



# THE PERPETUAL PULSE OF LIFE

ANNUAL REPORT 2023 - 2024



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# CORPORATE OBJECTIVES

## 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).



## 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.



## 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.



## 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.

## CUSTOMER CHARTER

“The Promise That We Make To Our Customers”



## OUR STAKEHOLDERS



# THE STRATEGIC PILLARS

To support its overarching vision and mission, the CWA adopted an integration of five strategic pillars, namely Financial Excellence, People Excellence, Operational/Social Excellence, IT and Innovation Excellence and Customer Excellence. Each pillar encompasses specific objectives, initiatives and performance indicators that align with the Authority's mission.

## THE 5-PILLARS STRATEGY

				
Overall cost efficiency and value for money	Develop a motivated, efficient and effective workforce with high productivity	Changing people's life sustainably by providing adequate and sustainable water supply	Innovate in terms of technology, embracing change, creativity and inventions	Excel in the provision of customer service generating customer satisfaction



**STRATEGIC  
DIRECTION**

## Financial Year 2024/25 – 2026/27

The CWA remains committed to ensuring a sustainable, high quality, and resilient water supply service that supports the socio-economic development of Mauritius. Responding to increasing water demand, climate change pressures, and ageing infrastructure, the Authority has set the following strategic direction for the next three financial years:

### 1. Strengthening Water Security and Supply Reliability

**(a) Modernising Water Supply Infrastructure:** Continue the replacement and rehabilitation of ageing pipeline networks to reduce non-revenue water and maintenance disruptions.

The strategy adopted for the replacement of some 500 km of most critical pipelines islandwide to address the challenges of an ageing distribution system which started during the last quarter of FY 2022/23 and continued in FY 2023/24 will be pursued in the following three (3) Financial Years 2024/25 - 2026/27.

- **Pipe Replacement between 1 km and 3 km by Small and Medium Contractors**

Pipe Replacement works of length between 1 km and 3 km (excluding classified roads) will be undertaken by Small and Medium Contractors. These pipelines concern mainly the medium lateral roads all around the island.

- **Target:** Replacement of some 100 km in each of the calendar years from 2024 to 2026.

This will be executed in order of priorities, starting with the most critical ones.

- **Pipelines exceeding 3 km (Classified Roads)**

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

A list of about 100 km of pipelines to be renewed has been prepared to be carried out by Medium and Large Contractors (depending on the value of works) over the next 2 years:

**(b) New Storage and Treatment Capacity:** Continue with the upgrading/construction of Water Treatment Plants and Service Reservoirs to increase buffer capacity and supply resilience in dry seasons.

- **(i) Upgrading/Construction of Water Treatment Plants**

- Mont Blanc
- Piton du Milieu
- Rivière du Poste
- Pont Lardier

## **(ii) Construction of new Service Reservoirs with capacity ranging 2,000 m<sup>3</sup> - 3,000 m<sup>3</sup>**

Sites already identified are as follows:

- Ferney
- Beau Songes
- Mont Loisir Rouillard
- Pont Lardier

## **(c) Production of Additional Water**

To address the challenges of increasing water demand, prolonged drought periods and also to improve water supply situation in water stressed regions around the island, the Authority shall continue to explore and exploit new sources of water (both underground and surface water).

## **2. Customer-Centric Service Delivery**

**(a) Water Supply:** Pursue the provision of an adequate water supply and pressure across the island and gradual elimination of dark spot areas;

**(b) Digital Engagement:** Expand use of online platforms for complaints reporting, applications of new supply, billing and information sharing to enhance customer satisfaction.

## **3. Capacity Building and Sustainable Financing**

**(a) Workforce Development:** Invest in staff training, capacity building and technical skill upgrades to operate modern infrastructure and embrace innovative practices;

**(b) Financial Sustainability:** Secure funding through government support and recommend appropriate measures to Board/Parent Ministry that will sustain the financial situation of the Authority. To further boost the revenue, the Authority intends also to:

- Explore other commercial opportunities for sale of water to niche market at a price commensurable with their type of activity;
- Review rate of financial contribution payable by promoters for development of Smart City, Property Development Scheme and other approved scheme projects.

## **4. Partnership and Governance**

**(a) Stakeholder Collaboration:** Strengthen partnerships with local authorities, the private sector and other organisations for a collaborative approach of works to be undertaken, project co-financing and sharing of best practices;

**(b) Transparency and Accountability:** Uphold robust governance and communication, keeping the public and stakeholders regularly informed about progress, investments and challenges.

By resolutely pursuing these strategic pillars, the CWA will ensure that Mauritius meets its growing water demand, protects its ecosystems, and enhances resilience to climate-related shocks. Moreover, our focus on innovation, operational efficiency, and partnership will lay the founding stone for a secure and sustainable water future for the nation.

## Medium & Long Term Goals (Division-wise)

### Management Information Unit

- To act as repository of all corporate data & information of CWA.
- To access, manage, and optimize the design and delivery of the Authority's data warehouse.
- To provision of Timely and Quality reports for Board, Management, parent Ministry and other organizations.
- To conduct data analysis to assist Management in the decision-making process.

### Information Technology Division

- To implement Biometric Attendance.
- To view bills on CWA Portal/E-Platform.
- To automate processes (RPA Robots).
- To upgrade Applications to APEX Platform.
- To upgrade Legacy Database.
- To implement Disaster Recovery.

### Human Resource Division

- To train and develop all employees to provide the Authority with well-trained and well-motivated employees. To allocate at least 40 hrs of training to each employee yearly.
- To implement new softwares called HRPTA (Human Resource Payroll and Time Attendance) and HRMPS (Human Resource Management and Payroll System).
- To streamline routine processes.
- To attract the best talent, retain those employees, and develop them through well-targeted development efforts in order to build the strength of this organization to ensure the long-term health, growth and stability in service provision.
- To improve performance of all employees through a Performance Management System (PMS).
- To reduce overtime costs with the implementation of a Roster System on a full-fledged basis in the Operations Division.

### Internal Audit Division (IAD)

- To complete the Internal Audit Plan for the FYs.
- To ensure corrective actions are taken by Management to redress control deficiencies.
- To maintain efficient and effective Audit Processes.

## Drawing Office

- To provide precise Digital Engineering Drawings and Cartographic Information using up-to-date ICT, ArcGIS to CWA and its stakeholders including survey works, graphics and maintain GIS database.
- To geolocate CWA appurtenances (actually 25% - to be completed by 2029).
- To conduct Georeferenced Survey all over the island including CWA appurtenances.
- To manage, maintain and effectively utilize accurate, reliable and consistent geo-spatial data (Maps already published with dashboards and target to be fully operational by 2029).
- To manage and improve the current GIS Network for the whole island by 2029.

## Planning & Design Division

- To renew old defective pipelines to improve water supply distribution (200 km by SME Contractors & 100 km by Major Contractors in calendar years 2025 & 2026).
- Provide buffer capacity water supply though construction of new service reservoirs.
- Rehabilitation and upgrading of existing treatment plant to ensure reliable and uninterrupted treatment of water.
- Construction of new water treatment plant to satisfy growing demand.

## Survey Unit

- Land Surveys, Engineering Surveys, Topographical Surveys, Boundary Surveys, Survey for land acquisitions and securing wayleaves in connection with projects.
- Updating of use and occupation of land by the CWA and monitoring of Land Asset Register of the Authority (Owned, Private land and State land).
- Land acquisition/lease and compulsory land acquisition for the CWA.

## WR/OSS – Scientific Services

- To monitor the quality of water treated and supplied by CWA in accordance with regulatory standards.
- To offer a high standard of testing and professional competence in line with international standard, ISO/IEC 17025:2017 – General requirements for the competence of testing and calibration laboratories.
- To offer scientific support services in relation to the quality and protection of water resources.
- To become a reference laboratory in the field of water testing.

## WR/OSS (M&E)

- To provide uninterrupted water supply of high-quality meeting drinking water standards from ground water and surface water sources by means of electro-mechanical equipment.
- To reduce failures/downtime related to pumpsets at CWA pumping stations through:
  - a) Proper infrastructure/facilities at river intakes and boreholes;
  - b) Procurement of higher efficiency pumps according to prevailing quality management standards; and,
  - c) Defining technical specifications of pumps and other accessories with respect to their specific application.
- To introduce/implement Digital Solutions for remote monitoring of equipment/accessories (pumps, gensets, meters, water levels, pressure etc) to shift from corrective to preventive.

## WR/OSS (MSU)

- To improve maintenance processes and workflows to increase efficiency by at least 20% within the next three years. This includes optimizing preventive maintenance schedules, implementing predictive maintenance technologies and streamlining repair procedures.
- To upgrade and modernize the organization's vehicle and plant fleet by replacing older, less efficient vehicles and equipment with more environmentally friendly and technologically advanced alternatives. Aim to replace 50% of existing fleet with greener options within five years.
- To invest in continuous training and development programs for MSU staff to keep them updated with latest automotive and plant maintenance technologies. Ensure that 80% of workforce undergoes relevant training annually.
- To develop a cutting-edge predictive maintenance system that utilizes artificial intelligence including telematics and machine learning to anticipate vehicles and plants failures and optimize maintenance schedules and vehicle usages.
- To strive for at least a 40% reduction in unplanned downtime within a decade.
- To move towards a sustainable energy model by integrating renewable energy sources like solar and wind power into MSU facilities.
- To work towards making the MSU completely energy self-sufficient within 10 years.
- To move towards electric vehicles (EV) fleet by gradually phasing out internal combustion engine (ICE) vehicles.
- To aim for 25% of MSU fleet to be electric or hybrid within the next decade.

## Water Treatment Plant

- To optimize and standardize water treatment processes for a better efficiency on WTP.
- To provide an optimum volume of high-quality treated water (as per requirement of EPA Act) in an efficient and economic manner while protecting environment and efficient use of energy in attaining the objectives.
- To increase production to meet the increasing demand while maintaining the quality standards.
- To increase production in the coming years through the construction of new water treatment plants, upgrading of existing ones and installation of new pressure filters.

## **Non-Revenue Water Management Cell**

- To recovery claims.
- To investigate on disconnected supply not yet re-opened.
- To attend complaints (some 2500 targeted).
- To survey specific categories of supply with high suspicion of illegal use of water.
- To investigation on illegal abstraction of water from boreholes.
- To implement capacity building and institutional strengthening.

## **Customer Service Experience Unit**

- To reduce repetitive calls – First time resolution.
- To remodel process to strategize operation and ticketing system.
- To digitalize telephony system and complaint handling .

## **Commercial Services Division**

- To constantly improve customer service by bringing innovation and excellence to enhance facilities provided to customers to meet customer's expectation in line with business trends and technological development (eg. promoting e-services i.e online Bill Payment System, online Meter Reading System, Smart Metering) and by facilitating business procedures and processes (re-engineering of business process) and ease of doing business.
- To attend complaints promptly to meet KPIs prescribed in the Customer Charter for each type of complaint.
- To maintain debt collection efficiency over 99% by pursuing efforts to minimize the level of bad/irrecoverable debts.
- To maximize revenue through increasing billing efficiency over 90% through (i) replacement of all defective/slow-moving/ageing meters (ii) reading all meters accurately (iii) billing customers on correct category.
- To reduce meter reading and billing costs by introducing Smart Meter concept for all categories of consumers.
- To ensure affordable water tariff structure by producing a water tariff policy aiming to reduce wastage of water while protecting the lower income group of customers through the introduction of a social tariff.

## **Non-Revenue Water - Anti-Fraud Cell**

- To monitor and recover claims.
- To track disconnected supply not reopened after a specified timeframe (3 months).
- To crack down surveys on specific categories of supply & targeted regions with high suspected illegal cases.
- To investigate on cases submitted by the Water Resources Unit pertaining to illegal abstraction of water from boreholes or surface water where no license/no water rights have been granted.
- To implement Capacity Building and Institutional Strengthening through appropriate training.

## Transport Control Unit

- To provide monitoring and control services to all CWA vehicles.
- To reduce transport immobilization time with minimum cost.
- To renew fleet of vehicles and plants with high repairs and maintenance cost.

## Procurement and Supply Unit

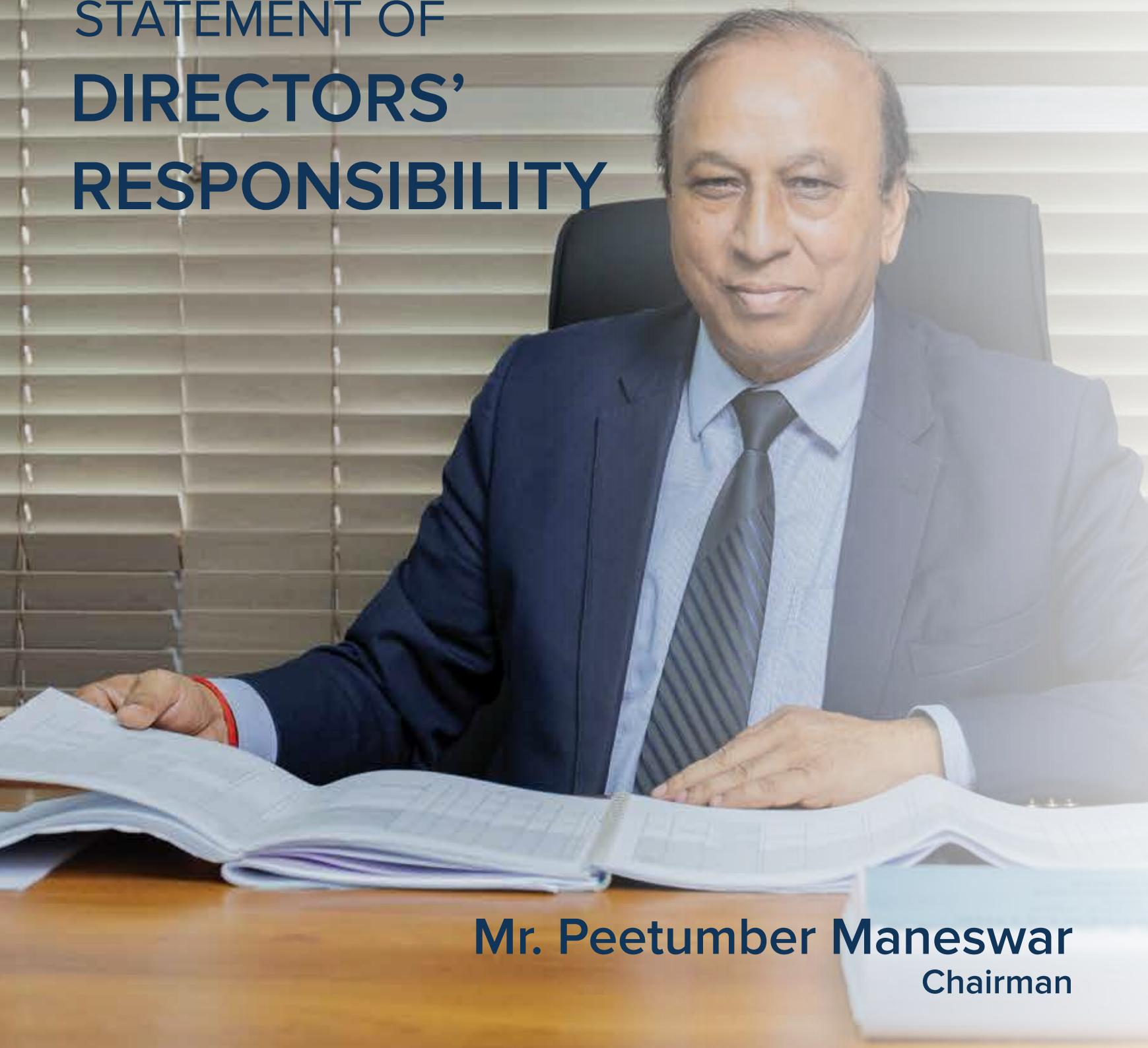
- To provide for backup of LoAs.
- To ensure proper channeling of files from inception up to issue of LoAs.
- To categorise files properly - In-House/SME and Major Projects.
- To update procurement activities on a monthly basis.
- To compile records for SME, In-House and Major Projects.
- To provide for buffer stock of pipes and fittings.
- To mitigate repeated purchases of common items.
- To implement Committee of Needs/Annual Procurement Plan.
- To apply FIFO concept in terms of Stock Management.
- To maintain a system of centralized database – LoA, Evaluation Report and Bid Documents.
- To provide training to staff on the use of Procurement System.
- To establish a Framework Agreement for procurement of Pipes and Fittings.
- To ensure availability of a minimum level of stock so as to meet urgent needs.
- To resort to Open National Bidding method of procurement in order to achieve efficiency and effectiveness.
- To move towards overseas purchase to achieve economies of scale for major items.



## Operations

- Network Management
  - To improve water supply across Zones.
  - To ensure prompt repair of visible leakages/assessment of existing water pipe network.
  - To replace defective meters.
- Customer Service Management
  - To improve response time to attend complaints subject to availability of resources.
  - To provide training to exposed staff.
  - To enhance collaboration with communication team to establish good PR.
  - To reinforce workforce to implement an efficient roster/shift system.
  - To renew fleet to cater for high maintenance costs on aged vehicles hampering daily operations.
  - To conduct nursing calls.
- Production Capacity Management
  - To Identify new sources of water production.
  - To drill duplicate boreholes.
- Enhancing Employee Experience
  - To re-design organization structure.
  - To revamp Code of Ethics.
  - To work towards Sustainability Reporting.
  - To provide safety and physical health at work.
  - To establish KPI to track performance on health and safety.
  - To conduct employee satisfaction survey.
  - To implement career management and training.
  - To enable transparent social dialogue.

# STATEMENT OF DIRECTORS' RESPONSIBILITY



**Mr. Peetumber Maneswar**  
Chairman

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.

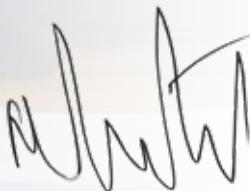
The Board is also responsible for the integrity of these annual financial statements and for the objectivity of any information presented therein.

In preparing these financial statements, the Board has:

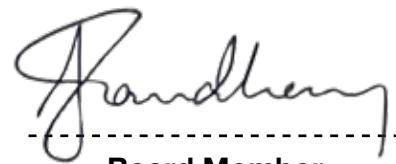
- maintained proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority;
- ensured that the financial statements provide an integral and transparent state of affairs, Income and Expenditure Account and cash flows of the Authority;
- selected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



**Chairperson**



**Board Member**

A professional portrait of a man with dark hair and a serious expression. He is wearing a dark grey suit jacket, a white shirt, and a dark red tie. His hands are clasped in front of him. The background consists of vertical blinds with a warm, golden-yellow tint.

# CORPORATE GOVERNANCE REPORT

**Mr. Shiam Krisht Thannoo**  
General Manager

## INTRODUCTION

The Central Water Authority (CWA), qualified as a Public Interest Entity as defined 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<sup>1</sup>, 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 2023/24.

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.

### Code of Ethics

A Code of Ethic 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 recognizing 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.

<sup>1</sup>The Board Charter can be consulted on the CWA’s Website (<https://cwa.govmu.org>)

# 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 organization 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 of 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

Set out the vision, mission, goal, values, strategic objectives, targets and overall direction of the organization



Controls and oversees the activities of the Senior Management Team



Develops good working relationships with Senior Management Team



Ensures the Authority meets all legal and statutory requirements



Cares for stakeholder's interests



Leads and controls the organization



Monitors risks



## Board Meeting Process

<b>Beginning of Financial Year</b>	Planning of Board Meetings for the ensuing year is set by the Secretary to the Board in consultation with the Chairperson.
<b>Setting of Agenda</b>	Agendas for the Board are finalized by the Secretary to Board in consultation with the General Manager and the Chairperson.
<b>Before the Meeting</b>	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.
<b>Board Meeting</b>	Regular matters as well as the reports of the various Board Committees are discussed.
<b>After Board Meeting</b>	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.

## The Board in 2023/2024

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 was as follows:

Name	Description
<b>AHSISH KUMAR NILAMBER</b> (up to 07 November 2023)	Chairperson
<b>JAYPRAKASH ROSHANSINGH SEETOHUL</b> (appointed as from 08 November 2023)	
<b>HEMNISH RAM URDHIN</b> (appointed as from May 2023)	Representative of the Ministry responsible for the subject of finance
<b>RENUKA DEVI BISSESSUR (Ms)</b> (appointed as from March 2023 up to 24 April 2024)	Representative of the Ministry responsible for the subject of energy
<b>YASDEV KISTOMOHUN</b> (appointed as from 25 April 2024)	
<b>KHINDEV GUNPUTH</b> (appointed as from August 2022)	Representative of the Ministry responsible for the subject of labour and industrial relations
<b>FEIZAL DELIOR</b> (resigned with effect from 04 March 2024)	
<b>TIRAT MOOSSUN</b> (appointed as from 27 August 2020; appointment renewed in October 2023)	Two (2) members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister
<b>MICHAEL LYNDON VEERARAGOO</b> (appointed as from 16 April 2024 in replacement of Mr. F. Delior)	

- 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 organization. The key roles and responsibilities as hereunder:

Chairperson
<ul style="list-style-type: none"><li>• Acts as the spokesperson for the Board;</li><li>• Provides overall leadership to the Board;</li><li>• Ensures that the Board is effective in its duties of setting out strategies and implementing Government policies;</li><li>• Ensures that Board meetings are chaired in an effective manner;</li><li>• Ensures that committees are properly structured with appropriate terms of reference;</li><li>• Ensures that Board Members receive accurate, timely and clear information;</li><li>• Ensures that development needs of Board Members are identified and appropriate training is provided to continuously update the skills and knowledge of the latter;</li><li>• Maintains sound relations with stakeholders.</li></ul>

General Manager
<ul style="list-style-type: none"><li>• 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;</li><li>• Manages the day-to-day affairs of the Authority;</li><li>• Executes plans and strategies in line with the policies set by the Board;</li><li>• Provides leadership and direction to senior management;</li><li>• Ensures that the decisions of the Board are executed;</li><li>• Acts as a liaison between Management and the Board;</li><li>• Ascertains a proper working environment for the Staff of the organization.</li></ul>

Board Secretary
<ul style="list-style-type: none"><li>• Ensures compliance with relevant statutory and regulatory requirements;</li><li>• Develops and circulates the agenda and relevant documents for Board and Board Committee meetings in a timely manner;</li><li>• Facilitates induction of Board Members and provides guidance to them in terms of their roles and responsibilities;</li><li>• Assists the Chairperson in governance processes.</li></ul>

## 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.

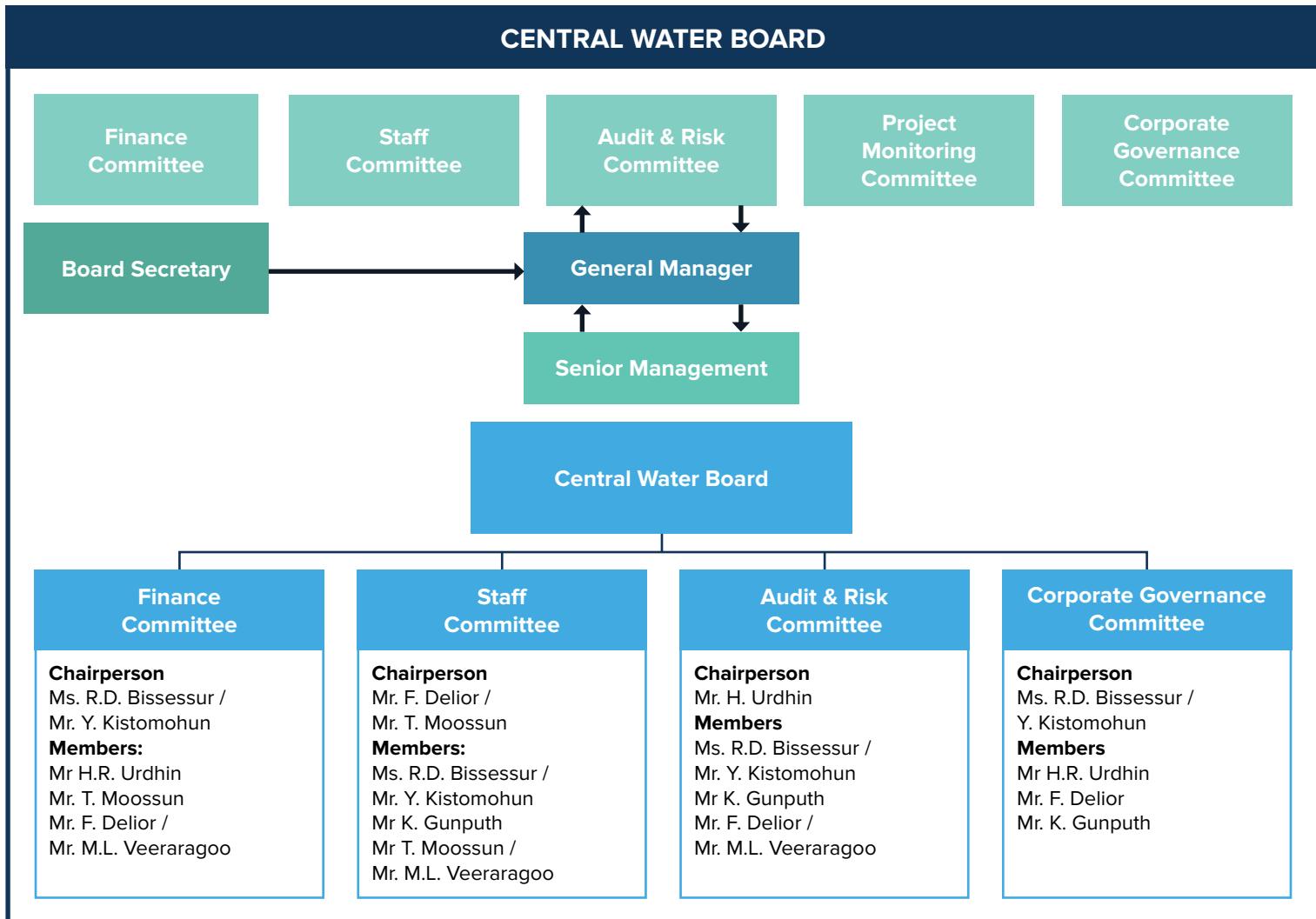
During the financial year ending **30 June 2024**, the Central Water Board met on 14 occasions. The attendance of Board meetings is detailed in the following table.

Board Members	Meeting Attendance
<b>Chairperson</b>	
<b>Mr. A.K. Nilamber</b> July to October 2024	3
<b>Mr. J.R. Seetohul</b> Nov 2023 to June 2024	11
<b>Board Members</b>	
<b>Ms. R.D. Bissessur</b>	9
<b>Mr. Y. Kistomohun</b>	4
<b>Mr. D. Jahajeea (Alternate)</b>	1
<b>Mr. H.R. Urdhin</b>	12
<b>Mr. K. Gunputh</b>	14
<b>Mr. F. Delior</b>	7
<b>Mr. T. Moossun</b>	12
<b>Mr. M.L. Veeraragoo</b>	5

## 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 organization. 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.

The structure of the Board and Board Committees up 30 June 2024 as hereunder:



## FINANCE COMMITTEE

The Finance Committee<sup>2</sup> 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.

The Finance Committee held 7 meetings during the financial year ended **30 June 2024**. 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 invited to attend as and when specialized technical knowledge was required.

**No. of meetings held: 7**

Board Members	Meeting Attendance
<b>Ms R.D. Bissessur</b> - (Chairperson)	3
<b>Mr. Y. Kistomohun</b> - (Chairperson)	3
<b>Mr. H. Urdhin</b> - (Chairperson)	1 <sup>1</sup>
<b>Mr. H.R. Urdhin</b>	5
<b>Mr. T. Moossun</b>	6
<b>Mr. F. Delior</b>	2
<b>Mr. M.L. Veerarago</b>	3

<sup>1</sup>Mr. H. Urdhin chaired one Finance Committee in March 2024 in the absence of Ms. R.D. Bissessur.

<sup>2</sup>More information on the Finance Committee can be obtained on the Finance Committee Charter on the CWA's Website.

## STAFF COMMITTEE

The Staff Committee<sup>3</sup> assists the Board on matters relating to, inter-alia:

- Human Resource Strategies
- Selection and Appointment
- Remuneration and Performance Management
- 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.

The Staff Committee held 11 meetings during the financial year ended **30 June 2024**. The General Manager attended all meetings.

### No. of meetings held: 11

Board Members	Meeting Attendance
<b>Mr. F. Delior</b> (Chairperson)	7
<b>Mr. T. Moossun</b> (Chairperson)	4
<b>Ms R.D. Bissessur</b>	8
<b>Ms. Y. Kistomohun</b>	2
<b>Mr. K. Gunputh</b>	10
<b>Mr. T. Moossun</b>	7
<b>Mr. M.L. Veerarago</b>	2

<sup>3</sup>More information on the Staff Committee can be obtained on the Staff Committee Charter on the CWA's Website.

## AUDIT & RISK COMMITTEE

The Audit & Risk Committee<sup>4</sup> 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 organization by implementing rigorous internal processes and controls which identify, monitor, measure and report different types of risk;
- Review the principal risks, including, strategic, financial, operational, compliance, reputational risks and actions taken to mitigate them.

The Audit & Risk Committee held 2 meetings during the financial year ended **30 June 2024**. The General Manager, the Chief Internal Auditor attended the meeting. Other members of the Senior Management Team were also invited as and when required.

### No. of meetings held: 2

Board Members	Meeting Attendance
Mr. H. Urdhin (Chairperson)	2
Ms R.D. Bissessur	1
Ms. Y. Kistomohun	1
Mr. K. Gunputh	2
Mr. F. Delior	1
Mr. M.L. Veeraragoo	1

<sup>4</sup>More information on the Audit & Risk Committee can be obtained on the Audit & Risk Committee Charter on the CWA's Website.

## CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance<sup>5</sup> 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 organization.
- 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.

No meeting of the Corporate Governance Committee was held during the financial year ended 30 June 2024.

## 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 all the whole organization.

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 organization.

## 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 **14 August 2020**, the Central Water Board has been considered as a Category A Institution taking into account the mandate of the organization, 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 2,193,000/-**

## Remuneration of Board Members for period July 2023 to June 2024 as hereunder:

Board Members	Rs (Net of PAYE)
Mr. A.K. Nilamber (Chairperson)	178,500
Mr. J.R. Seetohul	654,500
Ms. R.D. Bissessur	191,250
Mr. Y. Kistomohun	85,000
Mr. D. Jahajeea	21,250
Mr. H.R. Urdhin	255,000
Mr. K. Gunputh	297,500
Mr. F. Delior	148,750
Mr. T. Moossun	255,000
Mr. M.L. Veeraragoo	106,250

## 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** whereand 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:

<b>1</b>	<b>Risk Identification</b>	The process used to uncover, recognise and describe risks that may affect the authority
<b>2</b>	<b>Risk Analysis</b>	Risk rating assigned to each risk base on its likelihood and impact (inherent risks)
<b>3</b>	<b>Risk Evaluation</b>	Mitigating controls implemented to manage the residual risks
<b>4</b>	<b>Risk Treatment</b>	Decision to be taken for residual risks, in terms of accepting, stopping, shifting and managing the risks

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

1. Customer;
2. Financial;
3. Information Technology;
4. Legal and Regulatory;
5. Operational;
6. People; and
7. Other Business

After being identified, a risk rating was assigned to each risk base 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.

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 of 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 of 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.

## 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 organization.

- 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 have 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, the CWA endeavours to ensure compliance with the aforesaid Act.

As at **30 June 2024**, twelve (12) disabled employees were in post in the Authority.

### Consumption of 0 - 6 m<sup>3</sup> free of charge

As at **30 June 2024**, 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 6m<sup>3</sup>. 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 2024**.

## 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 organization, 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.

## 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.

# STATEMENT OF COMPLIANCE



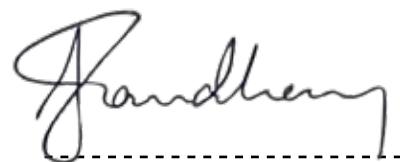
## Central Water Authority

Reporting Period: 30 June 2024

We, the Directors of the Central Water Board, confirm that to the best of our knowledge, the Authority has complied with all of its obligations and requirements under the Code of Corporate Governance.



**Chairperson**



**Board Member**



**Our Divisions  
at a Glance**

The Central Water Authority is structured into several divisions to manage the different aspects of its operations while aligning with the vision, mission and overall objectives of the Authority. A brief description of the major divisions within the Authority is highlighted hereunder:

## Operations Division

The Operations division encompasses the water treatment & distribution, infrastructure maintenance, non-revenue water reduction and ensuring the supply of safe water quality across the island.

- **Water Treatment & Distribution**

Overseeing the entire process from water treatment to distribution and ensuring that potable water reaches consumers in compliance with national and international quality standards.

- **Efficiency Enhancements**

Enhancing the efficiency and performance of water distribution network through infrastructure modernisation, regular maintenance and use of advanced monitoring technologies.

- **Non-Revenue Water (NRW) Reduction**

Minimising water loss (due to leaks, theft, metering inaccuracies) through proactive measures aiming to reduce NRW to economically acceptable level.

## Water Treatment Plant (WTP) Division

WTP Division is critical to the mission and sustainability of the Authority, serving as the guardian of water quality, environmental health, and reliable supply for all users of Mauritius.

Its core function is to ensure safe and clean drinking water through various methods and technologies to remove impurities and contaminants from raw water. The raw water undergoes a series of processes from aerating pre-treatment, coagulation, flocculation, sedimentation, filtration, backwashing of filters and chlorination prior to be released in the distribution network.

The Division has under its responsibility 8 Water Treatment Plants and 52 mobile Containerised Pressure Filters (CPF) around the island which produce a total of some 515,600 m<sup>3</sup> of potable water on a daily basis.

## Non-Revenue Water (NRW) Management Cell

The NRW Management Cell is essential to efficiently manage, reduce, and report water losses, ensuring that as much distributed water as possible is used productively and billed appropriately.

The main objective of the Cell are as follows:

- Reducing the current NRW to an Economically Accepted Level conforming to the current Best International Practices;
- Improving the Water Network Efficiency through Active Leakage Management;
- Improving the Management and Monitoring of the Water Network;
- Sustaining NRW Capacity Building and Institutional Strengthening.

The NRW Management Cell has also under its responsibility the Anti-Fraud Unit (AFU) which ensures a robust approach to preventing, detecting, and responding to fraudulent activities.

## **Planning & Design (P&D) Division**

The P&D division is responsible for driving infrastructure expansion through planning and execution.

Its core functions include:

- Conducting surveys and designing pipe laying works;
- Preparing the technical specifications for various capital projects for tendering process;
- Implementing various infrastructural projects such as pipelaying, construction of service reservoirs and rehabilitation/upgrading /construction of new water treatment plants;

By delivering crucial infrastructural projects, the division plays a pivotal role in ensuring a reliable and safe supply of potable water which ultimately enhancing quality of life and supporting economic development.

## **Water Resources & Other Support Services (WR/OSS) Division**

The WR/OSS Division comprises the following Sections:

### **a. Mechanical & Electrical (M&E) Section**

- Responsible for the operation, repair and maintenance of all pumping stations (250 Nos. in total) and the associated chlorination system around the island.

### **b. Mechanical Services Unit (MSU)**

- Responsible for the repair and maintenance of the Authority's fleet of vehicle and plant.

### **c. Scientific Services (Laboratory)**

- Responsible for the testing of raw and treated water to verify compliance with drinking water standards (GN Notice No. 55 of 1996/Environment Act 2024) and also provide support services in relation to EIA, PER applications and Ground Water License.

### **d. Water Rights and Ground Water Section**

- Responsible for granting rights, licenses and permits to private land owners for the purpose of abstracting ground water;
- Assess applications for water rights in rivers/canals and also drilling of private boreholes for industrial, commercial and agricultural purposes.

### **e. Meter Workshop**

- The workshop is responsible for the repair and testing of cold potable water meters of size DN 15 mm - DN 65 in line with ISO 4064:2014 Standards.

## Finance Division

The Finance Division is mainly responsible for overseeing and managing all aspects of the Authority's financial activities and associated resources.

Its core responsibilities are as follows:

- a. **Supports Strategic Decisions:** Provides financial insights vital to the Authority's financial strategic planning, decision-making and implementations;
- b. **Maintains Liquidity:** Ensures funds are available to meet operational needs;
- c. **Promotes Accountability:** Tracks the use of resources and enforces budget and financial disciplines;
- d. **Ensures Legal and other Regulatory Compliance:** Keeps operations within the bounds of financial laws, rules and regulations.

The Division comprises 3 Sections, namely:

- a. **Expenditure Section:** Processing of payments (recurrent, including payroll, and capital) and formulating Payment Management policies;
- b. **Management Accounting Section:** Preparing the Authority's Annual Estimates; Filing of Statutory Returns, Preparation of Management Accounts and Report, Reviewing User Fees and Charges, including Management Fees, Ensuring Financial Sustainability and Reporting on Variance Analysis;
- c. **Financial Accounting Section:** Preparing Annual Financial Statements, Periodic Financial Forecasts and Financial Projections, Dealing with Treasury and Fund Management, including Cash Office Operations and Management.

## Commercial Services Division

The Commercial Services Division serves as a bridge between the operational/technical teams and the customers, ensuring that service delivery translates into revenue while maintaining customer satisfaction. The core responsibilities include:

- **Meter Reading & Consumer Billing**

Ensuring accurate and timely reading of water meters for billing purpose on monthly basis.

- **Revenue & Debt Management**

Ensuring efficient collection and maximisation of revenue from services provided.

- **Complaint Management**

Ensuring that complaints pertaining to meter reading sections are handled in line with the Customer Charter of the Authority.

- **Replacement of defective/non-working meters**

This exercise is undertaken on a regular basis to ensure that consumers are billed for water that they are actually consuming.

- **Disconnection of supply for non-payment of water charges**

- **Compliance with Water Regulations**

## Human Resources Division

The HR division serves as a vital link between management and employees, ensuring both legal compliance and the development of a healthy, productive work environment. The core functions include:

- Recruitment & Career Development
- Employee Relations and Rights
- Training & Development
- Payroll Administration
- Occupational Safety & Health
- Employee Welfare & Benefits

## Information Technology Division

The IT Division serves as the backbone of the Authority's efficiency, digital security and innovation. Its main objective is to ensure that the technological infrastructure functions smoothly, efficiently and securely to support the Authority's business goals. The main responsibilities include:

- **Managing hardware and software:**

Installing, maintaining and upgrading computers, servers, applications and databases;

- **Network Administration:**

Ensuring that the Authority's networks are secure and functional.

- **Data Management**

Safeguarding, backing up and restoring the Authority's data as necessary.

- **Cybersecurity**

Implementing security measures to protect the Authority against cyber attacks and ensuring compliance with relevant regulations.

- **Technical Support**

Providing technical support to user departments and ensure business continuity.

- **Innovation & Strategy**

Identifying and deploying new technologies to enhance business processes and maintain competitiveness.

## Procurement Department

The Procurement Department plays a strategic role in sourcing, cost management, risk mitigation and ensuring the smooth operational flow of the Authority. It encompasses for the entire process of procurement of goods and services from upstream to downstream that is identification of needs to managing supplier relationships and ensuring timely delivery of goods and services to the satisfaction of all stakeholders. Its key responsibilities include:

- Ensuring strict compliance with the Regulatory Framework and Internal policies.
- Preparing Annual Procurement Plan and accurate forecasting for the Authority within budget constraints.
- Developing and implementing Procurement Strategies aligned with Operational goals and budget requirement.
- Monitor Procurement Budget and identify cost-saving opportunities.
- Conducting competitive bidding to achieve optimum value.
- Registration, evaluation and management of potential suppliers and reporting of poor performance.

- Ensuring a robust Inventory Management and Control System.
- Ensure consistent availability of goods to support the user Division without disruption in supply.
- Leading Procurement activities with a strong focus on cost control, quality, and timely delivery to achieve value for money.
- Use of the e-Procurement Technology and leveraging of emerging technologies in the Procurement Process.
- Analyse Price Proposal, evaluation report and other data to determine reasonable prices.
- Reporting of Procurement Activities to the Procurement Policy Office.

## Communication Cell

The Communication Cell plays a pivotal role in bridging the gap between the Authority, its customers, employees and the wider community. It serves as the backbone for disseminating information, fostering stakeholder engagement and enhancing public awareness regarding water related issues.

The Communication Cell plays a crucial role in enhancing the corporate image of the Authority vis-à-vis the media, the government, the local authorities, its consumers and the public in general.

Its actions directly impact public perception, operational efficiency and crisis management. Some of its key responsibilities include:

- Internal and External Communication
- Customer Engagement
- Crisis Communication
- Community Relations

## General Administration Division

The General Administration Division acts as the backbone for all support activities, ensuring that all other departments can focus on their core functions. Its role is critical for sustaining productivity, employee satisfaction, and overall organizational effectiveness. The key functions and responsibilities are as follows:

- **Secretary to Board & Board Committees**

Provides Secretarial Services to Board and Board Committees.

- **Office & Facilities Management**

Ensures the workplace is safe, secure, clean and well maintained.

- **Administrative Support**

Handles correspondences (incoming and outgoing), maintains a proper filing system, archiving of documents and files, and document management.

- **Compilation of Statistics**

Gathering, organizing and processing data from various divisions for annual report and other purposes.

- **Fleet Management**

Overseeing, organizing and optimizing the Authority's fleet of vehicles (pick-up vans, trucks, water tankers, back-hoe loaders, skid steer loaders) with the ultimate objective of increasing efficiency, reducing costs and enhancing safety.

## Internal Audit Division

The Internal Audit Division is an independent and objective team within the Authority designed to add value by improving operations. Its key role is to provide assurance and advisory services, objectively evaluating governance, risk management, and control processes. Its main responsibilities include:

- Assessing internal control systems for effectiveness and recommending improvements;
- Reviewing compliance with laws, regulations, and the Authority's policies;
- Evaluating risk management frameworks and the organisation's risk culture;
- Investigating incidents of fraud or inefficiency and supporting ethical practices;
- Reporting findings and recommendations to the Audit Committee and management for action.





Management  
Team

MANAGEMENT TEAM	
<b>Ramprakash Maunthrooa</b>	General Manager
<b>Jean Gaetan Armoogum</b>	Deputy General Manager (Administration)
<b>Outtum Issur</b>	Chief Financial Officer
<b>Dhanveersingh Juddoo</b>	IT Director (Resigned wef 01 January 2024)
<b>Deeleswar Sharma Jhagdambi</b>	Ag. IT Manager (appointed as from 03 January 2024 up 14 May 2024 )
<b>Arpana Devi Ramkissoon-Balnac (Mrs)</b>	Ag. IT Manager (appointed as from 23 May 2024)
<b>Prithiviraj Kissoon</b>	Ag. Manager Commercial Services
<b>Yousra Lalmahomed (Ms)</b>	Chief Internal Auditor
<b>Vinaye Thakoor</b>	Administrative Manager (Resigned as from 27 Oct 2023)
<b>Ramakrishna Neelayya</b>	Zone Manager (WSZ-South)/Administrative Manager
<b>Khamelee Aubeeluck (Ms)</b>	Ag. HRMO
<b>Poorunduth Gopal</b>	Public Relations & Communication Coordinator
<b>Chandrasen Matadeen</b>	Ag. Deputy General Manager (Technical)
<b>Madhoochandra Lobind</b>	Ag. Chief Engineer (Planning & Design)
<b>Sewraj Busgeeth</b>	Ag. Chief Engineer (Planning & Design)
<b>Sewkumarsing Dinassing</b>	Ag. Chief Engineer Water Resources/Operational Supporting Services
<b>Mitraudev Lobind</b>	Ag. Chief Engineer (Water Treatment Plant)
<b>Khem Noyensing</b>	Ag. Chief Engineer (Operations)

# Operational Overview



## OPERATIONAL OVERVIEW

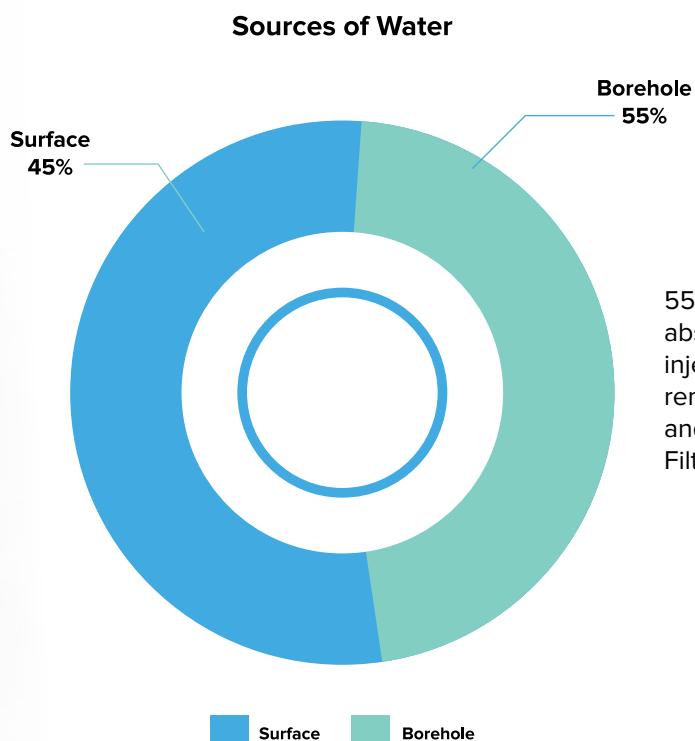
### Water Production & Distribution

Water is an invaluable resource that underpins life, agriculture, industry and the environment. Its importance cannot be overstated, as it is integral to human health, economic development and ecological balance. Water production and distribution are critical components for the general population and the socio-economic development of any country. Water production and distribution are vital processes that require careful management and innovative solutions to ensure a sustainable and equitable supply. As global challenges such as climate change, population growth and infrastructure ageing continue to evolve, it is imperative that we develop resilient water systems that can meet the needs of current and future generations.

The CWA being aware of the major challenges ahead, has taken steps towards further developing its capabilities to increase production, storage capacity, exploiting new water sources and last but not least improving its current water supply infrastructures.

In Mauritius, water supply comes from two different sources, namely surface water and groundwater. Surface water is the water that is collected on the surface of the Earth in bodies such as rivers, lakes, reservoirs and wetlands. It is directly influenced by atmospheric conditions and is subject to evaporation, precipitation and runoff. Groundwater, on the other hand, is the water that is stored beneath the Earth's surface in soil and rock spaces. It is a significant component of the hydrological cycle, replenished by precipitation that infiltrates the ground. Groundwater can be found in aquifers, which are geological formations that can store and transit water.

During FY 2023/24, 55% of our total water production came from underground sources and 45% from surface sources as shown below:



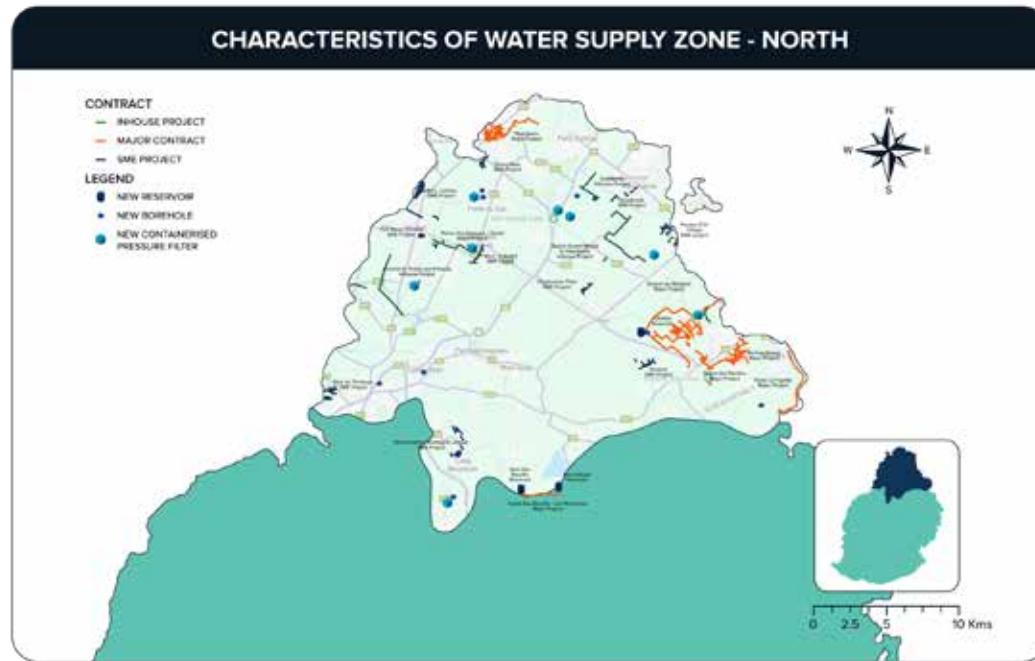
55% of our total raw water resources is derived from groundwater abstracted from boreholes. The water is then chlorinated and injected into our distribution network or service reservoirs. The remaining water for distribution is obtained from surface sources and is treated at CWA's treatment plants and Containerised Pressure Filters (CPFs) prior to distribution.



**CNJ**  
NOUVELLE FRANCE RESERVOIR

Potable water is supplied across the island through six distribution systems that are organized in six Water Supply Zones. The characteristics of the 6 WSZ are as follows:

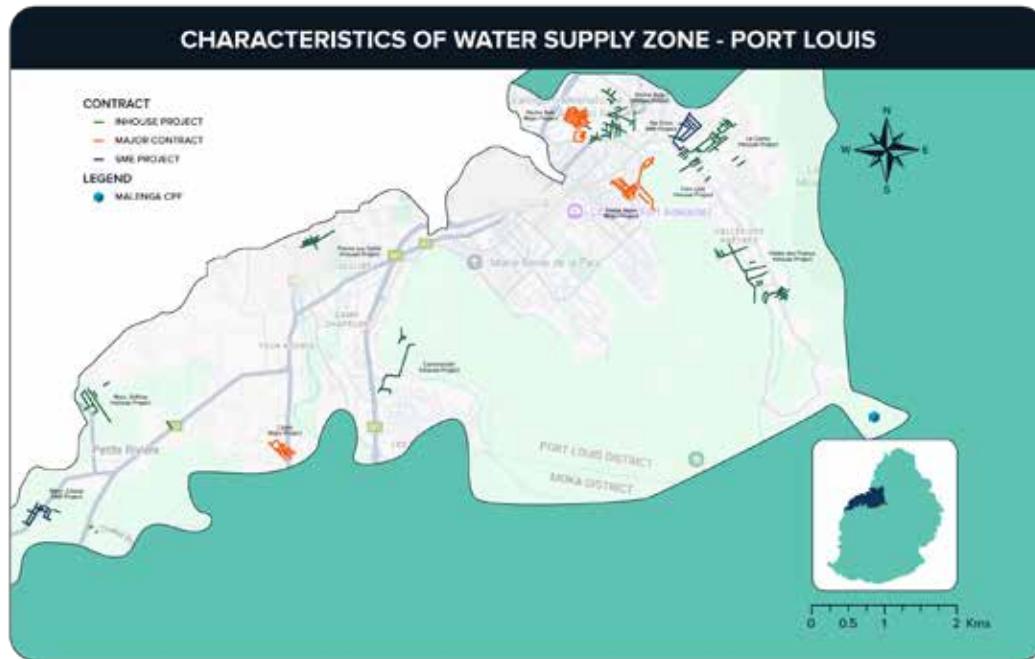
**(a) Water Supply Zone (North)**



**WATER SUPPLY ZONE - NORTH**

Length of pipe	June 2022	June 2023	June 2024
	1242.00	1288.00	1334.25
		July 2022-June 2023	July 2023-June 2024
In-House Pipe Replacement Programme	-	9.06	55.14
SME Contracts	-	-	48.72
Major Contracts	-	5.20	10.60
No. of Subscribers	90,379		
Average Daily Production (m <sup>3</sup> )	224,816		
Average Daily Consumption (m <sup>3</sup> )	87,531		
No. of Service Reservoir Plant	18		
No. of Borehole Plant	44		
No. of Contenerised Pressure Filter	17		

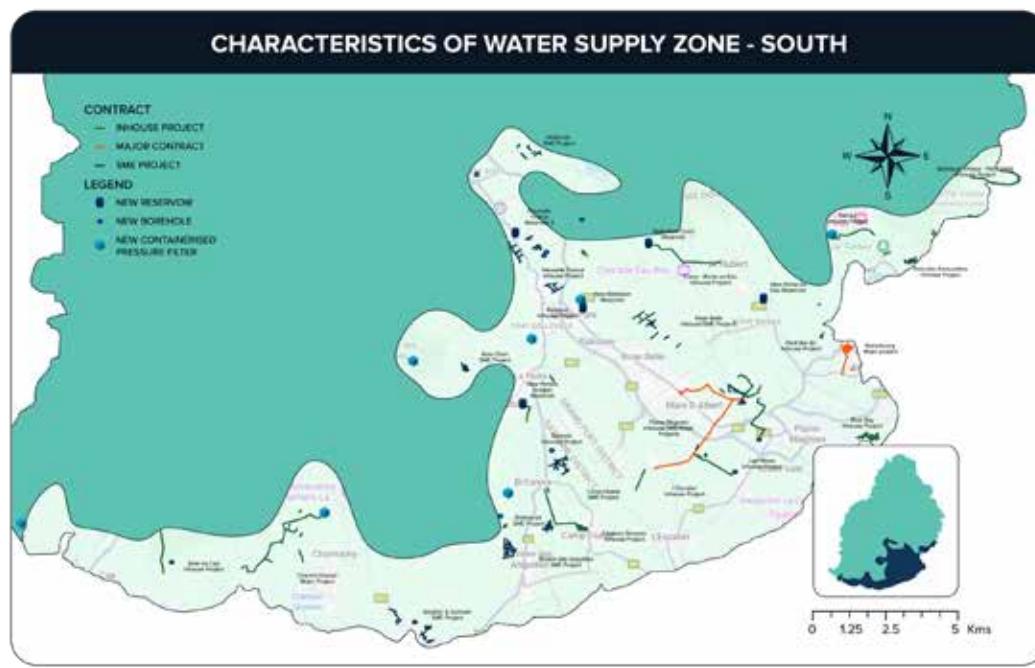
## **(b) Water Supply Zone (Port Louis)**



## WATER SUPPLY ZONE - PORT LOUIS

Length of pipe	June 2022	June 2023	June 2024
	567.00	567.00	612.39
		July 2022-June 2023	July 2023-June 2024
In-House Pipe Replacement Programme	-	1.55	15.49
SME Contracts	-	-	6.22
Major Contracts	-	-	3.00
No. of Subscribers	54,504		
Average Daily Production (m <sup>3</sup> )	132,591		
Average Daily Consumption (m <sup>3</sup> )	55,129		
No. of Service Reservoir Plant	14		
No. of Borehole Plant	9		
No. of Contenerised Pressure Filter	1		

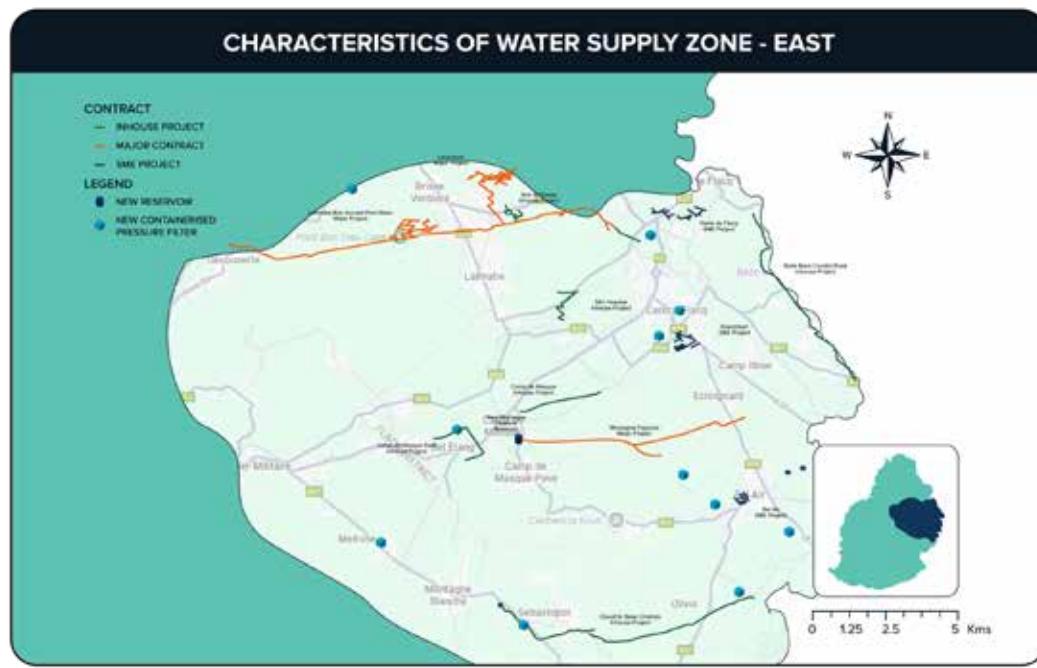
(c) Water Supply Zone (South)



**WATER SUPPLY ZONE - SOUTH**

Length to pipe	June 2022	June 2023	June 2024
	767.00	842.00	872.34
		July 2022- June 2023	July 2023- June 2024
In-House Pipe Replacement Programme	-	15.65	33.27
SME Contracts	-	-	28.60
Major Contracts	-	1.37	13.55
No. of Subscribers	62,932		
Average Daily Production (m <sup>3</sup> )	126,064		
Average Daily Consumption (m <sup>3</sup> )	60,692		
No. of Service Reservoir Plant	13		
No. of Borehole Plant	22		
No. of Contenerised Pressure Filter	12		

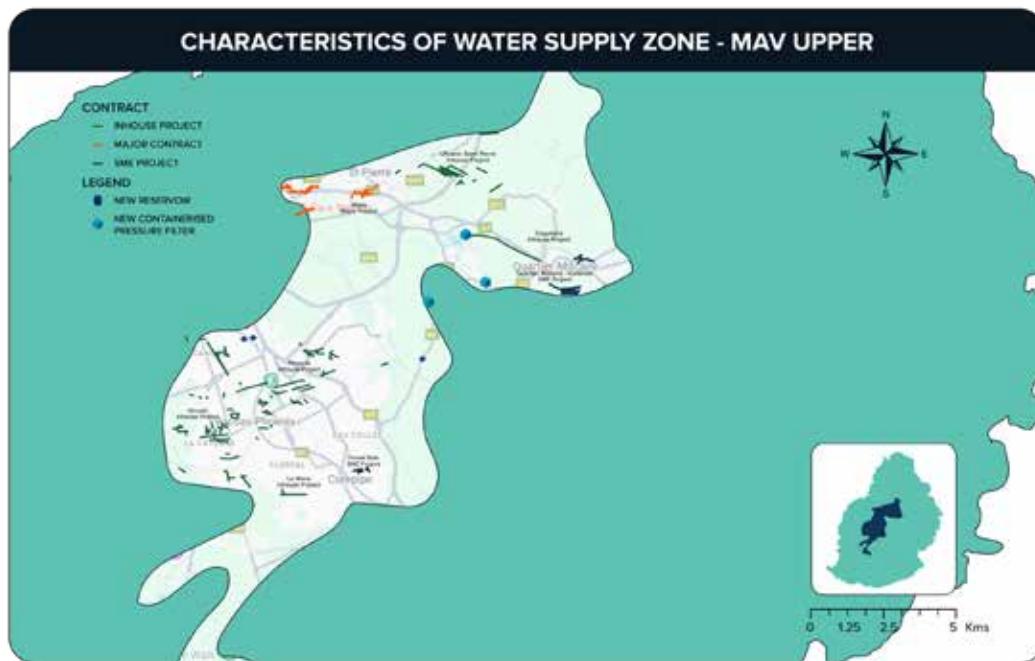
**(d) Water Supply Zone (East)**



## WATER SUPPLY ZONE - EAST

Length of pipe	June 2022	June 2023	June 2024
	717.00	717.00	740.80
		July 2022-June 2023	July 2023-June 2024
In-House Pipe Replacement Programme	-	10.90	37.29
SME Contracts	-	-	10.18
Major Contracts	-	-	-
No. of Subscribers	51,419		
Average Daily Production (m <sup>3</sup> )	139,655		
Average Daily Consumption (m <sup>3</sup> )	40,014		
No. of Service Reservoir Plant	12		
No. of Borehole Plant	24		
No. of Containerised Pressure Filter	15		

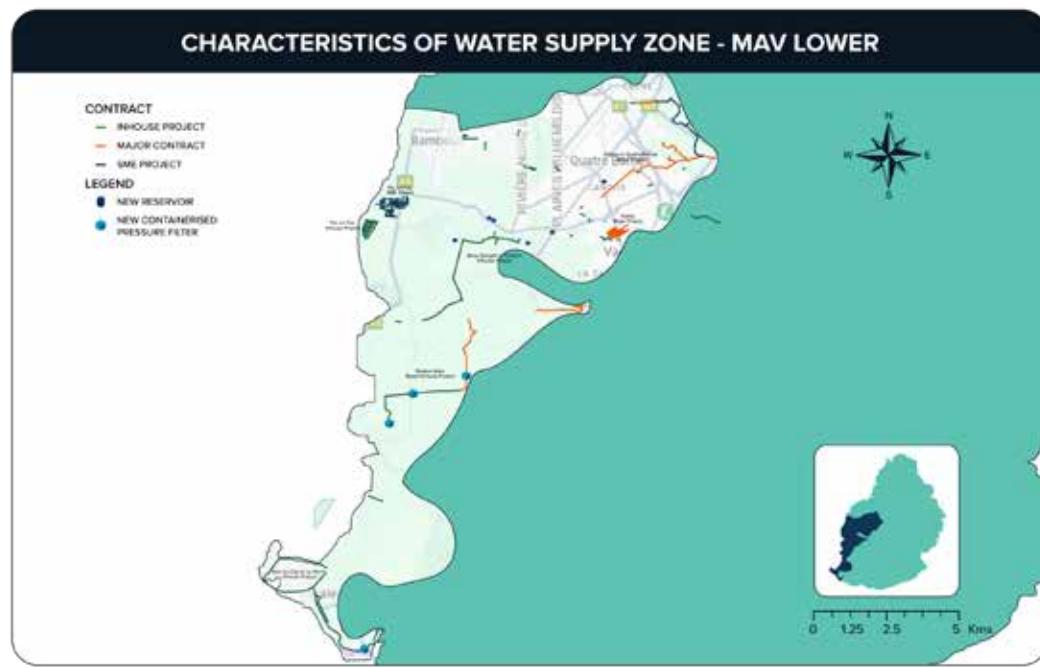
(e) Water Supply Zone (MAV-Upper)



**WATER SUPPLY ZONE - MAV UPPER**

Length of pipe	June 2022	June 2023	June 2024
	851.00	928.00	932.56
		July 2022- June 2023	July 2023- June 2024
In-House Pipe Replacement Programme	-	6.65	34.12
SME Contracts	-	-	10.31
Major Contracts	-	-	1.74
No. of Subscribers	79,492		
Average Daily Production (m <sup>3</sup> )	171,725		
Average Daily Consumption (m <sup>3</sup> )	60,605		
No. of Service Reservoir Plant	12		
No. of Borehole Plant	12		
No. of Contenerised Pressure Filter	4		

(f) Water Supply Zone (MAV-Lower)

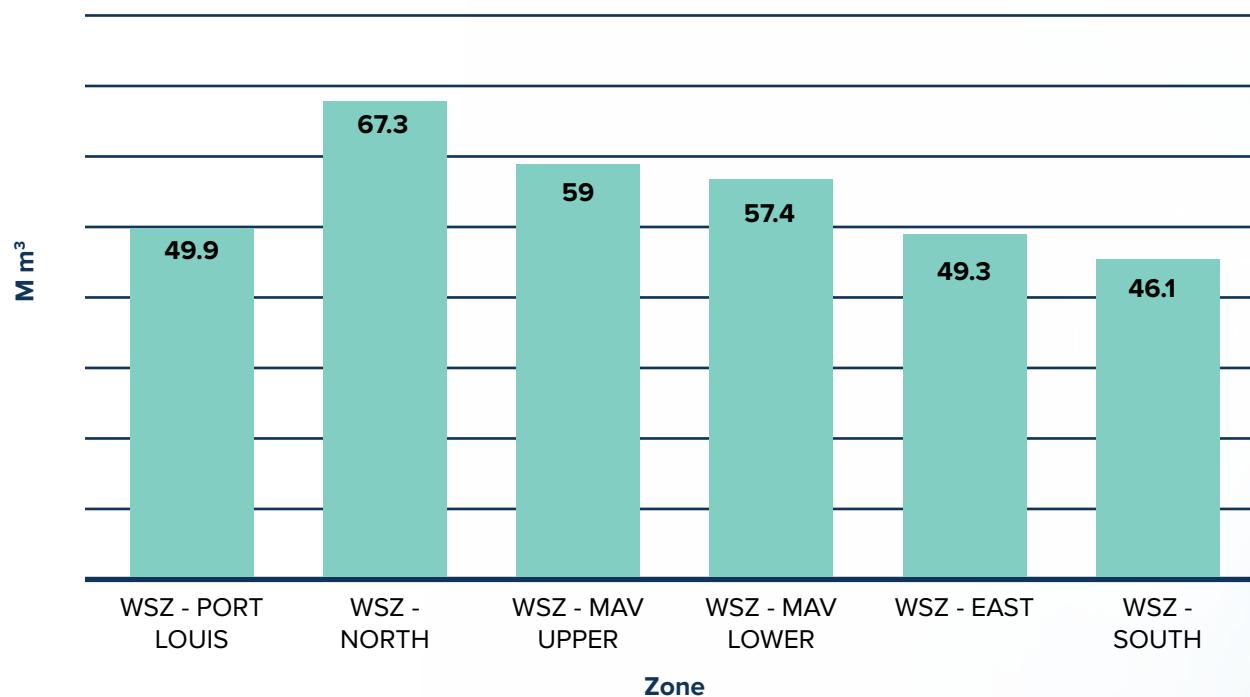


**WATER SUPPLY ZONE - MAV LOWER**

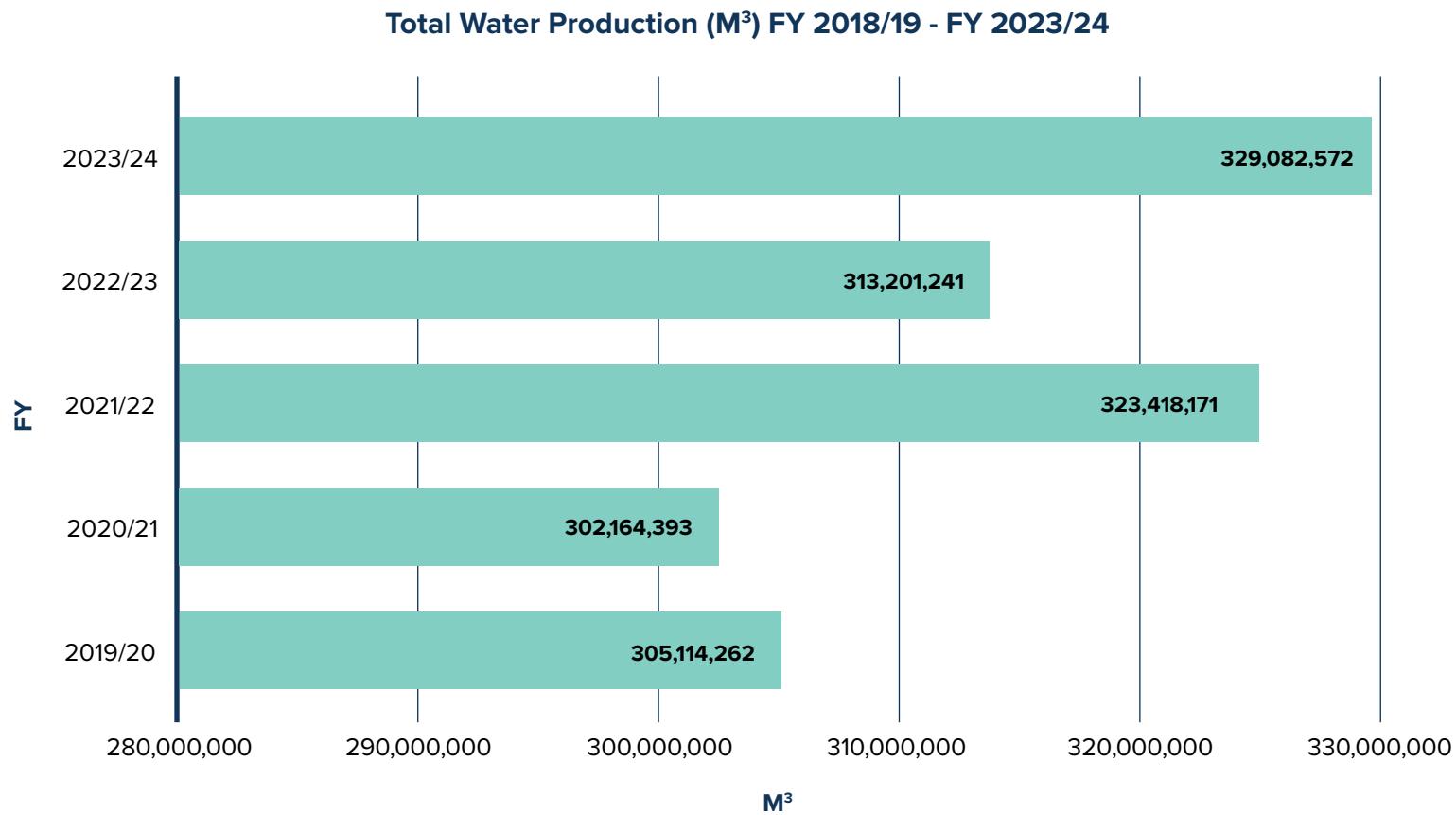
Length of pipe	June 2022	June 2023	June 2024
	1010.00	1010.00	1076.50
		July 2022-June 2023	July 2023-June 2024
In-House Pipe Replacement Programme	-	10.80	52.98
SME Contracts	-	-	8.92
Major Contracts	-	-	2.85
No. of Subscribers	69,698		
Average Daily Production (m <sup>3</sup> )	196,550		
Average Daily Consumption (m <sup>3</sup> )	59,210		
No. of Service Reservoir Plant	32		
No. of Borehole Plant	42		
No. of Contenerised Pressure Filter	4		

The total water production for FY 2023/24 stood at 329M m<sup>3</sup>. The water production for the six Water Supply Zones is shown hereunder:

**Water Production (Zone-wise) July 2023 - June 2024**



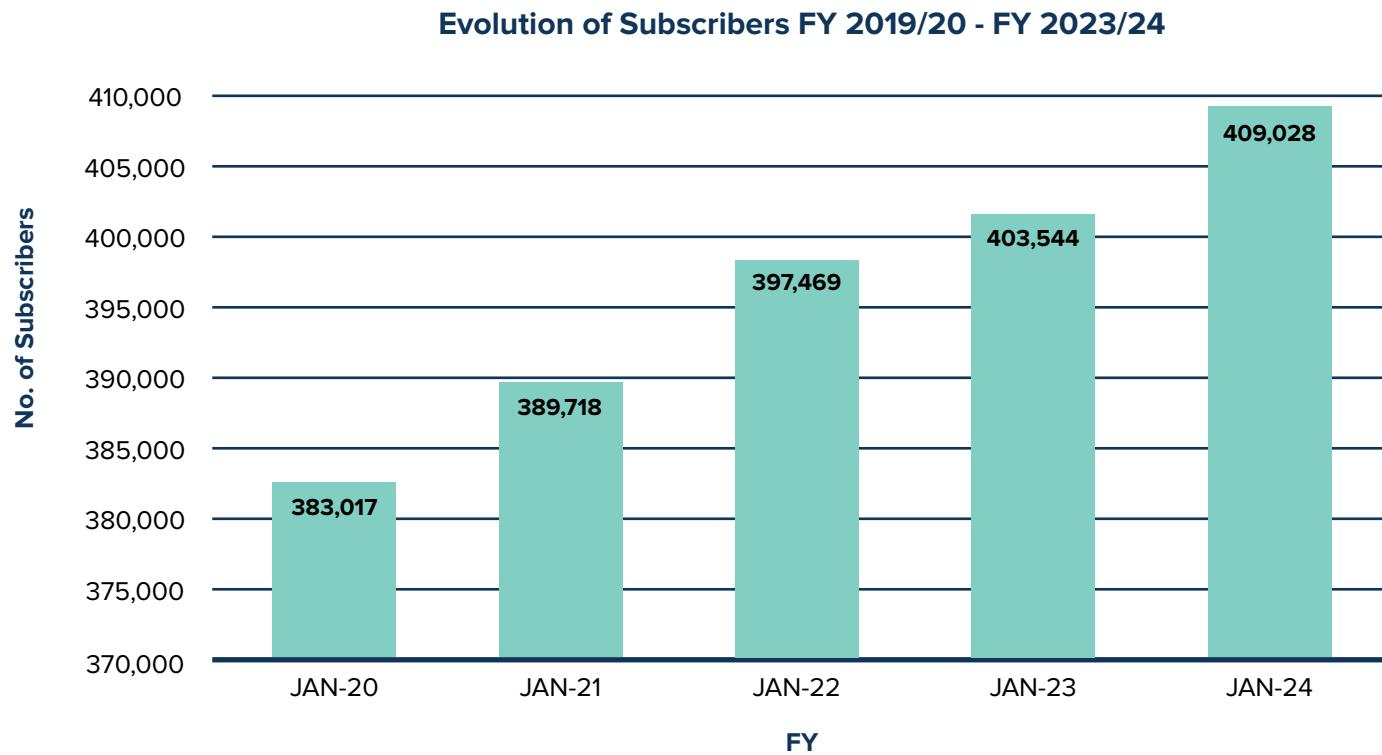
The total water production over the last (5) years is depicted in the graph below. The various measures implemented to increase the water production as from 2022/23 can be reflected in financial year 2023/24.



## CWA's Subscribers

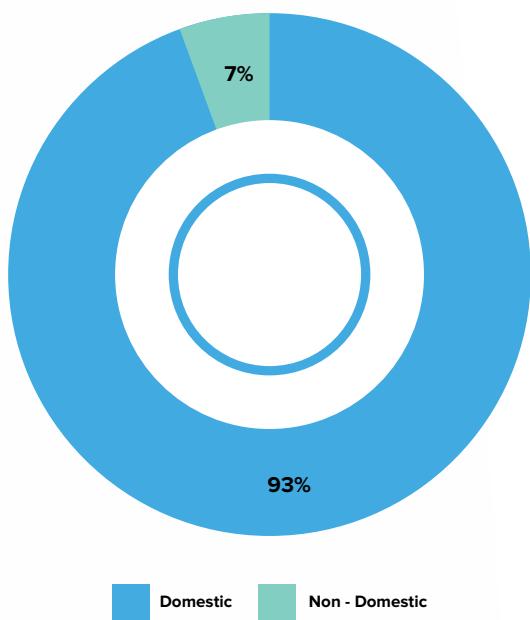
CWA's subscribers comprise of domestic and non-domestic consumers (commercial, business, industrial, agricultural, government and other religious and charitable organisations). The total number of subscribers reached 409,028 in June 2024. The yearly increase in the total number of subscribers is in the range of 1.5% to 2%.

The evolution of our subscribers over the last five (5) years is shown in the graph below:

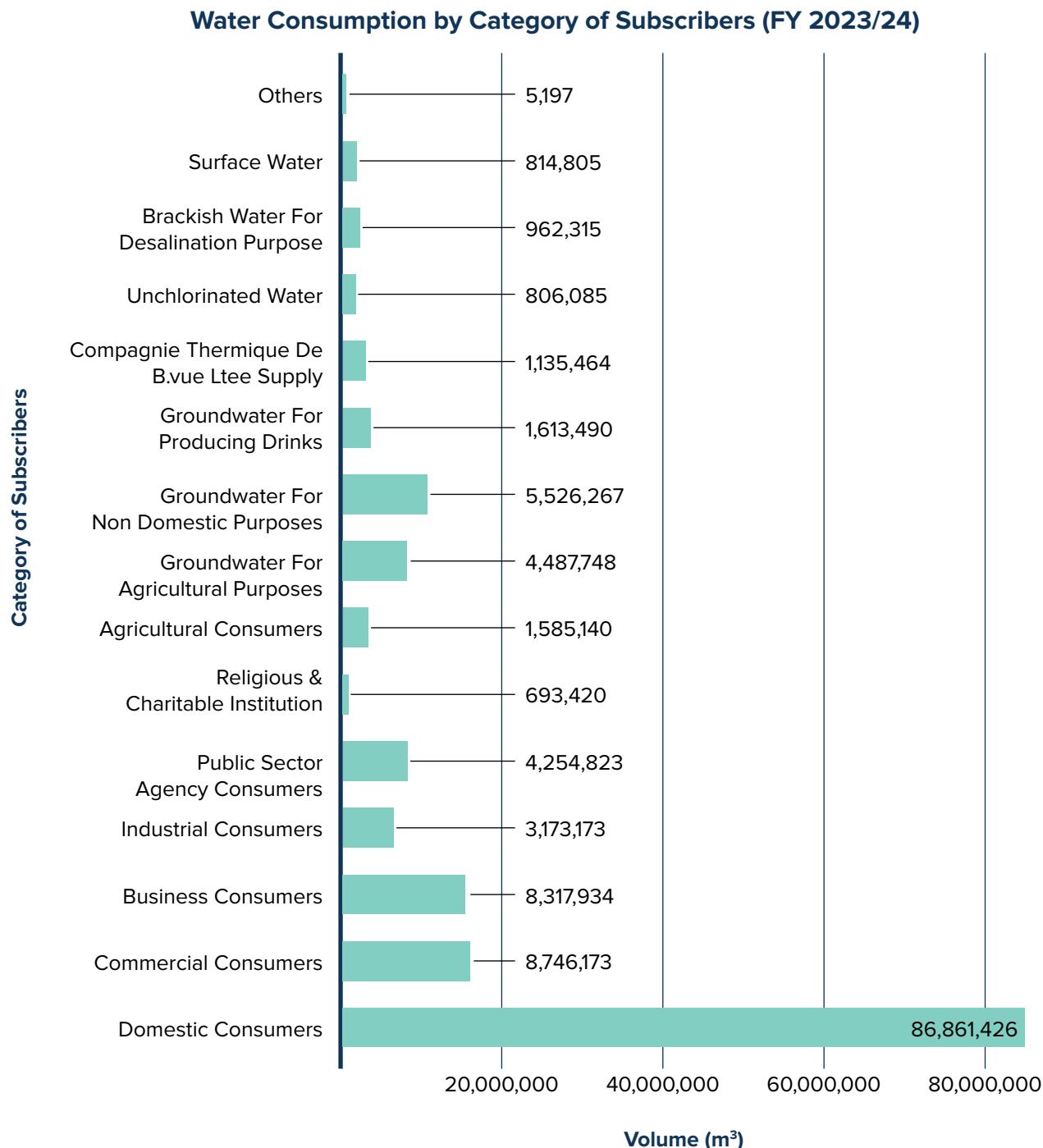


## Category of Subscribers

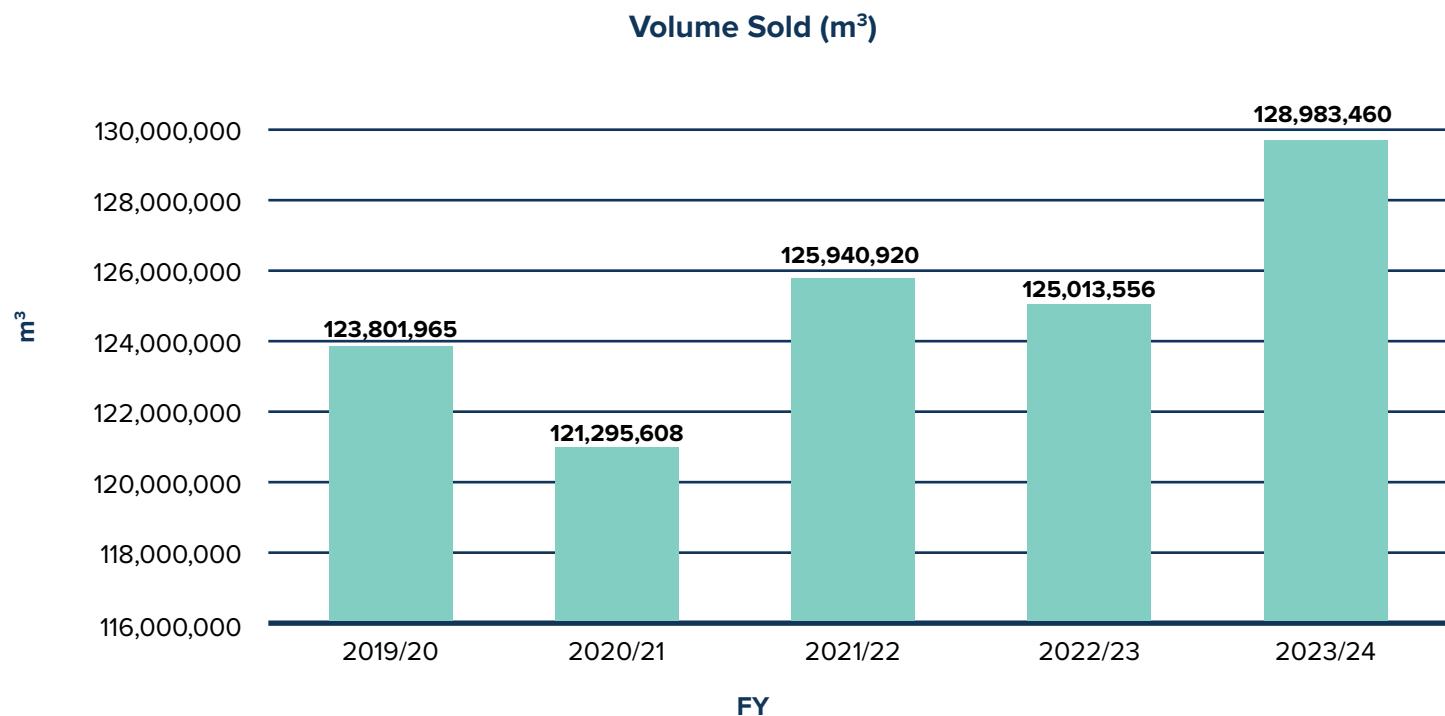
**Domestic vs Non-Domestic Subscribers**



The volume of water consumption for the FY 2023/24 amounted to 129M m<sup>3</sup> as compared to 125M m<sup>3</sup> for FY 2022/23. The volume of water consumed by category of subscribers for FY 2023/24 is shown below:



The total water sold over the last five Financial Year (2019/20 – 2023/24) as below:



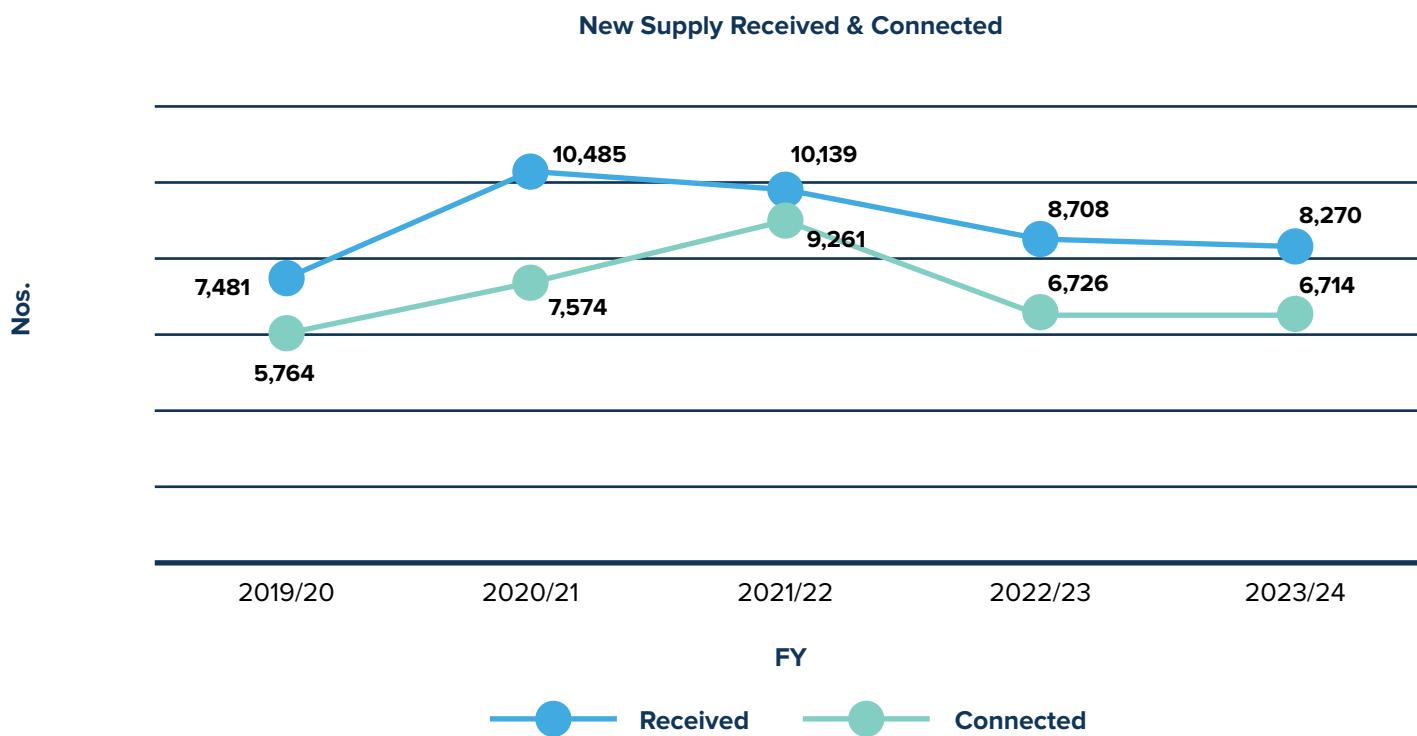
The drop in volume sold in FY 2020/21 and FY 2022/23 was attributed to the significant drought period which affected Mauritius.

### New Water Connections

During the FY 2023/24, a total of 6,714 new supplies were connected in the six Water Supply Zones as shown hereunder.

Length to pipe	New Connection
North	1,664
Port Louis	870
MAV Lower	603
MAV Upper	1,197
South	1,666
East	714
<b>Total</b>	<b>6,714</b>

The number of new supplies received and connected over the last five financial years is illustrated in the graph below:



### Pipe Replacement Programme

The strategy devised and adopted in FY 2022/23 to replace some 500 km of most critical pipelines to address the challenges of an ageing distribution system (*with high level of encrustation, obsolete with inadequate carrying capacity coupled with high leakages island wide contributing to high level of NRW*), was pursued during the FY 2023/24 with the ultimate objective of enhancing the overall performance of water supply systems and elimination of black spot areas in the six Water Supply Zones.

- Pipe replacement works in small lateral roads/lanes up to 1 km were catered under the In-House Pipe Replacement Programme. Pipe replacement works of length between 1 km to 3 km (excluding classified roads) were undertaken by Small and Medium Contractors.
- Pipe replacement works of length 3 km above along classified roads, where the Road Development Authority (RDA) imposes very strict conditions for wayleave, were undertaken by Major Contractors.

## Completed Pipe Replacement Works at 30 June 2024

During the year under review a total of **272.85 km** of pipes have been replaced in the six (6) Water Supply Zones as detailed in the table below:

Zone	In-House	SME Contractors	Major Contractors	Total
<b>Km</b>				
WSZ (Port Louis)	15.49	6.22	3.00	24.71
WSZ (North)	55.14	48.72	10.60	114.46
WSZ (Mav Upper)	34.12	10.31	1.74	46.17
WSZ (Mav Lower)	52.98	8.92	2.85	64.75
WSZ (East)	37.29	10.18	0.00	47.47
WSZ (South)	33.27	28.60	13.55	75.42
<b>Total</b>	<b>228.29</b>	<b>112.95</b>	<b>31.74</b>	<b>272.85</b>

## Major Capital Projects completed at 30 June 2024

SN	Contract No.	Project Name	Remark
1	C2021/01	Design Build Project for the Construction of 2 Nos Glass Fused to Steel Reservoirs at Salazie and Eau Bouillie and Associated Works	Salazie Reservoir
			Eau Bouillie Reservoir
2	C2019/85	Completion of Outstanding Works to Pump House and Other Associated Civil Works at Salazie	
3	C2018/76	Design Build Project for the Construction of 1 No. Reinforced Concrete Service Reservoir at Cluny and 1 No. Reinforced Concrete Service at Riche-en-Eau & Associated Works	Cluny Reservoir - 3,000 m <sup>3</sup> capacity
			Riche-en-Eau Reservoir - 3,000 m <sup>3</sup> capacity

## Incremental Volume of Water for Period July 2022 to June 2023

To address the challenges posed by increasing water demand, prolonged drought periods and to improve water supply situation in water stressed and black spot areas across the island, the need to continue to explore and exploit new water sources has become of critical importance.

During the FY 2023/24, a total of **88,500 m<sup>3</sup>/day** incremental water has been harnessed from the following sources and put in the distribution network:

- River Intakes & Canals (water treated through CPF1) – 7,500 m<sup>3</sup>/day
- New boreholes drilled – 58,968 m<sup>3</sup>/day
- Existing boreholes taken over from private operators – 22,032 m<sup>3</sup>/day

\*Containerised Pressure Filter

New sources of water that have been exploited during the year under review with the corresponding daily incremental yield are detailed hereunder.

SN	Water Supply Zone	Site	Source of Water	Incremental Yield (m³/day)
1	North	Jeetun New Pt Retraite	Existing Borehole	4,880
2		Vallombreuse	Existing Borehole	2,160
3		Bras D'Eau BH	Existing Borehole	2,880
4		Terre Rouge No 1	New Borehole	2,400
5		L'Amitié	New Borehole	2,208
6		Goodlands	New Borehole	768
<b>Total North</b>				<b>15,216</b>
7	East	Caroline Balance	New Borehole	7,632
8		Clavet	Existing Borehole	2,832
9		Belle Rose Clemencia	Existing Borehole	8,400
10		Constance	Surface (River Intake)	2,500
<b>Total East</b>				<b>21,365</b>
11	South	Tyack	Surface (River Intake)	2,500
12		Ferney	Surface (River Intake)	2,500
13		Plaine Magnien 1119	Existing Borehole	960
14		Gebert	New Borehole	6,000
15		Vita Rice	New Borehole	1,782
16		Nouvelle France	New Borehole	3,840
17		16eme Mille	New Borehole	720
18		Camp Diable	New Borehole	4,992
19		Riche-en-Eau	New Borehole	288
20		Beard	New Borehole	2,520
21		La Rampe - Le Moirt	New Borehole	2,280
<b>Total South</b>				<b>28,328</b>
22	MAV LOWER	Tribecca Trianon	New Borehole	5,280
23		Medine 1359	New Borehole	1,056
24		Beau songs	New Borehole	2,400
25		St Martin	New Borehole	2,232
<b>Total MAV Lower</b>				<b>10,968</b>

26	<b>MAV UPPER</b>	New Cancer Hospital Phoenix	New Borehole	1,440	
27		Côte d'Or	New Borehole	3,456	
<b>Total MAV Upper</b>				<b>4,896</b>	
28	<b>Port-Louis</b>	Malenga	New Borehole	1,680	
29		Puspass No 1	New Borehole	6,048	
<b>Total Port Louis</b>				<b>7,728</b>	
<b>TOTAL INCREMENTAL YIELD (m<sup>3</sup>/day)</b>				<b>88,500</b>	

## Water Quality Laboratories

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.

The following tests are performed by the Water Quality Laboratories of CWA:

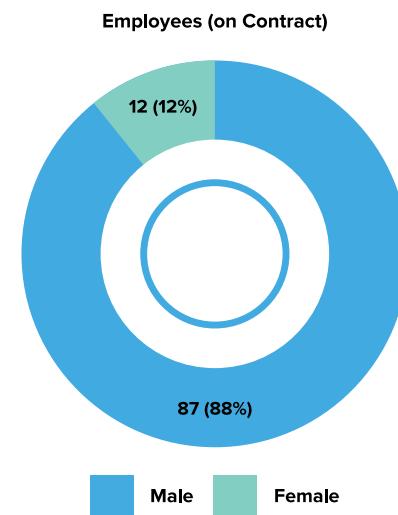
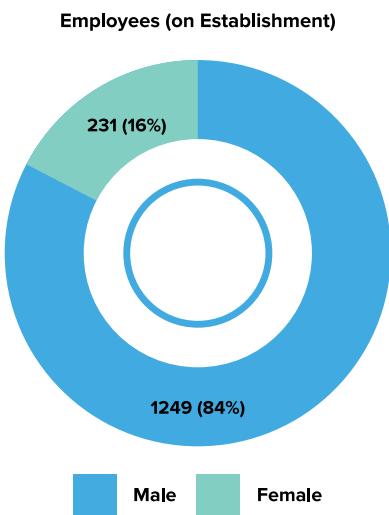
- Residual Chlorine test
- Bacteriological test
- Physical test
- Physico-Chemical test
- Biological test
- Disinfection test



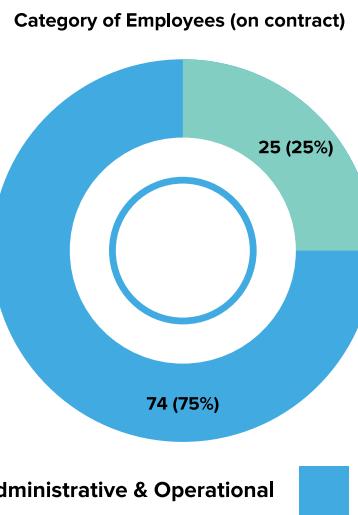
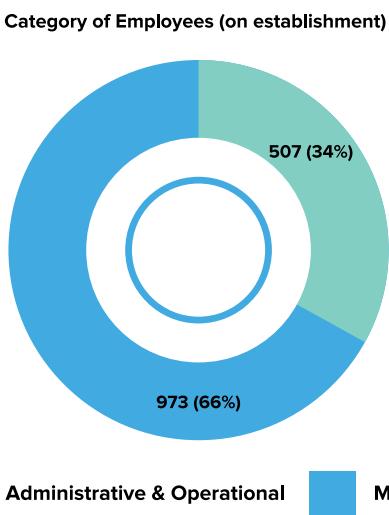
## Our Manpower

As at 30 June 2023, there was a total of 1,579 employees in CWA (1,480 employees on establishment and 99 employees on contract). During the year, a total of 60 employees (19 on establishment and 41 on contract basis) were recruited in the different grades. 32 employees (31 on establishment and 1 on contract) retired from the services of the Authority. A total of 89 employees (on establishment) were promoted in the different grades. Training sessions were delivered to a total of 763 employees in different grades during the year.

### Employees on Establishment and on Contract



### Category of Employees



## Some major IT Achievements

The integration of Information Technology within an organisation is a necessity for achieving operational excellence. With a view to enhancing efficiency and improving overall performance within the Authority, the following projects have been successfully implemented within the Authority during the year under review,

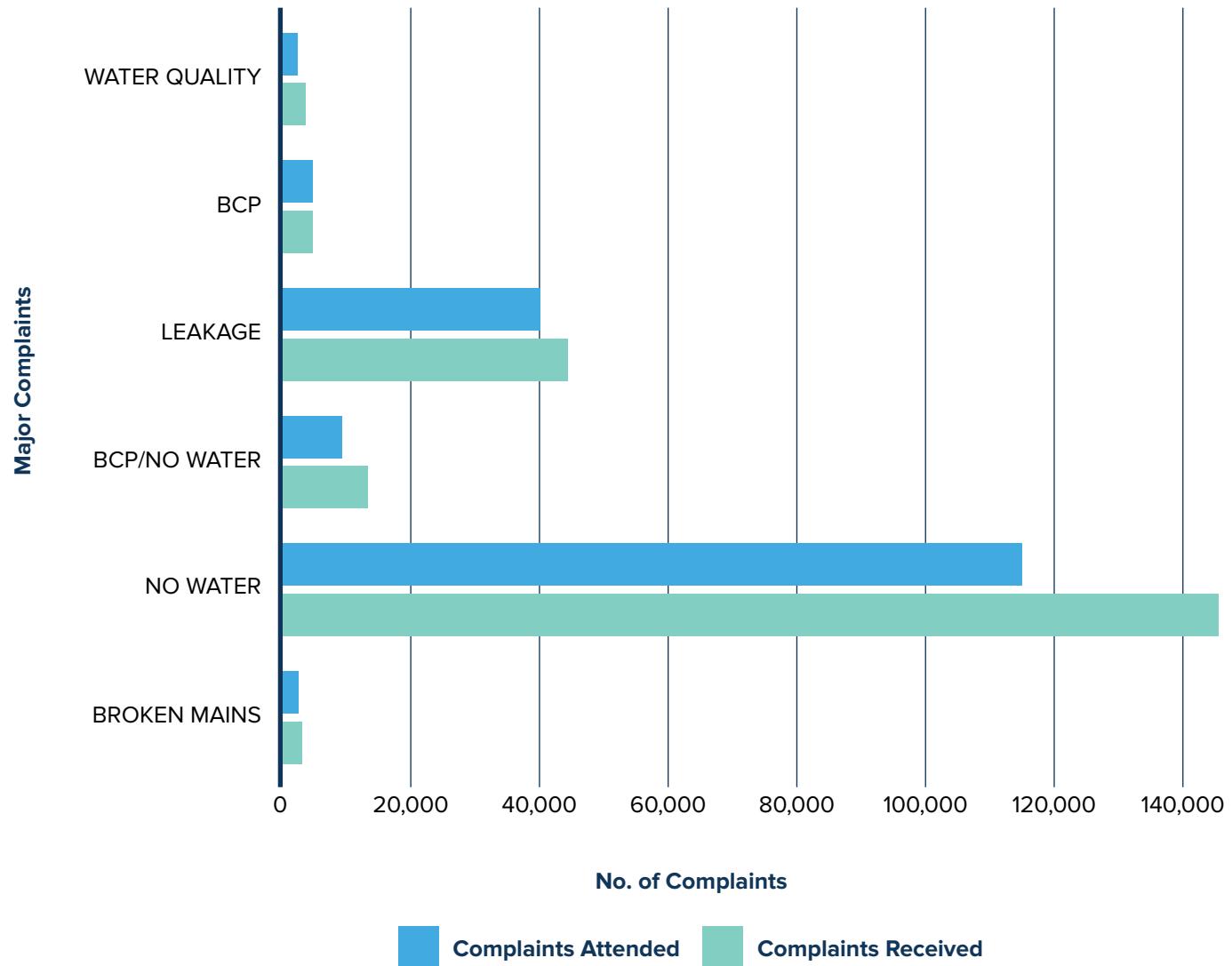
1	Migration to new Email platform Microsoft Office 365
2	Migration of Legacy reports onto Apex Platform
3	Review & Enhancement of Customer Complaint Management System & Water Tanker Application onto Apex Platform
4	Re-configuration of HCM, E-remittance and Apex Payment certificate notifications after change to new Email platform Ms Office 365
5	Integration of new Fleet system (Naveo) with Apex payment and contract module
6	Enhancement of EBS reports viz PO, PR, Payments, TDS on Apex application
7	Review of EBS forms viz Payroll mapping on Apex application
8	Implementation of Leaves application for employees on roster and shift system on HCM.
9	Implementation of below Reports for Finance on Blitz:- <ul style="list-style-type: none"><li>• Invoices not yet paid on EBS for inclusion of the value not yet paid in monthly VAT return.</li><li>• All payments registered on EBS.</li></ul>
10	Upgrade of Registry system
11	Implementation of Electronic Funds Transfer (EFT) for Mauritius Commercial Bank (MCB)
12	Implementation of MCB Juice as Mode of Payment for Water Bills
13	Data Cleansing/Implementation of validations on Legacy Customer Service System (CSS)

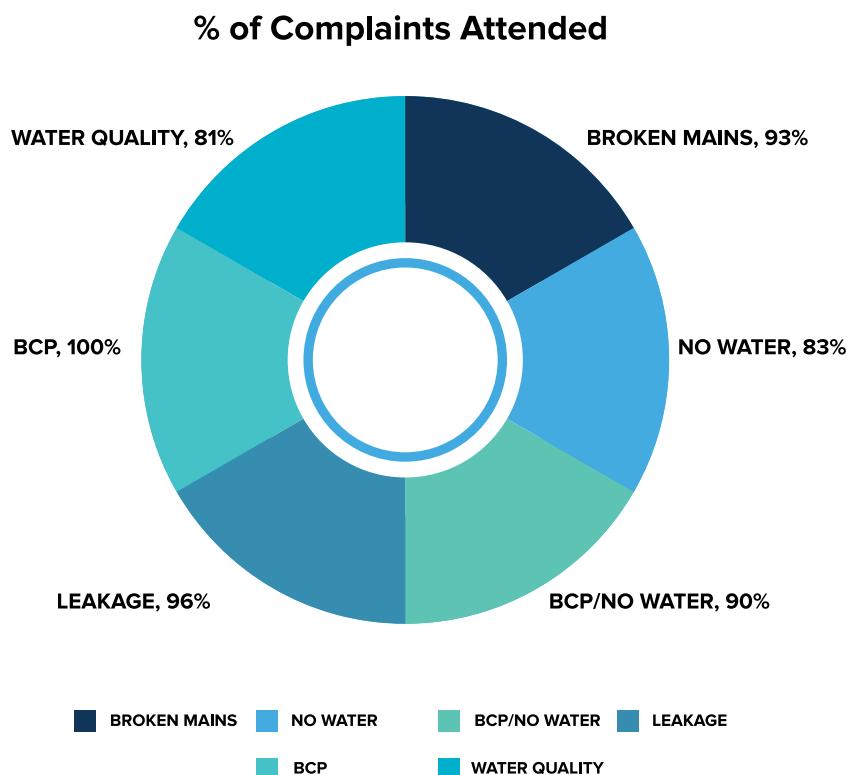
## Complaints Handling

CWA acknowledges that effective complaints handling is crucial to maintain customer satisfaction and enhance overall service delivery. Customer complaints are handled at level of our Customer Experience Service Centre through the hotline service (170) as well as our Customer Service Centres across the island. During FY 2023/24, a total of 199,754 complaints were received in the six Water Supply Zones.

Water Supply Zone	No. of Complaints Received
North	36,456
Port Louis	24,259
MAV Lower	44,292
MAV Upper	22,897
South	32,427
East	39,423
<b>Total</b>	<b>199,754</b>

The six critical complaints received and attended during the year under review are depicted as follows:





## Communication with our Stakeholders

Some major achievements of the Communication Cell during the FY 2022/23 are highlighted below:

- Devised and implemented the Dry Season Communication Plan 2023;
- Organized Outreach Programmes and PR exercises in different regions of the island;
- Organized several press briefings and press conferences;
- Intervention of the Public Relations and Communication Coordinator on most of the radios in programmes dealing with grievances from the public (Xplik Ou K on Radio Plus, Korek Pa Korek on Top FM and Enquête en Direct on Radio One);
- Publication of posters/flyers/pamphlets to raise awareness of consumers and the public in general on the importance of saving water;
- Preparation of the series of events held to mark World Water Day 2024 – Water for Peace.

A close-up, slightly blurred photograph of a person's hand holding a spiral-bound notebook. The notebook is white with a metal spiral binding on the left. A silver pen lies across the top of the notebook. The background is a plain, light color.

# Financial Review

## FINANCIAL REVIEW & HIGHLIGHTS

### JULY 2023 TO JUNE 2024

The Authority showed a deficit of Rs 43 Million in the financial year 2023/24 before accounting for Finance Costs of Rs 258 Million, thus ending with a Net Deficit of Rs 301 Million as compared to a bottom-line reported deficit of Rs 580 Million in the previous financial year. During the year under review, the Authority experienced an increase of 8.4% in its total assets in 2023/24 as compared to 2022/23, mainly due to a rise in its cash balances at year-end, coupled with an increase in value of non-current assets.

Total liabilities increased by 16% mainly due to an increase in borrowings and other payables.

At 30 June 2024, cash and cash equivalents stood at Rs 627M (2022/23: Rs 171M) whilst bank overdraft balance was Rs 149.6M (2022/23: Rs 75M). 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 slightly to 1.14 in 2023/24 (2022/23: 1.04). This was due to an increase in operating expenses in 2023/24.

#### 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 2.23 times the finance costs in 2023/24 (2022/23: 1.02 times). This increase was attributed to a rise in Operating Surplus (i.e. Surplus before depreciation and finance costs) as a result of an increase in revenue from non-exchange transactions.

#### 3. Liquidity Ratio

As at 30 June 2024, a slight improvement in liquidity ratio to 0.14 times was observed (2022/23: 0.05 times) due to an increase in the Authority's cash balances at year-end.

#### 4. Gearing Ratio

The gearing ratio (long-term loan to equity) fell to 14% (2022/23: 16%).

# SUMMARY OF FINANCIAL MATTERS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 1.0 REVENUE ACCOUNT

### 1.1 Financial Results

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

Item	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17 (18 months)	2015	2014
<b>Rs M</b>										
<b>Income</b>	2,723	2,146	1,937	3,011	1,808	2,078	1,843	2,535	1,781	1,769
<b>Expenditure</b>	(3,024)	(2,726)	(2,411)	(2,137)	(2,141)	(2,104)	(2,302)	(2,425)	(1,629)	(1,561)
<b>Surplus/ (Deficit)</b>	(301)	(580)	(474)	874	(333)	(26)	(459)	110	152	208

### 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 **52.0%** (Year 2022/23: 55.5%) of total expenditure.

##### Finance Costs and Depreciation

Finance costs and depreciation represent **28.9%** (Year 2022/23: 28.5%) of total expenditure.

Depreciation and amortization provisions made in the Accounts amount to **Rs 617M** (Year 2022/23: Rs 584M).

##### Deficit for the Year

The deficit for the year is **Rs 301M** representing **11.0%** of total income (Year 2022/23: 27.0%).

##### Cash Generated from Operating Activities

Cash generated from operating activities amounts to **Rs 1.04 Bn** (Year 2022/23: Rs 398M).

## (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	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17 (18 months)	2015	2014
<b>Percentage of total revenue collectible</b>										
<b>Domestic</b>	53	53	55	56	53	52	53	53	53	54
<b>Non-Domestic</b>	39	39	37	36	39	40	39	39	39	38
<b>Government</b>	8	8	8	8	8	8	8	8	8	8

### Income

Potable Water Sales have contributed a sum of **Rs 1.54Bn** (Year 2022/23: Rs 1.48 Bn) of the overall revenue which represented **56.5%** (Year 2022/23: 68.9%) of total operating income.

## (iii) Irrigation Water Supply Service

Irrigation Water Sales have contributed a sum of **Rs 34.2M** (Year 2022/23: Rs 34.3M) of the overall revenue which represented **1.3%** (Year 2022/23: 1.6%) 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 2024 amounted to **Rs 1.37 Bn** (Year 2022/23: Rs 638M).

### 2.2 Additions to Non-Current Assets

Assets capitalised during the year amounted to **Rs 1.67 Bn** (Year 2022/23: Rs 662M).

### 2.3 Assets Under Construction

Assets Under Construction as at 30 June 2024 amounted to **Rs 609M** (Year 2022/23: Rs 740M).

## 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:

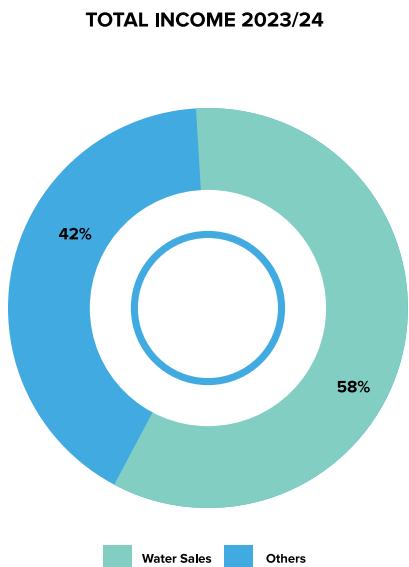
- (i) an operating ratio of 0.75 to 0.80;
- (ii) a rate of return of not less than the minimum rate of interest on its loans which is 1.85%;
- (iii) a current ratio of 1.25 and a liquidity ratio of 1.00;
- (iv) an annual debt service coverage of 1.50 - 2.00;
- (v) a debt/net assets ratio of less than 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

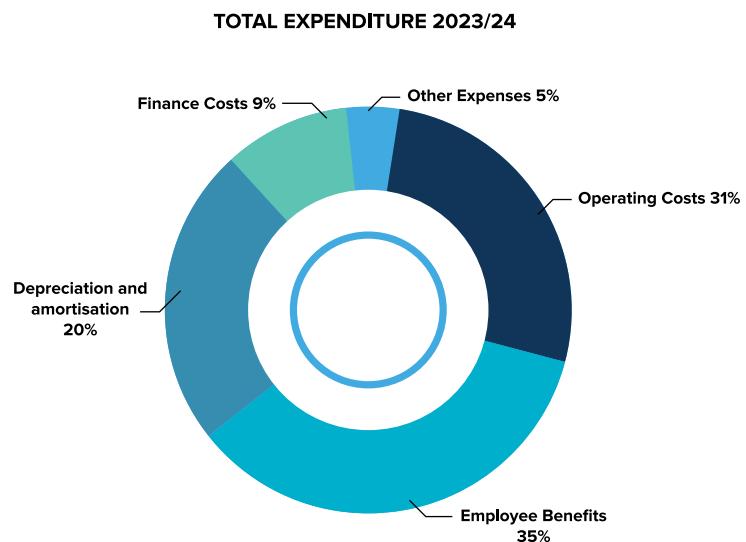
As per a former Loan Agreement with EIB, the Authority had to maintain an *Operating Cash Flow* which is not less than 1.5 times its *financial costs*.

## 4.0 THE WATER INCOME RUPEE

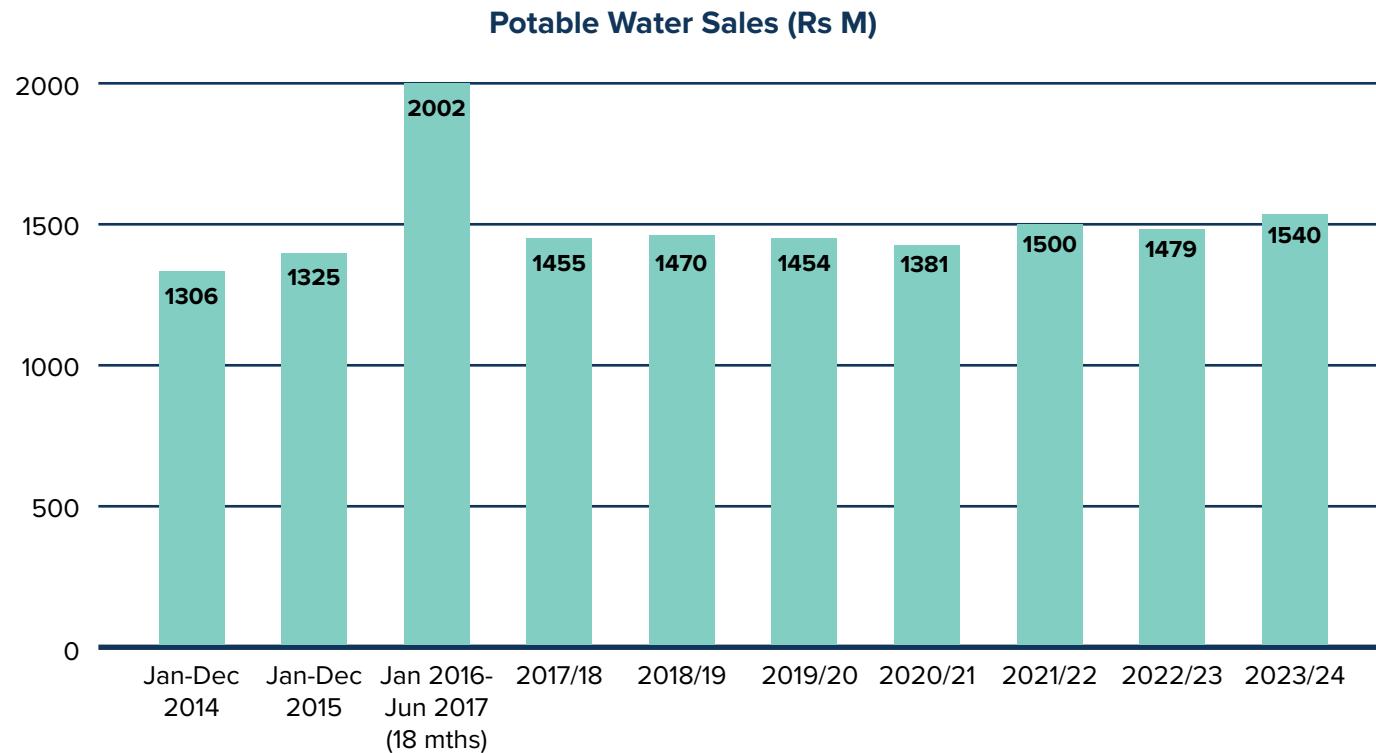
The water income rupee was earned as follows:



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 23 - Jun 24	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
<b>Current Ratio</b>	<b>0.29</b>	0.24	0.35	0.40	0.40	0.44	0.65	0.40	0.34	0.61
<b>Liquidity Ratio</b>	<b>0.14</b>	0.05	0.12	0.16	0.23	0.34	0.44	(0.01)	0.04	0.29
<b>Gearing Ratio</b>	<b>0.14</b>	0.16	0.17	0.17	0.20	0.19	0.16	0.22	0.18	0.18
<b>Debt/Equity Ratio</b>	<b>0.38</b>	0.38	0.35	0.33	0.42	0.37	3.66	6.17	5.13	4.80
<b>Average Collection Period</b>	<b>134 days</b>	124 days	119 days	118 days	103 days	97 days	2.19 mth	1.50 mth	2.08 mth	2.03 mth
<b>Receivable Turnover</b>	<b>2.7</b>	2.9	3.1	3.1	3.5	3.8	5.76	8.00	5.76	5.90

#### 6.1.2 Statement of Financial Performance

Year	Jul 23 - Jun 24	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
<b>Rate of Return (%)</b>	<b>(0.002)</b>	(0.02)	(0.02)	0.06	(0.01)	0.01	(0.03)	2.00	2.00	3.00
<b>Operating Ratio</b>	<b>1.14</b>	1.04	0.96	0.9	0.84	0.82	1.18	0.90	0.86	0.83
<b>Debt Servicing Ratio</b>	<b>0.09</b>	0.07	0.05	0.05	0.09	0.07	0.05	0.06	0.06	0.06
<b>Financing Ratio</b>	<b>(0.17)</b>	(1.98)	(3.36)	(1.1)	(0.9)	0.83	(2.67)	1.71	2.50	3.33

#### 6.1.3 Cash Flow Statement

Year	Jul 23 - Jun 24	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
<b>Operating Cash Flow Ratio</b>	2.23	1.02	2.05	4.36	2.09	4.46	4.27	3.07	5.64	5.71

## 6.2 Ratio Definitions

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

*Current ratio:  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$*

(2) The **Liquidity ratio** (Acid Test ratio) denotes the ability of the Authority to meet its immediate financial obligations.

*Liquidity ratio:  $\frac{\text{Bank deposits and Cash \& Bank balances}}{\text{Current Liabilities}}$*

(3) **Gearing ratio** indicates the financial dependability of the Authority on its long-term loans.

*Gearing ratio:  $\frac{\text{Long-Term Loans}}{\text{Total Assets - Current Liabilities}}$*

(4) **Debt/Equity ratio** indicates the Authority's burden of debt in relation to its equity.

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

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

(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



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**REPORT OF THE  
DIRECTOR OF AUDIT**

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**On the Financial Statements  
of the Central Water Authority for the year ended  
30 June 2024**

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**NATIONAL AUDIT OFFICE**

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REPUBLIC OF MAURITIUS  
**NATIONAL AUDIT OFFICE**

**REPORT ON 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 2024 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 2024, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAs).

**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**

I draw attention to:

- (a) Note 3.2 to the financial statements, which states that the Central Water Authority has a bank overdraft of Rs 149,587,413 as at 30 June 2024 compared to Rs 75,303,491 as at 30 June 2023.
- (b) the statement of financial position which shows an increase in Borrowings from Rs 3,386,657,145 as 30 June 2023 to Rs 3,432,041,729 as at 30 June 2024 accounted under Current and Non-current Liabilities.

My opinion is not modified in respect of these matters.

## 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 Financial Statements

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

### Qualified 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) except for the matter reported in my Basis for Qualified Opinion paragraph below, this Act, in so far as it relates to the accounts, has been complied with. No direction relating to the accounts has been issued by the responsible Minister to the Central Water Authority;
- (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 Central Water Authority has been applying its resources and carrying out its operations economically, efficiently and effectively.

## ***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, except for the matter reported in my Basis for Qualified Opinion paragraph below, 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 the requirements of the Code.

## **Basis for Qualified Opinion**

### *Late Submission of Annual Report*

The Annual Report of the Central Water Authority for the year ended 30 June 2024, was submitted on 28 July 2025, that is, some 9 months after the statutory deadline.

### *Non-compliance with the Public Procurement Act*

#### Project fragmented up to the prescribed amount of Rs 10 million

During the financial year 2023-24, 34 contracts of Rs 289.4 million were fragmented, each under the amount of Rs 10 million, including, 14 contracts of Rs 147 million, were awarded to a company.

#### Invitation of Bids made with short notice

477 contracts amounting to Rs 258 million were awarded to a single company during the period January 2023 to December 2024. The deadlines for the closing of bids were less than 7 days from the date of issue of the bid.

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 qualified 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 an 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 is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Central Water Authority has applied its resources and carried 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  
14<sup>th</sup> Floor,  
Air Mauritius Centre  
**PORT LOUIS**

8 September 2025





# FINANCIAL STATEMENTS

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

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

Particulars	Notes	2024	Restated 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3.1	626,585,317	171,261,346
Receivables from exchange transactions	4	452,860,619	391,207,890
Other receivables from exchange transactions	5	9,393,636	39,938,218
Loans and advances	6	6,632,919	6,588,640
Inventories	7	112,775,404	76,974,739
Prepayments	8	43,510,048	51,283,743
Other current assets	9	78,816,260	52,558,499
<b>Total current assets</b>		<b>1,330,574,203</b>	<b>789,813,075</b>
<b>Non-current assets</b>			
Loans and advances	6	21,010,092	15,757,317
Prepayments	8	272,054	274,933
Property, plant and equipment	10	16,987,689,674	15,977,982,789
Rights-of-use asset	11.1	43,145,702	-
Assets under construction	12	609,348,033	739,515,107
Intangible assets	13	17,388,080	18,535,320
<b>Total non-current assets</b>		<b>17,678,853,635</b>	<b>16,752,065,466</b>
<b>Total assets</b>		<b>19,009,427,838</b>	<b>17,541,878,541</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables under exchange transactions	14	2,096,144,628	1,533,784,479
Bank overdraft	3.2	149,587,413	75,303,491
Deposits	15	118,372	115,131
Public Sector Debt	16	1,442,380,295	1,154,437,685
Employee benefits obligation	17	42,426,847	46,195,559
Lease liabilities	11.2	5,959,397	-
Other current liabilities	18	850,288,575	521,516,060
<b>Total current liabilities</b>		<b>4,586,905,527</b>	<b>3,331,352,405</b>

<b>Non-current liabilities</b>			
Deposits	15	118,253,555	115,016,186
Public Sector Debt	16	1,989,661,434	2,232,219,460
Employee benefits obligation	17	3,186,069,005	2,905,036,451
Lease liabilities	11.2	37,263,336	-
<b>Total non-current liabilities</b>		<b>5,331,247,330</b>	<b>5,252,272,097</b>
<b>Total liabilities</b>		<b>9,918,152,857</b>	<b>8,583,624,502</b>
<b>Net assets</b>		<b>9,091,274,981</b>	<b>8,958,254,039</b>
<b>Net assets/equity</b>			
Contributed capital	19	2,615,450,607	1,915,450,607
Accumulated surplus	19	6,475,824,374	7,042,803,432
<b>Total net assets/equity</b>		<b>9,091,274,981</b>	<b>8,958,254,039</b>

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

The Financial Statements were authorised for issue by the Central Water Board on 25.07.2025 and signed on its behalf by:

Signature: 

Name: **Mr. Peetumber Maneswar**

**CHAIRMAN**

Signature: 

Name: **Mr. Ramdhany Ajay**

**BOARD MEMBER**

# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

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

Particulars	Notes	2024	Restated 2023
<b>Revenue from exchange transactions</b>			
Revenue from water sales	20	1,573,842,712	1,513,619,549
Other revenue	21	308,968,591	358,293,540
		1,882,811,303	1,871,913,089
<b>Revenue from non-exchange transactions</b>			
Grants	22	840,701,979	274,513,867
<b>Total revenue</b>		<b>2,723,513,282</b>	<b>2,146,426,956</b>
<b>Expenses</b>			
Operating costs	23	945,675,849	791,957,392
Employee benefits	24	1,067,116,225	1,022,192,848
Depreciation and amortisation	25	617,121,593	583,667,752
Finance costs	26	257,959,920	194,504,241
Other expenses	27	136,444,643	135,734,188
Gain on foreign currency transactions	28	-	(1,245,162)
<b>Total expenses</b>		<b>3,024,318,230</b>	<b>2,726,811,259</b>
<b>Deficit for reporting period</b>		<b>(300,804,948)</b>	<b>(580,384,303)</b>

Particulars	Contributed Capital	Accumulated Surplus	Total
<b>Balance as at 01 July 2022</b>	<b>1,915,450,607</b>	<b>7,720,958,716</b>	<b>9,636,409,323</b>
Minor Adjustments pertaining to 2021/22		17,093,229	17,093,229
Prior year adjustments (as restated)		(1,207,751)	(1,207,751)
Deficit for the year (as restated)		(580,384,303)	(580,384,303)
Remeasurement loss on defined benefit obligations		(113,656,459)	(113,656,459)
<b>Balance as at 30 June 2023 (as restated)</b>	<b>1,915,450,607</b>	<b>7,042,803,432</b>	<b>8,958,254,039</b>
<b>Balance as at 01 July 2023 (as restated)</b>	<b>1,915,450,607</b>	<b>7,042,803,432</b>	<b>8,958,254,039</b>
Capital contribution	700,000,000		700,000,000
Deficit for the reporting period		(300,804,948)	(300,804,948)
Remeasurement loss on defined benefit obligations		(266,174,110)	(266,174,110)
<b>Balance as at 30 June 2024</b>	<b>2,615,450,607</b>	<b>6,475,824,374</b>	<b>9,091,274,981</b>

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2024

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

Particulars	2024	Restated 2023
<b>Cash flow from operating activities:</b>		
<b>Deficit for the reporting period</b>	<b>(300,804,948)</b>	<b>(580,384,303)</b>
Adjustment for:		
Depreciation and amortization of property, plant and equipment and intangible assets	617,121,593	583,667,752
Gain on foreign exchange transactions	-	(1,245,162)
Interest income	(1,044,256)	(1,383,424)
Grants released to revenue	(840,701,979)	(274,513,867)
Financial contribution from consumers	(137,301,673)	(142,184,996)
Net increase in provision for impairment towards receivables	19,912,723	11,144,693
Finance costs	257,959,920	194,504,241
Loss on disposal of property, plant and equipment	260,865	-
Increase/(decrease) in provision for slow-moving stock	16,849,423	(7,464,996)
	<b>(367,748,331)</b>	<b>(217,860,064)</b>
<b>Movements in working capital</b>		
Increase in receivables	(55,240,903)	(39,644,678)
Increase in inventories	(35,800,665)	(5,633,189)
Increase in other assets	(15,774,475)	(11,199,798)
Increase in payables	192,170,073	293,347,543
Increase in other current liabilities	1,306,776,168	364,634,756
Increase in consumer deposits	3,240,610	3,390,144
Increase in provisions for employee benefits	11,089,732	10,841,261
<b>Net cash flows from operating activities</b>	<b>1,038,712,209</b>	<b>397,875,974</b>
<b>Cash flow from investing activities:</b>		
Payments for property, plant and equipment, assets under construction and intangible assets	(430,975,886)	(341,899,292)
Proceeds from disposal of non-current assets	-	-
Payments for property, plant and equipment and assets under construction out of capital grants	(942,482,098)	(297,920,032)
Interest received	1,043,238	1,383,424
<b>Net cash flows from investing activities</b>	<b>(1,372,414,746)</b>	<b>(638,435,900)</b>

<b>Cash flow from financing activities:</b>		
Proceeds from borrowings	28,471,615	33,513,398
Repayment of interest-bearing loan	-	(12,733,169)
Repayment of interest-bearing lease	(4,259,779)	-
Government equity received	700,000,000	-
Finance costs paid	(9,469,249)	(396,126)
<b>Net cash flows from financing activities</b>	<b>714,742,587</b>	<b>20,384,103</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>381,040,049</b>	<b>(220,175,823)</b>
Foreign exchange adjustment	-	(416)
<b>Cash and cash equivalents at beginning of period</b>	<b>95,957,855</b>	<b>316,134,094</b>
<b>Cash and cash equivalents at end of period</b>	<b>476,997,904</b>	<b>95,957,855</b>

Note: Figures in brackets represent outflows.

# STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

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

Particulars	Original Estimates 2023-24	Actual Amount 2023-24	Revised Estimates 2023-24	Actual amounts on comparable basis	Variance for actual vs revised budget
<b>Receipts</b>					
Revenue from exchange transactions	2,037,300,000	1,882,811,303	2,114,630,000	2,042,141,510	(72,488,490)
<b>Payments</b>					
Operating costs	(684,498,000)	(945,675,849)	(850,617,000)	(866,153,661)	(15,536,661)
Employee benefits	(1,241,190,000)	(1,067,116,225)	(1,165,661,000)	(1,056,026,493)	109,634,507
Depreciation and amortisation expenses	-	(617,121,593)	-	-	-
Finance costs	-	(257,959,920)	(12,141,000)	(17,057,345)	(4,916,345)
Other expenses	(84,480,000)	(136,444,643)	(105,308,000)	(116,132,742)	(10,824,742)
Gain/(loss) on foreign currency transactions	-	-	-	-	-
<b>Net operating receipts</b>	<b>27,132,000</b>	<b>(1,141,506,927)</b>	<b>(19,097,000)</b>	<b>(13,228,731)</b>	<b>5,868,269</b>
Revenue from non-exchange transactions	2,041,000,000	840,701,979	4,457,000,000	1,674,194,323	(2,782,805,677)
Capital expenditure	(2,641,000,000)	(2,773,338,564)	(5,183,000,000)	(1,311,959,003)	3,871,040,997
<b>Net capital receipts/ (payments)</b>	<b>(600,000,000)</b>	<b>(1,932,636,585)</b>	<b>(726,000,000)</b>	<b>362,235,320</b>	<b>1,088,235,320</b>
<b>Net receipts/(payments)</b>	<b>(572,868,000)</b>	<b>(3,074,143,512)</b>	<b>(745,097,000)</b>	<b>349,006,589</b>	<b>1,094,103,589</b>

## Notes:

### i. Approval of Estimates

The original budget for the financial year 2023-24 was approved by the Minister of Energy and Public Utilities on 20 July 2023. 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 2023-24 budget following the governing body's approval of 01 April 2024.

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

Particulars	Variance
<b>a) Revenue from exchange transactions</b> 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 minor incremental revenue was 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.	(72,488,490)
<b>b) Operating costs</b> The increase in Operating Costs is explained mainly by increases in Security Costs. 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.	(15,536,661)
<b>c) Employee benefits</b> The underspent amount in Employee Benefits Cost by some 9% is mainly due non-filling of a few posts as at reporting date, offset by an increase in overtime costs, allowances, bus travelling expenses and protective equipment.	109,634,507
<b>d) Depreciation and amortisation expenses</b> Non-cash items such as Depreciation and Amortization are excluded from the Budget.	-
<b>e) Finance costs</b> The increase in Finance Costs is due to an increase in interest on bank overdraft actually paid compared to budget.	(4,916,345)
<b>f) Other expenses</b> An increase of 10% in Other Expenses compared to Budget was mainly due to an increase in Transport Costs.	(10,824,742)
<b>g) Gain on foreign currency transactions</b> Adjustments for fluctuations in foreign currency transactions are excluded from Budget.	-
<b>h) Revenue from non-exchange transactions</b> 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.	(2,782,805,677)
<b>i) Capital expenditure</b> 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.	3,871,040,997

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 2024 is presented below:

Net receipts	Operating Activities	Investing Activities	Financing Activities	Total
Actual amount on comparable basis as presented in the statement of comparison	946,223,005	(1,311,959,003)	714,742,587	<b>349,006,589</b>
Basis differences	34,197,982	(60,455,743)		<b>(26,257,761)</b>
Timing differences	-	-	-	-
Entity differences	58,291,222	-	-	<b>58,291,222</b>
<b>Actual amount in the cash flow statement</b>	<b>1,038,712,209</b>	<b>(1,372,414,746)</b>	<b>714,742,587</b>	<b>381,040,049</b>

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 2024

## 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 2024.

#### 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 2023 to 30 June 2024.

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 2024 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 of 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 recognized in the statement of financial performance.

*v. Derecognition of financial assets*

The Authority derecognizes 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 recognizes 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 recognize the financial asset and also recognizes a collateral borrowing for the proceeds received.

*vi. Financial assets measured at amortised cost*

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

### *iv. Financial liabilities measured at amortized 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 recognized in the statement of financial performance when the liabilities are derecognized 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 recognized initially at fair value and subsequently measured at amortized 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 recognized 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 recognized 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 recognized.

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 recognized 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, including associated labour and other related costs. Where the labour and related costs specific to a particular project cannot be determined, an apportionment exercise is carried;
- 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
- Capitalised 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 capitalised 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 1 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 derecognized. 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 derecognized:

- (a) On disposal; 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 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 derecognized. 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 capitalised 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 1<sup>st</sup> 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 recognized 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. Amortisation*

Amortisation of computer software is recognized 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 derecognized:

- (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 derecognized.

## **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:

<b>Class of Asset</b>	<b>Rs</b>
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 recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the statement of financial performance.

## **1.9 Provisions**

Provisions are recognized 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 recognize 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 recognize a contingent asset since this may result in the recognition of revenue that may never be realised. 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 recognized 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 recognized 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**

Unutilized 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.

Unutilized sick leaves are either cashed in full on resignation, on retirement or taken as leave prior to retirement and are recognized 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 recognized 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 3% per annum with effect from January 2021 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 recognized.

## **1.13 Revenue recognition**

### *i. Revenue from exchange transactions*

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

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

#### **(b) Rendering of services**

The Authority recognizes 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 recognized 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 recognized 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 include capital grants and assets received from Government or other parties.

##### **(a) Capital grants**

The Authority recognizes 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 recognized 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 recognized 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 to an entity.

Assets held under a finance lease are capitalised 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 recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in 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 has disclosed assets held under finance lease separately from its owned assets.

*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 recognized 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 recognized in the period to which they relate.

*i. Operating costs*

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

*ii. Employee benefits*

Employee benefits comprise mainly of 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 recognized 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 recognized 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 recognized 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 2024 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. Availability of funding to replace the asset;
3. Changes in the market in relation to the asset;

4. The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
5. The nature of the processes in which the asset is deployed.

#### **(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 organization'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 recognized 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 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 2023 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 2024. Restatements made are summarised below together with the impact on the financial statements:**

	30 June 2023		
	As previously reported	Prior year adjustments	As restated
<b>STATEMENT OF FINANCIAL POSITION</b>			
Property, plant and equipment	15,965,556,390	12,426,398	<b>15,977,982,788</b>
Assets under construction	753,497,420	(13,982,313)	<b>739,515,107</b>
Accumulated surplus	7,044,359,346	(1,555,915)	<b>7,042,803,431</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>			
Depreciation and amortisation	583,319,589	348,165	<b>583,667,754</b>

### Note: Reason for Prior Year Adjustments (effect of Rs 1.2M on Accumulated Surplus)

Dormant capital projects in 'Asset under construction' were reviewed, following which an amount of Rs 13.98M was capitalised in respect of projects already completed. A corresponding adjustment was made regarding an understatement of depreciation charges in prior years and FY 2022/23 by Rs 0.8M and Rs 0.3M respectively, with an amount of Rs 0.4M expensed to maintenance.

# NOTES TO THE FINANCIAL STATEMENTS

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

## 3. CASH AND CASH EQUIVALENTS

Particulars	2024	2023
(a) Petty cash	396,719	495,899
(b) Cash at bank	626,188,598	170,765,447
<b>3.1 - Total cash and bank balances</b> (as per statement of financial position)	<b>626,585,317</b>	<b>171,261,346</b>
<b>3.2 - Bank overdraft</b>	<b>(149,587,413)</b>	<b>(75,303,491)</b>
<b>3.3 - Total cash and cash equivalents</b> (as per cash flow statement)	<b>476,997,904</b>	<b>95,957,855</b>

## 4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Particulars	2024	2023
<b>Receivables from exchange transactions</b>		
(a) Potable water sales	362,550,100	318,458,258
(b) Irrigation water sales	209,264,592	176,794,647
(c) Surcharge on Potable water sales	18,742,782	16,957,042
(d) Surcharge on Irrigation water sales	17,603,070	15,173,462
(e) Meter rentals	11,043,788	10,326,572
(f) Swimming pool fee	288,359	217,259
<b>Gross receivables from exchange transactions</b>	<b>619,492,691</b>	<b>537,927,240</b>
<b>Provision for impairment</b>		
(i) Provision for impairment on Irrigation Water Sales (IWS)	(97,303,782)	(88,784,593)
(ii) Provision for impairment on Potable Water Sales (PWS)	(62,642,429)	(51,248,896)
(iii) Provision for impairment on Surcharge (IWS)	(6,685,861)	(6,685,861)
<b>Total provision for impairment on receivables (Note i)</b>	<b>(166,632,072)</b>	<b>(146,719,350)</b>
<b>Total receivables from exchange transactions (net of provision)</b>	<b>452,860,619</b>	<b>391,207,890</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## Notes:

### i. Movement in provision is as follows:

Particulars	Provision for Impairment - IWS	Provision for Impairment - PWS	Provision for Impairment Surcharge
<b>Balance as at 01 July 2023</b>	<b>(88,784,593)</b>	<b>(51,248,897)</b>	<b>(6,685,861)</b>
Provision recognized during the year - increase	(8,519,189)	(11,393,532)	-
<b>Balance as at 30 June 2024</b>	<b>(97,303,782)</b>	<b>(62,642,429)</b>	<b>(6,685,861)</b>
<b>Total provision for impairment on receivables</b>			<b>(166,632,072)</b>

General provisions for impairment were re-calculated at year ended 30 June 2024, 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 29.2.4.

iii. Receivables include water bills amounting to Rs 133M for June 2024 consumption and delivered in July & August 2024. 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	2024	2023
(a) Security deposit - CEB	6,456,480	6,456,480
(b) Bank interest	1,018	11,720
(c) Claim for damages	3,017,346	33,461,540
(d) Other deposits	2,553,766	2,553,766
(e) Other miscellaneous receivables	2,936,138	3,025,824
<b>Gross other receivables from exchange transactions</b>	<b>14,964,748</b>	<b>45,509,330</b>
<b>Provision for impairment</b>		
(i) Claim for damages	(3,017,346)	(3,017,346)
(ii) Cash deposits	(2,553,766)	(2,553,766)
<b>Total provision for impairment on other receivables</b>	<b>(5,571,112)</b>	<b>(5,571,112)</b>
<b>Total other receivables from exchange transactions</b>	<b>9,393,636</b>	<b>39,938,218</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## 6. LOANS AND ADVANCES

### Current

Particulars	2024	2023
Other receivables - Car loan (Note i)	6,632,919	6,588,640
<b>Total loans and advances (current)</b>	<b>6,632,919</b>	<b>6,588,640</b>

### Non-current

Particulars	2024	2023
Other receivables - Car loan (Note i)	21,010,092	15,757,317
<b>Total loans and advances (non-current)</b>	<b>21,010,092</b>	<b>15,757,317</b>

### Note:

#### I. Movement in car loans is as follows:

Particulars	2024	2023
<b>Opening Balance</b>	<b>22,345,957</b>	<b>21,470,725</b>
New loans granted during the year	14,327,600	8,912,315
Refund during the year	(9,030,546)	(8,037,083)
<b>Closing Balance</b>	<b>27,643,011</b>	<b>22,345,957</b>
Classified under current assets (short-term receivables)	6,632,919	6,588,640
Classified under non-current assets (long-term receivables)	21,010,092	15,757,317

# NOTES TO THE FINANCIAL STATEMENTS

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

## 7. INVENTORIES

Particulars	2024	2023
<b>Inventories comprise the following items:</b>		
(a) Meters and materials for new supplies	22,274,974	13,665,802
(b) Pipes and fittings	96,235,748	68,115,540
(c) Spare parts for vehicles	5,881,663	3,463,246
(d) Stationery and consumables	5,376,088	3,936,010
(e) Other miscellaneous items	16,628,879	4,566,666
<b>Gross inventories</b>	<b>146,397,352</b>	<b>93,747,264</b>
<b>Provision for obsolescence</b>	<b>(33,621,948)</b>	<b>(16,772,525)</b>
<b>Total inventories (net of provision for obsolescence)</b>	<b>112,775,404</b>	<b>76,974,739</b>

### Notes:

- Provision for slow-moving stock items was calculated on stock value for items aged more than three (3) years at end of 30 June 2024, in line with the Authority's current impairment policy.
- Gross stock balance at 30 June 2024 represents the actual value of inventories at year-end. A full physical stock-take exercise was performed in April 2024 and May 2024 at all existing store locations.

## 8. PREPAYMENTS

### Current

Particulars	2024	2023
(a) Advance payment for works	37,320,427	50,123,228
(b) Other prepayments	6,189,621	1,135,915
(c) Other receivables	-	24,600
<b>Total prepayments (current)</b>	<b>43,510,048</b>	<b>51,283,743</b>

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

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

### Non-current

Particulars	2024	2023
Prepayments towards land lease premium	272,054	274,933
<b>Total prepayments (non-current)</b>	<b>272,054</b>	<b>274,933</b>

### 9. OTHER CURRENT ASSETS

#### Current

Particulars	2024	2023
Value-Added Tax (VAT)	78,816,260	52,558,499
<b>Total other current assets</b>	<b>78,816,260</b>	<b>52,558,499</b>

### 10. PROPERTY, PLANT AND EQUIPMENT

Carrying amount of:	2024	Restated 2023
(a) Water supply facilities	15,967,241,678	15,053,350,519
(b) Irrigation facilities	113,169,417	114,077,999
(c) Cars and mobile service equipment	418,433,871	322,743,020
(d) Office, workshop and laboratory equipment	59,146,496	56,061,626
(e) Land and buildings	429,698,212	431,749,625
<b>Total property, plant and equipment</b>	<b>16,987,689,674</b>	<b>15,977,982,789</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	Water supply facilities	Irrigation facilities	Cars and mobile service equipment	Office, workshop and laboratory equipment	Land and buildings	Total property, plant and equipment
<b>COST OR DEEMED COST</b>						
<b>At 1 July 2023</b>	<b>18,342,478,656</b>	<b>119,571,447</b>	<b>507,071,249</b>	<b>118,882,958</b>	<b>469,905,513</b>	<b>19,557,909,823</b>
Additions	1,457,917,465	-	145,060,304	9,591,704	4,067,999	1,616,637,472
Disposal adjustment			(591,283)			(591,283)
Other adjustment						-
<b>At 30 June 2024</b>	<b>19,800,396,121</b>	<b>119,571,447</b>	<b>651,540,270</b>	<b>128,474,662</b>	<b>473,973,512</b>	<b>21,173,956,012</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>At 1 July 2023</b>	<b>3,289,128,139</b>	<b>5,493,448</b>	<b>184,328,229</b>	<b>62,821,332</b>	<b>38,155,888</b>	<b>3,579,927,036</b>
Depreciation expense	544,026,304	908,582	49,100,987	6,506,834	6,119,412	606,662,119
Disposal adjustment			(322,817)			(322,817)
Other adjustment					-	-
<b>At 30 June 2024</b>	<b>3,833,154,443</b>	<b>6,402,030</b>	<b>233,106,399</b>	<b>69,328,166</b>	<b>44,275,300</b>	<b>4,186,266,338</b>
<b>CARRYING AMOUNT</b>						
<b>At 30 June 2024</b>	<b>15,967,241,678</b>	<b>113,169,417</b>	<b>418,433,871</b>	<b>59,146,496</b>	<b>429,698,212</b>	<b>16,987,689,674</b>

### Notes:

- 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.

## NOTES TO THE FINANCIAL STATEMENTS

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

### ii. Property, Plant and Equipment shown at 30 June 2024 were owned by the Authority except for:

Assets worth Rs 111.8M and 113.2M (Net Book Values as at 30 June 2024) 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 2024 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 3.3M (Net Book Value as at 30 June 2024) to the Rodrigues Regional Assembly, free of charge, for a period of two (2) years with effect from 15 October 2022.

## 11. RIGHTS-OF-USE ASSET

### 11.1 Carrying amount of:

Carrying amount of:	2024	2023
Vans on finance lease	43,145,702	-
<b>Total Rights of use asset</b>	<b>43,145,702</b>	-

Particulars	Vans (on lease)	Total
<b>COST OR DEEMED COST</b>		
<b>At 1 July 2023</b>	-	-
Additions	47,482,512	47,482,512
Disposal adjustment	-	-
Other adjustment	-	-
<b>At 30 June 2024</b>	<b>47,482,512</b>	<b>47,482,512</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

ACCUMULATED DEPRECIATION		
<b>At 1 July 2023</b>		-
Depreciation expense	4,336,810	4,336,810
Disposal adjustment		-
<b>At 30 June 2024</b>	<b>4,336,810</b>	<b>4,336,810</b>
CARRYING AMOUNT		
<b>At 30 June 2024</b>	<b>43,145,702</b>	<b>43,145,702</b>

**Note:**

The Authority has entered into a contract with a leasing company in October 2023 for the leasing of vehicles over a period of seven (7) years at an agreed interest rate of 5.5% per annum. At the end of the lease period, the Lessor shall, at the option of the Lessee (CWA) and on notice, sell the vehicles to the Lessee at the Residual Value.

**11.2 Lease liabilities:**

Set out below are the carrying amounts of the lease liabilities and the movements during the year:

Particulars	2024	2023
<b>Opening Balance</b>	-	-
New leases	47,482,512	-
Repayment	(4,259,779)	-
<b>Closing Balance</b>	<b>43,222,733</b>	-
<b>Analysed as:</b>	<b>2024</b>	<b>2023</b>
<i>Current</i>	5,959,397	-
<i>Non-current</i>	37,263,336	-

## NOTES TO THE FINANCIAL STATEMENTS

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

### 11.3 Maturity Analysis:

Particulars	2024	2023
(a) Payable within one year	5,959,397	-
(b) Payable between one to two years	6,295,554	-
(c) Payable between two to three years	6,650,671	-
(d) Payable between three to five years	14,447,955	-
(e) Payable after five years	9,869,156	-
	<b>43,222,733</b>	-

### 12. ASSETS UNDER CONSTRUCTION

Particulars	2024	Restated 2023
<b>Opening Balance</b>	<b>739,515,107</b>	<b>761,678,142</b>
Additions	1,104,243,159	411,755,490
Materials awaiting installation	31,425,937	-
Capitalized during the year	(1,265,836,169)	(433,918,525)
Transfers	-	-
<b>Closing Balance</b>	<b>609,348,033</b>	<b>739,515,107</b>

### 13. INTANGIBLE ASSETS

Particulars	2024	2023
<b>Carrying amount of:</b>		
Computer software	17,388,080	18,535,320
<b>Total intangible assets</b>	<b>17,388,080</b>	<b>18,535,320</b>

COST OR DEEMED COST	2024	2023
<b>Opening Balance</b>	<b>60,536,755</b>	<b>59,822,692</b>
Additions	4,975,421	714,063
<b>Closing Balance</b>	<b>65,512,176</b>	<b>60,536,755</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

ACCUMULATED AMORTISATION	2024	2023
<b>Opening Balance</b>	<b>42,001,436</b>	<b>33,028,166</b>
Amortisation expense	6,122,661	8,973,270
<b>Closing Balance</b>	<b>48,124,097</b>	<b>42,001,436</b>

CARRYING AMOUNT	2024	2023
<b>Closing Balance</b>	<b>17,388,080</b>	<b>18,535,320</b>
<i>Opening Balance</i>	<i>18,535,319</i>	<i>26,794,525</i>

### 14. PAYABLES UNDER EXCHANGE TRANSACTIONS

Particulars	2024	2023
(a) Trade and other payables	730,898,971	532,123,340
(b) Accruals	315,678,948	241,908,648
(c) Interest on borrowings	700,291,703	554,774,664
(d) Payable to Wastewater Authority	18,450,320	22,250,505
(e) Payable to Government Consolidated Fund (Groundwater)	99,242,167	37,150,760
(f) Other payables	231,582,519	145,576,561
<b>Total payables under exchange transactions</b>	<b>2,096,144,628</b>	<b>1,533,784,479</b>

Note:

- 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.

# NOTES TO THE FINANCIAL STATEMENTS

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

## 15. DEPOSITS

### Current

Particulars	2024	2023
Consumer deposits	118,372	115,131

### Non-current

Particulars	2024	2023
Consumer deposits	118,253,555	115,016,186

### Notes:

#### i. Movement in consumer deposits is as follows:

Particulars	2024	2023
<b>Opening Balance</b>	<b>115,131,317</b>	<b>111,741,173</b>
Receipts during the year	3,244,410	3,394,268
Refund during the year	(3,800)	(4,124)
<b>Closing Balance</b>	<b>118,371,927</b>	<b>115,131,317</b>
Less: Amount shown as current	(118,372)	(115,131)
<b>Amount shown as non-current</b>	<b>118,253,555</b>	<b>115,016,186</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

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

## 16. PUBLIC SECTOR DEBT

### Current Portion of Long-Term Borrowings

Particulars	2024	2023
<b>Unsecured</b>		
(a) Domestic loans	1,442,380,295	1,154,437,685
<b>Total current portion of long-term borrowings</b>	<b>1,442,380,295</b>	<b>1,154,437,685</b>

### Non-Current Borrowings

Particulars	2024	2023
<b>Unsecured</b>		
(a) Domestic loans	1,989,661,434	2,232,219,460
<b>Total non-current borrowings</b>	<b>1,989,661,434</b>	<b>2,232,219,460</b>

### Notes:

#### i. Maturity analysis of total borrowings

Particulars	2024	2023
(a) Payable within one year	1,442,380,295	1,154,437,685
(b) Payable between one to two years	304,153,868	287,239,114
(c) Payable between two to three years	309,018,800	308,953,850
(d) Payable between three to five years	614,558,017	630,373,906
(e) Payable after five years	761,930,749	1,005,652,590
<b>Total borrowings</b>	<b>3,432,041,729</b>	<b>3,386,657,145</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

### ii. Unsourced loans/defaults

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

Particulars	2024	2023
Domestic loans contracted directly from GoM:		
Principal amount	272,349,684	197,333,708
Interest amount	145,517,039	119,182,637
<b>Total</b>	<b>417,866,723</b>	<b>316,516,345</b>

### iii. Carrying amount of loan payables in default:

Particulars	2024	2023
(a) Loan contracted by GoM on lent to the Authority	-	-
(b) Domestic loans contracted directly from GoM	3,255,040,066	3,008,749,683
<b>Total</b>	<b>3,255,040,066</b>	<b>3,008,749,683</b>

### 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)	Semi-annual instalments	2.25% - 10%

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.

## 17. 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.

# NOTES TO THE FINANCIAL STATEMENTS

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

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	2024	2023
<b>I. Provision for employee benefits</b>		
(a) Sick leave	15,718,183	19,949,809
(b) Passage benefit	15,909,447	11,236,732
(c) Vacation leave	2,833,301	8,365,172
(d) Annual leave/gratuity	7,965,916	6,643,846
<b>Total current provision for employee benefits</b>	<b>42,426,847</b>	<b>46,195,559</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## Non-current

Particulars	2024	2023
<b>I. Provisions for employee benefits</b>		
(a) Sick leave	148,668,601	132,870,975
(b) Passage benefit	38,922,552	49,031,530
(c) Vacation leave	155,347,349	136,306,234
<b>II. Retirement benefit obligation</b>		
Pension fund	2,843,130,503	2,586,827,712
<b>Total non-current provision for employee benefits</b>	<b>3,186,069,005</b>	<b>2,905,036,451</b>

### Notes:

i. The Authority contributes to Defined Benefit Pension Plan (DB) for its employees and has recognized a Net Defined Benefit Liability of Rs 2.84 Bn in respect of pension benefits under the Central Water Authority Pension Fund in the statement of financial position as at 30 June 2024. 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 recognized in Statement of Financial Position at the end of the year:

Particulars	2024	2023
Defined benefit obligation	2,903,746,591	2,640,308,237
Fair value of plan assets	(60,616,088)	(53,480,525)
<b>Net defined benefit liability recognized in Statement of Financial Position at end of year</b>	<b>2,843,130,503</b>	<b>2,586,827,712</b>

##### b. Amount recognised in Statement of Financial Performance:

Particulars	2024	2023
Current service cost	42,805,780	39,925,041
Employee contribution	(13,153,348)	(13,281,958)
Fund expense	3,008,495	2,952,751
Net interest expense	146,015,169	118,666,735
<b>Components of defined benefit costs recognised in Statement of Financial Performance</b>	<b>178,676,096</b>	<b>148,262,569</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

### c. Remeasurement of the Net Defined Benefit Liability:

Particulars	2024	2023
Liability (gain)/loss	267,830,239	114,686,317
Assets (gain)/loss	(1,656,129)	(1,029,858)
<b>Remeasurement of the net defined benefit liability</b>	<b>266,174,110</b>	<b>113,656,459</b>
<b>Total</b>	<b>444,850,206</b>	<b>261,919,028</b>

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

Particulars	2024	2023
<b>Opening balance</b>	2,586,827,711	2,480,036,073
Amount recognised as expense	178,676,096	148,262,569
Contributions paid by the employer	(188,547,415)	(155,127,390)
Remeasurement of the net defined benefit liability	266,174,110	113,656,459
<b>Closing balance</b>	<b>2,843,130,503</b>	<b>2,586,827,711</b>

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	2024	2023
<b>Opening balance</b>	2,640,308,237	2,531,306,912
Current service cost	42,805,780	39,925,041
Interest expense	149,221,200	121,171,841
Benefits paid	(196,418,865)	(166,781,874)
<b>Remeasurement (Liability experience)</b>		
Actuarial losses arising from changes in financial assumptions	128,069,475	22,230,616
Liability experience loss	139,760,764	92,455,701
<b>Closing balance</b>	<b>2,903,746,591</b>	<b>2,640,308,237</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

### f. Reconciliation of fair value of plan assets:

Particulars	2024	2023
<b>Opening balance</b>	<b>53,480,525</b>	<b>51,270,839</b>
Interest Revenue	3,206,031	2,505,106
Employer contribution	188,547,415	155,127,390
Employee contribution	13,153,348	13,281,958
Benefits paid and other outgo	(199,427,360)	(169,734,625)
Gain on Plan Assets	1,656,129	1,029,858
<b>Closing balance</b>	<b>60,616,088</b>	<b>53,480,525</b>

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

Particulars	2024	2023
Assets experience gain during the year	1,656,129	1,029,858
Liability experience deficit during the year	(267,830,239)	(114,686,317)
<b>Components of experience amount recognized</b>	<b>(266,174,110)</b>	<b>(113,656,459)</b>

### h. Allocation of plan asset at end of year:

Particulars	2024	2023
	%	%
Fixed interest securities and deposits	49.9%	53.9%
Loan	3.1%	2.8%
Local equities	15.2%	14.0%
Overseas bonds and equities	31.3%	28.8%
Properties	0.5%	0.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Weighted average duration of the defined benefit obligation is 13 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.

# NOTES TO THE FINANCIAL STATEMENTS

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

## 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.

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

Particulars	2024	2023
Discount rate(s)	5.50%	5.87%
Future salary increases	4.50%	4.50%
Future pension increases	3.50%	3.50%
Mortality before retirement	Nil	Nil
Mortality in retirement	PA (90) Tables - rated down by 2	
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.

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

	2024	2023
Increase due to 1% decrease in discount rate	401,400,000	358,500,000
Decrease due to 1% increase in discount rate	325,000,000	290,800,000

	2024	2023
Increase due to 1% increase in salary growth	146,500,000	113,200,000
Decrease due to 1% decrease in salary growth	126,200,000	127,100,000

	2024	2023
Increase due to increase by one (1) year in life expectancy	101,800,000	87,800,000
Decrease due to decrease by one (1) year in life expectancy	100,400,000	88,900,000

# NOTES TO THE FINANCIAL STATEMENTS

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

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 change 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 depends 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.

As per the project cash flows of the CWA Pension Fund, the market value of the Fund would rise from Rs 61M to Rs 78M by 30 June 2027.

Projected benefit payments in terms of retirement gratuity and annual pensions would amount to Rs 720M over the next three (3) years to June 2027.

Assumptions used for the cash flow projections: Investment return of 5.50%, salary increase if 4.5% p.a, pension increase of 3.5% p.a, management fee of 1.5% p.a.

## **18. OTHER CURRENT LIABILITIES**

### **Current**

<b>Particulars</b>	<b>2024</b>	<b>2023</b>
(a) Deferred revenue towards capital grants - Government	221,905,547	421,297,171
(b) Deferred revenue towards capital grants - other parties	301,171,743	-
(c) Advance/double payment received from customers	6,532,367	7,517,415
(d) Financial contribution received from consumers	320,678,918	92,701,474
<b>Total other current liabilities</b>	<b>850,288,575</b>	<b>521,516,060</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## Notes:

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

Particulars	2024	2023
<b>Opening Balance</b>	<b>421,297,171</b>	<b>397,891,006</b>
Received during the reporting period	589,951,630	297,920,032
Release to statement of financial performance	(789,343,254)	(274,513,867)
Amount released during the year but relating to previous year	-	-
<b>Closing Balance</b>	<b>221,905,547</b>	<b>421,297,171</b>

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	2024	2023
<b>Opening Balance</b>	-	-
Received during the year	352,530,468	-
Release to statement of financial performance	(51,358,725)	-
<b>Closing Balance</b>	<b>301,171,743</b>	-

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

Particulars	2024	2023
<b>Opening Balance</b>	<b>92,701,474</b>	<b>113,100,100</b>
Received during the year	365,407,517	121,848,384
Refund during the year	(128,400)	(62,014)
Release to statement of financial performance	(137,301,673)	(142,184,996)
<b>Closing Balance</b>	<b>320,678,918</b>	<b>92,701,474</b>

## 19. NET ASSETS/EQUITY

Particulars	2024	Restated 2023
(a) Contributed capital	2,615,450,607	1,915,450,607
(b) Accumulated surplus	6,475,824,374	7,042,803,432
<b>Total net assets/equity</b>	<b>9,091,274,981</b>	<b>8,958,254,039</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## 20. REVENUE FROM WATER SALES

Particulars	2024	2023
(a) Potable		
- Domestic	819,763,147	793,481,999
- Non-domestic	603,355,100	569,939,996
- Government	115,354,158	114,360,255
- Surface water	1,190,792	1,524,809
(b) Irrigation water	34,179,515	34,312,490
<b>Total revenue from water sales</b>	<b>1,573,842,712</b>	<b>1,513,619,549</b>

**Note:**

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

## 21. OTHER REVENUE

Particulars	2024	2023
(a) Financial contribution from consumers	137,301,673	142,184,996
(b) Rental revenue from water meters	40,812,000	39,228,490
(c) Surcharge on potable water sales	30,641,648	28,683,270
(d) Surcharge on irrigation water sales	2,467,834	3,018,841
(e) Swimming pool fee	874,500	786,500
(f) Re-opening fees	2,805,218	3,715,699
(g) Morcellement/non-refundable processing fees	5,945,000	5,592,500
(h) Commission fees	13,431,807	13,554,980
(i) Interest income	1,044,256	1,383,424
(j) Income from encashment of performance securities	13,333,333	93,638,247
(k) Income from liquidated damages	34,521,435	6,727,998
(l) Other sundry revenue	25,789,887	19,778,595
<b>Total other revenue</b>	<b>308,968,591</b>	<b>358,293,540</b>
<b>Total revenue from exchange transactions</b>	<b>1,882,811,303</b>	<b>1,871,913,089</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## Notes:

- 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 2024 amounted to Rs 41M (30 June 2023: Rs 48M) for an average of 71,400 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.

## 22. GRANTS

Particulars	2024	2023
(a) Revenue from grants - Government	789,343,254	274,513,867
(b) Revenue from grants - other parties	51,358,725	-
<b>Total revenue from non-exchange transactions</b>	<b>840,701,979</b>	<b>274,513,867</b>

### Note:

Grants from Government and other parties are released to income upon completion or substantial completion of respective corresponding projects at year-end.

## NOTES TO THE FINANCIAL STATEMENTS

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

### 23. OPERATING COSTS

Particulars	2024	2023
(a) Water treatment charges	62,356,509	110,367,380
(b) Electricity charges	502,810,093	319,687,712
(c) Leakage control	42,750,562	50,521,488
(d) Telephone charges	12,151,576	9,985,060
(e) Rent	27,678,781	25,430,742
(f) Security charges	146,390,910	94,071,512
(g) Repairs and maintenance charges		
- Buildings and premises	82,763,390	125,339,482
- Filter and canals	667,129	2,456,464
- Others	13,265,609	18,195,037
(h) Insurance charges	2,076,713	2,802,055
(i) Office requisites and other miscellaneous expenses	20,696,857	19,920,305
(j) ICT and other maintenance expenses	15,218,297	20,645,150
(k) Increase/(decrease) in provision for slow-moving stock	16,849,423	(7,464,996)
<b>Total operating costs</b>	<b>945,675,849</b>	<b>791,957,392</b>

### 24. EMPLOYEE BENEFITS

Particulars	2024	2023
(a) Salaries and wages	1,052,698,980	1,018,726,881
(b) Other employee related expenses	14,417,245	3,465,967
<b>Total employee benefit expenses</b>	<b>1,067,116,225</b>	<b>1,022,192,848</b>

### 25. DEPRECIATION AND AMORTIZATION

Particulars	2024	Restated 2023
(a) Depreciation on property, plant and equipment	610,998,931	574,694,482
(b) Amortization on intangible assets	6,122,662	8,973,270
<b>Total depreciation and amortization expenses</b>	<b>617,121,593</b>	<b>583,667,752</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

### 26. FINANCE COSTS

Particulars	2024	2023
(a) Interest on foreign loans	-	86,158
(b) Interest on local loans	162,430,007	138,544,100
(c) Interest on bank overdraft	7,588,096	309,968
(d) Interest on finance lease	1,881,153	-
(e) Other borrowing costs (penalty on GoM loans)	86,060,664	56,587,871
<b>Total interest and other borrowing costs</b>	<b>257,959,920</b>	<b>195,528,097</b>
Less: Interest capitalized	-	(1,023,856)
<b>Total finance costs</b>	<b>257,959,920</b>	<b>194,504,241</b>

#### Notes:

- i. Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as part of the cost of that asset. There were no borrowing costs to be capitalised during the year 2023-24.
- ii. Other borrowing costs refer to penalty claims on non-repayment of Government loans.

### 27. OTHER EXPENSES

Particulars	2024	2023
(a) Commission paid to collecting agencies	18,651,274	16,613,553
(b) Transport cost	89,193,995	91,771,509
(c) Legal and professional charges	7,903,185	9,936,131
(d) Bank charges and commission	521,501	1,738,254
(e) Arbitration costs	-	4,530,048
(f) Loss on disposal of non-current assets	260,865	-
(g) Increase in provision for impairment towards receivables	19,912,723	11,144,693
(h) Licences, fees & permits	1,100	-
<b>Total other expenses</b>	<b>136,444,643</b>	<b>135,734,188</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## 28. GAIN ON FOREIGN CURRENCY TRANSACTIONS

Particulars	2024	2023
Exchange gain during the reporting period	-	(1,245,162)
<b>Total gain on foreign currency transactions</b>	<b>-</b>	<b>(1,245,162)</b>

## 29. FINANCIAL INSTRUMENTS

### 29.1 Classification of financial instruments

Particulars	2024	Restated 2023
<b>Financial instrument measured at amortized cost</b>		
<b>(a) Financial assets</b>		
(i) Cash and cash equivalents	626,585,317	171,261,346
(ii) Receivables from exchange transactions	452,860,619	391,207,890
(iii) Other receivables from exchange transactions	9,393,636	39,938,218
(iv) Loans and advances	27,643,011	22,345,957
<b>Total financial assets</b>	<b>1,116,482,583</b>	<b>624,753,411</b>
<b>(b) Financial liabilities</b>		
(i) Payables under exchange transactions	2,096,144,628	1,533,784,479
(ii) Bank overdraft	149,587,413	75,303,491
(iii) Deposits	118,371,927	115,131,317
(iv) Lease liabilities	43,222,733	-
(v) Borrowings	3,432,041,729	3,386,657,145
<b>Total financial liabilities</b>	<b>5,839,368,430</b>	<b>5,110,876,432</b>

### 29.2 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 subcommittee of the Central Water Board.

# NOTES TO THE FINANCIAL STATEMENTS

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

## 29.2.1 Currency profile

The Authority has no financial liability held in foreign currency as at reporting date:

Currencies	2024	2023
Euro	-	-
<b>Total</b>	-	-

## 29.2.2 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	2023-24 % per annum
<b>Financial assets</b>	-
Cash at bank	0.25%
<b>Financial liabilities</b>	
Borrowings	2.25% – 10%

### 29.2.2.1 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 2024:

Particulars	Impact on Net Assets/Equity
Plus 10 basis points	9,091,275
Minus 10 basis points	(9,091,275)

## NOTES TO THE FINANCIAL STATEMENTS

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

### 29.2.3 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 30.06.2024	Less than 1 year	1-5 years	+5 Years	Total	Carrying amount
(i) Cash and cash equivalents	626,585,317	-	-	<b>626,585,317</b>	<b>626,585,317</b>
(ii) Receivables from exchange transactions	452,860,619	-	-	<b>452,860,619</b>	<b>452,860,619</b>
(iii) Other receivables from exchange transactions	9,393,636	-	-	<b>9,393,636</b>	<b>9,393,636</b>
(iv) Loans and advances	6,632,919	19,238,335	1,771,757	<b>27,643,011</b>	<b>27,643,011</b>
As at 01.07.2023					
(i) Cash and cash equivalents	171,261,346	-	-	<b>171,261,346</b>	<b>171,261,346</b>
(ii) Receivables from exchange transactions	391,207,890	-	-	<b>391,207,890</b>	<b>391,207,890</b>
(iii) Other receivables from exchange transactions	39,938,218		-	<b>39,938,218</b>	<b>39,938,218</b>
(iv) Loans and advances	6,588,640	13,779,152	1,978,165	<b>22,345,957</b>	<b>22,345,957</b>

#### Expected maturity for financial liabilities

As at 30.06.2024					
(i) Payables under exchange transactions	2,096,144,628	-	-	<b>2,096,144,628</b>	<b>2,096,144,628</b>
(ii) Bank overdraft	149,587,413	-	-	<b>149,587,413</b>	<b>149,587,413</b>
(iii) Deposits	118,372	-	118,253,555	<b>118,371,927</b>	<b>118,371,927</b>
(iv) Lease liabilities	5,959,397	27,394,180	9,869,156	<b>43,222,733</b>	<b>43,222,733</b>
(iv) Borrowings	1,442,380,295	1,227,730,685	761,930,749	<b>3,432,041,729</b>	<b>3,432,041,729</b>
As at 01.07.2024					
(i) Payables under exchange transactions	1,533,784,479	-	-	<b>1,533,784,479</b>	<b>1,533,784,479</b>
(ii) Bank overdraft	75,303,491	-	-	<b>75,303,491</b>	<b>75,303,491</b>
(iii) Deposits	115,131	-	115,016,186	<b>115,131,317</b>	<b>115,131,317</b>
(iv) Borrowings	1,154,437,685	1,226,566,870	1,005,652,590	<b>3,386,657,145</b>	<b>3,386,657,145</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## 29.2.4 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 2024, the maximum credit risk exposure was Rs 453M after impairment of receivables above three (3) years due (30 June 2023: Rs 391M) as analysed below:

<b>Receivables as at 30 June 2024</b>	<b>Gross Receivables</b>	<b>Provision for impairment</b>	<b>2024 Net Trade Receivables</b>
Invoices issued in July	133,349,915		133,349,915
Within 30 days	116,257,090		116,257,090
31-60 days	24,913,008		24,913,008
61-90 days	19,456,846		19,456,846
More than 90 days	325,515,832	(166,632,072)	158,883,760
<b>Total</b>	<b>619,492,691</b>	<b>(166,632,072)</b>	<b>452,860,619</b>

<b>Receivables as at 30 June 2023</b>	<b>Gross Receivables</b>	<b>Provision for impairment</b>	<b>2023 Net Trade Receivables</b>
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	232,374,980	(146,719,350)	85,655,630
<b>Total</b>	<b>537,927,240</b>	<b>(146,719,350)</b>	<b>391,207,890</b>

## 30. 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.

## NOTES TO THE FINANCIAL STATEMENTS

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

### (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 the key management personnel of the Authority. 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/Officer-in-Charge
- (iii) Head of Division

### (c) Outstanding balance with related parties:

#### Government of Mauritius

Nature of balance outstanding	2024	2023
Borrowings payable to Government	3,432,041,729	3,386,657,145
Interest payable to Government	700,291,703	554,774,664
Penalty payable to Government	225,037,250	138,976,586

### (d) Transactions with related parties:

#### Government of Mauritius

Nature of transaction	2024	2023
Grants receipts from Government	789,343,254	274,513,867
Capital contribution received	700,000,000	-
Loan proceeds from Government	28,471,615	33,513,398
<b>Total</b>	<b>1,517,814,869</b>	<b>308,027,265</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

## (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	2024	2023
Salaries and allowances	22,959,272	22,444,316
Sick leave	499,182	663,648
Passage benefits	211,889	176,821
Gratuity	992,650	392,100
Annual leave	205,744	-
<b>Total short-term employee benefits</b>	<b>24,868,737</b>	<b>23,676,885</b>
<b>No of persons</b>	<b>14</b>	<b>20</b>

## 31. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### (a) Contingent liabilities

At 30 June 2024, 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. A first Hearing of the appeal was argued in March 2025 and another one in June 2025, following which Judgment is reserved. No provision has 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.

# NOTES TO THE FINANCIAL STATEMENTS

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

## Particulars of contingent liabilities:

	2024	2023
(i) Bank guarantee facility	49,300,000	49,250,000
(ii) Litigation cases	237,000,000	237,000,000
Total contingent liabilities	286,300,000	286,250,000

## (b) Contingent assets

There are no contingent asset that is required to be disclosed in the financial statements as at 30 June 2024.

## 32. COMMITMENTS

(a) The Authority has signed a Memorandum of Agreement on 07 September 2023 with a Special Purpose Vehicle (SPV) viz New Social Living Development Ltd, a wholly owned subsidiary of the National Housing Co Ltd, whereby CWA has been mandated to carry out all offsite water infrastructural works to enable the construction of 8000 housing units on 39 sites across the island. The related projects are in progress and funding is being provided by the Government. At the end of the works, CWA shall take possession of the entire offsite water infrastructure for management and maintenance.

(b) On 25 June 2024, the Authority has entered into a major agreement with a private entity, in which it undertakes to treat and supply water in specific water-stressed areas for periods of up to 25 years at a premium rate. The associated capital costs shall be financed by the said entity as a financial contribution, which is expected to be released to income in full upon completion of works.

## 33. 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 2023-24, an amount of Rs 27.7M (Rs 25.4M in 2022-23) has been recognized as expense and forms part of the Operating Costs disclosed under Note 23 above in the statement of financial performance.

# NOTES TO THE FINANCIAL STATEMENTS

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

## 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:

	2024	2023
Not later than one year	3,119,609	3,364,276
Later than one year and not later than five years	2,239,344	4,322,567
Later than five years	5,546	70,562

## 34. 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. As at date of approval of the financial statements 2023-24, there is no known material adjusting event after 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 2023-24, there is no known material non-adjusting event after reporting date to be disclosed.

## 35. TAXATION

The Authority is not liable to Tax.





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