



# IRRIGATION AUTHORITY

## Annual Report & Accounts



**Year July 2009 - Dec 2009**

**Year Jan 2010 - Dec 2010**

## Vision of the Irrigation Authority

*The Irrigation Authority will be a model organisation which will be trusted and respected by the planters. It will respond to the water needs of all the dry and semi-dry regions and create the right framework for sound water management.*

## Mission Statement of the Irrigation Authority

*Our principal mission is to provide a quality service to the planters' community. Through our shared commitment, we will serve professionally with a view to improving the welfare of the planters.*



# IRRIGATION AUTHORITY

## Address of Offices

### ❖ Head Office

5<sup>th</sup> Floor, Fon Sing Building  
12 Edith Cavell Street  
Port-Louis, Mauritius  
Tel: 210 6596  
Fax : 212 7652  
Email : [irrig@intnet.mu](mailto:irrig@intnet.mu)

### ❖ Sub Offices

#### ▪ Northern Plains Irrigation Project Stage 1

Plaine des Papayes  
Mauritius

Tel: 266 8175  
Fax : 266 5604

#### ▪ Souvenir LAMU Drip Irrigation Project

Camp des Embrevades Road  
Pamplemousses,

Tel: 243 3267

#### ▪ Rivière du Rempart Irrigation Project

Haute Rive ,  
Riviere du Rempart  
Tel: 5471 0845

#### ▪ St Felix LAMU Irrigation Project

Chemin Grenier  
Tel: 6226601



## IRRIGATION AUTHORITY

5th Floor,  
Fon Sing Building,  
Edith Cavell Street,  
Port Louis

21 November 2014

The Hon. Satya Veyash Faugoo, G.O.S.K,  
Minister of Agro Industry and Food Security,  
Attorney General,  
PORT LOUIS

Sir,

I have the honour to submit the Annual Report and Audited Accounts of the Irrigation Authority for the financial years July-December 2009 and January-December 2010.

Yours faithfully,

  
(S. BHEECHOOK)  
Chairman IA Board



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## **CORPORATE GOVERNANCE REPORT**

### **THE ACT**

The Irrigation Authority Board is governed by the Irrigation Authority Act (Act No. 39 of 1978) and it operates under the aegis of the Ministry of Agro Industry & Food Security.

### **THE BOARD**

The Irrigation Authority Board as at December 2010 consisted of:

- (a) A Chairman appointed by the Minister;
- (b) A representative of the Ministry of Agro Industry & Food Security;
- (c) A representative of the Ministry of Finance & Economic Development;
- (d) A representative of the Ministry of Business, Enterprise, Cooperatives & Consumer Protection;
- (e) A representative of the Ministry of Energy & Public Utilities;
- (f) A representative of the Ministry of Housing & Lands;
- (g) The General Manager of the Central Water Authority or his representative;
- (h) Five representatives of the Agricultural Community, appointed by the Minister;
- (i) Two representatives of persons or entities financing the implementation of the irrigation project in Mauritius, appointed by the Minister.

### **RESPONSIBILITIES OF THE BOARD**

- The Board provides effective corporate governance and is ultimately accountable and responsible for the performance and affairs of the Authority and for the appointment of staff.
- It hears all cases of objections received at the Authority from land owners who wish to object to the implementation of an irrigation project, and to adjudicate on such objections.
- It recommends to the Minister the rate of irrigation due leviable and the irrigation areas in respect of which it is leviable.
- The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and to enable it to ensure that the financial statements comply with the Statutory Bodies (Accounts and Audit) Act. It is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Members of the Irrigation Authority Board** (July 2009/December 2010)

### **CHAIRPERSON**

Mr. S. Bheechook

### **MEMBERS**

**1. A Representative of the Ministry of Agro Industry & Food Security**

Mrs D. Takoory/ Mr. N. Ramburuth (Dec 2008 – Sept 2010)  
Mr. S. Bacchoo/ Mr. N. Ramburuth (as from Oct 2010)

**2. A Representative of the Ministry of Finance & Economic Development**

Mr. D. Khoodeeram (as from Apr 2009)

**3. A Representative of the Ministry of Energy & Public Utilities**

Mr. J. Ramsamy (Alt. Mrs M. Jhugroo) (as from June 2007)

**4. A Representative of the Ministry of Business, Enterprise, Co-operatives & Consumer Protection**

Mr. R. Bhugwant (Alt. Mrs H. Ramnath) (as from Jan 2008)

**5. A Representative of the Ministry of Housing & Lands**

Mr. D. Conhye (May 2008 – July 2009)  
Mrs. D. Mathur Dabidin (Aug 2009 – Sept 2010)  
Mrs. M. Noel Dabeecharun (as from Oct 2010)

**6. The General Manager/Representative of the Central Water Authority**

Mr. H. Booluck (Nov 2006 – Aug 2009)  
Mr. K. Bisnatsingh (as from Sept 2009)

**7. Five Representatives of the Agricultural Community**

Dr. D. Dumur  
Dr. K. Ramdoyal  
Mr. G. Juggessur  
Mr. R. Baichoo  
Mr. S. Ramdhary

**8. Two Representatives of Persons or Entities Financing the Implementation of the Irrigation Project in Mauritius**

Mr. H. Bissessur  
Mr. K. Bhogun



## **COMPOSITION OF SUB-COMMITTEES UNDER THE IA BOARD**

The Board has set up the following Sub-Committees:

### **1. FINANCE COMMITTEE**

Finance Committee deals with financial matters of the Authority; analyses recommendations of the quotation committees, tender evaluation committees, and makes recommendations to the IA Board.

#### **CHAIRMAN**

Mr. G. Juggessur, representative of the Agricultural Community

#### **MEMBERS**

1. The representative of the Ministry of Agro Industry & Food Security;
2. The representative of the Ministry of Finance & Economic Development
3. The General Manager/Representative of the Central Water Authority;
4. Mr. H. Bissessur, representative of persons or entities financing the implementation of the irrigation project in Mauritius;
5. Dr. K. Ramdoyal, representative of the Agricultural Community.

### **2. STAFF COMMITTEE**

The Staff Committee deals with conditions of service of the staff, such as appointment, dismissal, discipline, pay and leave of employees of the Authority, and makes recommendations to the Board.

#### **CHAIRMAN**

The representative of the Ministry of Agro Industry & Food Security

#### **MEMBERS**

1. The representative of the Ministry of Business, Enterprise, Cooperatives & Consumer Protection;
2. The representative of the Ministry of Energy & Public Utilities;
3. The General Manager/Representative of the Central Water Authority;
4. Two representatives of the Agricultural Community (Dr. D. Dumur & Dr. K. Ramdoyal).

### **3. LAND MANAGEMENT COMMITTEE**

Land Management Committee deals with matters related to State lands in irrigation projects throughout the island and makes recommendations to the Board.

#### **CHAIRMAN**

Mr. K. Bhogun - representative of persons or entities financing the implementation of irrigation projects in Mauritius



## **MEMBERS**

1. The representative of the Ministry of Agro Industry& Food Security;
2. The representative of the Ministry of Business, Enterprise, Cooperatives& Consumer Protection;
3. The representative of the Ministry of Housing & Lands;
4. Two representatives of the Agricultural Community (Dr. D. Dumur & Dr. K. Ramdoyal).

## **4. AUDIT COMMITTEE**

Audit Committee purviews the functioning of the internal control system, the risk areas of the Authority, the financial aspect of the Authority and makes recommendations to the Board.

## **CHAIRMAN**

Mr H. Bissessur - representative of persons or entities financing the implementation of the irrigation project in Mauritius

## **MEMBERS**

1. The representative of the Ministry of Finance & Economic Development;
2. The representative of the Ministry of Energy &Public Utilities;
3. Two representatives of the Agricultural Community (Dr. D. Dumur & Mr. S. Ramdhary);
4. Mr. K. Bhogun, representative of persons or entities financing the implementation of the irrigation project in Mauritius.

## **SITTINGS OF THE BOARD AND ITS SUB-COMMITTEES:-**

MEETINGS	July - Dec 2009	Jan – Dec 2010
Board	7	10
Finance Committee	6	14
Staff Committee	2	10
Land Management Committee	1	2
Audit Committee	-	-

## **REMUNERATION OF BOARD MEMBERS**

Board Members are remunerated according to recommendations of the Pay Research Bureau Reports.

## MANAGEMENT – JULY 2009 to DECEMBER 2010

1. Mr. Chatta HOOKOOM - General Manager
2. Mr. Rishi Raj Sharma HAUZAREE - Head of Irrigation Planning Unit
3. Mr. K. C. Siew KONG THOO LIN - Head of Operation & Maintenance
4. Mr. P. Asit Kumar MAULLOO - Head of Construction & Supervision  
(retired on 02.09.09)
5. Mr. S.Ganesh SEEBURRUN - Ag. Head of Construction & Supervision  
(06.07.09 - 18.11.10)  
- Head of Construction & Supervision (as from 19.11.10)
6. Mr. Datakarran GOBURDHUN - Head of Administration
7. Mrs. Vijayta GOPYNAUTH - Accountant (as from 08.12.10)

## STAFF APPOINTMENT AND PROMOTION

1. Mrs. S. MOCHEEROY appointed Accounts Clerk on 01.07.2009
2. Mr. K. RAMDHUN appointed Irrigation Operation Officer on 01.07.2009
3. Mr. N. AULEEAR appointed Clerical Officer on 01.09.2009
4. Mrs. N. DABY appointed Clerical Officer on 01.09.2009
5. Mrs. S. MAUNICK appointed Office Attendant on 15.07.2010
6. Mr. G. DINAJISING appointed Stores Attendant on 02.08.2010
7. Mr. R. GEEREEDHARRY appointed Driver on 16.08.2010
8. Mr. D. RAMNARAIN appointed Driver on 16.08.2010
9. Mrs. Y. DULTHUMMON appointed Senior Human Resource Officer on 28.10.2010
10. Mrs. I. MOORAR JHUMKA appointed Clerical Officer on 28.10.2010
11. Mr. P. CHOYTOO appointed Driver on 08.11.2010
12. Mr. P. DABEEAH appointed Divisional Irrigation Operation Officer on 19.11.2010
13. Mr. D. JHUGAROO appointed Principle Engineer (IPU) on 19.11.2010
14. Mr. S.G SEEBURRUN appointed Head of Construction & Supervision on 19.11.2010
15. Mrs. V. GOPYNAUTH appointed Accountant on 08.12.2010

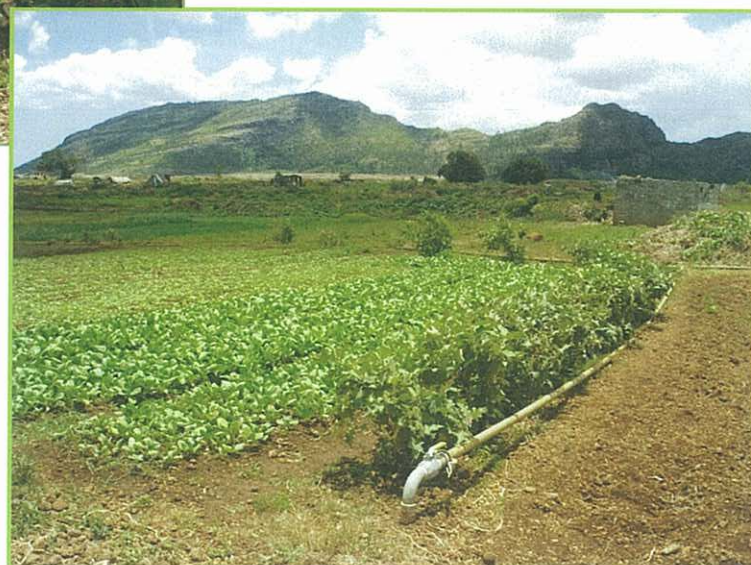


## List of employees retired/passed away (July 2009-Dec 2010)

S.N	Name	Date of Birth	Date of Retirement
1	Beejan Dayanand	22.01.49	22.07.09
2	Anauth Maheshwar	13.09.55	05.08.09
3	Sudoolah Israel	01.02.49	07.09.09
4	Maulloo P.A.K	02.02.49	02.09.09
5	Atchanah Valaydon	24.09.49	24.09.09
6	Kasaven Vishnu	12.03.49	12.11.09
7	Sooklall Heera	24.05.49	24.03.10
8	Mohadeb Roopnarain	14.06.49	14.05.10
9	Ramdeehul Iswardeo	18.05.50	18.05.10
10	Busgeeth Shardanand	20.07.49	20.07.10
11	Nunkoo Purmessur	19.08.50	19.08.10
12	Margoton Pierre Renal	18.09.50	18.09.10
13	Peelonah Youdhisteer	16.10.50	16.10.10
14	Khetha Seechurn	28.09.64	Passed away on 13.12.09
15	Seebocus Ganram	03.06.59	Passed away on 10.04.10
16	Pariag Rajsingh	17.02.68	Passed away on 13.07.10
17	Ghoorbin Sonalall	21.12.61	Passed away on 01.10.10
18	Kuttoo Premdeo	29.08.59	Passed away on 20.11.10
19	Rampersad Lekrajsingh	02.03.56	Passed away on 20.12.10



**Cressonville  
Irrigation Project**



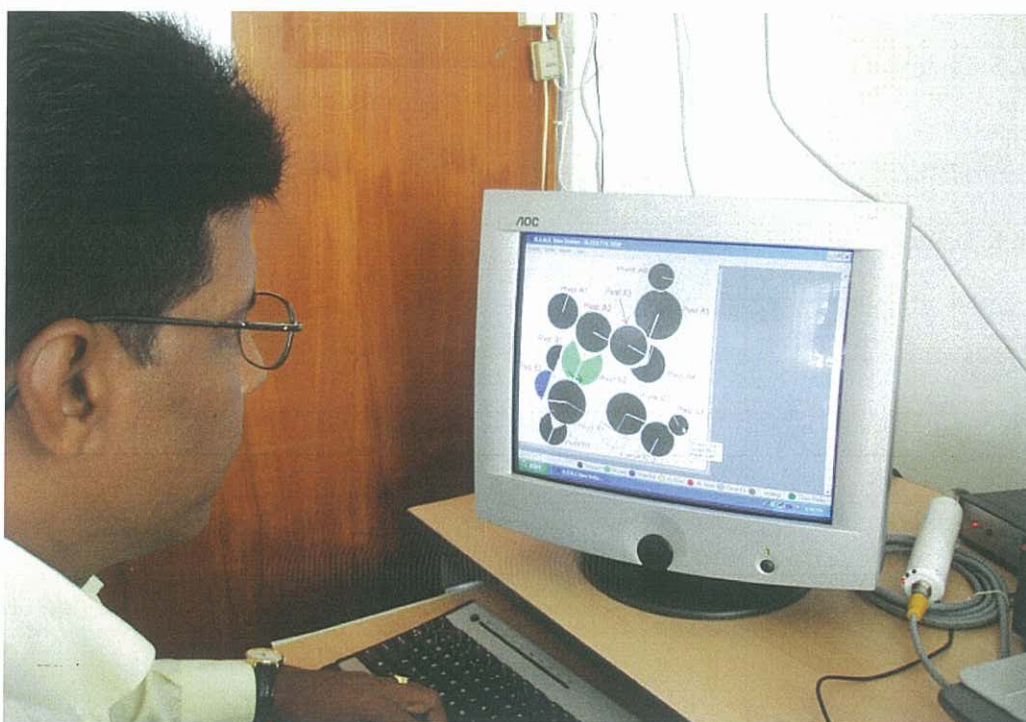
## PROFESSIONAL DEVELOPMENT/ TRAINING IN MAURITIUS

S.N	NAME	RANK	COURSE/TRAINING /WORKSHOP	DURATION
(A)	IRRIGATION PLANNING UNIT			
1.	Mr. D. Jhugaroo	Principal Engineer (IPU)	<ul style="list-style-type: none"> <li>Certificate Programme in Public Procurement</li> </ul>	June 2009 – Nov 2009
2.	Mr. S. Mooloo	Engineer (IPU)	<ul style="list-style-type: none"> <li>Certificate Programme in Public Procurement</li> </ul>	Oct 2009 to Feb 2010
(B)	OPERATION & MAINTENANCE DEPT			
3.	Mr. S. Manikon	Gangman	<ul style="list-style-type: none"> <li>Workshop in the Context of (TOT) (Training of trainers)</li> </ul>	12 – 16 Oct 2009
4.	Mr. R. Ramburn	Irrigation Operation Officer	<ul style="list-style-type: none"> <li>Workshop on the use of WEB 2.0 tools in Agricultural Research and Development</li> </ul>	08 – 09 July 2010
5.	Mr. Z. Auckburally	Engineer (O & M)	<ul style="list-style-type: none"> <li>Workshop on Safety &amp; Health Management Techniques</li> </ul>	21 Nov 2010
6.	Mr. S. Tangman	Technical Assistant (Electromechanical)	<ul style="list-style-type: none"> <li>Electrical Safety Workshop</li> </ul>	14 – 15 Dec 2010
(C)	ADMINISTRATIVE DEPT			
7.	Mr. K. Damry	Higher Executive Officer	<ul style="list-style-type: none"> <li>Seminar on Extension of Retirement Age and its Impact on Private Pensions Scheme</li> <li>Seminar on Human Resource Management</li> </ul>	27 May 2010  26 Oct 2010
8.	Mrs Y. Dulthummon	Senior Human Resource Officer	<ul style="list-style-type: none"> <li>Seminar on Human Resource Management</li> </ul>	26 Oct 2010
9.	Mr. S. Kangloo	Senior Safety & Health Officer	<ul style="list-style-type: none"> <li>Workshop in the Context of (TOT) (Training of Trainers)</li> <li>Tripartite Workshop on Risk Assessment</li> <li>APOSHO 25 Conference</li> </ul>	12 – 16 Oct 2009  22 – 26 March 2010  19 – 21 April 2010
(D)	ACCOUNTS DEPT			
10.	Mrs. Y. Ramchurn	IT Officer	<ul style="list-style-type: none"> <li>Workshop on Data Protection Act 2004</li> </ul>	26 Jan 2010
11.	Mr. Y. Peelonah	Senior Accounts Clerk	<ul style="list-style-type: none"> <li>Workshop by MTUC</li> </ul>	09 – 11 March 2010



## SCHOLARSHIP AND TRAINING ABROAD

S.N	NAME	RANK	COURSE/TRAINING /WORKSHOP	DURATION
(A)	IRRIGATION PLANNING UNIT			
1.	Mr. D. Jhugaroo	Principal Engineer (IPU)	<ul style="list-style-type: none"> <li>Training Workshop on Soil and Water Management – Cairo</li> </ul>	01 – 21 Feb 2010
(B)	OPERATION & MAINTENANCE DEPT			
2.	Mr. V. Thakoor	Divisional Irrigation Operation Officer	<ul style="list-style-type: none"> <li>Meeting of Director of Agriculture-South Africa</li> </ul>	15 Oct 2009



*Operating a Telemetry System for Centre Pivots in NPIC*

## **Main Events**

### **REPLACEMENT OF HYDRAULIC CONTROL VALVES (PCV) AT FERRET**

The proposal for the replacement of Hydraulic Control Valves of the Northern Plains Irrigation Project Stage I which was constructed in 1979 to irrigate some 1900 ha of lands has been recommended by the Project Plan Committee of the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping and approved by the Government as reported in the 2nd Report of the PPC dated 26 October 2009. Upon inclusion of the project in the Public Sector Investment Programme bids will be floated. Works, estimated at Rs 30 m, are scheduled to start in 2011.



### **CONSTRUCTION OF OFFICE/STORE AT L'ESPERANCE TREBUCHET IRRIGATION PROJECT (Block 8A)**

Following the implementation of Block 8A Irrigation project in 2006, IFAD agreed to further support the Water Users Cooperative Societies by financing the construction of a store/office building. A plot of land (10 perches) was acquired at the cost of Rs 440,000 for this purpose. The contract for the construction of the 127 m<sup>2</sup> building was awarded for the sum of Rs 2,457,450.00 to Onix in November 2009 and works were completed in May 2010.

### **IRRIGATION MANAGEMENT TRANSFER TO WATER USERS COOPERATIVE SOCIETY**

The Irrigation Authority entered into an Agreement with the Solitude Drip 1 Water Users Cooperative Society Ltd on 29 January 2010 whereby the latter took over the day to day irrigation operation and management of the Solitude 1 Drip Irrigation Project.

### **REHABILITATION OF L'ESPERANCE TREBUCHET IRRIGATION PROJECT**

The Irrigation Authority acting as Consulting Engineer for the Ministry of Agro-Industry, Food Production and Security under the Food Security Programme has redesigned the existing L'Esperance Trébuchet Irrigation Project and prepared the Bidding Document in view of its rehabilitation after due consultation with planters and the Water Users Cooperative Society of the project. The project covering about 40 ha belonging to some 110 small planters does not form part of the command area of the Irrigation Authority.

Bids have been floated by the Ministry of Agro-Industry, Food Production and Security in September 2009 and the contract awarded to Trans Invest Ltd for the sum of Rs 6,149,982.15. Works started in 2010 and scheduled to be completed by February 2011.



## Other Events

- A new borehole was drilled in 2010 at Cressonville Irrigation project in view of installing an appropriate pump . The Contract was awarded to Water Research Ltd for the sum of Rs 1,051,215 and works completed in October 2010.
- Theft and act of vandalism occurring on projects in operation have negative impact on irrigation service to planters . At Plaisance Irrigation Project theft and vandalism on the pannel at pumphouse resulted in stoppage of irrigation service from July to September 2009. Theft of electric cables on some pivots of the NPIP in May 2010 resulted in water restrictionfor a couple of weeks in some areas .
- As from 01 January 2010, the Irrigation Authority started the operation and management of the Block 8A2 of NPIP- Phase 2 as the Piton Nicole Water Users Cooperative stopped operating the project.
- The impounding areas of the two weirs at the St Felix Irrigation Project were dredged by Contractor Ashoka Multipurpose Cooperative Society in September 2010 to remove all accumulated mud, silt and debris at the cost of Rs 546,250.



## OPERATING SCHEMES OF THE IRRIGATION AUTHORITY IN YEAR 2010

In 2010, irrigation projects covering some 3968 ha and belonging to some 5785 planters were being managed by the Irrigation Authority.

Irrigation projects	Area (ha)	No. of Planters	Year of Operation	Crops Grown
1. Northern Plains Irrigation Project-Stage I*	770	1837	1979	Sugarcane, Tobacco Vegetables and Foodcrops
1.1 NPIP Stage 1 Conv to Drip B3L2	64	183	2000	Sugar cane & vegetables
1.2 NPIP Stage 1 Conv to Drip B3 L4	100	289	2003	Sugar cane & vegetables
1.3 NPIP Stage 1 - B2L9**	175	286	1979	Sugar cane & vegetables
1.4 Belle Vue Sugar Estate	620	1	1979	Sugar Cane
2. Belle Mare Small Scale Irrigation Project	202	525	1987	Onion and Vegetables
3. Souvenir Drip Irrigation Pilot Project	153	135	1988	Sugarcane, Vegetables and Foodcrops
4. Palma Small Scale Irrigation Project	103	180	1987	Sugarcane, Vegetables and Foodcrops
5. Plaisance Small Scale Irrigation Project	66	132	1982	Onion, Vegetables and Foodcrops
6. Bel Ombre Small Scale Irrigation Project	32	68	1989	Vegetables and Foodcrops
7. Trou d'Eau Douce Small Scale Irrigation Project	15	78	1983	Onion and Vegetables
8. Arsenal Litchi Small Scale Irrigation Project	11	24	1990	Litchi, Vegetables and Foodcrops
9. La Ferme Drip Project	5	1	2001	Sugarcane and Vegetables
10.Solitude Small Scale Irrigation Project	93	207	1993	Sugarcane and Foodcrops
11. Cressonville Small Scale Irrigation Project	9	29	1996	Vegetables, Foodcrops & Litchi
12. Rivière du Rempart Small Scale Irrigation Project	173	380	1996	Sugarcane and Foodcrops
13. St Felix LAMU Irrigation Project	95	176	1997	Sugarcane and Foodcrops
14. Solitude Drip Project 2	64	106	2000	Sugarcane and Foodcrops
15. Pointe aux Piments Centre Pivot Scheme	38	95	2001	Sugarcane and Foodcrops
16. (i) NPIP Phase 2 – Block III	166	220	2004	Sugarcane and Foodcrops
(ii) NPIP Phase 2 – Block III (Mon Choisy)	200	1	2004	Sugarcane
17. NPIP Phase 2 – Block II	362	400	2004	Sugarcane and Foodcrops
18. NPIP Phase 2 – Blocks 8A1/8A2	197	428	2005	Sugarcane and Foodcrops
19.NPIP Phase 2 – Block 1	230	3	2005	Sugarcane and Foodcrops
20.NPIP Phase 2 – Block 7 (Labourdonnais)	25	1	2007	Sugarcane and Foodcrops
<b>Total</b>	<b>3968</b>	<b>5785</b>		

\* 770 ha converted to Centre Pivot/Solid Set system in 2004

\*\* Conversion to drip of Block B2L9 did not materialize due to contractual problems encountered by the Employer (ex-MSA)



## National Survey of Irrigated Land

The Irrigation Authority carries out an irrigation survey at national level so as to monitor the techniques of irrigation being implemented and the area under irrigation at national level by different stakeholders.

Data for small planters are collected by the Irrigation Authority whereas the Mauritius Chamber of Agriculture provides data for large and corporate/miller planters. The areas under different irrigation methods for the Irrigation Authority and the private Sector for period 2006-2010 are summarised in table below.

### Irrigation Techniques used by the Irrigation Authority and the Private Sector (area in ha)

YEAR		HP/Guns sprinklers	Drag Line	Centre Pivot	Drip	Surface	TOTAL
2006	IA	873	631	957	513	380	3354
	Private Sector	4353	4580	6162	1597	1376	18068
2007	IA	801	578	959	501	380	3219
	Private Sector	4339	4589	6316	1601	1257	18102
2008	IA	801	553	959	490	0	2803
	Private Sector	4410	4987	6554	1650	1053	18654
2009	IA	792	563	959	477	0	2791
	Private Sector	5401	4161	6942	1373	875	18752
2010	IA	711	563	959	558	0	2791
	Private Sector	4418	3270	7102	1552	714	17056



Area (ha)

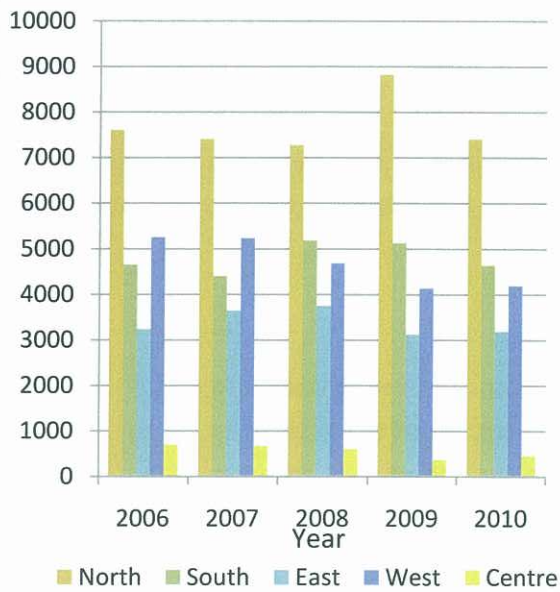


Figure 1 : Area under Irrigation Regionwise

Area (ha)

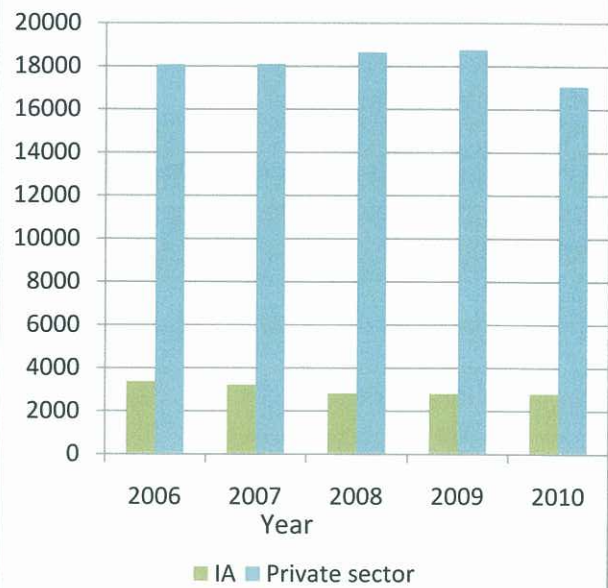


Figure 2 : Irrigated Areas under the responsibility of the Irrigation Authority and the Private Sector

Area (ha)

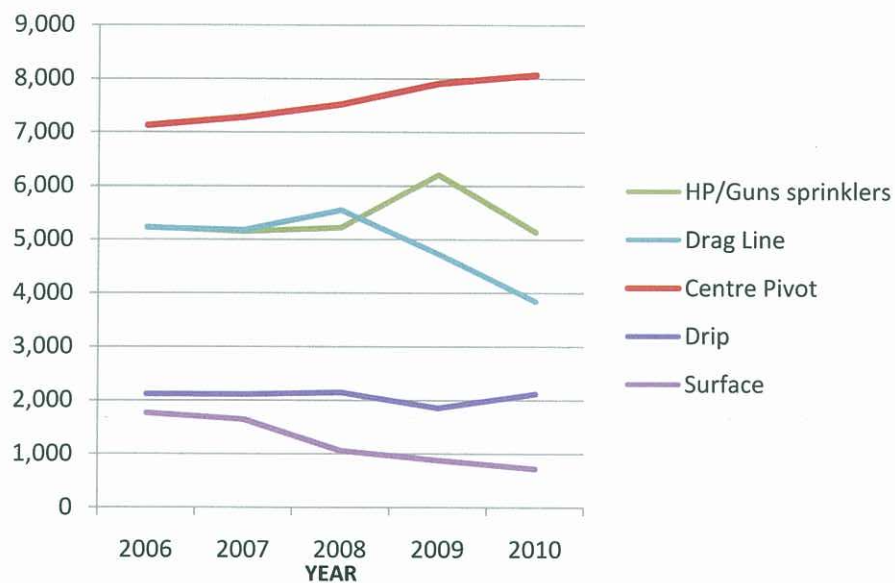


Fig 3 : Trend in area under different irrigation Methods



## GOVERNMENT GAZETTE NOTICES CONCERNING IRRIGATION

Under the IA Act No. 39 of 1978, various matters have to be published in the Government Gazette from time to time.

Under Section 14 of the Act “Where the Minister is satisfied that it is necessary or expedient in the interest of development, he may, by Order published in the Gazette, declare the area to be an irrigation area.”

### Declarations under Section 14 have been:

1.	NPIP Stage I	-	Govt. Notice No. 45 of 1979 dated 09.03.79
2.	NPIP Stage I (Amended)	-	Govt. Notice No. 141 of 1979 dated 25.06.79
3.	NPIP Stage I (Extension)	-	Govt. Notice No. 149 of 1981 dated 22.06.81
4.	NPIP Stage II	-	Govt. Notice No. 229 of 1981 dated 05.09.81
5.	Plaisance (North) SSIP	-	Govt. Notice No. 309 of 1981 dated 07.11.81
6.	Trou D'Eau Douce SSIP	-	Govt. Notice No. 211 of 1982 dated 04.09.82
7.	Pointe aux Caves	-	Govt. Notice No. 44 of 1983 dated 14.03.83
8.	Belle Mare	-	Govt. Notice No. 51 of 1984 dated 21.03.84
9.	Palma	-	Govt. Notice No. 55 of 1986 dated 28.06.86
10.	NPIP Phase II – Block 1	-	General Notice No. 135 of 2006 dated 04.02.06
11.	NPIP Phase II – Block 5	-	General Notice No. 138 of 2006 dated 04.02.06
12.	NPIP Phase II – Block 6	-	General Notice No. 139 of 2006 dated 04.02.06
13.	NPIP Phase II – Block 4	-	General Notice No. 137 of 2005 dated 04.02.06
14.	NPIP Phase II – Block 3	-	General Notice No. 136 of 2006 dated 04.02.06
15.	NPIP Phase II – Block 2	-	General Notice No. 417 of 2006 dated 25.03.06
16.	NPIP Phase II – Block 8B	-	General Notice No. 418 of 2006 dated 25.03.06
17.	NPIP Phase II – Block 2 & 8B	-	Govt. Notice No. 33 of 2006 dated 01.04.06
18.	NPIP Phase II – Block 8A	-	Govt. Notice No. 53 of 2006 dated 03.06.06

### Declarations under Sections 14 and 21:

Victoria	-	Govt. Notice No. 15 of 2001 dated 02.02.01
NPIP Phase II – Block 2 & 3	-	Govt. Notice No. 9 of 2003 dated 25.01.03
NPIP-Phase II - Block 7	-	Govt. Notice No. 214 of 2008 dated 18.10.08

### Deproclaimed:

NPIP-Phase II – Block 7	-	Govt. Notice No. 143 of 2009 dated 14.11.09
NPIP-Phase II – Block 4,5 & 6	-	Govt. Notice No. 2688 of 2009 dated 14.11.09
NPIP-Phase II-Block 8B	-	Govt. Notice No. 2689 of 2009 dated 14.11.09

### **Declaration under Section 15 (2) (3) & (4):**

“Consultancy Services in Connection  
With Survey Works for the Description  
of Project Boundaries for the Northern  
Plains Irrigation Project – Phase II”

-General Notice No. 873 of 2005 dated 09.05.05

**Under Section 16 (2)** of the Act “The Minister shall by notice published in the Gazette give notice of the preparation of an irrigation project and the place at which it shall be available for inspection.”

### **Declarations Under Section 16 (2):**

- |                           |   |  |
|---------------------------|---|--|
| 1. NPIP Stage I           | - | General Notice No. 442 of 1979 dated 19.03.79  |
| 2. Arsenal Litchi Project | - | General Notice No. 1480 of 1984 dated 06.11.84 |

**The following notices were published in the Government Gazette pursuant to IA Act:**

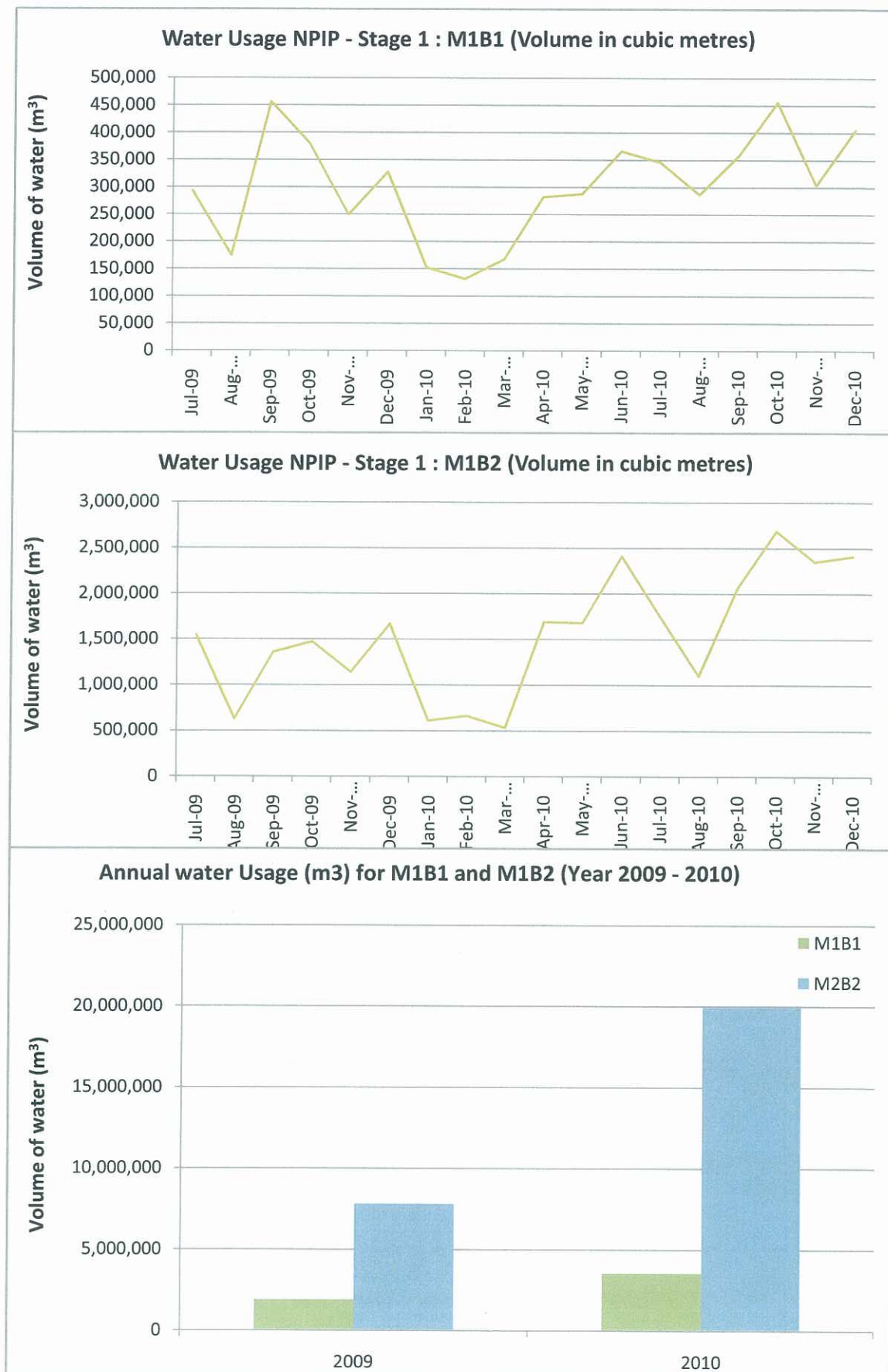
- |                           |   |   |
|---------------------------|---|---|
| 1. Plaisance (North) SSIP | - | General Notice No. 194 of 1982 dated 20.02.82 |
| 2. Trou D'Eau Douce SSIP  | - | General Notice No. 37 of 1983 dated 15.01.83  |

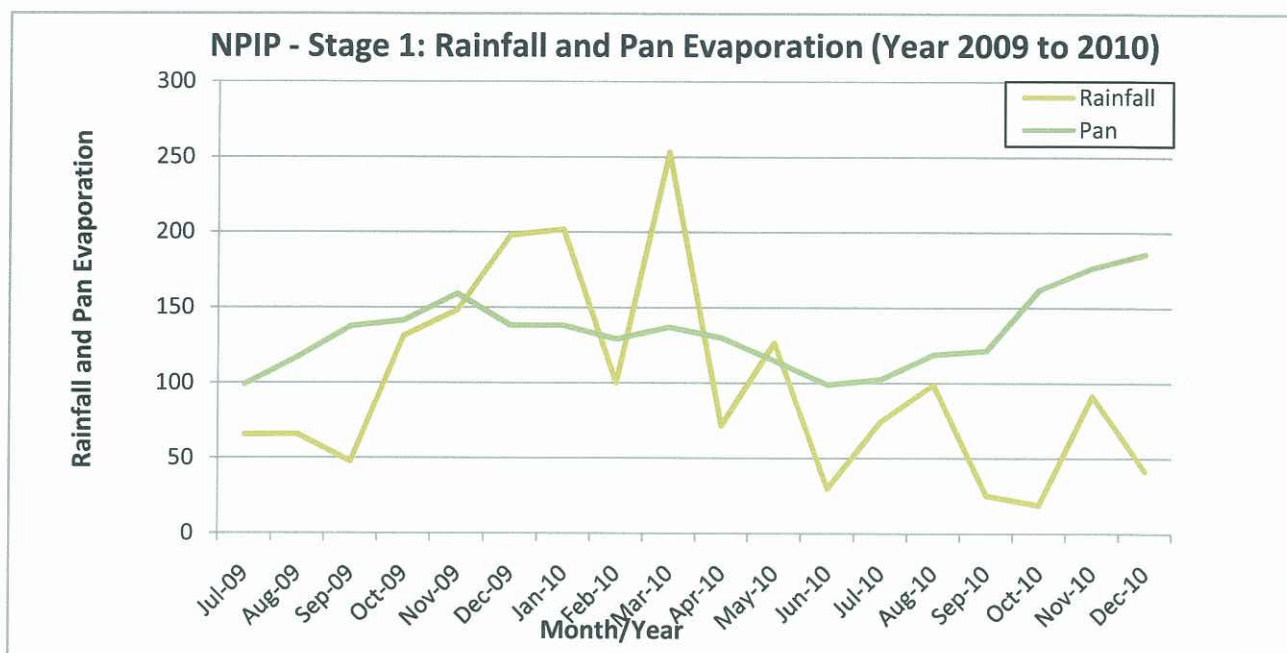


## Notices published under Section 19 (2) of IA Act:

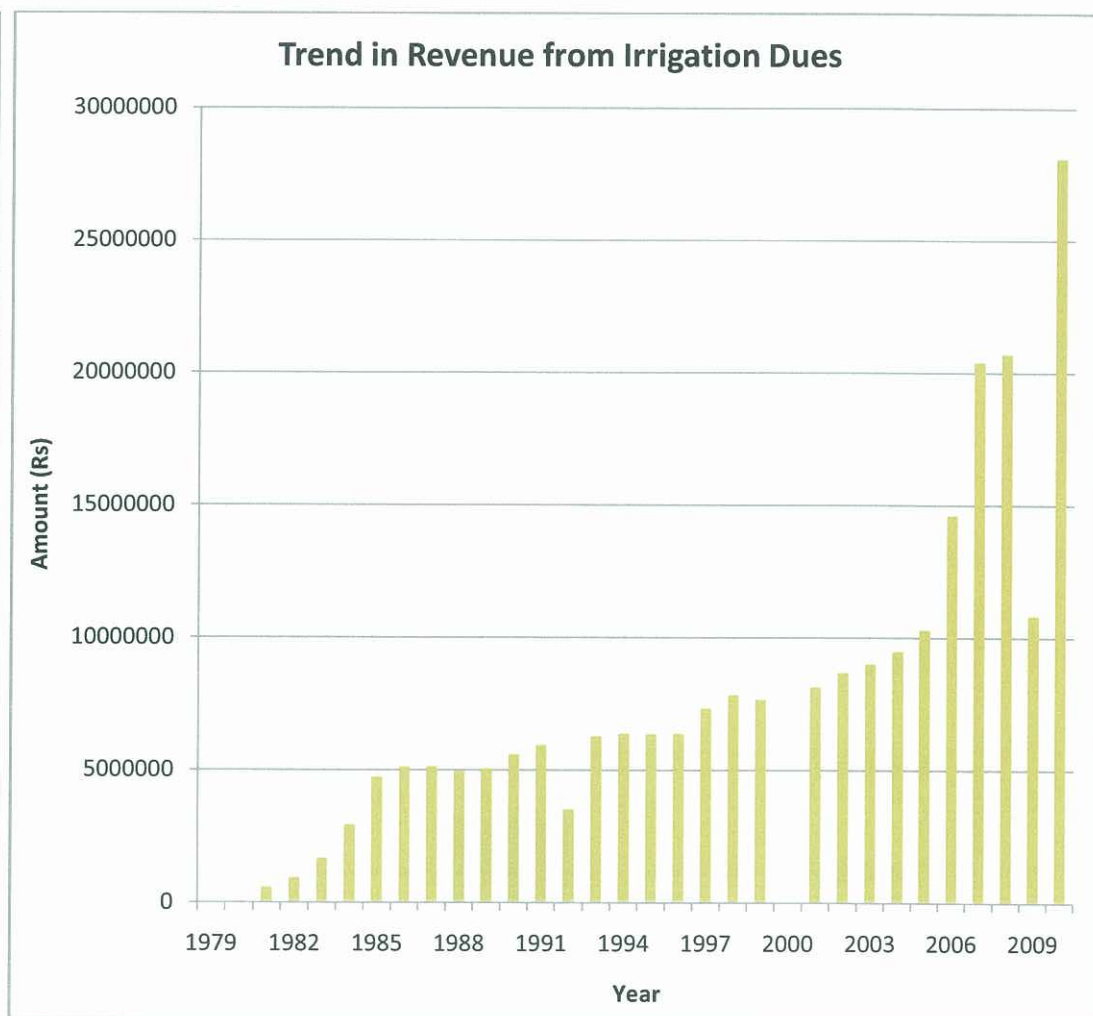
**Under Section 19 (2) of the Act** “the rate of irrigation dues shall be determined annually by the Minister after consultation with the Board and shall be notified in the Gazette.”

1. NPIP Irrigation Dues 1979/80 - General Notice No. 1274 of 1979 dated 20.09.79
2. NPIP Irrigation Dues 1980/81- General Notice No. 552 of 1981 dated 16.05.81
3. Plaisance (N) Dues 1981/82 - General Notice No. 341 of 1982 dated 27.03.82
4. NPIP Dues 1981/82 - General Notice No. 769 of 1982 dated 22.06.82
5. Irrigation Dues 1982/83 - General Notice No. 638 of 1983 dated 28.04.83
6. Irrigation Dues 1982/83 - General Notice No. 699 of 1983 dated 19.05.83
7. Irrigation Dues 1983/84 - General Notice No. 837 of 1984 dated 25.06.84
8. Irrigation Dues 1984/85 - General Notice No. 786 of 1985 dated 19.06.85
9. Irrigation Dues 1985/86 - General Notice No. 599 of 1986 dated 07.06.86
10. Irrigation Dues 1986/87 - General Notice No. 749 of 1987 dated 16.06.87
11. Irrigation Dues 1995/96 - General Notice No. 903 of 1996 dated 04.07.96
12. Irrigation Dues 1996/97 - General Notice No. 1235 of 1997 dated 15.05.97
13. Irrigation Dues 1997/98 - General Notice No.469 of 1998 dated 28.03.98
14. Irrigation Dues 1999/2000 - (Irrigation Dues waived due to severe drought)
15. Irrigation Dues 2000/2001 - General Notice No. 2057 of 2001 dated 24.11.01
16. Irrigation Dues 2001/2002 - General Notice No. 1228 of 2002 dated 11.04.02
17. Irrigation Dues 2002/2003 - General Notice No. 744 of 2003 dated 04.04.03
18. Irrigation Dues 2003/2004 - General Notice No. 751 of 2004 dated 22.03.04
19. Irrigation Dues 2004/2005 - General Notice No. 1248 of 2005 dated 05.05.05
20. Irrigation Dues 2005/2006 - General Notice No. 142 of 2006 dated 29.03.06
21. Irrigation Dues 2006/2007 - General Notice No. 1143 of 2007 dated 29.05.07
22. Irrigation Dues 2007/2008 - General Notice No. 645 of 2008 dated 26.03.08
23. Irrigation Dues 2008/2009 - General Notice No. 244 and 408 of 2009 dated 28.02.09
24. Irrigation Dues 2009 - General Notice No. 162 of 2010 dated 29.01.10





Years	Amount (Rs)
1979	
1980	59,876
1981	559,200
1982	933,344
1983	1,654,268
1984	2,923,922
1985	4,720,339
1986	5,101,435
1987	5,117,189
1988	4,934,895
1989	5,044,791
1990	5,581,635
1991	5,935,642
1992	3,516,092
1993	6,264,645
1994	6,362,082
1995	6,359,016
1996	6,365,788
1997	7,322,542
1998	7,823,958
1999	7,656,077
2000	
2001	8,125,832
2002	8,669,692
2003	8,994,962
2004	9,459,476
2005	10,284,192
2006	14,604,290
2007	20,390,014
2008	20,693,452
2009	10,805,587
2010	28,083,768





The rates of irrigation dues, as recommended by the Irrigation Authority Board and approved by the Minister of Agro Industry, Food Production & Security for the previous 10 years.

### IRRIGATION DUES (R\$/Arpent/Year)

S.N.	PROJECT	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009
		xxx	*	**								
1	Northern Plains – Stage 1- (H/PSprinkler)		1500	1,500	1,750	1,750	1,750	2000	2500	2750	2,850	3,000
1.1	NPIP-I Drip at B3L2			2,000	2,000	2,000	2,000	2,250	2500	2750	2,850	3,000
1.2	NPIP-I Drip at B3L4					1,750	2,000	2,250	2500	2750	2,850	3,000
1.3	NPIP-I Sprinkler at B2L9					1,600	600++	2,000	2200	2500	2,600	2,750
1.4	NPIP Phase 2 Block 3							1,500^ 1,200^^	2500	2750	2,850	3,000
1.5	NPIP Phase 2 Block 2							1,800^ 1,400^^	2500	2750	2,850	3,000
1.6	NPIP Phase 2 Blocks 8A1& 8A2								800	1100 <sup>o</sup> 1800 <sup>oo</sup>	1,000	1,100
1.7	Bulk Water to Belle Vue		650	650	650	700	700	2,951	3626	4080	2,858	2,480
2	MOA Plaisance		2,200	2,200	2,200	2200	2200	2,500	2800	3000	3,100	3,300
2.1	Plaisance (N) S.S.I.P		1,200	1,200	1,300	1300	1300	1,500	1800	2000	2,100	2,100
3	Trou D'Eau Douce S.S.I.P		1,600	1,600	1,600	1200	1000	1,000	1200	1400	1,500	1,500
3.1	Le Maho Land Settlement		165	165	165	165	165	165	165	-	-	-
4	Belle-Mare Land Settlement		165	165	165	165	165	165	165	-	-	-
4.1	Belle Mare S.S.I.P		1,600	1,600	1,600	1,700	1,700	1,900	2100	2300	2,400	2,500
Δ4.2	Palmar Breeding Station		90,000	90,000	90,000	90,000	90,000	95,000	98,000	105000	8,000	-
5	Palma East S.S.I.P		1,000	1,000	1,000	1,000	1,000	1,000	1200	1400	1,500	1,600
6	Souvenir Drip Pilot Project		1,500	1,500	2,000	2,000	2,000	2,250	2500	2750	2,850	3,000
7	Solitude Project – Ph 1		1,500	1,500	2,000	2,000	2,000	2,250	2500	2750	2,850	3,000
8	Bel Ombre S.S.I.P		1000	1,000	1,200	1,300	1,300	1,500	1700	1900	2,000	2,100
9	Arsenal Litchi Project		1,000	1,000	1,000	1,000	1,000	1,000	1200	1300	1,400	1,400
10	Cressonville S.S.I.P		2100	2,100	2,100	2,200	2,200	2,200	2400	2600	2,700	2,800
11	Solitude Project Ph 2			2,000	2,000	2,000	2,000	2,250	2500	2750	2,850	3,000
12	La Ferme Drip (AREU)			2,000	2,000	2,000	2,000	2,000	1500	1500	1,600	1,800
13	Riv. Du Rempart SSIP		3500	2,500	2,500	2,500	2,500	2,500	3000	3200	3,300	3,300
14	St Felix SSIP		1400	1,400	1,600	1,600	1,600	1,800	2000	2200	2,300	2,400
15	P/Piments Centre Pivot				2000	2,000	2,000	2,200	1200	2500	2,600	2,750
16a	P/Piments Drip					1,750	1,750	1,750	1200	2500	2,600	2,750

#### SSIP Small Scale Irrigation Project

xxx Dues for the financial year 1999/00 was waived by Government within the incentive package associated to the drought of 1999.

\* Rate of reduced irrigation dues which was approved by the IA Board for financial year 2000-2001.

\*\* Rate of reduced irrigation dues which was approved by the IA Board for financial year 2001/2002.

- Please note that the irrigation dues for a financial year represents dues in respect of services provided during previous financial year.

^ Applied for land receiving irrigation for more than 6 months

^^ Applied for land receiving irrigation for less than 6 months

o Applied to pivot

oo Applied to solid set

Δ Palmar Breeding Station has stopped taking water as from April 2008



**IRRIGATION AUTHORITY**  
**AUDITED FINANCIAL STATEMENTS**

**July - December 2009**

**January - December 2010**







**IRRIGATION AUTHORITY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2009**





# Irrigation Authority

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# Irrigation Authority

## Corporate data

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**Chairman** : Mr Shivdutt Bheechook

**General Manager** : Mr Chatta Hookoom

**Registered office** : 5<sup>th</sup> Floor,  
Fon Sing Building,  
12, Edith Cavell Street,  
Port Louis

**Auditors** : Crowe Horwath (Mur) Co.  
*Member Crowe Horwath International*  
2<sup>nd</sup> Floor, Ebene Esplanade  
24, Cybercity  
Ebene

**Banker** : The State Bank of Mauritius Ltd  
SBM Tower,  
1, Queen Elizabeth II Avenue,  
Port Louis

# Irrigation Authority

## Board's report

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The report together with the audited financial statements of Irrigation Authority, the "Authority", for the six months ended 31 December 2009, is presented to the Members of the Board.

### Incorporation

The Authority is a para-statal body under the aegis of the Ministry of Agro – Industry & Food Security, and was set up under the Irrigation Authority Act 1978 in Mauritius.

### Reporting date

The Irrigation Authority changed its reporting date to be aligned with the calendar year.

The Authority changed its reporting date from 30 June to 31 December and these financial statements run from 01 July 2009 to 31 December 2009.

The comparative figures are for the year ended 30 June 2009. Therefore the comparative figures for the financial statements are not comparable with the current six months figures ended 31 December 2009.

### Principal activity

The principal activity of the authority is to carry out irrigation projects in Mauritius.

### Results and dividends

The results for the year are as shown on page 7.

### Directors

The present membership of the Board is set out on page 2.

### Board's responsibilities in respect of the financial statements

The Board has prepared financial statements for each financial period which present fairly the financial position, financial performance and the cash flows of the Authority. The Board is also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Authority;
- disclose with reasonable accuracy at any time the financial position of the Authority; and
- would enable them to ensure that the financial statements comply with the International Financial reporting Standards (IFRS) and with the requirements of the Statutory Bodies (Accounts and Audit) Act.

The Board confirms that they have complied with the above requirements in preparing the financial statements.

### Auditors

The auditors, Crowe Horwath (Mur) Co., have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

.....  
Mr Shivdutt Bheekhook  
Chairman

Date:.....

.....  
Mr Chatta Hookoom  
General Manager



## **Independent Auditors' Report To the Board of Irrigation Authority**

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We have carried out a special purpose audit on the accompanying financial statements of Irrigation Authority (the "Authority"), which comprise of the statement of financial position as at 31 December 2009, and the statement of operations, statement of changes in grants and earnings and statement of cash flows for the period then ended as set out on pages 6 to 9, and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 29.

### **Management responsibilities 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 in compliance with the requirements of the Statutory Bodies (Accounts and Audit) Act, for designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also responsible for keeping proper accounting records and 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 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 Authority'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 Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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.

## **Independent Auditors' Report (Continued)** **To the Board of Irrigation Authority**

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### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31 December 2009, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Statutory Bodies (Accounts and Audit) Act.

### **In forming our opinion, we report as follows:**

- We have no relationship with, or any interests in, the Authority other than in our capacity as auditors;
- We have obtained all the information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Authority as far as appears from our examination of those records.

*Crowe Horwath (Mur) Co.*

**Crowe Horwath (Mur) Co.**  
*Public Accountants*

Date: 30 October 2014

Ebène, Mauritius



**K.S. Sewraz, FCCA**  
*Signing Partner*  
Licensed by FRC

# Irrigation Authority

Statement of Financial Position  
As at 31 December 2009

	Notes	Dec 2009 Rs	Jun 2009 Rs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	606,563,259	610,902,302
Development expenditure	5	182,449,400	184,394,657
Intangible assets	6	17,581	35,162
<b>Total non-current assets</b>		<b>789,030,240</b>	<b>795,332,121</b>
<b>Current assets</b>			
Inventories	7	1,315,101	1,299,193
Trade and other receivables	8	31,990,523	30,904,821
Cash and cash equivalents	9(b)	16,732,884	17,151,842
<b>Total current assets</b>		<b>50,038,508</b>	<b>49,355,856</b>
<b>Total assets</b>		<b>839,068,748</b>	<b>844,687,977</b>
<b>Financed by</b>			
<b>Grants and deficits</b>			
Capital grants	10	749,847,245	757,299,948
Accumulated deficits		(496,039,937)	(491,447,749)
<b>Total grants and deficits</b>		<b>253,807,308</b>	<b>265,852,199</b>
<b>Non-current liability</b>			
Borrowings	11	54,282,680	64,902,074
<b>Total non-current liability</b>		<b>54,282,680</b>	<b>64,902,074</b>
<b>Current liabilities</b>			
Borrowings		198,568,693	188,679,101
Bank Overdraft	9(b)	5,056,296	8,978,800
Trade & other payables	12	327,353,771	316,275,803
<b>Total current liabilities</b>		<b>530,978,760</b>	<b>513,933,704</b>
<b>Total liabilities</b>		<b>585,261,440</b>	<b>578,835,778</b>
<b>Total equity and liabilities</b>		<b>839,068,748</b>	<b>844,687,977</b>

Approved by the Board of the Authority on 30 OCT 2014 and signed on its behalf by:

  
Mr Shivdutt Bheechook  
Chairman

  
Mr Chatta Hookoom  
General Manager

The notes on pages 10 to 29 form an integral part of these financial statements.



# Irrigation Authority

## Statement of Operations For the period of six months ended 31 December 2009

	Notes	For the Period ended 31 December 2009 Rs	For the year ended 30 June 2009 Rs
Revenue grants	3.17	46,804,237	86,464,783
Irrigation dues	3.11	10,805,587	21,582,765
		<b>57,609,824</b>	<b>108,047,548</b>
Other income	3.11	827,292	860,925
		58,437,116	108,908,473
Administrative and other operating expenses	13	(60,752,607)	(131,476,785)
Depreciation		(9,640,978)	(17,963,176)
Amortisation		(17,581)	(35,161)
<b>Operating deficit for the period/year</b>	14	<b>(11,974,050)</b>	<b>(40,566,649)</b>
Finance Income	15	322,195	758,782
Finance costs	16	(3,111,717)	(9,566,121)
Foreign exchange gain/(loss)		1,461,872	(784,330)
<b>Deficit for the period/year</b>		<b>(13,301,700)</b>	<b>(50,158,318)</b>
Other comprehensive income		-	-
<b>Total deficits for the period/year</b>		<b>(13,301,700)</b>	<b>(50,158,318)</b>

The notes on pages 10 to 29 form an integral part of these financial statements.

# Irrigation Authority

## Statement of Cash Flows

For the period of six months ended 31 December 2009

		For the Period ended 31 December 2009 Rs	For the year ended 30 June 2009 Rs
<b>Operating activities</b>			
Cash generated from operations	9(a)	7,660,868	2,086,793
Interest received		322,195	758,782
Interest paid		(1,510,563)	(110,918)
<b>Net cash from operating activities</b>		<b>6,472,500</b>	<b>2,734,657</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(828,434)	(1,803,510)
Development Expenditure incurred		(3,512,329)	(8,200,266)
<b>Net cash used in investing activities</b>		<b>(4,340,763)</b>	<b>(10,003,776)</b>
<b>Financing activities</b>			
Capital grants received		1,256,809	2,343,311
Repayment of Loan		-	(579,659)
Loan received		115,000	921,266
<b>Net cash from financing activities</b>		<b>1,371,809</b>	<b>2,684,918</b>
Net increase/(decrease) in cash and cash equivalents		3,503,546	(4,584,201)
Cash and cash equivalents, beginning of the period/year		<b>8,173,042</b>	<b>12,757,243</b>
Cash and cash equivalents, end of the period/year	9(b)	<b>11,676,588</b>	<b>8,173,042</b>

The notes on pages 10 to 29 form an integral part of these financial statements.

## Irrigation Authority

### Statement of changes in equity for the period of six months ended 31 December 2009

	Capital Grants Rs	Accumulated deficits Rs	Total Rs
At 01 July 2009	757,299,948	(491,447,749)	265,852,199
Additions	1,256,809	-	1,256,809
Transfer from capital grants to accumulated deficits	(8,709,512)	8,709,512	-
Total deficits for the period	-	(13,301,700)	(13,301,700)
At 31 Dec 2009	<b>749,847,245</b>	<b>(496,039,937)</b>	<b>253,807,308</b>
At 01 July 2008 (as previously stated)	772,452,698	(457,518,894)	314,933,804
Prior year adjustment	(1,266,598)	-	(1,266,598)
At 1 July 2008 (as restated)	771,186,100	(457,518,894)	313,667,206
Additions	2,343,311	-	2,343,311
Transfer from capital grants to accumulated deficits	(16,229,463)	16,229,463	-
Total deficit for the year	-	(50,158,318)	(50,158,318)
At 30 June 2009	757,299,948	(491,447,749)	265,852,199

The notes on pages 10 to 29 form an integral part of these financial statements.



# Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

---

## 1. General information

The Irrigation Authority (the Authority) is a para-statal body under the aegis of the Ministry of Agro – Industry & Food Security, set up by the Irrigation Authority Act 1978 and having office in the Republic of Mauritius. The address of its registered office is 5<sup>th</sup> floor, Fon Sing Building, 12, Edith Cavell Street, Port Louis.

The Irrigation Authority carries out and manages irrigation projects in Mauritius.

The financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

## 2. Standards, amendments and interpretations to existing standards adopted and those that are not yet effective and have not been adopted early by Irrigation Authority

### (a) New and amended standards adopted by the Authority

The Authority has adopted the following new and amended IFRSs as of 1 January 2009:

IFRS 7 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009.

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

IAS 1 (revised). 'Presentation of financial statements' – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard.

IFRS 2 (amendment), 'Share-based payment' (effective 1 January 2009) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

The Company previously recognised all borrowing costs as an expense immediately. This change in accounting policy was due to the adoption of IAS 23, 'Borrowing costs' (2007) in accordance with the transition provisions of the standard; comparative figures have not been restated. The change in accounting policy had no material impact on earnings per share. The amendment does not have a material impact on the financial statements.

### (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Authority

The following standards and amendments to existing standards have been published and are mandatory for the accounting periods beginning on or after 1 January 2010 or later periods, but the Authority has not early adopted them:



# Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

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## 2. Standards, amendments and interpretations to existing standards adopted and those that are not yet effective and have not been adopted early by Irrigation Authority (Cont'd)

- (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company (Cont'd)

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation is part of the IASB's annual improvements project published in April 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The Authority will apply IFRIC 17 from 1 January 2010. It is not expected to have a material impact on the financial statements.

IAS 27 (revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Authority will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 January 2010, to the extent it is applicable to the Authority.

IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Company will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010, if applicable to the Authority.

IAS 38 (amendment), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009 and the Authority will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the financial statements.

IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The Authority will apply IFRS 5 (amendment) from 1 January 2010. It is not expected to have a material impact on the financial statements.

## **Irrigation Authority**

Notes to the financial statements

For the period of six months ended 31 December 2009

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**2. Standards, amendments and interpretations to existing standards adopted and those that are not yet effective and have not been adopted early by Irrigation Authority (Cont'd)**

- (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Authority (Cont'd)

IAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Authority will apply IAS 1 (amendment) from 1 January 2010. It is not expected to have a material impact on the financial statements.

IFRS 2 (amendments), 'Group cash-settled and share-based payment transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The new guidance is not expected to have a material impact on the financial statements.

**3. Summary of accounting policies**

**3.1 Overall considerations**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

**3.2 Financial instruments**

**Recognition, initial measurement and de-recognition**

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, where appropriate.



# **Irrigation Authority**

Notes to the financial statements

For the period of six months ended 31 December 2009

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## **3. Summary of accounting policies (Cont'd)**

### **3.2 Financial instruments (Cont'd)**

#### **Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into loans and receivables.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

All income and expenses relating to financial assets that are recognised in the statement of operations are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Authority's cash and bank balances, trade and most of its receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

#### **Classification and subsequent measurement of financial liabilities**

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

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within 'finance costs'.

### **3.3 Foreign currencies**

#### **Functional and presentation currency**

The financial statements are presented in Mauritian rupees (MUR or Rs), which is also the functional currency of the Authority.

# Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

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## 3. Summary of accounting policies (Cont'd)

### 3.3 Foreign currencies (Cont'd)

#### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of operations.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### 3.4 Property, plant and equipment

Property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight line method to write down the cost of assets, to their residual values over their estimated useful lives as follows:

Operational Irrigation Projects Developed	2%
Buildings	5%
Furniture and Equipment	10%
Electronic Equipment	25%
Motor vehicles	20%
Irrigation Equipment	10%

The estimated useful lives are reviewed at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of operations. All repairs and maintenance are expensed during the financial period in which they are incurred.

### 3.5 Intangible assets

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

### 3.6 Development expenditure

Development expenditure on projects is recognised to the extent that such expenditure is expected to have future benefits. Upon completion of the projects, the full amount is transferred to property, plant and equipment and is depreciated accordingly. Otherwise, the full cost is written off in the statement of operations.



# Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

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## 3. Summary of accounting policies (Cont'd)

### 3.7 Trade receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of operations.

### 3.8 Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into MUR using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

### 3.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Net realisable value is the estimate of the selling price in the ordinary course of business less any applicable selling expenses. Where necessary, provision is made for obsolete and slow moving inventories.

### 3.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of operations over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Authority has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### 3.11 Revenue recognition

Revenues are recognised upon delivery of services and customer acceptance, net of tax, allowances and discounts.

Other income is recognised in the statement of operations on a receipt basis.

Interest income is recognised on an accrual basis, unless collectability is in doubt.

### 3.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at bank, net of bank overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### 3.13 Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. Timing or amount of the outflow may still be uncertain.

All known risks at reporting date are reviewed in detail and provision is made where necessary.



# **Irrigation Authority**

Notes to the financial statements

For the period of six months ended 31 December 2009

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## **3. Summary of accounting policies (Cont'd)**

### **3.14 Employee benefits**

#### **(i) Pension and retirement scheme**

The Authority contributes to the National Savings Fund and National Pension Scheme for its employees.

The retirement benefits in respect of employment legislation are recognised when disbursed.

#### **(ii) National Pension Scheme**

Contributions to the National Pension Scheme are expensed in the period in which they fall due.

### **3.15 Impairment of assets**

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

### **3.16 Expense recognition**

All expenses are accounted for on an accrual basis.

### **3.17 Capital grants**

Grants are received to finance development and capital expenditure are credited to Capital Grants Account. A portion of the grants is released to the accumulated deficits and which represent the aggregate amount of:

- a) Depreciation on assets acquired out of grants received from capital expenditure, and
- b) The amount of development expenditure amortised, if any.

Revenue grants received to finance operating expenses are credited to the statement of operations of the period to which they relate.

Accumulated deficits include all current and prior year's results.

### **3.18 Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

### **3.19 Significant management judgement in applying accounting policies**

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### **Significant management judgement**

There was no significant management judgement made in the preparation of the financial statements during the period under review.

# Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

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## 3. Summary of accounting policies (Cont'd)

### 3.19 Significant management judgement in applying accounting policies (Cont'd)

#### *Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### *Useful lives of depreciable assets*

The Authority reviews the estimated useful lives of its depreciable assets at each reporting date. At 31 December 2009, the board members considered that useful lives represent the expected utility of the assets of the Authority. The carrying amounts are analysed in Notes 4 and 6.

#### *Inventories*

The Authority estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future change in types of spare parts and other materials or other market-driven changes that may reduce future selling prices.

## Irrigation Authority

Notes to the financial statements  
For the period of six months ended 31 December 2009

### 4. Property, plant and equipment

	Operational Irrigation Projects Developed	Motor vehicles	Land & Building	Furniture & Equipment	Electronic Equipment	Irrigation Equipment	Total
COST	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 01 Jul 2008	729,606,565	9,725,083	4,517,990	12,872,419	216,181	96,553,676	853,491,914
Prior year adjustment: Reclassification from development expenditure	17,091,549	-	-	-	-	-	17,091,549
Additions during the year	-	1,174,500	-	38,901	318,198	271,911	1,803,510
At 1 July 2009	746,698,114	10,899,583	4,517,990	12,911,320	534,379	96,825,587	872,386,973
Additions during the period	4,473,500	-	-	-	46,000	782,434	5,301,934
At 31 Dec 2009	751,171,614	10,899,583	4,517,990	12,911,320	580,379	97,608,021	877,688,907
DEPRECIATION							
At 01 July 2008	129,390,989	6,535,638	2,374,643	10,137,653	167,023	93,648,950	242,254,896
Prior year adjustment	1,266,598	-	-	-	-	-	1,266,598
Charge for the year	14,932,514	1,198,501	111,054	543,923	58,412	1,118,772	17,963,176
At 1 July 2009	145,590,101	7,734,139	2,485,697	10,681,576	225,436	94,767,722	261,484,670
Charge for the period	7,481,893	645,303	55,527	263,454	53,673	1,141,128	9,640,978
At 31 Dec 2009	153,071,994	8,379,442	2,541,224	10,945,030	279,108	95,908,850	271,125,648
NET BOOK VALUES							
At 31 Dec 2009	598,099,620	2,520,141	1,976,766	1,966,290	301,271	1,699,171	606,563,259
At 30 June 2009 (restated)	601,108,013	3,165,444	2,032,393	2,229,744	308,943	2,057,865	610,902,302



# Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

## 5. Development expenditure

	Dec 2009	Jun 2009
	Rs	Rs
At 01 July	184,394,657	193,285,940
Additions during the period/year	2,528,243	8,200,266
Transfer from property, plant and equipment	(4,473,500)	(17,091,549)
At end of the period/year	182,449,400	184,394,657
Made up on follows:		
NPIP Phase II	60,601,866	61,564,706
NPIP BLK II – SOTRAVIC	121,423,319	118,334,506
Contract NPIP-PH II/GAZET/IPU	424,215	4,495,445
	182,449,400	184,394,657

## 6. Intangible Assets

### Computer Software

	Dec 2009	Jun 2009
	Rs	Rs
<b>Cost</b>		
At 01 July	4,468,284	4,468,284
At end of the period/year	4,468,284	4,468,284
<b>Accumulated Amortisation</b>		
At 01 July	4,433,122	4,397,961
Amortisation for the period/year	17,581	35,161
At end of the period/year	4,450,703	4,433,122
<b>Net Book Value</b>		
At end of the period/year	17,581	35,162

## 7. Inventories

	Dec 2009	Jun 2009
	Rs	Rs
Spare parts & materials	988,580	940,710
Stationery	223,821	242,371
Gas Oil	102,700	116,112
	1,315,101	1,299,193

## Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

### 8. Trade and other receivables

	Dec 2009	Jun 2009
	Rs	Rs
Trade receivables	28,603,784	27,200,116
Other receivables	3,386,739	3,704,705
	<b>31,990,523</b>	<b>30,904,821</b>

- (i) No interest is charged on trade receivables for overdue balances.
- (ii) Analysis of trade receivables at 31 Dec 2009 are as follows:

	Dec 2009	Jun 2009
	Rs	Rs
Not past due	28,603,783	27,200,116
Past due but not impaired	-	-
Total trade receivables	<b>28,603,783</b>	<b>27,200,116</b>

The Company does not require collateral in respect of its trade and other receivables.

- (iii) The carrying amount of trade and other receivables is considered to be a reasonable approximation of the fair value.

### 9. Notes to the statement of cash flows

#### (a) Cash generated from operations

Reconciliation of deficit to cash generated from operations:

	For the period ended Dec 2009	For the year ended Jun 2009
	Rs	Rs
Deficit for the period/year	<b>(13,301,700)</b>	(50,158,318)
Adjustments for:		
Depreciation	<b>9,640,978</b>	17,963,176
Amortisation	<b>17,581</b>	35,161
Interest income	<b>(322,195)</b>	(758,782)
Loss on exchange	<b>(649,870)</b>	784,330
Interest paid	<b>2,299,715</b>	110,918
<b>Changes in working capital:</b>		
Changes in inventories	<b>(15,908)</b>	181,874
Changes in trade and other receivables	<b>(1,085,701)</b>	(6,916,900)
Changes trade and other payables	<b>11,077,968</b>	40,845,334
Cash generated from operations	<b>7,660,868</b>	2,086,793

# Irrigation Authority

Notes to the financial statements  
For the period of six months ended 31 December 2009

## 9. Notes to the statement of cash flows (Cont'd)

### (b) Cash and cash equivalents

	Dec 2009	Jun 2009
	Rs	Rs
Cash in hand and at bank	16,732,884	17,151,842
Bank overdraft	(5,056,296)	(8,978,800)
	<b>11,676,588</b>	<b>8,173,042</b>

## 10. Capital grants

	Dec 2009	Jun 2009
	Rs	Rs
European Union - M1 Pipeline	140,899,748	140,899,748
NPIP Stage II Design	1,707,220	1,707,220
RDU Projects Design	300,000	300,000
Pilot & Plaisance (N) Project's Assets	11,100,790	11,100,790
USAID for Small Scale Project	2,000,000	2,000,000
Souvenir Drip Project	32,271,281	32,271,281
Australian Government	3,137,941	3,137,941
Western Coast Drip Irrigation (Magenta Project)	127,619,356	127,619,356
Other Grants, Cressonville and Riche Lieu	12,283,743	12,283,743
NPIP Stage I & Extension (including road surfacing)	322,674,161	321,417,352
Belle Mare Projects	13,522,843	13,522,843
Riviere du Rempart	50,093,665	50,093,665
Solitude	46,869,121	46,869,121
St Felix	41,869,081	41,869,081
Bel Ombre Projects	2,158,152	2,158,152
Calebasses	886,424	886,424
Pointe aux Piments	10,960,895	10,960,895
AMS Projects	58,676,327	58,676,327
Drilling rig	9,140,550	9,140,550
Improvement/rehabilitation under rural development program	799,479	799,479
Western Coast tapping borehole to filtration	266,572	266,572
Trou D'eau Douce	623,632	623,632
Massilia Canal	26,115,964	26,115,964
Grant IFAD	89,373,273	89,373,273
Grant IFAD -consultancy services	1,585,584	1,585,584
Grant for dripper lines	1,651,713	1,651,713
Grant VEH/ACC/2005/0/R	2,646,800	2,646,800
	<b>1,011,234,315</b>	<b>1,009,977,506</b>



# Irrigation Authority

Notes to the financial statements  
For the period of six months ended 31 December 2009

## 10. Capital grants (Cont'd)

	Dec 2009 Rs	Jun 2009 Rs
<b><i>Amortisation</i></b>		
At start of the period/year	252,677,558	235,181,497
Prior year adjustment	-	1,266,598
Transfer to accumulated deficits	8,709,512	16,229,463
	<b>261,387,070</b>	<b>252,677,558</b>
At end of the period/year	<b>749,847,245</b>	<b>757,299,948</b>
	Dec 2009 Rs	Jun 2009 Rs
<b><i>Summary of Grants</i></b>		
At start of the period/year	757,299,948	772,452,698
Prior year adjustment	-	(1,266,598)
Additions during the period/year	1,256,809	2,343,311
Transfer to accumulated deficits	(8,709,512)	(16,229,463)
At end of the period/year	<b>749,847,245</b>	<b>757,299,948</b>

## 11. Borrowings

	Dec 2009 Rs	Jun 2009 Rs
<b><i>Non-current Liabilities</i></b>		
Commonwealth Development Corporation (CDC) (Note (a) below)	18,474,096	18,474,096
Government Loans (Note (b) below)	27,840,099	38,574,493
African Development Bank (Note (e) below)	7,968,485	7,853,485
	<b>54,282,680</b>	<b>64,902,074</b>
	Dec 2009 Rs	Jun 2009 Rs
<b><i>Current Liabilities</i></b>		
Commonwealth Development Corporation (CDC) (Note (a) below)	16,379,787	16,379,786
Agence Francaise De Development (AFD) (Note (c) below)	17,184,108	18,028,912
Government Loans (Note (b) below)	165,004,798	154,270,403
	<b>198,568,693</b>	<b>188,679,101</b>

- (a) **Commonwealth Development Corporation (CDC)**  
The rate of interest on the Commonwealth Development Corporation (CDC) loan is 6.5% per annum.
- (b) **Government Loans**  
The rate of interest on the Government loan is 2%.
- (c) **Agence Francaise De Development (AFD)**  
The rate of interest on the Agence Francaise De Development loan is 4.5% and represents a foreign currency loan of Euro 387,169.
- (d) **Loan from Development Bank of Mauritius (DBM)**  
The rate of interest on the BM loan is 9.5% payable half yearly on an amount of Rs 5M for the purchase of Drilling Rig.
- (e) **African Development Bank (ADB)**  
The rate of interest on the African Development Bank loan is 4.1%.

## Irrigation Authority

Notes to the financial statements  
For the period of six months ended 31 December 2009

### 12. Trade and other payables

	Dec 2009	Jun 2009
	Rs	Rs
Other payables	302,729,393	291,593,284
Accruals	24,624,378	24,682,519
	<b>327,353,771</b>	<b>316,275,803</b>

- (i) The average credit period for local and foreign payables ranges from 15 to more than 90 days. Interest is accrued on part of trade payables for overdue balances. The Authority has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.
- (ii) The carrying amount of trade and other payables is considered to be a reasonable approximation of the fair value.

### 13. Administrative & other operating expenses

	Dec 2009	Jun 2009
	Rs	Rs
Salaries, wages & staff related costs	41,905,506	82,195,286
Motor vehicles running expenses	1,172,385	3,247,740
Repairs & maintenance of equipment	2,905,626	2,653,335
Insurance	191,370	748,102
Fees & subscriptions	28,498	51,483
Utilities	1,153,778	2,687,528
Advertising expenses	76,498	219,619
Office rent, rates and taxes	1,740,007	4,114,634
Printing, postages and stationery	185,078	956,683
Donations & charity	-	9,750
Management & administration fees	185,172	326,644
Security expenses	774,710	1,524,377
Legal & professional fees	387,182	1,003,082
Stamp duty	49,320	78,776
Bank charges	87	13,701
Travelling expenses	21,000	39,500
Provision for bad debts	545,253	1,234,429
Water charges	9,416,221	30,225,047
General expenses	9,416	147,069
Training & workshops	5,500	-
	<b>60,752,607</b>	<b>131,476,785</b>

### 14. Operating deficit is arrived after charging for:

	For the period ended	For the year ended
	31 Dec 2009	30 Jun 2009
	Rs	Rs
Depreciation of property, plant and equipment	9,640,978	17,963,176
Amortisation of intangible assets	17,581	35,161
Auditors' remuneration	17,250	17,250

# Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

## 14. Operating deficit is arrived after charging for:

### (a) Board's Expenses

	For the period ended 31 Dec 2009 Rs	For the year ended 30 Jun 2009 Rs
Part time Board Members	185,172	326,644

### (b) Analysis of staff costs (excluding directors' emoluments)

	For the period ended 31 Dec 2009 Rs	For the year ended 30 Jun 2009 Rs
Wages and salaries	41,605,274	81,472,725
Social security and other related costs	300,232	722,561
	41,905,506	82,195,286
	Number	Number
Number of employees at the period/year end:	305	297

## 15. Finance income

	For the period ended 31 Dec 2009 Rs	For the year ended 30 Jun 2009 Rs
Interest on bank savings accounts	170,890	405,740
Interest on staff car loans	151,305	353,042
	322,195	758,782

## 16. Finance costs

	For the period ended 31 Dec 2009 Rs	For the year ended 30 Jun 2009 Rs
Government Loans	2,718,511	5,838,861
Commonwealth Development Corporation (CDC)	-	1,284,371
Agence Francaise De Development (AFD)	389,821	2,331,971
DBM Ltd	-	100,034
Other finance cost	3,385	10,884
	3,111,717	9,566,121



# Irrigation Authority

Notes to the financial statements  
For the period of six months ended 31 December 2009

## 17. Related-party transactions

Nature of relationship	Nature of transactions	Credit balances at 31 Dec 2009	Credit balances at 30 June 2009
		Rs	Rs
Government of Mauritius	Loans	192,844,897	192,844,897

The transactions were carried out at arm's length.

## 18. Financial instrument risk

### Risk management objectives and policies

The Authority's financial assets and financial liabilities by category are summarised below.

	Dec 2009 Rs	Jun 2009 Rs
<b>Financial assets</b>		
Trade and other receivables	31,990,523	30,904,821
Cash and cash equivalents	16,732,884	17,151,842
<b>Total financial assets</b>	<b>48,723,407</b>	<b>48,056,663</b>
<b>Financial liabilities</b>		
Bank overdraft	5,056,296	8,978,800
Trade and other payables	327,353,771	316,275,803
Borrowings	252,851,373	253,581,175
<b>Total financial liabilities</b>	<b>585,261,440</b>	<b>578,835,778</b>

The Authority's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance.

The Authority's risks are managed at the level of the Board. The Board is responsible for overseeing the establishment of effective risk management systems and the monitoring of internal compliance and controls. The implementation of the risk management systems and the management of risks within the Authority on a day-to-day basis are the responsibility of the General Manager.

### 18.1 Market risk

#### Foreign exchange risk

The Authority has financial assets and liabilities denominated in foreign currencies. Consequently, the Authority is exposed to the risk that the exchange rate of the MUR relative to those currencies may change in a manner which has a material effect on the reported values of the Authority's assets and liabilities which are denominated in those foreign currencies.

## Irrigation Authority

Notes to the financial statements  
For the period of six months ended 31 December 2009

### 18. Financial instrument risk (Cont'd)

#### 18.1 Market risk (Cont'd)

##### Foreign exchange risk (Cont'd)

The currency profile of the Authority's financial assets and liabilities is as follows:-

	Financial assets Dec 2009 Rs	Financial liabilities Dec 2009 Rs	Financial assets Jun 2009 Rs	Financial liabilities Jun 2009 Rs
Euro	3,497,101	34,090,858	4,157,908	35,357,843
MUR	44,919,943	551,170,582	34,919,955	534,499,135
Total	48,417,044	585,261,440	39,077,863	569,856,978

Prepayments of MUR 306,362 (June 2009: MUR 392,504) have not been included in the above financial assets.

##### Foreign currency sensitivity analysis

The Euro/MUR exchange rate for the period/year ended 31 Dec 2009 and 30 June 2009 were as shown below:

	Dec 2009 Rs	Jun 2009 Rs
EURO/MUR	44.38	46.56

The information below illustrates the sensitivity on the deficits and accumulated deficits in regards to the Authority's financial instruments and the EURO/MUR exchange rate, "all other things being equal".

It assumes a 5% percentage change in the Euro/MUR exchange rate for the period ended 31 Dec 2009. The sensitivity analysis is based on the Authority's foreign currency financial instruments held at each reporting date.

If the MUR had strengthened by 5%, deficit would have decreased by some Rs (1,610,198) at 31 December 2009 (June 2009: Rs 1,642,102). If the MUR had weakened by the same percentage, deficit would have increased by some Rs (1,456,846) (June 2009: Rs 1,485,711).

##### Interest rate risk

The Authority's policy is to minimise interest rate risk exposures on financial liabilities. The Authority is exposed to changes in market interest rates on its loans. However, the loans carry fixed interest rate and are therefore not exposed to changes in repo rate.

The exposure to interest rate on cash and bank balances is not considered significant.

# Irrigation Authority

Notes to the financial statements  
For the period of six months ended 31 December 2009

## 18. Financial instrument risk (Cont'd)

### 18.2 Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date, as summarised below:

Financial assets	Dec 2009 Rs	Jun 2009 Rs
Trade and other receivables	31,990,523	30,904,821
Cash and cash equivalents	16,732,884	17,151,842
	<b>48,723,407</b>	<b>48,056,663</b>

Credit risk refers to the risk that the counterparty fails to discharge an obligation of the Authority. The Authority has policies in place to deal with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Authority transacts with entities having good credit rating. The Authority continuously monitors defaults of customers and incorporates this information into its credit risk controls. The Authority's policy is to deal only with creditworthy counterparties.

Trade receivables consist of a large number of customers and an ongoing credit evaluation is performed on the financial condition of these customers.

The credit risk for cash and cash equivalents is considered negligible, since the Authority transacts with a reputable bank.

The carrying amount of financial assets recorded in the financial statements represents the Authority's maximum exposure to credit risk.

### 18.3 Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Ultimate responsibility for liquidity risk management rests with the Board who also monitors the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk by ensuring timely recovery of receivables by securing credit facilities from bank, and also obtaining financing from related parties.



## Irrigation Authority

Notes to the financial statements

For the period of six months ended 31 December 2009

### 18. Financial instrument risk (Cont'd)

#### 18.3 Liquidity risk (Cont'd)

The following are the contractual maturities of financial liabilities, including interest payments:

<b>31 Dec 2009</b>	<b>Carrying amount Rs</b>	<b>Less than one year Rs</b>	<b>1-5 years Rs</b>
<b>Liabilities</b>			
Bank overdraft	5,056,296	5,056,296	-
Borrowings	252,851,373	54,282,680	198,568,693
Trade and other payables	327,353,771	327,353,771	-
	<b>585,261,440</b>	<b>386,692,747</b>	<b>198,568,693</b>

<b>30 June 2009</b>	<b>Carrying amount Rs</b>	<b>Less than one year Rs</b>	<b>1-5 years Rs</b>
<b>Liabilities</b>			
Bank overdraft	8,978,800	8,978,800	-
Borrowings	253,581,175	64,902,074	188,679,101
Trade and other payables	316,275,803	-	316,275,803
	<b>578,835,778</b>	<b>73,880,874</b>	<b>504,954,904</b>

### 19. Capital risk management

The Authority's objectives when managing capital are to safeguard its ability to continue as a going concern.

The capital structure of the Authority consists of debts, cash and cash equivalents and capital grants.

#### Gearing ratio

The Authority's Board reviews the capital structure on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with the class of capital. The Authority monitors capital on the basis of the gearing ratio. This ratio is determined as the proportion of net debt to total capital.

	<b>Dec 2009 Rs</b>	<b>Jun 2009 Rs</b>
Debt (i)	<b>252,851,373</b>	253,581,175
Less: cash and cash equivalents	<b>(11,676,588)</b>	(8,173,042)
Net debt	<b>241,174,785</b>	245,408,133
Equity (ii)	<b>253,807,308</b>	265,852,198
Total capital	<b>494,982,093</b>	511,260,331
Gearing ratio	<b>0.49</b>	0.48

# **Irrigation Authority**

Notes to the financial statements  
For the period of six months ended 31 December 2009

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## **19. Capital risk management (Cont'd)**

### **Gearing ratio (Cont'd)**

- (i) Debt is defined as long-term borrowings, short-term borrowings and bank overdraft.
- (ii) Equity includes both grants and reserves.

## **20. Fair value estimation**

The Authority's financial assets and liabilities are measured at their carrying amounts which approximate their fair values.

## **21. Prior year adjustments**

This represents the adjustments made in the property, plant and equipment as previously it was wrongly classified as development expenditures.

## **22. Comparatives**

The comparatives in the financial statements cover the period from 1 July 2008 to 30 June 2009. They are, therefore, not comparable with those of the current period which cover the period from 1 July 2009 to 31 December 2009.





**IRRIGATION AUTHORITY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2010**



## **Irrigation Authority**

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## **Irrigation Authority**

### **Corporate data**

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**Chairman** : Mr Shivdut Bheechook

**General Manager** : Mr Chatta Hookoom

**Registered office** : 5<sup>th</sup> Floor, Fon Sing Building,  
12, Edith Cavell Street,  
Port Louis,  
Mauritius

**Auditors** : Crowe Horwath (Mur) Co  
*Member Crowe Horwath International*  
2<sup>nd</sup> Floor, Ebene Esplanade  
24 Cybercity,  
Ebene,  
Mauritius

**Banker** : The State Bank of Mauritius Ltd  
SBM Tower,  
1, Queen Elizabeth II Avenue,  
Port Louis,  
Mauritius

# Irrigation Authority

## Board's report

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The report together with the audited financial statements of **Irrigation Authority** (the "Authority"), for the year ended 31 December 2010, is presented to the Board.

### Incorporation

The Authority is a para-statal body under the aegis of the Ministry of Agro – Industry & Food Security, and was set up under the Irrigation Authority Act 1978 in Mauritius.

### Principal activity

The principal activity of the Authority is to carry out irrigation projects in Mauritius.

### Results and dividends

The results for the year are as shown on page 7.

### Directors

The present membership of the Board is set out on page 2.

### Board's responsibilities in respect of the financial statements

Company law requires the Board to prepare financial statements for each financial year which present fairly the financial position, financial performance and the cash flows of the Authority. The Board is also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Authority;
- disclose with reasonable accuracy at any time the financial position of the Authority; and
- would enable them to ensure that the financial statements comply with the International Financial Reporting Standards (IFRS) and with the requirements of the Statutory Bodies (Accounts and Audit) Act.

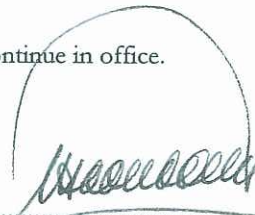
The Board confirms that they have complied with the above requirements in preparing the financial statements.

### Auditors

The auditors, **Crowe Horwath (Mur) Co.**, have indicated their willingness to continue in office.

  
.....  
**Mr Shivdutt Bheechook**  
Chairman

**30 OCT 2014**  
Date:.....

  
.....  
**Mr Chatta Hookoom**  
General Manager

## **Independent Auditors' Report To the Board of Irrigation Authority**

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We have carried out a special purpose audit on the accompanying financial statements of **Irrigation Authority** (the "Authority"), which comprise of the statement of financial position as at 31 December 2010, and the statement of operations, statement of changes in grants and earnings and statement of cash flows for the year then ended as set out on pages 6 to 9, and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 29.

### **Management responsibilities 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 in compliance with the requirements of the Statutory Bodies (Accounts and Audit) Act, and for designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also responsible for keeping proper accounting records and 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 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 Authority'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 Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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.



## **Independent Auditors' Report (Continued)**

### **To the Board of Irrigation Authority**

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#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31 December 2010, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Statutory Bodies (Accounts and Audit) Act.

#### **In forming our opinion, we report as follows:**

- We have no relationship with, or any interests in, the Authority other than in our capacity as auditors;
- We have obtained all the information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Authority as far as appears from our examination of those records.

*Crowe Horwath (Mur) Co.*

**Crowe Horwath (Mur) Co.**  
Public Accountants



**K.S. Sewraz, FCCA**  
Signing Partner  
Licensed by FRC

Date: 30 October 2014

Ebene, Mauritius

# Irrigation Authority

Statement of Financial Position

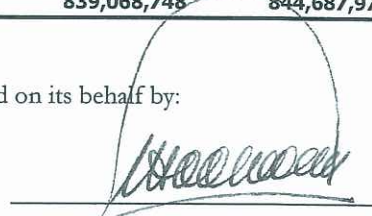
As at 31 December 2010

	Notes	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	709,438,106	606,563,259	610,902,302
Development expenditure	5	65,347,454	182,449,400	184,394,657
Intangible assets	6	-	17,581	35,162
<b>Total non-current assets</b>		<b>774,785,560</b>	<b>789,030,240</b>	<b>795,332,121</b>
<b>Current assets</b>				
Inventories	7	1,480,151	1,315,101	1,299,193
Trade and other receivables	8	55,545,444	31,990,523	30,904,821
Cash and cash equivalents	9(b)	14,484,300	16,732,884	17,151,842
<b>Total current assets</b>		<b>71,509,895</b>	<b>50,038,507</b>	<b>49,355,856</b>
<b>Total assets</b>		<b>846,295,455</b>	<b>839,068,748</b>	<b>844,687,977</b>
<b>Financed by:</b>				
<b>CAPITAL GRANTS AND LIABILITIES</b>				
Capital grants	10	743,508,919	749,847,245	757,299,948
Accumulated deficits		(550,833,773)	(496,039,937)	(491,447,749)
<b>Total capital grants</b>		<b>192,675,146</b>	<b>253,807,308</b>	<b>265,852,199</b>
<b>Non-current liability</b>				
Borrowings	11	234,450,137	54,282,680	64,902,074
<b>Total non-current liability</b>		<b>234,450,137</b>	<b>54,282,680</b>	<b>64,902,074</b>
<b>Current liabilities</b>				
Borrowings	11	53,676,873	198,568,693	188,679,101
Bank overdraft	9(b)	4,692,136	5,056,296	8,978,800
Trade and other payables	12	360,801,163	327,353,771	316,275,803
<b>Total current liabilities</b>		<b>419,170,172</b>	<b>530,978,760</b>	<b>513,933,704</b>
<b>Total liabilities</b>		<b>653,620,309</b>	<b>585,261,440</b>	<b>578,835,778</b>
<b>Total capital grants and liabilities</b>		<b>846,295,455</b>	<b>839,068,748</b>	<b>844,687,977</b>

Approved by the Board members on 30 OCT. 2014 and signed on its behalf by:



Mr Shivdutt Bheechook  
Chairman



Mr Chatta Hookoom  
General Manager

The notes on pages 10 to 29 form an integral part of these financial statements.

# Irrigation Authority

## Statement of operations

For the year ended 31 December 2010

		For the year ended 31 Dec 2010 MUR	For the 6 months period ended 31 Dec 2009 MUR
	Notes		
Revenue grants		85,513,557	46,804,237
Irrigation dues		28,083,768	10,805,587
		<b>113,597,325</b>	<b>57,609,824</b>
Other income		3,675,350	827,292
		117,272,675	58,437,116
Administrative & other operating expenses	<b>13</b>	(160,489,110)	(60,752,607)
Depreciation		(19,003,622)	(9,640,978)
Amortisation		(17,581)	(17,581)
<b>Operating deficit for the year / period</b>	<b>14</b>	<b>(62,237,638)</b>	<b>(11,974,049)</b>
Finance income	<b>15</b>	413,769	322,195
Finance costs	<b>16</b>	(8,925,782)	(3,111,717)
Foreign exchange gain		718,205	1,461,872
<b>Deficit for the year / period</b>		<b>(70,031,446)</b>	<b>(13,301,700)</b>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive loss for the year / period</b>		<b>(70,031,446)</b>	<b>(13,301,700)</b>

The notes on pages 10 to 29 form an integral part of these financial statements.



# Irrigation Authority

## Statement of Cash Flows

For the year ended 31 December 2010

		For the year ended 31 Dec 2010	For the 6 months period ended 31 Dec 2009
	Notes	MUR	MUR
<b>Operating activities</b>			
Cash (used in)/generated from operations	9(a)	(41,296,025)	7,660,868
Interest received		413,769	322,195
Interest paid		(1,566,932)	(1,510,563)
<b>Net cash flow (used in)/generated from operating activities</b>		<b>(42,449,188)</b>	<b>6,472,500</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(3,543,965)	(828,434)
Development expenditure		(1,232,560)	(3,512,329)
<b>Net cash used in investing activities</b>		<b>(4,776,525)</b>	<b>(4,340,763)</b>
<b>Financing activities</b>			
Capital grants received		8,899,289	1,256,809
Loan received		36,442,000	115,000
<b>Net cash generated from financing activities</b>		<b>45,341,289</b>	<b>1,371,809</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,884,424)</b>	<b>3,503,546</b>
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents, beginning of the year / period		<b>11,676,588</b>	<b>8,173,042</b>
Cash and cash equivalents, end of the year / period	9(b)	<b>9,792,164</b>	<b>11,676,588</b>

The notes on pages 10 to 29 form an integral part of these financial statements.

# Irrigation Authority

Statement of changes in grants and earnings for the year ended 31 December 2010

	Capital Grants MUR	Accumulated deficits MUR	Total MUR
<b>At 1 January 2010</b>	<b>749,847,245</b>	<b>(496,039,937)</b>	<b>253,807,308</b>
<b>Additions</b>	<b>8,899,284</b>	<b>-</b>	<b>8,899,284</b>
<b>Release from capital to reserves</b>	<b>(15,237,610)</b>	<b>15,237,610</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(70,031,446)</b>	<b>(70,031,446)</b>
<b>At 31 December 2010</b>	<b>743,508,919</b>	<b>(550,833,773)</b>	<b>192,675,146</b>
At 1 July 2009	757,299,948	(491,447,749)	265,852,199
Additions	1,256,809	-	1,256,809
Release from capital to reserves	(8,709,512)	8,709,512	-
Total comprehensive loss for the period	-	(13,301,700)	(13,301,700)
At 31 December 2009	749,847,245	(496,039,937)	253,807,308
At 1 July 2008 (as previously stated)	772,452,698	(457,518,894)	314,933,804
Prior year adjustment	(1,266,598)	-	(1,266,598)
At 1 July 2008 (as restated)	771,186,100	(457,518,894)	313,667,206
Additions	2,343,311	-	2,343,311
Release from capital to reserves	(16,229,463)	16,229,463	-
Total deficit for the year	-	(50,158,318)	(50,158,318)
At 30 June 2009	757,299,948	(491,447,749)	265,852,199

The notes on pages 10 to 29 form an integral part of these financial statements.



# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

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## 1. General information

The Irrigation Authority (the "Authority") is a para-statal body under the aegis of the Ministry of Agro – Industry & Food Security, set up by the Irrigation Authority Act 1978 and having office in the Republic of Mauritius. The address of its registered office is 5<sup>th</sup> floor, Fon Sing Building, 12, Edith Cavell Street, Port Louis. The Authority carries out and manages irrigation projects in Mauritius.

The financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

## 2. Changes in accounting policies and disclosures

### (i) New and amended standards adopted by the Authority

The accounting policies adopted are consistent with those of the previous financial period except for the following new and amended IFRS's and IFRIC interpretations, which were effective for annual periods beginning on and after 1 January 2010 and which would not have any significant effect on the financial statements:

*LAS 1 (amendment), 'Presentation of financial statements'*: The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

*IFRS 5 (amendment) Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements issued in 2009)*. The amendments to IFRS 5 clarify that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those IFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and the disclosures are not already provided in the financial statements.

*IFRS 3 Business Combinations (Revised) and LAS 27 Consolidated and Separate Financial Statements (Amended)*: IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages.

*LAS 27 (revised)* requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in the statement of comprehensive income. IAS 27 (revised) has had no impact on the current period, as there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

*LAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items*. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Authority has concluded that the amendment will have no impact on the financial position or performance of the Authority, as it has not entered into any such hedges.



# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

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## 2. Changes in accounting policies and disclosures (Continued)

### (i) New and amended standards adopted by the Authority (Continued)

*IFRIC 17 Distribution of Non-cash Assets to Owners:* This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either, the financial position or performance of the Authority.

*IFRS 8 Operating Segments:* It clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

*IAS 7 Statement of Cash Flows:* It states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.

*IAS 36 Impairment of Assets:* The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Authority:

IFRS 2	Share-based Payment
IAS 17	Leases
IAS 34	Interim Financial Reporting
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 16	Hedge of a Net Investment in a Foreign Operation

### (ii) Standards, amendments and interpretation to existing standards not yet effective

Standards issued but not yet effective up to the date of issuance of the Authority's financial statements are listed below. This listing is of standards and interpretations issued, which the Authority reasonably expects to be applicable at a future date. The Authority intends to adopt those standards when they become effective.

*IAS 24 Related Party Disclosures (Amendment):* The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduced a partial exemption of disclosure requirements for government related entities. The Authority does not expect any impact on its financial position or performance.

*IAS 32 Financial Instruments: Presentation — Classification of Rights Issues:* The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and changed the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Authority after initial application.

*IFRS 7 Financial instruments: Disclosures (Amendment):* The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the Authority's financial position or performance.

# Irrigation Authority

Notes to the financial statements  
For the year ended 31 December 2010

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## 2. Changes in accounting policies and disclosures (Continued)

(ii) *Standards, amendments and interpretation to existing standards not yet effective (Continued)*

*IFRS 9 Financial Instruments: Classification and Measurement:* IFRS 9 as issued reflects the first phase of the IASB Board's work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2018.

*IFRIC 14 Prepayments of a minimum funding requirement (Amendment):* The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Authority.

*IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments:* IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case this cannot be reliably measured, they are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in the statement of comprehensive income. The adoption of this interpretation will have no effect on the financial statements of the Authority.

*Improvements to IFRSs (issued in May 2010)*

The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments listed below have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011.

IFRS 3	Business Combinations
IFRS 7	Financial Instruments: Disclosures
IAS 1	Presentation of Financial Statements
IAS 27	Consolidated and Separate Financial Statements
IFRIC 13	Customer Loyalty Programmes

The Authority, however, expects no impact from the adoption of the amendments on its financial position or performance.

## 3. Summary of accounting policies

### 3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

### 3.2 Financial instruments

#### Recognition, initial measurement and de-recognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.



# **Irrigation Authority**

Notes to the financial statements

For the year ended 31 December 2010

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## **3. Summary of accounting policies (Continued)**

### **3.2 Financial instruments (Continued)**

#### **Recognition, initial measurement and de-recognition (Continued)**

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, where appropriate.

#### **Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into loans and receivables.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

All income and expenses relating to financial assets that are recognised in the statement of operations are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Authority's cash and bank balances, trade and most of its receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

#### **Classification and subsequent measurement of financial liabilities**

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

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within 'finance costs'.

### **3.3 Foreign currencies**

#### **Functional and presentation currency**

The financial statements are presented in Mauritian rupees (MUR or Rs), which is also the functional currency of the Authority.



# **Irrigation Authority**

Notes to the financial statements

For the year ended 31 December 2010

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## **3. Summary of accounting policies (Continued)**

### **3.3 Foreign currencies (Continued)**

#### **Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of operations.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### **3.4 Property, plant and equipment**

Property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight line method to write down the cost of assets, to their residual values over their estimated useful lives as follows:

Operational Irrigation Projects Developed	2%
Buildings	5%
Furniture and Equipment	10%
Electronic Equipment	25%
Motor vehicles	20%
Irrigation Equipment	10%

The estimated useful lives are reviewed at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of profit or loss and other comprehensive income. All repairs and maintenance are expensed during the financial year in which they are incurred.

### **3.5 Intangible assets**

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

### **3.6 Development expenditure**

Development expenditure on projects is recognised to the extent that such expenditure is expected to have future benefits. Upon completion of the projects, the full amount is transferred to property, plant and equipment and is depreciated accordingly. Otherwise, the full cost is written off in the statement of operations.

# **Irrigation Authority**

Notes to the financial statements

For the year ended 31 December 2010

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## **3. Summary of accounting policies (Continued)**

### **3.7 Trade receivables**

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of operations.

### **3.8 Trade payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into MUR using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

### **3.9 Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Net realisable value is the estimate of the selling price in the ordinary course of business less any applicable selling expenses. Where necessary, provision is made for obsolete and slow moving inventories.

### **3.10 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of operations over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Authority has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### **3.11 Revenue recognition**

Revenues are recognised upon delivery of services and customer acceptance, net of tax, allowances and discounts.

Other income is recognised in the statement of operations on a receipt basis.

Interest income is recognised on an accrual basis, unless collectability is in doubt.

### **3.12 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and at bank, net of bank overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### **3.13 Provisions**

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. Timing or amount of the outflow may still be uncertain. All known risks at reporting date are reviewed in detail and provision is made where necessary.



## **Irrigation Authority**

Notes to the financial statements

For the year ended 31 December 2010

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### **3. Summary of accounting policies (Continued)**

#### **3.14 Employee benefits**

##### **(i) Pension and retirement scheme**

The Authority contributes to the National Savings Fund and National Pension Scheme for its employees.

The retirement benefits in respect of employment legislation are recognised when disbursed.

##### **(ii) National Pension Scheme**

Contributions to the National Pension Scheme are expensed in the period in which they fall due.

#### **3.15 Impairment of assets**

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

#### **3.16 Expense recognition**

All expenses are accounted for on an accrual basis.

#### **3.17 Capital grants**

Grants are received to finance development and capital expenditure are credited to capital grants account. A portion of the grants is released to the statement of operations and which represent the aggregate amount of:

- a) Depreciation on assets acquired out of grants received from capital expenditure, and
- b) The amount of development expenditure amortised, if any.

Revenue grants received to finance operating expenses are credited to the statement of operations of the year to which they relate.

Retained earnings include all current and prior year's results.

#### **3.18 Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

#### **3.19 Significant management judgement in applying accounting policies**

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

##### **Significant management judgement**

There was no significant management judgement during the year under review.



# **Irrigation Authority**

Notes to the financial statements

For the year ended 31 December 2010

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## **3. Summary of accounting policies (Continued)**

### **3.19 Significant management judgement in applying accounting policies (Continued)**

#### **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### *Useful lives of depreciable assets*

The Authority reviews the estimated useful lives of its depreciable assets at each reporting date. At 31 December 2010, the board members considered that useful lives represent the expected utility of the assets of the Authority. The carrying amounts are analysed in Notes 4 and 6.

#### *Inventories*

The Authority estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future change in types of spare parts and other materials or other market-driven changes that may reduce future selling prices.

#### *Comparative figures*

The comparative figures in the financial statements relate to the 6-month period ended 31 December 2009 and for the year ended 30 June 2009. This is due to the application of the change in reporting date which were aligned with the calendar year.

# Irrigation Authority

Notes to the financial statements  
For the year ended 31 December 2010

## 4. Property, plant and equipment

	Operational Irrigation Projects Developed	Motor vehicles	Land & Building	Furniture & Equipment	Electronic Equipment	Irrigation Equipment	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR
<b>COST</b>							
At 1 July 2009	746,698,114	10,899,583	4,517,990	12,911,320	534,379	96,825,587	872,386,973
Additions	4,473,500	-	-	-	46,000	782,434	5,301,934
At 31 December 2009	751,171,614	10,899,583	4,517,990	12,911,320	580,379	97,608,021	877,688,907
Additions	118,443,199	963,950	2,394,788	13,455	63,079	-	121,878,471
<b>At 31 December 2010</b>	<b>869,614,813</b>	<b>11,863,533</b>	<b>6,912,778</b>	<b>12,924,775</b>	<b>643,458</b>	<b>97,608,021</b>	<b>999,567,378</b>
<b>DEPRECIATION</b>							
At 1 July 2009	145,590,101	7,734,139	2,485,697	10,681,576	225,436	94,767,722	261,484,671
Charge for the period	7,481,893	645,303	55,527	263,454	53,673	1,141,128	9,640,978
At 31 December 2009	153,071,994	8,379,442	2,541,224	10,945,030	279,109	95,908,850	271,125,649
Charge for the year	16,711,154	1,025,926	182,458	514,745	106,230	463,110	19,003,623
<b>At 31 December 2010</b>	<b>169,783,148</b>	<b>9,405,368</b>	<b>2,723,682</b>	<b>11,459,775</b>	<b>385,339</b>	<b>96,371,960</b>	<b>290,129,272</b>
<b>NET BOOK VALUES</b>							
<b>At 31 December 2010</b>	<b>699,831,665</b>	<b>2,458,165</b>	<b>4,189,096</b>	<b>1,465,000</b>	<b>258,119</b>	<b>1,236,061</b>	<b>709,438,106</b>
At 31 December 2009	598,099,620	2,520,141	1,976,766	1,966,920	301,270	1,699,171	606,563,259
At 30 June 2009	601,108,013	3,165,444	2,032,293	2,229,744	308,943	2,057,866	610,902,302

# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

## 5. Development expenditure

	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
At start	182,449,400	184,394,657	193,285,940
Additions	1,232,560	2,528,243	8,200,266
Transfer from property, plant and equipment	(118,334,506)	(4,473,500)	(17,091,549)
At end	65,347,454	182,449,400	184,394,657

	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
NPIP Phase II	60,601,866	60,601,866	61,564,706
NPIP BLK II – SOTRAVIC	3,336,313	121,423,319	118,334,506
Contract NPIP-PH II/GAZET/IPU	424,215	424,215	4,495,445
Desilting works to Dam	542,687	-	-
Contract for Palma Borehole No. BH 439	442,373	-	-
	65,347,454	182,449,400	184,394,657

## 6. Intangible Assets

### Computer Software

	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
<b>Cost</b>			
At start	4,468,284	4,468,284	4,468,284
Movement during the year / period	-	-	-
At end	4,468,284	4,468,284	4,468,284
<b>Accumulated Amortisation</b>			
At start	4,450,703	4,433,122	4,397,961
Amortisation for the year	17,581	17,581	35,161
At end	4,468,284	4,450,703	4,433,122
<b>Net Book Value</b>			
At end	-	17,581	35,162

## 7. Inventories

	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
Spare parts & materials	1,213,909	988,580	940,710
Stationery	193,131	223,821	242,371
Gas Oil	73,111	102,700	116,112
	1,480,151	1,315,101	1,299,193



## Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

### 8. Trade and other receivables

	Dec 2010	Dec 2009	Jun 2009
	MUR	MUR	MUR
Trade receivables	55,077,682	28,603,784	27,200,116
Other receivables	467,762	3,386,739	3,704,705
	55,545,444	31,990,523	30,904,821

- (i) No interest is charged on trade receivables for overdue balances.
- (ii) Analysis of trade receivables at 31 December 2010:

	Dec 2010	Dec 2009	Jun 2008
	MUR	MUR	MUR
Not past due	55,077,682	28,603,783	27,200,116
Past due but not impaired	-	-	-
Total trade receivables	55,077,682	28,603,783	27,200,116

The Authority does not require collateral in respect of its trade and other receivables.

- (iii) The carrying amount of trade and other receivables is considered to be a reasonable approximation of the fair value.

### 9. Notes to the statement of cash flows

#### (a) Cash generated from operations

Reconciliation of deficit to cash generated from operations:

	For the year ended	For the 6 months period ended
	31 Dec 2010	31 Dec 2009
	MUR	MUR
Deficit for the year / period	(70,031,446)	(13,301,700)
<i>Adjustments for:</i>		
Depreciation	19,003,622	9,640,978
Amortisation	17,581	17,581
Interest income	(413,769)	(322,195)
Loss on exchange	(1,129,373)	(649,870)
Interest paid	1,529,940	2,299,715
<i>Changes in working capital:</i>		
Increase in inventories	(165,050)	(15,908)
Increase in trade and other receivables	(23,554,922)	(1,085,701)
Increase trade and other payables	33,447,392	11,077,968
Cash generated/(used in) operations	(41,296,025)	7,660,868

# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

## 9. Notes to the statement of cash flows (Continued)

### (b) Cash and cash equivalents

	Dec 2010	Dec 2009	Jun 2009
	MUR	MUR	MUR
Cash in hand and at bank	<b>14,484,300</b>	16,732,884	17,151,842
Bank overdraft	<b>(4,692,136)</b>	(5,056,296)	(8,978,800)
	<b>9,792,164</b>	11,676,588	8,173,042

## 10. Capital grants

	Dec 2010	Dec 2009	Jun 2009
	MUR	MUR	MUR
European Union - M1 Pipeline	140,899,748	140,899,748	140,899,748
NPIP Stage II Design	1,707,220	1,707,220	1,707,220
RDU Projects Design	300,000	300,000	300,000
Pilot & Plaisance (N) Project's Assets	11,100,790	11,100,790	11,100,790
USAID for Small Scale Project	2,000,000	2,000,000	2,000,000
Souvenir Drip Project	32,271,281	32,271,281	32,271,281
Australian Government	3,137,941	3,137,941	3,137,941
Western Coast Drip Irrigation (Magenta Project)	127,619,356	127,619,356	127,619,356
Other Grants, Cressonville and Riche Lieu	12,283,743	12,283,743	12,283,743
NPIP Stage I & Extension (including road surfacing)	329,179,646	322,674,161	321,417,352
Belle Mare Projects	13,522,843	13,522,843	13,522,843
Riviere du Rempart	50,093,665	50,093,665	50,093,665
Solitude	46,869,121	46,869,121	46,869,121
St Felix	41,869,081	41,869,081	41,869,081
Bel Ombre Projects	2,158,152	2,158,152	2,158,152
Calebasses	886,424	886,424	886,424
Pointe aux Piments	10,960,895	10,960,895	10,960,895
AMS Projects	58,676,327	58,676,327	58,676,327
Drilling rig	10,149,829	9,140,550	9,140,550
Improvement/rehabilitation under rural development program	799,479	799,479	799,479
Western Coast tapping borehole to filtration	266,572	266,572	266,572
Trou D'eau Douce	843,629	623,632	623,632
Massilia Canal	26,115,964	26,115,964	26,115,964
Grant IFAD	89,373,273	89,373,273	89,373,273
Grant IFAD -consultancy services	1,585,584	1,585,584	1,585,584
Grant for dripper lines	2,816,236	1,651,713	1,651,713
Grant VEH/ACC/2005/0/R	2,646,800	2,646,800	2,646,800
	<b>1,020,133,599</b>	1,011,234,315	1,009,977,506

# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

## 10. Capital grants (Continued)

	Dec 2010	Dec 2009	Jun 2009
<i>Amortisation</i>	MUR	MUR	MUR
At start	261,387,070	252,677,558	235,181,497
Prior period adjustment	-	-	1,266,598
Release to statement of operations	15,237,610	8,709,512	16,229,463
	276,624,680	261,387,070	252,677,558
At end	743,508,919	749,847,245	757,299,948
	Dec 2010	Dec 2009	Jun 2009
<i>Summary of Grants</i>	MUR	MUR	MUR
At start	749,847,245	757,299,948	772,452,698
Prior period adjustment	-	-	(1,266,598)
Additions	8,899,284	1,256,809	2,343,311
Release to statement of operations	(15,237,610)	(8,709,512)	(16,229,463)
At end	743,508,919	749,847,245	757,299,948

## 11. Borrowings

	Dec 2010	Dec 2009	Jun 2009
	MUR	MUR	MUR
<i>Non-current</i>			
Commonwealth Development Corporation (CDC) (Note (a) below)	17,748,804	18,474,096	18,474,096
Government Loans (Note (b) below)	172,327,840	27,840,099	38,574,493
African Development Bank (Note (d) below)	7,931,493	7,968,485	7,853,485
Ministry Of Finance & Economic Development (Note (e) below)	36,442,000	-	-
<b>Total non-current</b>	<b>234,450,137</b>	<b>54,282,680</b>	<b>64,902,074</b>
<i>Current</i>			
Commonwealth Development Corporation (CDC) (Note (a) below)	17,105,079	16,379,787	16,379,786
Agence Francaise De Development (AFD) (Note (c) below)	16,054,736	17,184,108	18,028,912
Government Loans (Note (b) below)	20,517,058	165,004,798	154,270,403
<b>Total current</b>	<b>53,676,873</b>	<b>198,568,693</b>	<b>188,679,101</b>
<b>Total borrowings</b>	<b>288,127,010</b>	<b>252,851,373</b>	<b>253,581,175</b>

### (a) Commonwealth Development Corporation (CDC)

The rate of interest on the Commonwealth Development Corporation (CDC) loan is 6.5% per annum.

### (b) Government Loans

The rate of interest on the Government loan is 2%.

### (c) Agence Francaise De Development (AFD)

The rate of interest on the Agence Francaise De Development loan is 4.5% and represents a foreign currency loan of Euro 387,169.

### (d) African Development Bank (ADB)

The rate of interest on the African Development Bank loan is 4.1%.

### (e) Loan from Ministry of Finance & Economic Development

The rate of interest on the Government of Mauritius – Ministry of Finance & Economic Development loan is based on prevailing repo rate of Repo Rate of 5.75% per annum using simple rate of calculation of 6 months prior to the date of any instalment.



# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

## 12. Trade and other payables

	Dec 2010	Dec2009	Jun 2009
	MUR	MUR	MUR
Other payables	331,831,255	302,729,393	291,593,284
Accruals	28,969,908	24,624,378	24,682,519
	<b>360,801,163</b>	<b>327,353,771</b>	<b>316,275,803</b>

- (i) The average credit period for local and foreign payables ranges from 15 to more than 90 days. Interest is accrued on part of trade payables for overdue balances. The Authority has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.
- (ii) The carrying amount of trade and other payables is considered to be a reasonable approximation of the fair value.

## 13. Administrative & other operating expenses

	For the year ended 31 Dec 2010	For the 6 months period ending 31 Dec 2009
	MUR	MUR
Salaries, wages & staff related costs	83,115,298	41,905,506
Motor vehicles running expenses	3,118,231	1,172,385
Repairs & maintenance of equipment	2,010,319	2,905,626
Insurance	1,264,518	191,370
Fees & subscriptions	60,751	28,498
Utilities	2,366,002	1,153,778
Advertising expenses	217,039	76,498
Office rent, rates and taxes	5,117,104	1,740,007
Printing, postages and stationery	583,176	185,078
Donations & charity	4,500	-
Management & administration fees	243,338	185,172
Security expenses	1,546,282	774,710
Legal & professional fees	909,411	387,182
Stamp duty	31,070	49,320
Bank charges	-	87
Travelling expenses	66,540	21,000
Provision for bad debts	1,404,726	545,253
Water charges	21,691,484	9,416,221
General expenses	230,781	9,416
Training & workshops	66,540	5,500
Fine & Penalty (Note (a) below)	36,442,000	-
	<b>160,489,110</b>	<b>60,752,607</b>

- (a) The payment of fine and penalty relates to a payment made to Sotravic Ltd following a Court ruling against the Irrigation Authority.

# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

## 14. Operating deficit is arrived after charging for:

	For the year ended 31 Dec 2010 MUR	For the 6 months period ended 31 Dec 2009 MUR
Depreciation of property, plant and equipment	19,003,622	9,640,978
Amortisation of intangible assets	17,581	17,581
Auditors' remuneration	34,500	17,250

### (a) Board's expenses

	For the year ended 31 Dec 2010 MUR	For the 6 months period ended 31 Dec 2009 MUR
Part time Board Members	243,338	185,172

### (b) Analysis of staff costs (excluding directors' emoluments)

	For the year ended 31 Dec 2010 MUR	For the 6 months period ended 31 Dec 2009 MUR
Wages and salaries	82,827,353	41,605,274
Other related costs	287,945	300,232
	<b>83,115,298</b>	<b>41,905,506</b>

	Number	Number
Number of employees at the year end:	293	305

## 15. Finance income

	For the year ended 31 Dec 2010 MUR	For the 6 months period ending 31 Dec 2009 MUR
Interest on bank savings accounts	59,094	170,890
Interest on staff car loans	354,675	151,305
	<b>413,769</b>	<b>322,195</b>



## Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

### 16. Finance costs

	For the year ended 31 Dec 2010 MUR	For the 6 months period ending 31 Dec 2009 MUR
Government Loans	3,856,898	2,718,511
Commonwealth Development Corporation (CDC)	1,200,816	-
Agence Francaise De Development (AFD)	2,331,972	389,821
Ministry of Finance & Economic Development	1,529,940	-
Other finance cost	6,156	3,385
	<b>8,925,782</b>	<b>3,111,717</b>

### 17. Related-party transactions

Nature of relationship	Nature of transactions	Credit balances at 31 Dec 2010 MUR	Credit balances at 31 Dec 2009 MUR	Credit balances at 30 June 2009 MUR
Government of Mauritius	Loans	229,286,897	192,844,897	192,844,897

The transactions were carried out at arm's length.

### 18. Financial instrument risk

#### Risk management objectives and policies

The Authority's financial assets and financial liabilities by category are summarised below.

	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
<b>Financial assets</b>			
Trade and other receivables	55,545,444	31,990,523	30,904,821
Cash and cash equivalents	14,484,300	16,732,884	17,151,842
<b>Total financial assets</b>	<b>70,029,744</b>	<b>48,723,407</b>	<b>48,056,663</b>
<b>Financial liabilities</b>			
Bank overdraft	4,692,136	5,056,296	8,978,800
Trade and other payables	360,801,163	327,353,771	316,275,803
Borrowings	288,127,010	252,851,373	253,581,175
<b>Total financial liabilities</b>	<b>653,620,309</b>	<b>585,261,440</b>	<b>578,835,778</b>

The Authority's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance.



## Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

### 18. Financial instrument risk (Continued)

#### Risk management objectives and policies (Continued)

The Authority's risks are managed at the level of the Board. The Board is responsible for overseeing the establishment of effective risk management systems and the monitoring of internal compliance and controls. The implementation of the risk management systems and the management of risks within the Authority on a day-to-day basis are the responsibility of the General Manager.

#### 18.1 Market risk

##### Foreign exchange risk

The Authority has financial assets and liabilities denominated in foreign currencies. Consequently, the Authority is exposed to the risk that the exchange rate of the MUR relative to those currencies may change in a manner which has a material effect on the reported values of the Authority's assets and liabilities which are denominated in those foreign currencies.

The currency profile of the Authority's financial assets and liabilities is as follows:-

	Financial assets Dec 2010 MUR	Financial liabilities Dec 2010 MUR	Financial assets Dec 2009 MUR	Financial liabilities Dec 2009 MUR	Financial Assets Jun 2009 MUR	Financial Liabilities Jun 2009 MUR
Euro	-	35,293,458	3,497,101	34,090,858	4,157,908	18,028,912
MUR	69,723,382	618,326,851	44,919,943	551,170,582	34,919,955	551,828,066
Total	69,723,382	653,620,309	48,417,044	585,261,440	39,077,863	569,856,978

##### Foreign currency sensitivity analysis

The Euro/MUR exchange rate for the year ended 31 Dec 2010, 31 Dec 2009 and 30 June 2009 were as shown below:

	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
EURO/MUR	41.47	44.38	46.56

The information below illustrates the sensitivity of profit and equity in regards to the Authority's financial instruments and the EURO/MUR exchange rate, "all other things being equal".

It assumes a 5% percentage change in the Euro/MUR exchange rate for the year ended 31 Dec 2010. The sensitivity analysis is based on the Authority's foreign currency financial instruments held at each reporting date.

If the MUR had strengthened by 5%, deficit would have decreased by some (MUR1,857,550) at 31 December 2010 (Dec 2009: (MUR1,610,198)). If the MUR had weakened by the same percentage, deficit would have increased by some MUR1,680,641 (Dec 2009: MUR1,456,846).

##### Interest rate risk

The Authority's policy is to minimise interest rate risk exposures on financial liabilities. The Authority is exposed to changes in market interest rates on its loans. The loans carry fixed interest rate and are exposed to changes in repo rate.

## Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

### 18. Financial instrument risk (Continued)

#### 18.1 Market risk (Continued)

##### Interest rate risk (Continued)

The exposure to interest rate on cash and bank balances is not considered significant.

#### 18.2 Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date, as summarised below:

Financial assets	Dec 2010 MUR	Dec 2009 MUR	Jun 2009 MUR
Trade and other receivables	55,545,444	31,990,523	30,904,821
Cash and cash equivalents	14,484,300	16,732,884	17,151,842
	<b>70,029,744</b>	<b>48,723,407</b>	<b>48,056,663</b>

Credit risk refers to the risk that the counterparty fails to discharge an obligation of the Authority. The Authority has policies in place to deal with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Authority transacts with entities having good credit rating. The Authority continuously monitors defaults of customers and incorporates this information into its credit risk controls. The Authority's policy is to deal only with creditworthy counterparties.

Trade receivables consist of a large number of customers project-wise and an ongoing credit evaluation is performed on the financial condition of these customers.

The credit risk for cash and cash equivalents is considered negligible, since the Authority transacts with a reputable bank.

The carrying amount of financial assets recorded in the financial statements represents the Authority's maximum exposure to credit risk.

#### 18.3 Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Ultimate responsibility for liquidity risk management rests with the Board who also monitors the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk by ensuring timely recovery of receivables by securing credit facilities from bank, and also obtaining financing from related parties.



# Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

## 18. Financial instrument risk (Continued)

### 18.3 Liquidity risk (Continued)

The following are the contractual maturities of financial liabilities, including interest payments:

<b>31 Dec 2010</b>	<b>Carrying amount MUR</b>	<b>Less than one year MUR</b>	<b>1-5 years MUR</b>
<b>Liabilities</b>			
Bank overdraft	4,692,136	4,692,136	-
Borrowings	288,127,010	53,676,873	234,450,137
Trade and other payables	360,801,163	360,801,163	-
	<b>653,620,309</b>	<b>419,170,172</b>	<b>234,450,137</b>
<b>31 Dec 2009</b>	<b>Carrying amount MUR</b>	<b>Less than one year MUR</b>	<b>1-5 years MUR</b>
<b>Liabilities</b>			
Bank overdraft	5,056,296	5,056,296	-
Borrowings	252,851,373	54,282,680	198,568,693
Trade and other payables	327,353,771	327,353,771	-
	<b>585,261,440</b>	<b>386,692,747</b>	<b>198,568,693</b>
<b>30 June 2009</b>	<b>Carrying amount MUR</b>	<b>Less than one year MUR</b>	<b>1-5 years MUR</b>
<b>Liabilities</b>			
Bank overdraft	8,978,800	8,978,800	-
Borrowings	253,581,175	64,902,074	188,679,101
Trade and other payables	316,275,803	-	316,275,803
	<b>578,835,778</b>	<b>73,880,874</b>	<b>504,954,904</b>

## 19. Capital risk management

The Authority's objectives when managing capital are to safeguard its ability to continue as a going concern.

The capital structure of the Authority consists of debts, cash and cash equivalents and capital grants.



## Irrigation Authority

Notes to the financial statements

For the year ended 31 December 2010

### 19. Capital risk management (Continued)

#### Gearing ratio

The Authority's Board reviews the capital structure on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with the class of capital. The Authority monitors capital on the basis of the gearing ratio. This ratio is determined as the proportion of net debt to total capital.

	Dec 2010	Dec 2009	Jun 2009
	MUR	MUR	MUR
Debt (i)	288,127,010	252,851,373	253,581,175
Less: cash and cash equivalents	(9,792,164)	(11,676,588)	(8,173,042)
Net debt	278,334,846	241,174,785	245,408,133
Equity (ii)	192,675,146	253,807,308	265,852,199
Total capital	471,009,992	494,982,093	511,260,331
Gearing ratio	0.59	0.49	0.48

(i) Debt is defined as long-term borrowings, short-term borrowings and bank overdraft.

(ii) Equity includes both grants and reserves.

### 20. Fair value estimation

The Authority's financial assets and liabilities are measured at their carrying amounts which approximate their fair values.

### 21. Comparatives

The comparatives in the financial statements cover the period from 1 July 2009 to 31 December 2009. They are, therefore, not comparable with those of the current period which cover the year ended 31 December 2010.

### 22. Events after the reporting period

No events were noted after the reporting date that would require disclosures or adjustments to the financial statements for the year ended 31 December 2010.





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