leadership and direction to senior management

Ensures that the decisions of the Board are executed

Acts as a liaison between Management and the Board

Ascertain a proper working environment for the Staff of the organisation

Board Secretary

Ensures compliance with relevant statutory and regulatory requirements

Develops and circulates the agenda and relevant documents for Board and Board Committee meetings in a timely manner

Facilitates induction of Board Members and provides guidance to them in terms of their roles and responsibilities

Assists the Chairperson in governance processes

Board Meetings

The Board meets at least once a month. However, in the event of any urgent matter that requires approval of the Board, special Board Meeting(s) is/are held or approval is sought by circularisation. The Board meetings are attended by Board Members. In accordance with Section 12 of the CWA Act, the General Manager attends every meeting of the Board and takes part in its deliberations but he is not entitled to vote on any question before the Board. For specific matters, officers of the Authority are also invited.

During the financial year ending **30 June 2023**, the Central Water Board met on 15 occasions. The attendance of Board meetings is detailed in the following table.

Board Members	Meeting Attendance
Mr. A.K. Nilamber (Chairperson)	15
Ms. Z.K. Guness-Goolbar	2
Ms. B.K. Luckputtya¹	6
Ms. R.D. Bissessur²	4
Mr. D. Jahajeeah³ (Alternate)	3
Dr. D. Paligadu	9
Mr. H.R. Urdhin⁴ (Alternate)	3
Mr. K. Gunpath⁵	13
Ms. S. Jeetoo	2
Mr. F. Delior	15
Mr. T. Moossun	15

BOARD COMMITTEES

As a focal point of the corporate governance system, the Board is aware that it is ultimately responsible and accountable for the performance and affairs of the organisation. However, with a view to enabling the directors in discharging their duties through a more comprehensive evaluation of specific issues, the Board has set up a structure of Board Committees. Each Board Committee operates under defined Terms of

Reference whereby attention is given to specific issues pertaining to finance and procurement, human resources, audit and risk management and corporate governance. The Board Committees, comprising only members of the Board, are advisory in nature and recommendations are submitted to the Board for approval. The Chairperson of the Board did not chair any of the Board Committees.

¹Ms. B.K. Luckputtya was appointed firm Board Member effective from August 2022;

²Ms. R.D. Bissessur was appointed Board Member effective 24 March 2023;

³Mr. D. Jahajeeah attended two (2) Board Meetings in his capacity of alternate Member on 06 and 14 September 2022;

⁴Mr. H.R. Urdhin attended three (3) Board Meetings in his capacity of alternate Member on 29 November 2022, 30 May 2023 and 28 June 2023;

⁵Mr. K. Gunpath was appointed Board Member effective 26 August 2022.



MONTHLY BUDGET

What do you want to do?

1. 100%

2. 100%

3. 100%

4. 100%

5. 100%

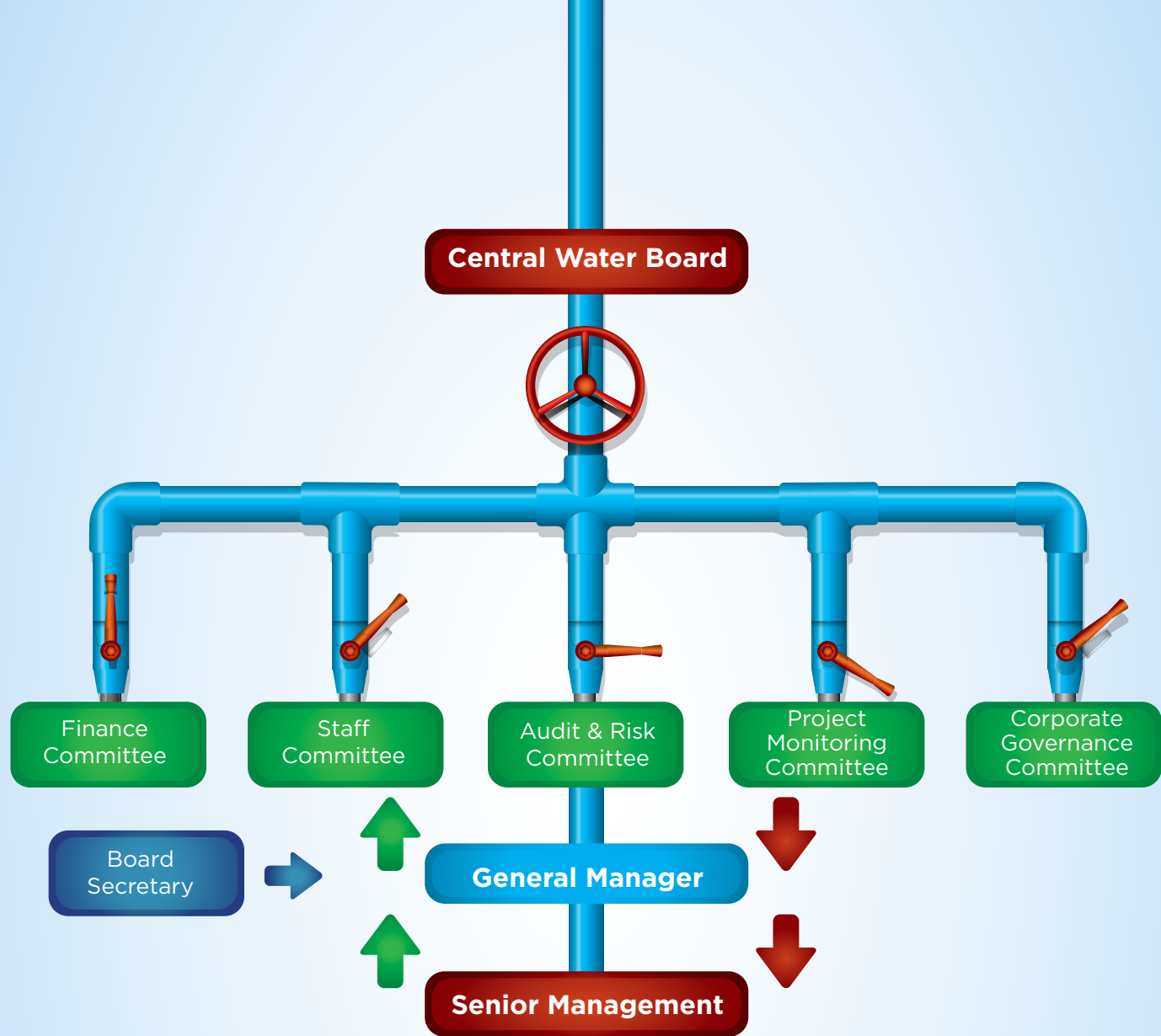
6. 100%

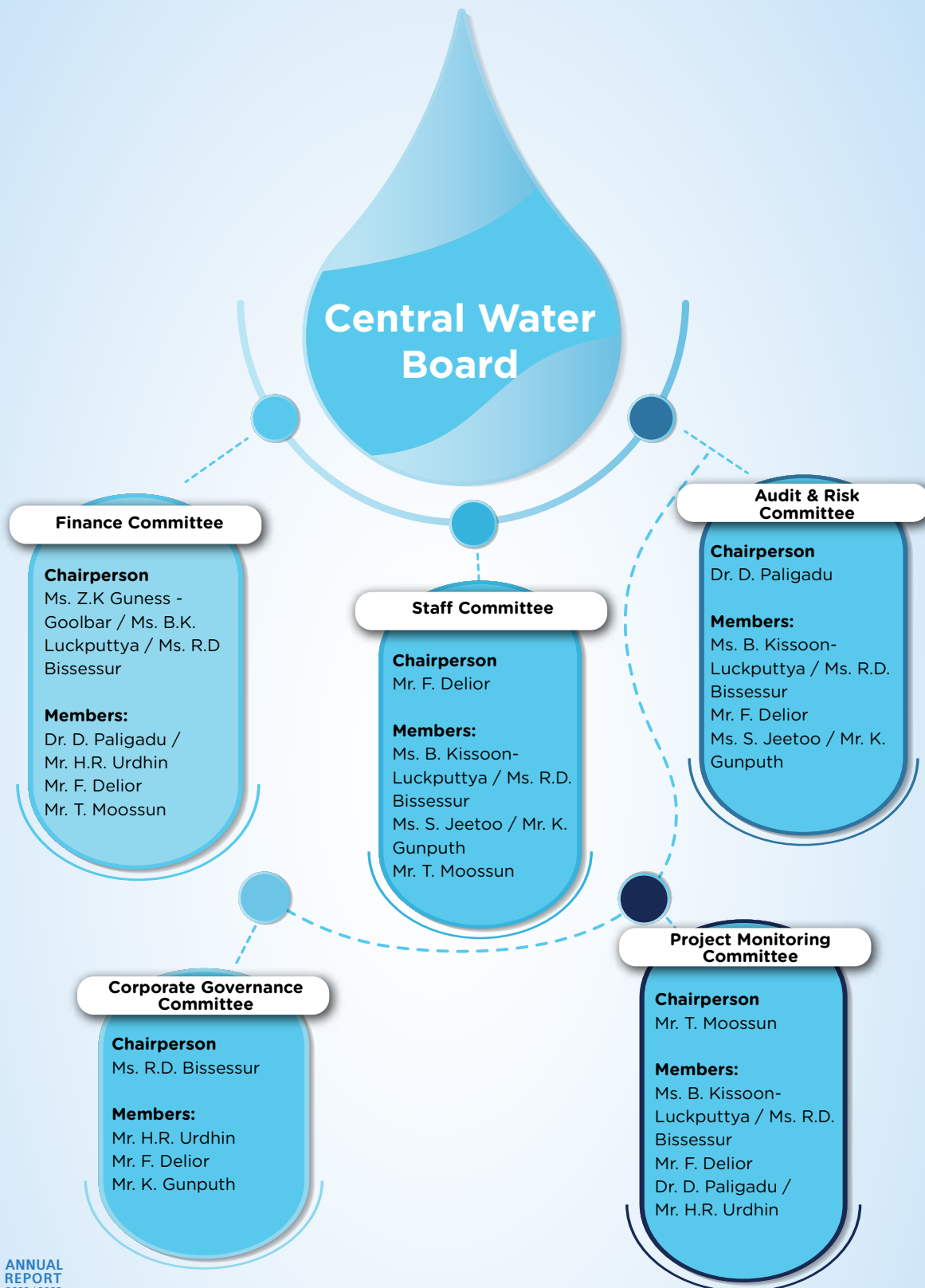
7. 100%

8. 100%

9. 100%

10. 100%





FINANCE COMMITTEE

The Finance Committee assists the Board with respect to all financial aspects, procurements and expenditures above the General Manager's financial authority.

Role and responsibilities

The main responsibilities of the Finance Committee include:

- Reviewing the Authority's financial policies, strategies and make recommendations to the Board on issues discussed at level of the committee;
- Considering and assessing the recommendation/s of the Procurement Committee (PRC) and the Departmental Bid Committee (DBC) in respect of procurements / expenditures exceeding the financial authority of the General Manager and make recommendation/s to the Board for approval / award;
- Examining the Authority's annual Budget, Cash Flow Statements and other related issues and to make recommendation/s to the Board;
- Monitoring the progress of capital projects of the Project Monitoring Office with a view to ensuring that same are on schedule;
- Discussing and recommending remedial actions as proposed by Management to major issues and bottlenecks affecting the smooth implementation / progress of projects.

More information on the Finance Committee can be obtained on the Finance Committee Charter on the CWA's Website.



The Finance Committee held 5 meetings during the financial year ended **30 June 2023**. The General Manager attended all meetings and the Chairperson of the Procurement Committee (PRC) and the Chairperson of the Departmental Bid Committee (DBC) together with members of the Senior Management Team were invited to attend as and when specialized technical knowledge was required.

Board Members	Meeting Attendance
Ms. Z.K. Guness - Goolbar	1
Ms. B. Kissoon - Luckputtya	1
Ms. R.D. Bissessur (Chairperson)	3
Dr D. Paligadu	1
Mr. H.R. Urdhin	2
Mr. F. Delior	4
Mr. T. Moossun	4



STAFF COMMITTEE

The Staff Committee assists the Board on matters relating to, inter-alia:



Human Resource Strategies



Remuneration and Performance Management



Selection and Appointment



Training and Development



Industrial Relations



Role and responsibilities

The main responsibilities of the Staff Committee include:

- Reviewing the Authority's HR policies, strategies and make recommendations to the Board on issues discussed at the level of the committee;
- Conducting interviews and making recommendations for recruitment to the Board;
- Reviewing the recruitment and selection procedures and making recommendation for approval by the Board;
- Examining the Authority's Training Plan and HR budgetary requirement and other related issues and to make recommendation/s to the Board;
- Considering and recommending the participation of CWA officers in overseas trainings / seminars / workshops;
- Examining and making recommendations on policies relating to retention of employees within the Authority.

More information on the Staff Committee can be obtained on the Staff Committee Charter on the CWA's Website.

The Staff Committee held 11 meetings during the financial year ended 30 June 2023. The General Manager attended all meetings.

Board Members	Meeting Attendance
Mr. F. Delior (Chairperson)	11
Ms. B. Kissoon-Luckputtya / Ms. R.D. Bissessur	6
Ms. S. Jeetoo / Mr. K. Gunpath	3
Mr. T. Moossun	6



AUDIT & RISK COMMITTEE

The Audit & Risk Committee assists the Board in discharging its responsibilities and duties in relation to specific matters pertaining to financial reporting process, internal controls, internal audit function, external audit, risk governance, risk frameworks, risk management practices and policies.

Role and responsibilities

The main responsibilities of the Audit & Risk Committee include:

- Examining and reviewing the quality and integrity of the annual financial statements focusing on the under mentioned points, prior to submission and approval by the Board;
- Keeping under review the adequacy and effectiveness of the organisation's systems of internal control;
- Reviewing and approve the charter of the internal audit division and ensure the said division has the necessary resources and access to information to enable it to fulfil its mandate;
- Meeting regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit;
- Overseeing the development of an effective risk management framework for the organisation by implementing rigorous internal processes and controls which identify, monitor, measure and report different types of risk;
- Reviewing the principal risks, including, strategic, financial, operational, compliance, reputational risks and actions taken to mitigate them.

More information on the Audit & Risk Committee can be obtained on the Audit & Risk Committee Charter on the CWA's Website.

The Audit & Risk Committee held 2 meetings during the financial year ended 30 June 2023. The General Manager, the Chief Internal Auditor attended the meetings. Other members of the Senior Management Team were also invited as and when required.

Board Members	Meeting Attendance
Dr. D. Paligadu (Chairperson)	2
Ms. B. Kissoon-Luckputtya	1
Mr. K. Gunpath	2
Mr. F. Delior	1





CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee assists the Board with respect to Corporate Governance matters and Ethics.

Role and responsibilities

The main responsibilities of the Corporate Governance Committee include, inter-alia:

- Developing and recommending to the Board a corporate governance framework and a set of corporate governance guidelines.
- Reviewing and evaluating the implementation of the corporate guidelines within the organisation.
- Periodically reviewing and evaluating the effectiveness of the organisation's Code of Conduct and Ethics.
- Ensuring that an adequate process is in place for the board and senior management to be in compliance with the organisation's Code of Conduct and Ethics.
- Reviewing the position descriptions of the chairperson, board committee chairs and recommend any amendments to the board.
- Reviewing and recommending the implementation of structures and procedures to facilitate the board's independence from management.
- Monitoring and evaluating the functioning of committees and make any recommendations for any changes including the creation and elimination of committees.
- Developing charters for any new committees established by the board and review the charters of each existing committee and recommend any amendments to the charters.
- Overseeing the evaluation of the board as a whole, its committees and individual directors. If the evaluation is being conducted internally, oversee board performance and report annually to the board with an assessment of the board's performance.
- Ensuring that an adequate process is in place for the board and senior management to comply with the Mauritian Code of Corporate Governance.

More information on the Corporate Governance Committee can be obtained on the Corporate Governance Committee Charter on the CWA's Website.

No meeting of the Corporate Governance Committee was held during the financial year ended 30 June 2023.

Project Monitoring Committee

The Project Monitoring Committee was set up to assist the Board in, inter-alia, monitoring of progress of capital projects of the Project Management Office with a view to ensuring that projects are properly managed, on schedule and limiting cost and time overrun.

No meeting of the Project Monitoring Committee was held during the financial year ended 30 June 2023.



DIRECTOR APPOINTMENT PROCEDURES

Appointment of Board Members are in accordance with Section 7 of the Central Water Authority Act.

- The Chairperson is appointed by the Minister on such terms and conditions as he thinks fit;
- Two (2) members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, are appointed by the Minister and hold office for not more than 2 years but are eligible for re-appointment;
- Every ex-officio member remains a member for as long as he holds the office by virtue of which he became a member and every appointed member as per Section 17 of the CWA Act:

The Board may, subject to such conditions as it thinks fit, delegate to the Chairperson all or any of its powers, functions and duties, except the power to invest and borrow money;

The Chairperson, may with the approval of the Board, delegate in writing to the General Manager or to any other officer any power delegated to him.

DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Director Duties

The Board Directors are aware of their legal duties and responsibilities and may seek independent legal advice, at the expense of the Authority, in respect of any aspect of their duties and responsibilities in line with the Board and Board Committee Charter.

Conflict of Interest

The Chairperson ensures that Board Members disclose any conflict of interest issue that the latter may have pertaining to any specific matter. Disclosure of Conflict of Interest is the first item on the agenda for Board and Board Committees. In instances of an actual or potential conflict, the Director concerned withdraws himself / herself from the meeting for that specific matter and the aforesaid Director does not participate in the debate / deliberation of the Board for that specific matter.

Declaration of Conflict of Interest issues by Board Members are duly recorded

in the Minutes of Proceedings of the Board / Board Committee meetings.

Information, Information Technology and Information Security Governance

The Board is fully aware of its responsibility to oversee information governance within the Authority. The Board has given its full support to the IT Business Model Strategic Direction as IT forms an integral part of CWA's environment. The need for a clear strategic direction in Information Technology is imperative for CWA to meet the expectation of its stakeholders in general. Our technological drive is geared towards the improvement of service delivery to maximize customer and employee satisfaction.

To ensure a stable and secure network system, all CWA Staff are required to abide to the established rules and regulations. The usage of the Internet and E-mail is subject to some terms and conditions - any new employee

of the CWA is required to sign the Internet/Email Usage Agreement which enlists all the policies governing Internet and Email Usage. Likewise, new employees are also made to sign the Information Technology Resources Usage Agreement for rules pertaining to usage of IT Resources at the CWA.

IT Security in the CWA

With the constant digitalisation of its services, it has become vital for the Central Water Authority to protect its digital assets and network devices. It is therefore required that emphasis be put on IT Security across the whole organisation.

IT Security encompasses several layers and each one has to be secured with the appropriate mechanisms to be able to counter threats e.g. viruses, ransomware, spyware and various methods of network attacks.



Types of IT Security

Network security

Network security is used to prevent unauthorized or malicious users from getting inside the network. This ensures that usability, reliability, and integrity are uncompromised. This type of security is necessary to prevent a hacker from accessing data inside the network. It also prevents them from negatively affecting users' ability to access or use the network.

Internet security

Internet security involves the protection of information that is sent and received in browsers, as well as network security involving web-based applications. Incoming / outgoing traffic is monitored to track for threats and unwanted traffic. This protection comes in the form of firewalls, antimalware, and antispyware.

Endpoint security

Endpoint security provides protection at the device level. Devices that may be secured by endpoint security include cell phones, tablets, laptops, and desktop computers. Endpoint security prevents devices from accessing malicious networks that may be a threat to the organisation.

Application security

With application security, applications are specifically coded at the time of their creation to be as secure as possible, to help ensure they are not vulnerable to attacks. This added layer of security involves evaluating the code of an app and identifying the vulnerabilities that may exist within the software.

Board Information

We endeavour to ensure that the Board Directors / Directors of Board Committees be supplied with information in a timely manner to ensure that the latter have sufficient time to take cognizance of the contents to facilitate discussion / decision taking at the level of the Board / Board Committees. As far as possible, the agenda and relevant documents are made available to Board Directors at least 3 days prior to the schedule date of the meeting.

The agenda and Board Papers are uploaded / published on Diligent Board by the Secretary. Board Members can access these documents on the system by a click of a button on their iPad (*each Board Member has been allocated an iPad for that purpose*).

The Board has ensured also that Board Members have access to independent professional advice at the organisation's expense in cases where the latter deems it necessary for discharging their responsibilities as directors. Board Members can contact CWA's legal adviser/s directly or through Management (after consultation with the Chairperson).

Every year, the CWA takes a Director's and Officers Liability Insurance Cover for all its Board Directors and Officers to the extent that the said cover indemnifies them for civil or criminal defence costs, legal representation expenses, damages, judgments and settlements on account of claims in connection to their duties and responsibilities during their tenure of office.

Remuneration of Directors

In line with the CWA Act, Board members are remunerated in the General Fund as the Minister may determine. The amount paid to each Board Member (including the Chairperson) is duly disclosed in our Annual Report.

As agreed at the Meeting of Cabinet of **14 August 2020**, the Central Water Board has been considered as a Category A Institution taking into account the mandate of the organisation, the size thereof, as well as its volume of transactions. Accordingly, the Chairperson would be entitled to a monthly all-inclusive fee of **Rs 70,000** and the other members would be paid a monthly fee of **Rs 25,000** all inclusive.

During the period under review, the fees (net of PAYE) paid to the Chairperson and Board Members for attendance at Board and Board Committee meetings amounted to **Rs 1,946,500/-**

Remuneration of Board Members for period July 2022 to June 2023 as hereunder:

Board Members	Rs (Net of PAYE)
Mr. A.K. Nilamber (<i>Chairperson</i>)	714,000
Ms. Z.K. Guness-Goolbar	21,250
Ms. B. Kissoon-Luckputtya	106,250
Mr. D. Jahajeeah	42,500
Ms. R.D. Bissessur	85,000
Dr. D. Paligadu	148,750
Mr. H.R. Urdhin	63,750
Ms. S. Jeetoo	21,250
Mr. K. Gunpath	233,750
Mr. F. Delior	255,000
Mr. T. Moossun	255,000



RISK GOVERNANCE & INTERNAL CONTROL

The Board has the overall responsibility for the Authority's system of risk management and internal controls as well as for the assessing of their effectiveness. The Board views risk management 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 Authority's consolidated accounts.

An Audit & Risk Committee has been set up to assist the Board in discharging its responsibilities pertaining to, *inter alia*, Risk Management and Internal Control. Matters pertaining to Risk Governance and Risk mitigation and Internal Control system are discussed thoroughly at the level of the Audit &

Risk Committee and recommendations made to the Board for approval.

Risk Governance

The Board is very much concerned about risks, as the world becomes more complex and the velocity of change increases. Hence, a structured way of thinking about risk management, that is an Enterprise Risk Management (ERM), has been developed by the Internal Audit Division.

Moreover, as per the requirement of the Code of Corporate Governance of Mauritius paragraph 5.1.3 and 5.1.6:

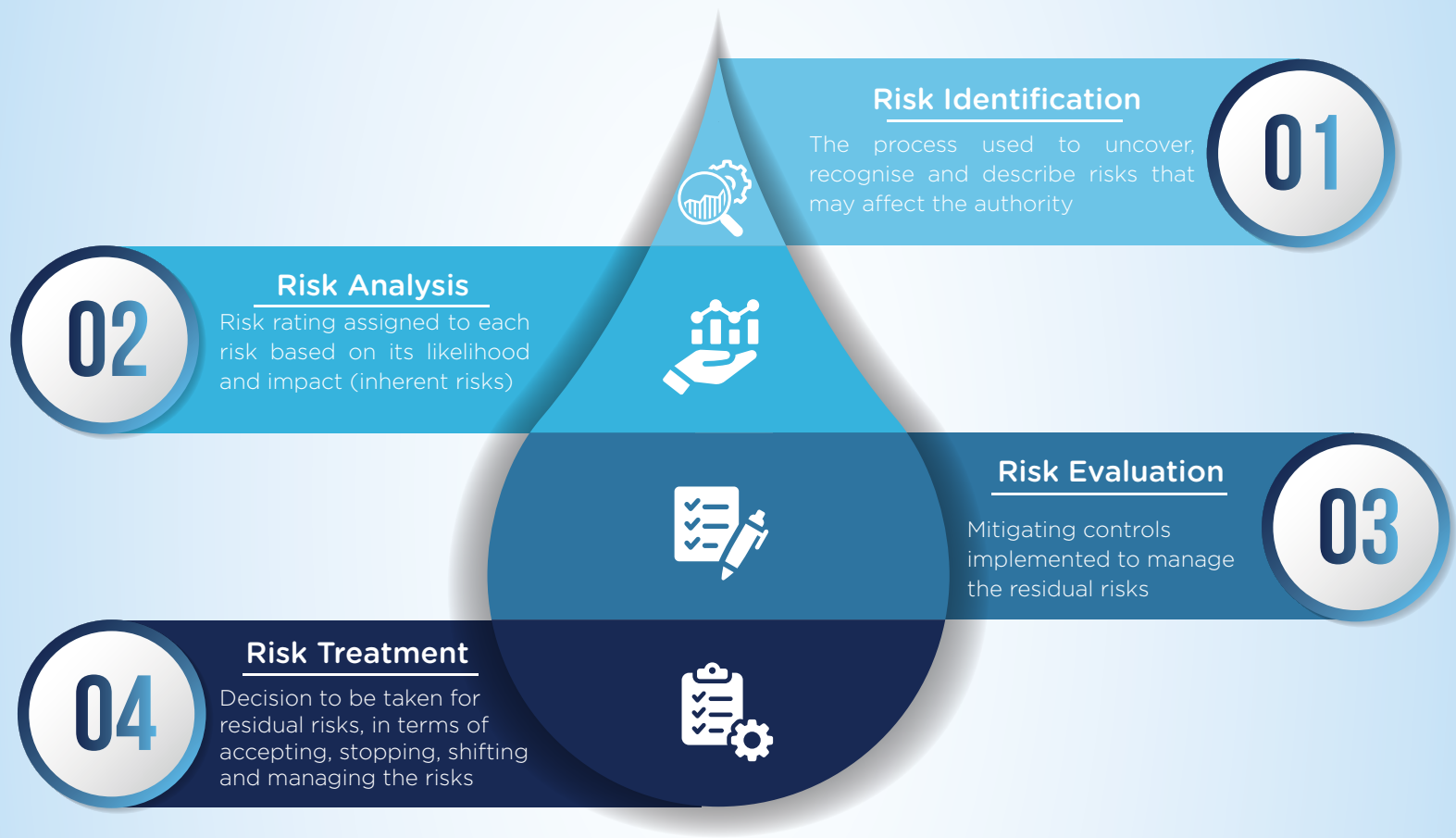
*"The Board is responsible for the **definition** of overall strategy for risk tolerance to **monitor** management*

*and the **assurance process** on risk management and to take **corrective action** where and when deemed necessary."*

*"Management is **accountable** to the board for the design, implementation and detailed monitoring of the risk management process."*

As such, with the implementation of an ERM, Management provides reasonable assurance to the Board that the risks are being properly managed.

The risk management process is summarized as follows:



Each identified risk was allocated in one of the following 7 Risk Categories:

- Customer
- Financial
- Information Technology
- Legal and Regulatory
- Operational
- People
- Other Business

After being identified, a risk rating was assigned to each risk based on its likelihood (that is probability of risk occurring) and impact. This **inherent risk** was calculated as Likelihood Impact.

After assessing inherent risks, mitigating controls was implemented to manage those risks. Then, focus was laid upon **residual risks**, which is the risk that remains after the mitigating actions have been taken to manage the risk.

Management is further responsible to keep the risk register up to date with emerging risks and changes at all times and report on same to the Board accordingly. The different tasks, responsibilities for each and every party in ERM were also clearly defined and communicated to all parties.

Internal Control

Internal control is defined as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The Board and operational management are responsible for the implementation of controls and the management and mitigation of risks. The Board is further assisted in its responsibilities by the Audit & Risk Committee which oversees the effectiveness of the Authority's internal control systems. In carrying out its duties, the Audit & Risk Committee receives regular reports from the Internal Audit Division (IAD).

The mission of IAD is to provide an independent, objective assurance and consulting activity, to add value and improve CWA's operations. It helps the Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Using COSO* model for evaluating internal controls effectiveness and adequacy, the Internal Audit review was performed with the following broad objectives:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures and contracts

Our Internal Audit approach is in line with the approved Internal Audit Charter and was conducted in accordance with the International Professional Practices Framework issued by the Institute of the Internal Auditors. Our assurance

function comprises mainly internal audit services which helps towards strengthening the internal control environment.

An internal audit plan was also prepared to address areas of risks by ensuring that appropriate methods, techniques, and processes are employed during the audit. Internal audit resources were deployed to address the following 3 main areas at the Authority:

- Revenue which will comprise audits and actions geared towards giving assurance on completeness and accuracy of sales
- Costs, aiming towards ensuring there is no misappropriation of public funds and resources
- Others (e.g. financial statements, policies and procedures)

To further ensure quality and consistent audit results, the Internal Audit Division has developed a methodology that links internal auditing to the Authority's overall risk management framework (Risk Based Internal Auditing). In this way internal audit provides reasonable assurance to the board that risk management processes are managing the risks effectively.

**COSO stands for Committee of Sponsoring Organisations of the Treadway Commission who has developed a model for evaluating internal controls. This model has been adopted as the generally accepted framework for internal control and is widely recognised as the definitive standard against which organisations measure the effectiveness of their systems of internal control.*



REPORTING WITH INTEGRITY

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the organisation.

The Board ensures that in the preparation of the Financial Statements, the Authority has:

- maintained proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority;
- ensured that the financial statements provide an integral and transparent state of affairs, Income and Expenditure Account and cash flows of the Authority;
- selected suitable accounting policies and applying them consistently;
- safeguarded the assets of the Authority by maintaining appropriate internal control systems and procedures;

- taken reasonable steps to prevent and detect fraud and any other irregularities;
- prepared same on a going concern basis;
- made judgments and estimates that are reasonable and prudent.

The audited annual reports of the Authority are published on the Authority's website.

Health & Safety

The Authority firmly believes that the security and health of its employees are sine qua non obligation. As a caring employer, CWA is committed to providing and maintaining a healthy, safe and secured working environment for its employees as well as for its stakeholders in general. During the year under review, the Authority has continued its effort to create an ideal environment for health, safety and welfare of its employees.

Recognising that the operational activities involve permanent exposure to hazards and the safety of its employees is a constant concern, the CWA carried out Hazard Identification and Risk Assessment on all CWA sites on regular basis.

Moreover, in line with the requirements of the Occupational Safety & Health Act 2005, the following activities are undertaken:

- Safety & Health Committees are conducted every two months to look into all aspects health and safety pertaining to the Authority;
- Regular safety and health audit is undertaken on all CWA sites;
- Machinery inspection;
- Training of Safety & Health aspects;
- Yearly fire drill exercise on all major sites.

As per OSHA 2005, the following are undertaken by the Safety & Health Department of the CWA:

The recommended measures, inter-alia, provision of protective equipment, provision of safety signs, training programmes among others are duly implemented. These measures help to mitigate risks and provide safer working conditions that will undoubtedly help to reduce accidents, injuries and occupational illnesses.

Environmental Issues Endeavour

In its endeavour to save energy and to protect our environment the CWA has initiated measures for improving energy efficiency and implementing energy saving measures across its organisation.

- Some 15% of the total energy requirement at La Marie Water Treatment Plant is produced from hydro generator;
- Some 10 kw of electricity is produced from Grid tie photovoltaic system installed at CWA Head-Office, St Paul;
- PV lighting system has also been installed at Head-Office and several reservoir sites;

- In line with the Energy Efficiency Act, CWA has initiated action for the commissioning of an Energy Audit on 12 sites;

- Installation of Variable Speed Drives and Power Factor Correction on various sites;

- Energy Efficiency Parameter is taken into account upon procurement of Pumps at the CWA.

Social Issues

Disabled Employees

In accordance with Schedule 13 Part 1 of the Training and Employment of Disabled Persons Board Act, an employer having a workforce of 35 or more workers should employ disabled persons representing 3% of the total labour force.

In the fulfilment of its responsibility to assist persons with disabilities to completely integrate the mainstream of society, we endeavour to ensure compliance with the aforesaid Act.

As at **30 June 2023**, twelve (12) disabled employees were in post in the Authority.

Consumption of 0 – 6 m³ free of charge

As at **30 June 2023**, some **81,833** domestic consumers (representing 20% of the total consumers) were exempted from payment of water bills as their monthly consumption was up to 6m³. This measure has been implemented with effect from **01 January 2016** following Cabinet decision to supply 6 cubic metres of water free of charge to domestic consumers who consume (0 – 6) cubic metres per month in respect of one residential property only. This exemption amounted to the tune of **Rs 40M** for the 12 months ended **30 June 2023**.

Political & Charitable Donations

During the period under review, no political and charitable donations were made.





AUDIT

EXTERNAL AUDIT

In accordance with Section 5 of the Statutory Bodies (Accounts and Audit) Act, the Financial Statements of the Authority are subject to audit by the National Audit Office.

The objectives of the audit are:

- (a) To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the opinion of the Director of Audit;
- (b) To obtain sufficient and appropriate audit evidence to report on whether the Central Water Authority has complied with the Statutory Bodies (Accounts and Audit) Act, the Central Water Authority Act and other applicable legislations, in so far as they relate to its accounts.

Meeting with the Audit Committee

The Board has established a formal arrangement through the Audit & Risk Committee to maintain an appropriate relationship with both the internal and external auditors.

INTERNAL AUDIT

The Authority has an independent Internal Audit Division which reports functionally to the Audit and Risk Committee and administratively to the General Manager.

- A proper communication line has been established between the Chairperson of the Audit & Risk Committee and the Head of the Internal Audit Division of the Authority.

The responsibility of the Internal Audit Division is to evaluate and provide reasonable assurance that the risk management, internal process & control and governance systems are functioning as intended to achieve the Authority's goals and objectives.

With a view to ensuring that the Internal Activities are effectively managed and add value to the organisation, the internal audit plan is developed based on prioritization of areas using a **risk-based approach**. The level of risk is assessed based on the operational activities carried out by the Authority, its funding requirements and the weaknesses identified during audit tests carried out in the past by Internal or External Auditors. Moreover, particular attention is also paid to those risks which are inherent by nature and an attitude of professional skepticism and judgmental approach is also adopted when different areas are selected to include in the Audit Plan so that appropriate recommendations can be made.

The Internal Audit Plan is discussed and approved by the Audit & Risk Committee on a yearly basis at the beginning of the Financial Year and is ratified by the Board.

RELATIONS WITH KEY STAKEHOLDERS

All major works that are being undertaken at the level of CWA with a view to improving the water supply situation in Mauritius are communicated to the major stakeholders (consumers) by way of media broadcasts, communiqués.

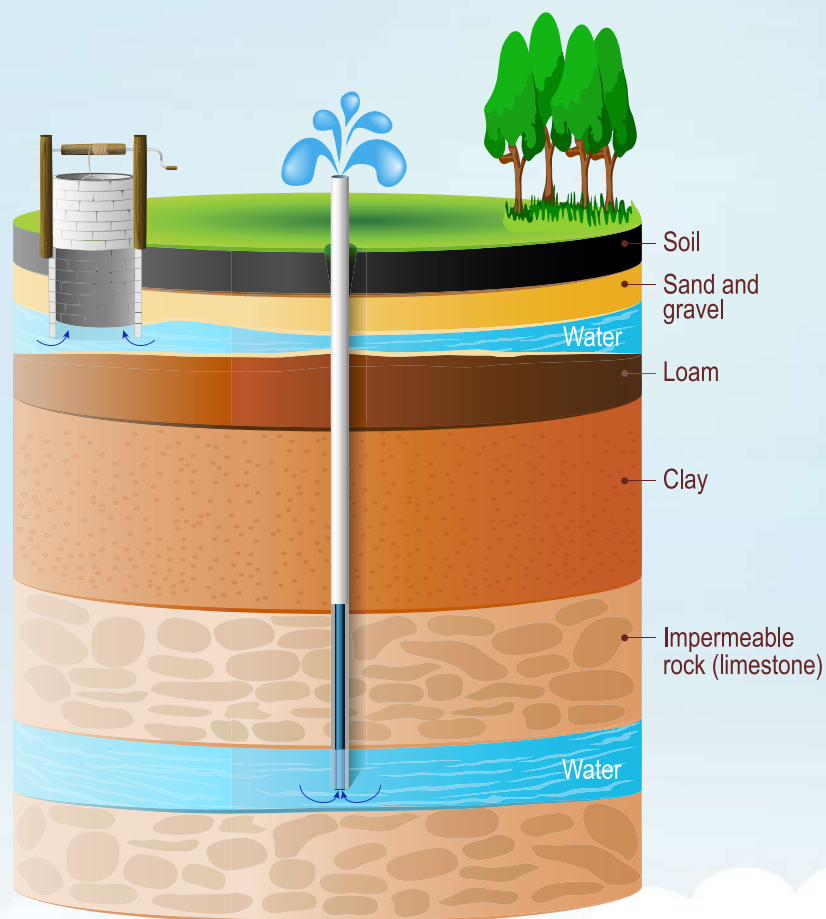
OPERATIONAL OVERVIEW



Water Production & Distribution

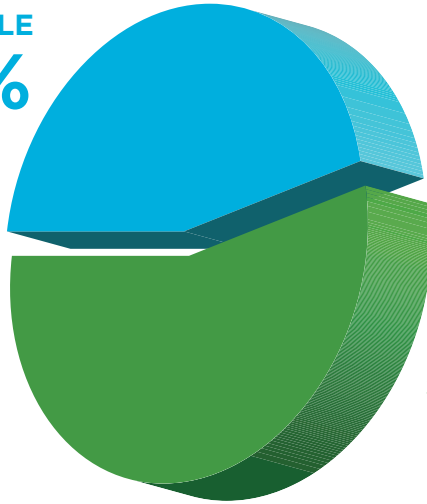
As an essential service organisation and in line with its strategic objectives, CWA continued to progress on its journey in water production and distribution to all its subscribers. To support the rapidly growing demand of our customers, CWA has taken steps towards further developing its capabilities to increase production, storage capacity and also exploiting new water sources.

Water supplied in Mauritius comes from two different sources, namely Surface water and Groundwater.



SOURCES OF WATER

BOREHOLE
45%



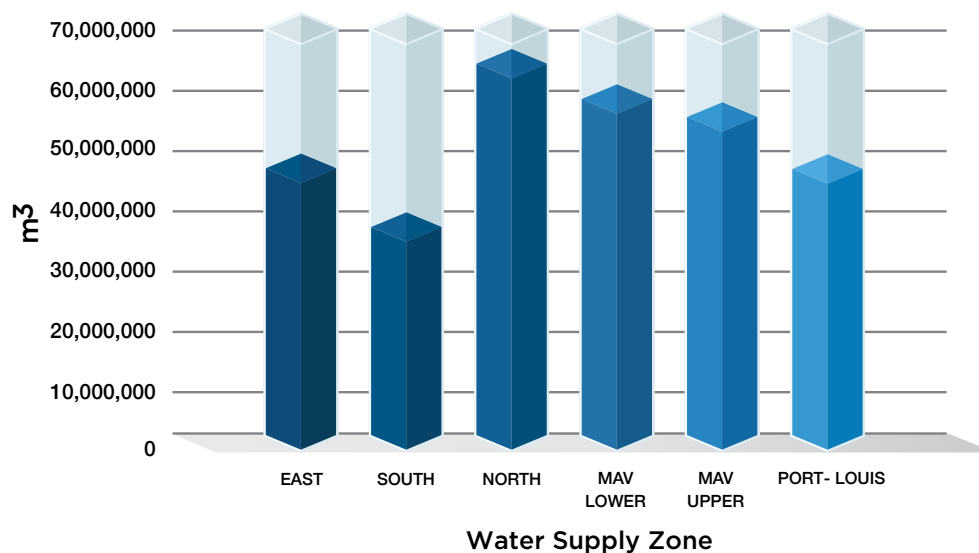
SURFACE
55%

45% of our total raw water resources is derived from groundwater abstracted from boreholes. The water is then chlorinated and injected into our distribution network or service reservoirs. The remaining water for distribution is obtained from surface sources and is treated at CWA's treatment plants and Containerised Pressure Filters (CPFs).

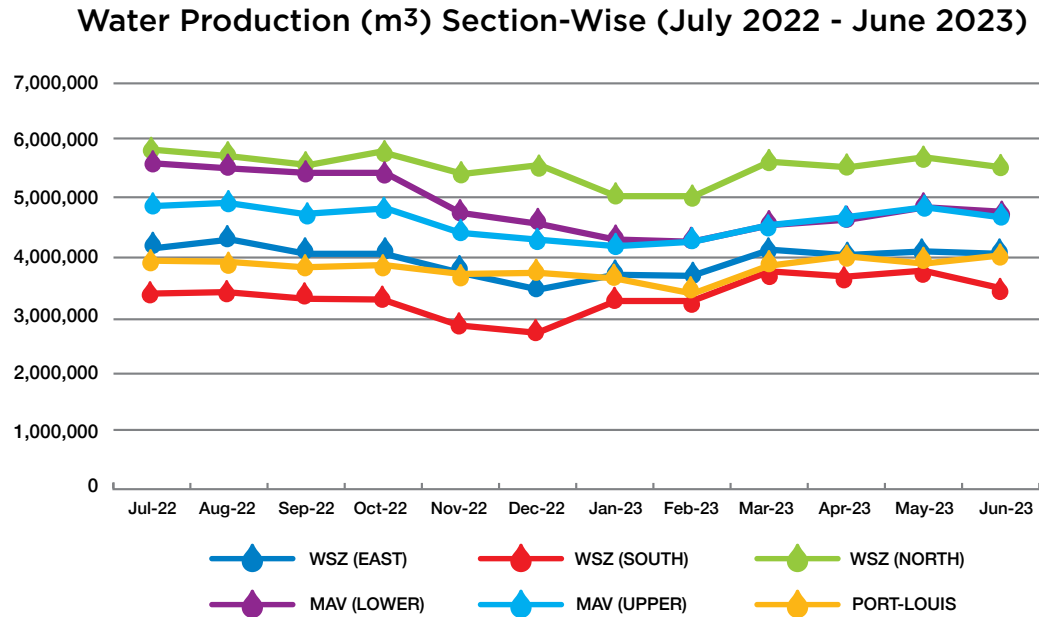
Potable water is supplied across the island through six distribution systems that are organised in six water supply zones.

The total water production for FY 2022/23 stood at 313.2M m³. The water production for the six Water Supply Zones is shown hereunder:

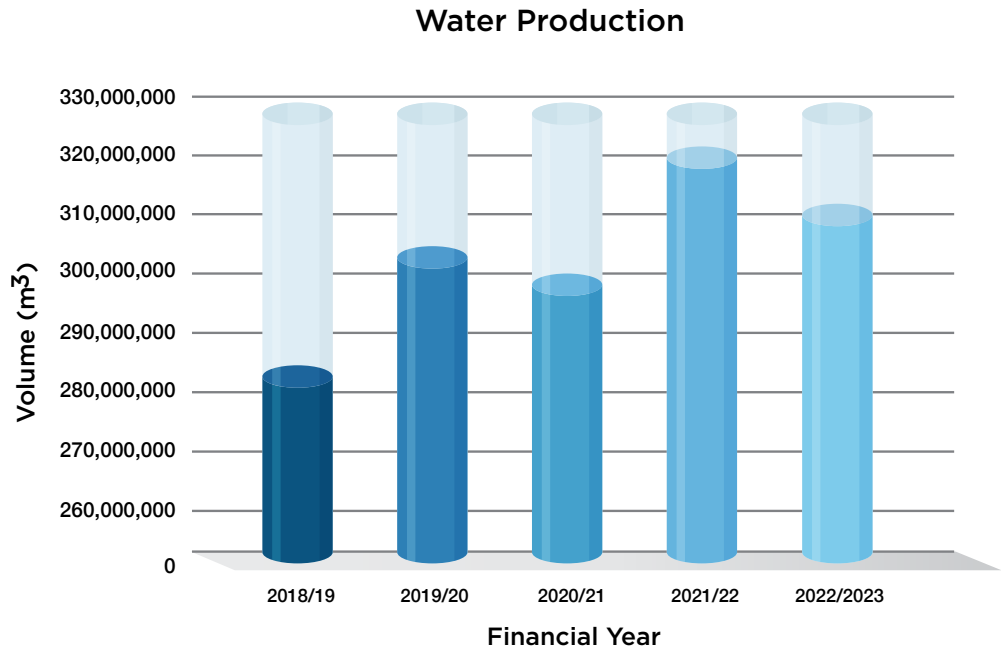
Total Water Production (Zone-Wise) - July 2022 - June 2023



Water production on a monthly basis in the six Zones is depicted in the graph below:

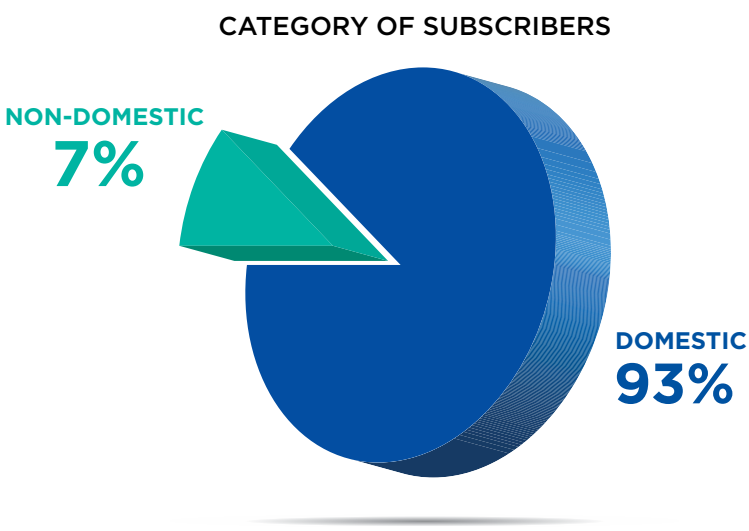
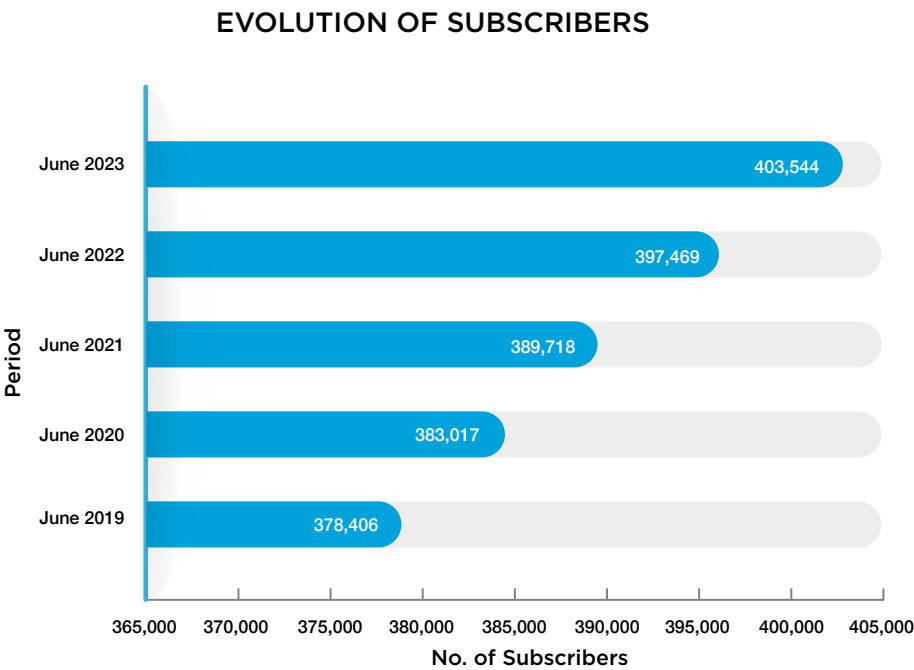


The total water production over the last five (5) years is depicted in the graph below. The drop in production during FY 2022/23 was due to the severe drought which affected the island during the period October 2022 to February 2023.

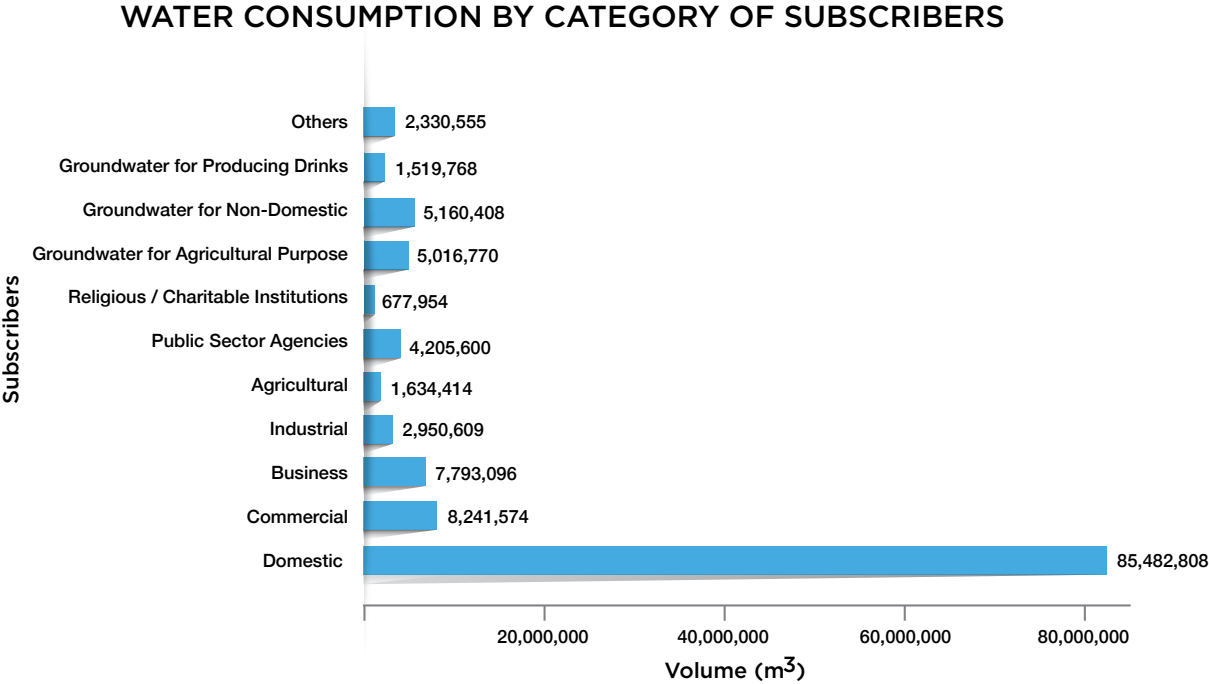


CWA's Subscribers

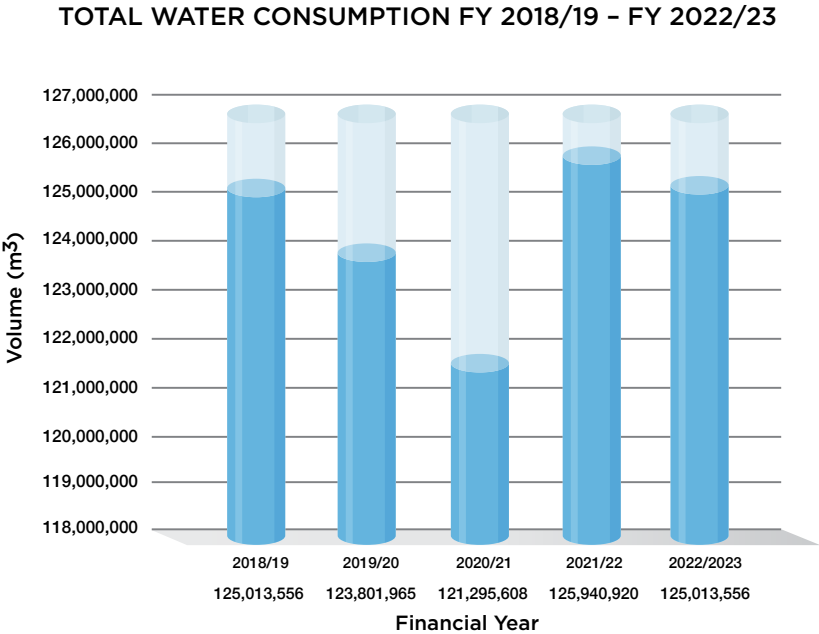
CWA's subscribers comprise domestic and non-domestic consumers (commercial, business, industrial, agricultural, government and other religious and charitable organisations). The evolution of our subscribers over the last five (5) years is shown in the graph below:



The volume of water consumption for the **FY 2022/23** amounted to 125M m³ . The consumption by category of subscribers is shown below:



The total water consumption over the last five Financial Year (2018/19 - 2022/23) as below:



Pipe Replacement Programme

During the Financial Year 2022/23, emphasis was laid on reduction in Non-Revenue Water (NRW) and leakages with the ultimate objective of improving the water supply distribution in all the six (6) Water Supply Zones and the elimination of black spot areas.

An ambitious plan has been worked out to replace some 500 kms of most critical pipelines (very old with high level of encrustation, obsolete with inadequate carrying capacity coupled with high leakages island wide contributing to high level of NRW).

With the successful in-house implementation of hydraulic works in Rose-Hill and Laventure (projects abandoned by major Contractors) during October to December 2022, Management decided to replace part of the pipes by In-House teams. It is

worth mentioning that the start was very difficult as several problems were encountered, namely lack of equipment and logistics, lack of experienced manpower and unfavourable weather conditions.

The strategy for the replacement of some 500 kms pipeline across the island has been devised as follows:

(a) In-House Pipe Replacement Programme (Up to 1 km)

This concerns mainly replacement of pipes in small laterals roads / lanes in different localities all over the island.

(b) Pipe Replacement by Small and Medium Contractors (1 km to 3 kms)

Pipe replacement works of length between 1 km to 3 kms (excluding

classified roads) to be undertaken by Small and Medium Contractors. These pipelines concern mainly the medium lateral roads all around the island.

(c) Pipe Replacement by Major Contractors (3 kms above)

These projects concern mainly those situated along main classified roads, where the Road Development Authority (RDA) imposes very strict conditions for wayleave.

Pipe Replacement during FY 2022/23

During the year under review a total of **59.81 kms** of pipes have been replaced in the six (6) Water Supply Zones as detailed in the table below:

Zone	CWA In-House Team	Major Contractor	Total
	km		
WSZ (East)	10.90	5.20	10.90
WSZ (South)	15.65		15.65
WSZ (North)	9.06		14.26
WSZ (MAV Lower)	10.80		10.80
WSZ (MAV Upper)	6.65		6.65
WSZ (Port Louis)	1.55		1.55
TOTAL	54.61	5.20	59.81



- › Pipe Replacement by CWA In-House Teams in the six Zones started as from **March 2023**;
- › There was no Pipe Replacement by SME Contractors during the FY 2022/23 as contracts had not yet been awarded. Registration of Contractors had been completed and procurement proceedings were in progress as at end June 2023;
- › As at **30 June 2023** 5.2 kms of pipe had been replaced by Major Contractors under the following contract:

Project	Commencement Date	Completion Date
C2019/87 - Renewal of Service Main and Laterals from Bois Mangués Reservoir to Fond du Sac	16-May-22	10-Jun-23

It is worth mentioning that during the period March to May 2023, the Planning and Design of the Authority launched bids for pipelaying works at St Julien D’Hotman, Quatre Cocos, Mahebourg Phase 1, Pierrefonds and Upgrading of Poudre D’Or Balancing Tank. However, CWA could not proceed with the award of the bids as none of the bids received for the above-mentioned works were responsive. As a result thereof, the procurement proceedings had to be launched again.



Incremental Volume of Water for Period July 2022 to June 2023

With a view to improving water supply distribution in water stressed and black spot areas across the island, new water sources have been exploited from (i) surface sources (river intake and canals) and underground sources (new boreholes drilled and existing boreholes taken over from the private operators). During the FY 2022/23, a total volume of 68,072 m³/d of incremental water has been treated and put into the distribution network in the different Zones as detailed below:

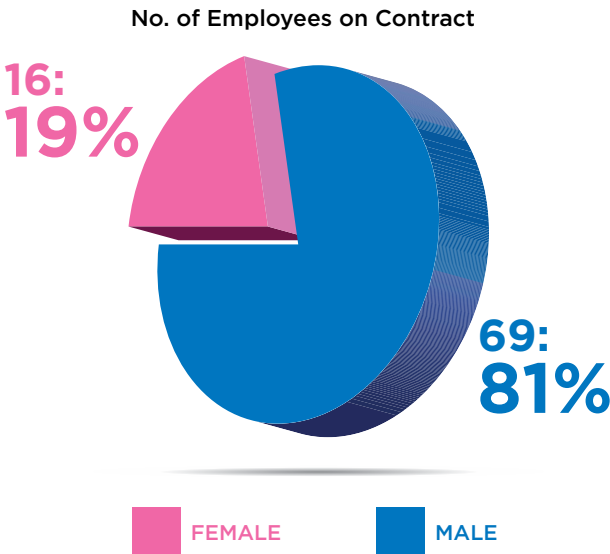
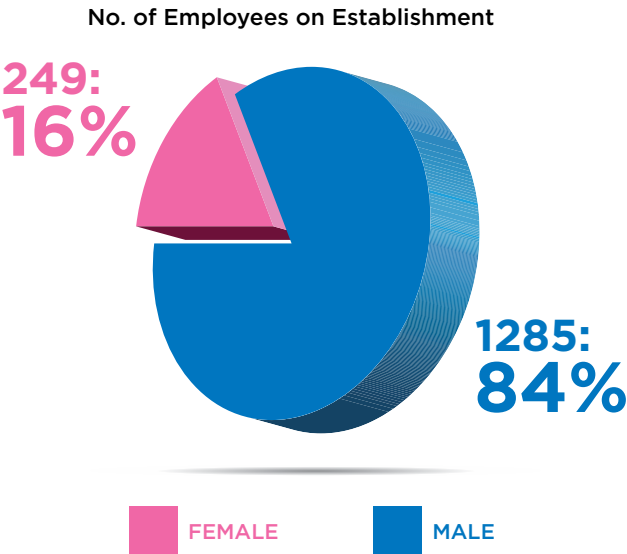
SN	Water Supply Zone	Site	Source of Water	Incremental Yield (m ³ /day)
1	North	St Antoine Dugwell	Existing Borehole	2,880
2	North	Beau Plan	Existing Borehole	3,120
3	North	Endemika	Existing Borehole	2,880
4	North	Bassin Solitude	Surface (CPF)	2,500
5	North	Haute Rive Dam	Surface (CPF)	2,000
6	North	Grand Marais	Surface (CPF)	2,500
7	North	Creve Coeur River Intake	Surface (CPF)	2,500
Total North				18,380
8	East	Petit Bois	Existing Borehole	1,440
9	East	Constance BH 729	Existing Borehole	1,680
10	East	Pt Retraite BH	Existing Borehole	1,000
11	East	Beau Champ Canal	Surface (CPF)	5,000
12	East	Melrose Feeder Canal	Surface (CPF)	2,500
13	East	Pont Lardier	Surface CPF	2,500
Total East				14,120

SN	Water Supply Zone	Site	Source of Water	Incremental Yield (m ³ /day)
14	South	Les Mares	Existing Borehole	7,200
15	South	Agria	Existing Borehole	4,320
16	South	AML	Existing Borehole	9,072
17	South	Plaine Magnien Upgrading	Existing Borehole	500
18	South	Balisson	Surface (CPF)	1,800
Total South				22,892
19	MAV Lower	UBP Geoffroy	Existing Borehole	1,200
20	MAV Lower	Bois Noir	Surface (CPF)	2,500
Total MAV Lower				3,700
21	MAV Upper	Cote D'Or BH1358	New Borehole	960
22	MAV Upper	Valentina Soniawear	Existing Borehole	5,520
23	MAV Upper	Dagotiere La Digue	Surface CPF	2,500
Total MAV Upper				8,980
Grand Total				68,072

Water Quality

In accordance with the CWA Act, the CWA has the responsibility to ensure that water supply conforms with such standards as are laid down by law. As such, prior to water distribution in our network, tests are performed at the Water Quality Laboratory to ensure compliance with WHO Guidelines and National Drinking Water Standards. The Scientific Services of the CWA has two (2) laboratories (Chemistry and Microbiology) which are both accredited to ISO 17025:2017 for ensuring its Quality Management System and testing services to international standards. CWA has also set up a Micro-algae laboratory for the identification and enumeration of algae in the impounding reservoirs in Mauritius.

Our Manpower & Training



During the year under review a total of 122 employees (55 on Establishment and 67 on Contract basis) were recruited in different grades.

In line with our objective to improving knowledge, skills, job performance, work behaviour and to value our employees, several training sessions (in-house, local and overseas) have been provided to employees in different grades.



In-House Trainings

Subject Matter	Organising Body	Grades	Total Participants
Violence at Work	CWA	Operations & Meter Reading Staff	115
New Customer Service System	CWA	CX Agents	8
Leak Detection Equipment	Aqualia Co Ltd	NRW Staff	11
Electrical Safety	Ministry of Labour	M&E Technicians	53
Oracle EBS Purchasing & Inventory Modules	Agelium Ltd	Procurement Staff	13

Local Trainings

Subject Matter	Organising Body	Grades	Total Participants
Social Media Marketing & Graphic	LC Experts Enterprise Ltd	CX Coordinator	1
Electrofusion	Pipe Technology Centre	Operative	5
Management of Service Agreements - FIDIC Contracts (Module O)	Association of Consulting Engineers	Executive Engineers	4
e-Procurement System	Procurement Policy Office	Executive Engineers	2
Upgrading of the existing Public Procurement Portal	Procurement Policy Office	APSO & IT Analyst	3
Strategic Procurement Law	MMA Business School Ltd	Procurement Staff	3
Detection of Counterfeit Notes	Bank of Mauritius Museum	Cashier	4
Project Management and Contract Administration (PGCPMCA) Programme	UTM	Executive Engineer	1
Implementation of SD-WAN	Exclusive Networks Mauritius	IT Analyst	1

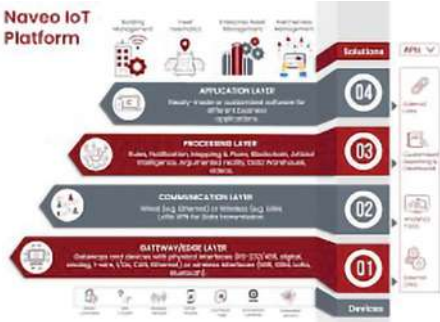
Overseas Trainings / Seminars

Subject Matter	Organising Body	Grades	Total Participants
Online International Training Programme on 'Adoption of Optimized Water Resource Management for Sustainable Development', at IAV Hassan II NELGA and CALTUR, Morocco	AARDO	TO/STO (Laboratory)	1
Online Seminar on Experience and Case Analysis in Atmospheric Pollution Prevention and Mitigation from Guangdong - Hong Kong- Macao Greater Bay Area of China	Government of People's Republic of China	TO/STO (LAB)	1
Online Seminar on Water Safety Management	Government of People's Republic of China	Executive Engineer	2
The use of Nitrogen Isotopes in Water Pollution Studies	International Atomic Energy Agency (IAEA)	Principal Engineer	1
Design, Calibration and Maintenance of Hydraulic Structure	EAPD in collaboration with the Ministry of Water Resources and Irrigation	Engineering Staff	
Strengthening National Isotope Hydrology Capacity and Developing Evidence Based Materials for Groundwater Management -Fellowship Programme	IAEA Morocco	Scientific Officer	1
Flow Measurement & Control Techniques/ Software in Industrial Process & Water Distribution System	ITEC (India)	TO/STO	2
Online Seminar on Small Hydropower and Sustainable Development of Rural Communities for Developing Countries	NRIRE, Ministry of Water Resources/HRC	(EE/SEE) (Chemical/ Environmental)	1

Some major IT Achievements



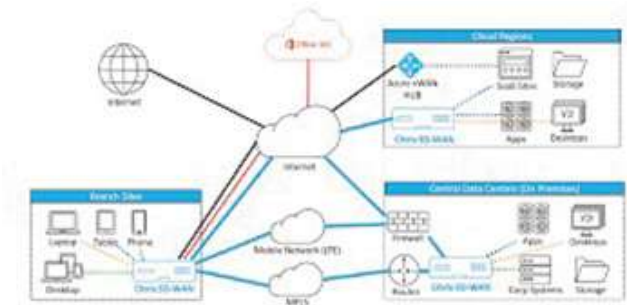
Migration to new Email platform - Microsoft Office 365



Integration of new Fleet System (Naveo) with Apex payment and contract module



Implementation of Anti-Fraud Unit Application



Implementation of Software Defined Wide Area Network (SD-WAN) for CWA Head-Office and Sub-Offices



Migration of Legacy reports onto Apex Platform

Complaints Handling

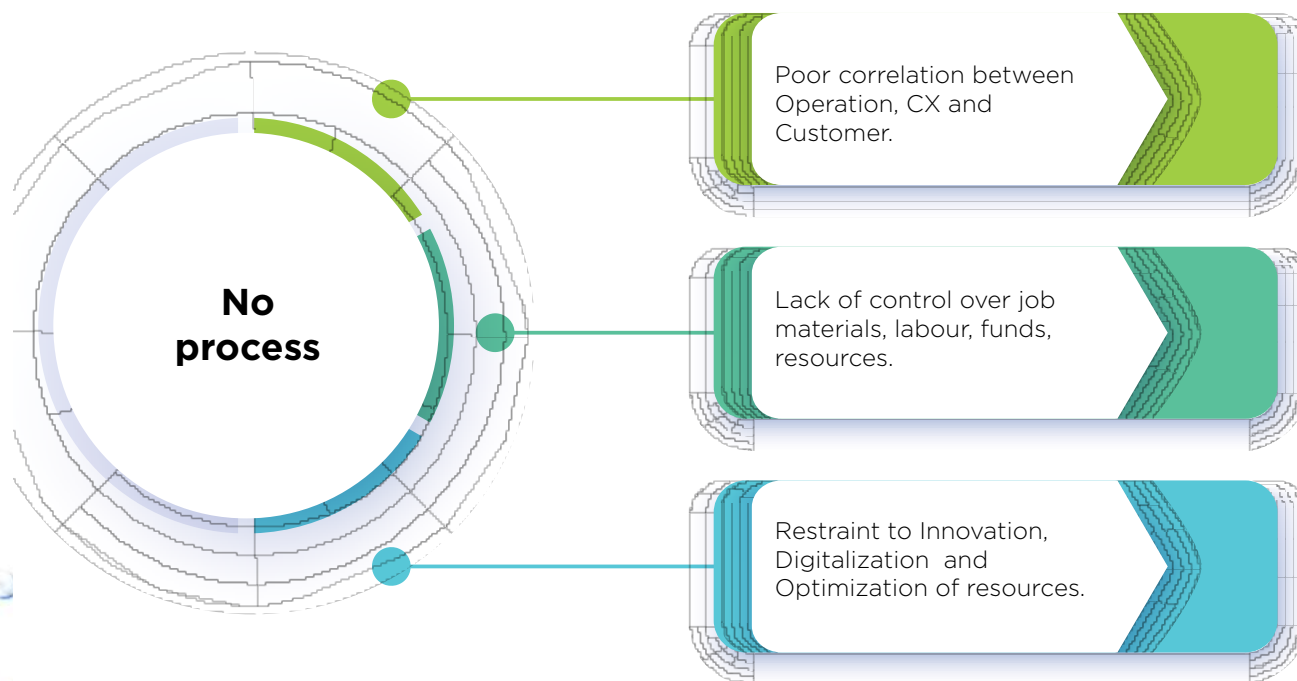
Complaints of customers pertaining to inter-alia, water issues, new supplies, billing are handled by our Customer Agents of the Customer Experience Service Centre through the hotline (170) and also by our PR Staffs at our different sub-offices. A total of 242,712 complaints were received during the year 2022/23 for the six (6) Water Supply Zones. The five main critical complaints received are as follows:

Major Complaints	Qty
No Water	135,028
Broken Main	1,997
Leaks	49,303
Broken Communication Pipe	3,409
Water Quality	1,406



In line with its endeavour to improving the service to our valued customers, CWA has set up its in-house Customer Experience Service Centre which was fully operational in July 2022. The department is headed by a Head of Customer Experience and the other employees forming part of the team are CX Coordinators, Team Leaders and Customer Agents.

Existing model vs Upcoming model



Upcoming model:

- Strengthen data collection
- Stronger resource management
- Control over operations
- Reduce costs & time
- Data-driven customer insights
- A better customer experience
- Encourages digital culture (with improved collaboration)
- Increase agility
- Improve productivity

FINANCIAL REVIEW AND HIGHLIGHTS



FINANCIAL REVIEW AND HIGHLIGHTS

JULY 2022 TO JUNE 2023

The Authority showed a deficit of Rs 385 Million in the financial year 2022/23 before accounting for Finance Costs of Rs 195 Million, thus ending with a Net Deficit of Rs 580 Million as compared to a bottom-line reported deficit of Rs 474 Million in the previous financial year. During the year under review, the Authority experienced a slight drop of 0.3% in its total assets in 2022/23 as compared to 2021/22, mainly due to a fall in its cash balances.

Total liabilities increased by 8% mainly due to an increase in borrowings and other payables.

At 30 June 2023, cash and cash equivalents stood at Rs 171M (2021/22: Rs 316M). The Authority had no term deposits with local banks at year-end.

Main Financial Indicators

(1) Operating Ratio

The Operating ratio, showing the ability of the Authority to finance its operating expenses from its operating revenue, increased to 1.04 in 2022/23 (2021/22: 0.96). This was due to an increase in operating expenses in 2022/23.

(2) Operating Cash Flow ratio

This ratio indicates the ability of the Authority to meet its loan repayment and interest on loans from operations.

OCF ratio was 1.02 times the finance costs in 2022/23 (2021/22: 2.05 times). This fall was attributed to a fall in Operating Surplus (i.e. Surplus before depreciation and finance costs) as a result of an increase in operating expenses.

(3) Liquidity Ratio

As at 30 June 2023, liquidity ratio fell to 0.05 times (2021/22: 0.12 times) due to an increase in the Authority's cash outflows and borrowing costs.

(4) Gearing Ratio

The gearing ratio (long-term loan to equity) stood at 16% (2021/22: 17%).

SUMMARY OF FINANCIAL MATTERS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1.0 REVENUE ACCOUNT

1.1 Financial Results

A summary of CWA's 10-Year Financial Results is provided hereunder:

ITEM	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17 (18 months)	2015	2014	2013
Rs M										
Income	2,146	1,937	3,012	1,808	2,078	1,843	2,535	1,781	1,769	1,754
Expenditure	(2,726)	(2,411)	(2,137)	(2,141)	(2,104)	(2,302)	(2,425)	(1,629)	(1,561)	(1,537)
Surplus/ (Deficit)	(580)	(474)	874	(333)	(26)	(459)	110	152	208	217

1.2 Analysis of Income and Expenditure

i. Potable and Irrigation Water Supply Services

Income

Total income from Potable and Irrigation Water Supply Services represents 55.5% (Year 2021/22: 64.0%) of total expenditure.

Finance Costs and Depreciation

Finance costs and depreciation represent **28.5%** (Year 2021/22: 28.9%) of total expenditure.

Depreciation and amortization provisions made in the Accounts amount to **Rs 583M** (Year 2021/22: Rs 589M).

Deficit for the Year

The deficit for the year is **Rs 580M** representing **27.0%** of total income (Year 2021/22: 24.5%).

Cash Generated from Operating Activities

Cash generated from operating activities amounts to **Rs 398M** (Year 2021/22: Rs 375M).

ii. Potable Water Supply Service

Percentage Revenue Collectible

The percentage revenue collectible from each category of consumers falling in this service is as follows:

Category of Consumers	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17 (18 months)	2015	2014	2013
Percentage of total revenue collectible										
Domestic	54	55	56	53	52	53	53	53	54	54
Non-Domestic	39	37	36	39	40	39	39	39	38	38
Government	8	8	8	8	8	8	8	8	8	8

Income

Potable Water Sales have contributed a sum of **Rs 1.48 Bn** (Year 2021/22: Rs 1.50 Bn) of the overall revenue which represented 68.9% (Year 2021/22: 77.5%) of total operating income.

iii. Irrigation Water Supply Service

Irrigation Water Sales have contributed a sum of **Rs 34.3M** (Year 2021/22: Rs 43.5M) of the overall revenue which represented **1.6%** (Year 2021/22: 2.2%) of total operating income.

2.0 CAPITAL ACCOUNT

2.1 Net Cash Outflow from Investing Activities

Net Cash Outflow from Investing Activities for the Financial Year ended 30 June 2023 amounted to **Rs 638M** (Year 2021/22: Rs 453M).

2.2 Additions to Non-Current Assets

Assets capitalized during the year amounted to **Rs 662M** (Year 2021/22: Rs 342M).

2.3 Assets Under Construction

Assets Under Construction as at 30 June 2023 amounted to **Rs 753M** (Year 2021/22: Rs 776M).

3.0 FINANCIAL TARGETS

3.1 General

Most of the Loan Agreements provide that the Authority shall generate sufficient revenue to cover:

- i. operating expenses;
- ii. depreciation;
- iii. interests on borrowings and repayment of long-term indebtedness to the extent that it does not exceed the depreciation provisions; and
- iv. a surplus for financing a reasonable portion of future expansion.

3.2 International Bank for Reconstruction and Development (IBRD) Requirements

- i. Assets to be revalued from time to time in accordance with sound and consistently maintained method of valuation satisfactory to the Bank;
- ii. The Authority to bill domestic consumers on actual consumption;
- iii. Arrears collectible not to exceed 3 months' average bills;
- iv. An annual debt service coverage of not less than 1.5 times.

3.3 Ex-Management Audit Bureau (MAB) (Now, Office of Public Sector Governance) Requirements

The MAB recommended in 1992 that the Authority should endeavour to achieve the following targets:

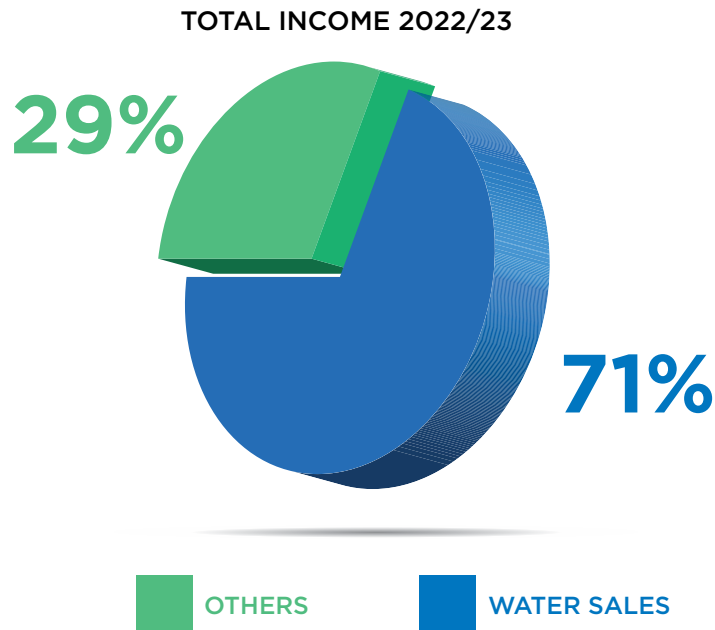
- i. an operating ratio of 0.75 to 0.80;
- ii. a rate of return of not less than the minimum rate of interest on its loans which is 1.85%;
- iii. a current ratio of 1.25 and a liquidity ratio of 1.00;
- iv. an annual debt service coverage of 1.50 - 2.00;
- v. a debt/net assets ratio of less than 0.50 and a debt/equity ratio below 1.0;
- vi. an average collection period of 2 months and a receivable turnover of 6.00.

3.4 European Investment Bank (EIB) Requirements

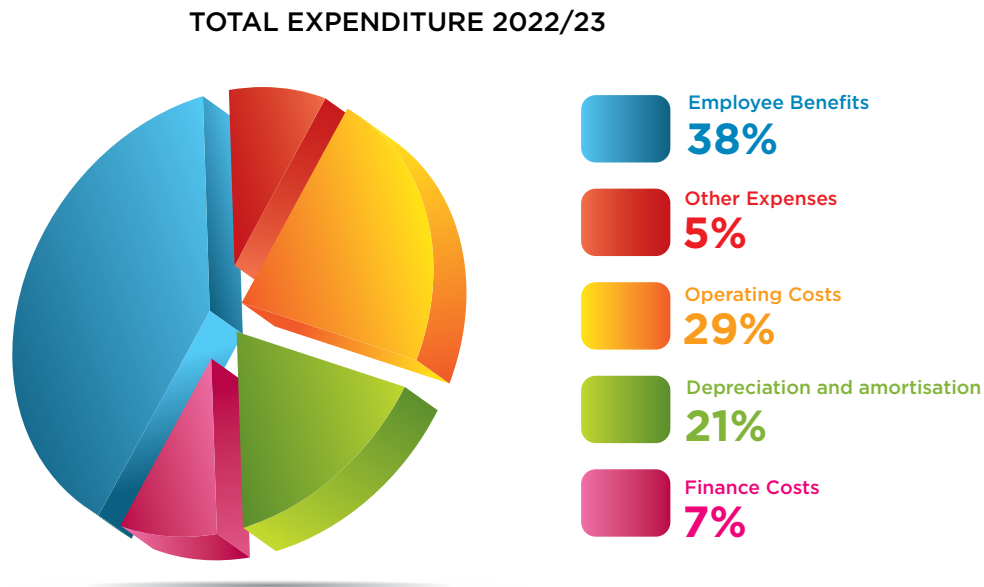
As per a former Loan Agreement with EIB, the Authority had to maintain an *Operating Cash Flow* which is not less than 1.5 times its *financial costs*.

4.0 THE WATER INCOME RUPEE

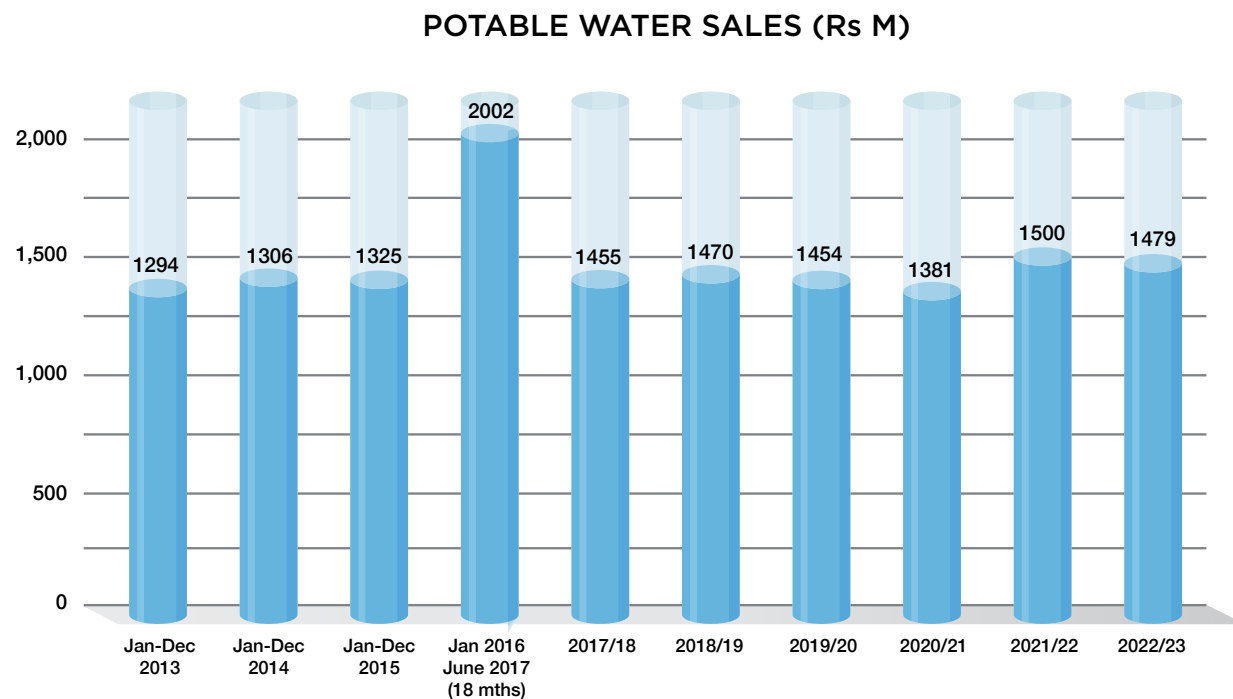
The water income rupee was earned as follows:



The water income rupee was spent as shown below:



5.0 TEN-YEAR TREND ANALYSIS OF REVENUE



6.0 PERFORMANCE INDICATORS

6.1 Key Ratios

6.1.1 Statement of Financial Position

YEAR	Jul 22 - Jun 23	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 18 - Jun 19	Jul 17 - Jun 18	Jan 16 - Jun 17	Jan 15 - Dec 15	Jan 14 - Dec 14	Jan 13 - Dec 13
Current Ratio	0.24	0.35	0.4	0.4	0.44	0.65	0.40	0.34	0.61	0.42
Liquidity Ratio	0.05	0.12	0.16	0.23	0.34	0.44	(0.01)	0.04	0.29	0.11
Gearing ratio	0.16	0.17	0.17	0.20	0.19	0.16	0.22	0.18	0.18	0.15
Debt/Equity Ratio	0.38	0.35	0.33	0.42	0.37	3.66	6.17	5.13	4.80	4.37
Average Collection Period	126.5 days	119 days	118 days	103 days	97 days	2.19 mth	1.50 mth	2.08 mth	2.03 mth	2.00 mth
Receivable Turnover	2.9	3.1	3.1	3.5	3.8	5.76	8.00	5.76	5.90	6.01

6.1.2 Statement of Comprehensive Income

YEAR	Jul 22 - Jun 23	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 18 - Jun 19	Jul 17 - Jun 18	Jan 16 - Jun 17	Jan 15 - Dec 15	Jan 14 - Dec 14	Jan 13 - Dec 13
Rate of Return (%)	(0.02)	(0.02)	0.06	(0.01)	0.01	(0.03)	2.00	2.00	3.00	3.00
Operating Ratio	1.04	0.96	0.9	0.84	0.82	1.18	0.90	0.86	0.83	0.84
Debt Servicing Ratio	0.07	0.05	0.05	0.09	0.07	0.05	0.06	0.06	0.06	0.05
Financing Ratio	(1.98)	(3.36)	(1.1)	(0.9)	0.83	(2.67)	1.71	2.50	3.33	4.06

6.1.3 Cash Flow Statement

YEAR	Jul 22 - Jun 23	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 18 - Jun 19	Jul 17 - Jun 18	Jan 16 - Jun 17	Jan 15 - Dec 15	Jan 14 - Dec 14	Jan 13 - Dec 13
Operating Cash Flow Ratio	1.02	2.05	4.36	2.09	4.46	4.27	3.07	5.64	5.71	3.54

6.2 RATIO DEFINITIONS

- The **Current ratio** gauges the ability of the Authority to meet its short term financial obligations.

$$\text{Current ratio: } \frac{\text{Current Assets}}{\text{Current Liabilities}}$$
- The **Liquidity ratio** (Acid Test ratio) denotes the ability of the Authority to meet its immediate financial obligations.

$$\text{Liquidity ratio: } \frac{\text{Bank deposits and Cash \& Bank balances}}{\text{Current Liabilities}}$$
- Gearing ratio** indicates the financial dependability of the Authority on its long-term loans.

$$\text{Gearing ratio: } \frac{\text{Long-Term Loans}}{\text{Total Assets - Current Liabilities}}$$
- Debt/Equity ratio** indicates the Authority's burden of debt in relation to its equity.

$$\text{Debt/Equity ratio: } \frac{\text{Short-term + Long-term Loans}}{\text{Equity Capital + Reserves}}$$

Note: Calculated as per the following formula in previous years: $\frac{\text{Total Liabilities}}{\text{Equity Capital}}$

5. **Average collection period** indicates the time taken by the Authority to collect its debts on water sales.

Average collection period: $\frac{\text{Average Gross Debtors} \times 12 \text{ months or } 365 \text{ days}}{\text{Water Sales}}$

6. **Receivable turnover** measures the Authority's effectiveness in collecting its debts from customers, i.e. the number of times it collects its average accounts receivable balance per year.

Receivable Turnover: $\frac{\text{Water Sales}}{\text{Average Gross Debtors}}$

7. The **Rate of return** indicates the financial return generated from the assets employed by the Authority.

Rate of return: $\frac{\text{Surplus}/(\text{Deficit}) \text{ before interest}}{\text{Rate base}}$

8. The **Operating ratio** gauges the ability of the Authority to finance its Operating Expenses from its Operating Revenue.

Operating ratio: $\frac{\text{Total expenditure before interest and depreciation}}{\text{Operating income}}$

9. The **Debt servicing ratio** gauges how large a burden interests are as part of the total operational expenses.

Debt servicing ratio: $\frac{\text{Interest charged to operations}}{\text{Total expenditure including interest}}$

10. The **Financing ratio** gauges the ability of the Authority to meet its total interest commitments.

Financing ratio: $\frac{\text{Surplus}/(\text{Deficit}) \text{ before interest}}{\text{Total interest}}$

11. The **Operating Cash Flow ratio** indicates the ability of the authority to meet its loans repayment and interest on loans from operations.

Operating cash flow ratio: $\frac{\text{Surplus before depreciation and financial costs}}{\text{Financial Costs}}$



**REPORT OF THE
DIRECTOR OF AUDIT**

On the Financial Statements
of the Central Water Authority
for the year ended 30 June 2023

NATIONAL AUDIT OFFICE



REPUBLIC OF MAURITIUS

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE CENTRAL WATER BOARD

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Central Water Authority, which comprise the statement of financial position as at 30 June 2023 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of annual estimates and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Central Water Authority as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Central Water Authority in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Litigation Cases

I also draw attention to Note 30 (a)(ii) to the financial statements, which describes the effects of the arbitration award in the court case with respect to contract "C2012/44- Permanent works for the abstraction and treatment of pumped raw water from new intake at River Rempart to Salazie Reservoir".

My opinion is not modified in respect of the matter.

14th Floor, Air Mauritius Centre, President John Kennedy Street, Port-Louis, Republic of Mauritius
Tel: 212 2096/212 2097/211 0882 - Fax: (230) 211 0880 - WhatsApp: 5919 4442 - Email: aud@govmu.org - Website: <https://nao.govmu.org>

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Central Water Authority, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSAs, 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.

In preparing the financial statements, management is responsible for assessing the Central Water Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Central Water Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Opinion

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

In accordance with the requirements of the Statutory Bodies (Accounts and Audit) Act, I report as follows:

- (a) this Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (b) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, expenditure incurred were not of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (c) in my opinion, the Authority has been applying its resources and carrying out its operations economically, efficiently and effectively.

Other Matter

The financial statements for the financial year ended 30 June 2023 were received at my office on 17 November 2023. Following completion of audit in May 2024, amendments were made to the financial statements, and the amended financial statements were submitted on 30 October 2024.

Public Procurement Act

In accordance with the requirement of the Public Procurement Act, the auditor of every public body shall state in his annual report whether the provisions of Part V of the Act have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.

Financial Reporting Act

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code.

From my assessment of the disclosures made on corporate governance in the annual report, the Central Water Authority has, pursuant to Section 75 of the Financial Reporting Act, complied with requirements of the Code.

Basis for Opinion

I performed procedures, including the assessment of the risks of non-compliance with laws and regulations, to obtain audit evidence to discharge my responsibilities as described in the 'Auditor's Responsibilities' section of my report as referred to below. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Central Water Authority's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence;

- (d) in my opinion, the Central Water Authority has been applying its resources and carrying out its operations economically, efficiently and effectively;
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with;
and
- (f) the Central Water Authority has complied with the National Code of Corporate Governance in accordance with the Financial Reporting Act.



DR D. PALIGADU
Director of Audit

National Audit Office
14th Floor,
Air Mauritius Centre
PORT LOUIS

6 March 2025



FINANCIAL STATEMENTS



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Notes	2023	Restated 2022
Assets			
Current Assets			
Cash and cash equivalents	3.1	171,261,346	316,134,094
Receivables from exchange transactions	4	380,664,059	386,006,502
Other receivables from exchange transactions	5	50,482,049	18,591,874
Loans and advances	6	6,588,640	6,069,584
Inventories	7	76,974,739	71,341,550
Prepayments	8	51,283,743	63,818,424
Other current assets	9	52,558,499	31,527,854
Total current assets		789,813,075	893,489,882
Non-current assets			
Loans and advances	6	15,757,317	15,401,141
Prepayments	8	274,933	277,811
Property, plant and equipment	10	15,965,556,390	15,878,432,023
Assets under construction	11	753,497,420	775,660,455
Intangible assets	12	18,535,320	26,794,526
Total non-current assets		16,753,621,380	16,696,565,956
Total assets		17,543,434,455	17,590,055,838
Liabilities			
Current liabilities			
Payables under exchange transactions	13	1,533,784,479	1,093,830,032
Bank overdraft	3.2	75,303,491	-
Deposits	14	115,131	111,741
Borrowings	15	1,154,437,685	860,453,639
Employee benefits obligation	16	46,195,559	34,770,599
Provisions	17	-	55,274,591
Other current liabilities	18	521,516,060	518,305,577
Total current liabilities		3,331,352,405	2,562,746,179
Non-current liabilities			
Deposits	14	115,016,186	111,629,432
Borrowings	15	2,232,219,460	2,487,307,211
Employee benefits obligation	16	2,905,036,451	2,791,963,692
Total non-current liabilities		5,252,272,097	5,390,900,335
Total liabilities		8,583,624,502	7,953,646,514
Net assets		8,959,809,953	9,636,409,323
Net assets/equity			
Contributed capital	19	1,915,450,607	1,915,450,607
Accumulated surplus	19	7,044,359,346	7,720,958,716
Total net assets/equity		8,959,809,953	9,636,409,323

The accompanying notes form an integral part of the Financial Statements.

The Financial Statements were authorised for issue by the Central Water Board on 29/10/24 and signed on its behalf by:

Signature:

Name: SEETOHUL ROSHAN
CHAIRMAN

Signature:

Name: H.R. URDHIH
BOARD MEMBER

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2023

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Notes	2023	2022
Revenue from exchange transactions	20	1,871,913,089	1,793,897,623
Revenue from non-exchange transactions	21	274,513,867	142,784,094
Total revenue		2,146,426,956	1,936,681,717
Expenses			
Operating costs	22	791,957,392	622,166,543
Employee benefits	23	1,022,192,848	913,933,552
Depreciation and amortization	24	583,319,589	588,726,570
Finance costs	25	194,504,241	108,808,370
Other expenses	26	135,734,188	178,100,580
Gain on foreign currency transactions	27	(1,245,162)	(555,279)
Total expenses		2,726,463,096	2,411,180,337
Deficit for reporting period		(580,036,140)	(474,498,620)

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2023

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Contributed Capital	Accumulated Surplus	Total
Balance as at 01 July 2021	1,915,450,607	8,110,167,919	10,025,618,526
Prior year adjustment			
Deficit for the year		(474,498,620)	(474,498,620)
Remeasurement loss on defined benefit obligations		(204,727,247)	(204,727,247)
Balance as at 30 June 2022	1,915,450,607	7,430,942,052	9,346,392,659
Prior year adjustment (Note 2)		290,016,664	290,016,664
Balance as at 30 June 2022 (as restated)	1,915,450,607	7,720,958,716	9,636,409,323
Balance as at 01 July 2022 (as restated)	1,915,450,607	7,720,958,716	9,636,409,323
Minor Adjustments pertaining to 2021/22		17,093,229	17,093,229
Deficit for the reporting period		(580,036,140)	(580,036,140)
Remeasurement loss on defined benefit obligations		(113,656,459)	(113,656,459)
Balance as at 30 June 2023	1,915,450,607	7,044,359,346	8,959,809,953

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	2023	2022
Cash flow from operating activities:		
Deficit for the reporting period	(580,036,140)	(474,498,620)
Adjustment for:		
Depreciation and amortization of property, plant and equipment and intangible assets	583,319,589	588,726,570
Gain on foreign exchange transactions	(1,245,162)	(555,279)
Interest income	(1,383,424)	(1,372,739)
Grants released to revenue	(274,513,867)	(142,784,094)
Financial contribution from consumers	(142,184,996)	(113,831,681)
Net increase in provision for impairment towards receivables	11,144,693	17,773,217
Finance costs	194,504,241	108,808,370
Loss on disposal of property, plant and equipment	-	252,000
(Decrease)/Increase in provision for slow-moving stock	(7,464,996)	5,693,318
	(217,860,063)	(11,788,937)
Movements in working capital		
Increase in receivables	(39,644,678)	(31,416,880)
(Increase)/decrease in inventories	(5,633,189)	33,013,505
Increase in other assets	(11,199,798)	(11,991,137)
Increase/(decrease) in payables	293,347,543	(14,999,114)
Increase in other current liabilities	364,634,756	387,587,763
Increase in consumer deposits	3,390,144	3,710,436
Increase in provisions for employee benefits	10,841,261	21,264,356
Net cash flows from operating activities	397,875,976	375,379,994
Cash flow from investing activities:		
Payments for property, plant and equipment, assets under construction and intangible assets	(341,899,293)	(263,992,546)
Proceeds from disposal of non-current assets	-	-
Payments for property, plant and equipment and assets under construction out of capital grants	(297,920,032)	(190,132,768)
Proceeds from held-to-maturity investments	-	-
Interest received	1,383,424	1,372,739
Net cash flows from investing activities	(638,435,902)	(452,752,575)
Cash flow from financing activities:		
Proceeds from borrowings	33,513,398	38,105,211
Repayment of interest-bearing loan	(12,733,169)	(28,468,218)
Finance costs paid	(396,126)	(1,077,331)
Net cash flows from financing activities	20,384,102	8,559,663
Net decrease in cash and cash equivalents	(220,175,824)	(68,812,919)
Foreign exchange adjustment	(416)	959
Cash and cash equivalents at beginning of period	316,134,094	384,946,054
Cash and cash equivalents at end of period	95,957,855	316,134,094

Note: Figures in brackets represent outflows.

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

Particulars	Original Estimates 2022-23	Actual Amount 2022-23	Revised Estimates 2022-23	Actual amounts on comparable basis	Variance for actual vs revised budget
Receipts					
Revenue from exchange transactions	1,983,880,000	1,871,913,089	2,063,890,000	1,781,425,589	(282,464,411)
Payments					
Operating costs	(614,707,000)	(791,957,392)	(732,959,000)	(732,060,149)	898,851
Employee benefits	(1,040,487,000)	(1,022,192,848)	(1,102,784,000)	(1,011,351,588)	91,432,412
Depreciation and amortisation expenses	-	(583,319,589)	-	-	-
Finance costs	(345,275,000)	(194,504,241)	(12,924,000)	(13,129,295)	(205,295)
Other expenses	(97,992,000)	(135,734,188)	(88,222,000)	(179,864,086)	(91,642,086)
Gain/(loss) on foreign currency transactions	-	1,245,162	-	(416)	(416)
Net operating receipts	(114,581,000)	(854,550,007)	127,001,000	(154,979,945)	(281,980,946)
Revenue from non-exchange transactions	1,184,200,000	274,513,867	1,154,500,000	334,823,574	(819,676,426)
Capital expenditure	(1,328,000,000)	(1,073,940,236)	(1,595,000,000)	(398,353,957)	1,196,646,043
Net capital payments	(143,800,000)	(799,426,369)	(440,500,000)	(63,530,383)	376,969,617
Net payments	(258,381,000)	(1,653,976,376)	(313,499,000)	(218,510,328)	94,988,671

Notes

i. Approval of Estimates

The original budget for the financial year 2022-23 was approved by the Minister of Energy and Public Utilities on 07 July 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with revenue and expenditure trends, changing environment, approved reallocations, project status and other such factors. Changes in respect of capital expenditure budget were mainly due to project implementation delays and project reprioritisation. The revisions or additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations on the 2022-23 budget following the governing body's approval of 20 July 2023.

ii. Budget variance of major items has been explained below:

Particulars	Variance
a) Revenue from exchange transactions	(282,464,411)
Actual receipts were lower than budget mainly because of an element of incremental income which were targeted from the implementation of financial sustainability measures. Actions for implementation of these measures were still in progress, hence no incremental revenue recorded as at date of reporting. Also, the budgeted figure included debt collection of long-outstanding water bill arrears which is not considered as revenue but as receipt for cash flow and budget purposes.	
b) Operating costs	898,851
Operating Costs were more or less in line with budgeted expenses.	
It is to be noted as well that Operating Costs also comprise Water Consumption which is a non-budgeted item but exclude Stock Replenishment of Meters as same is capitalised in the Financial Statements.	
c) Employee benefits	91,432,412
The underspent amount in Employee Benefits Cost by some 8% is mainly due to non-filling of a few posts as at reporting date, offset by an increase in overtime costs and bus travelling expenses.	
d) Depreciation and amortisation expenses	-
Non-cash items such as Depreciation and Amortization are excluded from the Budget.	
e) Finance costs	(205,295)
The minor rise in Finance Costs is due to interest on overdraft facility which was not catered in the budget.	
f) Other expenses	(91,642,086)
The increase in Other Expenses compared to Budget was mainly due to an increase in Transport Costs, coupled with arbitration costs paid to a contractor on two (2) contracts.	
g) Gain on foreign currency transactions	(416)
Adjustments for fluctuations in foreign currency transactions are excluded from Budget. The actual amount on comparable basis represent the actual realised gain on exchange upon payments made in foreign currencies during the reporting year.	
h) Revenue from non-exchange transactions	(819,676,426)
Actual receipts were lower than budgeted due to delays in project implementation, leading to a fall in Government funding both in terms of loan and grant as compared to Budget.	
i) Capital expenditure	1,196,646,043
Variances between additions to property, plant and equipment as per the financial statements and capital expenditure estimates arise principally because of delays in actual implementation of projects.	

- iii. The budget amounts and the financial statement amounts are prepared on a different basis. The statement of comparison of budget and actual amounts above is prepared on the same basis as the budget. A reconciliation of amounts as per the above statement and the actual amounts in the cash flow statement for the year ended 30 June 2023 is presented below:

Net receipts	Operating Activities	Investing Activities	Financing Activities	Total
Actual amount on comparable basis as presented in the statement of comparison	159,459,528	(398,353,957)	20,384,102	(218,510,328)
Basis differences	219,051,300	(240,081,945)	-	(21,030,645)
Timing differences	-	-	-	-
Entity differences	19,365,148	-	-	19,365,148
Actual amount in the cash flow statement	397,875,976	(638,435,902)	20,384,102	(220,175,824)

iv. The differences in the reconciliation above can be categorised into:

a) Basis difference which can be explained as follows:

- for operating activities: the budget does not take into account VAT elements in transactions while appropriate VAT element is considered in the financial statements;
- for investing activities: the movement of other current assets (excluding VAT elements), sundry payables and accrued expenditure which are considered as a part of capital expenditure in the budget but shown under operating activities in the cash flow statement.

Also, interest revenue and disposal proceeds which are considered in the cash flow statement as a part of investing activities are not considered as a part of capital expenditure under budget.

b) Entity difference which can be explained as follows:

The budget is prepared solely for the Authority's operations, whilst the financial statements consolidate all receivables and payables including wastewater and ground water collections made on behalf of other entities and their subsequent remittance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Reporting

(i) General Information of Reporting Entity

The Central Water Authority (CWA or the Authority) is a parastatal body wholly owned by the Government of Mauritius which operates under the aegis of the Ministry of Energy and Public Utilities and is regulated by the CWA Act No. 20 of 1971. The Authority's principal place of business is Royal Road, St. Paul, Mauritius.

The Authority is administered by the Central Water Board and is engaged in the supply of potable water after the treatment for domestic, irrigation, commercial and industrial usage throughout Mauritius.

(ii) Reporting Period

The financial statements prepared for the Central Water Authority are for the year ended 30 June 2023.

(iii) Reporting Currency

The financial statements have been prepared and presented in Mauritian Rupees (MUR), which is the functional and reporting currency of the Authority. All amounts in these financial statements have been rounded to the nearest rupee.

(iv) Basis of Preparation

A. Estimates

The Approved/Revised Estimates (Budget) figures included in these financial statements for the Central Water Authority cover the financial period from 1 July 2022 to 30 June 2023.

The entity's budget is prepared on a different basis from the financial statements. The budget is prepared on a cash basis, except for carry over of capital expenditure which is appropriated on an accrual basis.

The statement of financial position and statement of financial performance are prepared on an accrual basis.

The amounts in these statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A statement of comparison of annual estimates and actual amounts is then presented, prepared on the same basis to the approved budget.

B. Financial Statements

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as set out in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services.

The financial statements are prepared on an accrual basis using the going-concern principle and a classification based on nature of expenses in the statement of financial performance.

Where necessary and where practicable, comparative figures have been amended to conform to changes in presentation, or in accounting policies in the current year.

The accounting policies have been applied consistently throughout the year.

The cash flow statement is prepared using the indirect method.

(v) Statement of Compliance

The financial statements have been prepared under accrual basis International Public Sector Accounting Standards (IPSAS) and are in accordance with Section 6A (3) (a) the *Statutory Bodies (Accounts and Audit) Act*, as subsequently amended.

The Authority's financial statements for the year ended 30 June 2023 include the following:

- a) Statement of financial position;
- b) Statement of financial performance;
- c) Statement of changes in net assets/equity;
- d) Cash flow statement;
- e) Statement of comparison of annual estimates and actual amounts; and
- f) Related notes and the disclosure of narrative information about material adjustments.

1.2. Foreign Currencies

Transactions in foreign currencies are initially recorded in Mauritian Rupees (MUR) at the rate of exchange ruling at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

At the reporting date, monetary assets and liabilities which are denominated in foreign currencies are translated into MUR at the closing rate of exchange ruling at year-end. Exchange gains and losses are dealt with through the statement of financial performance.

The Authority did not have any non-monetary assets or liabilities denominated in foreign currencies during the reporting period.

1.3. Cash and Cash Equivalents

Cash and cash equivalents comprise petty cash and cash at bank.

For the purposes of the cash flow statement, cash and cash equivalents are as defined above, net of bank overdraft. In the statement of financial position, bank overdraft is shown under current liabilities.

1.4. Financial Instruments

(a) Financial assets

(i) Initial recognition and measurement

Within the scope of *IPSAS 29, Financial Instruments: Recognition and Measurement*, financial assets are initially recognised as at fair value through surplus or deficit.

The Authority determines the classification of its financial assets at initial recognition.

(ii) Subsequent measurement

Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment loss.

(iii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest revenue over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iv) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include Authority's past experience of collecting payment, an increase in the number of delayed payments in the portfolio past three (3) years, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against that allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of financial performance.

(v) Derecognition of financial assets

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of that asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and associated liability for amounts it may have to pay. If it retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateral borrowing for the proceeds received.

(vi) Financial assets measured at amortised cost

Financial assets of the Authority measured at amortised cost includes the following:

- Receivables from exchange transactions
- Receivables from non-exchange transactions
- Loans and advances (e.g. car loan)
- Other receivables which are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention to hold to maturity (e.g. fixed deposits classified as held-to-maturity investments).

After initial recognition at fair value, such financial assets are subsequently measured at amortized cost using the effective interest method, less any impairment loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all or part of the amounts due according to the terms of receivables. Losses arising from impairment are recognised in the loans and receivables and statement of financial performance.

(b) Financial liabilities

(i) Initial recognition and measurement

Within the scope of *IPSAS 29, Financial Instruments: Recognition and Measurement*, financial liabilities are initially recognised as at fair value through surplus or deficit.

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

(ii) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of financial performance.

(iv) Financial liabilities measured at amortised cost

The Authority's financial liabilities include borrowings, deposits and trade and other payables.

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognised in the statement of financial performance when the liabilities are derecognised as well as through the amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Interest-bearing borrowings that are expected to be settled within 12 months after the reporting date are classified as current liabilities.

Short-term trade and other payables are initially recognised at their carrying amount, except in cases where the impact of discount is material.

Long-term payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(c) Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.5. Inventories

Inventories are initially measured at the lower of cost and net realisable value, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to the present location and condition. The cost of inventories issued to and returned from maintenance and projects is determined through the weighted average cost (AVCO) formula.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling.

The carrying value of inventories is recognised as an expense in the period in which it is deployed for utilization or consumption in the ordinary course of operations of the Authority.

In case inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to current replacement cost (due to obsolescence, damage or other reasons) and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The Authority has the policy to book a provision for obsolescence in respect of inventories which are slow moving and lying for a period of more than three (3) years.

1.6. Prepayments

Prepayments are recognised as assets when payment for goods or services has been made in advance of obtaining a right to access those goods or services.

1.7. Capitalisation of non-financial assets

(a) Property, plant and equipment

(i) Initial recognition and measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost less any accumulated depreciation and any accumulated impairment losses.

Where an asset is acquired through a non-exchange transaction for nil or nominal consideration, the asset is measured at its fair value as at the date of acquisition.

Cost includes expenditure that is directly attributable to the acquisition of the asset which includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management,

- When the Authority has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling, removing the items and restoring the site on which they are located, and
- Capitalized borrowing cost (under the allowed alternative treatment).

(ii) Subsequent costs

The cost of an item of property, plant and equipment may undergo changes subsequent to its acquisition or construction on account of exchange fluctuations, price adjustments, and changes in duties, replacement of a major component of an asset or similar factors.

Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Authority and the amounts can be measured reliably.

(iii) Measurement after recognition

The CWA opted to use the fair value of property, plant and equipment as its deemed cost on 1st July 2017.

(iv) Depreciation

Depreciation is charged so as to write off the cost or valuation of assets (other than land and assets under construction), over their estimated useful lives using the straight-line method as displayed in the table below.

The residual value on assets, where applicable, is either 5%, 10% or 15% of cost.

Class of Assets	No. of years	Residual Values
Water supply facilities	10 – 60	10%
Irrigation facilities	50	5% or 10%
Cars and mobile service equipment	5 – 10	10%
Office, workshop and laboratory equipment	5 – 20	10%
Buildings	50	10%

Depreciation is charged on additions in the year of acquisition on pro-rated basis as from the date when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases when the asset is derecognised. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted, if appropriate.

Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is accounted for as a separate asset and depreciated separately over its useful life.

Land is not depreciated.

(v) Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised:

- On disposal; or
- When no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is included in surplus or deficit when the item is derecognised. Gain or loss on disposal are shown as part of 'other expenses' in the statement of financial performance (gains are not classified as revenue).

(b) Assets under construction

Assets in the course of construction are carried out at cost, less any recognised impairment loss. Cost includes borrowing cost for qualifying assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Other borrowing costs are charged to the statement of financial performance.

Depreciation of these assets commences when the assets are ready for their intended use and are transferred to property, plant and equipment.

(c) Intangible assets

(i) Recognition and measurement

The intangible assets of the Authority comprise computer software that is not considered to form an integral part of any hardware equipment. These intangible assets have a finite useful life and are amortized using the straight-line method over their useful lives.

The Authority has no intangible assets with indefinite useful lives.

Intangible assets are initially measured at cost, except for intangible assets acquired through non-exchange transactions (measured at fair value at the date of acquisition) less accumulated amortization and impairment losses.

The CWA opted to use the fair value of intangible assets as its deemed cost on 1st July 2017.

(ii) Research and development costs

Expenditure incurred on the research phase of an internal project is expensed when it is incurred (no intangible asset is recognised)

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, the Authority can demonstrate that all of the following criteria are met: technical feasibility; ability to complete the asset; intention and ability to sell or use; ability of asset to generate probable future economic benefits or service potential, availability of resources to complete development and development expenditure can be reliably measured.

(iii) Amortization

Amortization of computer software is recognised in the statement of financial performance on a straight-line basis over estimated useful lives of 5-25 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

(iv) Derecognition

An intangible asset shall be derecognised:

(a) On disposal (including disposal through a non-exchange transaction); or

(b) When no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the asset) is included in surplus or deficit when the asset is derecognised.

(d) Asset capitalisation policy

As part of the entity's normal policy, qualifying assets are capitalised when the value of cost is equal to or exceed the following thresholds, where applicable:

Class of Asset	Rs
Computer hardware	5,000
Computer software and intangible assets (first-time acquisition cost)	5,000
Furniture and fittings	5,000
Mobile service equipment - Pump	5,000
Mobile service equipment (other than air compressor/generator)	5,000
Equipment	5,000
Mechanical tool	10,000
Building improvement	50,000
Building construction / Facility acquisition	No threshold
House connection	No threshold
Infrastructure assets	No threshold
Land acquisition	No threshold
Mobile service equipment - air compressor	No threshold
Mobile service equipment - generator	No threshold
Motor vehicle	No threshold
Office equipment - air conditioner	No threshold

Where no threshold is set, the qualifying asset meets the direct capitalisation criteria.

Where multiples of one asset are purchased at the same time, the individual asset value is used to determine whether each asset is to be capitalised.

Small items of capital nature falling below the asset category threshold value, where applicable, are generally not capitalised but are rather expensed as maintenance in the year of acquisition.

1.8. Impairment of non-financial assets

(i) Impairment of cash-generating assets

The recoverable amount of a cash-generating asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or cash-generating units (CGU) for which the estimates of future cash flows have not been adjusted.

(ii) Impairment of non cash-generating assets

At the end of each reporting period, the Authority reviews the carrying amounts of its property, plant and equipment and intangible 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.

Recoverable service amount of a non-cash-generating asset is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows (for cash-generating assets) or future remaining service potential (for non-cash-generating assets) are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

When the carrying amount of an asset is greater than its estimated recoverable service amount or recoverable amount, it is written down to its recoverable service amount or recoverable amount and an impairment loss is immediately recognised in the statement of financial performance.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(iii) Reversal of impairment

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Authority shall estimate the asset's recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount or recoverable service amount so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss have been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial performance.

1.9. Provisions

Provisions are recognised when the Authority has a present obligation as a result of past event, and it is probable that the Authority will be required to settle that obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date and are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

The expense relating to any provision is presented in the statement of financial performance, net of any reimbursement.

1.10. Contingent liabilities

The Authority does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.11. Contingent assets

The Authority does not recognise a contingent asset since this may result in the recognition of revenue that may never be realized. Details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority are disclosed in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits or service potential has become probable, the contingent asset is disclosed.

Where an inflow of economic benefits or service potential is probable, the entity discloses a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of their financial effect.

1.12. Employee benefits

(i) Defined benefit pension plan

Provision for retirement pension benefits is made under the Statutory Bodies Pension Funds Act of 1978, as amended. A Defined Benefit Plan is managed by the State Insurance Company of Mauritius (SICOM) Ltd for employees who joined service prior to 2013. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of annual reporting periods. Defined benefit costs are categorized as follows:

- Service cost (including current and past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or revenue
- Remeasurement

The retirement benefit obligations recognised in the statement of financial position represent the actual surplus or deficit in the Authority's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refund from the plan or future reductions in contribution in the plan.

Remeasurement, comprising actuarial gains and losses and the return on plan assets, is reflected immediately in the statement of net assets/equity.

Current service cost, past service cost and gain or loss on settlement, net interest on the net defined benefit liability (asset) is recognised in the statement of financial performance.

(ii) Defined contribution pension plans

The contributions to the National Pension Scheme, Family Protection Scheme, National Savings Fund, Contribution Sociale Generalisee (CSG) and Portable Retirement Gratuity Fund are charged to the statement of financial performance for the period in which they fall due.

Also, for full time employees who joined service as from 1 January 2013, a Defined Contribution Plan is managed by the SICOM under a separate fund. The contribution rate for this scheme is set at 18% of pensionable salaries (6% Employee Contributions and 12% Employer Contributions). These contributions are expensed in the period the employees render the service and a liability is recognised in respect of amount not paid at the end of the financial year.

(iii) Employee entitlements

(a) Sick Leaves

Unutilised sick leaves are accumulated by employees to a bank maximum as defined in the PRB Report.

Additionally, in the context of COVID-19 pandemic which impacted negatively on public finance, the monetary value of untaken sick leave for year 2020 will be kept in a separate account and refunded to officers at the time of retirement or resignation from service, based on their last salary drawn.

Unutilised sick leaves are either cashed in full on resignation, on retirement or taken as leave prior to retirement and are recognised as liability in the financial statements.

(b) Passage benefits

Passage benefits are provided to eligible employees as part of their contract of employment. It is calculated as a percentage of employee's salaries and are earned during active employment. The amount earned is accrued and the accrual cleared as and when employees take their passage benefit entitlement. They are therefore classified as employee benefits and are measured at their nominal value. The carrying amount is re-measured each year and after taking into account amount paid and earned during the year.

(c) Annual leave for officers on contract

Unutilized annual leaves with respect to officers on contract are expensed during the period and amounts unpaid as at the date of reporting are accrued and recognised as a liability.

(d) Vacation leave

Provision is made at the end of each reporting date with respect to vacation leaves accruing to the employees. They have the option to cash in full the accumulated vacation leaves in lieu of proceeding on leave prior to their normal retirement as per the provisions of the PRB Report.

(e) Car loan

Car loans are disbursed to staff by the Authority on applications made by eligible employees as part of their conditions of service. The loans are executed by way of a registered agreement between the Authority and the employees. The car loans granted to eligible officers bear an interest rate of 1% (electric vehicles) or 3% (other vehicles) per annum as per the PRB Report and are repayable monthly over a period of five or seven years, as appropriate. The balances of principal amounts are shown under receivables and considered as financial assets and accordingly recognised.

1.13. Revenue recognition

(i) Revenue from exchange transactions

Revenue from exchange transactions is recognised when the outcome of the transactions can be estimated reliably.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

(a) Sale of water

Revenue is made up of sale of potable water. The sale is recognised when:

- a contract exists,
- delivery has been taken place,
- a quantitative price has been established or can be determined, and
- the receivables are likely to be recovered.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

(b) Rendering of services

The Authority recognises revenue from rendering of services (i.e., financial contributions for morcellement and other developments; irrigation, water treatment and distribution services) when:

- a contract exists,
- delivery has been taken place,
- a quantitative price has been established or can be determined, and
- the receivables are likely to be recovered.

Delivery is measured by reference to the measurement based on cyclical meter readings.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

(c) Interest income

Interest revenue is accrued in the statement of financial performance using the effective yield method unless their collectability is not reasonably certain. The effective yield method discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest revenue in each period.

(d) Other revenue

Other revenue is recognised in the statement of financial performance as they accrue unless their collectability is not reasonably certain.

(ii) Revenue from non-exchange transactions

Non-exchange transactions are those where the Authority receives an inflow of resources (e.g. cash and tangible or intangible items) but provides no (or nominal) direct consideration in return.

Revenue from non-exchange transactions includes capital grants and assets received from Government or other parties.

(a) Capital grants

The Authority recognises revenue from capital grants when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred revenue is recognised instead of revenue.

(b) Debt Forgiveness

Revenue is recognised in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability.

Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

(c) Other revenue from non-exchange transactions

Other revenues from non-exchange transactions are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

1.14. Leases

(i) CWA as Lessee: Finance Lease

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item an entity.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The entity also recognises the associated lease liability at the inception of the lease. The liability recognised is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of financial performance.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The Authority does not have any lease as at 30 June 2023 that qualifies as finance lease.

(ii) CWA as Lessee: Operating Lease

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Authority. Operating lease payments are recognised as an operating expense in the statement of financial performance on a straight-line basis over the lease term. The Authority has entered into operating lease agreements for the rental of land (including parking space), buildings and equipment.

1.15. Expenses

Expenses are recognised in the period to which they relate.

(i) Operating costs

These are recognised in the period when goods are received or services are rendered.

(ii) Employee benefits

Employee benefits comprise mainly staff and related costs, including pension payments. These are recorded as an expense in the period the transfer payment is authorised and all eligibility criteria has been met by the recipient. Employee costs paid after a particular financial year but which were earned during the reporting period are accrued at year-end.

(iii) Depreciation and amortization

Depreciation and amortization charges are calculated on a systematic basis over the useful life of assets and recognised for each period in the statement of financial performance as an expense.

(iv) Finance costs

Finance costs on financial liabilities measured at amortised cost are recognised in the statement of financial performance using the effective interest rate method.

(v) Other expenses

Other expenses are recognised in the period when goods are received or services are rendered.

(vi) Loss or gain on foreign currency transactions

Realised and unrealised exchange losses or (gains) are recognised in the statement of financial performance as they arise.

1.16. Related parties

CWA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa.

This includes relationship with entities forming part of the Government of Mauritius, key management personnel and their close family members.

Transactions between these related parties and the Authority are disclosed in the financial statements except for transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those which it is reasonable to expect the Authority would have adopted when dealing with that individual or entity at arm's length in the same circumstances.

1.17. Key assumptions and judgements

The preparation of the Authority's financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(i) Estimates and assumptions

The Authority based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond CWA's control. Such changes are reflected in the assumptions when they occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Examples of estimates include: useful lives of tangible and intangible assets, inventory valuation, collectability of receivables.

Examples of assumptions include: discount and inflation rates applied to employee benefits liabilities, provisions for litigation, financial risk on accounts receivable, accrued charges and the degree of impairment of property, plant and equipment.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2023 include the following:

(a) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

1. The condition of the asset based on the assessment of experts employed by the Authority;
2. The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
3. The nature of the processes in which the asset is deployed;
4. Availability of funding to replace the asset;
5. Changes in the market in relation to the asset.

(b) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

(c) Employee benefits liabilities

Management is required to measure the defined benefit obligations and annual costs under such plans using assumptions that are long-term in nature and reflect the fund's best estimates such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. The Authority reviews key assumptions on an annual basis with its independent actuaries using relevant experience, in conjunction with market-related data. The key assumptions include the rate of salary increase, the rate of pension increase, the discount rate and the longevity of plan members. The management assumption with the greatest potential impact on the organisation's defined benefit obligation is the discount rate.

(ii) Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and which could have a significant risk of resulting in a material adjustment are as follows:

(a) Contingent liabilities

Contingent liabilities are disclosed for pending legal proceedings when it is determined that an unfavourable outcome is probable and the amount of loss can be reasonably estimated. Owing to the inherently uncertain nature of the matters, the ultimate outcome or actual cost of settlement may materially vary from estimates.

(b) Operating lease commitments

The Authority has determined, based on an evaluation of the terms and conditions of lease arrangements, that it does not retain all the significant risks and rewards of ownership of the leased items and accounts for the contracts as operating leases.

1.18. Events after reporting date

The Authority makes adjustment for adjusting events after the reporting date and disclosures are made for significant non-adjusting events after the reporting date.

1.19. Standards issued but not yet effective

IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) requires disclosure of new IPSASs that have been issued but are not yet effective and which have not yet been applied by a reporting entity.

The Authority's financial statements comply in all material aspects with applicable IPSASs. At the date of approval of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IPSAS Board (IPSASB). These Standards, amendments or Interpretations have not been adopted early by the reporting entity.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Management has not yet had an opportunity to consider the potential impact of the adoption of the following new standards on the financial statements of the Authority in the current or future reporting periods and on foreseeable future transactions:

IPSAS 43 Leases - Replacement of IPSAS 13 with the introduction of a right-of-use model that replaces the risks and rewards incidental to ownership model for lessee to be applied to all leases i.e., all leases are treated as finance leases (effective for periods beginning on or after *01 January 2025*)

IPSAS 47 Revenue - Replacement of IPSAS 9, IPSAS 11 and IPSAS 23 to provide a single source of revenue accounting standard for the public sector. An entity will need to first consider whether it has entered into a revenue transaction with or without binding arrangement so as to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue transactions (effective for periods beginning on or after *01 January 2026*)

IPSAS 49 Retirement Benefit Plans - Replacement of IPSAS 39 with enhanced requirements for the recognition, measurement, presentation and disclosure of retirement benefit plans in public sector financial statements (effective for periods beginning on or after *01 January 2026*)

2. PRIOR YEAR ADJUSTMENTS

All amounts are in Mauritian Rupees (Rs) unless otherwise stated

2.1 The comparative amounts as at 30 June 2022 have been restated in accordance with IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors, to correct certain misstatements identified during the year ended 30 June 2023. Restatements made are summarised below together with the impact on the financial statements:

30 June 2022			
	As previously reported	Prior year adjustments	As restated
STATEMENT OF FINANCIAL POSITION			
Other Current liabilities	808,322,241	290,016,664	518,305,577

Note: Reason for Prior Year Adjustments (effect of Rs 290M on Accumulated Surplus)

An amount of Rs 290M relating to completed/capitalised projects during financial year 2021/2022 was wrongly accounted under Other Current Liabilities as at 30 June 2022. Necessary adjustment was made to restate the Other Current Liabilities and Accumulated Surplus.

3. CASH AND CASH EQUIVALENTS

Particulars	2023	2022
(a) Petty cash	495,899	356,493
(b) Cash at bank	170,765,447	315,777,601
3.1 - Total cash and bank balances (as per statement of financial position)	171,261,346	316,134,094
3.2 - Bank overdraft	(75,303,491)	-
3.3 - Total cash and cash equivalents (as per cash flow statement)	95,957,855	316,134,094

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Particulars	2023	2022
Receivables from exchange transactions		
(a) Potable water sales	318,458,258	346,120,400
(b) Irrigation water sales	176,794,647	144,083,756
(c) Surcharge on Potable water sales	16,957,042	19,189,521
(d) Surcharge on Irrigation water sales	15,173,462	12,187,485
Gross receivables from exchange transactions	527,383,409	521,581,162
Provision for impairment		
(i) Provision for impairment on Irrigation Water Sales (IWS)	(88,784,593)	(82,874,902)
(ii) Provision for impairment on Potable Water Sales (PWS)	(51,248,896)	(46,013,897)
(iii) Provision for impairment on Surcharge (IWS)	(6,685,861)	(6,685,861)
Total provision for impairment on receivables (Note i)	(146,719,350)	(135,574,660)
Total receivables from exchange transactions (net of provision)	380,664,059	386,006,502

Note:

i. Movement in provision is as follows:

	Provision for Impairment - IWS	Provision for Impairment - PWS	Provision for Impairment - Surcharge
Balance as at 01 July 2022	(82,874,902)	(46,013,897)	(6,685,861)
Provision recognised during the year - increase	(5,909,691)	(5,234,999)	-
Balance as at 30 June 2023	(88,784,593)	(51,248,896)	(6,685,861)
Total provision for impairment on receivables			(146,719,350)

General provisions for impairment were re-calculated at year ended 30 June 2023, covering 100% of IWS and PWS debts aged more than three (3) years. Specific allowances were also created in respect of disputed amounts owed by identified consumers at year end, including those placed in liquidation.

ii. The credit risk and credit risk management policy relating to receivables has been explained at Note 28.2.4.

iii. Receivables include water bills amounting to Rs 126M for June 2023 consumption and delivered in July & August 2023. No surcharge is levied on trade receivables for the first 21 days from date of delivery of invoice and thereafter a surcharge of 10 per cent is applied on the outstanding balance.

5. OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Particulars	2023	2022
(a) Security deposit - CEB	6,456,480	4,248,215
(b) Meter rentals	10,326,572	10,227,570
(c) Swimming pool fee	217,259	219,106
(d) Bank interest	11,720	-
(e) Claim for damages	33,461,540	3,017,346
(f) Other deposits	2,553,766	2,553,766
(g) Other miscellaneous receivables	3,025,824	3,896,983
Gross other receivables from exchange transactions	56,053,161	24,162,986
Provision for impairment		
(i) Claim for damages	(3,017,346)	(3,017,346)
(ii) Cash deposits	(2,553,766)	(2,553,766)
Total provision for impairment on other receivables	(5,571,112)	(5,571,112)
Total other receivables from exchange transactions	50,482,049	18,591,874

Note:

Claim for damages includes an amount of Rs 30M receivable at year-end for the encashment of performance securities under two (2) terminated contracts.

6. LOANS AND ADVANCES

Current

Particulars	2023	2022
Other receivables - Car loan (Note i)	6,588,640	6,069,584
Total loans and advances (current)	6,588,640	6,069,584

Non-current

Particulars	2023	2022
Other receivables - Car loan (Note i)	15,757,317	15,401,141
Total loans and advances (current)	15,757,317	15,401,141

Note:

i. Movement in car loans is as follows:

Particulars	2023	2022
Opening Balance	21,470,725	22,667,154
New loans granted during the year	8,912,315	7,988,426
Refund during the year	(8,037,083)	(9,184,855)
Closing Balance	22,345,957	21,470,725
<i>Classified under current assets (short-term receivables)</i>	<i>6,588,640</i>	<i>6,069,584</i>
<i>Classified under non-current assets (long-term receivables)</i>	<i>15,757,317</i>	<i>15,401,141</i>

7. INVENTORIES

Particulars	2023	2022
Inventories comprise the following items:		
(a) Meters and materials for new supplies	13,665,802	13,757,531
(b) Pipes and fittings	68,115,540	68,909,348
(c) Spare parts for vehicles	3,463,246	4,030,194
(d) Stationery and consumables	3,936,010	6,073,203
(e) Other miscellaneous items	4,566,666	2,808,794
Gross inventories	93,747,264	95,579,071
Provision for obsolescence	(16,772,525)	(24,237,521)
Total inventories (net of provision for obsolescence)	76,974,739	71,341,550

Notes:

i. Gross stock balance at 30 June 2023 represents the actual value of inventories at year-end. A full physical stock-take exercise was performed in April 2023 at all existing store locations.

ii. Provision for slow-moving stock items was calculated on stock value for items aged more than three (3) years at end of 30 June 2023, in line with the Authority's current impairment policy.

8. PREPAYMENTS

Current

Particulars	2023	2022
(a) Advance payment for works	50,123,228	45,081,265
(b) Advance payment for road reinstatement by Local Authorities	-	17,013,617
(c) Other prepayments	1,135,915	1,723,542
(d) Other receivables	24,600	-
Total prepayments (current)	51,283,743	63,818,424

Note:

Advance payment for works included advance payments totalling Rs 18.8M in respect of three contracts which were terminated since May 2021 due to poor performance of works by a contractor. Request for encashment was made and is receivable as at date of reporting. Matter is still at Court level.

Non-current

Particulars	2023	2022
Prepayments towards land lease premium	274,933	277,811
Total prepayments (non-current)	274,933	277,811

9. OTHER CURRENT ASSETS

Current

Particulars	2023	2022
Value-Added Tax (VAT)	52,558,499	31,527,854
Total other current assets	52,558,499	31,527,854

10. PROPERTY, PLANT AND EQUIPMENT

Carrying amount of:	2023	2022
(a) Water supply facilities	15,040,924,118	14,941,678,734
(b) Irrigation facilities	114,077,999	114,986,581
(c) Cars and mobile service equipment	322,743,020	331,089,909
(d) Office, workshop and laboratory equipment	56,061,626	57,054,367
(e) Land and buildings	431,749,625	433,622,432
Total property, plant and equipment	15,965,556,390	15,878,432,023

Particulars	Water supply facilities	Irrigation facilities	Cars and mobile service equipment	Office, workshop and laboratory equipment	Land and buildings	Total property, plant and equipment
COST OR DEEMED COST						
At 1 July 2022	17,713,834,182	119,571,447	471,287,395	112,770,941	465,407,211	18,882,871,176
Additions	615,076,510	-	35,783,854	6,112,017	4,498,302	661,470,683
Disposal adjustment	-	-	-	-	-	-
At 30 June 2023	18,328,910,692	119,571,447	507,071,249	118,882,958	469,905,513	19,544,341,858
ACCUMULATED DEPRECIATION						
At 1 July 2022	2,772,155,448	4,584,866	140,197,487	55,716,574	31,784,779	3,004,439,153
Depreciation expense	515,831,125	908,582	44,130,742	7,104,758	6,371,109	574,346,316
Disposal adjustment	-	-	-	-	-	-
At 30 June 2023	3,287,986,573	5,493,448	184,328,229	62,821,332	38,155,888	3,578,785,469
CARRYING AMOUNT						
At 30 June 2023	15,040,924,118	114,077,999	322,743,020	56,061,626	431,749,625	15,965,556,390
<i>At 1 July 2022</i>	<i>14,941,678,734</i>	<i>114,986,581</i>	<i>331,089,909</i>	<i>57,054,367</i>	<i>433,622,432</i>	<i>15,878,432,023</i>

Notes:

i. The Authority engaged the consultancy firm Mega Design Ltd, in association with Atkins International (UK), to carry out asset revaluation exercise in order to assess the fair value of the Property, Plant and Equipment as at 01 July 2017. The Consultant had independently carried on an exercise for revaluation of assets and assessment for impairment of assets in relation to the assets existing as at 30 June 2017. The Authority opted to use this fair value of Property, Plant and Equipment as its deemed cost on the transition date i.e. 01 July 2017. Necessary fair value adjustments were reflected in the Authority's financial statements since financial year 2017/18.

ii. Property, Plant and Equipment shown at 30 June 2023 were owned by the Authority except for:

Assets worth Rs 111.8M and 115.0M (Net Book Values as at 30 June 2023) awaiting transfer to the Water Resources Unit and Irrigation Authority respectively. The matter is at the level of the Ministry of Energy and Public Utilities (MEPU) for changes to be brought to legislation.

iii. The Authority occupies certain State Lands for the conduct of its operating activities which are categorized hereunder:

	As at 30 June 2023 Number
1. Leasehold State Land	34
2. State Land vested in Ministry of Energy and Public utilities (MEPU) / Ministry of Housing and Land Use Planning (MOHLUP) for use and occupation by CWA	136

As per a letter dated June 2018 from the Ministry of Housing and Land Use Planning, all state lands (vested/not vested in MEPU for use and occupation by the CWA) have been retrieved and 20-Year leases will be drawn over the respective sites. As at reporting date, the Lease Agreements were not yet formalised. The State Lands do not form part of the Authority's Land and Buildings value shown above as they have been classified as operating lease.

iv. The Authority has leased a Water Tanker worth Rs 3.5M (Net Book Value as at 30 June 2023) to the Rodrigues Regional Assembly, free of charge, for a period of two (2) years with effect from 15 October 2022.

11. ASSETS UNDER CONSTRUCTION

Particulars	2023	2022
Opening Balance	775,660,455	659,926,990
Additions	411,755,490	260,972,594
Materials awaiting installation	-	1,620,016
Capitalized during the year	(433,918,525)	(146,859,145)
Transfers	-	-
Closing Balance	753,497,420	775,660,455

12. INTANGIBLE ASSETS

Particulars	2023	2022
Carrying amount of:		
Computer software	18,535,320	26,794,526
Total intangible assets	18,535,320	26,794,526

COST OR DEEMED COST	2023	2022
Opening Balance	59,822,692	56,330,449
Additions	714,063	3,492,243
Closing Balance	60,536,755	59,822,692

ACCUMULATED AMORTIZATION	2023	2022
Opening Balance	33,028,166	24,381,245
Amortization expense	8,973,270	8,646,921
Closing Balance	42,001,436	33,028,166

CARRYING AMOUNT	2023	2022
Closing Balance	18,535,320	26,794,526
<i>Opening Balance</i>	<i>26,794,526</i>	<i>31,949,204</i>

13. PAYABLES UNDER EXCHANGE TRANSACTIONS

Particulars	2023	2022
(a) Trade and other payables	532,123,340	322,827,885
(b) Accruals	241,908,648	206,726,386
(c) Interest on borrowings	554,774,664	435,696,867
(d) Payable to Wastewater Authority	22,250,505	27,905,009
(e) Payable to Government Consolidated Fund (Ground Water)	37,150,760	12,131,108
(f) Other payables	145,576,561	88,542,776
Total payables under exchange transactions	1,533,784,479	1,093,830,032

Note:

i. The average credit period on trade payable is 30-60 days. No interest is charged on the trade payables and accordingly does not involve any significant financing component.

14. DEPOSITS

Current

Particulars	2023	2022
Consumer deposits	115,131	111,741

Non - current

Particulars	2023	2022
Consumer deposits	115,016,186	111,629,432

Note:

i. Movement in consumer deposits is as follows:

Particulars	2023	2022
Opening Balance	111,741,173	108,030,737
Receipts during the year	3,394,268	3,715,934
Refund during the year	(4,124)	(5,498)
Closing Balance	115,131,317	111,741,173
Less: Amount shown as current	(115,131)	(111,741)
Amount shown as non-current	115,016,186	111,629,432

ii. As from financial year 1999/2000, 0.1% of total amount received as deposits is treated as current consumer deposits.

15. BORROWINGS

Current Portion of Long-Term Borrowings

Particulars	2023	2022
Unsecured		
(a) Domestic loans	1,154,437,685	846,475,076
(b) Foreign loans denominated in:		
(i) USD	-	-
(ii) Euro	-	13,978,563
(iii) Kuwait Dinars	-	-
Total current portion of long-term borrowings	1,154,437,685	860,453,639

Non-Current Borrowings

Particulars	2023	2022
Unsecured		
(a) Domestic loans	2,232,219,460	2,487,307,211
(b) Foreign loans denominated in:		
(i) USD	-	-
(ii) Euro	-	-
(iii) Kuwait Dinars	-	-
Total non-current borrowings	2,232,219,460	2,487,307,211

Note:

i. Maturity analysis of total borrowings

Particulars	2023	2022
(a) Payable within one year	1,154,437,685	860,453,639
(b) Payable between one to two years	287,239,114	234,957,302
(c) Payable between two to three years	308,953,850	267,250,701
(d) Payable between three to five years	630,373,906	590,593,671
(e) Payable after five years	1,005,652,590	1,394,505,537
Total borrowings	3,386,657,145	3,347,760,850

ii. Unserviced loans/defaults

Details of defaults in payment during the current period with respect to loans contracted by the Authority are given hereunder:

Particulars	2023	2022
Domestic loans contracted directly from GoM:		
Principal amount	197,333,708	180,761,031
Interest amount	119,182,637	42,419,662
Total	316,516,345	223,180,693

iii. Carrying amount of loan payables in default

Particulars	2023	2022
(a) Loan contracted by GoM on lent to the Authority	-	-
(b) Domestic loans contracted directly from GoM	3,008,749,683	2,372,920,311
Total	3,008,749,683	2,372,920,311

iv. Terms of repayments and effective interest rate of the borrowings is stated hereunder:

Particulars	Terms of repayment	Effective interest rate
(a) Domestic loans (Note a)		2.25% - 10%
(b) Foreign loans denominated in:	Semi-annual instalments	
Euro		3%

a. Long-term borrowings represent loans advanced by the Government of Mauritius (GoM) and foreign lending institutions. The rate of interest ranges from 2.25% to 10% per annum. The amount payable within one year is shown under current liabilities and the non-current portion is included in the non-current liabilities.

b. The Authority has not pledged any financial assets as collateral pertaining to the above liabilities.

16. PROVISION FOR EMPLOYEE BENEFITS

Defined benefit plans

The Authority sponsors defined benefit plans for qualifying employees in Mauritius. The defined benefit plans are administered by a separate fund i.e. State Insurance Company of Mauritius (SICOM) Ltd. which is legally separated from the Authority. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund.

Under the plans, the employees are entitled to post-retirement monthly instalments on attainment of a retirement age of 65 years.

The defined benefit plans require contributions from employees at the rate of 6% of their pensionable emoluments. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees. Employees can also make discretionary contributions to the plans. The plans in Mauritius typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk, pension, legislation and regulation risk.

a. Investment risk: The plan liability is calculated using a discount rate determined by reference to market yields on government bond. If the return on the plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

b. Interest risk: A decrease in the bond interest rate will increase the plan liability. However, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

c. Longevity risk: The plan liability is calculated by reference to the best estimate for the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

d. Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability. The salary increases could be higher or lower than that assumed. In case of high salary increases relative to investment returns, this would decrease the real return, creating future deficit and hence require further annual contributions.

e. Pension increases: Post-retirement pension increases have a significant impact on the fund liability. The higher the increases compared to the return on the assets backing the liabilities, the higher the impact will be felt on the pension costs.

f. Legislation and regulation: Changes in legislation and regulation governing pension funds such increase in taxation, government fees and minimum benefits may adversely affect the fund.

Current

Particulars	2023	2022
I. Provision for employee benefits		
(a) Sick leave	19,949,809	16,813,269
(b) Passage benefit	11,236,732	9,069,875
(c) Vacation leave	8,365,172	5,455,457
(d) Annual leave/gratuity	6,643,846	3,431,998
Total current provision for employee benefits	46,195,559	34,770,599

Non-current

Particulars	2023	2022
I. Provisions for employee benefits		
(a) Sick leave	132,870,975	124,056,577
(b) Passage benefit	49,031,530	58,915,324
(c) Vacation leave	136,306,234	128,955,718
II. Retirement benefit obligation		
Pension fund	2,586,827,712	2,480,036,073
Total non-current provision for employee benefits	2,905,036,451	2,791,963,692

Note:

i. The Authority contributes to Defined Benefit Pension Plan (DB) for its employees and has recognised a Net Defined Benefit Liability of Rs 2.59 Bn in respect of pension benefits under the Central Water Authority Pension Fund in the statement of financial position as at 30 June 2023. New entrants as from January 2013 are under the Defined Contribution Pension Scheme (DC).

ii. Actuarial Report on the Defined Benefit Pension Plan (DB) for CWA employees:

a. Amount recognised in Statement of Financial Position at the end of the year:

Particulars	2023	2022
Defined benefit obligation	2,640,308,237	2,531,306,912
Fair value of plan assets	(53,480,525)	(51,270,839)
Net defined benefit liability recognised in Statement of Financial Position at end of year	2,586,827,712	2,480,036,073

b. Amount recognised in Statement of Financial Performance:

Particulars	2023	2022
Current service cost	39,925,041	39,164,284
Employee contribution	(13,281,958)	(13,231,392)
Fund expense	2,952,751	2,291,236
Net interest expense	118,666,735	109,901,894
Components of defined benefit costs recognised in Statement of Financial Performance	148,262,569	138,126,022

c. Remeasurement of the Net Defined Benefit Liability:

Particulars	2023	2022
Liability (surplus)/deficit	114,686,317	200,455,504
Assets (surplus)/deficit	(1,029,858)	4,271,743
Remeasurement of the net defined benefit liability	113,656,459	204,727,247
Total	261,919,028	342,853,269

d. Movement in liability recognised in the Statement of Financial Position:

Particulars	2023	2022
Opening balance	2,480,036,073	2,276,820,717
Amount recognised in surplus/(deficit)	148,262,569	138,126,022
Actuarial reserves transferred in		
Contributions paid by the employer	(155,127,390)	(139,637,913)
Remeasurement of the net defined benefit liability	113,656,459	204,727,247
Closing balance	2,586,827,711	2,480,036,073

The plan is a defined benefit arrangement for the employees and it is a funded plan. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius (SICOM) Ltd.

e. Reconciliation of present value of defined benefit obligation:

Particulars	2023	2022
Opening balance	2,531,306,912	2,354,837,148
Current service cost	39,925,041	39,164,284
Interest expense	121,171,841	113,032,183
Benefits paid	(166,781,874)	(176,182,207)
Remeasurement (Liability experience)		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	22,230,616	101,042,436
Liability experience (gain) / loss	92,455,701	99,413,068
Closing balance	2,640,308,237	2,531,306,912

f. Reconciliation of fair value of plan assets:

Particulars	2023	2022
Opening balance	51,270,839	78,016,431
Interest Revenue	2,505,106	3,130,289
Employer contribution	155,127,390	139,637,913
Actuarial Reserves Transferred in	-	-
Employee contribution	13,281,958	13,231,392
Actuarial surplus/deficit transferred	-	-
Benefits paid and other outgo	(169,734,625)	(178,473,443)
Gain/(Loss) on Plan Assets	1,029,858	(4,271,743)
Closing balance	53,480,525	51,270,839

g. Components of experience amount recognised in Statement of Changes in Net assets/Equity:

Particulars	2023	2022
Assets experience surplus/(deficit) during the year	1,029,858	(4,271,743)
Liability experience surplus/(deficit) during the year	(114,686,317)	(200,455,504)
Components of experience amount recognised	(113,656,459)	(204,727,247)

h. Allocation of plan asset at end of year:

Particulars	2023	2022
Cash and equity instruments (Fixed interest securities)	53.90%	58.00%
Loan	2.80%	2.90%
Local equities	14.00%	13.60%
Overseas bonds and equities	28.80%	25.00%
Properties	0.50%	0.50%
Total	100%	100%

Weighted average duration of the defined benefit obligation is 12 years.

Based on the actuarial report the Authority does not have any plan assets invested in its assets held in its own financial instruments or property occupied by the authority or other assets used by the authority.

The Authority's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Authority evaluates the risks, transaction costs and liquidity for potential investments. In order to measure plan assets performance, the Authority compares actual returns for each asset category with published benchmarks.

i. Principal assumptions used at the end of the period:

The plan is exposed to actuarial risks such as investment risk, interest rate risk, mortality risk, longevity risk and salary risk. The cost of providing the benefits is determined using the Projected Unit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	2023	2022
Discount rate(s)	5.87%	4.95%
Future salary increases	4.50%	3.50%
Future pension increases	3.50%	2.50%
Mortality before retirement	Nil	Nil
Mortality in retirement	PA (90) Tables - rated down by 2 years	
Retirement age	65 Years	

j. Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality (life expectancy). The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

In reality one might expect interrelationships between the assumptions, especially between discount rate, expected salary increase and mortality (life expectancy), given that it depends to ascertain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

The discount rate is determined by reference to market yields on bonds. The rate reflects the time value of money.

Sensitivity analysis on defined benefit obligation at the end of the year:

	2023	2022
Increase due to 1% decrease in discount rate	358,500,000	350,900,000
Decrease due to 1% increase in discount rate	290,800,000	283,500,000

	2023	2022
Increase due to 1% increase in salary growth	113,200,000	131,200,000
Decrease due to 1% decrease in salary growth	127,100,000	112,200,000

	2023	2022
Increase due to increase by one (1) year in life expectancy	87,800,000	85,700,000
Decrease due to decrease by one (1) year in life expectancy	88,900,000	84,600,000

The sensitivity analysis has been carried out by re-calculating the defined benefit obligation at the end of the period after increasing or decreasing the discount rate while holding all other assumptions unchanged. The same exercise is thereafter done for future salary increases and life expectancy. The main limitation of such analysis is that interdependence between the assumptions is ignored. There have been no changes in methods and assumptions used for preparing the sensitivity analysis. In reality, one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases given that both depend to a certain extent on expected inflation rates.

k. Effect of the defined benefit plan on the Authority's future cash flows

The Authority should fund the cost of the entitlements expected to be earned on a yearly basis. Employees pay a 6% per cent of pensionable salary. The residual contribution (including back service payments) is paid by the Authority. The funding requirements are based on a local actuarial measurement framework. In this framework the discount rate is determined by reference to market yields on bonds. The Authority is statutorily committed to paying into the plan.

Following the last actuarial valuation exercise carried out as at 30 June 2022, an increase in the employer contribution to the Staff Pension Fund of Rs 1.5M monthly (from Rs 13.5M to Rs 15M) was approved with effect from January 2023 up to June 2037.

17. PROVISIONS

Current

Particulars	2023	2022
Provision for road reinstatement works	-	55,274,591
Total provisions	-	55,274,591

18. OTHER CURRENT LIABILITIES

Current

Particulars	2023	Restated 2022
(a) Deferred revenue towards capital grants - Government	421,297,171	397,891,006
(b) Deferred revenue towards capital grants - others	-	-
(c) Advance/double payment received from customers	7,517,415	7,314,471
(d) Financial contribution received from consumers	92,701,474	113,100,100
Total other current liabilities	521,516,060	518,305,577

Note:

i. Movement in capital grants received from Government is as follows:

Particulars	2023	Restated 2022
Opening Balance	397,891,006	640,558,997
Received during the reporting period	297,920,032	189,244,980
Release to statement of financial performance	(274,513,867)	(141,896,306)
Amount released during the year but relating to previous year	-	(290,016,664)
Closing Balance	421,297,171	397,891,006

Amounts are released to revenue upon completion/substantial completion of capital projects for which grant has been received from the Government of Mauritius.

ii. Movement in capital grants received from other parties is as follows:

Particulars	2023	2022
Opening Balance	-	-
Received during the year	-	887,788
Release to statement of financial performance	-	(887,788)
Closing Balance	-	-

iii. Movement in financial contribution received from consumers is as follows:

Particulars	2023	2022
Opening Balance	113,100,100	83,845,426
Received during the year	121,848,384	143,188,056
Refund during the year	(62,014)	(101,701)
Release to statement of financial performance	(142,184,996)	(113,831,681)
Closing Balance	92,701,474	113,100,100

19. NET ASSETS/EQUITY

Particulars	2023	Restated 2022
(a) Contributed capital	1,915,450,607	1,915,450,607
(b) Accumulated surplus	7,044,359,346	7,720,958,716
Total net assets/equity	8,959,809,953	9,636,409,323

20. REVENUE FROM EXCHANGE TRANSACTIONS

20.1. Revenue from water sales

Particulars	2023	2022
(a) Potable		
- Domestic	793,481,999	826,193,094
- Non-domestic	569,939,996	555,283,268
- Government	114,360,255	117,351,100
- Surface water	1,524,809	1,527,370
(b) Irrigation water	34,312,490	43,494,024
Closing balance	1,513,619,549	1,543,848,856

Note:

i. Revenue from surface water relates to water consumption by consumers from streams, rivers, wet-land and lakes.

20.2. Other revenue

Particulars	2023	2022
(a) Financial contribution from consumers	142,184,996	113,831,681
(b) Rental revenue from water meters	39,228,490	39,089,785
(c) Surcharge on potable water sales	28,683,270	33,410,000
(d) Surcharge on irrigation water sales	3,018,841	3,143,073
(e) Swimming pool fee	786,500	849,000
(f) Re-opening fees	3,715,699	2,793,375
(g) Morcellement/non-refundable processing fees	5,592,500	6,597,503
(h) Commission fees	13,554,980	13,335,240
(i) Interest income	1,383,424	1,372,739
(j) Income from encashment of performance securities	93,638,247	-
(k) Income from liquidated damages	6,727,998	19,705,592
(l) Other sundry revenue	19,778,595	15,920,779
Total other revenue	358,293,540	250,048,767
Total revenue from exchange transactions	1,871,913,089	1,793,897,623

Note:

i. Since 01 January 2016, domestic households are exempted from payment of water charges when their monthly consumption are less or equal to 6 cubic metres. Total exemption under domestic water sales and meter rental for the year ended 30 June 2023 amounted to Rs 47.7M (30 June 2022: Rs 44M) for an average of 79,300 eligible domestic consumers.

ii. Swimming pool fee refers to an additional fixed monthly amount of Rs 500 charged per domestic customer having a swimming pool and consuming water greater or equal to 50 cubic metres per month.

iii. Commission fees relate to income from management fees generated by the Authority through bill collection and remittance services rendered to: (i) Government in respect of ground water bills (ii) Wastewater Management Authority for wastewater bills and (iii) CEB for electricity bills.

iv. Management fees for collection and remittance of ground water bills to the Government Consolidated Fund is recognised as revenue at time of remittance of funds. Other management fees are recognised at time of bill collection. At end of each financial year, adjustments are made to account for management fees receivable in respect of each respective year in line with matching concept.

21. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Particulars	2023	2022
(a) Revenue from grants - Government	274,513,867	141,896,306
(b) Revenue from grants - other parties	-	887,788
Total revenue from non-exchange transactions	274,513,867	142,784,094

Note:

Government Grants are released to income upon completion / substantial completion of projects at year-end.

22. OPERATING COSTS

Particulars	2023	2022
(a) Water treatment charges	110,367,380	40,349,171
(b) Electricity charges	319,687,712	250,494,823
(c) Leakage control	50,521,488	58,337,351
(d) Telephone charges	9,985,060	9,977,845
(e) Rent	25,430,742	16,906,880
(f) Security charges	94,071,512	96,089,761
(g) Repairs and maintenance charges		
- Buildings and premises	125,339,482	64,061,198
- Filter and canals	2,456,464	4,066,536
- Others	18,195,037	11,669,589
(h) Insurance charges	2,802,055	4,103,411
(i) Office requisites and other miscellaneous expenses	19,920,305	31,815,314
(j) ICT and other maintenance expenses	20,645,150	28,601,347
(k) Increase/(decrease) in provision for slow-moving stock	(7,464,996)	5,693,318
Total operating costs	791,957,392	622,166,543

23. EMPLOYEE BENEFITS

Particulars	2023	2022
(a) Salaries and wages	1,018,726,881	911,039,520
(b) Other employee related expenses	3,465,967	2,894,032
Total employee benefit expenses	1,022,192,848	913,933,552

24. DEPRECIATION AND AMORTIZATION

Particulars	2023	2022
(a) Depreciation on property, plant and equipment	574,346,318	580,079,649
(b) Amortization on intangible assets	8,973,271	8,646,921
Total depreciation and amortization expenses	583,319,589	588,726,570

25. FINANCE COSTS

Particulars	2023	2022
(a) Interest on foreign loans	86,158	859,650
(b) Interest on local loans	138,544,100	80,762,106
(c) Interest on bank overdraft	309,968	-
(d) Other borrowing costs (penalty on GoM loans)	56,587,871	27,752,743
Total interest and other borrowing costs	195,528,097	109,374,499
Less: Interest capitalized	(1,023,856)	(566,128)
Total finance costs	194,504,241	108,808,370

Note:

i. Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets have been capitalized as part of the cost of that asset.

The amount of borrowing costs capitalized during the year 2022/23 amounted to Rs 1.02M. The capitalization rate applied to borrowing costs ranged between 2.25% and 4.5%.

ii. Other borrowing costs refer to penalty claims on non-repayment of Government loans.

26. OTHER EXPENSES

Particulars	2023	2022
(a) Commission paid to collecting agencies	16,613,553	15,216,342
(b) Transport cost	91,771,509	80,207,757
(c) Legal and professional charges	9,936,131	6,839,468
(d) Bank charges and commission	1,738,254	34,823,560
(e) Arbitration costs	4,530,048	22,988,236
(f) Loss on disposal of non-current assets	-	252,000
(g) Increase/(decrease) in provision for impairment towards receivables	11,144,693	17,773,217
Total other expenses	135,734,188	178,100,580

27. GAIN ON FOREIGN CURRENCY TRANSACTIONS

Particulars	2023	2022
Exchange gain during the reporting period	(1,245,162)	(555,279)
Total gain on foreign currency transactions	(1,245,162)	(555,279)

Note:

The Authority experienced a gain of Rs 1.25M arising out of translation difference at the reporting date with respect to liabilities denominated in foreign currencies which is mainly due to unrealised gains on exchange upon translation of outstanding foreign loans at year end.

28. FINANCIAL INSTRUMENTS

28.1. Classification of financial instruments

Particulars	2023	2022
Financial instrument measured at amortized cost		
(a) Financial assets		
(i) Cash and cash equivalents	171,261,346	316,134,094
(ii) Receivables from exchange transactions	380,664,059	386,006,502
(iii) Other receivables from exchange transactions	50,482,049	18,591,874
(iv) Loans and advances	22,345,957	21,470,725
Total financial assets	624,753,411	742,203,195
(b) Financial liabilities		
(i) Payables under exchange transactions	1,533,784,479	1,093,830,032
(ii) Bank overdraft	75,303,491	-
(iii) Deposits	115,131,317	111,741,173
(iv) Borrowings	3,386,657,145	3,347,760,850
Total financial liabilities	5,110,876,432	4,553,332,055

28.2. Financial risk management

The Authority's activities are exposed to financial risks, such as Foreign currency risk, Interest rate risk, Liquidity risk, Credit risk.

A description of the significant risk factors is given below together with the risk management policies applicable. These risks are closely monitored to ensure that they are sufficiently dealt with. The Authority has devised a set of policies for managing these risks which are under the close scrutiny of the Audit and Risk Committee which is a sub-committee of the Central Water Board.

28.2.1. Currency profile

The currency profile of the Authority's financial liabilities is summarised as follows:

Currencies	2023	2022
Euro	-	14,083,402
Total	-	14,083,402

28.2.2. Interest rate risk

The Authority is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rate on its financial position and cash flows. The Authority is exposed to interest rate risk exposures significantly towards borrowings from Government of Mauritius but has not covered the exposures through interest rates swaps or other derivative instruments. The interest rate profile of the Authority's financial assets and liabilities was:

Particulars	2022-23 % per annum
Financial assets	
Cash at bank	2.49%
Financial liabilities	
Borrowings	1.85 - 10%

28.2.2.1. Interest rate sensitivity analysis

The following table presents the sensitivity of net assets and surplus/deficits to a change in interest rates in the range of minus 10 basis points and plus 10 basis points, given outstanding positions as at 30 June 2023:

Particulars	Impact on Net Assets/Equity
Plus 10 basis points	8,959,810
Minus 10 basis points	(8,959,810)

28.2.3. Liquidity risk

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the entity's reputation. The Authority ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. In addition, liquidity risk is managed on an individual entity basis, which generally requires that assets of appropriate quantity and quality are held to meet obligations as they fall due.

Expected maturity for financial assets

As at 30 June 2023	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Cash and cash equivalents	171,261,346	-	-	171,261,346	171,261,346
(ii) Receivables from exchange transactions	380,664,059	-	-	380,664,059	380,664,059
(iii) Other receivables from exchange transactions	50,482,049	-	-	50,482,049	50,482,049
(iv) Loans and advances	6,588,640	13,985,560	1,771,757	22,345,957	22,345,957

As at 01 July 2022	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Cash and cash equivalents	316,134,094	-	-	316,134,094	316,134,094
(ii) Receivables from exchange transactions	386,006,502	-	-	386,006,502	386,006,502
(iii) Other receivables from exchange transactions	18,591,874	-	-	18,591,874	18,591,874
(iv) Loans and advances	6,069,584	13,422,976	1,978,165	21,470,725	21,470,725

Expected maturity for financial liabilities

As at 30 June 2023	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Payables under exchange transactions	1,533,784,479	-	-	1,533,784,479	1,533,784,479
(ii) Deposits	115,131	-	115,016,186	115,131,317	115,131,317
(iii) Bank overdraft	75,303,491	-	-	75,303,491	75,303,491
(iv) Borrowings	1,154,437,685	1,226,566,870	1,005,652,590	3,386,657,145	3,386,657,145

As at 01 July 2022	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Payables under exchange transactions	1,093,830,032	-	-	1,093,830,032	1,093,830,032
(ii) Deposits	111,741	-	111,629,432	111,741,173	111,741,173
(iii) Bank overdraft	-	-	-	-	-
(iv) Borrowings	860,453,639	1,092,801,674	1,394,505,537	3,347,760,850	3,347,760,850

28.2.4. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority does not have a significant concentration on credit risks. Risks are mitigated by charging a 10% surcharge on invoices that are not settled within the due dates (21 days from delivery date). In the event of non-payment after 90 days following invoice delivery date, water supply is disconnected after issue of reminders and matter is referred to the Debt Collection Unit for eventual prosecution. The Authority's credit risk is primarily attributable to its receivables from exchange transactions. The receivables amount shown on the face of the statement of financial position is net of allowances for doubtful debts, as estimated by Management based on past experiences and ongoing disputed claims. As at 30 June 2023, the maximum credit risk exposure was Rs 391M after impairment of receivables above three (3) years due (30 June 2022: Rs 386M) as analysed below:

Receivables as at 30 June 2023	Gross Receivables	Provision for impairment	2023 Net Trade Receivables
Invoices issued in July	126,177,133		126,177,133
Within 30 days	91,472,502		91,472,502
31-60 days	66,223,068		66,223,068
61-90 days	21,679,557		21,679,557
More than 90 days	232,374,978	(146,719,350)	85,655,628
Total	537,927,240	(146,719,350)	391,207,888

Receivables as at 30 June 2022	Gross Receivables	Provision for impairment	2022 Net Trade Receivables
Invoices issued in July	129,418,603		129,418,603
Within 30 days	73,547,604		73,547,604
31-60 days	40,160,004		40,160,004
61-90 days	35,810,425		35,810,425
More than 90 days	242,644,526	(135,574,660)	107,069,866
Total	521,581,162	(135,574,660)	386,006,502

29. RELATED-PARTY TRANSACTIONS

(a) Nature of related-party relationships

Entities and other parties related to the Authority include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

(b) Government of Mauritius and Key management personnel

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. Other related parties include:

Key management personnel are those persons having authority and responsibility of planning, directing, and controlling the activities of the entity, directly or indirectly, including directors (whether executive or otherwise) of the entity. Key management personnel during the reporting period comprised the following grades:

- (i) General Manager
- (ii) Deputy General Manager
- (iii) Director
- (iv) Head of Division

(c) Outstanding balance with related parties:

Government of Mauritius Nature of balance outstanding	2023	2022
Borrowings payable to Government	3,386,657,145	3,333,782,284
Interest payable to Government	554,774,664	435,592,028
Penalty payable to Government	138,976,586	82,388,717

(d) Transactions with related parties:

Government of Mauritius Nature of transaction	2023	2022
Grants receipts from Government	274,513,867	141,896,306
Loan proceeds from Government	33,513,398	38,105,211
Total	308,027,265	180,001,517

(e) Compensation of key management personnel:

The remuneration of directors and other members of key management personnel during the year are as follows:

Short-term employee benefits	2023	2022
Salaries and allowances	22,444,316	19,501,249
Sick leave	663,648	592,150
Passage benefits	176,821	400,513
Gratuity	392,100	221,520
Annual leave	-	110,760
Total short-term employee benefits	23,676,885	20,826,192
No of persons	20	18

30. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

At 30 June 2023, the Authority had contingent liabilities arising from the ordinary course of business in respect of bank guarantees and ongoing court cases as follows:

(i) Bank guarantee facility

- The Authority has given guarantees mainly in favour of Local Authorities for obtaining wayleaves for excavation works required for laying of water pipes and house connections and it is anticipated that no material liabilities would arise.

(ii) Litigation cases

- At the date of reporting, the Authority had some contested claims in court, the outcomes of which are unknown.

Court Case: Contract C2012/44 - Permanent Works for the abstraction and treatment of pumped raw water from new intake at River Rempart to Salazie Reservoir

This case refers to a dispute in respect of compensation following variations, extension of time, delays and application of new rates on the contract, which was terminated by CWA in October 2019. Following arbitration decision of April 2024 which was determined in favour of the appellant in the sum of Rs 61M, a counter appeal was lodged by CWA at the Supreme Court in July 2024 and hearing fixed for March 2025. No provision has thus been made for this liability at this stage in the absence of a legal opinion at the reporting date.

There are uncertainties involved in respect of the possible outcome of the above matters which make them a possible obligation dependent on occurrence or non-occurrence of one or more uncertain events.

Therefore, the Authority has disclosed the above matters along with its estimated financial effect as contingent liabilities.

Particulars of contingent liabilities:	2023	2022
(i) Bank guarantee facility	49,250,000	40,249,884
(ii) Litigation cases	237,000,000	1,770,813
Total contingent liabilities	286,250,000	42,020,697

(b) Contingent assets

There is no contingent asset to be disclosed in the financial statements as at 30 June 2023.

31. OPERATING LEASE

The Authority has operating lease arrangements for the lease of land, buildings, parking slots and office equipment to conduct its operations, both on cancellable and non-cancellable lease terms. It did not enter into any sublease arrangement.

CWA as a lessee

Lease payments in the current period

During the year 2022-23, an amount of Rs 25.4M (Rs 16.9M in 2021-22) has been recognised as expense and forms part of the Operating Costs disclosed under Note 22 above in the statement of financial performance.

Future Minimum lease payments under operating leases

At the reporting date, the Authority had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2023	2022
Not later than one year	3,364,276	3,588,276
Later than one year and not later than five years	4,322,567	5,639,403
Later than five years	70,562	120,398

32. EVENTS OCCURRING AFTER REPORTING DATE

(a) Adjusting events after the reporting date

Adjusting events after reporting date are those that provide evidence of conditions that existed at the reporting date. The following event which occurred after the reporting date is considered by Management to be significant and of an adjusting nature:

26 July 2023 - Encashment of performance securities in respect of two (2) contracts which were terminated during the year, for a total amount of Rs 30M.

The Authority has adjusted the amounts recognised as receivables in its financial statements 2022-23 to reflect the above adjusting events after the reporting date.

(b) Non-adjusting events after the reporting date

Non-adjusting events are those that are indicative of conditions that arose after the reporting date. As at date of approval of the financial statements 2022-23, there is no known material non-adjusting event after reporting date to be disclosed.

33. TAXATION

The Authority is not liable to Tax.





CENTRAL WATER AUTHORITY

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