

ANNUAL REPORT

SOLOMON ISLANDS WATER AUTHORITY



2015

Our Vision

Safe water for a healthy nation

Our Mission

“To provide reliable and safe water supply and sewerage systems within our area of operations in Solomon Islands, while working in partnership with the community to plan, deliver and operate infrastructure in a manner that seeks to minimize the social and environmental impacts of our activities.”

Our Values

Purposeful - Everything we do is aimed at delivering a better service.

Challenging - We strive for continuous improvements.

Customer Focused - We aim to excel the expectations of our customers.

One Team - We strive to work together as one team to achieve our corporate objectives

Ethical - We are open and honest about performance and meet our commitments in a reasonable manner.

Chairman's Foreword

It is my pleasure to present the 2015 Annual Report for the Solomon Islands Water Authority (SIWA), trading as Solomon Water.

This report covers the 2015 financial year from 1 January to 31 December. It identifies the mission and vision of the Authority and describes the governance structure and outlines the challenges and achievements experienced during the year.

SIWA is a State Owned Enterprise that provides essential infrastructure and plays a central role in the delivery of urban water supply and wastewater services in Solomon Islands. At present it provides water in Honiara and the provincial centres of Auki, Noro and Tulagi, as well as limited wastewater services to parts of Honiara.

For myself and the Board members, it is gratifying to see the progress SIWA has made this last year in efficient service delivery and organisational management.

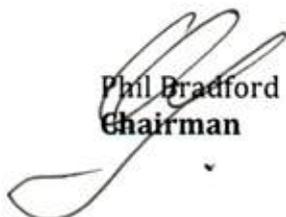
For the first time ever, the 2013 Financial Statements were issued with an unqualified status by the Auditor General and we have achieved this again in 2014 and now 2015. We continue to make good progress against our objectives and towards our *Statement of Corporate Objectives 2015-2017*.

2015 has been a difficult year following the unplanned departure of the former General Manager with 7 months delay before the arrival of our new GM Ian Gooden from New Zealand in late July. Whilst we are making good financial progress we are still reliant on Community Service Obligations from Government which were not received in 2015, as well as donor aid, including the funding of 2 executives and 2 technical advisors. Consequently we are not in a position to offer a dividend to the Crown for 2015. Notwithstanding this I am proud of the 2015 results and know that SIWA is well on the road to becoming a sustainable SOE in the Solomon Islands.

We continue to carry vacancies on the Board making quorum for meetings challenging. Transparency in reporting and governance of the executive has improved considerably and we continue to nurture appropriate skills and gender balance needed to ensure SIWA continues to benefit from good governance. We urge Government to support us by appointing new Board members in accordance with the SOE Act.

I wish to thank the governments of Japan and Australia respectively for their ongoing support in providing water to citizens of the Solomon Islands.

I look forward to the future of SIWA and commend to you this report.



Phil Bradford
Chairman

General Manager's Overview

This year has brought many challenges to SIWA, and I am proud that we have been able to finish the year in such a strong position and having achieved many milestones. I joined SIWA at the end of July 2015, and would like to thank Acting GM Ray Andresen and Finance and Administration Manager Debbie Johnsen, for their efforts in leading the company and supporting the Board through the first part of the year.

SIWA has again delivered a strong result and achieved an unqualified Audit for the third year in a row, as well as above budget revenue and profit. This is testament to the ongoing strong financial management and good control of expenditure. Staff numbers decreased slightly in the latter part of the year and currently sit around 145.

The technical support from JICA to assist SIWA overcome high Non Revenue water continued and is beginning to yield results. Ongoing installation of pressure management and bulk water meters under the DFAT funded programme continued.

A new DFAT-funded programme manager began work in mid-July and this has enabled long overdue DFAT-funded capital works projects that were previously stalled, to recommence. A contract for installation of SCADA control and monitoring equipment was awarded, as was a contract for the design of a new reservoir at East Kola and transmission mains from Titinge through to East Kola. This work will be tendered for construction in 2016.

We continue to have issues associated with land management and in October our source at Kovi was sabotaged, seriously affecting water supply to Honiara. Government support in securing permanent and unrestricted access to all our water supply infrastructure is crucial and needs to be actively pursued in 2016.

Willingness of customers to pay for their water remains a challenge. Disconnections of water for unpaid debts, whilst effective, does not constitute a long term solution. We are investigating a pre-paid water meter system which will be trialled in 2016.

Overall, SIWA has continued to show improvements in the quality of service we provide to our customers, through continuity of supply and drinking water compliance, customer responsiveness and overall professionalism, however there remains more to do.

I would like to take this opportunity to thank the Chairman and the Board of Directors for their guidance and support, my Executive, Senior Managers and staff for their teamwork, in what has been a challenging year.



Ian Gooden
General Manager

Governance

The oversight of the Solomon Islands Water Authority is vested in the Board of Directors, who were appointed under the SOE regulations 2010. The Board is responsible for policy formulation, oversight of the operations and general administration of the affairs of SIWA, and reports to the two Accountable Ministers responsible for SIWA - the Minister of Finance and Treasury, and the Minister of Mines, Energy and Rural Electrification.

The Board has 6 Directors who are shown below and one vacant position.



Phil Bradford
Chairman

David Laurie

Carson Korowa

Trevor Palmer

Ethel Frances

Janet Marau

The vacancy is due to the resignation of Antoinette Wickham in mid-2014, and is yet to be filled. All remaining Directors have come to the end of their 3-year terms. They remain on the Board until new appointments have been made. The Board has advertised for, vetted and shortlisted applicants for new members, however are unable to have the appointments made by the Accountable Ministers.

An Audit sub-committee chaired by member Ethel Francis supports good governance and reviews reports and audits carried out by our Internal Auditor.

Organisational Structure

SIWA has 145 staff in four groups operating under the direction of the General Manager as shown in the diagram below.



Report of the Operations of Solomon Islands Water Authority

This section discusses the achievement of SIWA against the objectives and work plan of the “Statement of Corporate Objectives 2015 – 2017” (SCO), as submitted to the Ministers in November 2014.

Strategic Issues

The SCO identified 13 strategic issues that presented specific challenges to SIWA over the period 2015 to 2017, and comments on each are discussed in the table below:

Strategic Issue identified	Annual report comment
Operational and Technical	
Connectivity and capacity of the water transmission system: Although the performance of the transmission network has been greatly improved with the completion and hand-over of the JICA Grant Aid project (Project for the Improvement of Water Supply Systems for Honiara and Auki), there remain some significant weaknesses in the system that prevent SIWA from utilising its increased water resources in the most advantageous manner. A further approximately 6km of 250/300mm transmission mains are required to provide flexibility in the selection of sources and facilitate the west to east transmission of water to the eastern parts of Honiara.	Project delayed through lack of adequate staff resources. Design contract awarded late 2015.
Condition and capacity of the small diameter distribution network: It is estimated that 40km of distribution pipes are in urgent need of replacement due to their condition or limited hydraulic capacity. A further 50km of the network may require significant improvement. Until these problems are investigated and solved, SIWA will not be able to guarantee 100 per cent water supply coverage in its areas of operation. However, a targeted program of mains replacement and improvement has been developed and will be implemented on a prioritised basis during 2015 and beyond.	Project not started due to lack of resources and insufficient budget remaining in Two Year Plan.
Non-Revenue Water Losses – Non-revenue water is estimated to represent 60 per cent of the volume of water introduced into the system. The main losses are the result of physical leakage, illegal connections and direct, unmetered connections. A detailed strategy and plan for NRW reduction has been formulated and will be implemented during 2015 and beyond.	Project ongoing with JICA technical assistance. Several pilot areas completed and fittings for measuring flow and managing water pressures were purchased and some installed.
Municipal waste collection and disposal – The standard and extent of SIWA’s municipal sewerage system is limited and under-capacity. The environmental impact of the discharge of raw effluent to the sea and rivers is serious.	No significant progress although pumps for the Pt Cruz and King George pump stations were ordered.
Financial	
Financial status - A reasonable and stable, however fragile, financial condition has been achieved and this will be further consolidated and improved to ensure the sustainability of the organisation.	Financial position further consolidated with better than budgeted revenue and profit.

	SIWA still unable to fund its own key executives and technical advisors.
Water and Waste Tariff – Agreement on an economic tariff level and structure that provides certainty in SIWA’s financial status is essential to the sustainability of a healthy water supply operator able to meet the increasing demands of the future. The additional costs incurred in operating the new infrastructure provided by the JICA Grant Aid water supply improvement project will require the tariff to be adjusted.	Tariff reviewed based upon cost of living only. Full Tariff review planned as part of the proposed Strategic Plan, which has been delayed to 2016.
Collection of Debt – The legal system in Solomon Islands to support the collection of debt is weak and does not provide the necessary level of support to assist SIWA in improving its debt situation. Progress has been made on the recovery of debt and policies have been put into place to better manage the level of customer debt.	Ongoing improvement in debt collection and reduction in days receivable.
Government debt – The level of debt owed by SIG for water services provided to government organisations has improved, however there remains a recurring challenge to persuade organisations to pay their accounts on time.	Situation generally improving, although a few ministries continue to generate challenging debt. Disconnection policy is applied to all overdue accounts regardless of account holder.
Water supply to disadvantaged communities – The growing numbers of the population residing in informal settlements and the continued and uncontrolled development of these settlements imposes an increasing burden on SIWA, often through water theft. We foresee a demand for provision of water services to these communities, despite the fact that SIWA cannot legally service properties that do not possess formal leases. The ability of these communities to pay for water services is also doubtful. A policy must be agreed with government on how the provision of a basic, lifeline water supply can be provided with government financial support through a new community service obligation contract.	Worsening issue. No progress regarding agreement with Government on lifeline water supply. CSO is targeted at provincial operations only, but significant problem in Honiara. No 2015 CSO received.
Legal	
Land disputes and resource utilisation on Customary Land – The security of water resources and water supply continues to be threatened on a regular basis by landowners (customary or otherwise) claiming compensation for the abstraction of water or access to water infrastructure. No progress has been made by SIG on this critical issue.	Ongoing improvements in this area. Some customer service improvement training done in 2014, however more work is required in future years.
Service Delivery and Communications	
Image and reputation – The image and public reputation of SIWA is greatly improved through our ability to provide almost 100 per cent coverage and 24 hour water supply. We must continue to enhance our reputation through the continued development and improvement of much better customer care provision and communications strategies.	Ongoing improvements in this area. Some customer service improvement training done in 2014, however more work is required in future years.
Organisational Effectiveness	

<p>Organisational capacity - Weaknesses in the capacity of the organisation to manage efficiently and effectively have been reduced, however some remain. In particular, the effectiveness of inter-departmental communications to solve customer complaints more efficiently and rapidly. These issues are being addressed and we expect improvements to be delivered during 2015.</p>	<p>Improvements in this area stalled with the loss of key staff. Re-organisation of second tier managers has resulted in streamlined structure, making cross team communications simpler.</p>
<p>Accommodation and Operational depot Facilities – The present accommodation occupied by SIWA is old and decaying and is over-crowded. SIWA lacks even the basic facilities (e.g. stores, workshops, staff welfare facilities and office accommodation) required by a modern water and waste water operator. The existing accommodation is now impairing the ability of SIWA to implement proposed performance improvements and deliver the expectations of our supporting donors. In late 2014, an application to SIG for assistance from the 2015 SIG development Budget was rejected on the grounds that it would set a precedent for other SOE's. There being no other source of funding available to SIWA, we must now consider how to manage this problem. Not least is the risk to the delivery of donor-funded projects through the inability of SIG to reflect the substantial contribution from donors to SIWA in its own financial support.</p>	<p>Project delayed through lack of adequate staff resources and budget. Loss of storage at MID lands in Kukum resulted in significant cost and disruption to create temporary storage facilities. Considerable loss of staff time and communication efficiency through the organisation being housed in two separate buildings. Key project for 2016.</p>

Objectives, Proposed Actions and Performance Targets

The table on the following pages outlines the objectives, proposed actions and performance targets that SIWA established in November 2014. As can be noted from the Chairman's and General Manager's reports, unplanned departures of the GM and other key senior staff in late 2014/2015 resulted in significant delays in many areas of the business.

Following the arrival of the GM and Programme Manager in mid-2015, progress against the year's objectives were able to re-commence.

OUTPUT	PROPOSED ACTIONS	TARGET COMPLETION	ANNUAL REPORT COMMENT
Improved Level of Services	<p>IMPROVING THE CAPACITY OF THE NETWORK</p> <ol style="list-style-type: none"> Improving the connectivity and reliability of water supply <ul style="list-style-type: none"> Installation of approximately 6km of 300/250mm transmission main from Titinge through to East Kola Drilling of 2 boreholes at Panatina Replacement of small diameter network – eliminate poor pipework, upgrade pipeline capacity 	<p>2015</p> <p>2015</p> <p>2014</p> <p>Continuous program</p>	<ol style="list-style-type: none"> Design contract for water mains awarded to Cardno. Construction expected to commence mid -2016. Boreholes not completed as suitable drilling equipment not available in Solomon Islands. Project scoped but not started due to lack of resources and insufficient budget remaining in Two Year Plan.
	<p>REDUCING NON-REVENUE WATER LOSSES</p> <ol style="list-style-type: none"> Counterpart funding for the JICA Non-Revenue Water Reduction Technical Cooperation Project – provision of pipes, fittings and materials & etc. Creation of Demand Management Areas (DMA's) through the installation of pressure management equipment, flow meters, isolation valves and data loggers/ transmitters Non-Revenue water reduction counter- measures performed in Leakage Control Zones 	<p>Project ends 11/2015</p> <p>2015 Continuous program commencing 2014</p>	<ol style="list-style-type: none"> Ongoing – project completion now June 2016. Some fittings purchased and installed, balance of programme to be completed 2016. As above As above
	<p>IMPROVING OPERATIONAL AND TECHNICAL MANAGEMENT</p> <ol style="list-style-type: none"> Development of network hydraulic model System monitoring management and control – pressures and flows, reservoir levels, pump failures. Installation of stand-by generators at key pumping stations 	<p>2014</p> <p>2015</p> <p>2014</p> <p>2014</p> <p>2014</p> <p>(subject to counterpart funding to JICA Grant Aid project being made available by SIG early 2014)</p>	<ol style="list-style-type: none"> Hydraulic model developed but not fully calibrated – to be reviewed as part of transmission mains design. SCADA controls contract awarded to HunterH2O– commissioning due mid 2016. Generators installed at most pump stations, but insufficient budget to complete programme.

OUTPUT	PROPOSED ACTIONS	TARGET COMPLETION	ANNUAL REPORT COMMENT
Improved Level of Services	4. Security at operational sites		4. Delay in counterpart funding from SIG. Fencing completed at some sites, balance to be completed in 2016.
	<p>IMPROVING AND MAINTAINING WATER QUALITY</p> <p>1. Enhancements to disinfection equipment – chlorine residual monitoring</p> <p>2. Extended water quality monitoring – installation of sampling points throughout the network</p> <p>3. Enhanced storage facilities for sodium hypochlorite</p> <p>4. Catchment area management</p> <p>5. Drinking Water Safety planning and implementation of plan recommendations</p>	<p>Pilot trials in 2015</p> <p>2014</p> <p>2015</p> <p>2015 (Continuing)</p>	<p>1. Monitoring included in SCADA contract due mid 2016.</p> <p>2. Implemented and ongoing</p> <p>3. Improved storage and handling methods in place.</p> <p>4. Ongoing issues pending firm SIG intervention and support.</p> <p>5. Ongoing DRAFT Water safety plan and business continuity plans in place</p>
Improved customer care and communications.	<p>PROTECTING THE ENVIRONMENT</p> <p>1. Refurbishment of sewage pumping stations at Point Cruz and King George VI</p> <p>2. Extension and repair of sewer sea outfalls</p> <p>3. Development of a high-level Sewerage Master Plan</p>	<p>2015</p> <p>2016</p> <p>2015 or 2016</p>	<p>1. Project scoped but not started due to lack of resources and insufficient budget remaining in Two Year Plan. Pt Cruz 2016.</p> <p>2. Project not started and not funded</p> <p>3. 30 year Strategic Plan project delayed and due for tender early 2016.</p>
	<p>1. Improving customer care</p> <ul style="list-style-type: none"> • Introduce an ICT-based Customer Relations Management system • Enhance the ease of water payments <p>2. Improving the image of SIWA</p> <ul style="list-style-type: none"> • Communication campaign planning • Development of a website for SIWA • Customer attitude surveys 	<p>2015</p> <p>2015</p> <p>Continuous activity</p> <p>Continuous activity</p> <p>2015</p>	<p>1. Complete</p> <p>2. Initial marketing etc completed. Ongoing but hampered due to lack of skilled resource.</p>
	<p>1. Improving Financial management</p> <ul style="list-style-type: none"> • Introduce a new customer billing system for improved billing efficiency and accuracy and data availability to support technical and operational activities. • Strengthening of the Debt Collection activity • Introduction of cost and management accounting • Introduction of ICT-based Inventory Management and procurement • Audit 	<p>2015</p> <p>2015</p> <p>2015</p> <p>2015</p> <p>2015</p> <p>2015</p>	<p>1. Significant improvement in all aspects of financial management.</p> <p>2. Accounts Receivable close to 90 days</p>

OUTPUT	PROPOSED ACTIONS	TARGET COMPLETION	ANNUAL REPORT COMMENT
Improved organisational capacity.	<ol style="list-style-type: none"> 1. Strengthening of HR management <ul style="list-style-type: none"> • Development of a HR plan • Strengthening the people Management group • HR systems and tools • Performance management • Learning and Development • OHS & Welfare 2. Strengthening corporate management 3. Improving organisational effectiveness through IT 4. Assets and Facilities <ul style="list-style-type: none"> • Motor Vehicles • Accommodation in Honiara 		<ol style="list-style-type: none"> 1. Ongoing improvements but some delays due to industrial action and sudden departure of former HR manager. 2. Strong Executive team in place but some structural change anticipated in operations area. 3. Significant improvements achieved included security of server equipment. 4. Major problem remains following loss of storage facilities at MID/Mataniko. Significant organisational inefficiency due to operating 2 offices. 2016 review planned.
Improved strategic planning.	<ul style="list-style-type: none"> • Development of a 5 year Water Supply Master Plan • Development of a Master Plan for Wastewater Collection and Treatment and options analysis • Water Sector Regulation and Tariff Reform • Governance and private sector participation 	<p>2015</p> <p>2015</p> <p>Continuous activity</p> <p>Continuous activity 2015</p>	<ol style="list-style-type: none"> 1. 30 year Strategic Plan with 5 year action plan proposed. Due for tender early 2016. 2. Major tariff review included in Strategic Plan to be followed by engagement with SIG.

Audited Consolidated Financial Statements and Auditor's Report

**Solomon Islands Office
of the Auditor-General**



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Mr Phil Bradford
Chairman of the Board
Solomon Islands Water Authority
HONIARA
SOLOMON ISLANDS

Your Ref.:

Our Ref.: 2015-A-1160

Date: 30 March 2016

Dear Chairman,

**Independent Auditor's Report of the Solomon Islands Water Authority for the year ended
31 December 2015**

The 2015 financial statement audit of the Solomon Islands Water Authority has been completed. The original statements are enclosed along with a copy of my audit opinion. I have also forwarded a copy of my report to the Minister pursuant to section 47(3) of the *Public Finance and Audit Act [Cap. 120]*, for the purposes stipulated in subsection 4.

Please be advised to produce enough copies of the report to distribute to members of Parliament whenever they deliberate on my report in Parliament. A management letter detailing issues identified during the audit has been provided to the Authority's management and is also enclosed for your information.

I would also like to congratulate the finance team on their efforts in ensuring that SIWA receives an unqualified audit opinion.

Yours sincerely,

Peter Lokay
Auditor-General

We promote Public Sector Accountability



INDEPENDENT AUDITOR'S REPORT

To the Board of the Solomon Islands Water Authority

Report on the Financial Statements

Scope

I have audited the accompanying financial statements of Solomon Islands Water Authority, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' and Management's Responsibility for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the State Owned Enterprises Act, 2007. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the Financial Statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements of the Solomon Islands Water Authority give a true and fair view of the financial position of the authority as at 31 December 2015 and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Peter Lokay
Auditor-General
30 March, 2016

Office of the Auditor-General
Honiara, Solomon Islands

SOLOMON ISLANDS WATER AUTHORITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**SOLOMON ISLANDS WATER AUTHORITY
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors herewith submit the Statement of Financial Position of the Authority at 31 December 2015, the related Statement of comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date and report as follows:

Directors

Directors at the date of this report are:

Phil Bradford	Ethel Frances	Janet Marau
David Laurie	Trevor Palmer	Carson Korowa

State of affairs

In complying with the Solomon Islands Water Authority Act and the State Owned Enterprises Act of 2007, the Directors hereby submit the financial statements of SIWA consisting of the statement of financial position as at 31 December 2015, statement of comprehensive income, statement of changes in equity and statement of cash flows of SIWA for the year then ended.

Principal Activities

The principal activity of the Authority during the year was the treatment and distribution of water in the Solomon Islands.

Results

The operating profit for the year was SBD 7,176,152 (2014: SBD 6,101,816).

Dividends

The Directors recommend that no dividends be declared for the financial year (2015: nil).

Reserves

The Directors propose that no transfer be made to reserves.

Bad and Doubtful Debts

Prior to the completion of the Authority's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the provision for doubtful debts. In the opinion of the Directors, adequate provision has been made for doubtful debts.

As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts, or the provision for doubtful debts in the Authority, inadequate to any substantial extent.

Non Current Assets

Prior to the completion of the financial statements of the Authority, the Directors took reasonable steps to ascertain whether any non current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Authority. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances which would render the values attributed to non current assets in the Authority's financial statements misleading.

Basis of Accounting

The Directors believe the basis of the preparation of the financial statements is appropriate and the Authority will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

SOLOMON ISLANDS WATER AUTHORITY
DIRECTORS' REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Directors, the results of the operations of the Authority during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Authority in the current financial year, other than those reflected in the financial statements.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

Other Circumstances

As at the date of this report:

- a) no charge on the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the end of the financial year for which the Authority could become liable; and
- c) no contingent liabilities or other liabilities of the Authority have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Authority to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Authority's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Authority misleading or inappropriate.

Directors' Benefits

Since the beginning of this financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Authority) by reason of a contract made by the Authority with the Director or with a firm of which he is a member, or with a Authority in which he has a substantial financial interest.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 29th day of March 2016.


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Director


.....
Director

**SOLOMON ISLANDS WATER AUTHORITY
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015**

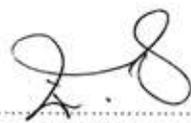
In the opinion of the Directors:

- (a) the accompanying income statement of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the year ended 31 December 2015;
- (b) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the changes in equity for the year ended 31 December 2015 ;
- (c) the accompanying statement of financial position of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2015;
- (d) the accompanying statements of cash flows of the Authority is drawn up so to give a true and fair view of the cash flows of the Authority for the year ended 31 December 2015;
- (e) at the date of this statement there are reasonable grounds to believe the Authority will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the Authority.

For and on behalf of the Board of Directors by authority of a resolution of the Directors.

Dated this *29th* day of *March* 2016.


.....
Director


.....
Director

**SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 SBD	2014 SBD
Continuing operations			
Operating income	2.1	84,283,911	81,052,129
Other income	2.2	16,842,633	12,132,053
Revenue		101,126,543	93,184,182
Expenses			
Corporate expenses	2.3	(4,771,365)	(6,056,398)
Depreciation and amortisation		(11,223,438)	(6,319,639)
Salaries and employee benefits	2.4	(22,369,902)	(21,566,826)
Impairment of financial assets		(6,625,859)	(7,903,386)
Repairs and maintenance		(7,101,379)	(6,687,077)
Tools and uniforms		(688,859)	(445,091)
Utilities		(31,789,897)	(32,670,079)
Water treatment		(592,501)	(1,077,108)
Other expenses	2.5	(8,587,024)	(4,171,152)
		(93,750,225)	(86,896,756)
Finance expense	2.6	(200,166)	(185,610)
Net profit for the year		7,176,152	6,101,816
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		7,176,152	6,101,816

The accompanying notes form an integral part of the Statement of Comprehensive Income.

SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 SBD	2014 SBD
Contributed capital			
Balance at the beginning of the year		59,625,874	59,625,874
Additional capital contribution		-	-
Balance at the end of the year	12	<u>59,625,874</u>	<u>59,625,874</u>
Asset revaluation reserve			
Balance at the beginning of the year		10,048,261	10,048,261
Movement during the year		132,121,737	-
Balance at the end of the year		<u>142,169,998</u>	<u>10,048,261</u>
Accumulated losses			
Balance at the beginning of the year		(30,279,116)	(36,380,932)
Net comprehensive income for the year		7,176,152	6,101,816
Balance at the end of the year		<u>(23,102,964)</u>	<u>(30,279,116)</u>
Total Equity		<u>178,692,908</u>	<u>39,395,019</u>

The accompanying notes form an integral part of the Statement of Changes in Equity.

SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 SBD	2014 SBD
ASSETS			
Current assets			
Cash and cash equivalents	3	30,768,015	10,678,864
Trade and other receivables	4	16,391,930	23,052,441
Inventories	5	8,559,898	5,068,804
Prepayments and other assets	6	613,037	3,377,853
		<u>56,332,880</u>	<u>42,177,962</u>
Non-current assets			
Property, plant and equipment	9	273,864,608	157,318,902
Intangibles	10	57,621	-
		<u>273,922,229</u>	<u>157,318,902</u>
TOTAL ASSETS		<u>330,255,110</u>	<u>199,496,864</u>
Liabilities			
Current liabilities			
Trade and other payables	7	10,159,852	7,655,126
Employee benefits liability	8	2,982,116	2,011,136
Deferred revenue	11	10,280,194	5,240,501
Payable to related party	14 (e)	2,981,642	3,521,127
Total current liabilities		<u>26,403,804</u>	<u>18,427,890</u>
Non current liabilities			
Trade and other payables	7	-	-
Payable to related party	14 (e)	2,664,816	3,385,279
Deferred revenue	11	122,493,582	138,288,676
Total non current liability		<u>125,158,398</u>	<u>141,673,955</u>
Total liabilities		<u>151,562,202</u>	<u>160,101,845</u>
Total net assets		178,692,908	39,395,019
Equity			
Capital contribution	12	59,625,874	59,625,874
Asset revaluation reserve		142,169,998	10,048,261
Accumulated losses		(23,102,964)	(30,279,116)
Total equity		<u>178,692,908</u>	<u>39,395,019</u>
TOTAL EQUITY AND LIABILITIES		<u>330,255,110</u>	<u>199,496,864</u>

The accompanying notes form an integral part of the Statement of Financial Position.

For and on behalf of the Board and in accordance with a resolution of the Directors.

.....
Director

.....
Director

SOLOMON ISLANDS WATER AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 SBD	2014 SBD
Operating activities			
Net comprehensive income		7,176,152	6,101,816
Adjustment to reconcile profit to net cash flows			
Depreciation and amortisation of assets		11,223,438	6,319,639
Amortisation of deferred revenue		(10,280,053)	(2,062,924)
Loss on disposal of property, plant and equipment		5,605,709	2,966,970
Amortisation of discount on interest free loan		217,037	217,037
Interest income		(16,871)	(31,427)
Movements in employee benefit liabilities		970,980	10,458
Working capital adjustments:			
Decrease/(increase) in trade receivables		6,859,428	(5,500,241)
Decrease/(increase) in other receivables		2,764,816	(1,907,610)
(Increase) in inventory		(3,491,094)	(1,152,930)
(Decrease) in deferred revenue		(1,447,589)	-
Increase/(decrease) in trade creditors and other creditors		2,504,726	(2,363,375)
Net cash flows from Operating Activities		21,886,679	2,597,413
Cash flows used in Investing Activities			
Investing activities			
Proceeds from sale of plant and equipment		-	9,887
Acquisition of plant and equipment		(337,413)	(428,816)
Interest received		16,871	31,427
Net cash flows (used in) Investing Activities		(320,542)	(387,502)
Financing activities			
Repayment of related party borrowings		(1,476,985)	(1,569,833)
Net cash flows (used in) Financing Activities		(1,476,985)	(1,569,833)
Net increase in cash held		20,089,151	640,078
Cash at the beginning of the year		10,678,864	10,038,786
Cash at end of year	3	30,768,015	10,678,864

The accompanying notes form an integral part of the Statement of Cash Flows.

SOLOMON ISLANDS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. Corporate Information

The financial statements of Solomon Islands Water Authority ('the Authority') for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on the 7th March 2016

Solomon Islands Water Authority is a state owned enterprise established under the Solomon Islands Water Authority Act 1993. The registered office and principal place of business is Mendana Avenue, Honiara, Solomon Islands. The principal activities of the Authority are described in Note 19.

1.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for investment properties, land and buildings classified as property, plant and equipment, contingent consideration and non-cash distribution liability that have been measured at fair value. The financial statements are presented in Solomon Island Dollars and all values are rounded to the nearest dollar.

The financial statements provide comparative information in respect of the previous period.

Statement of compliance

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

1.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue earned from the provision of water services is measured at fair value of the consideration received or receivable. Revenue is recognised when the service has been provided to the customer and consideration is probable.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income on the statement of profit or loss.

b) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Authority received grants of non-monetary assets, the asset and the grant are recorded as nominal amounts and released to profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

c) Taxes

The Authority is exempt from income and Goods and Services tax under the Solomon's Islands Water Authority Act 1993.

1.2 Summary of significant accounting policies (continued)

d) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Depreciation is calculated using the diminishing balance method using rates as follows:

Land and buildings	5%
Water systems	3% - 15%
Plant and equipment	3% - 15%
Furniture & fittings	25%
Motor vehicles	40%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Water systems and plant and equipment were revalued by Deloitte (Australia) during 2015. Due to the specialised nature of the assets, the depreciated replacement cost approach was used to assess the fair value of the majority of the water infrastructure assets and the market approach was used to value a small number of mobile plant assets.

e) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Finance leases, which transfer to the Authority substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Authority will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.2 Summary of significant accounting policies (continued)

g) Financial instruments - initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Authority determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognised on the trade date, i.e., the date the Authority commits to purchase or sell the asset.

The Authority's financial assets include cash and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Authority that do not meet the hedge accounting criteria as defined by IAS 39. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in the finance income or finance costs in the income statement.

The Authority has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Receivables

This category is the most relevant to the Authority. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement receivables are carried at amortised cost using the effective interest method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement as an operating expense.

Held-to-maturity investments

Non-derivative financial assets with fixed and determinable payments and fixed maturities are classified as held-to-maturity when the Authority has the positive intention and ability to hold it to maturity. After the initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial to the net carrying amount of the financial asset. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process. The Authority has not designated any held to maturity investments during the year ended 31 December 2015.

1.2 Summary of significant accounting policies (continued)

(i) Financial assets (continued)

Derecognition

A financial asset (or, where a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flow the asset have expired
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Authority's involvement in the asset.

In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to pay.

(ii) Impairment of financial assets

The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Authority first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Authority determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.2 Summary of significant accounting policies (continued)

(i) Financial assets (continued)

(ii) Impairment of financial assets

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred by the Authority. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives as hedging instruments in an effective hedge, as appropriate. The Authority determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

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

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Authority that do not meet the hedge accounting criteria as defined IAS 39.

Gains and losses on liabilities held for trading are recognised in the income statement.

The Authority has not designated any financial liabilities as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

1.2 Summary of significant accounting policies (continued)

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 16.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished goods - cost of direct materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Impairment of non financial assets

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Authority estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

1.2 Summary of significant accounting policies (continued)

i) Impairment of non financial assets (continued)

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

j) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

k) Provisions

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

l) Employee entitlements

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

i) Defined Contribution Plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Authority deducts and pays 5 per cent of the employees gross salaries and contributes 7.5 per cent of employees gross salaries to the Solomon Islands National Provident Fund. Obligations for contributions are recognised as employee benefit expense in profit or loss in the period during which services are rendered by employees.

ii) Short term benefits

Short-term employee benefit are measured on an undiscounted basis and are expensed in the profit or loss as the related services is provided.

m) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Authority. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

n) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current period.

o) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environment.

(a) Industry segment

The Authority operates in the water services industry.

(b) Geographical segment

The Authority operates only in the Solomon Islands and is therefore one geographical area for reporting purposes.

1.2 Summary of significant accounting policies (continued)

p) Foreign currencies

The Authority's financial statements are presented in Solomon Islands Dollars, which is the Authority's functional currency. That is the currency of the primary economic environment in which Solomon Islands Water Authority operates. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined.

q) Grants

An unconditional grant related to an asset is recognised in profit or loss as other income when the grant becomes receivable.

Other grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and SIWA will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate SIWA for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

1.3 Changes in accounting policy and disclosures

Revaluation of property, plant and equipment

The Authority re-assessed its accounting for property, plant and equipment with respect to measurement of certain classes of property, plant and equipment after initial recognition. The Authority has previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

On 30 June 2015, the Authority elected to change the method of accounting for Water systems, plant and equipment classified as property, plant and equipment, since the Authority believes that revaluation model more effectively demonstrates the financial position of these assets.

After initial recognition, the Authority uses the revaluation model, whereby water systems, plant and equipment will be measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Authority applied the revaluation model prospectively.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2015.

- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
- IAS 24 Related Party Disclosures

The adoption of the standards or interpretations is described below;

- *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Authority recorded revaluation adjustments based on fair value determined by Deloitte (Australia) during the current period. Refer Note 9 for details.

1.3 Changes in accounting policy and disclosures (continued)

New and amended standards and interpretations

- *IAS 24 Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Authority as it does not receive any management services from other entities.

1.4 Significant accounting judgments, estimates and assumptions

The preparation of the Authority's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgments

In the process of applying the Authority's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Operating Lease Commitments

The Authority has entered in commercial property leases. The Authority has determined based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating leases.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are described below. The Authority based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

Impairment of non financial assets

The Authority assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

1.5 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Authority's financial statements are disclosed below. The Authority intends to adopt these standards, if applicable, when they become effective.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Authority given that the Authority has not used a revenue-based method to depreciate its non-current assets.

SOLOMON ISLANDS WATER AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2015

1.5 Standards issued but not yet effective (continued)

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Authority's financial statements.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. These amendments are not expected to have any impact on the Authority.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively. These amendments are not expected to have any impact on the Authority.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments are not expected to have any impact on the Authority.

	2015	2014
	SBD	SBD
2. OPERATING REVENUE AND EXPENSES		
Included in revenue are:		
2.1 Operating income		
Water fees and charges	78,311,245	75,711,926
Standing charges	4,704,606	4,675,312
Disconnections/reconnection charges	1,268,059	664,891
	<u>84,283,911</u>	<u>81,052,129</u>
2.2 Other income		
Gain on sale of miscellaneous assets	395,300	9,887
Miscellaneous income	423,160	319,510
Bad Debts recovered	645,552	421,414
Solomon Islands Government - CSO grant	-	3,092,000
Amortisation of deferred revenue	15,237,306	5,248,315
Grants received from Government of Australia	141,315	2,516,039
Grants received from NZ Aid	-	524,890
	<u>16,842,633</u>	<u>12,132,055</u>

SOLOMON ISLANDS WATER AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2015

2. OPERATING REVENUE AND EXPENSES	2015	2014
Included in expenses are:		
2.3 Corporate expenses	SBD	SBD
Advertising	348,230	407,789
Auditors' remuneration	214,600	214,600
Board allowances	53,476	63,180
Travel and transport	321,201	423,530
Printing, freight and stationery	1,180,582	1,167,732
Insurance	459,769	208,415
Lease rentals	1,231,873	1,129,120
Software training and computer consumables	367,443	401,074
Telephone	857,672	769,404
Other expenses	(263,481)	1,271,554
Total expenses	<u>4,771,365</u>	<u>6,056,398</u>
2.4 Salaries and employee benefits	SBD	SBD
Wages and salaries	9,616,765	9,775,091
Key management personnel	489,707	993,590
Superannuation	2,367,037	1,364,015
House rentals and allowances	9,896,392	9,434,130
	<u>22,369,902</u>	<u>21,566,826</u>
2.5 Other expenses	SBD	SBD
Other expenses	2,840,000	621,702
Project expenses - Australian Aid	141,315	572,593
Loss on disposal of property, plant and equipment	5,605,709	2,976,857
	<u>8,587,024</u>	<u>4,171,152</u>
2.6 Finance (expense)/income		
Amortisation of discount - SIEA	(217,037)	(217,037)
Interest received	16,871	31,427
	<u>(200,166)</u>	<u>(185,610)</u>

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, cash at bank and short term deposits. Cash and cash equivalents included in the statements of cash flows comprise the following balance sheet amounts:

	SBD	SBD
Cash at bank	24,213,178	4,595,332
Cash in hand	20,500	20,500
Term deposits	6,534,337	6,063,032
Cash at bank and on hand	<u>30,768,015</u>	<u>10,678,864</u>
4. TRADE AND OTHER RECEIVABLES	SBD	SBD
Trade receivables	42,195,513	54,164,108
Provision for impairment of receivables	(25,803,583)	(31,111,667)
	<u>16,391,930</u>	<u>23,052,441</u>

Trade and other receivables are non-interest bearing and are generally on a 30 - 90 day terms.

SOLOMON ISLANDS WATER AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2015

4. TRADE AND OTHER RECEIVABLES (continued) **2015** **2014**

At 31 December, the ageing analysis of trade receivables for the Authority is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			30 - 60 days	60 - 90 days	>90 days
	SBD	SBD	SBD	SBD	SBD
2015	16,391,930	5,655,337	3,463,159	2,511,059	4,762,375
2014	23,052,441	9,867,243	5,749,484	4,546,032	2,889,682

Movements in the provision for impairment of receivables were as follows:

	SBD	SBD
Opening balance	(31,111,667)	(25,882,903)
Charge for the year	(6,625,859)	(7,903,386)
Utilised	11,933,943	2,674,622
	<u>(25,803,583)</u>	<u>(31,111,667)</u>

5. INVENTORIES	SBD	SBD
Stores and consumables	<u>8,559,898</u>	<u>5,068,804</u>

6. PREPAYMENTS AND OTHER ASSETS	SBD	SBD
Other debtors	109,977	2,877,954
Prepayments	503,058	499,899
	<u>613,035</u>	<u>3,377,853</u>

7. TRADE AND OTHER PAYABLES	SBD	SBD
Current		
Trade payables	1,136,070	477,612
Other payables	2,544,918	2,772,520
Water deposits	6,478,864	4,404,994
	<u>10,159,852</u>	<u>7,655,126</u>
Non-current		
Other Payables	-	-

Trade payables are non interest bearing and are normally settled on 30 day terms.

8. EMPLOYEE BENEFIT LIABILITY	SBD	SBD
<u>Employee entitlements</u>		
Balance at beginning of year	2,011,136	2,000,678
Net movement during the year	970,980	10,458
Balance at year end	<u>2,982,116</u>	<u>2,011,136</u>
Represented by:		
Annual leave	1,169,814	42,995
Long service benefit	1,695,022	1,898,612
Long service leave	117,280	69,529
	<u>2,982,116</u>	<u>2,011,136</u>

SOLOMON ISLANDS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

9. PROPERTY, PLANT AND EQUIPMENT	Cost	Water Systems					Land and Buildings	Machinery, Equipment and Computers		Motor vehicles	Furniture and Fittings		Total
		SBD	SBD	SBD	SBD	SBD		SBD	SBD		SBD	SBD	
	At 1 January 2014	51,168,686	12,048,419	15,800,117	5,237,493	2,776,402	87,031,117						
	Additions	122,913,161	344,995	6,432,940	5,556,084	482,244	135,729,424						
	Disposals	(17,742,379)	(105,058)	(4,888,405)	(2,054,737)	(1,618,905)	(26,409,484)						
	At 1 January 2015	156,339,468	12,288,356	17,344,652	8,738,840	1,639,741	196,351,057						
	Additions	584,269	-	725,141	-	-	1,309,410						
	Reclassification of Asset Class	13,726,089	(3,002,187)	(11,057,198)	-	(5,239)	(338,535)						
	Disposals	(9,333,452)	(331,669)	(3,261,849)	(372,389)	(1,174,520)	(14,473,878)						
	Offset Accum Depr - Revaluation	(31,000,469)	-	(845,537)	-	-	(31,846,006)						
	Revaluation increment	131,632,425	-	489,312	-	-	132,121,737						
	At 31 December 2015	261,948,331	8,954,500	3,394,521	8,366,451	459,983	283,123,785						
	Depreciation and impairment												
	At 1 January 2014	43,173,118	209,964	7,401,948	3,458,284	1,885,721	56,129,035						
	Depreciation charge	2,950,041	228,771	2,210,486	667,538	262,803	6,319,639						
	Disposals	(15,224,452)	(8,773)	(4,660,641)	(1,947,331)	(1,575,322)	(23,416,519)						
	At 1 January 2015	30,898,707	429,962	4,951,793	2,178,491	573,202	39,032,155						
	Depreciation charge	8,465,891	177,684	866,484	1,530,903	67,235	11,108,197						
	Disposals	(7,524,003)	(29,810)	(814,155)	(257,948)	(369,139)	(8,995,056)						
	Reclassification of Asset Class	3,550,901	(179,439)	(3,398,557)	-	(13,019)	(40,114)						
	Offset Accum Depr - Revaluation	(31,000,469)	-	(845,537)	-	-	(31,846,006)						
	At 31 December 2015	4,391,027	398,397	760,027	3,451,446	258,279	9,259,177						
	Net book value:												
	At 31 December 2015	257,557,304	8,556,102	2,634,494	4,915,005	201,704	273,864,608						
	At 1 January 2015	125,440,761	11,858,394	12,392,859	6,560,349	1,066,539	157,318,902						
	At 1 January 2014	7,995,568	11,838,455	8,398,169	1,779,209	890,681	30,902,082						

During 2015, the Authority engaged Deloitte (Australia) to carry out an independent valuation of their water systems, plant and equipment and for those assets where an independent valuation was not performed, a directors' valuation was carried out. Due to the specialised nature of the assets, the depreciated replacement cost approach was used to assess the fair value of the majority of the water infrastructure assets and the market approach was used to value a small number of mobile plant assets. The valuation was effective 30 June 2015 and was adopted in the financial statements as at 31 December 2015. The result of this revaluation was an increase in the value of water systems, plant and equipment and an increment to the asset revaluation reserve of SBD 132,121,737 as shown above.

SOLOMON ISLANDS WATER AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
10. INTANGIBLE ASSETS	SBD	SBD
Software costs:		
Opening balance	-	-
Reclassification from property, plant and equipment	338,535	-
Disposal	(150,955)	-
Closing balance	<u>187,580</u>	<u>-</u>
Amortisation and impairment:		
Opening balance	-	-
Reclassification from property, plant and equipment	40,114	-
Disposal	(25,396)	-
Amortisation for the period	115,241	-
Closing balance	<u>129,959</u>	<u>-</u>
Net book value:	<u>57,621</u>	<u>-</u>
11. DEFERRED REVENUE	SBD	SBD
Australian Aid	12,200,172	17,229,200
Japan International Cooperation Agency	112,813,181	119,479,752
Solomon Islands Government	7,760,423	6,820,225
	<u>132,773,776</u>	<u>143,529,177</u>
The deferred income is shown on the statement of financial position as follows:-		
Current	10,280,194	5,240,501
Non-current	122,493,582	138,288,676
	<u>132,773,776</u>	<u>143,529,177</u>
12. CONTRIBUTED CAPITAL	SBD	SBD
Contributed capital at the beginning of the year	59,625,874	59,625,874
Additional capital contribution during the year	-	-
Contributed capital at the end of the year	<u>59,625,874</u>	<u>59,625,874</u>
Capital represents Government's contribution on the establishment of Solomon Islands Water Authority.		
13. COMMITMENTS AND CONTINGENT LIABILITIES	SBD	SBD
a) Contingent liabilities		
The Authority is a plaintiff in several litigations brought by creditors and employees. The Directors believe these litigations will not have a material effect on the financial statements.		
b) Capital commitments	<u>Nil</u>	<u>Nil</u>
c) Operating leases commitments contracted for building rentals		
Future operating lease rentals not provided for in the financial statements and payable:		
Not later than one year	783,750	954,580
Later than one year but not later than five years	156,750	190,320
	<u>940,500</u>	<u>1,144,900</u>
14. RELATED PARTY TRANSACTIONS		
(a) Directors		
The names of persons who were directors of Solomon Islands Water Authority at any time during the financial year are as follows:		
Phil Bradford	Ethel Frances	Janet Marau
David Laurie	Trevor Palmer	Carson Korowa

**SOLOMON ISLANDS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 SBD	2014 SBD
14 RELATED PARTY TRANSACTIONS (continued)		
(b) Controlling Entities		
The ultimate parent of the Authority is the Solomon Islands Government.		
(c) Compensation of key management personnel	SBD	SBD
Short term employee benefits	<u>489,707</u>	<u>993,590</u>
(d) Transactions with related parties		
Transactions with related parties during the year ended 31 December 2015 with approximate transaction value are summarised as follows;		
<u>Directors</u>		
Directors remuneration and expenses	<u>53,476</u>	<u>63,180</u>
(e) Amount owed to related parties		
Non-current		
Solomon Islands Electricity Authority	2,664,816	3,385,279
Current		
Solomon Islands Electricity Authority	2,981,642	3,521,127
	<u>5,646,458</u>	<u>6,906,406</u>

The Debt Agreement with Solomon Islands Electricity Authority is an interest free loan over 8 years, repayable in equal monthly instalments which commenced 1st January 2013. If default of payment occurs at any time a default interest rate of interest, being the daily Business Index Rate published by the three main banks in Honiara, will be applied to the period of default.

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal financial liabilities comprise interest bearing borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Authority's operations. The Authority has various financial assets such as trade receivables and cash, which arise directly from its operations.

The main risk arising from the Authority's financial statements are liquidity and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Liquidity risk

The Authority monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the Authority's financial liabilities at 31 December 2015 based on contractual undiscounted payments.

	<u>Trade and other payables</u> SBD	<u>Payable to related party</u> SBD	<u>Total</u> SBD
<u>31 December 2015</u>			
3 to 12 months	10,159,852	2,664,816	12,824,668
1 - 2 years	-	937,500	937,500
> 2 years	-	2,044,142	2,044,142
	<u>10,159,852</u>	<u>5,646,458</u>	<u>15,806,310</u>
<u>31 December 2014</u>			
3 to 12 months	7,655,126	3,521,127	11,176,253
1 - 2 years	-	937,500	937,500
> 2 years	-	2,447,779	2,447,779
	<u>7,655,126</u>	<u>6,906,406</u>	<u>14,561,532</u>

**SOLOMON ISLANDS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Authority is exposed to credit risk from its operating activities (primarily trade receivables) and from financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed subject to the Authority's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and water services disconnected where accounts are outstanding greater than 30 days.

An impairment analysis is performed at each reporting date collectively for all customer accounts. The calculation is based on actual incurred historic data. The maximum exposure to credit risk at the reporting date is disclosed in Note 4. The Authority holds cash collateral of SBD \$6,478,864 against the collective accounts. The Authority evaluates the concentration of risk with respect to trade receivables as high.

16. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Authority's financial instrument that are carried on the financial statements.

	Carrying amount		Fair Value	
	2015 SBD	2014 SBD	2015 SBD	2014 SBD
<i>Financial assets</i>				
Cash	30,768,015	10,678,864	30,768,015	10,678,864
Trade and other receivables	16,391,930	23,052,441	16,391,930	23,052,441
	<u>47,159,945</u>	<u>33,731,305</u>	<u>47,159,945</u>	<u>33,731,305</u>
<i>Financial liabilities</i>				
Trade and other payables	<u>10,159,852</u>	<u>7,655,126</u>	<u>10,159,852</u>	<u>7,655,126</u>

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of financial assets have been calculated using market interest rates.

17. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

18. CONTINGENT LIABILITIES

a). **Autoro & Ors vs. SIWA**

In March 2011, 14 former SIWA employees filed complaints before the Trade Disputes Panel ("Panel"). They alleged they were unfairly dismissed from employment. The last hearing of this case was on 18th November 2015. The matter was adjourned after a brief hearing to allow the Complainants to consider a possible settlement of those monies they were underpaid.

19. PRINCIPAL BUSINESS ACTIVITY

The principal activity of the Authority during the year was the treatment and distribution of water in the Solomon Islands.

Principal place of business

The principal places of business are located at Mendana Ave, Honiara, Solomon Islands

Number of employees at the end of the period

Number of employees the authority employed at the reporting date was 143 (2014:149)



Solomon Islands Water Authority

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