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SIBU WATER BOARD



Laporan Tahunan **2008** **Annual Report**



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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**

Board's Song

"Ke Arah Visi dan Misi"

Verse 1

C F
Air sumber kehidupan
G C
Kualiti teras kejayaan
Em Am
Berkhidmat penuh kepimpinan
F G
Itulah tanggungjawab kami

Verse 2

C F
Melangkah maju ke hadapan
G C
Mencapai cita-cita bersama
Em Am
Kepekaan dan pengurusan
F G
Sistematik dan berwawasan

Chorus

C Am
Menjamin kemudahan untuk kita semua
F G
Berintegriti mengecapi Impian
Em Am
Berinovasi sentiasa berusaha
F G C
Ke arah visi dan misi bertaraf dunia

Bridge

F Em
Bekalkan air yang bersih dan lestari
F G C
Bermutu tinggi harga berpatutan
Em Am Em Am
Berganding tangan bersama demi nusa dan bangsa
F G
Tekad berikrar kami perjuangkan

Repeat chorus



CHAIRMAN'S STATEMENT

INTRODUCTION

On behalf of the Board, it is my pleasure to present the Annual Report for the financial year ended 31 December 2008.

FINANCIAL REVIEW

The Board sustained growth on water sales at 2%, from the previous year of RM20.58 million to RM21.02 million. The other operating revenue however recorded only RM5.28 million, a decrease of 3.8% from RM5.48 million in 2007.

With the rising cost, our operating expenditure for the year increased by 6.4% or RM1.10 million, from RM17.24 million in 2007 to RM18.34 million in 2008. There was an increase of RM0.29 million in depreciation, which amounted to RM9.47 million for the year.

The overall financial performance for the year had thus declined significantly with net loss after tax increasing by RM1.15 million to RM1.51 million in 2008.

The Board had been highly dependant on soft loan from the government for its development projects, and at the end of 2008, the long term serviceable loans have accumulated to RM108.86 million.



PRODUCTION AND CONSUMPTION

The Board produced a total of 35,028 megalitres (ML) of fully treated water in the year compared to 35,191ML the previous year, a decrease of 0.46%. During the year, the maximum daily production recorded by the Board was 105.31ML as against the minimum of 86.88ML.

The total number of active services had increased from 51,545 in 2007 to 53,826 at the end of 2008, an increase of 4.4%.

The consumption rose by 2.7% in the year, from 25,126ML the previous year to 25,800ML in 2008.

DEVELOPMENT AND IMPROVEMENT PROGRAMMES

Development Projects

In tandem with the increasingly water demand, the construction of Salim Treatment Plant Phase II with a scheme value of RM73.5 million had commenced since 2007 and the Board had spent RM30 million on the project in 2008. This project is expected to be commissioned in 2009 and will ensure sufficient capacity to meet the water demand of Sibul District up to 2020.

To further improve the reliability of water supply at Stabau/Durin area, the Proposed Upgrading Works at Stabau Booster Station costing RM1.1 million had commenced in 2007 and was completed at the beginning of 2009.

Non Revenue Water (NRW)

With the completion of three (3) projects on renewal of pipelines which commenced in the previous years, the Board is now focusing on a holistic approach to tackle NRW. Based on a programme endorsed by the Board, a full time NRW Unit had been set up. The staff went through a series of training and visits; District Metering Zones (DMZ) were identified and rescheduling of meter reading zones which started some years ago was intensified; equipments for leak detection and monitoring purposes were purchased in phases; and a tender had been awarded for upgrading of the existing Telemetry System. The NRW was reduced by 2% from 28.3% in 2007 to 26.3% in 2008.

Modernisation

The Streaming Current Monitors (SCM) installed at Salim Treatment Plant enabled automated and optimal dosing of coagulants. Apart from producing more consistent quality water, the savings generated enabled the initial investment to be recovered within a year. They were now installed at Bukit Lima Treatment Plant also.



With the commissioning of the On-site Electrochlorination System in September, the Board had eliminated the single “Major Hazard”, as defined under the Occupational Safety and Health Act (OSHA), at the Salim Treatment Plant. The Board wish to make Sibü a “Chlorine Gas Free” zone in the near future.

The Pump Drive Controllers (PDC) continued to generate savings for the Board, and subject to fund availability the Board wish to have the PDC installed at all strategic pumping systems to enable full automation.

OTHERS

Since the accreditation of MS ISO and the winning of several quality awards some years ago, the Board had never ceased its effort to ensure continual improvement. The sustainability of quality services had been proven once again when the Board was awarded as the winner of Anugerah Kualiti Setiausaha Kerajaan Negeri Sarawak 2008 in April 2009.

After several years of planning, the Board finally realized its plan for a study tour to an international destination and a trip was approved for Board members and senior staff to visit Bi Jia Shan Water Treatment Plant at Shenzhen, Ri Feng PVC Pipe Factory Stainless Pipe and Lanshi Yuhang Stainless Steel Company at Foshan, China. The study visit gave members an insight of the direction that the Board is going towards automation and also exposed the delegates to the state-of-the-art processes deployed in the manufacturing processes.

The Board bid farewell to Encik Chai Moi Fong, Dr. Faizul B. Mansoor and Dr. Junaidi Bin Diki on their retirement, promotion and transfer respectively during the year. I wish to take this opportunity to thank them for their good service and contributions during their terms as Board members and wish them all the best in their new undertakings.

LOOKING AHEAD

Embracing the latest state-of-the-art technology such as Geographical Information System, Network Modeling, Total Assets Management, Enterprise Risk Management Program and other system automations will enhance efficiency, productivity and customer care.

However, the rising cost in operation and maintenance had resulted in the board operating in deficit for the seventh year. Water tariff was last revised in 1992 and the tariff had been maintained to enable the domestic consumers to enjoy water as an utmost necessity at a subsidized rate. With the heavy capital outlay and low returns on capital assets, unless there is a drastic change in the consumption pattern, or a drastic change in the tariff, the Board might not be able to sustain its financial independence in the near future. While “Cost Saving” is an immediate strategy and on-going process for the Board, there is an imminent need to secure development grants instead of loans.

APPRECIATION

I wish to express my sincere thanks to my fellow members for their good advice, guidance and support towards the development, growth and continued success of the Board.

On behalf of the Board, I wish to record my sincere appreciation to the Management team and staff for their co-operation and hard work to realize yet another successful year for the Board.

Last but not the least, I would like to place on record my heartfelt thanks and gratitude to the State and Federal governments, all departments and agencies and our valued customers for their co-operation, continued support and trust placed on the Board. Our good progress, success and performance would never have been possible without them.

H.J. URAIDILLAH BIN H. 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. The constitution of the Board was further amended vide Sibu Water Board Order 2002 and Sibu Water Board Order 2005.

Objectives of the Board

A body corporate established by the Yang diPertua 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 2008



CHAIRMAN
Tuan Haji Ubaidillah Bin Haji Abdul Latip
Permanent Secretary, Ministry of Public Utilities



Puan Hajjah Sutin Bt. Sahmat
Director of Procurement, SFS



Encik Tan Kok Chang
Assistant Director (Water Supply), JKR



Tuan Haji Ismail Bin Haji Mohd. Hanis
Acting Resident, Sibu



Dr. Haji Faizul Bin Haji Mansoor
Divisional Health (Medical) Officer



Encik Law Buong Hoo



Encik Wong Nang Yong



Puan Kong Leh En



Puan Ngui Ing Ing



Encik Awang Julaihi Bin Awang Ali Bohan



Encik Sayun Ak Ambing



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

State Financial Secretary or his nominee

(Director of Procurement, SFS's Office)

Puan Hajjah Sutin Sahmat

(From 01.06.2005 – 20.05.2009)

Encik Nicholas Sia

(With effect from 21.05.2009)

Assistant Director of Public Works (Water Supply)

Encik Tan Kok Chang

(From 15.11.2005 – 01.03.2009)

Encik Danien Ak Rangu

(With effect from 02.03.2009)

Resident, Sibü Division

Encik Chai Moi Fong

(From 06.05.2005 to 07.03.2008)

Tuan Hj. Ismail Bin Hj. Mohd. Harris

(From 08.03.2008 - 29.04.2009)

Encik Sim Kok Kee

(With effect from 30.04.2009)

Divisional Medical Officer

Dr. Hj. Faizul Bin Hj. Mansoor

(From 15.11.2005 – 15.10.2008)

Dr. Junaidi Diki

(From 16.10.2008 – 29.12.2008)

Dr. Hj. Jamal Bin Johari Ali

(From 30.12.2008 – 10.05.2009)

Dr. Chin Zin Hing

(Covering With effect from 11.05.2009)

Encik Law Buong Hoo

(From 01.03.2003 to 28.02.2005, 01.04.2005 – 31.03.2009)

Puan Kong Leh En

(From 01.03.2003 - 28.02.2005, 01.04.2005 – 31.03.2009)

Encik Wong Nang Yong

(With effect from 01.04.2007)

Encik Awg Julaihi b. Awg Ali Bohan

(With effect from 01.04.2007)

Encik Sayun Ak Ambing

(With effect from 01.04.2007)

Puan Ngui Ing Ing

(With effect from 01.04.2007)

Encik Ngu Huk Kiong

(With effect from 01.04.2009)

Encik Kong Tze Ling

(With Effect from 01.04.2009)

Secretary

Puan Ting Ley King

(With effect from 01.07.2005)

Management

General Manager (Chief Executive Officer)

Ir. Daniel Wong Park Ing

Deputy General Manager

Ir. Alice Jawan Empaling

Secretary / Accountant

Cik Grace Hii Hui Hing

(Seconded to SFS from 01.07.2005 - 20.05.2009;
extended secondment to JAN w.e.f 21.05.2009)

Puan Ting Ley King

(Acting wef 01.07.2005)

Head, Distribution & Customer Service

Civil Engineer

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

Electrical Engineer

Encik Lau Siew Wei (w.e.f 16.05.2008)

Plant Superintendent

Encik Pius Apin (up to 15.05.2008)

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)

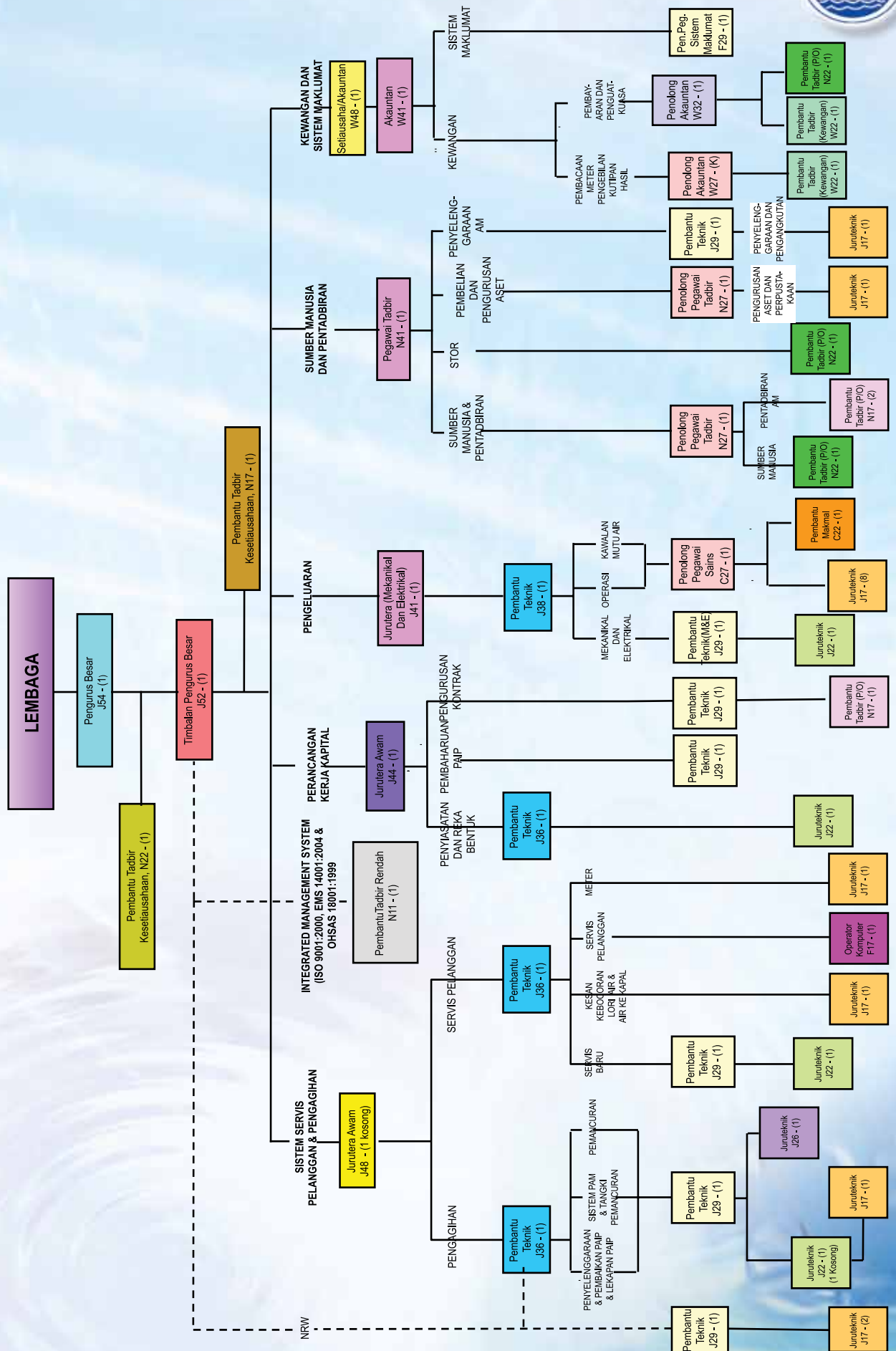
Facsimile : 084 – 211543

084 – 211894

Email : swbs@swb.gov.my

pengurus@swb.gov.my

Organisation Chart





CORPORATE INFORMATION

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 Sibü Town (on-going)

DEVELOPMENT PROGRESS

2008 is the third year of 9th Malaysia Plan. The Board spent RM33.4 million on development during the year. Out of this amount, RM30.0 million (90%) was spent on Expansion of Salim Treatment Plant Phase II, RM2.1 million (6%) was spent on renewal of pipelines, RM0.9 million (3%) was spent on Upgrading of Stabau Booster Station, and the balance of RM0.4 million (1%) accounted for the normal extension of pipeline.

The Board saw the completion of three (3) mains renewal projects which commenced in the previous years. Another four (4) contracts awarded during the previous years, namely, Salim Treatment Plant Phase II, Stage 1 and Stage 2, the Mains Renewal Project at Jln Tun Abg Hj Openg and Upgrading of Stabau Booster Station were still in progress at the end of the year.

The Board awarded four (4) development projects comprising three (3) NRW projects and Upgrading of Salim-Sibintek-Durin Water Pumping System during the year. Two of the NRW projects had been completed.

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, Sibü (Mains Renewal).

Contract Sum:	RM2,180,804.00
Revised Contract Sum:	RM457,946.58
Contract Period:	18.09.2006 – 17.09.2008
Supplementary Contract Period:	21.10.2008 – 06.03.2009
Contractor:	Mainline Enterprise Sdn. Bhd.

Physical Work Done up to 31.12.2008: 83.59%

Scheduled Progress up to 31.12.2008: 37%

Remarks:

- Project was partially completed on 29.02.2008 due to stoppage of drainage work by JKR
- Defects liability period for the completed portion will expire on 28.02.2009
- A supplementary agreement was made with contractor to continue the remaining portion when JKR resumed the drainage work in October 2008.



**(ii) 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: RM559,235.20
 Contract Period: 09.11.2006 – 08.11.2007
 Revised Contract Period: 09.11.2006 – 04.05.2008
 Contractor: Zakaria Yew
 Construction
 Practical Completion Date: 26.04.2008
 Expiry Date of Defects Liability Period: 25.04.2009

**(iii) 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 Kapor, Lorong 1, 2 & 9, Wong King Hua, 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: RM877,337.45
 Contract Period: 04.12.2006 – 03.12.2007
 Revised Contract Period: 04.12.2006 – 18.03.2008
 Contractor: Zakaria Yew
 Construction
 Practical Completion Date: 25.04.2008
 Expiry Date of Defects Liability Period: 24.04.2009

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

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

Contract Sum: RM37,499,000.00
 Revised Contract Sum: RM34,240,538.34
 Contract Period: 01.02.2007 – 31.01.2009
 Revised Contract Period: 01.02.2007 – 22.10.2009
 Contractor: Laras Jaya Construction
 Sdn. Bhd. / Mahkota
 Technologies Sdn. Bhd.
 Joint Venture
 Consultant: Jurutera Jasa (Sarawak)
 Sdn. Bhd.
 Physical Work Done up to 31.12.2008: 54.26%
 Scheduled Progress up to 31.12.2008: 75.22%
 Remarks: Main reasons for delay:

- Incremental weather
- Geotechnical problem resulted in additional time required for Bore Pile installation; and
- Shortage of material (cement)





(v) **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
Revised Contract Sum:	RM16,195,260.19
Contract Period:	28.03.2007 – 27.11.2008
Revised Contract Period:	28.03.2007 – 30.09.2009
Contractor:	KKB Engineering Berhad
Consultant:	Jurutera Jasa (Sarawak) Sdn. Bhd.
Physical Work Done up to 31.12.2008:	75.80%
Scheduled Progress up to 31.12.2008:	95.02%
Remarks:	Main reasons for delay: <ul style="list-style-type: none">• Incremental weather• Flood• Problems in piling; and• Shortage of material (cement)



(vi) **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
Revised Contract Sum:	RM64,874.00
Contract Period:	05.11.2007 – 04.03.2008
Revised Contract Period:	05.11.2007 – 31.07.2008
Contractor:	Syarikat Erajaya
Practical Completion Date:	31.07.2008
Expiry Date of Defects Liability Period:	30.07.2009



(vii) **Contract No. SWB/CT/20/2007**

The Proposed Upgrading Works for Sibü Water Board's Stabau Booster Pumps Station

Contract Sum:	RM1,112,880.00
Revised Contract Sum:	RM1,080,759.00
Contract Period:	27.11.2007 – 26.07.2008
Revised Contract Period:	27.11.2007 – 02.01.2009
Contractor:	Group Engineers Malaysia Sdn. Bhd.
Practical Completion Date:	24.12.2008
Expiry Date of Defects Liability Period:	23.12.2009



**(viii) Contract No. SWB/CT/09/2008****Upgrading Energy Efficiency For Salim-Sibintek-Durin Treated Water Pumping System (P05/P06) at Salim Water Treatment Plant**

Contract Sum:	RM759,600.00
Contract Period:	13.10.2008 – 12.05.2009
Revised contract period:	15.10.2008 – 30.10.2009
Contractor:	Group Engineers (M) Sdn. Bhd.
Physical Work Done up to 31.12.2008:	0.00%
Scheduled Progress up to 31.12.2008:	0.00%

(ix) Contract No. SWB/CT/11/2008**Upgrading & Rehabilitation of the Existing Telemetry System of SWB Communication System (NRW)**

Contract Sum:	RM490,425.00
Contract Period:	15.10.2008 – 14.10.2009
Contractor:	Premier Amalgamated Sdn. Bhd.
Physical Work Done up to 31.12.2008:	0.00%
Scheduled progress up to 31.12.2008:	0.00%

(x) Contract No. SWB/CT/12/2008**The Supply, Delivery & Commissioning of Mechanical Water Meter for Sibul Water Board (NRW)**

Contract Sum:	RM212,377.00
Contract Period:	15.10.2008 – 09.12.2008
Revised contract period:	15.10.2008 – 23.01.2009
Contractor:	Lanco Sdn. Bhd.
Physical Work Done up to 31.12.2008:	0.00%
Scheduled progress up to 31.12.2008:	0.00%

**(xi) Contract No. SWB/CT/13/2008****The Supply, Delivery & Commissioning of GSM/SMS/Wireless Data Loggers & The Associated Accessories For Sibul Water Board (NRW)**

Contract Sum:	RM55,500.00
Contract Period:	15.10.2008 – 09.12.2008
Revised contract period:	15.10.2008 – 26.12.2008
Contractor:	Premier Amalgamated Sdn. Bhd.
Practical completion date :	26.12.2008
Expiry Date of Defects Liability Period :	25.12.2010





CORPORATE PROGRESS

DEVELOPMENT WORK

MAINS EXTENSION

For the year 2008, 9.65 km of water mains were laid and the total length of water mains in the distribution system stands at 987.46 km. The size of pipes in the distribution system ranges from 50 mm to 600 mm diameter. In addition, 27.95 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 2004 To 2008

Pipe Sizes In Millimeters	Yearly New Extension (Length In Meters)				
	2004	2005	2006	2007	2008
50	-	-	441	-	2,609
63	-	-	-	3,413	-
110	1,057	-	-	-	-
150	12,465	25,638	20,796	16,265	1,061
160	216	-	2,519	294	630
200	1,232	305	204	20	69
250	997	639	-	535	866
300	1,468	-	-	-	705
315	-	-	-	-	3,712
TOTAL	17,435	26,582	23,960	20,527	9,652

Length Of Pipes Renewed During The Years 2004 To 2008

Pipe Sizes In Millimeters	Yearly Renewal (Length In Meters)				
	2004	2005	2006	2007	2008
50	-	-	-	-	-
63	-	160	2,851	1,000	6,805
100	-	9	-	-	-
150	352	11,146	6,172	5,017	13,579
160	-	-	3,176	48	-
250	-	630	-	-	7,260
300	-	-	-	120	306
TOTAL	352	11,945	12,199	6,205	27,950



CORPORATE PROGRESS

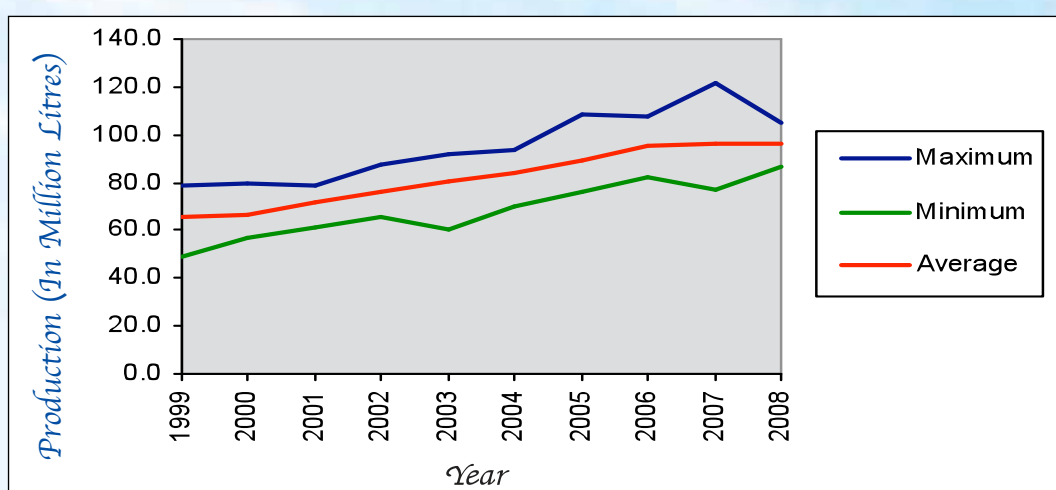
PRODUCTION

WATER PRODUCTION

The Board is running two (2) treatment plants, namely Bukit Lima Treatment Plant and Salim Water Treatment Plant with design capacities of 45 MLD and 75 MLD, respectively.

The Board produced a total of 35,028 ML fully treated water in the year 2008 or an average of 95.97 ML per day, an decrease of 0.46% over that of 2007. During the year, the Board recorded a maximum daily production of 105.31 ML and a minimum daily production of 86.88 ML.

DAILY WATER INTO SUPPLY (1999 – 2008)



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 2008.

During the year, 77,852 samples were taken from Raw Water Intakes, Treatment Plants, High Level Tanks & Reservoirs and Distribution System. Out of the total number, 73,672 samples were analyzed physico-chemically while the remaining 3,798 samples were examined bacteriologically.

A total of 75,852 samples or 97.43% of the total were analyzed at the Board's Water Quality Control Laboratory while the rest of 1,618 samples or 2.57% 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	26,660	24	0	104
Water Treatment Process	39,160	0	520	0
Treatment Plant Outlets	11,080	24	520	104
High Level Tanks & Reservoirs	832	84	832	364
Distribution System	624	184	624	730
	73,356	316	2,496	1,302



Less than 1% of the 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, none of samples failed on Total Coliform and E. Coli. There was also no violation on Residual Chlorine.

However, the percentage of non-conformance of fluoride level <0.40 ppm was 12.5%, and for level >0.60 ppm was 40% in year 2008. (According to the modified NIA Indicators of Bahagian Perkhidmatan Pergigian, Kementerian Kesihatan Malaysia, the maximum allowable percentage of non-conformance of fluoride level <0.40 ppm should not be more than 25%, and for level >0.60 ppm should not be more than 7%).

The map illustrates the Sibu Water Supply Catchment Area, which is a green-shaded region bounded by a dashed red line. The Salim Intake is highlighted with a yellow circle and a callout box. The map shows a network of roads (red lines) and rivers (blue lines). Key locations and infrastructure include:

- Legend:**
 - Treatment Plant: Blue triangle
 - Pumping Station: Red circle
 - Reservoir/High Level Tank: Blue square
 - Boundary and supply: Dashed red line
 - Intake Point: Yellow circle
- Locations and Infrastructure:**
 - Sibu:** The central urban area, containing several treatment plants (blue triangles) and pumping stations (red circles).
 - Salim Intake:** Located on the Salim River, marked with a yellow circle.
 - Roads:** Labeled roads include JALAN BAWANG ASSAN, JALAN BAWANG RAJANG, JALAN RANTAU PANJANG, JALAN TEKU / PASAI SONG, JALAN ULU OYA, JALAN SIBINTEK, JALAN TUNKU, JALAN SALIM, JALAN DURIN, JALAN NIBONG TADA, JALAN DORIN / KANOWIT, JALAN DURIN, JALAN KANOWIT, JALAN BINTANGOR, JALAN PREADOM, and JALAN KANOWIT.
 - Rivers:** The Salim River and its tributaries are shown in blue.
 - Other Features:** A north arrow is located in the top left corner. The area is divided into several sub-catchments or zones by dashed red lines.



CORPORATE PROGRESS

CUSTOMER SERVICE & DISTRIBUTION

DISTRIBUTION SYSTEM

The Distribution Unit is responsible for the maintenance of the watermain, communication pipes, pipe appurtenances and the operation of Booster Stations at Deshon, Teku, Stabau, Mile 19 and Sibul West. The number of watermain, 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 2008

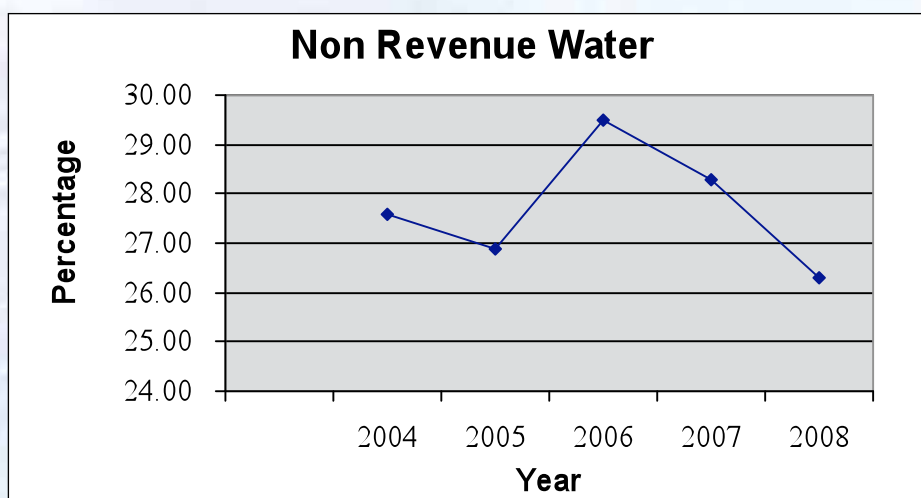
Particulars	Repaired	Renewed/Replaced
Watermain	458 nos.	27,950 metres
Communication Pipes	1399 nos.	370 nos.
Pipe Appurtenances	132 nos.	197 nos.
Meters	136 nos.	3435 nos.

The Flushing Unit had carried out 1,979 number of flushing during the year throughout the distribution system to ensure clean water was supplied to the customers.

NON-REVENUE WATER

In 2008, 583 numbers of leaks from pipes and services, 11 numbers of water theft had been detected and addressed.

The Board's Non-Revenue Water (NRW) level for the year was 26.3% (which accounts for 9,215 megalitres), as compared to 28.3% (which accounts for 9,913 megalitres) the previous year. The graph below shows the NRW levels for year 2003 – 2008.



During the year, The Board had established five (5) District monitoring zones, namely Sibul Jaya, Taman Permai, Kpg Bahagia Jaya, Jalan Sentosa and Kpg Jeriah. These areas had been installed with pressure reducing valve, electronic flow meter and data loggers for close monitoring of NRW.



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 2007 and 2008 are as follows:-

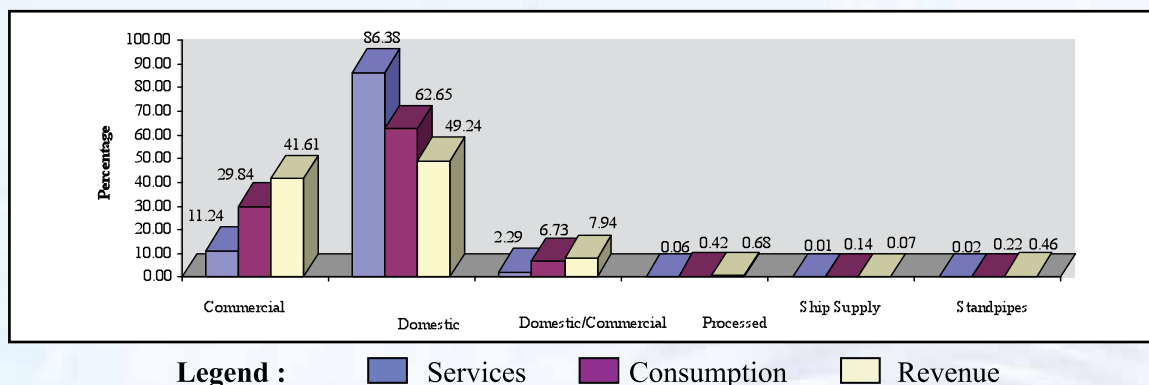
Number Of Meters Installed, Disconnected And Reconnected In 2007 And 2008

Particulars	2008	2007
Total no. of connections at the end of the year	53,826	51,545
New meters installed	2,281	2,420
No. of meters disconnected	763	4,981
No. of meters reconnected	545	5,166

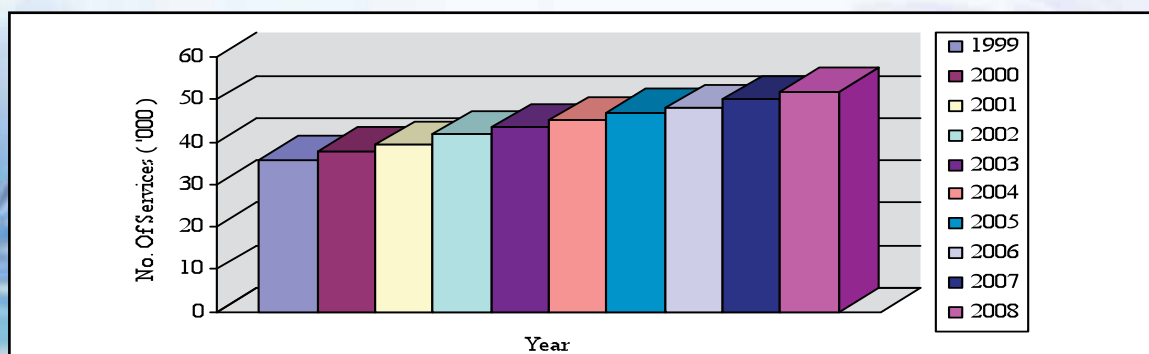
At the end of the year, the number of connections totalled 53,826; out of which 52,436 are active customer accounts. There was a net increase of 4% of active customer accounts over the previous year. The consumers' breakdown are:-

Sector	Number	Percentage
Domestic	45,293	86.38
Domestic/Commercial	1,200	2.29
Commercial	5,891	11.23
Others	52	0.10
Total	52,436	100.00

Relationship (Percentage) Of Classification By Category Of Consumers In Respect Of Services, Consumption and Revenue For The Year 2008



Number Of Services (1999 – 2008)





CORPORATE PROGRESS

HUMAN RESOURCE

STAFF STRENGTH

The total staff strength at the end of the year 2008 was 184 persons against 187 persons in year 2007. The movement of the staff is exhibited in the table below:

Particular	Professional & Management Group	Support Staff	Total
No. of staff as at 1.1.2008	*6	181	187
Retired	0	(2)	(2)
Resigned	0	(1)	(1)
Passed away	0	(1)	(1)
New recruit	1	0	1
No. of staff as at 31.12.2008	*7	177	184

* include 1 staff seconded to SFS.

HUMAN RESOURCE DEVELOPMENT

To enhance quality of services delivered, the Board spent RM83,000 or 1.4% of Administration cost in training staff on various aspects in 2008.

The management had approved a total of 57 course/seminar/conference, consisting of 19 technical, 14 ICT and 34 non Technical, for the staff to attend. To cut cost, 13 courses were held in house, 119 person or 65% of the staff had benefited from the training program. The major training programmes during the year are summarized as below:-

No.	Course	Training Venue	No. of staff attended
1	Contractual Claim –Case Study & Lesson Learn	SWB	25
2	ICT Training- Star Office Refresher Session	SWB	10
3	‘Program Akreditasi ABM’	SWB	10
4	Workshop on Ground Settlement- The Cost To Sibu	Sibu	7
5	Event Management Course	SWB	31
6	Parenting @ Works	SWB	33
7	OHSAS Training- Practical & Effective Approach	SWB	28

Working towards a learning organisation, the Board had adopted a Continual Personal Development (CPD) Program. Each category of staff is required to obtain the minimum CPD hours set through attending seminars, workshop, on job training or reading. To ensure more structured training by the staff, smart sharing through K-Clinic Program was introduced.

The Board also provided industrial training for 34 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

INTEGRATED MANAGEMENT SYSTEM

The Quality Management System had evolved into an Integrated Management System when MS ISO 9001 integrated with EMS14001:2004 and OHSAS 18001 in August 2007. Management Representatives had been appointed to monitor MS ISO 9001 integrated with EMS14001 and OHSAS 18001 respectively.

ISO 9001:2000

The committee originally planned for monthly internal audit on all sections, however only eight internal audits were carried out in during the year ,i.e. in January, February, March, April, May, June, August, September and October. The monthly internal audit program was subsequently revised to quarterly basis upon our registrar's recommendation.

The committee organised an in-house training on IMS and 5S internal Audit on 17 April 2008 for all the 42 appointed internal auditors. To prepare for smooth transition to MS ISO 9001:2008 in 2009, the Management Representative, Encik Teng successfully attended a seminar on Smooth Transition From ISO9001:2000 to ISO 9001:2008 organised by Neville-Clarke Consulting (M) Sdn. Bhd. in Kuching.

EMS 140000:2004

The Environmental Management System Committee met four times in 2008 to discuss, monitor and manage the significant aspects identified pertaining to on the environmental issues in the Board.

The Committee embraced a slogan "3R – Reduce, Reuse & Recycle". The Recycle Campaign was launched during the Board's Quality Day. A Recycle Box was provided to collect used handphones and batteries while Recycle Bins were provided to collect used bottles, plastic and papers in the Board's compound.

The Management Representative, Tn Hj Ariffin Kahar successfully attended EMS Auditor/Lead Auditor Training Course on 24- 28 November 2008.

OHSAS 18001:1999

In order to meet the objective of "Zero Man Hours Lost Due to Work Place Accidents", OHSAS Committee had planed and carried out various activities which included :-

- (i) Regular monitoring on occupational, health and safety aspects across the Board. All findings on occupational, health and safety issues were discussed and addressed during OHSAS committee monthly meeting.
- (ii) Continuous identification of hazards. OHSAS committee resolved to come with suggestions and plans to prevent and eliminate most of the hazards identified. Ideas and plans from the committee were forwarded to Management Review Meeting Safety & Health Committee meeting for endorsement before implementation.
- (iii) Organizing training and courses related to occupational safety and health :
 - Occupational Safety & Health – Practical & Effective Approach (9-10 April 2008)
 - Safety Aspect On Chemical Handling (30 June 2008)
 - Liquid Chlorine Safety Training (20 August 2008)
- (iv) conducting regular safety briefing such as how to use personal protection equipment and other safety equipment.

There was no accident or near missed accident at work place reported in 2008.

Moody International Certification (Malaysia) Sdn. Bhd. conducted annual surveillance audit on the Integrated Management System on 7-9 July 2008 and the Board was once again re-certified to MS ISO9001: 2000, EMS14001:2004 and OHSAS 18001:1999 after the surveillance audit.



CALENDAR OF THE BOARD

DATE	EVENTS
11.01.2008	Board Meeting No. 183
18.1.2008	Launching of the 1st K-Klinik – Taklimat NRW
31.1.2008	In-house Training – Contractual Claim – Case Study & Lessons Learnt.
16.2.2008	Annual Dinner cum Launching of SWB's Bulletin & SWB's Official Song – “ Ke Arah Visi & Misi”
10.3.2008 - 26.3.2008	Annual Rejimen 60 Sarawak Squadron Training held in Sibu
24.3.2008	Visit by Majlis Daerah Luar Bandar Sibu
25.3.2008	Board Meeting No. 184
3.4.2008	Visit to Department of Environment & Department of Occupational, Safety & Health at Putra Jaya
9.4.2008 – 10.4.2008	In-house Training – Occupational Safety & Health – Practical & Effective Approach
8.5.2008	In-house Training – Eurapipe ABS & Flowguard & Corzan cPVC Seminar
14.5.2008	K-Klinik – Taklimat Pendaftaran Haji & Perkhidmatan Tabung Haji
21.5.2008	Board Meeting No. 185
22.5.2008	Visit & Sharing of Management Information System (MIS) by Syarikat Air Terengganu Sdn. Bhd.
26.5.2008	Audit by Internal Audit Unit of Chief Minister's Office
June 2008	SWB Started to Use Polymeric Aluminium Chloride (PAC) to Replace the Existing Aluminium Sulphate as Its Coagulant Agent
9.6.2008 – 10.6.2008	In-house Training – Star Office Refresher Session
26.6.2008	Visit by Majlis Daerah Saratok
26.6.2008	Visit by Lembaga Tabung Haji Daerah Sibu
1.7.2008	In-house Training – Program Keluarga @ Kerja (Parenting @ Work)
21.7.2008	Board Meeting No. 186
30.7.2008 – 31.7.2008	K-Klinik – Entry Pass Access Card / Kad Kakitangan LAS
1.8.2008	In-house Training – Taklimat & Latihan Praktikal Produk Eurapipe ABS
2.8.2008	Gotong Royong Amalan 5S
5.8.2008 – 6.8.2008	Audit Pemantauan Persijilan Persekitaran Berkualiti (QE)
11.8.2008	K-Klinik – Taklimat untuk Subsidi Telefon Bimbit
13.8.2008	In-house Training – Safety Training
16.8.2008 – 18.8.2008	Participated in the Mini Sukan Bekalan Air SeMalaysia (SBAM) in Melaka
22.8.2008	Special Board Meeting
22.8.2008	SWB's Family Night
23.8.2008	SWB's Family Day cum Tree Planting Day
27.8.2008	In-house Training – Program Akreditasi ABM
27.8.2008	K-Klinik – Continual Personal Development & Taklimat Kebakaran
28.8.2008	K-Klinik – NRW Briefing
September 2008	On Site Electro-Chlorination System (VODES System) was Installed & Commissioned to Replace Usage of Chlorine Gas in Salim Treatment Plant
19.9.2008	K-Klinik – Taklimat Kemudahan Pinjaman Pelajaran LAS
22.9.2008	SWB's Q Day cum Launching of SWB's Corporate Video & SWB's Web Site
17.10.2008	Visit by Kolej Bersatu Sarawak
19.10.2008 – 24.10.2008	Study Visit by the Board Members & Senior Staffs to Guangzhou, China
20.10.2008 – 24.10.2008	In-house Training – Timur P.A. Pipe Installation & Applications for Mainlayer
22.10.2008	K-Klinik – Briefing Ethic for Plant Visitors
4.11.2008	Visit by Pejabat Perhutanan Wilayah Sibu
5.11.2008	Dialogue Session with Developer, Consultant & Mainslayer
21.11.2008 – 22.11.2008	In-house Training – Event Management Course
24.11.2008	Board Meeting No. 187
27.11.2008	K-Klinik – NRW
18.12.2008	Dialogue Session on Bawang Assan Water Supply
30.12.2008	K-Klinik – Taklimat Kadar Cuti Rehat Tahunan & Tawaran Opsyen



HIGHLIGHT OF EVENTS

BOARD'S ANNUAL DINNER CUM CHINESE NEW YEAR CELEBRATION ON 16.02.2008



Sibu Water Board's Song – "Ke Arah Visi dan Misi" was inaugurated by the Board's Choir at annual dinner, conducted by the composer, Encik Awangku Afzandy Bin Awangku Ali Baba.

Launching of the SWB's Bulletin by Chairman Tuan Hj. Ubaidillah Bin Latip

SWB'S QUALITY DAY CUM LAUNCHING OF SWB'S CORPORATE VIDEO & SWB'S WEB SITE



Board's Choir.



Long service Medal.



"Anugerah Perkhidmatan Cemerlang".



Minister: "... achievements can only be attained with a dedicated workforce with quality at heart".



Winner of essay writing competition.



Rakan Air.



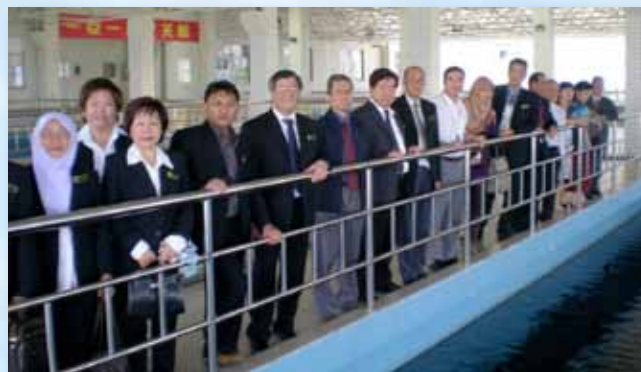
Handing over of Video on Water Preservation from Rotary Club of Sibu to the CEO LAKU Management Sdn. Bhd.



Launching of new website and Corporate Video.



STUDY TOUR TO GUANGZHOU, CHINA



Visit to Bi Jia Shan, Treatment Plant Shenzhen.



Visit to Lanshi Yuhang Stainless Steel Company of Foshan.



Official Dinner with Malaysian Consulate.



Visit to Ri Feng PVC pipe factory, Foshan.



TRAINING & PERSONAL DEVELOPMENT



Staff who attended Parenting @ Work Program held on 01.07.2008 posing with the facilitator, Encik Selamat Bin Tamrin.



Staff who attended Occupational, Safety & Health – Practical & Effective Approach held on 01.10.2008 posing with the facilitator Captain Wan Hock Leong.



Dialogue with developers, consultants & pipe fitters on 05.11.2008.



K-Klinik – NRW on 28.08.2008



K-Klinik – NRW on 28.08.2008



In-House Training on Timur P.A Pipe Installation & Applications for mains layers held on 20.10.2008.



Briefing on Fire Drills on 27.08.2008.





SPECIAL VISITORS



Visit & Sharing of Management Information System by Syarikat Air Terengganu Sdn Bhd. On 22.05.2008.



Dialogue with Timbalan Ketua Police Daerah on 23.08.2008.



Visit by Audit Negara on Water Quality on 29 Nov 2008.



SS Convention Final Visit by NPC on 29.08.2008.



Visit By SRDC on 24.03.2008.



Visit by Jabatan Perhutanan Wilayah Sibu on 04.11.2008.



QUALITY INITIATIVES



IMS, EMS OHSAS & 5S Auditing 14 – 17 .10.2008.



Zon Burung Pipit (FIS) won the bimonthly (Aug-Sept) 5S zone competition. FIS Staff posing proudly after receiving the trophy.

Mini Konvensyen KMK & Inovasi held on 21-08-2008



JAR – The champion team.



Ezy Loan – 1st runner up.



Sentosa – 2nd runner up.

Anugerah Kualiti Ketua Menteri Sarawak 2008



Deputy General Manager Cik Alice Jawan receiving the Anugerah Kualiti Setiausaha Kerajaan Negeri Sarawak





KESULAS NIGHT ON 22.8.2008



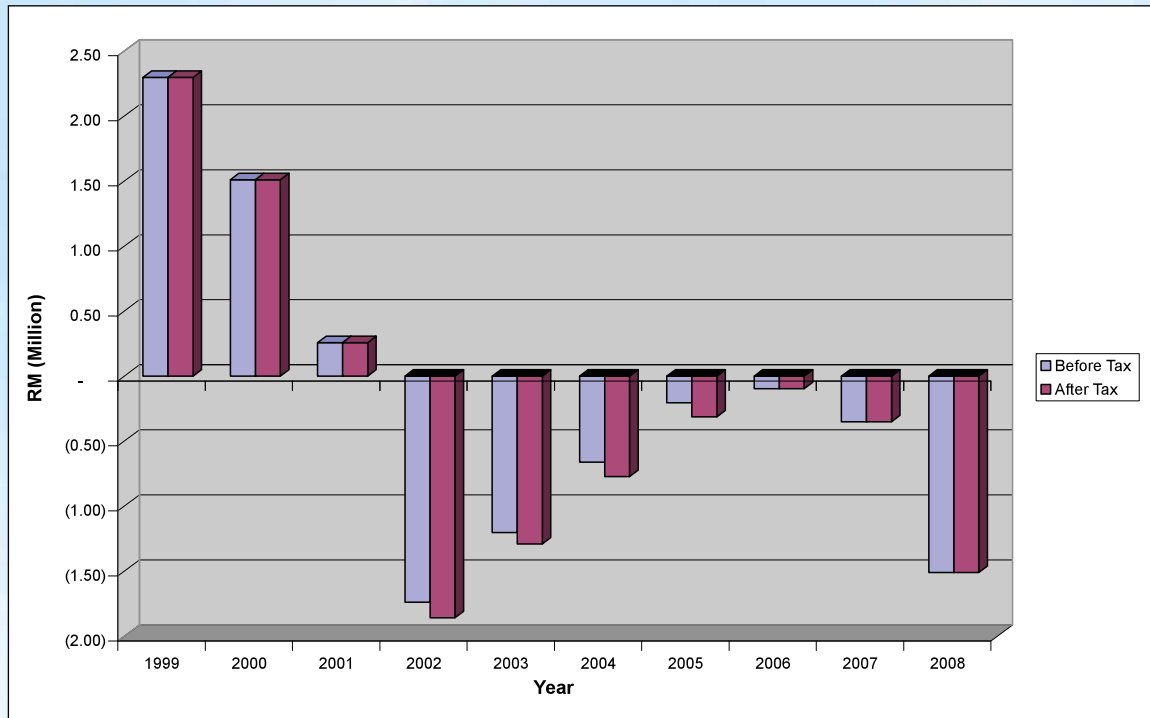
TREE PLANTING & FAMILY DAY ON 23.08.2008



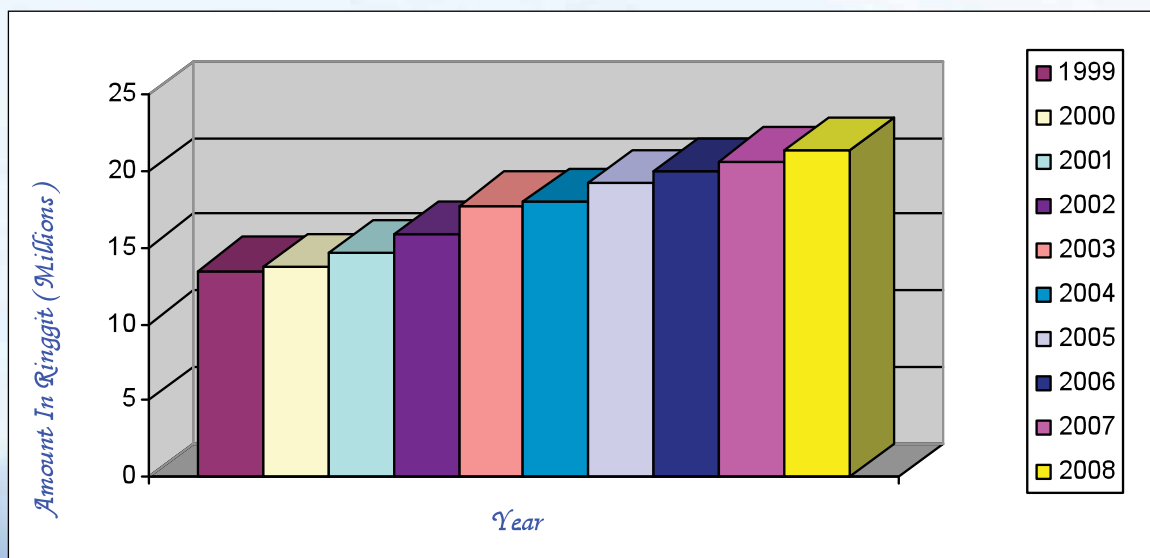


FINANCIAL STATISTICS

Net Profit/(Loss) For The Years 1999 – 2008



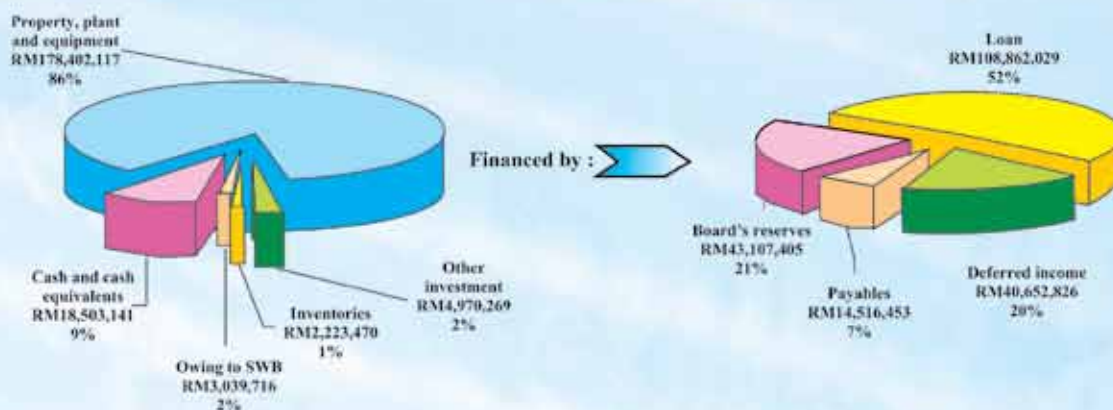
Annual Water Sales For The Years 1999 - 2008





FINANCIAL STATISTICS

Board's Financial Position As At 31 December 2008



	2004	2005	2006	2007	2008
BASIC STATISTIC					
Revenue from Water Sales (RM'000)	17,600	19,163	19,651	20,581	21,021
Total revenue (RM'000)	22,347	23,949	24,952	26,066	26,297
Total expenditure (RM'000)	23,010	24,154	25,047	26,417	27,802
Net Loss before taxation (RM'000)	(663)	(205)	(95)	(351)	(1,505)
Net Loss after taxation (RM'000)	(774)	(314)	(95)	(351)	(1,505)
Average cost of water (Sen per '000 Litres)	88	87	88	90	93

Total assets (RM'000)	150,983	150,240	163,097	177,076	207,139
Long term loan (RM'000)	50,711	48,739	61,625	76,791	101,422
Equity/Reserves (RM'000)	45,372	45,059	44,963	44,613	43,107

PERFORMANCE RATIO

Net Revenue Ratio (Before tax)	-2.97%	-0.86%	-0.38%	-1.35%	-5.72%
Current Ratio	2.03	0.93	1.39	1.61	1.09
Return on Total Assets	-0.44%	-0.14%	-0.06%	-0.20%	-0.73%
Long Term Debt/Equity	1.12	1.08	1.37	1.72	2.35



FINANCIAL STATISTICS

Financial Highlights

	2008	2007	Change
Revenue & Expenditure	(RM'000)	(RM'000)	
Income from Water Sales	21,021	20,581	2.14%
Other Income	5,276	5,485	-3.81%
Total Income	26,297	26,066	0.89%
Total Expenditure	27,802	26,417	5.24%
Net Loss Before Interest & taxation	(1,505)	(351)	328.77%
Taxation	-	-	
Net Revenue after Interest & taxation	(1,505)	(351)	328.77%

	2008		2007		Change
Total Expenditure	(RM'000)	%	(RM'000)	%	
Cost of Production	10,516	37.82	10,455	39.58	+0.58%
Distribution and Selling Costs	11,082	39.86	10,443	39.53	+6.12%
Administration	6,139	22.08	5,454	20.65	+12.56%
Others	65	0.23	65	0.25	+0.00%
	27,802	100	26,417	100	+5.24%

	2008		2007		Change
Capital Expenditure	(RM'000)	%	(RM'000)	%	
Headworks	30,000	81.40	14,009	97.57	+114.15%
Booster Station	900	2.44	145	1.01	+520.69%
Mains	2,492	6.76	3,008	20.95	-17.15%
Meters	109	0.30	116	0.81	-6.03%
Communication Pipes	872	2.37	838	5.84	+4.06%
Mechanical Plant and Vehicles	284	0.77	168	1.17	+69.05%
Workshop, Field & Treatment Plant Equipment	1,905	5.17	2,074	14.44	-8.15%
Store & Office Equipment	258	0.70	167	1.16	+54.49%
Land & Buildings	38	0.10	705	4.91	-94.61%
	36,858	100	14,358	148	+156.71%

	2008	2007	Change
Assets & Capital Requirements	(RM'000)	(RM'000)	
Total Assets at the end of the year	207,139	177,077	16.98%
Total Liabilities at the end of the year	164,031	132,464	23.83%
Total Net Assets	43,108	44,613	-3.37%



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 2008 and of the results of its operations and cash flows for the year ended on that date.

On behalf of the Board,

(HJ. UBAIDILLAH BIN HJ. ABDUL LATIP)
CHAIRMAN

On behalf of the Board,

(HJH. SUTIN SAHMAT)
MEMBER

Date: **20 MAR 2009**
Sibu

Date: **20 MAR 2009**
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 **20 MAR 2009** day)
of **20 MAR 2009**)

GENERAL MANAGER
SIBU WATER BOARD
SIBU



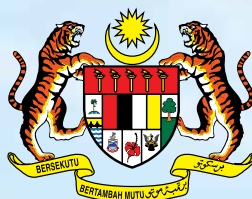
Before me,

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 2008

Penyata kewangan Lembaga Air Sibu bagi tahun berakhir 31 Disember 2008 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 penyampaian 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 2008, hasil operasi serta aliran tunai untuk tahun tersebut berdasarkan piawaian peruntukan yang diluluskan.


(KHALID KHAN BIN ABDULLAH KHAN)
b.p. KETUA AUDIT NEGARA
MALAYSIA

KUCHING

Tarikh: 2 Julai 2009





FINANCIAL STATEMENTS

SIBU WATER BOARD BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 RM	2007 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	178,402,117	151,008,890
Other investment	7	4,970,269	4,970,269
		<u>183,372,386</u>	<u>155,979,159</u>
Current assets			
Inventories	8	2,223,470	1,917,811
Trade receivables	9	2,149,614	2,295,328
Other receivables	10	733,558	920,785
Tax refundable	11	156,544	148,562
Fixed deposits	12	15,393,272	13,508,573
Cash in hand and at bank		3,109,869	2,306,596
		<u>23,766,327</u>	<u>21,097,655</u>
Current Liabilities			
Term loans	13	7,439,761	3,836,949
Trade payables	14	5,495,267	2,781,391
Other payables	15	8,859,465	6,465,976
Provision for employees' benefits	16	-	2,788
Total Current Liabilities		<u>21,794,493</u>	<u>13,087,104</u>
Net Current Assets		<u>1,971,834</u>	<u>8,010,551</u>
		<u>185,344,220</u>	<u>163,989,710</u>
Financed by:			
Reserves			
Vested assets reserve	17	813,534	813,534
General reserve	18	42,293,871	43,799,013
Board's fund		<u>43,107,405</u>	<u>44,612,547</u>
Long term and deferred liabilities			
Long term loans	13	101,422,268	76,791,066
Provision for employees' benefit	16	161,721	118,977
Deferred income	19	40,652,826	42,467,120
		<u>142,236,815</u>	<u>119,377,163</u>
		<u>185,344,220</u>	<u>163,989,710</u>

The accompanying notes form an integral part of this balance sheet.



FINANCIAL STATEMENTS

SIBU WATER BOARD INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008	2007
		RM	RM
Revenue	20	21,021,174	20,581,182
Cost of production	21	<u>(10,515,509)</u> 10,505,665	<u>(10,454,738)</u> 10,126,444
Other operating income	22	5,275,607	5,484,973
Distribution and selling expenses		(11,081,894)	(10,442,594)
Administration expenses	23	(6,138,981)	(5,454,126)
Other operating expenses	24	<u>(65,538)</u>	<u>(65,393)</u>
Loss before taxation	25	(1,505,142)	(350,696)
Deduct: taxation	26	<u>-</u>	<u>-</u>
Net loss from operation after taxation		<u><u>(1,505,142)</u></u>	<u><u>(350,696)</u></u>

The accompanying notes form an integral part of this income statement.



FINANCIAL STATEMENTS

**SIBU WATER BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Vested Assets Reserve RM	General Reserve RM	Total RM
Balance as at 31 December 2006	813,534	44,149,709	44,963,243
Net loss for year of 2007	<u> </u>	<u>(350,696)</u>	<u>(350,696)</u>
Balance as at 31 December 2007	813,534.00	43,799,013	44,612,547
Net loss for the year	<u>-</u>	<u>(1,505,142)</u>	<u>(1,505,142)</u>
Balance as at 31 December 2008.	<u>813,534</u>	<u>42,293,871</u>	<u>43,107,405</u>

The accompanying notes form an integral part of this statement of changes in equity.



FINANCIAL STATEMENTS

SIBU WATER BOARD CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 RM	2007 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,505,142)	(350,696)
Adjustments for:		
Depreciation of property, plant and equipment	9,465,085	9,179,106
Amortisation of capital contributions	(3,704,830)	(3,679,384)
Gains on disposal of property, plant and equipment	(1,069)	(545,099)
Interest income	(465,018)	(405,690)
Dividend income	(317,143)	(105,204)
Provision for employees' benefit	40,783	35,010
	<u>5,017,808</u>	<u>4,478,739</u>
Operating gain before working capital changes	3,512,666	4,128,043
(Increase)/Decrease in inventories	(305,659)	477,670
Decrease in trade receivables	145,714	78,048
Decrease/(Increase) in other receivables	61,047	(26,203)
Increase/(Decrease) in trade payables	(857,496)	(149,741)
Increase in other payables	701,898	427,391
	<u>(254,496)</u>	<u>807,165</u>
Cash generated from operating activities	3,258,170	4,935,208
Less: Income tax paid	-	(52,153)
Less: Provision for employees' benefit paid	(827)	(3,423)
Net cash generated from operating activities	3,257,343	4,879,632
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	309,161	259,784
Grants and capital contributions received	1,900,193	3,079,648
Disbursement of employee loans	(138,000)	(183,000)
Loan repayment received from employees	243,795	231,710
Proceeds from disposal of fixed assets	1,070	587,250
Purchase of property, plant and equipment	(31,595,351)	(19,586,596)
Purchase of other investment	-	-
Interest received	475,746	392,940
Net cash used in investing activities	(28,803,386)	(15,218,264)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from term loan	29,078,315	19,403,170
Repayment of term loan	(844,301)	(6,429,597)
Net cash provided by financing activities	28,234,014	12,973,573
Net increase in cash and cash equivalents	2,687,972	2,634,941
Cash and cash equivalents brought forward	15,815,169	13,180,228
Cash and cash equivalents carried forward	18,503,141	15,815,169
Cash and cash equivalents consists of:		
Cash at bank and in hand	3,109,869	2,306,596
Fixed deposits	15,393,272	13,508,573
	<u>18,503,141</u>	<u>15,815,169</u>

The accompanying notes form an integral part of this statement cash flow statement.



FINANCIAL STATEMENTS

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 MASB Approved Accounting Standards in Malaysia (Private Entity Reporting Standards).

3. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board on 20 March 2009.

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 historical cost



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 Sibu 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

2008							
	<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	4,836,891	9,688,016	195,216,373	16,046,384	17,126,567	30,539,509	273,453,740
Additions	-	81,994	33,392,524	981,713	2,402,082	-	36,858,313
Disposal	-	(22,151)	-	-	-	-	(22,151)
Transfer	-	-	(32,831,797)	-	-	32,831,797	-
As at 31st December	<u>4,836,891</u>	<u>9,747,859</u>	<u>195,777,100</u>	<u>17,028,097</u>	<u>19,528,649</u>	<u>63,371,306</u>	<u>310,289,902</u>
Accumulated depreciation							
As at 1st January	1,300,122	4,570,106	95,876,939	9,206,799	11,490,884	-	122,444,850
Additions	92,372	390,116	6,890,722	725,787	1,366,088	-	9,465,085
Disposal	-	(22,150)	-	-	-	-	(22,150)
As at 31st December	<u>1,392,494</u>	<u>4,938,072</u>	<u>102,767,661</u>	<u>9,932,586</u>	<u>12,856,972</u>	<u>-</u>	<u>131,887,785</u>
Net book value							
As at 31st December	<u>3,444,397</u>	<u>4,809,787</u>	<u>93,009,439</u>	<u>7,095,511</u>	<u>6,671,678</u>	<u>63,371,306</u>	<u>178,402,117</u>
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	<u>4,836,891</u>	<u>9,688,016</u>	<u>195,216,373</u>	<u>16,046,384</u>	<u>17,126,567</u>	<u>30,539,508</u>	<u>273,453,740</u>
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	<u>1,300,122</u>	<u>4,570,106</u>	<u>95,876,939</u>	<u>9,206,799</u>	<u>11,490,884</u>	<u>-</u>	<u>122,444,850</u>
Net book value							
As at 31st December	<u>3,536,769</u>	<u>5,117,910</u>	<u>99,339,435</u>	<u>6,839,585</u>	<u>5,635,683</u>	<u>30,539,508</u>	<u>151,008,890</u>



FINANCIAL STATEMENTS

	2008 RM	2007 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 & fittings	1,877,900	1,623,601
Chemicals	345,570	294,210
	2,223,470	1,917,811
9. TRADE RECEIVABLES		
Water sales debtors	2,149,614	2,295,328
10. OTHERS RECEIVABLES		
Sundry debtors-service done	48,515	48,888
Sundry debtors-installments	54,191	63,848
Sundry debtors-adv. for ferry charges	300	300
Sundry debtors-gas cylinder deposit	120	120
Sundry debtors-Staff (general)	376	182
Sundry debtors – POS Malaysia Bhd	44,839	93,913
Interest receivable	56,290	67,018
Prepayment	43,534	41,343
Cash bill control account	-	15
Sundry debtors – miscellaneous	10,620	35,670
Sundry debtors- SiliconNet Technology	12,497	4,145
Special advance to employee	451,343	557,137
Debtors clearing account	10,933	8,206
	733,558	920,785
11. TAX REFUNDABLE		
Tax refundable represents the tax overpayment to Inland Revenue Board.		
12. FIXED DEPOSITS		
With Government approved financial institutions	15,393,272	13,508,573



FINANCIAL STATEMENTS

13. TERM LOANS

		2008 RM	2007 RM
13.1	Sarawak Government Loan (Unsecured) 1990-1994 Interest-free Rm36.00 million The loan is repayable in 17 annuities commencing in 1997	16,058,823	16,058,823
13.2	Sarawak Government Loan (Unsecured) 2,475,000 Interest-free RM4.50 million The loan is repayable in 20 annuities commencing in 1999	2,475,000	2,475,000
13.3	Sarawak Government Loan (Unsecured) Interest-free RM4.10 million The loan is repayable in 20 annuities commencing in 2005	3,129,654	3,325,257
13.4	Sarawak Government Loan (Unsecured) Interest-free RM5.00 million The loan is repayable in 17 annuities commencing in 2004	3,529,412	3,823,529
13.5	Sarawak Government Loan (Unsecured) Interest-free RM5.00 million The loan is repayable in 20 annuities commencing in 2004	4,000,000	4,000,000
13.6	Sarawak Government Loan (Unsecured) Interest-free RM9.00 million The loan is repayable in 20 annuities commencing in 2005	2,192,780	2,329,829
13.7	Sarawak Government Loan (Unsecured) Interest-free RM9.00 million The loan is repayable in 20 annuities commencing in 2006	3,915,582	4,133,114
13.8	Sarawak Government Loan (Unsecured) Interest-free RM8.00 million The loan is repayable in 20 annuities commencing in 2007	7,600,000	7,600,000
13.9	Sarawak Government Loan (Unsecured) 20,000,000 Interest-free RM20.00 million The loan is repayable in 20 annuities commencing in 2009	20,000,000	20,000,000
13.10	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
13.11	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
13.12	Sarawak Government Loan (Unsecured) 2,475,000 Interest-free RM62.58 million The loan is repayable in 20 annuities commencing in 2010	25,406,841	3,268,191



FINANCIAL STATEMENTS

	2008 RM	2007 RM
13.13 Sarawak Government Loan (Unsecured)	14,000,000	7,060,335
Interest-free RM14.0 million		
The loan is repayable in 20 annuities commencing in 2010		
	-----	-----
	108,862,029	80,628,015
	(7,439,761)	(3,836,949)
	-----	-----
Repayment due within 12 months	101,422,268	76,791,066
	=====	=====
14. TRADE PAYABLES		
The Board has the commitment to make payment to trade creditors within 14 days.		
15. OTHER PAYABLES		
	2008 RM	2007 RM
Sundry creditors & accrual	220,664	106,678
Staff claims account	4,969	11,905
Payroll clearing account	154,181	-
Interest received in advance	-	6,956
Suspense – miscellaneous credits	124,947	79,526
Tender deposit payable	1,500	1,500
Performance surety	426,412	354,887
Retention money	3,077,347	1,420,469
Rental deposit	-	6,800
Unclaimed money	1,958	4,792
Collateral deposits from consumers	4,827,165	4,452,463
Security deposits	20,000	20,000
Cash bill control	322	-
	-----	-----
	8,859,465	6,465,976
	=====	=====
16. PROVISION FOR EMPLOYEE BENEFITS	2008 RM	2007 RM
Balance as at 1 st January	121,765	90,178
Provision during the year	40,783	35,010
Utilisation of provision during the year	(827)	(3,423)
	-----	-----
Balance at 31 st December	161,721	121,765
	=====	=====
At 31 st December		
Current	-	2,788
	-----	-----
Non Current:		
- Later than 1 year but not later than 2 years	3,548	-
- Later than 2 years but not later than 5 years	31,789	59,773
- Later than 5 years	126,384	59,204
	-----	-----
	161,721	118,977
	=====	=====



FINANCIAL STATEMENTS

17. VESTED ASSETS RESERVE

The reserve represents the following assets taken over from JKR by the Board when it was incorporated on 1st January, 1959:

	<u>Cost taken over at</u> <u>01.01.1959</u> <u>RM</u>	<u>Accumulated Depreciation</u> <u>to 31.12.1958</u> <u>RM</u>	<u>Net value taken over as</u> <u>at 01.01.1959</u> <u>RM</u>
<u>Fixed Assets</u>			
Headworks	225,495	118,501	106,994
Mains	857,314	362,743	494,571
Meters	119,242	28,355	90,887
Communication Pipes	48,480	2,424	46,056
Workshop Equipment	3,950	420	3,530
Office Equipment	4,000	800	3,200
Staff Housing	15,500	9,200	6,300
	-----	-----	-----
	1,273,981	522,443	751,538
	-----	-----	-----
<u>Current Assets</u>			
Stock of Materials	61,043	-	61,043
Water Sales Debtors	953	-	953
	-----	-----	-----
	61,996	-	61,996
	-----	-----	-----
	1,335,977	522,443	813,534
	=====	=====	=====

18. GENERAL RESERVE

	2008 RM	2007 RM
Balance as at 01 January	43,799,013	44,149,709
Net loss for the year	(1,505,142)	(350,696)
	-----	-----
Balance as at 31 December	42,293,871	43,799,013
	=====	=====



FINANCIAL STATEMENTS

19. 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:

	2008 RM	2007 RM
Balance as at 1 st January	42,467,120	43,063,758
Additions during the year	1,890,536	3,082,746
Amortisation	(3,704,830)	(3,679,384)
Balance as at 31 st December	<u>40,652,826</u>	<u>42,467,120</u>

Capital contributions received from customers in 2008 amounted to RM1,890,536 (2007: RM3,082,746). No grant was received from Federal Government towards the cost of rural water supply projects (2007: Nil). The capital contributions and grants amortised amounted to RM2,597,364 (2007 : RM2,571,918) and RM1,107,466 (2007 : RM1,107,466) respectively. The annual amortizations for the deferred income are as follows:

- (i) Capital contribution for communications pipes 5%
- (ii) Capital contribution for mains and headworks 4%
- (iii) Grants from Government 4%

20. REVENUE

	2008 RM	2007 RM
Water sales	<u>21,021,174</u>	<u>20,581,182</u>

21. COST OF PRODUCTION

Salary	1,369,949	1,265,974
Electricity	2,692,090	2,427,144
Chemicals	1,749,126	2,013,080
Water Examination	132,596	88,059
Headwork maintenance	694,513	747,357
Pump maintenance	601,049	730,099
Miscellaneous	8,000	7,622
Royalty on raw water extracted	391,373	403,593
Purchase of water	-	4,219
Depreciation	2,876,813	2,767,591
	<u>10,515,509</u>	<u>10,454,738</u>

22. OTHER OPERATING REVENUE

Fee for service	128,884	140,032
Miscellaneous resources	177,587	145,210
Interest from investment	465,018	405,690
Meter rent	362,326	347,764
Capital contribution transfer	3,704,830	3,679,384
Inspection fee	118,750	116,590
Dividend	317,143	105,204
Gains from sale of assets	1,069	545,099
	<u>5,275,607</u>	<u>5,484,973</u>



FINANCIAL STATEMENTS

23. ADMINISTRATION EXPENSES

	2008 RM	2007 RM
Maintenance & repair (miscellaneous)	104,897	88,958
Maintenance of building structure	185,653	179,926
Maintenance of compound	137,275	118,054
Salary & wages	1,710,660	1,599,303
EPF	78,953	115,161
Pension contribution	545,713	466,088
Transport & traveling	411,733	368,914
Benefit, Incentive & Awards	29,791	23,862
Staff bonus	309,878	-
Provision for employees' benefits	40,783	35,010
Office expenses	76,009	73,637
Medical expenses	178,357	181,173
Printing & stationery	64,713	66,773
Electricity	86,252	83,731
Telephone	142,486	127,006
Postage	5,999	4,770
Advertising & publicity	46,898	28,696
Uniforms	23,194	55,360
Store operating	18,433	18,767
Rates & taxes	235,463	229,877
Insurance	82,316	76,446
Management fee- housing loan	247,937	252,084
E.D.P expenses	230,880	186,256
Commission for SBBS collection	90,008	76,122
Security service	274,300	230,737
Staff training	82,705	166,165
Staff social welfare & recreation	18,552	23,958
Entertainment	15,987	8,944
Contingencies	-	18,944
Traveling – Anggota sukarela 60 regimen	6,835	7,951
Board members' education tour	47,764	-
Sport activities	25,889	8,650
Quality management system maintenance	42,144	42,759
Depreciation	540,524	490,044
	-----	-----
	6,138,981	5,454,126
	=====	=====

24. OTHER OPERATING EXPENSES

	2008 RM	2007 RM
Board Members' remuneration	46,365	46,220
Audit fee	19,173	19,173
	-----	-----
	65,538	65,393
	=====	=====



FINANCIAL STATEMENTS

25. LOSS BEFORE TAXATION

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

	2008 RM	2007 RM
Depreciation on property, plant and equipment	9,465,085	9,179,106
Staff cost	6,836,882	6,298,455
Amortisation of deferred income	(3,704,830)	(3,679,384)
Gains on disposal of property, plant and equipment	(1,069)	(545,099)
Interest income	(465,018)	(405,690)
Dividend Income	(317,143)	(105,204)
Board members' remuneration	46,365	46,220
Auditors' remuneration	19,173	19,173
	=====	=====

26. TAXATION

	2008 RM	2007 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:-

	2008 RM	2007 RM
Loss before taxation	(1,504,142)	(350,696)
	=====	=====
Taxation at Malaysian statutory tax rate of 27% (2006 : 28%)	(391,337)	(94,688)
Depreciation on non-qualifying property, plant and equipment	110,548	115,446
Capital gain not subject to tax	(278)	(147,177)
Income not subject to tax	(6,708,300)	(6,778,707)
Deferred tax assets not recognized during the year	6,989,367	6,905,126
	-----	-----
	-	-
	=====	=====

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

27. DEFERRED TAXATION

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

	2008 RM	2007 RM
Temporary differences that may give rise to deferred tax liabilities:		
Accelerated capital allowances	71,116,133	72,123,495
	=====	=====
	71,116,133	72,123,495
Temporary differences that may give rise to deferred tax assets:		
Unutilised capital allowance	93,789,194	85,756,654
Unutilised tax losses	50,431,433	32,629,112
Provisions	161,721	121,765
	=====	=====
	144,382,348	118,507,531

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 26 above.

28. 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	15,193,272	200,000	-	15,393,272	3.00% - 8.00%
<u>Financial Liabilities</u>					
Loans	7,439,761	26,669,823	74,752,445	108,862,029	-

(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 one (1) major customer which accounts for 25% 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.

29. CAPITAL COMMITMENTS

	2008 RM	2007 RM
Capital expenditure not taken up in the account - approved and contracted out	10,947,310 =====	48,616,185 =====

30. STAFF

	2008	2007
Numbers of staff	184 ====	190 ====



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	2006 Average	2007 Average	2008 Average	Bench Mark
1	Annual treatment plant reserve margin (%) $\frac{\text{Total plant capacity} - \text{Actual production} \times 100}{\text{Total plant capacity}}$	21.7	19.90	20.36	17.1
2	Network density = $\frac{\text{Total km of pipeline}}{\text{Total sq. km area}}$	0.47	0.48	0.49	0.28
3	Population/Km of pipeline = $\frac{\text{Total population}}{\text{Total km of pipeline}}$	264	265	267	277

II.	Service Performance Indicator	2006	2007	2008	Bench Mark
1	No. of connections per employee	249	261	278	377
2	No. of connections per meter reader	4,061	4,131	3,947	3,197
3	Length of pipeline (Km) per employee	4.72	4.92	5.20	6.8
4	Total output of treated water (cu.m) per employee per month	15,071	15,450	15,787	24,955
5	No. of pipeline breakages per kilometer per month	0.03	0.03	0.04	0.11
6	No. of complaints received per 1000 connections per month	6.36	5.74	5.80	4.95
7	$\frac{\text{Actual no. of meters replaced}}{\text{Expected no. of meters to be replaced}}$	0.61	0.04	0.63	n/a
8	% of non-revenue water	29.58	28.10	26.6	40.6
9	Actual consumption(cu.m) per population - per month	8.49	8.50	8.38	8.77
10	% of treated water NTU>5.0 violation	0.00	0.00	0.00	n/a
11	% of treated water bacteria/E-coli violation	0.00	0.00	0.00	n/a
12	% of treated water true color>5.0 violation	0.00	0.00	0.00	n/a

III.	Financial Performance Indicator	2006	2007	2008	Bench Mark
1 (i)	Average O & M cost increase,RM (annually)	630,041	745,915	763,530	n/a
(ii)	Average increase in water production,MLD (annually)	6.22	2.22	(0.38)	n/a
2	Unit production cost (sen) = $\frac{\text{Total O \& M cost}}{\text{Total cu. m water produced}}$	41.0	47.4	48.5	68.6
3	Average tariff (sen) = $\frac{\text{Total revenue}}{\text{Total cu. m water sold}}$	80.7	82.2	81.6	105
4	Operating ratio = $\frac{\text{Total O \& M cost}}{\text{Total revenue}}$	0.80	0.79	0.87	1.1
5	Ratio of $\frac{\text{Total Domestic consumption}}{\text{Total Non-Domestic consumption}}$	1.76	1.79	1.76	n/a
6	Ratio of $\frac{\text{Total revenue of domestic consumption}}{\text{Total revenue of Non-Domestic consumption}}$	1.02	0.98	0.99	n/a
7	Collection efficiency = $\frac{\text{Total annual collection}}{\text{Total annual billings}}$	0.99	1.06	1.01	n/a
8	Average collection = $\frac{\text{Total debt} \times 365 \text{ days}}{\text{Period of debts (days)}}$	43.6	38.2	37.32	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

Total Debt = Outstanding at the end of the Year

*Benchmark – according to National Average 2002



OTHER INFORMATION

STATISTICAL ANALYSIS OF RAW WATER DATA YEAR 2008

Tests	Characteristic	Unit	Acceptable Level *	Bukit Lima	Salim
Microbiology	Total Coliform	MPN/100 ml	5000	1993	805
Group 1	PH		5.5-9.0	6.4	6.5
	Colour	TCU	300	20	20.0
	Turbidity	NTU	1000	339	339
Group 2	Total Dissolved Solids	ppm	1500	14	13
	Total Hardness	ppm	500	11	30
	Chemical Oxygen Demand	ppm	10	10	10
	Biological Oxygen Demand	ppm	6	<2	<2
	Ammonia	ppm	1.5	<0.1	<0.1
	Nitrate Nitrogen	ppm	10	0.46	0.46
	Anionic Detergent MBAS	ppm	1	<0.5	<0.5
	Fluoride	ppm	1.5	<0.1	<0.1
	Chloride	ppm	250	<1	<1
	Iron (as Fe)	ppm	1.0	1.11	1.2
	Manganese	ppm	0.2	0.09	0.09
Group 3	Arsenic	ppm	0.01	<0.001	<0.001
	Mercury	ppm	0.001	<0.001	<0.001
	Cadmium	ppm	0.003	0.0007	0.0007
	Lead	ppm	0.05	0	0
	Chromium	ppm	0.05	<0.001	<0.001
	Silver	ppm	0.05	<0.002	<0.002
	Copper	ppm	1	0	0
	Zinc	ppm	3	0.01	0.01
	Magnesium	ppm	150	1.10	1.10
	Sodium	ppm	200	1	1
	Selenium	ppm	0.01	<0.001	<0.001
	Sulphate	ppm	250	<5	<5
Group 4	Lindane	ppb	2	-	-
	Heptaclor	ppb	0.03	<0.004	<0.004
	Aldrin	ppb	0.03	<0.003	<0.003
	Heptaclor Epoxide	ppb	0.03	<0.004	<0.004
	Dieldrin	ppb	0.02	<0.005	<0.005
	Methoxychlor	ppb	20	<0.1	<0.1
	alpha-BHc	ppb	-	<0.05	<0.05
	beta-BHC	ppb	-	<0.03	<0.03
	delta-BHC	ppb	-	<0.04	<0.04
	alpha-endosulfan	ppb	-	<0.04	<0.04
	4,4-DDE	ppb	-	<0.04	<0.04
	beta-endosulfan	ppb	-	<0.05	<0.05
	4,4-DDD	ppb	-	<0.04	<0.04
	Endrin	ppb	-	<0.05	<0.05
	Endosulfan sulfate	ppb	-	<0.04	<0.04
	4,4-DDT	ppb	-	<0.09	<0.09
	Endrin-Ald	ppb	-	<0.04	<0.04
	Alpha-Chlo	ppb	-	<0.05	<0.05
	Gamma-Chlo	ppb	-	<0.05	<0.05

*Referred to National Guidelines for Drinking Water Quality (revised December 2000, 2nd version, January 2004)

Data extracted from: 1) 'Laporan Panjang Analisis Kimia bagi Sampel Air 2008'
 2) 'Laporan Pendek Analisis Kimia bagi Sampel Air 2008'
 3) 'Laporan Keputusan Pemeriksaan Bakteria 2008'

All reports received from Jabatan Kimia
 Malaysia, Kuching



OTHER INFORMATION

STATISTICAL ANALYSIS OF TREATED WATER DATA YEAR 2008

Tests	Characteristic	Unit	Acceptable Level *	Bukit Lima	Salim
Microbiology	Total Coliform	cfu/100 ml	<1	<1	<1
	E. Coli	cfu/100 ml	<1	<1	<1
Group 1	Residual Chlorine (min)	ppm	0.2-5.0	1.85	1.81
	pH		6.5-9.0	7.4	7.3
	Colour	TCU	15	1	1
	Turbidity	NTU	5	0.78	0.95
Group 2	Total Dissolved Solids	ppm	1000	33	33
	Total Hardness	ppm	500	24	24
	Ammonia	ppm	1.5	<0.1	<0.1
	Nitrate Nitrogen	ppm	10	0.46	0.46
	Fluoride	ppm	0.4-0.6	0.51	0.42
	Chloride	ppm	250	3	4
	Iron	ppm	0.3	0.06	0.055
	Manganese	ppm	0.1	0.03	0.02
	Aluminum	ppm	0.2	0.03	0.05
Group 3	Arsenic	ppm	0.01	<0.001	<0.001
	Mercury	ppm	0.001	<0.001	<0.001
	Cadmium	ppm	0.003	0.0007	<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	<0.001
	Zinc	ppm	3	0.034	0.000
	Magnesium	ppm	150	1.12	1.30
	Sodium	ppm	200	2	1
	Selenium	ppm	0.01	<0.001	<0.001
	Sulphate	ppm	250	15	17
	Chloroform	ppm	0.2	0.04	0.05
	THM	-	<1	0.383	0.433
	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	ppb	2	-	-
	Heptachlor	ppb	0.03	<0.004	<0.004
	Aldrin	ppb	0.03	<0.003	<0.003
	Heptachlor Epoxide	ppb	0.03	<0.004	<0.004
	Dieldrin	ppb	0.03	<0.005	<0.005
	Methoxychlor	ppb	20	<0.001	<0.001
	alpha-BHC	ppb	-	<0.005	<0.005
	beta-BHC	ppb	-	<0.03	<0.03
	delta-BHC	ppb	-	<0.04	<0.04
	alpha-endosulfan	ppb	-	<0.04	<0.04
	4,4-DDE	ppb	-	<0.04	<0.04
	beta-endosulfan	ppb	-	<0.05	<0.05
	4,4-DDD	ppb	-	<0.004	<0.004
	Endrin	ppb	-	<0.003	<0.003

*Referred to National Guidelines for Drinking Water Quality (revised December 2000, 2nd version, January 2004)

Data extracted from: 1) 'Laporan Panjang Analisis Kimia bagi Sampel Air 2008'
 2) 'Laporan Pendek Analisis Kimia bagi Sampel Air 2008'
 3) 'Laporan Keputusan Pemeriksaan Bakteria 2008' } All reports received from Jabatan Kimia Malaysia, Kuching