



# RURAL WATER SUPPLY



**ANNUAL REPORT**  
**2013 / 2014**

## **CORPORATE DATA**

### **Registered Office**

Rural Water Supply Limited

25 Dominica Drive, 3<sup>rd</sup> 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 |
| Mr. Peter Clarke    | - Engineering Manager           |

### **Bankers:**

RBTT Jamaica Limited, 17 Dominica Drive, Kingston 5

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

### **Auditors:**

Calvert Gordon & Associates, 7 West Ave, Kingston Gardens, P O box 13, Kingston 4

### **Attorney-at-law:**

Garth McBean & Associates, Seymour Square, Kingston 6

## **TABLE OF CONTENTS**

Vision Statement	1
Mission Statement	1
Message from the Minister of Water & Housing Hon. Robert Pickersgill	2
Message from the Chairman of the Board of Directors John-Paul A White	3
Message from the Managing Director Audley Thompson	5
Board of Directors 2013/2014	7
Report on Projects	8
Operational Plan 2014/2015	11
Salaries and Emoluments for Senior Management Staff 2013/2014	12
Report on the Financial Statements 2013/2014	13

## **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 from the Minister of Water, Land, Environment & Climate Change**  
**Hon. Robert Pickersgill, M.P.**



For many Jamaicans, particularly in the rural areas, access to water continues to be a daily struggle. It is for this reason that the Government has taken a policy decision to become proactive in the provision of water for our residents in rural Jamaica.

I am therefore pleased to present the financial statements and Annual Report for the Rural Water Supply Limited for the financial year 2013/2014.

The Rural Water Supply Limited has been playing a pivotal role in the provision of water to rural communities. The company has been mandated to carry out upgrading and remedial works on small water systems to benefit approximately 26,000 residents in the parishes of St. Catherine, St. Andrew, St. Mary, Portland, St. Thomas, Clarendon and Hanover at a cost of \$60M.

The organisation also continues to provide improved water systems through rainwater harvesting. An inventory was done of the 282 catchment tanks throughout Jamaica. These tanks are being repaired by the RWSL at a cost

of \$250M and upon completion will be handed over to the Ministry of Local Government to manage and operate.

Work also continues under the Major Rural Water Supply Upgrading Programme on four of the 26 projects in Hanover, Westmoreland, Clarendon and St. Elizabeth.

I am pleased to announce that one of the four, the \$59.6M Burnt Savannah/Knoxwood Water Supply Project which will serve 3,000 customers and their families in South West St. Elizabeth will be commissioned in October 2014.

As we strive to make Jamaica “the place of choice to live work raise families and do business”, I once again congratulate the staff of the RWSL for the role they continue to play in ensuring that all Jamaicans have access to potable water by 2030.

Robert Pickersgill M.P.

Minister



In its more than 30 year history, Rural Water Supply Limited (formerly Carib Engineering Corporation Limited (1983 2006)) developed and has maintained the well-deserved reputation for proficiency in the field of Engineering Design, management and implementation of associated projects, particularly in the area of potable water-supply infrastructure.

This is reflected in the major contribution to national development, with the efficient and cost-effective implementation of projects such as Yallahs Pipeline (1983 1988), Martha Brae Water Supply Scheme (1987 1988), Great River Water Supply Scheme (1990 1992), Great River Distribution Improvements (1995 1997), South Chapleton Water Supply (1996 2001), and Eastern Westmoreland Water Supply (1997 2001), Huddersfield/Mango Valley (2005 2007), Hunts Town/Wellington (2008 2009), Quaminus to Lionel Town Water Supply Scheme (2011 2012), Broadgate Water Supply (2012 2013) and Haining/Belle Castle Water Supply (2013 2014).

Overall, we recognize that there is still much to be done in the area of water supply improvement and, in this regard, are working assiduously to improve this. Indeed, a good and reliable water supply is a key component of national life. Our citizens can, therefore, look forward to many improvements as RWSL continues to be driven by its high standard and dedicated workforce. I can, therefore, say with much certainty, that RWSL through its collaborative role with its parent Ministry and the related agencies such as the National Water Commission (NWC), will continue to earnestly fulfill the mandate with which it has been charged by the Government of Jamaica and, by extension, the citizenry of Jamaica through the stewardship of the Board of Directors and the dedication and commitment of the Management and Staff.

The financial year (2013-2014) just ended was not without its challenges. However, through tight financial management and control, we were able to perform commendably and within budget.

There has been an overall increase in Revenue of approximately 39% over last year. This as a result of continued reduction in Government Subventions which has moved from \$87M in 2012/13 to \$59M in 2013/14 or a 32%.

We were, however, able to improve our Income for Consultancy services from just over

## Message from the Chairman John-Paul A White

\$30.4M in 2012/2013 to \$102.9M in 2013/14 which represent a 237% increase, this, as a result of an increase in the number of contracts signed and executed, with major stakeholders, within the water sector.

There has been a marginal increase in Operating Expense which moved from \$116m to \$125M, an increase of 8%. This is mainly attributed to the continued "Expense Management Strategy" implemented by the Board of Directors and Management to improve efficiencies within Rural Water Supply Limited, notwithstanding the increase in the level of activity over the period which has resulted in low growth in Consultancy Income.

Despite the present economic climate, the staff and by extension the Board of Directors of Rural Water Supply Limited must be commended for an improved financial performance which resulted in the company reversing Accumulated Deficits over the years of \$16.9M in 2008, \$27.8M in 2009, \$59.6M in 2010, \$45.7M in 2011, \$26.5m in 2012, and \$22.5M in March 2013. As such, we are pleased to report an Accumulated Surplus of \$18.9M due to a profit of \$41.4m at the end of 2013/14.

John-Paul A. White  
Chairman

## Message from the Managing Director Audley Thompson



Rural Water Supply Limited (RWSL) continues to fulfill its mandate “To effectively manage the implementation of projects, by ensuring adherence to standards, time schedules and budget.”

This is evident in the several water supply systems that have been completed island wide over the company's 30-years of existence.

The company's mandate includes the provision of potable water solutions to rural communities across the length and breadth of Jamaica, being mindful of the many challenges that are inherent in fulfilling this mandate. The company provides flexibility in design, with adaptive modalities that respond to needs, water resources availability and economic viability. The upshot is that RWSL is geared to providing complex water treatment/pipeline/pumping/storage facilities, as well as simple spring entombment gravity fed systems, since we always design and propose the best-fit solution to meet the needs of residents and communities.

Part of the overall programme of operation in

which RWSL is currently engaged, includes rehabilitation of community catchment tanks that employ fundamental rainwater harvesting techniques, for areas that are devoid of alternative water resources. Since 2011/12, we have been receiving funding under the Capital 'A' Budget programme to carry out refurbishing of catchment tanks, island wide. I am pleased to announce that, to date, approximately fifty-one (51) tanks have been refurbished, mainly in the parishes of St. Ann, Manchester, St. Elizabeth and St. James. Tanks that have been completed include Inverness, Aboukir and Murray Mountain in St. Ann and Good Hope/Evans Corner/Bagdale Mountain in St. Elizabeth.

In relation to minor water supply systems, some completed projects include Windsor Heights in Western St. Catherine and Haining/Belle Castle in Eastern Portland. Works also continued on the five (5) RWSL projects that are being carried out in conjunction with NWC under their K-Factor programme. These include:

1. Cascade/Claremont/Jericho, Hanover
2. Nonpariel/Orange Hill, Westmoreland
3. Mason River, Clarendon
4. Burnt Savannah/Knoxwood , St. Elizabeth
5. Eastern Westmoreland Distribution System

On completion of these projects, approximately 57,000 persons will benefit from an improved water supply system.



## Message from the Managing Director Audley Thompson

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 - 2013/2014**



**John-Paul A White**  
Chairman



**Audley Thompson**  
- M.D.



**Debbie-Ann Kerr-Scott**



**Joseph Taffe**



**Hugh Graham**



**Basil Fernandez**



**Dennis Wanliss**



**Norman Scott**



**Omar Oliphant**

## REPORT ON PROJECTS.....

Project	Planned Targets for Period	Major Tasks	Achievements
<u>Colbeck W.S.S.</u> <u>- St Catherine</u> <b>Project cost:</b> <b>Ph 1 - \$72.420</b> <b>Ph 2 - \$32.5M</b> <b>Exp. To date:</b> <b>Ph 1 – \$72.46M</b> <b>Ph 2 - \$24.385M</b> <b>Ph 3 - \$0.081M</b> <b>Exp. this period:</b> <b>Ph 3 - \$0.081M</b>	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.	<b>Completed</b>
<u>Broadgate W.S.S.</u> <u>- St Mary.</u> <b>Project cost:</b> <b>Ph 1 - \$5.1M</b> <b>Ph 2 - \$50.0M</b> <b>Exp. To date:</b> <b>\$54.07M</b> <b>Exp. this period:</b> <b>Ph 2 - \$0.26M</b>	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.	<b>Completed</b>
<u>Johns Groyne WS</u> <u>- St Catherine</u> <b>Project cost:</b> <b>\$17.50M</b> <b>\$0.50M</b> <b>Exp. To date:</b> <b>\$0.37M</b> <b>Exp. this period:</b> <b>\$0.37M</b>	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 100% of chlorination facility and reservoir	<b>Completed.</b>
<u>Amity W.S.S.</u> <u>- Westmoreland</u> <b>Project cost:</b> <b>\$1.500M</b> <b>Exp. To date:</b> <b>\$1.271M</b> <b>Exp. this period:</b> <b>\$0.11M</b>	To achieve 100% construction of distribution pipelines.	<u>Amity W.S.S.</u> <u>- Westmoreland</u> <b>Project cost:</b> <b>\$1.500M</b> <b>Exp. To date:</b> <b>\$1.161M</b> <b>Exp. this period:</b> <b>\$1.161M</b>	<b>COMPLETED</b>

Project	Planned Targets for Period	Major Tasks	Achievements
<b><u>Cascade W.S.S. – St Ann</u></b> <b>Project cost:</b> <b>Ph 1 - \$29.75M</b> <b>Ph 2 – \$30.000M</b> <b>Ph 3 - \$3.50M</b> <b>Exp. To date:</b> <b>Ph 1 - \$29.75M</b> <b>Ph 2 - \$36.635M</b> <b>Ph 3 - \$3.09M</b> <b>Exp. this period:</b> <b>\$3.09M</b>	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.	<b>Completed.</b>
<b>W C St Catherine: Colbeck Heights / Red Ground / Bartons W.S.S.</b> <b>Project cost:</b> <b>\$31.000M</b> <b>\$1.50M</b> <b>Exp. To date:</b> <b>\$1.50M</b> <b>Exp. this period:</b> <b>\$1.50M</b>	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.	<b>COMPLETED</b>
<b><u>Comfort Hall W.S.S. – St James</u></b> <b>Project cost:</b> <b>\$40.000M</b> <b>Exp. To date:</b> <b>\$38.15M</b> <b>Exp. this period:</b> <b>\$7.16M</b>	To install distribution pipelines. To construct pumping stations. To construct / refurbish Storage Tanks	To achieve 100% installation of distribution pipelines. To achieve 100% construction of pumping station. To achieve 90% construction / refurbishment of Storage Tank	<b>Completed.</b>

## CONSTITUENCY DEVELOPMENT FUND

<p><b><u>Constituency Development Funded projects</u></b> Exp. this period: <b>\$2.064M</b></p>	<p>Installation of catchments and pipelines for sundry minor water supplies across the island.</p>	<p><b>2 projects completed.</b> <b>Orange Bay W.S.</b> <b>Wharf Lane W.S.</b></p>
---	--	---

## COMPREHENSIVE RURAL WATER UPGRADING PROGRAMME

<p><b><u>Comprehensive Rural Water Upgrading Programme</u></b></p> <p>Program Budget: <b>\$28.610M</b> Exp. this period: <b>\$28.468M</b></p>	<p>To achieve 100% construction of minor water supplies across the island to include intakes, pipelines, pumping stations, storage tanks and catchment tanks.</p>	<p>To construct or repair intakes, pipelines, pumping stations, storage tanks and catchment tanks.</p>	<p><b>33 Minor Water Supply Systems Completed.</b></p> <p><b>26 Minor Water Supply Systems Ongoing</b></p>
---	---	--	--

## CATCHMENT TANK REPAIRS & RAINWATER HARVESTING PROGRAM


<p><b><u>Catchment Tank Repairs &amp; Rainwater Harvesting Programme</u></b></p> <p>Program Budget: <b>\$29.900M</b> Exp. this period: <b>\$29.949M</b></p>	<p>Refurbishment/Installation of for sundry minor water supplies across the island.</p>	<p><b>37 Minor Water Supply Systems Completed.</b></p> <p><b>20 Minor Water Supply Systems Ongoing</b></p>
---	---	--

<b>ON-GOING PROJECTS</b>								
<b>PROJECT</b>	<b>QTR 1 Target</b>	<b>Cost J\$M</b>	<b>QTR 2 Target</b>	<b>Cost J\$M</b>	<b>QTR 3 Target</b>	<b>Cost J\$M</b>	<b>QTR 4 Target</b>	<b>Cost J\$M</b>
Completion of on-going projects	25%	0.50	50%	1.00	75%	2.50	100%	1.00
<b>COMPREHENSIVE RURAL WATER UPGRADING PROGRAM</b>								
Construction of rural water supply schemes to impact needy communities	25%	15.0	50%	15.0	75%	15.0	100%	15.3
<b>CATCHMENT TANK REPAIRS &amp; RAINWATER HARVESTING PROGRAM</b>								
Catchment Tank Repairs / Rainwater Harvesting Projects	25%	12.0	50%	12.0	75%	12.0	100%	12.0
<b>CONSTITUENCY DEVELOPMENT FUND</b>								
Construction of rural water supply schemes to impact needy communities.	25%	1.50	50%	1.50	75%	1.50	100%	1.50

**Salaries and emoluments for Chairman, Directors & Senior Management Staff – 2013/2014.....**

<b>Position of Director</b>	<b>Fees \$</b>	<b>Motor Vehicle Upkeep / Travelling or Value of Assignment of Motor Vehicle (\$)</b>	<b>Honoraria (\$)</b>	<b>All Other Compensation including Non-cash Benefits as applicable (\$)</b>	<b>Total (\$)</b>
Chairman 1	133,500.00	0.00	0.00	0.00	133,500.00
Director 1	107,500.00	0.00	0.00	0.00	107,500.00
Director 2	109,500.00	0.00	0.00	0.00	109,500.00
Director 3	131,000.00	0.00	0.00	0.00	131,000.00
Director 4	91,000.00	0.00	0.00	0.00	91,000.00
Director 5	141,000.00	0.00	0.00	0.00	141,000.00
Director 6	88,500.00	0.00	0.00	0.00	88,500.00
Director 7	131,000.00	0.00	0.00	0.00	131,000.00

<b>POST</b>	<b>SALARY</b>	<b>M/V UP-KEEP</b>	<b>GRATUITY</b>	<b>TOTAL</b>
Managing Director	4,610,878.82	975,720.00	1,146,469.70	<b>6,733,068.52</b>
General Manager, Engineering	3,522,652.52	975,720.00	814,170.20	<b>5,312,542.72</b>
Finance Manager	4,120,321.37	796,500.00	974,091.35	<b>5,890,912.72</b>
Engineering Manager	3,628,338.24	514,500.00	835,298.02	<b>4,978,136.26</b>
HR & Corporate Services Manager	3,578,399.29	514,500.00	859,375.93	<b>4,952,275.22</b>



**Certified:** \_\_\_\_\_

**Audley Thompson**

**Managing Director**

**RURAL WATER SUPPLY LIMITED**

**YEAR ENDED MARCH 31, 2014**

**CONTENTS**

	Page
Independent Auditors' Report - to the Board of Directors	1

**FINANCIAL STATEMENTS**

Statement of Financial Position	2
Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 27

**ADDITIONAL INFORMATION**

	Page
Report to the Directors	1
Expenses	2
Work-In-Progress	3





Suite 110 City Centre Building  
P.O. Box 60, Montego Bay  
Jamaica, W.I.  
Tel: 876 952 4713- 4  
Fax 876 979 0246

7 West Avenue  
P.O. Box 13, Kingston 4  
Jamaica, W.I.  
Tel: 876 922 6825  
Fax 876 922 7673

Page 1.1

## **INDEPENDENT AUDITORS' REPORT**

**To the members of**

**RURAL WATER SUPPLY LIMITED**

### **Report on the financial statements**

We have audited the financial statements of Rural Water Supply Limited (the Company), set out on pages 2 to 27, which comprise the statement of financial position as at March 31, 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and of 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on the 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**CalvertGordon Associates**

**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, 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on additional requirements of the Companies Act, 2004 of Jamaica**

We have obtained all the information and explanations which, to the 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 therewith and give the information required in the manner so required.

*CalvertGordon Associates*

Chartered Accountants

Kingston, Jamaica,

July 17, 2014

**RURAL WATER SUPPLY LIMITED**

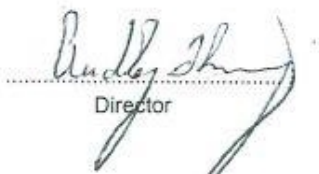
**STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2014**

	<u>Notes</u>	<u>2014</u> \$'000	<u>2013</u> \$'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property and equipment	5	8,816	5,997
Work-in-progress	6	<u>75,553</u>	<u>318,300</u>
<b>Total non-current assets</b>		<u>84,369</u>	<u>324,297</u>
<b>Current assets</b>			
Receivables and prepayments	7	83,793	12,011
Cash, bank and short-term deposits	8	<u>50,368</u>	<u>50,279</u>
<b>Total current assets</b>		<u>134,161</u>	<u>62,290</u>
<b>Total assets</b>		<u>218,530</u>	<u>386,587</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
Share capital	9	- *	- *
Capital reserve	10	-	-
Special reserve	11	10,640	10,640
Accumulated surplus (deficit)		<u>18,995</u>	<u>( 22,466)</u>
<b>Total equity</b>		<u>29,635</u>	<u>( 11,826)</u>
<b>Current liabilities</b>			
Project advances	12	122,053	345,623
Payables and accruals	13	<u>66,842</u>	<u>52,790</u>
<b>Total current liabilities</b>		<u>188,895</u>	<u>398,413</u>
<b>Total equity and liabilities</b>		<u>218,530</u>	<u>386,587</u>

\* Denotes less than J\$1,000

The Notes on Pages 6 to 27 form an integral part of the Financial Statements.

The financial statements on Pages 2 to 27 were approved and authorised for issue by the Board of Directors on \_\_\_\_\_ 2014, and are signed on its behalf by:

  
Director

  
Director

**RURAL WATER SUPPLY LIMITED****STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED MARCH 31, 2014**

	<u>Notes</u>	<u>2014</u> \$'000	<u>2013</u> \$'000
<b>INCOME</b>			
Government subventions	14	59,000	87,090
Consultancy fees	15	102,979	30,486
Finance income	16	2,347	2,006
Other income	17	<u>2,334</u>	<u>586</u>
		<u>166,660</u>	<u>120,168</u>
<b>EXPENSES</b>			
Staff cost	18	108,188	97,030
Property		909	879
Motor vehicle		313	492
Utilities, rates and taxes		1,394	1,453
Depreciation		3,063	1,512
Bad debts		579	6,482
Advertising and public relations		1,251	651
Professional fees		750	976
Other		<u>8,752</u>	<u>6,614</u>
		<u>125,199</u>	<u>116,089</u>
<b>NET SURPLUS</b>	19,20	<u>41,461</u>	<u>4,079</u>
<b>NET SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>41,461</u>	<u>4,079</u>

The Notes on Pages 6 to 27 form an integral part of the Financial Statements.

## RURAL WATER SUPPLY LIMITED

## STATEMENT OF CHANGES IN EQUITY

## YEAR ENDED MARCH 31, 2014

	Share Capital	Capital Reserve	Special Reserve	Accumulated Surplus (Deficit)	Total
<u>Notes</u>	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at April 1, 2012 as restated	-	480	10,640	(26,545)	(15,425)
Transfer from capital reserve to income	-	(480)	-	-	( 480)
<i>Surplus and Total Comprehensive</i>					
<i>Income for the year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,079</u>	<u>4,079</u>
Balance at March 31, 2013	-	-	10,640	(22,466)	(11,826)
<i>Surplus and Total Comprehensive</i>					
<i>Income for the year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,461</u>	<u>41,461</u>
Balance at March 31, 2014	<u>-</u>	<u>-</u>	<u>10,640</u>	<u>18,995</u>	<u>29,635</u>

The Notes on Pages 6 to 27 form an integral part of the Financial Statements.

## RURAL WATER SUPPLY LIMITED

## STATEMENT OF CASH FLOWS

## YEAR ENDED MARCH 31, 2014

	<u>Notes</u>	<u>2014</u> \$'000	<u>2013</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b><u>Net surplus</u></b>		41,461	4,079
Adjustments for:			
Depreciation of property and equipment		3,063	1,512
Loss on disposal of property and equipment		-	74
Foreign exchange adjustment		( 328)	( 403)
Deferred income		( 128)	( 480)
Interest income		( 2,019)	( 1,603)
Increase in provision for bad debts		<u>579</u>	<u>6,429</u>
Operating cash flows before movement in working capital		42,628	9,608
(Increase) decrease in receivables and prepayments		( 33,890)	34,552
Decrease in payables and accruals		<u>( 8,396)</u>	<u>(67,915)</u>
Net cash generated by (used in) operating activities		<u>342</u>	<u>(23,755)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b><u>Interest received</u></b>		1,997	1,537
Acquisition of property and equipment	23	( 5,211)	( 2,641)
Proceeds on sale of property and equipment		-	8
Work-in-progress		<u>( 84,521)</u>	<u>(69,891)</u>
Cash used in investing activities		<u>( 87,735)</u>	<u>(70,987)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital grant received		<u>87,132</u>	<u>78,295</u>
Cash provided by investing activities		<u>87,132</u>	<u>78,295</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		( 261)	(16,447)
<b>OPENING CASH AND CASH EQUIVALENTS</b>		50,213	66,257
Effect of foreign exchange rate changes on the balance of cash held in foreign currency		<u>328</u>	<u>403</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	8	<u>50,280</u>	<u>50,213</u>

The Notes on Pages 6 to 27 form an integral part of the Financial Statements.

## 1 IDENTIFICATION

The Rural Water Supply Limited (the Company) formerly Carib Engineering Corporation Limited was established on April 21, 1983. The registered office of the Company is at The Towers, 25 Dominica Drive, Kingston 5. The Company's shares are held by the Accountant General on behalf of the Government of Jamaica.

The Company's principal activities are the designing, management and implementation of potable water supply systems mainly on behalf of the Government of Jamaica. The primary source of funding is through Government Subvention provided under the Capital 'A' budget financing specific projects as identified through the Ministry of Water, Land, Environment and Climate Change.

The financial statements are expressed in Jamaican dollars.

## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

### Standards and Disclosures affecting presentation and disclosures in the current period (and/or prior periods)

There were no Standards and Interpretations that were applied in the year that affected the presentation and disclosures in these financial statements.

### Standards and Interpretations affecting the reported financial performance and/or financial position

There were no Standards and Interpretations that were applied in the year that affected reported financial performance and/or financial position.

### ***Standards and Interpretations adopted with no effect on financial statements***

The following new and revised Standards and Interpretations have been adopted in these financial statements. Their adoption has not had any impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

		<u>Effective for annual periods beginning on or after</u>
<u>Amendments to Standards</u>		
IAS 1, 16, 32, 34 and IFRS 1	Amendment arising from 2009 - 2011 Annual Improvements to IFRS	January 1, 2013
IAS 1	Presentation of Financial Statements	
	- Amendments to revise the way other comprehensive income is presented	July 1, 2012
IAS 19	Employee Benefits – Amended standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 1, 2013
IAS 27	Consolidated and Separate Financial Statements	
	- Reissued as IAS 27 Separate Financial Statements	January 1, 2013
IAS 28	Investments in Associates	
	- Reissued as IAS 28 Investments in Associates and Joint Ventures	January 1, 2013
IFRS 7	Financial Instruments: Disclosures	
	- Amendments enhancing disclosures about offsetting financial assets and financial liabilities	January 1, 2013

## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

**Standards and Interpretations adopted with no effect on financial statements (Cont'd)**

	<u>Effective for annual periods beginning on or after</u>	
<u>Amendments to Standards</u> (Cont'd)		
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 10, 11, and 12	Consolidated Financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities - Transition guidance	January 1, 2013
IFRS 11	Joint Arrangements	January 1, 2013
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurement	January 1, 2013
<u>New and Revised Interpretations</u>		
IFRIC 20	Stripping costs in the Production Phase of a Surface Mine	January 1, 2013

**Standards and interpretations in issue not yet effective**

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not effective or early adopted for the financial period being reported on:

	<u>Effective for annual periods beginning on or after</u>	
<u>New and Revised Standards</u>		
IAS 16 and 38	Amendments to clarify acceptable methods of depreciation and amortisation	January 1, 2016
IAS 19	Employee Benefits - Amendments for employee or third parties contributions under defined benefit plans	July 1, 2014
IAS 32	Financial Instruments: - Amendments to application guidance on the offsetting of financial assets and financial liabilities	January 1, 2014
IAS 36	Impairment of Financial Assets - Amendments to application guidance for disclosures of the recoverable amount for non-financial assets	January 1, 2014
IAS 39	Financial Instruments: Recognition and Measurement - Amendments clarifying continuation of hedge accounting if a hedging derivative is novated	January 1, 2014
IAS 16, 24, and 38	Amendments arising from 2010 – 2012 Annual	
IFRS 2, 3, 8 and 13	Improvements to IFRS	July 1, 2014
IAS 40, IFRS 1, 3 and 13	Amendments arising from 2011 – 2013 Annual	
	Improvements to IFRS	July 1, 2014
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment for Government loan with a below-market rate of interest when transitioning to IFRS	July 1, 2013
IFRS 7 and 9	Amendments requiring disclosures about the initial application of IFRS 9	January 1, 2015



## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

**Standards and interpretations in issue not yet effective (Cont'd)**

<u>New and Revised Standards (Cont'd)</u>		<u>Effective for annual periods beginning on or after</u>
IFRS 9	Financial Instruments - Classification and Measurement of financial assets	January 1, 2015
IFRS 10, 12 and IAS 27	Consolidated Financial Statements, Disclosure of Interests in Other Entities, and Separate Financial Statements - Amendments for investment entities	January 1, 2014
IFRS 11	Joint Arrangements - Amendments for accounting for acquisitions of interests in joint operations	
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
<u>New and Revised Interpretations</u>		
IFRIC 21	Levies	January 1, 2014

New and Revised Standards and Interpretations in issue not yet effective that are relevant

The Board of Directors and management have assessed the impact of all the new and revised Standards and Interpretations in issue not yet effective and have concluded that the following are relevant to the operations of the Company:

Annual Improvements to IFRS 2010 – 2012 Cycle issued in December 2013

The Annual Improvements to IFRS 2010 – 2012 Cycle include a number of amendments to various IFRS. The amendments are effective for annual periods beginning on or after July 1, 2014. Amendments to IFRS include among others:

Amendments to IAS 16 and 38

Amendments to IAS 16 and IAS 38

The amendments to IAS 16 and IAS 38 clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount. The Directors anticipate that the amendments to IAS 36 and IAS 38 will have no effect on the Company's financial statements.

Amendments to IAS 24 Related Party Disclosures

The amendments to IAS 24 clarify how payments to entities providing management services are to be disclosed. The directors and management anticipate that the amendments to IAS 24 will be adopted in the Company's financial statements for the annual period beginning April 1, 2015.

Amendments to IFRS 13 Fair Value Measurement

The amendments to IFRS 13 clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only). The Directors anticipate that the amendments to IFRS 13 will have no effect on the Company's financial statements.

**2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)*****Standards and interpretations in issue not yet effective (Cont'd)***New and Revised Standards and Interpretations in issue not yet effective that are relevant (Cont'd)*IAS 36 Impairment of Assets*

The amendments to IAS 36 reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendments are effective for annual periods beginning on or after January 1, 2014. The directors do not anticipate that the amendments will have a significant effect on the Company's financial statements.

*Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures*

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after January 1, 2014, with retrospective application required. The directors do not anticipate that the amendments will have a significant effect on the Company's financial statements.

*IFRS 9 Financial Instruments*

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

## Key requirements of IFRS 9:

All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

## 2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

***Standards and interpretations in issue not yet effective (Cont'd)***New and Revised Standards and Interpretations in issue not yet effective that are relevant (Cont'd)IFRS 9 *Financial Instruments* (Cont'd)

## Key requirements of IFRS 9 (Cont'd)

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The directors and management anticipate that IFRS 9 will be adopted in the Company's financial statements for the annual period beginning April 1, 2015 and that the application of IFRS 9 may impact the amounts reported in respect of the Company's financial assets and liabilities. However, the directors have not yet completed their analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the likely impact.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 issued in May 2014 provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 is applicable to an entity's first annual IFRS financial statements for a period beginning on or after January 1, 2017.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The directors and management anticipate that IFRS 15 will be adopted in the Company's financial statements for the annual period beginning April 1, 2017 and that the application of IFRS 15 may impact the amounts reported in respect of the Company's revenue. However, the directors have not yet completed their analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the likely impact.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Statement of compliance*

The Company's financial statements have been prepared in accordance, and comply with International Financial Reporting Standards (IFRS) and the relevant requirements of the Companies Act, 2004 of Jamaica.

#### 3.2 *Basis of preparation*

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets.

The principal accounting policies are set out below and have been consistently applied.

#### 3.3 *Property and equipment*

All property and equipment held for use in the supply of services, or for administrative purposes, are recorded at historical cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged so as to write off the cost of property and equipment less residual values, over the estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in surplus or deficit.

#### 3.4 *Impairment of tangible assets*

At the end of each reporting year, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised immediately in surplus or deficit.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.5 *Project advances*

Grants received are treated as project advances and are off-set against the costs incurred as the furtherance of the Company's activities as agents of the Government of Jamaica on completion of the project. 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 project liabilities by Government of Jamaica.

#### 3.6 *Financial instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities or are recognised immediately in surplus or deficit, as appropriate, on initial recognition.

#### 3.7 *Financial assets*

Financial assets of the Company are classified into the following specified category: "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All purchases or sales of financial assets are recognised and derecognised on a trade date basis, and require delivery of assets within the timeframe established by regulation or convention in the market place.

##### 3.7.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including receivables and prepayments, cash and bank balances which are short-term in nature and held-to-maturity investments) are measured at amortised cost using the effective interest method less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### 3.7.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for the debt instruments.

**3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****3.7 Financial assets (Cont'd)****3.7.3 Impairment of financial assets**

Financial assets are assessed for indication 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 assets, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, and increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the 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 current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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 surplus or deficit. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****3.7 *Financial assets (Cont'd)*****3.7.4 Derecognition of financial assets**

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in surplus or deficit.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Company retains control), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised in surplus or deficit.

**3.8 *Financial liabilities and equity instruments issued by the Company*****3.8.1 Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**3.8.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**3.8.3 Financial liabilities**

3.8.3.1 Financial liabilities of the Company are classified as other financial liabilities.

Other financial liabilities are initially measured at fair values net of transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.8 *Financial liabilities and equity instruments issued by the Company (Cont'd)*

##### 3.8.3 Financial liabilities (Cont'd)

##### 3.8.3.2 *Derecognition of financial liabilities*

The Company derecognises financial liability when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus or deficit.

#### 3.9 *Related party transactions and balances*

A party is related to the Company if:

- (i) directly, or indirectly through one or more intermediaries, the party:
  - controls, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the Company; or
  - has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

Related party transactions and balances are recognised and disclosed in the financial statements.

Transactions with related parties are recorded in accordance with the normal policies of the Company at transaction dates.

#### 3.10 *Taxation*

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the end of the reporting period.

##### Deferred tax

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



**3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****3.11 Revenue recognition****3.11.1 Government subvention**

Government subvention are recognised in surplus or deficit on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government subvention that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in surplus or deficit in the period in which they become receivable.

**3.11.2 Consultancy fees**

The Company's policy for recognition of revenue from external consultancy is to gradually recognise income when the outcome of the transaction can be reliably estimated by reference to the stage of completion.

**3.11.3 Interest income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of the income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**3.12 Foreign currencies**

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in surplus or deficit in the period in which they arise.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, the management and directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 4.1 Critical judgments in applying accounting policies

Management and directors believes that are no judgements made apart from those involving estimation, in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

#### 4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

##### 4.2.1 Depreciation of property and equipment

Depreciation is provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets require the use of estimates and judgements. Details of the estimated useful lives are as disclosed in Note 5.

5 PROPERTY AND EQUIPMENT

	Leasehold Improvements \$'000	Computers \$'000	Furniture, Fixtures and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
<b>Cost</b>					
April 1, 2012	1,579	12,174	6,312	1,693	21,758
Additions	1,750	-	891	-	2,641
Disposals	-	( 1,105)	( 141)	-	( 1,246)
Derecognised – write-off	-	(6,219)	(3,915)	-	(10,134)
March 31, 2013	3,329	4,850	3,147	1,693	13,019
Additions	-	1,007	1,319	3,556	5,882
Disposals	-	( 79)	-	-	( 79)
March 31, 2014	3,329	5,778	4,466	5,249	18,822
<b>Depreciation</b>					
April 1, 2012	1,494	8,997	4,624	1,693	16,808
Charge for year	393	627	492	-	1,512
Disposal	-	( 1,105)	( 59)	-	( 1,164)
Eliminated on write-off of assets	-	(6,219)	(3,915)	-	(10,134)
March 31, 2013	1,887	2,300	1,142	1,693	7,022
Charge for year	393	1,139	820	711	3,063
Disposal	-	( 79)	-	-	( 79)
March 31, 2014	2,280	3,360	1,962	2,404	10,006
<b>Carrying Amount</b>					
March 31, 2014	1,049	2,418	2,504	2,845	8,816
March 31, 2013	1,442	2,550	2,005	-	5,997

The following useful lives are used in the calculation of depreciation:

Leasehold improvements	-	4 years
Computers	-	4 years
Furniture, fixtures and equipment	-	5 - 10 years
Motor vehicles	-	5 years

**RURAL WATER SUPPLY LIMITED: NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED MARCH 31, 2014**

**6 WORK IN PROGRESS**

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

	Projects Funded from the Constituency Development Funds \$'000	Projects Funded from Capital 'A' Budget \$'000	Projects Funded from Capital 'A' Budget - Comprehensive (Rural Water Upgrade) \$'000	<u>Total</u> \$'000
Balance at April 1, 2012	5,872	371,990	36,385	414,247
Cost incurred during the year	2,064	32,016	44,239	78,319
Projects completed during the year	(2,375)	(123,340)	(44,236)	(169,951)
Adjustments	( 38)	( 3,393)	( 884)	( 4,315)
Balance at March 31, 2013	5,523	277,273	35,504	318,300
Cost incurred during the year	1,411	15,756	108,092	125,259
Projects completed during the year	(6,198)	(274,196)	( 68,779)	(349,173)
Adjustments	-	( 18,833)	-	( 18,833)
Balance at March 31, 2014	<u>736</u>	<u>-</u>	<u>74,817</u>	<u>75,553</u>

Adjustments are primarily with respect to the write back of contractors' payables which have expired and or cancelled.

**7 RECEIVABLES AND PREPAYMENTS**

7.1 These include:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Subvention receivable	39,001	302
Consultancy fees	37,396	9,177
Staff loans and advances	8,669	3,328
Deposits	137	137
Other receivables	6,039	6,160
Prepayments	<u>406</u>	<u>183</u>
	91,648	19,287
Less: Allowance for doubtful debts	<u>( 7,855)</u>	<u>( 7,276)</u>
	<u>83,793</u>	<u>12,011</u>

7.2 Movement in the allowance for doubtful debts:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Balance at beginning of the year	7,276	847
Recoveries	( 36)	-
Impairment losses recognised on receivables	<u>615</u>	<u>6,429</u>
Balance at end of the year	<u>7,855</u>	<u>7,276</u>

Consultancy fees are in respect of engineering services and are normally settled within 30 days of billing.

Receivables are reviewed for indicators of impairment and relevant allowances are recognised accordingly. The allowance is in respect of receivables which are in excess of one year and are deemed unlikely to be recovered.

**8 CASH, BANK AND SHORT-TERM DEPOSITS**

8.1 These comprise:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Funds held for administration and resource management	47,211	40,966
Funds held for consultancy projects	1,013	1,841
Staff Revolving Loan Fund	<u>2,056</u>	<u>7,406</u>
Cash and cash equivalents	50,280	50,213
Interest accrued	<u>88</u>	<u>66</u>
Cash, bank and short-term deposits	<u>50,368</u>	<u>50,279</u>

## 8 CASH, BANK AND SHORT-TERM DEPOSITS (Cont'd)

8.2 For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in Money Market instruments with an original maturity of three months or less from the date of acquisition.

Funds are deposited as follows:

	Weighted Average Interest Rate	<u>2014</u> \$'000	<u>2013</u> \$'000
	%		
Fixed deposit (Jamaican dollars)	7.22	41,134	31,028
Fixed deposit (foreign currency) US\$7,893 (2013 - US\$19,714)	0.80	861	1,949
Cash on hand and in banks:			
– Current accounts		6,538	15,644
– Saving accounts - including US\$15,161 (2013 - US\$15,149)	0.34	<u>1,747</u>	<u>1,592</u>
Cash and cash equivalents		<u>50,280</u>	<u>50,213</u>

## 9 SHARE CAPITAL

	<u>2014</u> \$	<u>2013</u> \$
Authorised, issued and fully paid 200 Ordinary shares at no par value at beginning and end of the year		
Stated capital: Balance at April 1 and March 31	<u>200</u>	<u>200</u>

## 10 CAPITAL RESERVE

This represents the value of non-current assets donated to the Company.

	<u>2014</u> \$'000	<u>2013</u> \$'000
Balance at beginning of year	-	480
Allocated during the year	-	-
Transferred to income (Note 17)	<u>-</u>	<u>(480)</u>
Balance at end of year	<u>-</u>	<u>-</u>

## 11 SPECIAL RESERVE - REVOLVING LOAN FUND

This comprises the Company's share of surplus arising from the wound-up pension plan in March 2011. The Ministry of Finance and Public Service has given permission for this to be used as a staff revolving loan fund. The reserve was set up by transfer from surplus of the 2011 financial year.

## 12 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.

	<u>2014</u> \$'000	<u>2013</u> \$'000
Balance at beginning of year	345,623	437,355
Capital grants received during the year	125,603	78,219
Set-off against work-in-progress (Note 6)	<u>(349,173)</u>	<u>(169,951)</u>
Balance at end of year	<u>122,053</u>	<u>345,623</u>

## 13 PAYABLES AND ACCRUALS

	<u>2014</u> \$'000	<u>2013</u> \$'000
Trade payable	5,856	147
Contractor's payable (Note 13(a))	50,003	33,739
<u>Rent payable (Note 13(b))</u>	-	9,316
<u>Deferred income (Note 13(c))</u>	544	-
Employee's benefit	6,126	6,311
Other payables and accruals	<u>4,313</u>	<u>3,277</u>
	<u>66,842</u>	<u>52,790</u>

(a) Contractor's payable includes contractor's fees, retentions and contractor's levy. Contractor's retention amounting to \$9.9 million (2012: \$3.150 million), brought forward from prior years (exceeding 7 years) for which no claims have been made by contractor's was written-off against work-in-progress during the period.

(b) Rent payable represent amount payable to the Parent Ministry (Ministry of Water, Land, Environment and Climate Change) for rental of office space at 25 Dominica Drive, Kingston 5.

(c) This represents unamortised balance of furniture and equipment donated to the Company following a relocation exercise to facilitate housing of the Ministry of Transport and Works. The write-off for the year is included in 'other income'. See Note 17.

## 14 GOVERNMENT SUBVENTIONS

Government subventions include recurrent amounts received from the Ministry of Water, Land, Environment and Climate Change for administrative support. This is based on a fixed budgeted amount for the specific financial year. Subvention is recognised in the income statement in the same year as the related expenses.

## 15 CONSULTANCY FEES

Income from external consultancy represents engineering services provided to private or semi-private entities. Income from these sources is recognised gradually when the outcome of the transaction can be reliably estimated. This is done by reference to the stage of completion of the transaction as at the reporting date.

	<u>2014</u> \$'000	<u>2013</u> \$'000
Income from external consultancy	<u>102,979</u>	<u>30,486</u>

16 **FINANCE INCOME**

Finance income comprises:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Interest income from bank and other short-term deposits	2,003	1,571
Interest income from staff loans	16	32
Foreign exchange conversion gain	<u>328</u>	<u>403</u>
	<u>2,347</u>	<u>2,006</u>

17 **OTHER INCOME**

	<u>2014</u> \$'000	<u>2013</u> \$'000
(Loss)/gain on write-off/sale of property and equipment	-	( 74)
Deferred income (Notes 13, 10)	128	480
Other	<u>2,206</u>	<u>180</u>
	<u>2,334</u>	<u>586</u>

18 **STAFF COST**

	<u>2014</u> \$'000	<u>2013</u> \$'000
Salaries and allowances	80,585	71,047
Special one-off payment	739	-
Gratuity	14,225	13,227
Vacation expense	-	996
Statutory contributions	4,499	3,641
Staff welfare and subsidies	<u>8,140</u>	<u>8,119</u>
	<u>108,188</u>	<u>97,030</u>

19 **NET SURPLUS**

Net surplus is stated after taking account of the following:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Directors emoluments - fees	933	1,089
Auditors' remuneration	750	700
Depreciation	3,063	1,512



20 **TAXATION**

- (a) There is no current year tax charge as the Company has no chargeable income for tax purposes.
- (b) Subject to agreement with the Commissioner General, Tax Administration Jamaica, tax losses amounting approximately \$468.11 million (2013: \$450.714 million) are available for set-off against future taxable profits. No deferred taxation is recognised on these losses or any other temporary differences as no taxable profits are assessed as available in future against which such deductible temporary differences can be utilized.

21 **RELATED PARTY TRANSACTIONS AND BALANCES**

The following transactions were carried out with related parties comprising directors and key management personnel:

	<u>2014</u> \$'000	<u>2013</u> \$'000
Salaries and allowances including statutory contributions	<u>27,695</u>	<u>21,667</u>
Directors fees	<u>933</u>	<u>1,089</u>

The remuneration of directors and key management is determined by the Ministry of Finance and Planning.

22 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT**22.1 **Capital risk management**

The Company manages its capital to ensure that the entity will be able to continue as a going concern. The Company is a Government owned entity and its operations are funded by the Government of Jamaica. The Board of Directors is responsible to obtain adequate funding from the Government of Jamaica for its operations to ensure that the Company meets its operational objectives and remains a viable entity. The Company's overall capital risk management strategy remains unchanged from 2013.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to the Government of Jamaica.

22.2 **Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 3 to the financial statements.

22.3 **Categories of financial instruments**

	<u>2014</u> \$'000	<u>2013</u> \$'000
Financial assets (at amortised cost)		
Loans and receivables (including cash and bank balances)	133,755	62,107
Financial liabilities (at amortised cost)		
Payables	55,398	40,438

## 22 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## 22.4 Financial risk management objectives

The Company's financial risk management policies are directed by the Board of Directors, assisted by a committee of the Board and the senior management. The Company's activities expose it to credit related risks, liquidity risks and market risks that include foreign currency risks and interest rate risks.

The annual budgeting exercise and the continuing monitoring of the operations of the Company against the budgets allow the Board and the senior management to achieve its objectives and to manage relevant financial risks that could be faced by the entity.

## 22.5 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The Company's principal financial assets are cash and bank balances, receivable and Investments. The credit risk on cash and bank balances is limited as the Company minimises this risk by seeking to limit its obligations to substantial financial institutions. In respect of receivables the risk is minimised by extending credit to credit worthy parties. Receivables representing staff loans are deducted from emoluments on a monthly basis.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company maximum exposure to credit risk.

## 22.6 Liquidity risk management

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The directors do not consider that there is a significant liquidity risk because the operations are funded by the Government of Jamaica.

The table below summarises the Company's remaining contractual maturities for the financial assets and financial liabilities.

	2014			Total \$'000
	Weighted Average Effective Rate %	Less than 1 Month \$'000	1 to 12 Months \$'000	
<b>Financial assets</b>				
Receivables	-	-	83,387	83,387
Cash and bank deposits	5.93	<u>50,617</u>	<u>-</u>	<u>50,617</u>
		<u>50,617</u>	<u>83,387</u>	<u>134,004</u>
<b>Financial liabilities</b>				
Payables	-	<u>55,398</u>	<u>-</u>	<u>55,398</u>
		<u>(4,781)</u>	<u>83,387</u>	<u>78,606</u>

## 22 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

## 22.6 Liquidity risk management (Cont'd)

	2013			Total \$'000
	Weighted Average Effective Rate %	Less than 1 Month \$'000	1 to 12 Months \$'000	
<b>Financial assets</b>				
Receivables	-	-	11,894	11,894
Cash and bank deposits	5	<u>50,213</u>	<u>-</u>	<u>50,213</u>
		<u>50,213</u>	<u>11,894</u>	<u>62,107</u>
<b>Financial liabilities</b>				
Payables	-	<u>40,438</u>	<u>-</u>	<u>40,438</u>
		<u>9,775</u>	<u>11,894</u>	<u>21,669</u>

## 22.7 Market risk

The Company's investment activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. (See Notes 22.8 and 22.9).

There has been no change to the manner in which the Company manages and measures this risk.

## 22.8 Foreign currency risk management

The Company undertakes certain transactions denominated in currencies other than the Jamaican dollar.

The following balances held in United States dollars are included in these financial statements:

	<u>2014</u> \$'000	<u>2013</u> \$'000
<b><u>Cash and bank deposits - United States dollars</u></b>	<u>2,514</u>	<u>3,448</u>

## 22.8.1 Foreign currency sensitivity analysis

The Company's deposits are exposed to the United States dollar. The Company's sensitivity to a 1% revaluation or 15% devaluation (2013: 1% revaluation or 10% devaluation) in the Jamaican dollar against the United States dollar is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rate in the short-term.

The sensitivity to a 1% revaluation or 15% devaluation (2013: 1% revaluation or 10% devaluation) in the Jamaican dollar against the United States dollar would be a decrease of J\$0.025 million or an increase of J\$0.38 million in net surplus (2013: decrease of J\$0.035 million or an increase of J\$0.345 million in net surplus).

There was no significant exposure to foreign exchange risk, the foreign currency sensitivity remains the same as prior year.

## 22 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

22.9 *Interest rate risk management*

The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note (Note 22.6).

## Interest rate sensitivity analysis

Interest rate sensitivity have been determined based on the exposure to interest rates for the Company's deposits at the end of the reporting year as these are substantially the interest sensitive instrument impacting financial results. For floating rate deposits, the analysis assumes the amount of asset outstanding at year end was outstanding for the whole year. An increase/decrease of 2.5%/1% on Jamaican dollar (J\$) deposits and 2%/0.5% for United States dollar (US\$) deposits represents management's assessment of the reasonable possible change in interest rates in the short-term.

If market interest rates had been 2.5% higher or 1% lower on J\$ deposits and 2% higher or 0.5% lower on US\$ deposits and all other variables were held constant:

	<u>2014</u> <u>\$'000</u>	<u>2013</u> <u>\$'000</u>
Effect on net surplus increase 2.5% (J\$ deposit)	3	3
Effect on net surplus decrease 1% (J\$ deposit)	-	-
Effect on net surplus increase 2% (US\$ deposit)	38	69
Effect on net surplus decrease 0.5% (US\$ deposit)	(34)	(17)
Effect on net surplus increase/decrease of 0.5%	-	-

The Company's sensitivity to interest rates has increased during the current year as the Company had an increase in the number of interest sensitive investments.

22.10 *Fair value of financial instruments*

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available for some of the financial assets and liabilities of the group, the fair values in the financial statements have been presented using various estimation techniques based on market conditions existing at the end of the reporting year. Generally, judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Company would realise in a current market exchange.

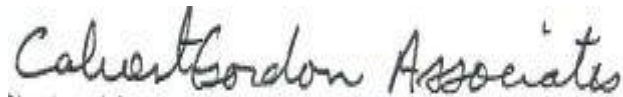
The carrying amount of cash and bank balances, receivables and payables that mature within one year are assumed to approximate their fair value.

## 23 NON-CASH TRANSACTION

During the year, the Company received certain furniture and equipment by way of donation. The amount totaling \$0.67 million is not reflected in the Statement of Cash Flows.

**REPORT TO THE DIRECTORS OF  
RURAL WATER SUPPLY LIMITED  
ON  
ADDITIONAL INFORMATION**

Our examination of the financial statements of the Company for the year ended March 31, 2014 was intended primarily for the purpose of formulating an opinion on those financial statements taken as a whole. The additional information presented in page 2 has been taken primarily from accounting and other records of the Company and is not necessary to give a true and fair view of the financial position of the Company at March 31, 2014 or of its financial performance and cash flows for the year then ended. Such information has not been subjected to sufficient tests and other auditing procedures to enable us to express an opinion as to the fairness of all the details included therein and accordingly we do not express an opinion on the additional information.

A handwritten signature in cursive script that reads "CalvertGordon Associates". The signature is written in dark ink on a light-colored background.

Chartered Accountants

Kingston, Jamaica,  
July 17, 2014

## RURAL WATER SUPPLY LIMITED

## EXPENSES

YEAR ENDED MARCH 31, 2014

	<u>2014</u> \$'000	<u>2013</u> \$'000
<b>OPERATING EXPENSES</b>		
<b>Staff cost</b>		
Salaries and wages	80,585	71,047
Special one-off payment	739	-
Gratuity	14,225	13,227
Vacation expense	-	996
Statutory contributions	4,499	3,641
Staff welfare and subsistence	<u>8,140</u>	<u>8,119</u>
	<u>108,188</u>	<u>97,030</u>
<b>Property expenses</b>		
Repairs and maintenance	<u>909</u>	<u>879</u>
Motor vehicle expenses	<u>313</u>	<u>492</u>
<b>Utility, rates and taxes</b>		
Telephone	1,369	1,380
Asset tax and registration fees	<u>25</u>	<u>73</u>
	<u>1,394</u>	<u>1,453</u>
Depreciation of property and equipment	<u>3,063</u>	<u>1,512</u>
Bad debts	<u>579</u>	<u>6,482</u>
Advertising and public relation	<u>1,251</u>	<u>651</u>
Professional fees	<u>750</u>	<u>976</u>
<b>Other expenses</b>		
Directors fees	933	1,089
Board meetings	1,190	1,482
Printing and stationery	1,420	1,395
Donations and subscriptions	115	110
Insurance	537	363
Bank charges	132	113
Withholding tax irrecoverable	495	393
Miscellaneous expenses	404	266
Engineering expenses	<u>3,526</u>	<u>1,403</u>
	<u>8,752</u>	<u>6,614</u>
<b>Total expenses</b>	<u>125,199</u>	<u>116,089</u>

**RURAL WATER SUPPLY LIMITED**

**WORK-IN-PROGRESS**

**YEAR ENDED MARCH 31, 2014**

**PROJECTS FUNDED FROM CAPITAL 'A' BUDGET**

<u>Projects</u>	<u>Balance Brought Forward</u> \$	<u>Expenditure During the Year</u> \$	<u>Projects Completed During the Year</u> \$	<u>Adjustments</u> \$	<u>Balance Carried Forward</u> \$
Brandon Hill W/S	12,000	-	12,000	-	-
Cascade W/S	66,384,817	468,881	48,020,525	18,833,173	-
Colbeck/Planters W/S	80,500	-	80,500	-	-
Comfort Hall W/S	30,989,944	7,158,604	38,148,548	-	-
Hunts Town/Wellington W/S	40,722,925	918,271	41,641,196	-	-
Marlie Hill/Macca Tree W/S	30,811,535	-	30,811,535	-	-
Mount Industry/Caledonia W/S	91,480	-	91,480	-	-
Quaminus W/S	108,180,032	-	108,180,032	-	-
Amity W/S	-	109,516	109,516	-	-
Broadgate W/S	-	264,395	264,395	-	-
Catadupa W/S	-	307,064	307,064	-	-
Colbeck Heights W/S	-	1,501,134	1,501,134	-	-
John's Groin W/S	-	367,375	367,375	-	-
Marlie Hill/Brown's Hall W/S	-	3,089,271	3,089,271	-	-
Cascade Extension	-	1,571,088	1,571,088	-	-
	<u>277,273,233</u>	<u>15,755,599</u>	<u>274,195,659</u>	<u>18,833,173</u>	<u>-</u>

**PROJECTS FUNDED FROM THE CONSTITUENCY DEVELOPMENT FUNDS**

<u>Projects</u>	<u>Balance Brought Forward</u> \$	<u>Expenditure During the Year</u> \$	<u>Projects Completed During the Year</u> \$	<u>Adjustments</u> \$	<u>Balance Carried Forward</u> \$
Orange Bay W/S	-	976,748	240,338	-	736,410
Wharf Lane W/S	5,522,988	434,457	5,957,445	-	-
	<u>5,522,988</u>	<u>1,411,205</u>	<u>6,197,783</u>	<u>-</u>	<u>736,410</u>

**RURAL WATER SUPPLY LIMITED : WORK-IN-PROGRESS: YEAR ENDED MARCH 31, 2014  
PROJECTS FUNDED FROM CAPITAL 'A' BUDGET - COMPREHENSIVE RURAL WATER UPGRADE**

Projects	Balance Brought		Expenditure		Projects Completed		Adjustments	Balance Carried Forward
	Forward	\$	During the Year	\$	During the Year	\$		
Cascade Extension	-	1,068,650	1,068,650	1,068,650	-	-	-	-
Cascade Water Supply	1,110,074	20,000	20,000	1,130,074	-	-	-	-
Catchment Tank	-	166,711	166,711	166,711	-	-	-	-
Catchment Tank - Aabuthnott Gallimore	-	2,434,011	2,434,011	2,434,011	-	-	-	-
Catchment Tank - Abouhir	-	61,088	61,088	61,088	-	-	-	-
Catchment Tank - Alps	-	92,810	92,810	92,810	-	-	-	-
Catchment Tank - Alva	-	171,412	171,412	171,412	-	-	-	-
Catchment Tank - Argyle Mtn.	-	849,000	849,000	-	849,000	-	-	849,000
Catchment Tank - Ashley	-	1,159,984	1,159,984	-	1,159,984	-	-	1,159,984
Catchment Tank - Bagdale Mtn.	-	472,929	472,929	472,929	-	-	-	-
Catchment Tank - Baker Common	-	826,423	826,423	-	826,423	-	-	826,423
Catchment Tank - Ballyneur	-	25,000	25,000	25,000	-	-	-	-
Catchment Tank - Bamboo	-	835,969	835,969	835,969	-	-	-	-
Catchment Tank - Banana Ground	-	854,905	854,905	854,905	-	-	-	-
Catchment Tank - Bird Mountain	-	2,807,448	2,807,448	-	2,807,448	-	-	2,807,448
Catchment Tank - Bombay	-	540,500	540,500	540,500	-	-	-	-
Catchment Tank - Bottom Elliston	-	1,160,361	1,160,361	-	1,160,361	-	-	1,160,361
Catchment Tank - Boucher's Hall	-	602,215	602,215	-	602,215	-	-	602,215
Catchment Tank - Brittonville	-	596,218	596,218	596,218	-	-	-	-
Catchment Tank - Bronty	-	1,475,062	1,475,062	1,475,062	-	-	-	-
Catchment Tank - Burke	-	87,060	87,060	87,060	-	-	-	-
Catchment Tank - Bushy Park	-	1,824,472	1,824,472	1,824,472	-	-	-	-
Catchment Tank - Cedar Valley	-	2,372,136	2,372,136	2,372,136	-	-	-	-
Catchment Tank - Chantilly	-	969,666	969,666	-	969,666	-	-	969,666
Catchment Tank - Charles	-	1,172,875	1,172,875	-	1,172,875	-	-	1,172,875
Catchment Tank - Content	-	1,523,320	1,523,320	-	1,523,320	-	-	1,523,320
Catchment Tank - Cumberland	-	1,988,791	1,988,791	-	1,988,791	-	-	1,988,791
Catchment Tank - Epworth	-	763,136	763,136	763,136	-	-	-	-
Balance b/f	1,110,074	26,922,152	26,922,152	14,972,143	-	-	-	13,060,083



**RWSL: W.I.P: YEAR ENDED MARCH 31, 2014: PROJECTS FUNDED FROM CAPITAL 'A' BUDGET - COMPREHENSIVE RURAL WATER UPGRADE (Cont'd)**

Projects	Balance Brought Forward		Expenditure During the Year		Projects Completed During the Year		Adjustments		Balance Carried Forward	
	\$		\$		\$		\$		\$	
Balance c/f	1,110,074		26,922,152		14,972,143		-		13,060,083	
Catchment Tank – Faith's Pen	-		434,051		-		-		434,051	
Catchment Tank - Farm	-		719,716		-		-		719,716	
Catchment Tank - Freeman's Hall	-		430,350		430,350		-		-	
Catchment Tank - French Park	-		817,138		-		-		817,138	
Catchment Tank – Friendship	-		234,864		234,864		-		-	
Catchment Tank – Fullerton	-		94,373		94,373		-		-	
Catchment Tank - Good Hope	-		511,234		511,234		-		-	
Catchment Tank - Goodwill	-		1,514,172		-		-		1,514,172	
Catchment Tank - Inverness	-		204,798		204,798		-		-	
Catchment Tank - Kilmarnock	-		1,091,550		-		-		1,091,550	
Catchment Tank - Mahogany Hall	-		280,260		280,260		-		-	
Catchment Tank - Mt. Moreland	-		1,842,492		1,842,492		-		-	
Catchment Tank - Muirhouse	-		262,160		262,160		-		-	
Catchment Tank - New Forrest	-		982,311		982,311		-		-	
Catchment Tank - Nine Miles	-		136,730		136,730		-		-	
Catchment Tank - Plowden	-		758,295		758,295		-		-	
Catchment Tank - Porters Mountain	-		502,855		-		-		502,855	
Catchment Tank - Portsea	-		2,056,591		-		-		2,056,591	
Catchment Tank - Quick Step	-		105,000		105,000		-		-	
Catchment Tank - Resource	-		866,620		866,620		-		-	
Catchment Tank - Rock & Folly	-		1,031,135		1,031,135		-		-	
Catchment Tank - Rose Hill	-		326,640		-		-		326,640	
Catchment Tank - Sawyers	-		446,938		446,938		-		-	
Catchment Tank - Top Elliston	-		499,380		499,380		-		-	
Catchment Tank - Top Hill	-		51,500		51,500		-		-	
Catchment Tank - Trelawny	-		900		900		-		-	
Catchment Tank - Upper Alps	-		298,010		298,010		-		-	
Balance b/f	1,110,074		43,422,215		24,009,493		-		20,522,796	

**RURAL WATER SUPPLY LIMITED  
 WORK-IN-PROGRESS: YEAR ENDED MARCH 31, 2014  
 PROJECTS FUNDED FROM CAPITAL 'A' BUDGET - COMPREHENSIVE RURAL WATER UPGRADE (Cont'd)**

Projects	Balance Brought		Expenditure		Projects Completed		Adjustments		Balance Carried	
	Forward	\$	During the Year	\$	During the Year	\$	During the Year	\$	Forward	\$
Balance c/f	1,110,074		43,422,215		24,009,493		-		20,522,796	
Catchment Tank – Windsor	-		2,362,622		-		-		2,362,622	
Catchment Tank - Woodland	-		607,208		607,208		-		-	
Catchment Tank - Yark Mountain	-		875,400		-		-		875,400	
Catchment Tank - York Castle	-		2,547,558		2,547,558		-		-	
Comfort Hall W/S	7,729,710		-		7,729,710		-		-	
CRWUP - Alexandria W/S	7,500		-		-		-		7,500	
CRWUP - Ballards Valley Rainwa	249,225		-		249,225		-		-	
CRWUP- Barry Tank Base	-		185,488		185,488		-		-	
CRWUP - Bamboo Ridge Storage T	5,903,023		662,914		6,565,937		-		-	
CRWUP - Connors W/S	-		478,975		478,975		-		-	
CRWUP - Content Tank Base	-		185,488		-		-		185,488	
CRWUP - Brandon Hill W/S	35,561		-		35,561		-		-	
CRWUP - Broadgate W/S	-		-		-		-		-	
CRWUP - Brown Hill W/S	5,012,244		-		-		-		5,012,244	
CRWUP - Bushy Park	2,099,616		882,933		-		-		2,982,549	
CRWUP - Cool Water Spring	82,500		-		82,500		-		-	
CRWUP - East Portland W/S	-		403		403		-		-	
CRWUP - Fairy Hill	89,184		-		89,184		-		-	
CRWUP - Flagstaff (Zambia) W/S	-		78,000		-		-		78,000	
CRWUP - Georges Valley	-		462,384		-		-		462,384	
CRWUP - Geneva W/S	5,233,914		533,840		5,767,754		-		-	
CRWUP - Glades W/S	-		485,000		-		-		485,000	
CRWUP - Hagley Gap W/S	-		4,301,357		-		-		4,301,357	
Haining W/S	-		14,297,276		-		-		14,297,276	
CRWUP - Harmony Hall/Treniel R	1,552,065		480,779		2,032,844		-		-	
Balance b/f	29,104,616		72,849,840		50,381,840		-		51,572,616	

RURAL WATER SUPPLY LIMITED  
 WORK-IN-PROGRESS: YEAR ENDED MARCH 31, 2014

**PROJECTS FUNDED FROM CAPITAL 'A' BUDGET - COMPREHENSIVE RURAL WATER UPGRADE (Cont'd)**

Projects	Balance Brought Forward		Expenditure During the Year	Projects Completed During the Year	Adjustments	Balance Carried Forward	
	\$	\$				\$	\$
Balance c/f	29,104,616	72,849,840	50,381,840	-	-	51,572,616	
CRWUP - Hopewell Lane	-	55,000	55,000	-	-	-	
CRWUP - Horse Guard	-	5,800,385	-	-	-	5,800,385	
CRWUP - Kerrick Hall W/S	-	623,700	-	-	-	623,700	
CRWUP - Lindo Lane Extension	-	777,077	777,077	-	-	-	
CRWUP - Llandewey	-	514,964	-	-	-	514,964	
CRWUP - Mount Industry/Caledonia	-	51,000	51,000	-	-	-	
CRWUP - Mt. Rosser Improvement	212,000	1,787,681	1,999,681	-	-	-	
CRWUP - Northern Clarendon	-	1,132,925	-	-	-	1,132,925	
CRWUP - Pear Tree River	-	241,812	-	-	-	241,812	
CRWUP - Pisgah Rainwater	-	36,000	36,000	-	-	-	
CRWUP - Red Ground W/S	-	464,580	-	-	-	464,580	
CRWUP - Rehab. Charity Spring	890,000	-	890,000	-	-	-	
CRWUP - Retirement/Gutters W/S	-	5,573,478	-	-	-	5,573,478	
CRWUP - Richmond Hill	-	459,450	459,450	-	-	-	
CRWUP - Seaton W/S	-	1,907,724	-	-	-	1,907,724	
CRWUP - Shooting River	-	3,340	-	-	-	3,340	
CRWUP - Southern St. James	-	276,936	-	-	-	276,936	
CRWUP - Spring Vale	-	3,340	3,340	-	-	-	
CRWUP - St. Elizabeth Minor	-	858,782	858,782	-	-	-	
CRWUP - Top Hill	-	467,950	-	-	-	467,950	
CRWUP - Troja W/S	1,224,130	454,000	1,678,130	-	-	-	
CRWUP - Troy W/S	-	70,000	70,000	-	-	-	
CRWUP - Tydixon W/S	-	681,905	681,905	-	-	-	
CRWUP - Warsop/New Road	-	277,400	-	-	-	277,400	
Balance b/f	31,430,746	95,369,269	57,942,205	-	-	68,857,810	

**RURAL WATER SUPPLY LIMITED**

**WORK-IN-PROGRESS: YEAR ENDED MARCH 31, 2014**

**PROJECTS FUNDED FROM CAPITAL 'A' BUDGET - COMPREHENSIVE RURAL WATER UPGRADE (Cont'd)**

Projects	Balance Brought	Expenditure	Projects Completed	Adjustments	Balance Carried
	Forward	During the Year	During the Year		Forward
	\$	\$	\$	\$	\$
Balance c/f	31,430,746	95,369,269	57,942,205	-	68,857,810
CRWUP - Wayside Tank – Adair	-	64,361	-	-	64,361
CRWUP - Wayside Tank - Cocoa Walk	-	66,110	-	-	66,110
CRWUP - Wayside Tank - Congress	-	68,860	-	-	68,860
CRWUP - Wayside Tank - Mt. Airy	-	22,770	-	-	22,770
CRWUP - Wayside Tank Repairs	-	823,798	823,798	-	-
CRWUP - White Hill Rainwater	-	36,000	36,000	-	-
CRWUP - Williams Gully	-	5,511,000	-	-	5,511,000
CRWUP - Windsor Heights W/S	483,940	5,069,351	5,553,291	-	-
John's Groin W/S	-	365,000	365,000	-	-
Mahoe Ridge Spring W/S	784,879	-	784,879	-	-
Police Convalescent Centre	97,195	-	97,195	-	-
Prospect Spring W/S	-	100,420	100,429	-	-
Reckford Water Supply	31,500	-	31,500	-	-
Sandy River Water Supply Scheme	38,034	-	38,034	-	-
Unallocated projects cost	-	225,882	-	-	225,882
Wharf Lane Water Supply	2,637,325	369,280	3,006,605	-	-
	<u>35,503,619</u>	<u>108,092,101</u>	<u>68,778,936</u>	<u>-</u>	<u>74,816,793</u>
Total work-in-progress	<u>318,299,840</u>	<u>125,258,905</u>	<u>349,172,378</u>	<u>18,833,173</u>	<u>75,553,203</u>