



SIBU WATER BOARD



Laporan Tahunan
Annual Report **2007**



CONTENTS

Vision & Mission

2

Chairman's Statement

3 - 4

Establishment

5

Corporate Information

6 - 8

Corporate Progress

9 - 18

Calendar of the Board

19 - 24

Financial Statistics

25 - 27

Financial Statements

28 - 43

Other Information

44 - 47

Outlook For 2008

48



SIBU WATER BOARD

Our Vision

Towards
World Class In
Providing Potable Water
For Central Region of Sarawak.

Our Mission

The
provision of safe,
reliable and competitively priced
water supply at the highest
attainable standards in
Quality & Service.



CHAIRMAN'S STATEMENT



INTRODUCTION

On behalf of the Board, I am very pleased to present the Annual Report and Audited Accounts of the Board for the financial year ended 31 December 2007.

FINANCIAL REVIEW

For the year under review, the Board's total revenue rose by RM1.11 million or 4.5% to RM26.07 million from RM24.95 million in 2006.

The increase in total revenue is attributed to the increase of water sales by 4.7% to RM20.58 million from the previous year of RM19.65 million and the increase of other operating revenue by 3.5% to RM 5.48 million from the previous year of RM5.30 million. On the other hand, the total operating expenditure, increased by RM1.37 million or 6.6% to RM26.42 against the previous year of RM25.05 million. This is mainly attributed to the revision of salary and electricity tariff. As a result, the Board recorded a net operating loss of RM0.35 million against the previous loss of RM0.01 million.

DEVELOPMENT PROGRAMME

The year under review marks the 2nd year of 9th Malaysian Plan. The Board continued to implement the two (2) major development programmes as planned, namely the expansion of Salim Treatment Plant Phase II and Renewal of Pipelines in various parts of Sibul, besides the normal extension of pipelines to housing development areas. The amount of development expenditure incurred during the year totaled RM17.2 million against RM12.3 million in 2006. RM14.0 million or 82% of the expenditure was spent on the expansion of Salim Treatment Plant Phase II to ensure sufficient capacity to support the growing demand up to 2020, while RM2.6 million or 15% was spent on Renewal of Pipelines in fighting against non revenue water. The expenditure on normal extension of pipelines to housing development areas accounted for RM0.4 million only or 3% of the total development expenditure of the year. Upgrading of Stabau Booster Station, with a scheme value of RM1.5 million, was kicked off during the year to boost better water pressure and to ensure more reliable supply to Durin area. The Board received RM19.4 million from Federal Governments in terms of soft loans to finance its development projects compared to RM16.3 million the previous year. As at 31 December 2007, the balance of loan outstanding was RM80.63 million compared to RM67.65 million in 2006.

PRODUCTION AND CONSUMPTION

The Board produced a total of 35,191 megalitres of fully treated water in the year compared to 34,760 megalitres the previous year, an increase of 1.2%. During the year, the maximum daily production recorded by the Board was 121.64 megalitres as against the minimum of 77.36 megalitres.



There was an increase of 3.6% of total consumption in the year, from 24,356 megalitres the previous year to 25,241 megalitres in 2007. The total number of active services had increased from 48,399 in 2006 to 50,338 in 2007.

OTHERS

In 2007, the Board emerged as the first water supply organisation in the state to receive accreditation for IMS, which incorporates MS ISO: 9001:2000, OHSAS 18001:1999 and EMS 14001:2004. The milestones made will go a long way in support of the Board's vision of becoming a world class organization in providing potable water for the central region of Sarawak.

There had been some changes to the Board during the year. We welcomed newly appointed Board members, Encik Wong Nang Yong, Encik Awang Julaihi Bin Awang Ali Bohan, Encik Sayun Ambing and Puan Ngui Ing Ing in succession to the outgoing Board members, Encik Patrick Tong Hing Lee, Encik Dorson Hassan, Encik Julius Mason Sampang and Encik Yong Ung Tung, who served the Board up to 31.03.2007. To the out-going members, I would like to acknowledge their wise counsel and contributions during their term as Board members.

APPRECIATION

I would like to express my sincere appreciation to my fellow members for their cooperation, vision, and support extended to the Board. My heartfelt thanks and congratulations to the Management and staff for their good work and dedication which had led to the outstanding achievements and successes in 2007. I would like to place on record my sincere thanks and gratitude to the State and Federal governments and all other relevant government agencies and our valued customers for their cooperation, continued support and trust placed in us

H.J. UBAIDILLAH BIN H.J. ABDUL LATIP

Chairman



ESTABLISHMENT

Incorporation

Incorporated under the Sibu Water Board Order, 1959 made under Section 19 of the Water Supply Ordinance 1959 (Cap. 141) and re-incorporated under the Sibu Water Board Order, 1995 made under Section 19 of the Water Ordinance 1994 when the Water Supply Ordinance 1959 was repealed.

Objectives of the Board

A body corporate established by the Yang di-Pertua Negeri as the water authority to administer, manage and supervise all water works situated within the area specified below :

Commencing from a Trig point numbered TT352 at the Sibu/Kanowit District Boundary on the true left bank of Batang Rajang about 1300 metres from East of Sungai Pak; thence on a South/Westerly direction following the Sibu/Kanowit District Boundary until it reaches Trig marked N134 on the common Divisional Boundary of Sibu/Sarikei; thence following the Sibu/Sarikei Divisional Boundary on a West/Northerly direction until it reaches the confluence of Loba Singat at Batang Lassa; thence on bearing 90 degree for a distance of 46 Km to reach a point at 'A' on the common District Boundary of Sibu/Dalat; thence following the existing Sibu/Dalat District Boundary on a Southerly direction for a distance of approximately 45 Km; thence following the existing Sibu/Kanowit District Boundary on a Southerly direction for a distance of approximately 10 Km to reach the Trig marked TT352, being the point of commencement

Statutory Functions of the Board

Pursuant to Section 18 (3) - (4) of the Water Ordinance 1994, the general functions of the Board as a water authority are :

- to have the custody, management and administration of water works and the water therein and the management of the supply and distribution of such water within its area of supply subject to the general control and supervision of the State Water Authority.
- to supply water to the consumers within the limits of its area of supply subject to the provision of the Water Ordinance 1994 and any regulations made thereunder.



CORPORATE INFORMATION

Board Members 2007



Sitting (from left to right):

Encik Tan Kok Chang, Encik Chai Moi Fong, Tuan Haji Ubaidillah Bin Haji Abdul Latip,
Puan Hajjah Sutin Bt. Sahmat, Dr. Haji Faizul Bin Mansoor

Standing (from left to right):

Puan Ting Ley King, Encik Sayun Ak Ambing, Puan Ngui Ing Ing, Encik Wong Nang Yong,
Encik Daniel Wong Park Ing, Encik Law Buong Hoo, Encik Awang Julaihi Bin Awang Ali Bohan, Puan Kong Leh En



CORPORATE INFORMATION

Members of the Board

Chairman

Permanent Secretary, Ministry of Public Utilities

Tuan Hj. Ubaidillah B. Hj. Abdul Latip

(With effect from 01.04.2005)

Members

Director of Procurement, State Financial Secretary's Office

Puan Hajjah Sutin Sahmat

(With effect from 01.06.2005)

Assistant Director of Public Works (Water Supply)

Encik Tan Kok Chang

(From 15.11.2005)

Resident, Sibü Division

Encik Chai Moi Fong

(From 06.05.2005 to 07.03.2008)

Tuan Hj. Ismail Bin Hj. Mohd. Harris

(With effect from 08.03.2008)

Divisional Medical Officer

Dr. Hj. Faizul Bin Hj. Mansoor

(From 15.11.2005)

Encik Patrick Tong Hing Lee

(From 01.01.1999 to 28.02.2005)

(From 01.04.2005 to 31.03.2007)

Encik Law Buong Hoo

(From 01.03.2003 to 28.02.2005, Re-appointed on 01.04.2005)

Puan Kong Leh En

(From 01.03.2003 to 28.02.2005, Re-appointed on 01.04.2005)

Encik Dorson Hassan

(From 01.03.2003 to 28.02.2005)

(From 01.04.2005 to 31.03.2007)

Encik Julius Mason Sampang @

Julius Masson Ak Achoi

(From 01.03.2003 to 28.02.2005)

(From 01.04.2005 to 31.03.2007)

Encik Yong Ung Tung

(From 01.04.2005 to 31.03.2007)

Encik Wong Nang Yong

(From 01.04.2007)

Encik Awg Julaihi b. Awg Ali Bohan

(From 01.04.2007)

Encik Sayun Ak Ambing

(From 01.04.2007)

Puan Ngui Ing Ing

(From 01.04.2007)

Secretary

Puan Ting Ley King

(From 01.07.2005)

Management

General Manager (Chief Executive Officer)

Ir. Daniel Wong Park Ing

Deputy General Manager

Ir. Ngui Hwa Choon

(Retired on 26.04.2007)

Ir. Alice Jawan Empaling

(From 27.04.2007)

Secretary / Accountant

Cik Grace Ilii Ilii Iling

(Seconded to SFS wef 01.07.2005)

Puan Ting Ley King

(Acting wef 01.07.2005)

Head, Distribution & Customer Service

Civil Engineer

Ir. Alice Jawan Empaling

(Up to 26.04.2007)

Encik Lau Pon Yin

(Covering from 27.04.2004)

Head, Finance & Information System

Accountant

Puan Ting Ley King

Head, Capital Works Planning

Civil Engineer

Encik Lau Pon Yin

Head, Production

Plant Superintendent

Encik Pius Apin

Head, Mechanical & Electrical

Electrical Engineer

Encik Siew Kung Khong

(Resigned on 19.09.2007)

Head, Human Resource & Administration

Administrative Officer

Encik Dewin Asen

Bankers

RHB Bank Berhad

CIMB Bank Berhad

Auditor

Auditor-General Malaysia

Principal Office

Sibu Water Board

Kilometer 5, Salim Road

96000 Sibü, Sarawak

Telephone: 084 - 211001 (General)

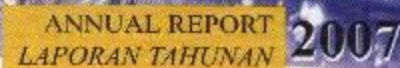
084 - 216312 (Enquiry)

084 - 216311 (Hotline)

Facsimile: 084 - 211543

084 - 211894

Email: swbs@swb.gov.my



LEMBAGA AIR SIBU
CARTA ORGANISASI (SEDIA ADA)
BERKUATKUASA 7 MEI 2007





CORPORATE PROGRESS

DEVELOPMENT

PLANS

The major development of the Board under the 9th Malaysia Plan included implementation of the following projects:

- (i) Expansion of Salim Treatment Plant
 - A new raw water intake
 - A 75 MLD treatment plant
- (ii) Renewal of Pipelines in Various Parts of Sibu Town (on-going)

DEVELOPMENT PROGRESS

2007 marks the second year of 9th Malaysia Plan. The Board spent RM17.2 million on development during the year. Out of this amount, RM14.0 million (84%) and RM2.6 million (15%) were spent on Salim Treatment Plant Phase II and the Renewal of existing mains. The Board saw the completion of two (2) projects which commenced in the previous years. Another three (3) contracts awarded during the previous years were expected to be completed by year 2008. There were three (3) new projects awarded during the year, all of which were still in progress at the end of the year. A summary of the development projects for the year is shown below:

- (i) **Contract No. SWB/CT/07/2006**
The Delivery and Laying of D.I./HDPE Mains, Valves & Fittings Cum Ancillary Works Along Jalan Tun Abang Haji Openg, Sibu (Main Renewal).

Contract Sum:	RM2,180,804.00
Revised Contract Sum:	RM885,387.00
Contract Period:	18.09.2006 – 17.09.2008
Contractor:	Mainline Enterprise Sdn. Bhd.

Physical Work Done up to 31.12.2007:	7.02%
Scheduled Progress up to 31.12.2007:	27%

Remarks:	The program has to suit the construction of RC drain by JKR. The project was mutually terminated at the beginning of 2008 when JKR was unable to complete the scope as originally planned. It was subsequently revived when JKR resumed the work in the middle of 2008.
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CORPORATE PROGRESS

(ii) **Contract No. SWB/CT/09/2006**

The Delivery and Laying of D.I. Pipes, Valves & Fittings Cum Ancillary Works at Kampung Bahagia/Teku Junction.

Contract Sum:	RM82,104.00
Revised Contract Sum:	RM59,205.00
Contract Period:	16.10.2006 - 15.04.2007
Revised Contract Period:	16.10.2006 - 15.05.2007
Contractor:	Sabacon Construction
Practical Completion Date:	14.05.2007
Expiry Date of Defects Liability Period:	13.05.2008



(iii) **Contract No. SWB/CT/11/2006**

The Delivery & Laying of D.I./HDPE Mains, Valves and Fittings Cum Ancillary Works Along Jalan Upper Lanang, Jalan Then Kung Suk, Lorong 1, 4 & 5, Jalan Saga, Jalan Alan & Jalan Umpi Rantai, Sibü (Mains Renewal Year 2006).

Contract Sum:	RM3,338,666.40
Revised Contract Sum:	RM609,329.00
Contract Period:	09.11.2006 - 08.11.2007
Revised Contract Period:	09.11.2006 - 01.04.2008
Contractor:	Zakaria Yew Construction
Physical Work Done up to 31.12.2007:	79.41%



(iv) **Contract No. SWB/CT/12/2006**

The Delivery & Laying of D.I./HDPE Mains, Valves and Fittings Cum Ancillary Works Along Jalan Langsat, Lorong 2, Jalan Belian, Jalan Merlin, Lorong 3, Jalan Punai, Jalan Manggis, Jalan Lun, Jalan Geronggang, Jalan Lajong & Jalan Nanyang Garden, Lorong 3 & 6, Sibü (Mains Renewal Year 2006).

Contract Sum:	RM1,734,390.00
Revised Contract Sum:	RM538,512.50
Contract Period:	09.11.2006 - 08.11.2007
Contractor:	Mainline Enterprise Sdn. Bhd.
Practical Completion Date:	18.09.2007
Expiry Date of Defects Liability Period:	17.09.2008



(v) **Contract No. SWB/CT/13/2006**

The Delivery & Laying of D.I./HDPE Mains, Valves and Fittings Cum Ancillary Works Along Jalan Tong Sang, Lorong 2, 3 & 5, Jalan Engkala & Jalan Bertuah, Jalan Kapar, Lorong 1, 2 & 9, Wong King Huo, Lorong 5, Jalan Mui Hong, Jalan Ria, Lorong 4, Jalan Bukit Assek, Lorong 2 & Jalan Uk Daik, Sibü (Mains Renewal Year 2006).

Contract Sum:	RM3,347,709.90
Revised Contract Sum:	RM835,673.50
Contract Period:	04.12.2006 - 03.12.2007
Revised Contract Sum:	04.12.2006 - 18.03.2008
Contractor:	Zakaria Yew Construction
Physical Work Done up to 31.12.2007:	74.35%





CORPORATE PROGRESS

(vi) **Contract No. SWB/CT/15/2006**

The Supply of Labour for The Laying of 355mm OD HDPE Mains on the Upper Lanang Bridge from Jalan Lanang Barat to Sungai Assan, Sibü

Contract Sum: RM100,000.00
Contract Period: 12.12.2006 - 26.12.2006
Contractor: Pekerjaan Piasau
Konkerit Sdn. Bhd.
Practical Completion Date: 26.12.2006
Expiry Date of Defect Liability Period: 25.12.2007



(vii) **Contract No. SWB/CT/01/2007**

The Construction, Completion and Commissioning of the Proposed for Salim Treatment Plant Phase II, Stage 2, Sibü Division

Contract Sum: RM37,499,000.00
Contract Period: 01.02.2007 - 31.01.2009
Contractor: Laras Jaya Construction
Sdn. Bhd./Mahkota
Technologies Sdn. Bhd.
Joint Venture
Consultant: Jurutera Jasa (Sarawak)
Sdn. Bhd.



Physical Work Done up to 31.12.2007: 9.46%
Remarks: Delay due to bore pile installation and flooding.

(viii) **Contract No. SWB/CT/06/2007**

The Construction, Completion and Commissioning of the Proposed Second Raw Water Intake for Salim Water Treatment Plant, Sibü.

Contract Sum: RM19,441,548.30
Contract Period: 28.03.2007 - 27.11.2008
Contractor: KKB Engineering Berhad
Consultant: Jurutera Jasa (Sarawak)
Sdn. Bhd.

Physical Work Done up to 31.12.2007: 25.42%
Remarks: Delay due to problems in construction of jetty and flooding.



(ix) **Contract No. SWB/CT/15/2007**

The Delivery & Laying of D.I., Mains, Valves & Fittings Cum Ancillary Work along Ulu Sungai Merah, Sibü (Mains Renewal).

Contract Sum: RM79,990.00
Contract Period: 05.11.2007 - 04.03.2008
Contractor: Syarikat Erajaya
Physical Work Done up to 31.12.2007: 0%
Remarks: Pipes and fittings were delivered on 8 January 2008.



CORPORATE PROGRESS

DEVELOPMENT WORK

MAINS EXTENSION

For the year 2007, 20.52 km of water mains were laid and the total length of water mains in the distribution system stands at 964 km. The size of pipes in the distribution system ranges from 50 mm to 750 mm diameter. In addition, 6.20 km length of pipes were renewed in various locations within the Board's water supply area to enhance the distribution system. The details of the mains laid and renewed are as per tables listed below:

Length Of Pipes Laid During The Years 2003 To 2007

Pipe Sizes In Millimeters	Yearly New Extension (Length In Meters)				
	2003	2004	2005	2006	2007
50	-	-	-	441	-
63	-	-	-	-	3,413
110	-	1,057	-	-	-
150	12,190	12,465	25,638	20,796	16,265
160	2,983	216	-	2,519	294
200	2,168	1,232	305	204	20
250	116	997	639	-	535
300	5,647	1,468	-	-	-
450	15,240	-	-	-	-
600	6,377	-	-	-	-
TOTAL	44,721	17,435	26,581	23,960	20,527

Length Of Pipes Renewed During The Years 2003 To 2007

Pipe Sizes In Millimeters	Yearly Renewal (Length In Meters)				
	2003	2004	2005	2006	2007
50	78	-	-	-	-
63	1,080	-	160	2,851	1,020
100	102	-	9	-	-
150	5,156	352	11,146	6,172	5,017
160	-	-	-	3,176	48
250	1,306	-	630	-	-
300	1,901	-	-	-	120
TOTAL	9,623	352	11,945	12,199	6,205



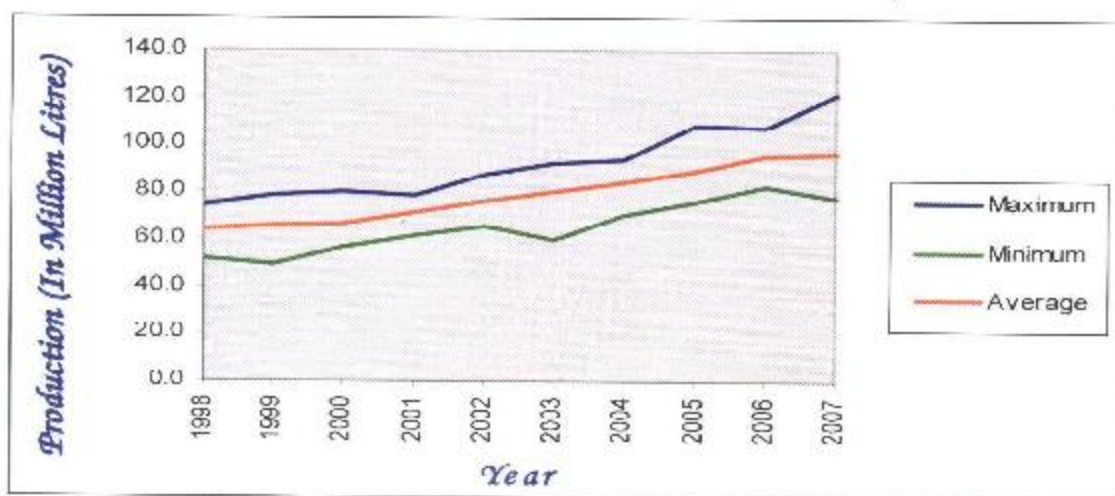
CORPORATE PROGRESS

PRODUCTION

The Board is running two (2) main treatment plants, namely Bukit Lima and Salim Water Treatment Plants with a design capacity of 45 MLD and 75 MLD, respectively. Durin Treatment Plant with a capacity of 0.65 MLD, which was decommissioned in 2005, was put into operation again on 2nd March 2007 till the middle of 2008 due to the failure of submarine pipeline from Stabau Booster Station to Durin High Level Tank.

The Board produced a total of 35,191 ML fully treated water in the year 2007 or an average of 96.41 ML per day, an increase of 1.24% over that of 2006. During the year, the Board recorded a maximum daily production of 121.64 ML on 17.02.2007 and a minimum daily production of 77.36 ML on 03.11.2007.

DAILY WATER INTO SUPPLY (1998 – 2007)



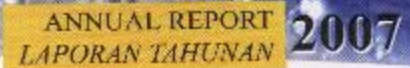
QUALITY CONTROL

The execution of the Board's stringent water surveillance program augmented by the National Drinking Water Quality Surveillance Program (NDWQSP) ensured that safe and wholesome drinking water supply was maintained throughout the year of 2007.

During the year, 84,756 samples from Raw Water Intakes, Treatment Plants, High Level Tanks & Reservoirs and Distribution System were taken for Physico-chemical and Bacteriological examination. Out of the total number, 80,648 samples were analyzed physico-chemically while the remaining 4,108 samples were examined bacteriologically.

A total of 83,220 samples or 98.18% of the total were analyzed at the Board's Water Quality Control Laboratory while the rest of 1,536 samples or 1.82% were sent to the Department of Chemistry for analysis. The breakdown of the samples analyzed is shown below:

Location	Physico-chemical examination		Bacteriological examination	
	Board's Laboratory	Chemistry Department	Board's Laboratory	Chemistry Department
Raw Water Intakes	26,160	24	0	104
Water Treatment Process	39,240	0	520	0
Treatment Plant Outlets	13,140	24	520	104
High Level Tanks & Reservoirs	1,092	84	1,092	364
Distribution System	728	156	728	676
	80,360	288	2,860	1,248



Less than 1% of samples for raw water sent to Chemistry Department were analyzed to contain Total Coliform exceeding 5000 MPN/100 ml, the maximum acceptable level for conventional water treatment. As for treated water samples, 0.99% were to contained Total Coliform exceeding 1 cfu/ml and 0% violation for E Coli. There was no violation on residual Chlorine.

SIBU WATER BOARD'S SUPPLY AREA





CORPORATE PROGRESS

CUSTOMER SERVICE & DISTRIBUTION

DISTRIBUTION SYSTEM

The Distribution Unit is responsible for the maintenance of the watermains, communication pipes, pipe appurtenances and the operation of Booster Stations at Deshon, Teku, Stabau, Mile 19 and Sibul West. The number of watermains, communication pipes and pipe appurtenances repaired/renewed during the year are as follows:-

Water Mains, Communication Pipes and Pipe Appurtenances And Meters Repaired/Renewed/Replaced In 2007

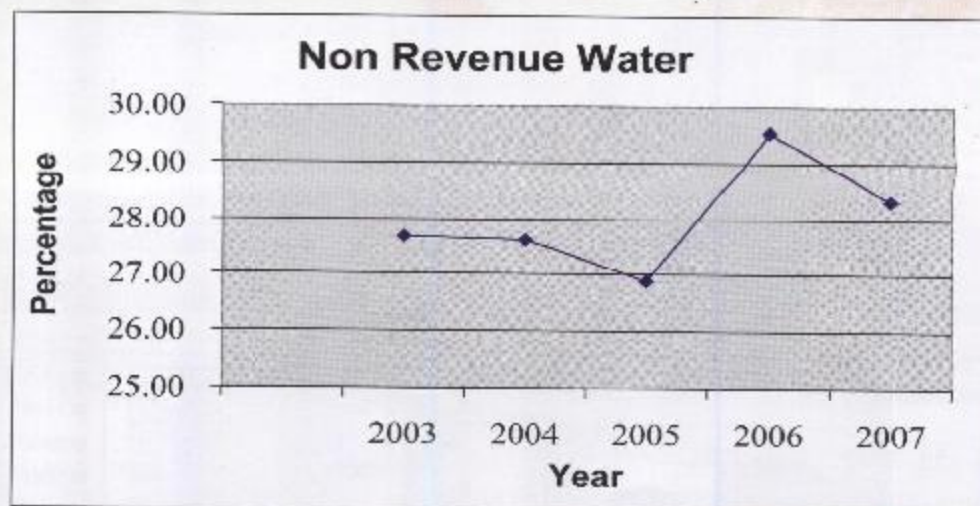
Particulars	Repaired	Renewed/Replaced
Watermains	349 nos.	21,051 metres
Communication Pipes	1446 nos.	766 nos.
Pipe Appurtenances	129 nos.	84 nos.
Meters	112 nos.	1712 nos.

The Flushing Unit had carried out 2,997 number of flushing during the year throughout the distribution system to ensure clean water was supplied to the customers.

NON-REVENUE WATER

In 2007, 511 numbers of leaks from pipes and services, 64 numbers of water theft had been detected and addressed.

The Board's Non-Revenue Water (NRW) level for the year was 28.3% (which accounts for 9,913 megalitres), as compared to 29.7% (which accounts for 10,308 megalitres) the previous year. The graph below shows the NRW levels for year 2003 – 2007.



A holistic approach had been engaged by the Board to address the issue of NRW since the setting up of a NRW Unit in April 2007. The measures taken include the District Metering Zones, off-site telemetry system and replacement of aged water meters and renewal of pipelines in various parts of Sibul Town.



CORPORATE PROGRESS

CUSTOMER SERVICE

The Customer Service Unit provides services pertaining to the application for water supply and the transfer or closing of accounts and handling of complaints. The statistics pertaining to the number of connections, new meters installed, number of meters disconnected and reconnected in 2006 and 2007 are as follows:-

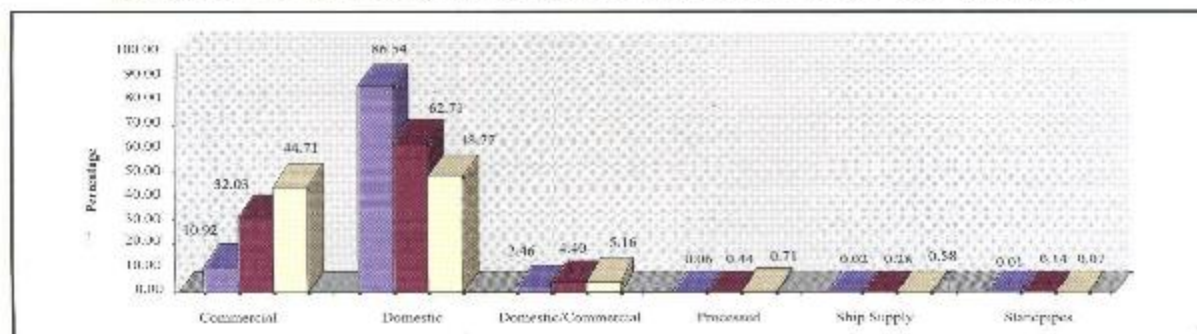
Number Of Meters Installed, Disconnected And Reconnected In 2006 And 2007

Particulars	2007	2006
Total no. of connections at the end of the year	51,545	49,125
New meters installed	2,420	1,920
No. of meters disconnected	4,981	3,740
No. of meters reconnected	5,166	3,293

At the end of the year, the number of connections totalled 51,545; out of which 50,338 are active customer accounts. There was a net increase of 4% of active customer accounts over the previous year. The consumers' breakdown are:-

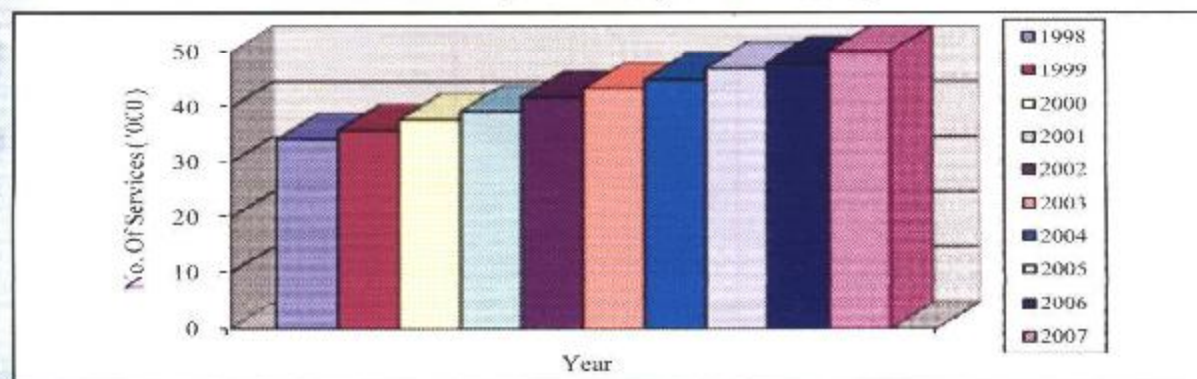
Sector	Number	Percentage
Domestic	43,561	86.54
Domestic/Commercial	1,239	2.46
Commercial	5,495	10.92
Others	43	0.08

Relationship (Percentage) Of Classification By Category Of Consumers In Respect Of Services, Consumption and Revenue For The Year 2007



Legend : Services Consumption Revenue

Number Of Services (1998 – 2007)





CORPORATE PROGRESS

HUMAN RESOURCE

STAFF STRENGTH

The total staff strength at the end of the year 2007 was 187 persons against 190 persons in year 2006. The movement of the staff is exhibited in the table below:

Particular	Professional & Management Group	Support Group	Total
No. of staff as at 1.1.2007	*8	182	190
Retired	(1)	(6)	(7)
Resigned	(1)	(1)	(2)
Passed away	-	(1)	(1)
Newly recruited	-	7	7
No. of staff as at 31.12.2007	*6	181	187

* include 1 staff seconded to SFS.

HUMAN RESOURCE DEVELOPMENT

To enhance quality of services delivered, the Board spent RM166,000.00 or 3% of Administration cost in training staff on various aspects in 2007.

The generous allocation on training had allowed the staff in the organisation to attend 54 selected courses, seminars or conference held either in-house or at other training centres across the country. The major training programmes during the year are summarized as below:-

No.	Course	Training Venue	No. of staff attended
1	IMS Training	In-house	36
2	Forklift Operator & Safety Training	In-house	21
3	Kecemerlangan Perkhidmatan Pelanggan & Pengendalian Aduan	In-house	34
4	Sarawak 4th International Quality Congress	Kuching	4
5	Sarawak Regional 5S Convention	Kuching	6
6	Technical Visit on NRW Program	Pulau Pinang	4

The Board had been successfully certified to 5S Practices on 04 July 2007 and Integrated Management System (IMS), which comprises ISO 9001:2000, EMS 14001:2004 and OHSAS 18001:1999, on 8 August 2007.

The Board also provided industrial training for 24 students pursuing degree, diploma and certificate courses in various fields especially engineering, chemical and ICT. The students gained valuable exposure and hand-on experience during their industrial training periods.



CORPORATE PROGRESS

QUALITY MANAGEMENT SYSTEM

The Board's Journey to Excellence continued with the certification towards Integrated Management System (IMS) comprising ISO 9001:2000, EMS 14001:2004, and OHSAS 18001:1999 in January 2007.

The ISO structure was extended with the appointment of an Integrated Management Representative/Officer to manage the system assisted by Quality, Environment, and Occupational Health & Safety Management Representatives and Officers.

Various internal trainings were conducted including documentation, process actions, and internal audits during the period from February to May 2007.

In the certification process, the Board had to undergo two (2) audit stages conducted by the registrar AOQC Moody International, a registrar registered with the Department of Standards, Malaysia. The 1st stage audit was conducted from 11 to 12 June 2007, and the 2nd audit was conducted on 9 to 11 July 2007.

The Board received our certificates for the three (3) systems, namely, ISO9001:2000, EMS14001:2004, and OHSAS18001:1999 on 8 August 2007.

The Quality Management System Unit was renamed to the Integrated Management System Unit, which is in line with the development of the system in the Board.



*1st Stage Audit
June 11-12, 2007*



*2nd Stage Audit
July 9-11, 2007*



*Documentation & Process Training
February 2007*



*Internal Audit Training
May 2007*



CALENDAR OF THE BOARD

DATE	EVENTS
12.01.2007	Board Meeting No. 180
27.01.2007	Annual Dinner
07.03.2007 - 24.03.2007	Annual Rejimen 60 Sarawak Squadron Training held in Sibu
26.03.2007 - 28.03.2007	NRW Technical Visit to PBAPP, Penang
01.04.2007	Appointment of Board Members for a period of two (2) years
14.04.2007	Open Day & Hari Bersama Pelanggan in conjunction with World Water Day
20.04.2007	Board Meeting No. 181
17.05.2007	In-House Training on Forklift Operators' and Safety Training
24.01.2007 - 24.05.2007	Integrated Management System (IMS) Training
30.05.2007	Special Board Meeting
11.06.2007 - 12.06.2007	1st Stage IMS, Audit
28.06.2007	Visit by NREB, Sibu
18.06.2007	In-House Product Introduction on NRW Equipment
03.07.2007 - 04.07.2007	5S Practices Certification Audit
08.07.2007	Certified to 5S Practice by NPC
09.07.2007 - 11.07.2007	2nd Stage IMS Audit
27.07.2007 - 29.07.2007	In-House Training on "Kursus Pemandu Berhemah"
02.08.2007	High Tea / Get Together with Media
08.08.2007	Certified to Integrated Management System (IMS); Quality Management System (MS ISO 9001:2000), Environmental Management System (MS ISO 14001:2004) and Occupational Health & Safety Management System (OHSAS 18001:1999)
06.09.2007	Board Meeting No. 182
07.09.2007	Quality Day cum Family Day
13.09.2007	In-House Course on "Induksi Modul Kursus"
17.09.2007	In-House Lead Auditor Training
19.09.2007 - 21.09.2007	In-House Course on Basic Data Analysis
25.09.2007 - 02.10.2007	Steering Committee Study Tour to Brisbane & Sydney, Australia
05.10.2007	"Majlis Berbuka Puasa" with Chairman, Board Members, Management & Staffs
23.11.2007	Visit to Bintulu Development Authority, Bintulu on 5S Practice
24.11.2007 - 25.11.2007	Friendly Match with LAKU Management Sdn. Bhd. in Miri
30.11.2007	Dialogue Session with Developer/Consultant/Mainlayer
17.12.2007 - 18.12.2007	Visit by "Inspektorat Mampu"



Calendar of the Board



*Steering Committee
visited Brisbane
Water, Australia
September 2007.*



*Annual Rejimen 60 Sarawak Squadron
Training held in Sibu.*



Dialogue with developers, consultants and mainlayers.



Product Introduction on NRW Equipment.



Farewell/Welcoming dinner for Boards Members in April 2007.



Farewell dinner for Encik Siew Kung Khong JE, J41 on his resignation in September 2007.



Farewell dinner for Encik Abu Seman on his retirement.



5S visit by Resident Office.



5S visit by NREB on 28.06.2007.



Visit by Inspektorat MAMPU on 17-18.12.2007.



State Secretary & Resident Sibu visited the Board's exhibition booth at Wisma Sanyan.



*Earth Breaking Ceremony
for Expansion of Salim
Treatment Plant Phase II.*



*Annual Dinner held in
January 2007 to celebrate
the winning of 2nd prize of
Anugerah Kualiti Ketua
Menteri Sarawak.*



*"Majlis Berbuka Puasa" with Chairman,
Tn. Hj. Ubaidillah Bin Hj. Abdul Latip and
Board Members.*



'Hari Bersama Pelanggan' on 14.04.2007.



High Tea with Media held on
02.08.2007.

Sarawak Water Supply
Authorities English Essay
Writing Competition Prize
Giving Ceremony held on
23.10.2007.



Hari Q 2007 on 07.09.2007.



5S Compliance Audit by NPC, Kuching.



SS Certification Audit by NPC, Kuala Lumpur on 03.07.2007.



EMS Committee visited DOE.



IMS Training.

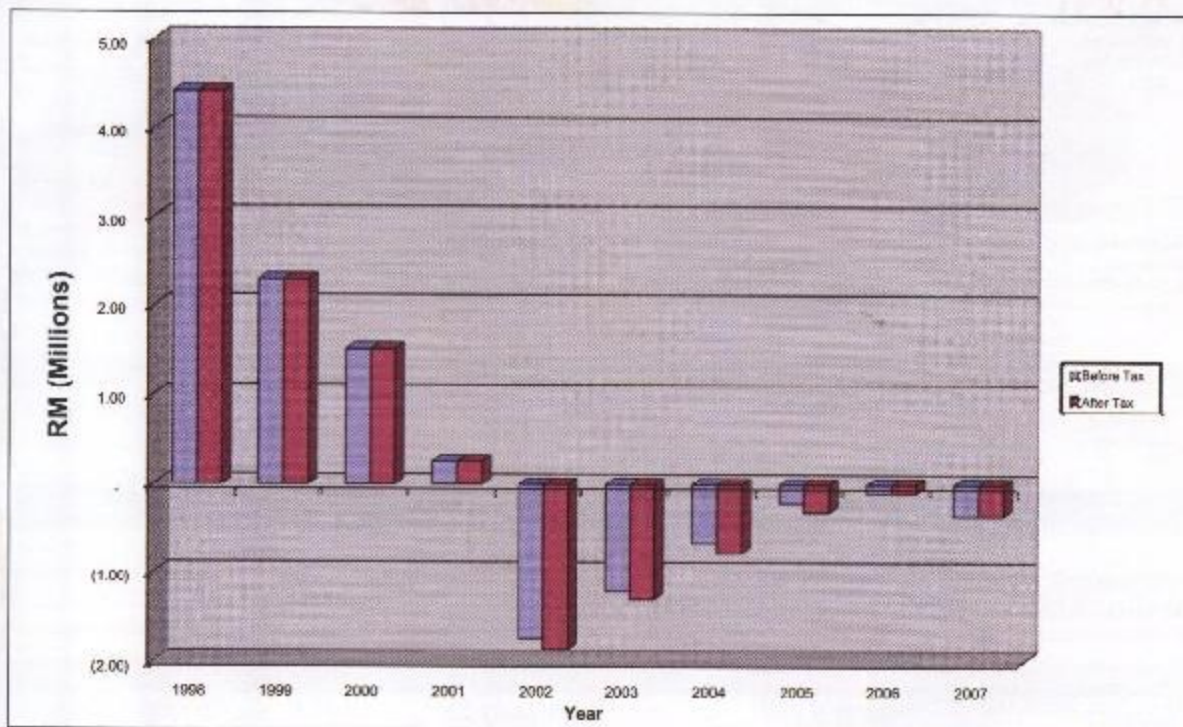


IMS Stage 2 Audit on 11.07.2008.

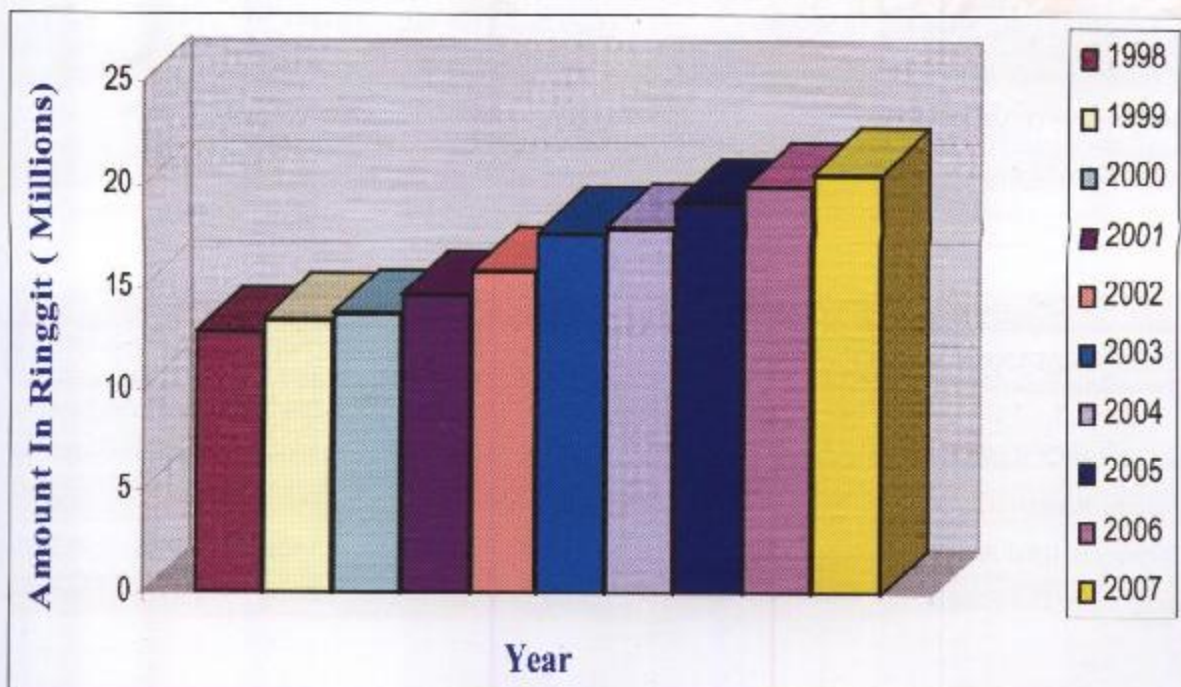


FINANCIAL STATISTICS

Net Profit/(Loss) For The Years 1998 – 2007



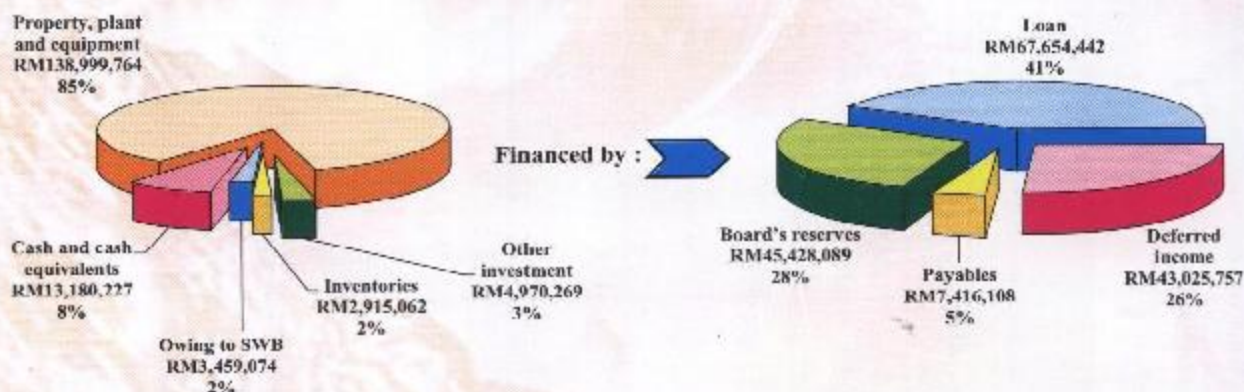
Annual Water Sales For The Years 1998 - 2007





FINANCIAL STATISTICS

Board's Financial Position As At 31 December 2007



	2003	2004	2005	2006	2007
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BASIC STATISTIC

Revenue from Water Sales (RM'000)	16,900	17,600	19,163	19,651	20,581
Total Revenue (RM'000)	21,045	22,347	23,949	24,952	26,066
Total Expenditure (RM'000)	22,249	23,010	24,154	25,047	26,417
Net Profit/(Loss) Before Tax (RM'000)	(1,204)	(663)	(205)	(95)	(351)
Net Profit/(Loss) After Tax (RM'000)	(1,292)	(774)	(314)	(95)	(351)
Average Cost of Water (Sen per '000 Litres)	91	88	87	88	90
Total Assets (RM'000)	145,723	150,983	150,240	163,097	177,076
Long Term Loan (RM'000)	50,152	50,711	48,739	61,625	76,791
Equity/Reserves (RM'000)	46,146	45,372	45,059	44,963	44,613

PERFORMANCE RATIO

Net Revenue Ratio (Before tax)	-5.72%	-2.97%	-0.86%	-0.38%	-1.35%
Current Ratio	1.08	1.57	2.06	0.95	1.46
Return on Total Assets	-0.83%	-0.44%	-0.14%	-0.06%	-0.20%
Long Term Debt/Equity	1.09	1.12	1.08	1.37	1.72



FINANCIAL STATISTICS

Financial Highlights

	2007	2006	Change
Revenue & Expenditure	(RM'000)	(RM'000)	
Income from Water Sales	20,581	19,651	4.73%
Other Income	5,485	5,301	3.47%
Total Income	26,066	24,952	4.46%
Total Expenditure	26,417	25,047	5.47%
Net Loss Before Interest & taxation	(351)	(54)	550.00%
Taxation	-	-	
Net Revenue after Interest & taxation	(351)	(54)	550.00%

	2007	%	2006	%	Change
Total Expenditure	(RM'000)		(RM'000)		
Cost of Production	10,455	39.58	9,263	36.98	+12.87%
Distribution and Selling Costs	10,443	39.53	10,484	41.86	-0.39%
Administration	5,454	20.65	5,236	20.90	+4.16%
Others	65	0.25	64	0.26	+1.56%
	26,417	100.00	25,047	100.00	+5.47%

	2007	%	2006	%	Change
Capital Expenditure	(RM'000)		(RM'000)		
Headworks	14,009	65.99	6,362	44.31	+120.20%
Booster Station	145	0.68	715	4.98	-79.72%
Mains	3,008	14.17	5,234	36.45	-42.53%
Meters	116	0.55	128	0.89	-9.38%
Communication Pipes	838	3.95	594	4.14	+41.08%
Mechanical Plant and Vehicles	168	0.79	322	2.24	-47.83%
Workshop, Field & Treatment Plant Equipment	2,074	9.77	644	4.49	+222.05%
Store & Office Equipment	167	0.79	244	1.70	-31.56%
Land & Buildings	705	3.32	115	0.80	+513.04%
	21,230	100.00	14,358	100.00	+47.86%

	2007	2006	Change
Assets & Capital Requirements	(RM'000)	(RM'000)	
Total Assets at the end of the year	163,524	163,524	0.00%
Total Liabilities at the end of the year	118,134	118,134	0.00%
Total Net Assets	45,390	45,390	0.00%



FINANCIAL STATEMENTS

SIBU WATER BOARD

INCORPORATED UNDER THE WATER ORDINANCE 1994

(CHAPTER 13, LAWS OF SARAWAK)

STATEMENT BY BOARD MEMBERS

We, **HJ. UBAIDILLAH BIN HJ. ABDUL LATIP** and **HJH. SUTIN SAHMAT** being the Chairman and one of the Board Members of **SIBU WATER BOARD**, do hereby state that, in the opinion of the Board Members, the financial statements are drawn up with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the statutory body as at 31 December 2007 and of the results of its operations and cash flows for the year ended on that date.

On behalf of the Board,

On behalf of the Board,

(HJ. UBAIDILLAH BIN HJ. ABDUL LATIP)
CHAIRMAN

(HJH. SUTIN SAHMAT)
MEMBER

Date: 25 MAR 2008
Sibu

Date: 25 MAR 2008
Sibu



FINANCIAL STATEMENTS

SIBU WATER BOARD


INCORPORATED UNDER THE WATER ORDINANCE 1994

(CHAPTER 13, LAWS OF SARAWAK)

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF SIBU WATER BOARD

I, **DANIEL WONG PARK ING**, the officer primarily responsible for the financial management of **SIBU WATER BOARD**, do solemnly and sincerely declare that the financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

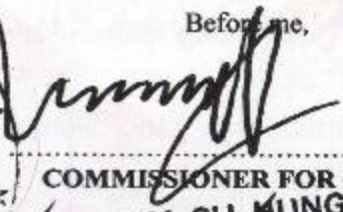
Subscribed and solemnly
declared by the above-named
DANIEL WONG PARK ING
at SIBU in the State of
Sarawak on this **24 MAR 2008** day
of 2008


GENERAL MANAGER
SIBU WATER BOARD
SIBU

Before me,



COMMISSIONER FOR OATHS


JOSEPH LIM SU HUNG
No. A-Q 012
Pesuruhjaya Sumpah Malaysia,
Jabatan Kehakiman,
Sibu, Sarawak.



FINANCIAL STATEMENTS



SIJIL KETUA AUDIT NEGARA MENGENAI PENYATA KEWANGAN LEMBAGA AIR SIBU BAGI TAHUN BERAKHIR 31 DISEMBER 2007

Penyata kewangan Lembaga Air Sibu bagi tahun berakhir 31 Disember 2007 telah diaudit oleh wakil saya. Pihak pengurusan bertanggungjawab terhadap penyata kewangan ini. Tanggungjawab saya adalah mengaudit dan memberi pendapat terhadap penyata kewangan tersebut.

2. Pengauditan telah dilaksanakan mengikut Akta Audit 1957 dan berpandukan piawaian pengauditan yang diluluskan. Piawaian tersebut menghendaki pengauditan dirancang dan dilaksanakan untuk mendapat kepastian yang munasabah sama ada penyata kewangan adalah bebas daripada kesilapan atau ketinggalan yang ketara. Pengauditan itu termasuk memeriksa rekod secara semak uji, menyemak bukti yang menyokong angka dan memastikan pendedahan yang mencukupi dalam penyata kewangan. Penilaian juga dibuat terhadap prinsip perakaunan yang digunakan dan persembahan penyata kewangan secara keseluruhan.

3. Pada pendapat saya, penyata kewangan ini memberi gambaran yang benar dan saksama terhadap kedudukan kewangan Lembaga Air Sibu pada 31 Disember 2007, hasil operasi serta aliran tunai untuk tahun tersebut berdasarkan piawaian perakaunan yang diluluskan.

(KHALID KHAN BIN ABDULLAH KHAN)

b.p. KETUA AUDIT NEGARA
MALAYSIA

KUCHING

TARIKH: 25 OGOS 2008





FINANCIAL STATEMENTS

SIBU WATER BOARD BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 RM	2006 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	151,008,890	138,999,764
Other investment	7	4,970,269	4,970,269
		<u>155,979,159</u>	<u>143,970,033</u>
Current assets			
Inventories	8	1,917,811	2,395,481
Trade receivables		2,295,328	2,373,376
Other receivables		920,785	1,082,024
Tax refundable		148,562	96,409
Fixed deposits		13,508,573	8,322,400
Cash in hand and at bank		2,306,596	4,857,828
		<u>21,097,655</u>	<u>19,127,518</u>
TOTAL ASSETS		<u>177,076,814</u>	<u>163,097,551</u>
BOARD'S FUND AND LIABILITIES			
Reserves			
Vested assets reserve	11	813,534	813,534
General reserve	20	43,799,013	44,149,709
Board's fund		<u>44,612,547</u>	<u>44,963,243</u>
Non-Current Liabilities			
Long term loans	9	76,791,066	61,224,846
Provision for employees' benefit	10	118,977	88,309
Deferred income	12	42,467,120	43,063,758
Total Non-Current Liabilities		<u>119,377,163</u>	<u>104,376,913</u>
Current Liabilities			
Term loans	9	3,836,949	6,429,596
Trade payables		2,781,391	2,527,965
Other payables		6,465,976	4,797,965
Provision for employees' benefits	10	2,788	1,869
Taxation		-	-
Total Current Liabilities		<u>13,087,104</u>	<u>13,757,395</u>
Total Liabilities		<u>132,464,267</u>	<u>118,134,308</u>
TOTAL BOARD'S FUND AND LIABILITIES		<u>177,076,814</u>	<u>163,097,551</u>



FINANCIAL STATEMENTS

SIBU WATER BOARD INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 RM	2006 RM
Revenue	13	20,581,182	19,650,943
Cost of production	20	<u>(10,454,738)</u> 10,126,444	<u>(9,263,177)</u> 10,387,766
Other operating income		5,484,973	5,300,827
Distribution and selling expenses		(10,442,594)	(10,484,254)
Administration expenses		(5,454,126)	(5,235,668)
Other operating expenses		<u>(65,393)</u>	<u>(64,272)</u>
Loss before taxation	14	(350,696)	(95,601)
Deduct: taxation	15	<u>-</u>	<u>-</u>
Net loss from operation after taxation	20	<u><u>(350,696)</u></u>	<u><u>(95,601)</u></u>



FINANCIAL STATEMENTS

SIBU WATER BOARD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Vested Assets Reserve RM	General Reserve RM	Total RM
Balance as at 31 December 2005 as previously reported		813,534	44,723,973	45,537,507
Prior years' adjustment due to overvaluation of stock	8 & 20	-	(478,663)	(478,663)
Restated Balance as at 31 December 2005		813,534	44,245,310	45,058,844
Net loss for year 2006		-	(95,601)	(95,601)
Balance as at 31 December 2006		813,534	44,149,709	44,963,243
Net loss for the year		-	(350,696)	(350,696)
Balance as at 31 December 2007		813,534	43,799,013	44,612,547



FINANCIAL STATEMENTS

SIBU WATER BOARD CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 RM	2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(350,696)	(95,601)
Adjustments for:		
Depreciation of property, plant and equipment	9,179,106	8,878,171
Amortisation of capital contributions	(3,679,384)	(3,615,564)
Gains on disposal of property, plant and equipment	(545,099)	(479,335)
Interest income	(405,690)	(314,242)
Dividend income	(105,204)	(159,326)
Provision for employees' benefit	35,010	30,817
	<u>4,478,739</u>	<u>4,340,521</u>
Operating gain before working capital changes	4,128,043	4,244,920
Decrease/(Increase) in inventories	477,670	(188,996)
Decrease/(Increase) in trade receivables	78,048	(179,873)
(Increase)/Decrease in other receivables	(26,203)	129,080
Decrease in trade payables	(149,741)	(14,968)
Increase in other payables	427,391	372,003
	<u>807,165</u>	<u>117,246</u>
Cash generated from operating activities	4,935,208	4,362,166
Less: Income tax paid	(52,153)	(107,610)
Less: Provision for employees' benefit paid	(3,423)	(30,938)
Net cash generated from operating activities	4,879,632	4,223,618
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	259,784	210,853
Grants and capital contributions received	3,079,648	3,229,471
Disbursement of employee loans	(183,000)	(217,000)
Loan repayment received from employees	231,710	253,820
Proceeds from disposal of fixed assets	587,250	485,799
Purchase of property, plant and equipment	(19,586,596)	(14,474,370)
Interest received	392,940	297,783
Net cash used in investing activities	(15,218,264)	(10,213,644)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from term loan	19,403,170	16,323,293
Repayment of term loan	(6,429,597)	(3,219,416)
Net cash provided by financing activities	12,973,573	13,103,877
Net increase in cash and cash equivalents	2,634,941	7,113,851
Cash and cash equivalents brought forward	13,180,228	6,066,377
Cash and cash equivalents carried forward	15,815,169	13,180,228
Cash and cash equivalents consists of:		
Cash at bank and in hand	2,306,596	4,857,828
Fixed deposits	13,508,573	8,322,400
	<u>15,815,169</u>	<u>13,180,228</u>



FINANCIAL STATEMENTS

SIBU WATER BOARD NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES

The principal activities of the Board are the production, distribution and supply of potable water within the limit of the approved areas of supply.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Board have been prepared in accordance with applicable approved accounting standards in Malaysia.

3. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board on 25 March 2008.

4. FINANCIAL RISK MANAGEMENT POLICIES

The Board is exposed to credit risk, interest rate risk and liquidity risk in the normal course of the Board's business. The Management's agreed policies for managing each of these risks are summarised below:-

(i) Interest rate risk

Surplus funds are placed with government approved financial institutions with competitive and favourable interest rates.

(ii) Liquidity risk

The Board monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Board's operations and to mitigate the effects of fluctuations in cash flows.

(iii) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Customers are requested to place an initial deposit at the time of signing of the agreement for water supply. Their water supplies are disconnected if the customers default in payment within a stipulated time frame.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of accounting

The financial statements of the Board have been prepared on the basis of the historical cost convention, unless otherwise stated.

5.2 Revenue recognition

Revenue from sales of water is recognised based on metered usage upon delivery of the water.

Interest income from placement of fixed deposits with approved financial institutions is accrued on a time-apportioned basis.

Dividend income is recognised in the income statement when the shareholder's right to receive payment is established.



FINANCIAL STATEMENTS

5.3 Thresholds for capitalization of capital expenditure

The threshold for capitalization of capital expenditure is RM500.00. Capital expenditure below the threshold is expensed off in the income statement.

5.4 Property, plant and equipment and depreciation

Freehold land is not depreciated. Leasehold land is amortised over the term of their respective lease periods. Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to their respective residual values on a straight line basis over their expected useful lives. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The principal annual depreciation rates for the other assets are as follows:-

Buildings	4%
Furniture and fittings	10%
Headworks, booster stations and mains	4%
Meters	10%
Communication pipes	5%
Plant and machineries	20%
Workshop and field equipment	10%
Office and store equipment	20%

Fully depreciated assets are retained in the accounts at a nominal value of RM1.00 until they are no longer in use and no further charge of depreciation is made in respect of these assets.

5.5 Deferred income

Consumers are required to contribute towards the cost of revenue earning capital projects. These contributions together with government grants in respect of capital expenditure are credited to the deferred income account and released to the income statement on a straight line basis over the expected useful lives of the assets except for those relating to projects not yet completed.

5.6 Inventories

Inventories comprising pipes, spare parts and chemicals are stated at lower of cost and net realisable value. Cost is determined using first-in, first-out.

5.7 Work-in-progress

Work-in-progress is valued at cost and where appropriate includes supervisory and other overhead expenses. Work-in-progress shall be capitalised when the asset is substantially functionable and the date of capitalisation shall be the date of handing over to the Sibü Water Board.

5.8 Cash and cash equivalents

Cash and cash equivalents represent cash balances and deposits with financial institutions.



FINANCIAL STATEMENTS

5.9 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investment, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

5.10 Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised as income for assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale as an asset at arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased. The reversal is recorded as income or as a revaluation increase.

5.11 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognized for all taxable differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. Temporary differences are not recognized for initial recognition of assets and liabilities that at the time of transaction, affects neither accounting nor taxable profit.

5.12 Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees of the Board. Short-term accumulating compensated absences, such as paid annual leave are recognized when services rendered by employees that increases their entitlement to future compensated absences; and short-term non-accumulating compensated absences, such as sick leave are recognized when the absences occur.

(ii) Defined contribution plan

As required by law, the Board makes contributions to the 'Skim Pencen Perkhidmatan Awam' and the Employee Provident Fund respectively. Such contributions are recognized as an expense in the income statement as incurred.



FINANCIAL STATEMENTS

6. PROPERTY, PLANT AND EQUIPMENT

2007							
	<u>Land</u>	<u>Buildings, Furniture & Fittings</u>	<u>Headworks, Booster Stations & Mains</u>	<u>Meters & Pipes</u>	<u>Plant, Machineries & Equipment</u>	<u>Work in Progress</u>	<u>Total</u>
	RM	RM	RM	RM	RM	RM	RM
Cost							
As at 1st January	4,914,607	8,943,619	192,094,544	15,092,360	14,169,032	17,086,911	252,301,073
Additions	-	743,647	589,794	954,024	2,370,210	16,572,708	21,230,383
Disposal	(77,716)	-	-	-	-	-	(77,716)
Transfer	-	750	2,532,036	-	587,325	(3,120,111)	-
As at 31st December	4,836,891	9,688,016	195,216,373	16,046,384	17,126,567	30,539,508	273,453,740
Accumulated depreciation							
As at 1st January	1,243,315	4,219,933	88,962,838	8,576,216	10,299,008	-	113,301,309
Additions	92,372	350,173	6,914,101	630,583	1,191,877	-	9,179,106
Disposal	(35,565)	-	-	-	-	-	(35,565)
As at 31st December	1,300,122	4,570,106	95,876,939	9,206,799	11,490,884	-	122,444,850
Net book value							
As at 31st December	3,536,769	5,117,910	99,339,435	6,839,585	5,635,683	30,539,508	151,008,890

2006							
	<u>Land</u>	<u>Buildings, Furniture & Fittings</u>	<u>Headworks, Booster Stations & Mains</u>	<u>Meters & Pipes</u>	<u>Plant, Machineries & Equipment</u>	<u>Work in Progress</u>	<u>Total</u>
	RM	RM	RM	RM	RM	RM	RM
Cost							
As at 1st January	4,918,430	8,788,999	188,330,151	14,370,097	13,990,626	7,952,221	238,350,524
Additions	-	154,620	1,893,151	722,263	581,901	11,005,932	14,357,867
Disposal	(3,822)	-	-	-	(403,495)	-	(407,317)
Transfer	-	-	1,871,242	-	-	(1,871,242)	-
As at 31st December	4,914,607	8,943,619	192,094,544	15,092,360	14,169,032	17,086,911	252,301,073
Accumulated depreciation							
As at 1st January	1,152,366	3,869,977	82,131,982	7,925,962	9,749,048	-	104,829,334
Additions	93,689	349,956	6,830,856	650,254	953,416	-	8,878,171
Disposal	(2,739)	-	-	-	(403,456)	-	(406,195)
	1,243,315	4,219,933	88,962,838	8,576,216	10,299,008	-	113,301,309
Net book value							
As at 31st December	3,671,292	4,723,686	103,131,706	6,516,144	3,870,025	17,086,911	138,999,764



FINANCIAL STATEMENTS

	2007 RM	2006 RM
7. OTHER INVESTMENT		
Shares in Amanah Saham Sarawak – at cost (Market value : RM5,152,669)	4,970,269	4,970,269
8. INVENTORIES		
Pipes, spare parts and chemicals at cost (The inventories was originally reported as RM2,915,062 in 2006 and is restated to RM2,395,481 due to overvaluation in the prior years)	1,917,811	2,395,481
9. TERM LOANS		
9.1 Sarawak Government Loan (Unsecured) 1990-1994 Interest-free RM36.00 million The loan is repayable in 17 annuities commencing in 1997	16,058,823	20,294,118
9.2 Sarawak Government Loan (Unsecured) Interest-free RM4.50 million The loan is repayable in 20 annuities commencing in 1999	2,475,000	2,925,000
9.3 Sarawak Government Loan (Unsecured) Interest-free RM4.10 million The loan is repayable in 20 annuities commencing in 2005	3,325,257	3,520,861
9.4 Sarawak Government Loan (unsecured) Interest-free RM5.00 million This loan is repayable in 17 annuities commencing in 2004	3,823,529	4,117,647
9.5 Sarawak Government Loan (Unsecured) Interest-free RM5.00 million The loan is repayable in 20 annuities commencing in 2004	4,000,000	4,500,000
9.5 Sarawak Government Loan (Unsecured) Interest-free RM9.00 million The loan is repayable in 20 annuities commencing in 2005	2,329,829	2,466,877
9.6 Sarawak Government Loan (Unsecured) Interest-free RM9.00 million The loan is repayable in 20 annuities commencing in 2006	4,133,114	4,350,646
9.7 Sarawak Government Loan (Unsecured) Interest-free RM8.00 million The loan is repayable in 20 annuities commencing in 2007	7,600,000	8,000,000
9.8 Sarawak Government Loan (Unsecured) Interest-free RM20.00 million The loan is repayable in 20 annuities commencing in 2009	20,000,000	10,925,356
9.9 Sarawak Government Loan (Unsecured) Interest-free RM6.26 million The loan is repayable in 20 annuities commencing in 2009	4,015,339	4,015,339
9.10 Sarawak Government Loan (Unsecured) Interest-free RM2.54 million The loan is repayable in 20 annuities commencing in 2009	2,538,598	2,538,598



FINANCIAL STATEMENTS

9.11 Sarawak Government Loan (Unsecured)	3,268,191	-
Interest-free RM62.58 million		
The loan is repayable in 20 annuities commencing in 2010		
9.12 Sarawak Government Loan (Unsecured)	7,060,335	-
Interest-free RM14.0 million		
The loan is repayable in 20 annuities commencing in 2010		
	80,628,015	67,654,442
Repayment due within 12 months	(3,836,949)	(6,429,596)
	<u>76,791,066</u>	<u>61,224,846</u>

10. PROVISION FOR EMPLOYEE BENEFITS

	2007 RM	2006 RM
Balance as at 1 st January	90,178	90,299
Provision during the year	35,010	30,817
Utilisation of provision during the year	(3,423)	(30,938)
Balance at 31 st December	<u>121,765</u>	<u>90,178</u>
At 31 st December		
Current	2,788	1,869
Non Current:		
- Later than 1 year but not later than 2 years	-	1,546
- Later than 2 years but not later than 5 years	59,773	12,692
- Later than 5 years	59,204	74,071
	<u>118,977</u>	<u>88,309</u>
	<u>121,765</u>	<u>90,178</u>

11. VESTED ASSETS RESERVE

The reserve represents the depreciated value of assets taken over from JKR by the Board when it was incorporated on 1st January, 1959.

12. DEFERRED INCOME

Deferred income represents capital contributions received and receivable from customers towards the cost of capital projects and government grants received; and is analysed as follows:

	2007 RM	2006 RM
Balance as at 1 st January	43,063,758	43,449,439
Additions during the year	3,050,746	3,229,883
Amortisation	(3,679,384)	(3,615,564)
Balance as at 31 st December	<u>42,435,120</u>	<u>43,063,758</u>

Capital contributions received from customers in 2007 amounted to RM3,050,746 (2006: RM3,229,883). No grant was received from Federal Government towards the cost of rural water supply projects (2006: Nil). The capital contributions and grants amortised amounted to RM2,571,918 (2006 : RM2,508,098) and RM1,107,466 (2006 : RM1,107,466) respectively.



FINANCIAL STATEMENTS

13. REVENUE

	2007 RM	2006 RM
Water sales	20,581,182	19,650,943

14. LOSS BEFORE TAXATION

The following items have been charged/(credited) in arriving at the loss before taxation:

	2007 RM	2006 RM
Depreciation on property, plant and equipment	9,179,106	8,878,171
Staff cost	6,298,455	5,753,190
Amortisation of deferred income	(3,679,384)	(3,615,564)
Gains on disposal of property, plant and equipment	(545,099)	(479,335)
Interest income	(105,690)	(314,242)
Dividend Income	(105,204)	(159,326)
Board members' remuneration	46,220	46,841
Auditors' remuneration	19,173	17,430

15. TAXATION

	2007 RM	2006 RM
Tax expense for the year	-	-

A reconciliation of income tax expense applicable to loss before tax at the statutory tax rate to income tax expense at the effective income tax rate of the Board is as follows:-

	2007 RM	2006 RM
Loss before taxation	(350,696)	(95,601)
Taxation at Malaysian statutory tax rate of 27% (2006 : 28%)	(94,688)	(26,768)
Depreciation on non-qualifying property, plant and equipment	115,446	113,028
Capital gain not subject to tax	(147,177)	(124,200)
Income not subject to tax	(6,778,707)	(6,759,426)
Deferred tax assets not recognised during the year	6,905,126	6,797,366
	-	-

With effect from year of assessment 2006 onwards, following the Income Tax (Exemption) (No. 22) Order 2006, the YB Minister of Finance exempted the Board from income tax in respect of the followings:

- income relating to the allocations given by the Federal and the State Government in the form of grants or subsidies, and
- the income received in respect of an amount chargeable and collectible from any person in accordance with the provisions of the Act regulating the Board; or
- any donations or contributions received



FINANCIAL STATEMENTS

16. DEFERRED TAXATION

No deferred tax liabilities and assets have been recognised in respect of the following temporary differences:

	2007 RM	2006 RM
Temporary differences that may give rise to deferred tax liabilities:		
Accelerated capital allowances	72,123,495	70,271,838
Dividend receivable	-	17,388
	<u>72,123,495</u>	<u>70,289,226</u>
Temporary differences that may give rise to deferred tax assets:		
Unutilised capital allowance	85,756,654	75,153,466
Unutilised tax losses	32,629,112	15,855,079
Deferred income	-	-
Provisions	121,765	90,178
	<u>118,507,531</u>	<u>91,098,723</u>

Deferred tax assets have not been recognised in respect of these items as the Board may not have taxable profits for which these tax assets can be utilised in the foreseeable future, since the Board is exempted from payment of income tax for most of her income as stated in Note 15 above.

17. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The interest rate risk that financial instruments value will fluctuate as a result of changes in the market interest rates and the effective weighted interest rates on classes of financial assets and financial liabilities are as follows:-

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM	Effective interest rate during the year
<u>Financial Assets</u>					
Fixed deposits	13,308,573	200,000	-	13,508,573	3.10% - 8.00%
<u>Financial Liabilities</u>					
Loans	3,836,949	27,888,935	48,902,131	80,628,015	-

(b) Credit risk

The carrying amounts of cash and cash equivalents, trade receivables and other receivables represent the Board's maximum exposure to credit risk. At the balance sheet date, there were no significant concentration of credit risk, except for trade receivables of financial instruments relating to two (2) customers which accounts for 23.74% of the total receivables.

(c) Fair value

The fair value of the financial assets and liabilities approximates their carrying values except:-

	Carrying amount RM	Fair value RM
<u>Assets</u>		
Other investment	4,970,269	5,152,669



FINANCIAL STATEMENTS

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Deposits, cash and bank balances

The carrying amount of cash and bank balances approximates fair value due to the relatively short term maturity of these instruments.

(ii) Trade and other receivables; Trade and other payables

The historical cost carrying amount of receivables and payables subject to normal trade credit terms approximates fair value. The carrying amounts of other receivables and payables are reasonable estimates of fair value because of their short term maturity.

(iii) Investment

The fair value of publicly traded instruments is estimated based on the quoted market prices.

(iv) Borrowings

The carrying amount of both short and long term borrowings approximate fair value because the loans are interest-free.

18. CAPITAL COMMITMENTS

	2007 RM	2006 RM
Capital expenditure not taken up in the account - approved and contracted out	48,616,185	12,260,952

19. STAFF

	2007	2006
Number of staff	188	190

20. COMPARATIVE FIGURES

The following comparative figures had been restated to reflect prior years' adjustments which have been accounted for retrospectively:

	As previously Reported RM	Effects of Adjustments RM	As Restated RM
Inventories	2,915,062	(519,581)	2,395,481
Cost of production	9,222,259	40,918	9,263,177
Net loss after taxation	(54,683)	(40,918)	(95,601)
General Reserve	44,669,290	(519,581)	44,149,709



OTHER INFORMATION

Scale Of Water Charges With Effect From 1st January 1992

Classification	Rates
Domestic Minimum charge in any one month 1,000 to 15,000 litres in any one month In excess of 15,000 litres but not exceeding 50,000 litres in any one month The excess over 50,000 litres in any one month	RM4.40 RM0.48 per 1,000 litres RM0.72 per 1,000 litres RM0.76 per 1,000 litres
Domestic/Commercial Minimum charge in any one month 1,000 to 25,000 litres in any one month The excess over 25,000 litres in any one month	RM18.70 RM0.83 per 1,000 litres RM0.95 per 1,000 litres
Commercial Minimum charge in any one month 1,000 to 25,000 litres in any one month The excess over 25,000 litres in any one month	RM22.00 RM0.97 per 1,000 litres RM1.06 per 1,000 litres
Special Commercial - Water Processed for sale Minimum charge in any one month 1,000 to 25,000 litres in any one month The excess over 25,000 litres in any one month	RM27.50 RM1.21 per 1,000 litres RM1.33 per 1,000 litres
Public standpipes	RM0.43 per 1,000 litres
Water collected at depot (Customer's transport)	RM0.43 per 1,000 litres
Water to ship	RM1.70 per 1,000 litres

Meter Rents

Dimension Of Meter	Per Month or Part Thereof
15 mm	RM0.55
20 mm	RM1.65
25 mm	RM2.20
30 mm	RM2.75
40 mm	RM3.30
50 mm	RM4.40
80 mm	RM8.80
100 mm	RM11.00
150 mm	RM16.50

Fees

For "Turning On Service"	RM5.50
For "Re-connection" due to non-payment	RM16.50



OTHER INFORMATION

PERFORMANCE INDICATORS

The Board's performance is divided into three main criteria, namely the Physical, Service and Financial Performance Indicator :-

I.	Physical Performance Indicator	2005 Average	2006 Average	2007 Average	Bench Mark
1	Annual treatment plant reserve margin (%) $\frac{\text{Total plant capacity} - \text{actual production} \times 100}{\text{Total plant capacity}}$	32.2	21.7	19.9	17.1
2	Network density = $\frac{\text{Total km of pipeline}}{\text{Total sq. km area}}$	0.46	0.47	0.48	0.28
3	Population/Km of pipeline = $\frac{\text{Total population}}{\text{Total km of pipeline}}$	259	264	265	277

II.	Service Performance Indicator	2005	2006	2007	Bench Mark
1	No. of connections per employee	234	249	261	377
2	No. of connections per meter reader	3,369	4,061	4,131	3,197
3	Length of pipeline (Km) per employee	4.55	4.72	4.92	6.8
4	Total output of treated water (cu.m) per employee per month	13,793	15,071	15,450	24,955
5	No. of pipeline breakages per kilometer per month	0.04	0.03	0.03	0.11
6	No. of complaints received per 1000 connections per month	10.22	6.36	5.74	4.95
7	$\frac{\text{Actual no. of meters replaced}}{\text{Expected no. of meters to be replaced}}$	0.00	0.61	0.04	n/a
8	% of Non-revenue water	26.83	29.58	28.10	37.70
9	Actual consumption(cu.m) per pipulation - per month	8.38	8.49	8.50	8.77
10	% of No. of treated water NTU>5.0 violation	0.00	0.00	0.00	n/a
11	% of No. of treated water bacteria/E-coli violation	0.00	0.00	0.00	n/a
12	% of No. of treated water true color>5.0 violation	0.00	0.00	0.00	n/a

III.	Financial Performance Indicator	2005	2006	2007	Bench Mark
1 (i)	Average O & M cost increase, RM (annually)	667,784	630,041	745,915	n/a
(ii)	Average increase in water production, MLD (annually)	3.94	6.22	2.22	n/a
2	Unit production cost (sen) = $\frac{\text{Total O \& M cost}}{\text{Total cu. m water produced}}$	45.3	41.0	47.4	68.6
3	Average tariff (sen) = $\frac{\text{Total revenue}}{\text{Total cu. m water sold}}$	80.9	80.7	82.2	105
4	Operating ratio = $\frac{\text{Total O \& M cost}}{\text{Total revenue}}$	0.77	0.80	0.79	1.1
5	Ratio of $\frac{\text{Total Non-Domestic consumption}}{\text{Total Non-Domestic consumption}}$	1.77	1.76	1.79	n/a
6	Ratio of $\frac{\text{Total revenue of domestic consumption}}{\text{Total revenue of Non-Domestic consumption}}$	0.99	1.02	0.98	n/a
7	Collection efficiency = $\frac{\text{Total annual collection}}{\text{Total annual billings}}$	0.92	0.99	1.06	n/a
8	Average collection Period of debts (days) = $\frac{\text{Total debt} \times 365 \text{ days}}{\text{Total billed}}$	44.0	43.6	38.18	n/a

Notes:

Average O & M Cost = Average annual expenditure (exclude depreciation)

Total O & M Cost = Total expenditure (exclude depreciation)

Total Revenue = Total water Sales Only

Domestic = Domestic only

Non-Domestic = Domestic / Commercial, Commercial, Special Commercial, Standpipes & Ship Supply

Total Collection = Received for the Year

Total Billing = Net billing

Period of Debt = Outstanding at the end of the Year



OTHER INFORMATION

STATISTICAL ANALYSIS OF RAW WATER DATA YEAR 2007

Tests	Characteristic	Unit	Acceptable Level *	Bukit Lima	Salim
Microbiology	Total Coliform	MPN/100 ml	< 5000	2195	615
Group 1	PH		5.5-9.0	6.5	6.5
	Colour	TCU	< 300	27	20
	Turbidity	NTU	< 1000	295	287
Group 2	Total Dissolved Solids	ppm	< 1500	14	16
	Total Hardness	ppm	< 500	11	12
	Chemical Oxygen Demand	ppm	< 10	8	9
	Biological Oxygen Demand	ppm	< 6 *	< 2	< 2
	Ammonia	ppm	< 1.5	< 0.1	< 0.1
	Nitrate Nitrogen	ppm	< 10	0.4	0.4
	Anionic Detergent MBAS	ppm	< 1	< 0.5	< 0.5
	Fluoride	ppm	< 1.5	< 0.1	< 0.1
	Chloride	ppm	< 250	2	1
	Iron (as Fe)	ppm	< 1	1.10	1.08
	Manganese	ppm	< 0.2	0.13	0.10
Group 3	Arsenic	ppm	< 0.01	< 0.001	< 0.001
	Mercury	ppm	< 0.001	< 0.001	< 0.001
	Cadmium	ppm	< 0.003	< 0.001	< 0.001
	Lead	ppm	< 0.05	0.003	0.003
	Chromium	ppm	< 0.05	0.001	0.001
	Silver	ppm	< 0.05	< 0.002	< 0.002
	Copper	ppm	< 1	0.003	0.008
	Zinc	ppm	< 3	0.004	0.008
	Magnesium	ppm	< 150	1.40	1.41
	Sodium	ppm	< 200	2	2
	Selenium	ppm	< 0.01	< 0.001	< 0.001
	Sulphate	ppm	< 250	< 5	< 5
Group 4	Lindane	ppm	< 0.002	-	-
	Heptachlor	ppm	< 0.00003	< 0.004	< 0.004
	Aldrin	ppm	< 0.00003	0.01	0.01
	Heptachlor Epoxide	ppm	< 0.00003	< 0.004	< 0.004
	Dieldrin	ppm	< 0.00003	< 0.005	< 0.005
	Methoxychlor	ppm	< 0.02	< 0.1	< 0.1
	alpha-BHC	ppm	-	< 0.05	< 0.05
	beta-BHC	ppm	-	< 0.03	< 0.03
	delta-BHC	ppm	-	< 0.04	< 0.04
	alpha-endosulfan	ppm	-	< 0.04	< 0.04
	4, 4 -DDE	ppm	-	< 0.04	< 0.04
	beta-endosulfan	ppm	-	0.05	0.05
	4, 4 -DDD	ppm	-	< 0.04	< 0.04
	Endrin	ppm	-	< 0.05	< 0.05
	Endosulfan sulfate	ppm	-	< 0.04	< 0.04
	4, 4 -DDT	ppm	-	< 0.09	< 0.09

Notes : (i) * According to National Guidelines for Drinking Water Quality (revised in December, 2000 Second Version, January 2004)

(ii) Data extracted from:

1) 'Laporan Panjang Analisis Kimia bagi Sampel Air 2007'

2) 'Laporan Pendek Analisis Kimia bagi Sampel Air 2007'

3) 'Laporan Keputusan Pemeriksaan Bakteria 2007'

(iii) ND - Not Detected

(iv) All reports are received from Jabatan Kimia Malaysia, Kuching



OTHER INFORMATION

STATISTICAL ANALYSIS OF TREATED WATER DATA YEAR 2007

Tests	Characteristic	Unit	Acceptable Level *	Bukit Lima	Salim
Microbiology	Total Coliform	cfu/100 ml	<1	1	<1
	E. Coli	cfu/100 ul	<1	<1	<1
Group 1	Residual Chlorine (min)	ppm	>0.2	1.74	1.79
	pH		6.5-9.0	7.4	7.3
	Color	TCU	15	1	1
	Turbidity	NTU	5	0.77	0.96
Group 2	Total Dissolved Solids	ppm	< 1000	36	38
	Total Hardness	ppm	< 500	27	28
	Ammonia	ppm	< 1.5	<0.1	<0.1
	Nitrate Nitrogen	ppm	< 10	0.44	0.44
	Fluoride	ppm	0.5-0.7	0.51	0.43
	Chloride	ppm	< 250	2	2
	Iron	ppm	< 0.3	0.05	0.05
	Manganese	ppm	< 0.1	0.03	0.02
Group 3	Aluminum	ppm	< 0.2	0.03	0.05
	Arsenic	ppm	< 0.01	<0.001	<0.001
	Mercury	ppm	< 0.001	<0.001	<0.001
	Cadmium	ppm	< 0.003	<0.001	<0.001
	Lead	ppm	< 0.01	<0.001	<0.001
	Chromium	ppm	< 0.05	<0.001	<0.001
	Silver	ppm	< 0.05	<0.002	<0.002
	Copper	ppm	< 1	0.015	0.005
	Zinc	ppm	< 3	0.03	0.013
	Magnesium	ppm	< 150	1.47	1.50
	Sodium	ppm	< 200	2	2
	Selenium	ppm	< 0.01	<0.001	<0.001
	Sulphate	ppm	< 250	13	16
	Chloroform	ppm	< 0.2	0.037	0.041
	Bromoform	ppm	< 0.1	<0.005	<0.005
	Dibromochloromethane	ppm	< 0.1	<0.005	<0.005
	Bromodichloromethane	ppm	< 0.06	<0.005	<0.005
Group 4	Lindane	ppm	< 0.002	-	-
	Heptachlor	ppm	< 0.00003	0.01	<0.004
	Aldrin	ppm	< 0.00003	0.01	<0.003
	Heptachlor Epoxide	ppm	< 0.00003	<0.004	<0.004
	Dieldrin	ppm	< 0.00003	<0.005	<0.005
	Methoxychlor	ppm	< 0.02	<0.1	0.1
	alpha-BHC	ppm	-	<0.05	<0.05
	beta-BHC	ppm	-	<0.03	<0.03
	delta-BHC	ppm	-	<0.04	<0.04
	alpha-endosulfan	ppm	-	<0.04	<0.04
	4, 4 -DDE	ppm	-	<0.04	<0.04
	beta-endosulfan	ppm	-	<0.05	0.05
	4, 4 -DDD	ppm	-	<0.04	<0.04
	Endrin	ppm	-	<0.05	<0.05
	Endosulfan sulfate	ppm	-	<0.04	<0.04
	4, 4 -DDT	ppm	-	<0.09	<0.09

Notes : (i) * According to National Guidelines for Drinking Water Quality (revised in December, 2000 Second Version, January 2004)

(ii) Data extracted from:

1) 'Laporan Panjang Analisis Kimia bagi Sampel Air 2007'

2) 'Laporan Pendek Analisis Kimia bagi Sampel Air 2007'

3) 'Laporan Keputusan Pemeriksaan Bakteria 2007'

(iii) ND - Not Detected

(iv) All reports are received from Jabatan Kimia Malaysia, Kuching



OUTLOOK FOR 2008

TOWARDS WORLD CLASS!

- * **Construction and Completion of Expansion of Salim Treatment Plant Phase II**
- * **Construction and Completion of the construction of a New Raw Water Intake at Salim**
- * **Embracing modern technologies in processing water**
- * **Developing and embracing ICT in enhancing operational efficiencies**
- * **Engaging holistic approach in reducing NRW**
- * **Striving for operating cost effectiveness**
- * **Conducting road show to create awareness in water conservation and the Board's services**
- * **Promoting innovations and quality services**
- * **Sustaining a conducive and pleasant working environment**
- * **Sustaining a safe and hazard free organisation**