

ANNUAL REPORT

2011/2012



RURAL WATER SUPPLY LTD

25 Dominica Drive, Kingston 5, (The Towers 3rd Floor North Side)

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CORPORATE DATA

Registered Office

Rural Water Supply Limited

25 Dominica Drive, 3rd Floor

Kingston 5, Jamaica W.I.

Telephone: (876) 754-5485, Fax: (876) 754-5500

Email: Info@rwslja.com

Management Team:

Mr. Audley Thompson - Managing Director

Mr. Douglas Wilson - General Manager Engineering

Mr. Michael Johnson - Finance Manager

Ms. Murie Bennett - Manager HR/Corporate Services

Bankers:

RBTT Jamaica Limited, 17 Dominica Drive, Kingston 5

National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5

Pan Caribbean Merchant Bank Limited, 64 Knutsford Boulevard, Kingston 5

Auditors:

Lee Clarke Chang, 9 Cargill Avenue, Kingston 10

Attorney-at-law:

DunnCox, 48 Duke Street, Kingston

Garth McBean & Associates, Seymour Square, Kingston 6

TABLE OF CONTENTS

Vision Statement	1
Mission Statement	1
Message from the Minister of Water, Land, Environment & Climate Change Hon. Robert Pickersgill	2
Message from the Chairman of the Board of Directors John Paul White	3
Message from the Managing Director Audley Thompson	4
Board of Directors 2011 /2012	6
Report on Projects	7
Operational Plan 2012/2013	13
Salaries and Emoluments for Senior Management Staff 2011/2012	16
Report on the Financial Statements 2011/2012	17

VISION STATEMENT

RWSL aims to be the major implementer of projects , by ensuring adherence to standards, time schedules and budget.

MISSION STATEMENT

To effectively manage the implementation of projects, by ensuring adherence to standards, time schedules and budget.

MESSAGE

THE MINISTER OF WATER, LAND, ENVIRONMENT & CLIMATE CHANGE
HON. ROBERT PICKERSGILL, M.P.



As the Minister of Water, Land, Environment and Climate Change, I am pleased to release the Annual Report for the Rural Water Supply Limited. The report covers the Agency's activities for the fiscal period, April 1, 2011 to March 31, 2012.

Having served as the Portfolio Minister with responsibility for water for approximately ten years, I am cognizant of the commitment of the Rural Water Supply Limited in implementing projects to meet the water demand of the residents of rural Jamaica.

Even though Jamaica has been known as 'the land of wood and water', the spatial and temporal distribution of water across the island with the highest demand and lowest water availability on the south coast increases the task of managing Jamaica's water resources. In addition, the impact of climate change where the variability in rainfall is expected to be high will result in droughts and water security. According to the World Bank, "Currently, 1.6 billion people live in countries and regions with absolute water scarcity and the number is expected to rise to 2.8 billion people by 2025".

This government is mindful that water drives national development and the availability of adequate and good quality water is critical for the maintenance of sanitation and human health. Therefore, the provision of potable water to meet the needs of the population, particularly those in the rural areas, is vital.

It is reported that twenty-three percent (23%) of rural households receive water from standpipes and twenty two percent 22% from rainwater tanks.

The Rural Water Supply Limited is moving to assess the rural areas of the island to determine those areas where a water deficit exists and to identify sources that can be harnessed to meet these deficits. This is the objective of the Rural Water Master Plan Project with grant funding from the Inter-American Development Bank (IDB) which will set out the modalities to be used to meet the demands. These modalities will include rainwater harvesting (house and community catchments), piped water and use of entombed springs.

The Rural Water Supply Limited is already being proactive with the implementation of rainwater harvesting solutions. This financial year, approximately seven thousand five hundred (7,500) residents in the parish of St. Elizabeth have received improved water supply through a Rainwater Catchment Tank Rehabilitation Programme.

The Maldon and Chatsworth Primary Schools in south St. James have also benefitted from the installation of rainwater harvesting systems which included the installation of guttering to collect the rainwater runoff, tanks for the storage of the water, treatment facilities, water saving devices and solar technology to power the systems. The project will be replicated in schools across the island.

The Rural Water Supply Limited is well on the way towards fulfilling its mandate of implementing projects 'by ensuring adherence to standards, time schedules and budget'.

As we work towards making 'Jamaica the place of choice to live, work, raise families and do business' I would like to commend the staff of the Rural Water Supply Limited for their significant contribution to the development of potable water systems for the island's rural residents and by extension Jamaica, land we love.

Robert Pickersgill M.P.
Minister

MESSAGE

THE CHAIRMAN – JOHN PAUL WHITE



It is my pleasure to be associated with the Rural Water Supply Limited (RWSL), a company which throughout the years has continued to live up to its mission of “effectively managing the implementation of water supply projects by ensuring a high standard and adherence to budget”.

We have been told repeatedly that there is sufficient water in our island to meet all our daily demands. Despite this fact however, far too many persons, particularly those in the rural areas, still do not have access to this life saving commodity.

The most recent statistics show that in 2004, forty-five percent (45%) of households in rural areas had access to piped water. Today, that number has increased to approximately fifty percent (50%) and I am proud to say that the work of the management and staff of the Rural Water Supply Limited, has contributed to this increase.

As a matter of fact, the Agency spent approximately \$130M this financial year to upgrade rural water supply systems and provide catchment tanks for communities. The projects were carried out in the following areas:

- Quaminus/Lionel Town, Southern Clarendon – upgrading of Water Supply System
- Upgrading of the Waugh Hill Water Supply System, North Central St. Catherine

- Rehabilitation of the Woodside/Above Rocks St. Andrew, Water Supply System
- Rehabilitation of the Kensington Rainwater Catchment Tank in South St. James
- Provision of water tanks and bases for communities in East Portland.

I look forward to an even greater level of service from RWSL next year as we work towards achieving our mission of being “the major implementers of projects, by ensuring adherence to standards, time schedules and budget”.

John-Paul White, Chairman

MESSAGE

THE MANAGING DIRECTOR –AUDLEY THOMPSON



Rural Water Supply Limited (RWSL) continues to play a critical role in the development of water supply systems to serve rural communities.

The main emphasis for the Financial Year, 2011-2012, was the upgrading and rehabilitation of several minor water supply systems, as well as catchment tank rehabilitation and pilot rainwater harvesting systems for rural schools, in addition to the completion of on-going projects.

Projects completed under the upgrading and rehabilitation of minor water supply systems are:-

St. James

- Castle Bush Water Supply System – Spring Entombment Rehabilitation.
- Cool Water/Charity Spring – Spring Entombment Rehabilitation, minor pipe-laying and fencing work.
- Buena Vista – Spring Entombment and Rehabilitation.

St. Elizabeth

- Ballards Valley Pipeline Extension
- Jointwood/Nanny – Pipeline works
- Top Reading to Haughton

Rainwater Harvesting Systems continue to be a viable alternative source of water for residents of rural Jamaica. Rehabilitation works were carried out on twelve (12) water

supply catchment facilities in St. Elizabeth, during the Financial Year. This work was done at a total cost of \$12M and served seven thousand, five hundred (7,500) residents who benefitted from the improved water supply.

The plight of rural schools without access to piped water and the challenges these school communities experienced have always been of concern to RWSL. In this regard, a pilot rainwater harvesting project was carried out in two (2) schools in South St. James.

Given the success of this project, RWSL will now enter into dialogue with the Ministry of Education (MOE) to duplicate these systems in other rural schools throughout Jamaica.

Projects which have been started and are far advanced are:-

- John's Groin Water Supply System – St. Catherine
- Wharf Lane Water Supply System – Portland
- Farmer's Height Water Supply System - St. Ann
- Quaminus Water Supply System - Clarendon
- Comfort Hall/Copperwood/Richmond Water Supply System - St. James
- Broadgate Water Supply System - St. Mary
- Cascade Water Supply System - St. Ann

During the period under review, the viability and vibrancy of RWSL was bolstered by the provision of Engineering Services to other Public Sector Entities such as the National Housing Trust (NHT), and the Ministry of Housing and Transport, which enhanced our earning.

The NHT utilized our services as Consultant Engineers on their Longville Housing Development Water Supply Systems in Clarendon.

Additionally, works were carried out on behalf of the Ministry of Housing and Transport (MOHT) in terms of the preparation of infrastructural designs for a number of their housing development projects.

RWSL is proud to be a part of the ever developing water supply sector. As one of the primary support agencies of the Ministry of Water, Land Environment and Climate

Change (MWLECC), we continue to provide yeoman service to ensure that residents of rural communities have access to the precious commodity, water.

We will continue to make significant strides in our contribution to the development of water supply systems to satisfy the needs of the citizenry, and particularly the rural residents, to enhance the quality of life of more and more Jamaicans.

Audley Thompson
Managing Director

BOARD OF DIRECTORS 2011 / 2012



John Paul White
-Chairman



Audley Thompson – M.D.



Debbie-Ann Kerr-Scott



Joseph Taffe



Hugh Graham



Basil Fernandez



Dennis Wanliss



Norman Scott



Omar Oliphant



RURAL WATER SUPPLY LTD



REPORT ON PROJECTS.....

Project	Planned Targets for Period	Major Tasks	Achievements
<u>Colbeck W.S.S.</u> - St Catherine Project cost: Ph 1 - \$72.420 Ph 2 - \$32.5M Exp. To date: Ph 1 – \$72.46M Ph 2 - \$24.385M Exp. this period: Ph 2 - \$1.986M	To construct deep well pumping plants & relift stations. To construct Storage Tanks. To complete all related pipe work including bridge crossings.	To achieve 100% construction of pump/ relift stations. To achieve 100% construction of Storage Tank A. To achieve 100% construction of Storage Tank B. To complete pipelaying.	Commissioning ongoing.
<u>Broadgate W.S.S.</u> – St Mary. Project cost: Ph 1 - \$5.1M Ph 2 - \$50.0M Exp. To date: \$48.267M Exp. this period: Ph 2 - \$3.117M	To develop Well. To construct pumping station. To complete all pipelines. To construct Storage Tank	To complete development of Well. To achieve 100% completion of Pump Station. To achieve 100% completion of pipe work. To complete construction of Storage Tank.	Commissioning ongoing.
<u>Quaminus W.S.S.</u> – Clarendon Project cost: \$110.00M Exp. To date: \$103.043M Exp. this period: \$20.393M.	To install Transmission Mains. To supply and install Well Pump. To construct Storage Tank. To install distribution pipelines.	To achieve 100% installation of Transmission Mains. To achieve 100% supply and installation of Pump Station. To achieve 100% installation of distribution pipelines. To achieve 100% construction of Storage Tank.	75% completion of Pump Station. 100% completion of pipe work. Storage Tank completed.
<u>Johns Groyne WS</u> - St Catherine Project cost: \$17.50M Exp. To date: \$9.898M Exp. this period: \$0.477M	To construct spring intake and install pipelines. To construct chlorination facility and reservoir.	To achieve 100% construction of spring intake and installation of pipelines. To achieve 0% of chlorination facility and reservoir	Phase 1 completed. Service extensions ongoing.



RURAL WATER SUPPLY LTD



Project	Planned Targets for Period	Major Tasks	Achievements
<u>Fruitfulvale W.S.S. - Portland</u> Project cost: \$44.00M Exp. To date: \$42.266M Exp. this period: \$7.283M.	To supply distribution pipelines. To install distribution pipelines.	To achieve 100% supply of distribution pipelines. To achieve 100% installation of distribution pipelines.	COMPLETED
<u>Cascade W.S.S. - St Ann</u> Project cost: Ph 1 - \$29.75M Ph 2 - \$30.000M Exp. To date: Ph 1 - \$29.75M Ph 2 - \$29.142M Exp. this period: \$3.363M	To construct slow sand filter plant. To construct Storage Tank. To complete all related pipe work including bridge crossings.	To complete construction of slow sand filter plant. To achieve 100% construction of Storage Tank. To achieve 100% completion of all related pipe work including bridge crossings and pipeline extensions.	Extension of pipelines ongoing.





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Cascade Water Supply - Commissioning

Project	Planned Targets for Period	Major Tasks	Achievements
<u>Bottom Coffee Grove W.S.S. - Manchester</u> Project cost: \$10.140M Exp. To date: \$10.136M Exp. this period: \$0.705M	To install distribution pipelines.	To achieve 100% installation of 100mm PVC and 50mm G.I. distribution pipelines.	COMPLETED
W C St Catherine: Colbeck Heights / Red Ground / Bartons W.S.S. Project cost: \$31.000M Exp. To date: \$30.833M Exp. this period: \$0.579M	To install distribution pipelines. To construct steel tank.	To achieve 100% installation of 50mm G.I. distribution pipelines. To achieve 100% construction of steel tank.	COMPLETED
<u>Duxes / Point Hill W.S.S. - St Catherine</u> Project cost: \$9.50M Exp. To date: \$10.30M Exp. this period: \$0.20M	To achieve 100% rehabilitation of distribution pipelines.	To rehabilitate 50mm G.I. & 75mm PVC distribution pipelines.	COMPLETED
<u>Johns Groyne WS York Street Extn. - St Catherine</u> Project cost: \$2.50M Exp. To date: \$2.218M Exp. this period: \$2.218M	To achieve 100% construction of 100mm PVC extension pipelines.	To achieve 100% construction of 100mm PVC extension pipelines.	Service extensions ongoing.



RURAL WATER SUPPLY LTD



Project	Planned Targets for Period	Major Tasks	Achievements
<u>Hunts Town</u> <u>W.S.S. - St Mary</u> Project cost: \$47.00M Exp. To date: \$44.097M Exp. this period: \$0.296M	To install pipelines. To construct Bolted Steel Tank. To construct Pump Station / Intake Works.	To achieve 100% installation of pipelines. To complete fabrication of reservoir. To construct Pump Station / Intake Works.	COMPLETED.
<u>W Central St</u> <u>Catherine:</u> <u>Marlie Hill /</u> <u>Browns Hall /</u> <u>Macca Tree</u> <u>W.S.S.</u> Project cost: \$31.000M Exp. To date: \$30.812M Exp. this period: \$4.357M	To install distribution pipelines.	To achieve 100% installation of 100mm PVC & 50mm G.I. distribution pipelines.	COMPLETED

Quaminus Water Supply

- Pipelaying in Lionel Town





RURAL WATER SUPPLY LTD



Project	Planned Targets for Period	Major Tasks	Achievements
<u>Peace River W.S.S. - Clarendon</u> Project cost: \$19.000M Exp. To date: \$18.179M Exp. this period: \$0.534M	To install distribution pipelines. To construct storage tank.	50% installation of distribution pipelines. To invite tenders for tank construction.	Commissioning ongoing.
<u>James Hill W.S.S. - Clarendon</u> Project cost: \$27.50M Exp. To date: \$27.124M Exp. this period: \$1.796M	To install distribution pipelines. To construct pumping station. To construct Storage Tanks.	To achieve 100% installation of distribution pipelines. To achieve 100% construction of pumping station. To achieve 100% construction of Storage Tank	Completed.
<u>Comfort Hall W.S.S. ' St James</u> Project cost: \$25.900M Exp. To date: \$22.970M Exp. this period: \$22.970M	To install distribution pipelines. To construct pumping stations. To construct / refurbish Storage Tanks	To achieve 90% installation of distribution pipelines. To achieve 90% construction of pumping station. To achieve 90% construction / refurbishment of Storage Tank	Works progressing satisfactorily. Consideration being given to extension of distribution to Roehampton.



RURAL WATER SUPPLY LTD



Project	Planned Targets for Period	Major Tasks	Achievements
<u>Amity W.S.S.</u> <u>' Westmoreland</u> Project cost: \$1.500M Exp. To date: \$1.259M Exp. this period: \$1.259M	To achieve 100% construction of distribution pipelines.	To construct distribution pipelines.	Construction ongoing.
<u>Waugh Hill</u> <u>W.S.S.</u> <u>' St Catherine</u> Project cost: \$17.544M Exp. To date: \$17.544M Exp. this period: \$1.790M	To achieve 100% construction of intake, pipelines & pumping stations.	To construct intake, pipelines & pumping stations.	Completed.
CONSTITUENCY DEVELOPMENT FUND			
<u>Constituency</u> <u>Development</u> <u>Funded projects</u>		Installation of catchments and pipelines for sundry minor water supplies across the island.	Two projects remaining as ongoing.
COMPREHENSIVE RURAL WATER UPGRADING PROGRAMME			
<u>Comprehensive</u> <u>Rural Water</u> <u>Upgrading</u> <u>Programme</u> Project cost: \$60.290M Exp. To date: \$53.327M Exp. this period: \$53.327M	To achieve 100% construction of minor water supplies across the island to include intakes, pipelines, pumping stations, storage tanks and catchment tanks.	To construct or repair intakes, pipelines, pumping stations, storage tanks and catchment tanks.	34 Minor Water Supply Systems Completed. 37 Minor Water Supply Systems Ongoing



Operational Plan – 2012/2013

CAPITAL 'A' PROJECTS

PROJECT	QTR 1		QTR 2		QTR 3		QTR 4	
	TARGET	COST J\$M	TARGET	COST J\$M	TARGET	COST J\$M	TARGET	COST J\$M
Brandon Hill Water Supply Scheme.								
Minor repairs to existing system	100%	0.10						
Cascade Water Supply Scheme.								
Construct Filter Plant.	100%	0.00						
Construct Storage Tank.	100%	0.00						
Complete all related pipe work including bridge crossings.	25%	3.00	50%	2.00	75%	2.00	100%	0.50
Colbeck Water Supply Scheme.								
Project Completion & Commissioning	100%	0.10						
Comfort Hall Water Supply Scheme								
Construct Pump Stations.	100%	5.00						
Construct / Refurbish Storage Tanks.	25%	2.00	50%	2.00	75%	2.00	100%	2.00
Complete all pipelines.	100%	0.00						
Quaminus Water Supply Scheme.								
Construct Pump Station.	60%	3.50	80%	1.00	100%	1.00		
Construct storage tank.	100%	0.00						
Complete all pipelines.	100%	0.00						
Amity Water Supply Scheme								
Replacement of Distribution Lines	40%	0.50	80%	0.30	100%	0.30		



RURAL WATER SUPPLY LTD

PROJECT	QTR 1		QTR 2		QTR 3		QTR 4	
	TARGET	COST J\$M	TARGET	COST J\$M	TARGET	COST J\$M	TARGET	COST J\$M
Broadgate Water Supply Scheme.								
Project Completion & Commissioning	100%	0.60						
Catadupa Water Supply Scheme								
Installation of pump station and distribution pipelines.	50%	0.25	100%	0.25				
Colbeck Heights / Red Ground Water Supply Scheme.								
Project Completion & Commissioning	100%	0.10						
John's Groyne Water Supply Scheme								
Pipeline Extension Works	40%	3.00	60%	1.00	70%	2.00	80%	1.50
Lionel Town Distribution								
Project Completion & Commissioning.	100%	0.10						
Peace River Water Supply Scheme.								
Project Completion & Commissioning.	100%	0.40						
Roehampton Water Supply Scheme								
Project Completion & Commissioning.		0.35						
Top Hill Refurbishing								
Project Completion & Commissioning.	100%	0.20						

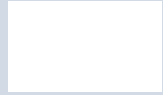
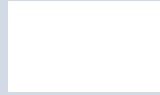
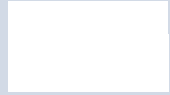
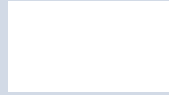
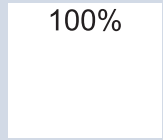
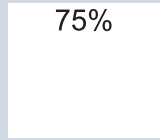
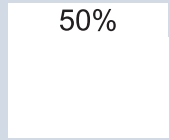
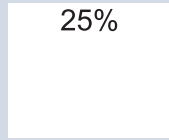
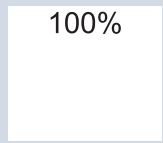
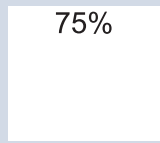
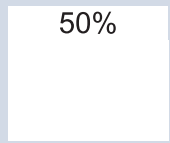
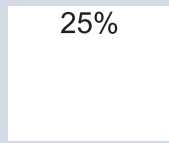
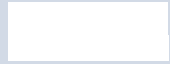
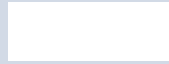


COMPREHENSIVE RURAL WATER UPGRADING

Construction of rural water supply schemes to impact needy communities.	25%	15.00	50%	15.00	75%	15.00	100%	15.00
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CONSTITUENCY DEVELOPMENT FUND

Construction of rural water supply schemes to impact needy communities.	25%	0.50	50%	0.50	75%	1.00	100%	0.50
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Salaries and emoluments for Chairman, Directors & Senior Management Staff 2011/2012.....

Position of Director	Fees \$	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-cash Benefits as applicable (\$)	Total (\$)
Chairman 1	101,000.00	0.00	0.00	0.00	101,000.00
Director 1	51,500.00	0.00	0.00	0.00	51,500.00
Director 2	66,000.00	0.00	0.00	0.00	66,000.00
Director 3	80,500.00	0.00	0.00	0.00	80,500.00
Director 4	55,000.00	0.00	0.00	0.00	55,000.00
Director 5	52,000.00	0.00	0.00	0.00	52,000.00
Director 6	74,000.00	0.00	0.00	0.00	74,000.00
Director 7	36,500.00	0.00	0.00	0.00	36,500.00
Chairman 2	12,500.00	0.00	0.00	0.00	12,500.00
Director 8	7,500.00	0.00	0.00	0.00	7,500.00
Director 9	7,500.00	0.00	0.00	0.00	7,500.00
Director 10	7,500.00	0.00	0.00	0.00	7,500.00
Director 11	7,500.00	0.00	0.00	0.00	7,500.00
Director 12	7,500.00	0.00	0.00	0.00	7,500.00
Director 13	62,500.00	0.00	0.00	0.00	62,500.00

MANAGEMENT POSITION	SALARY	GRATUITY	M/V UPKEEP	TOTAL
MANAGING DIRECTOR	4,276,582.65	1,069,571.53	796,500.00	6,142,654.18
FINANCE MANAGER	3,440,176.13	1,658,159.89	796,500.00	5,894,836.02
GENERAL MANAGER, ENGINEERING	3,118,650.73	365,515.77	796,500.00	4,280,666.50
MGR., HR & CORPORATE SERV.	2,954,260.30	636,542.84	420,000.00	4,010,803.14

Certified: _____

Audley Thompson

Managing Director

RURAL WATER SUPPLY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

I N D E X

	<u>PAGE</u>
Independent Auditors' Report	1 - 2
 <u>FINANCIAL STATEMENTS</u>	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of changes in Equity	5
Statement of Cash Flow	6
Notes to the Financial Statements	7 - 20

INDEPENDENT AUDITORS' REPORT

To The Members
Rural Water Supply Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Rural Water Supply Limited set out on the pages 3 to 20 which comprise the Company's Statement of Financial Position as at March 31, 2012, Statements of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act. This responsibility includes: designing implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Lee Clarke Chang
Chartered Accountants

Page 2

INDEPENDENT AUDITORS' REPORT

Members of
Rural Water Supply Limited

Report on the Financial Statements Cont'd.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2012, and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards, and comply with the requirements of the Jamaican Companies Act.

Report on other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to be best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act, in the manner so required.

The image shows three handwritten signatures in cursive script, reading from left to right: "Lee", "Clarke", and "Chang".

January 31, 2013

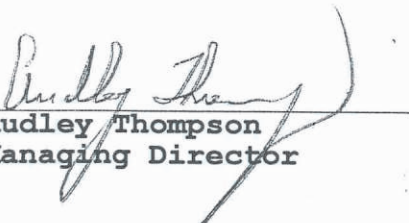
RURAL WATER SUPPLY LIMITED
STATEMENT OF COPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2012


	<u>Note</u>	<u>2012</u> \$	<u>2011</u> \$
REVENUE	4	<u>126,889,050</u>	<u>106,025,824</u>
Administrative expenses		(68,673,385)	(57,063,767)
Engineering expenses		(40,036,946)	(40,175,190)
		<u>(108,710,331)</u>	<u>(97,238,957)</u>
		18,178,719	8,786,867
Profit on sale of fixed asset		432,550	-
Other income		306,750	-
Net finance income	5	<u>317,313</u>	<u>725,908</u>
Surplus before taxation	6	19,235,332	9,512,775
Taxation	7	(69,898)	(203,007)
Net surplus for the year		<u>19,165,434</u>	<u>9,309,768</u>

RURAL WATER SUPPLY LIMITEDSTATEMENT OF FINANCIAL POSITIONAT MARCH 31, 2012

	<u>Note</u>	<u>2012</u> <u>\$</u>	<u>2011</u> <u>\$</u>
<u>ASSETS</u>			
Current Assets			
Cash and bank balances		64,549,070	78,597,003
Fixed Deposits	8	1,707,564	7,199,376
Receivables and Prepayments	9	<u>53,914,578</u>	<u>27,415,098</u>
		<u>120,171,212</u>	<u>113,211,477</u>
Non-current assets			
Property, plant and equipment	10	<u>4,950,147</u>	<u>2,000,690</u>
Work-in-progress	11	<u>414,246,957</u>	<u>839,876,584</u>
Total assets		<u>539,368,316</u>	<u>955,088,751</u>
<u>EQUITY AND LIABILITIES</u>			
Current liabilities			
Payables and accruals	12	<u>117,437,830</u>	<u>168,677,582</u>
Non-current liabilities			
Revolving loan fund	13	<u>10,639,545</u>	<u>10,639,545</u>
		<u>128,077,375</u>	<u>179,317,127</u>
Capital and reserves			
Share capital	14	200	200
Capital Reserve	15	480,000	480,000
Accumulated deficit		(<u>26,544,572</u>)	(<u>45,710,006</u>)
		(<u>26,064,372</u>)	(<u>45,229,806</u>)
Project advances	16	<u>437,355,313</u>	<u>821,001,430</u>
Total equity and liabilities		<u>539,368,316</u>	<u>955,088,751</u>

The financial statements on pages 3 to 20 were approved for issue by the Board of Directors on January 31, 2013 and signed on its behalf by


Audley Thompson
Managing Director


John-Paul White
Chairman

RURAL WATER SUPPLY LIMITEDSTATEMENT OF CHANGES IN EQUITYYEAR ENDED MARCH 31, 2012

	<u>Share Capital</u>	<u>Capital Reserve</u>	<u>Accumulated Losses</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at March 31, 2010	200	5,098,861	(59,638,635)	(54,539,574)
Transfer from capital reserve	-	(4,618,861)	4,618,861	-
Net surplus for the year	-	-	9,309,768	9,309,768
Balance at March 31, 2011	200	480,000	(45,710,006)	(45,229,806)
Net surplus for the year	-	-	19,165,434	19,165,434
Balance at March 31, 2012	200	480,000	(26,544,572)	(26,064,372)

RURAL WATER SUPPLY LIMITEDSTATEMENT OF CASH FLOWS - YEAR ENDED MARCH 31, 2012

	<u>2012</u> \$	<u>2011</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	19,235,332	9,512,775
Depreciation	<u>1,646,579</u>	<u>1,062,685</u>
	<u>20,881,911</u>	<u>10,575,460</u>
Changes in operating asset and liabilities -		
Receivables and prepayments	(26,499,481)	(8,352,565)
Payables and accruals	(51,239,749)	64,736,279
Tax paid	<u>(69,898)</u>	<u>(203,007)</u>
	<u>(77,809,128)</u>	<u>56,180,707</u>
Net cash (used in)/provided by operating activities	<u>(56,927,217)</u>	<u>66,756,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,596,035)	(1,266,999)
Work-in-progress	<u>(132,293,541)</u>	<u>(146,896,407) *</u>
Net cash used in investing activities	<u>(136,889,576)</u>	<u>(148,163,406)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Project advances	174,277,048	133,541,200*
Capital reserve	-	(181,036)
Proceeds from pension plan	<u>-</u>	<u>10,639,545</u>
Net cash provided by financing activities	<u>174,277,048</u>	<u>143,994,709</u>
(DECREASE)/INCREASE IN NET CASH BALANCES	<u>(19,539,745)</u>	<u>62,592,470</u>
Net Cash Balance - Beginning of Year	<u>85,796,379</u>	<u>23,203,909</u>
NET CASH BALANCE - END OF YEAR	<u>66,256,634</u>	<u>85,796,379</u>
Represented by:		
Fixed deposits	1,707,564	7,199,376
Cash and bank balances	<u>64,549,070</u>	<u>78,597,003</u>
	<u>66,256,634</u>	<u>85,796,379</u>

*Restated

RURAL WATER SUPPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

1. OWNERSHIP:

The company's shares are held by the Accountant General on behalf of the Government of Jamaica.

2. PRINCIPAL ACTIVITIES:

The company's principal activities are the designing, management and implementation of potable water supply systems on behalf of the Government of Jamaica. The primary source of funding is through government grants provided under the Capital A Budget.

3. SIGNIFICANT ACCOUNTING POLICIES:

(a) **Basis of Preparation -**

(i) Statement of compliance

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

(ii) **Basis of Measurement -**

The financial statements have been prepared under the historical cost basis.

(iii) **Use of estimates and judgments -**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the companys accounting policies.

(iv) **Functional and presentation currency -**

These financial statements are presented in Jamaican dollars, which is the companys functional currency.

(b) **Property, Plant and Equipment -**

(i) Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation is provided on the straight-line basis at rates which will write-off the cost of the assets over their expected useful lives. The rates are as follows:

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

3. SIGNIFICANT ACCOUNTING POLICIES CONTD:

(b) **Property, Plant and Equipment Contd**

Plant and machinery	5 - 10 yrs
Motor vehicles and trailers	5 yrs
Furniture, fixtures and equipment	5 10 yrs
Leasehold improvement	4 yrs
Computers	4 yrs

(c) **Impairment -**

The carrying amounts of the company's tangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

(d) **Foreign Currency Translation -**

Balances in foreign currencies are translated at the rate of exchange ruling at balance sheet date. Transactions during the year are translated at the exchange rate prevailing at the date of the transaction. Gains or losses on translation are dealt with in the statement of comprehensive income.

Exchange rates are determined by the weighted average rate at which Commercial Banks trade in foreign currencies as published by the Central Bank.

(e) **Project Advances -**

Grants received are treated as project advances and are off-set against the costs incurred in the furtherance of the company's activities as agents of the Government of Jamaica on completion of the projects. Project advances are recognised as follows:

- (i) On receipt of Ministry of Finance subventions from the annual budget.
- (ii) On receipt of cash, goods or services from International Funding Agencies and other governments.
- (iii) On payment of projects liabilities by the Government of Jamaica.

RURAL WATER SUPPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

3. SIGNIFICANT ACCOUNTING POLICIES CONTD:

(f) **Fair Value**

The amount included in these financial statements for cash and short-term investments, receivables and payables reflect their approximate fair values because of the short-term nature of these instruments.

4. REVENUE:

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Subvention	114,000,000	99,999,699
Consultancy fees	<u>12,889,050</u>	<u>6,026,125</u>
	<u>126,889,050</u>	<u>106,025,824</u>

5. NET FINANCE INCOME:

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Interest income	279,593	815,125
Foreign exchange conversion Gain/(loss)	<u>37,720</u>	<u>(89,217)</u>
	<u>317,313</u>	<u>725,908</u>

6. PROFIT BEFORE TAXATION:

Arrived at after charging the following -

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Directors emoluments -		
Fees	659,500	750,500
Remuneration	6,166,793	4,758,295
Auditors' remuneration	600,000	600,000
Depreciation	<u>1,646,579</u>	<u>1,062,685</u>

The Executive Officers, comprising the Managing Director, Engineering Manager and Financial Controller were paid gross emoluments of \$16,342,295, (2011 - \$13,027,178 - restated).

RURAL WATER SUPPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

7. TAXATION:

This represents the Withholding Tax suffered on investments which cannot be utilized as a credit for tax purposes because the company will not be required to pay Income Tax as it is being funded by Government Subvention.

8. FIXED DEPOSITS:

These are held with the following financial institutions:

	<u>2012</u>	<u>2011</u>
	\$	\$
NCB Capital Markets Limited	-	5,784,010
Pan Caribbean Financial Services Limited	-	1,415,366
National Commercial Bank (USD Deposit)	1,707,564	-
	<u>1,707,564</u>	<u>7,199,376</u>

9. RECEIVABLES AND PREPAYMENTS:

	<u>2012</u>	<u>2011</u>
	\$	\$
Advances and deposits	149,581	391,388
GOJ/IDB	-	3,986,890
National Irrigation	615,828	615,828
Staff loans	7,209,399	5,643,010
Salary advances	5,000	71,367
Ministry of Water and Housing	38,290,533	15,251,875
J.S.I.F recoverable	-	559,157
External jobs	7,066,630	-
Other	577,607	895,583
	<u>53,914,578</u>	<u>27,415,098</u>

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

10. PROPERTY, PLANT AND EQUIPMENT:

	<u>Leasehold Improvement</u>	<u>Computers</u>	<u>Furniture Fixtures, Office Equipment & Trailers</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cost/ Valuation -					
April 1, 2011	1,579,315	8,314,836	5,575,334	782,958	16,252,443
Additions	-	3,858,870	737,165	-	4,596,035
Adjustment	-	-	-	909,653	909,653
	<u>1,579,315</u>	<u>12,173,706</u>	<u>6,312,499</u>	<u>1,692,611</u>	<u>21,758,131</u>
Depreciation -					
April 1, 2011	1,452,178	7,887,666	4,128,950	782,958	14,251,752
Charge for	42,379	1,109,370	494,830	-	1,646,579
Adjustment	-	-	-	909,653	909,653
	<u>1,494,557</u>	<u>8,997,036</u>	<u>4,623,780</u>	<u>1,692,611</u>	<u>16,807,984</u>
Net Book Value -					
March 31, 2012	<u>84,758</u>	<u>3,176,670</u>	<u>1,688,719</u>	-	<u>4,950,147</u>
March 31, 2011	<u>127,137</u>	<u>427,170</u>	<u>1,446,383</u>	-	<u>2,000,690</u>

11. WORK-IN-PROGRESS:

This represents costs incurred on projects being undertaken on behalf of the Government of Jamaica. These projects will be transferred to a Government of Jamaica agency on completion.

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

11. WORK-IN-PROGRESS CONTD.:

Project Name	Balance B/F	Expenditure During 2011/2012	Total Expenditure as at March 31, 2012	Projects completed During the year	Balance C/F
Projects funded from the Constituency Development Fund					
Brandon Hill W/S	2,999,562	-	2,999,562	(2,999,562)	-
Claverty Cottage W/S	1,003,130	189,000	1,192,130	(1,192,130)	-
Kitson Town/Crescent W/S	2,968,425	-	2,968,425	(2,968,425)	-
Logie Green	707,939	-	707,939	(707,939)	-
Perth west Clarendon W/S	1,710,016	270,610	1,980,626	(1,980,626)	-
Northern Clarendon W/S	1,095,031	54,000	1,149,031	(1,149,031)	-
Peace River W/S	2,106,630	-	2,106,630	(2,106,630)	-
Staverley Park W/S	4,595,019	-	4,595,019	(4,595,019)	-
Cascade W/S	-	2,468	2,468	(2,468)	-
New Eden W/S	-	2,274,587	2,274,587	-	2,274,587
Wharf Lane W/S	-	3,597,567	3,597,567	-	3,597,567
Claverty College W/S	-	-	-	-	-
New Eden W/S	910,750	-	910,750	(910,750)	-
Ythandside W/S	3,762,500	-	3,762,500	(3,762,500)	-
	<u>21,859,002</u>	<u>6,388,232</u>	<u>28,247,234</u>	<u>(22,375,080)</u>	<u>5,872,154</u>

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

11. WORK-IN-PROGRESS CONTD. :

Project Name	Balance B/F	Expenditure During 11/12	Total Expenditure March 31, 2012	Projects completed During the year	Balance C/F
Project funded from Cap.A					
Albert Town/Ulster Spring	(5,000)	-	(5,000)	5,000	-
Amity W/S	-	1,259,241	1,259,241	(1,259,241)	-
Bottom Coffee Grove W/S	9,431,212	704,693	10,135,905	(10,135,905)	53,284,834
Broadgate W/S	50,251,323	3,033,511	53,284,834	-	58,892,391
Cascade Ph. 2	55,529,562	3,362,829	58,892,391	-	-
Cascade/Jericho W/S	-	18,065	18,065	(18,065)	30,833,074
Colbeck Heights W/S	30,253,612	579,462	30,833,074	-	-
Colbeck/Planters W/S	94,859,966	1,985,647	96,845,613	(96,845,613)	22,969,988
Comfort Hall W/S	-	22,969,988	22,969,988	-	-
CRWUP	-	336,000	336,000	(336,000)	-
CRWUP Lionel Distribution	-	149,540	49,540	(149,540)	93,435
CRWUP Mount Industry/ Caledonia W/S	-	93,435	93,435	-	-
Daniel Town W/S	4,800	-	4,800	(4,800)	-
Darliston	310,150,648	-	310,150,648	(310,150,648)	-
Ewarton W/S	(27,000)	-	(27,000)	27,000	-
Fruitful Vale W/S	34,983,097	7,283,393	42,266,490	(42,266,490)	-
Grange Hill Godfrey St	5,670	-	5,670	(5,670)	-
Grange Hill King Valley	10,116	-	10,116	(10,116)	-
Balance carried forward	<u>585,448,006</u>	<u>41,775,804</u>	<u>627,223,810</u>	<u>(461,150,088)</u>	<u>166,073,722</u>

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED MARCH 31, 2012

11. WORK-IN-PROGRESS CONTD. :

Project Name	Balance B/F	Expenditure During 2011/2012	Total Expenditure as at March 31, 2012	Projects completed During the year	Balance C/F
Project funded from Capital A Budget					
Balance brought forward	585,448,006	41,775,804	627,223,810	(461,150,088)	166,073,722
Hayes/Savannah/Capture Land	-	9,000	9,000	(9,000)	-
Hunts Town/Wellington	43,800,761	296,455	44,097,216	-	44,097,216
James Hill W/S	25,328,449	1,795,575	27,124,024	(27,124,024)	-
Johns Groin W/S	9,421,448	476,924	9,898,372	-	9,898,372
Kitson Town Point Hill	3,490,721	-	3,490,721	(3,490,721)	-
Long Hood W/S	-	12,555	12,555	(12,555)	-
Maggotty W/S	278,840	59,228	338,068	-	338,068
Maldon & Chatsworth Schools	-	92,986	92,986	-	92,986
Marlie Hill/Browns Hall W/S	26,454,112	4,357,423	30,811,535	-	30,811,535
Mile Gully/Warwick Castle W/S	-	91,480	91,480	-	91,480
N.W. Clarendon Park Hall W/S	-	460,096	460,096	(460,096)	-
Peace River	17,645,020	534,074	18,179,094	(18,179,094)	-
Point Hill W/S	-	428,403	428,403	(428,403)	-
Quaminus W/S	82,650,503	20,392,563	103,043,066	-	103,043,066
Sandy River W/S	-	5,912	5,912	(5,912)	-
Watermount W/S	(2,500)	-	2,500	2,500	-
Waugh Hill W/S	15,753,652	1,790,003	17,543,655	-	17,543,655
Claverty College W/S	7,748,570	-	7,748,570	(7,748,570)	-
	<u>818,017,582</u>	<u>72,578,481</u>	<u>890,596,063</u>	<u>(518,605,963)</u>	<u>371,990,100</u>

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED MARCH 31, 2012

11. WORK-IN-PROGRESS CONTD. :

Project Name	Balance B/F	Expenditure During 2011/2012	Total Expenditure as at March 31, 2012	Projects completed During the year	Balance C/F
Project funded from Cap. A Budget					
Comprehensive Rural Water Upgrade					
Above Rocks PC Water Sup. Imp.		528,786	528,786	(528,786)	-
Broadgate W/S	-	83,000	83,000	-	83,000
Cascade W/S	-	1,056,634	1,056,634	-	1,056,634
Castle Bush Spring	-	356,590	356,590	-	356,590
Comfort Hall W/S	-	7,729,710	7,729,710	-	7,729,510
Comprehensive Rural Water Upgrade	-	216,802	216,802	(216,802)	-
Ballards Valley Rainwater	-	693,423	693,423	(693,423)	-
Brandon Hill W/S	-	35,561	35,561	-	35,561
Broadgate W/S	-	80,000	80,000	-	80,000
Buena Vista Spring W/S	-	446,233	446,233	(446,233)	-
Clydsdale W/S	-	316,997	316,997	-	316,997
Cool Water Spring	-	742,500	742,500	(742,500)	-
Fairy Hill	-	2,061,987	2,061,987	(2,061,987)	-
Forrest Mountain Rainwater	-	732,094	732,094	-	732,094
Frazer & Clifton Rainwater	-	60,120	60,120	-	60,120
Harmony Hall /Treniel Rainwater	-	1,060,544	1,060,544	-	1,060,544
Hodges Land Rainwater	-	367,981	367,981	-	367,981
Ivor Cottage Rainwater		<u>197,760</u>	<u>197,760</u>	<u>-</u>	<u>197,760</u>
Balance Carried forward		<u>16,766,722</u>	<u>16,766,722</u>	<u>4,689,731)</u>	<u>12,076,991</u>

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

11. WORK-IN-PROGRESS CONTD. :

Project Name	Balance B/F	Expenditure During 2011/2012	Total Expenditure as at March 31, 2012	Projects completed During the year	Balance C/F
Project funded from Capital A Budget					
Comprehensive Rural Water Upgrade	-				
Balance brought forward		16,766,722	16,766,722	(4,689,731)	12,076,991
Johns Groin W/S	-	7,083,643	7,083,643	-	7,083,643
Kensington W/S	-	1,109,293	1,109,293	-	1,109,293
Kinowl/Ginger Ground	-	311,276	311,276	-	311,276
Meribah Wayside Steel	-	14,161	14,161	-	14,161
Merrywood Pipeline Ext.	-	213,137	213,137	-	213,137
Park Hall W/S	-	7,503	7,503	(7,503)	-
Park Mountain Rainwater	-	29,775	29,775	-	29,775
Paynes Town Wayside	-	43,600	43,600	-	43,600
Pisgah Rainwater	-	205,680	205,680	-	205,680
Prospect Rainwater	-	137,883	137,883	-	137,883
Rehab. Charity Spring	-	801,000	801,000	-	801,000
Rose Hall Rainwater	-	242,714	242,714	-	242,714
Springfield Rainwater	-	112,820	112,820	-	112,820
St. Elizabeth Minor W/S	-	1,776,030	1,776,030	-	1,776,030
White Hill Rainwater	-	416,685	416,685	-	416,685
Ballards Valley/Woodside	-	304,488	304,488	-	304,488
Mount Industry/Caledonia	-	540,773	540,773	-	540,773
Troy Water Supply	-	399,154	399,154	-	-
Farmers Height W/S	-	2,051,927	2,051,927	-	2,051,927
Balance carried forward	-	32,568,264	32,568,264	(5,096,388)	27,471,876

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2012

11. WORK-IN-PROGRESS CONTD. :

Project Name	Balance B/F	Expenditure During 2011/2012	Total Expenditure as at March 31, 2012	Projects completed During the year	Balance C/F
Project funded from Capital A Budget					
Comprehensive Rural Water Upgrade					
Balance brought forward	-	32,568,264	32,568,264	(5,096,388)	27,471,876
Fisher Spring/Corner Lane	-	352,000	352,000	(352,000)	-
Grant Hill/Lawrence Tavern	-	303,096	303,096	-	303,096
Hayes/Savannah/Capture Land	-	31,787	31,787	31,787)	-
James Hill W/S	-	35,760	35,760	-	35,760
Johns Groin W/S	-	2,218,552	2,218,552	-	2,218,552
Lionel Town Pipeline Upgrade	-	8,578,235	8,578,235	(8,578,235)	-
Long Hood W/S	-	233,096	233,096	(233,096)	-
Long Level (Wayne Spass) W/S	-	137,750	137,750	(137,750)	-
Mahoe Ridge Spring W/S	-	269,022	269,022	-	269,022
Maldon & Chatworth Schools	-	4,600,398	4,600,398	-	4,600,398
Point Hill/Duxes/mendex W/S	-	297,000	297,000	(297,000)	-
Police Convalescent Centre	-	412,678	412,678	(412,678)	-
Reckford W/S	-	712,540	712,540	(712,540)	-
Salt Gully W/S	-	165,299	165,299	-	165,299
Sandy River W/S	-	276,768	276,768	(276,768)	-
St. Elizabeth Parish Council	-	167,000	167,000	-	167,000
Stettin W/S	-	813,881	813,881	(813,881)	-
Wharf Lane W/S	-				
		<u>1,153,700</u>	<u>1,153,700</u>	<u>-</u>	<u>1,153,700</u>
		<u>53,326,826</u>	<u>53,326,826</u>	<u>(16,942,123)</u>	<u>36,384,703</u>
Grand Total	<u>839,876,584</u>	<u>132,293,539</u>	<u>972,170,123</u>	<u>(557,923,166)</u>	<u>414,246,957</u>

RURAL WATER SUPPLY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****12. PAYABLES AND ACCRUALS:**

	<u>2012</u>	<u>2011</u>
	\$	\$
Trade	1,809,394	19,864,344
Contractors retentions	14,436,868	32,663,668
Contractors levy	11,407,966	11,181,821
Contractors	61,079,726	77,858,190
Statutory contributions	2,714,087	6,964,638
Audit fee	700,000	1,960,000
Tax compliance certificate levy	5,836,690	5,836,690
Payables control	1,918,401	1,882,887
Stale dated cheques	177,000	177,000
Vacation leave	6,763,779	8,336,820
Rent	9,316,064	-
Provision for bad debt	846,976	-
Constituency Development Fund	144,622	-
Other	286,257	1,951,524
	<u>117,437,830</u>	<u>168,677,582</u>

13. REVOLVING LOAN FUND

This comprises the Companys share of surplus arising from the wound-up pension plan. The Ministry of Finance and Public Service has given permission for this to be used as a staff revolving loan fund.

14. SHARE CAPITAL:

	<u>2012</u>	<u>2011</u>
	\$	\$
Authorised, issued and fully paid - 200 Ordinary shares of no par value	<u>200</u>	<u>200</u>

15. CAPITAL RESERVE:

This represents the value of computers donated to the company.

RURAL WATER SUPPLY LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED MARCH 31, 2012**16. PROJECT ADVANCES:**

This represents amounts advanced by the Government of Jamaica to undertake projects on its behalf.

On completion of a project, Project Advances Account is reduced by the cost of the project at the same time it is removed from work-in-progress (Notes 3 (e) and 11).

17. ADMINISTRATIVE STAFF COSTS:

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Subsistence allowance	21,340	55,761
Salaries and wages	31,216,483	24,037,337
NIS	378,245	301,245
Education tax	954,743	843,839
NHT	933,703	852,877
Uniform allowance	-	456,797
Lunch allowance	-	15,990
Laundry	46,080	164,913
Motor vehicle allowance	<u>4,543,920</u>	<u>3,908,230</u>
	<u>38,094,514</u>	<u>30,636,989</u>

18. FINANCIAL INSTRUMENTS RISKS:**(i) Interest rate risk -**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At March 31, 2012, there was no significant exposure to interest rate risk.

(ii) Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. At March 31, 2012, there was no significant exposure to foreign exchange risk.

(iii) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its payment obligations associated with its financial liabilities when they fall due. At March 31, 2012, current liabilities exceed current assets by \$63,523,252 indicating a significant exposure to liquidity risk.

RURAL WATER SUPPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

19. **COMMITMENTS AND CONTINGENT LIABILITIES:**

The company, as agent, is liable under easement agreements with various parties to compensate for damages incidental to activities in connection with these easements.

RURAL WATER SUPPLY LIMITED

SUPPLEMENTARY INFORMATION

YEAR ENDED MARCH 31, 2012

RURAL WATER SUPPLY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

I N D E X

	<u>PAGE</u>
<u>SUPPLEMENTARY INFORMATION</u>	
Auditors Report to the Directors	1
Detailed Statement of Comprehensive Income	2
Administrative Expenses	3
Engineering Expenses	4

Lee Clarke Chang

Chartered Accountants

Page 1

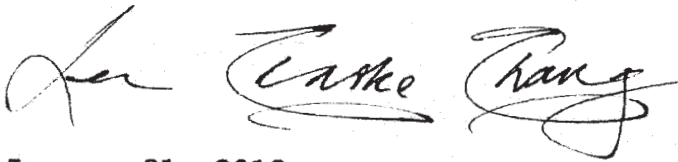
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AUDITORS' REPORT
SUPPLEMENTARY INFORMATION

To The Directors of
Rural Water Supply Limited

The supplementary information presented on pages 2 to 4, taken from the accounting records of the company, has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the company for the year ended March 31, 2012.

In our opinion, this information is fairly presented in all material respects in relation to the financial statements taken as a whole, although it is not necessary for a fair presentation of the state of the company's financial affairs at March 31, 2012 or the results of its operations or cash flows for the year then ended.



January 31, 2013

RURAL WATER SUPPLY LIMITEDDETAILED STATEMENT OF COMPREHENSIVE INCOMEYEAR ENDED MARCH 31, 2012

	<u>2012</u> <u>\$</u>	<u>2011</u> <u>\$</u>
REVENUE -		
Consultancy fees	12,889,050	6,026,125
Government subvention	<u>114,000,000</u>	<u>99,999,699</u>
	126,889,050	106,025,824
Administrative expenses (page 3)	(68,673,385)	(57,063,767)
Engineering expenses (Page 4)	<u>(40,036,946)</u>	<u>(40,175,190)</u>
Surplus	18,178,719	8,786,867
Other income	306,750	-
Net finance income	317,313	725,908
Profit on disposal of fixed asset	<u>432,550</u>	<u>-</u>
Operating surplus	<u>19,235,332</u>	<u>9,512,775</u>

RURAL WATER SUPPLY LIMITEDADMINISTRATIVE EXPENSESYEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
<u>General</u>		
Staff costs	38,094,514	30,636,989
Telephone	705,186	632,020
Rent and maintenance	9,317,824	9,384,245
Directors fees	659,500	750,500
Printing and stationery	1,493,025	1,375,642
Gratuity	7,099,536	5,987,425
Vacation leave	(1,146,612)	634,217
General	(259,686)	312,836
Donations and subscriptions	198,803	71,183
Staff welfare	2,422,833	2,884,291
Depreciation	1,646,579	1,062,685
Audit fee	600,000	600,000
Temporary service	52,200	15,000
Advertisement	93,784	118,671
Asset tax	-	34,000
Public relations	-	306,084
Computer	33,600	246,969
Board meetings	1,193,954	537,195
General insurance	459,829	201,975
Bad debt provision	5,393,015	-
Bank charges	98,031	76,957
Legal and professional fees	60,000	104,000
	<u>68,215,915</u>	<u>55,972,884</u>
<u>Motor Vehicle</u>		
Petrol & oil	450,470	376,269
Service and parts	7,000	673,781
Batteries and tyres	-	40,833
	<u>457,470</u>	<u>1,090,883</u>
	<u>68,673,385</u>	<u>57,063,767</u>

RURAL WATER SUPPLY LIMITED

ENGINEERING EXPENSES

YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Staff costs	33,347,125	34,037,448
Gratuity	5,098,331	4,792,277
Telephone	522,333	598,843
Subscriptions	1,500	12,000
Bank charges	87,589	37,054
Motor vehicle	122,837	230,213
Computer	14,383	1,800
Staff training	249,022	-
General	593,826	465,555
	<u>40,036,946</u>	<u>40,175,190</u>