Belize Water Services Limited
Annual Report
2019

CORPORATE PROFILE

Belize Water Services Limited (BWS) is the national water and sewerage utility that was vested with the Assets and Liabilities of the Water and Sewerage Authority (WASA) in March 2001. The company has issued share capital of forty million (40,000,000) shares with the Government of Belize (GOB), the majority shareholder, owning approximately 82.6% of the total shares; the Social Security Board holds 10% and minority shareholders the remainder. BWS is a regulated utility - the regulatory controls include a statutory regulator, the Public Utilities Commission, the Water Industry Act (2001), an operating license issued by the PUC and a Codes of Practice which is agreed by the Regulator and BWS and updated periodically.

Belize Water Services Limited operates in licensed service areas, serving all the municipalities of the country as well as some 44 villages. As at March 2019, BWS serves over 60,000 connections or approximately 257,000 consumers, with a total average water demand of approximately 225 million US gallons per month. Over 60% of the water supplied is produced using conventional water treatment processes with rivers as its sources. Satellite water wells are used for the majority of the other water systems. In San Pedro and Caye Caulker, BWS distributes water which has been treated by Reverse Osmosis, converting sea water to drinking water.

Since inception, BWS has continuously invested in improvement of assets and implementation of improved procedures and controls to increase its efficiency. In performing all the various investment projects, most of which are expansions or improvements to water systems, BWS focuses on the requirements of our stakeholders, including our Customers, Employees and Shareholders. Fundamental to meeting the company's vision, both in the short and long term, has been the initiation of a holistic strategic approach towards improving the Company's performance. This broad-based strategy, utilizing a structured approach to balance and align initiatives, provides the Company with a firm platform, which builds on achievements and aims to achieve further objectives in the coming years.

The Company's head office is in Belize City and it administrates operations via eleven (11) offices throughout the country.

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REPORT TO SHAREHOLDER'S

OFFICES

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Tel: +501 222 4757

Belmopan City
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Tel: +501 822 2400

Benque Viejo
7 Churchill Street
Tel: +501 823 3720

Caye Caulker
Lagoon side
(off Calle del Sol)
Tel: +501 226 0119

Corozal
7th Avenue
Tel: +501 422 2101

Dangriga
Market Square
Tel: +501 522 2068

Punta Gorda
New Compound Area
Tel: +501 722 2176

Placencia Peninsula
Main Road, Placencia Village
Tel: +501 523 4036

Orange Walk
5 Stadium Street
Tel: +501 322 2382

San Ignacio/ Santa Elena
8 Liberty Street
Tel: +501 824 2154

San Pedro
Manta Ray Street
Tel: +501 226 2749

CHAIRMAN'S REPORT

The mission of Belize Water Services Limited is *"to improve the lives of consumers by delivering cost-effective and sustainable supply of high-quality water and wastewater services, in an environmentally and socially responsible manner, promoting employee excellence and providing a fair return to our shareholders."*

This powerful mission statement is the cornerstone for our strategic plan which in turn drives our improvements in operational activities. The success of this strategy is clearly indicated by the continued growth in customer connections, the continued increase in production and sales and in the astounding 99.9% continuity of service, which the company has maintained year after year. These, and the many other excellent key performance indicators that we keep track of, are documented within this annual report.

It is our pride and joy to provide water to new customers and new areas, and to provide improved water pressure and continuity to existing customers. During this Business Plan period, with the assistance of the Government of Belize, we have brought water to the entire Belize River Valley and to the villages of Gardenia and Biscayne. We have likewise expanded water services reaching thousands of new consumers in all service areas countrywide. We added 1,569 new customers during the year thereby increasing the company's active customer base to 60,391 at March 2019, which is the end of Year 4 of the company's 5-year Business Plan. In the 5-year Business Plan ending March 2020 the target was to increase the customer base to 59,215. In four years, we have added 6,914 new connections as compared to the forecast of 5,738 for the original five-year period. Simply put, as of March 2019, we have achieved 120% of our five-year target in four years! The team at BWS deserves congratulations for this exceptional performance.

BWS has continued to invest to provide improvements in water supply and pressure, especially in those areas where supply was constrained. The most outstanding example is San Pedro, Ambergris Caye, where BWS has invested $35 million dollars to improve services. Key components of which is the buy-out of Consolidated Water (Belize) Limited and the investments in a new one-million US gallon storage reservoir and a new 600,000 gallon/day Reverse Osmosis Plant.

For 2018/19, once again, BWS' financial performance has been exemplary. For the fourth consecutive year, the company has attained profits above $8.5 million. This is good news for shareholders, as it allows us yet again, to issue dividends at 7.5% of share value to all minority shareholders. This return is easily the best return on shares in the utility sector in Belize. Furthermore, due to this strong performance and financial forecasts, the Company was again able to advise the Public Utilities Commission that it did not need to apply for any tariff changes for the new Financial Year 2019/20.

It would be remiss of me if I fail to mention that, despite the continued good performance over recent years, the company continues to be faced with a number of significant constraints and challenges. BWS, like other water utilities worldwide, must plan for Climate Change, including water scarcity, protection of water resources and infrastructure.

Last year, we reported concerns regarding the effects of Climate Change. At that point, I referred to Black & Veatch's 2018 annual water report which identified that one key area of focus for water utilities has got to be on the issue of resiliency for climate change. This report stated: *"The issues of rates and affordability remain major challenges for utilities. Much work remains to help utilities communicate the value of water to a skeptical rate paying public."* Since then, concerns continue to grow for the industry as water sources continue to be threatened. In October 2018, the Caribbean Water and Wastewater Association, in partnership with the Inter-American Development Bank and the Caribbean Development Bank issued a "Regional Strategic Action Plan for Governance and Building Climate Resilience in the Water Sector in the Caribbean." This report states, *"The water sector in the Caribbean will be seriously affected by climate change. Changes in the hydrological cycle, saline intrusion of ground water sources from sea level rise, and an increase in the intensity of extreme weather events will all have significant impacts on the supply of fresh water and on water infrastructure. These problems will compound existing challenges."* Here in Belize, over the last few years, we have experienced wells drying up and rivers running dry due to lower rainfall and extended dry seasons, and we are also seeing increasing salinity levels in our rivers.

Adequate financing remains a huge challenge. In a regular year, the company must find financing to upgrade or construct assets to meet growing customer needs. With climate change, we must now forecast for worst case scenarios, which would disrupt services and mandate rebuilding assets quickly after major damage. As identified clearly in our mission statement, it is essential that we provide adequate and ongoing protection of our environment and our natural resources. There is a growing realization that adequate sewerage collection and treatment is of vital importance for environmental protection. When these are put together, along with the requirements for climate change resiliency, the investment required is estimated at hundreds of millions of dollars. Obviously, given the size of our country and our economy, these challenges are enormous. Yet, for the welfare of the country and ultimately for its survival, we must face these challenges.

I assure you that Belize Water Services continues to be proactive in planning to ensure sustainability. Our team is hard at work planning climate change mitigation and resilience measures. We are currently fully engaged in the preparation of our next Full Five-Year Business Plan submission to the Public Utilities

Commission, for the period April 2020 through to March 2025. This submission will include all relevant issues and forecasts, including those previously mentioned.

In keeping with its role, the Board of Directors and its sub-committees remain steadfast in its oversight and guidance of the Company's strategic and operational activities verifying compliance to regulations and policies. This governance ensures fiduciary responsibility to all shareholders and other stakeholders.

The Company, as part of our strategic plan is committed to continuing improvements in operational and financial activities and in continuing collaboration with our key stakeholders and financiers, including the Government of Belize, the Caribbean Development Bank and the Inter-American Development Bank. With the assistance of these entities, BWS has a number of ongoing and planned projects for water and sewer expansions as well as studies and assessments as preliminaries to future projects.

As it has done in previous years, the Government of Belize, our majority shareholder, continued its pledged support and commitment to the Company and to minority shareholders by granting its portion of the dividends to minority shareholders. We are therefore pleased to announce the uninterrupted payment of dividend to minority shareholders for the thirteenth consecutive year. As stated earlier, the dividend is again at 7.5% per share for minority shareholders; this equates to 11.25 cents per share, matching the figure from the previous three years.

On behalf of the Board of Directors of Belize Water Services Limited, I must convey our gratitude and appreciation to all key stakeholders. First and foremost, I must say thanks to our shareholders - the Government of Belize, the Belize Social Security Board and the 1,430 smaller shareholders who made the prudent choice to invest in the Company. I must recognize the funding agencies, particularly, the Caribbean Development Bank and the Inter-American Development Bank who continue to exhibit confidence in BWS and who have helped us to make our larger projects possible.

I want to express special Thank You to our employees, many of whom are shareholders of the company, including the BWS Workers' Union Executive for their unwavering commitment to the success of BWS.

Finally, I must personally say thank you to the Board Members and the Management Team, whose commitment and dedication have helped to bring the company to this level of success.

Thank You.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The year 2018/19, the eighteenth year of operation of Belize Water Services Limited (BWS) and the third year of the Third Full Business Plan, resulted in a consolidated net profit of $8.983 million, which is the fourth consecutive year in profits exceeding $8 Million. Contributing to this performance was a 3.5% increase in water sales revenue which was driven by a 2.9% increase in sales volume. There were no changes in tariffs for the year 2018/19.

The Government of Belize (GOB), our majority shareholder, continues to give its unwavering financial support with assisting the company with its capital investment programme; supporting expansion to connect more customers and both new assets and improvements to assets to facilitate improved service. The cash generated from the company's operations was utilised to finance operating expenditure, debt servicing, expansion projects and other much needed capital investment by the company. For the thirteenth consecutive year, GOB has foregone their dividend payment in support of paying dividends to its minority shareholders.

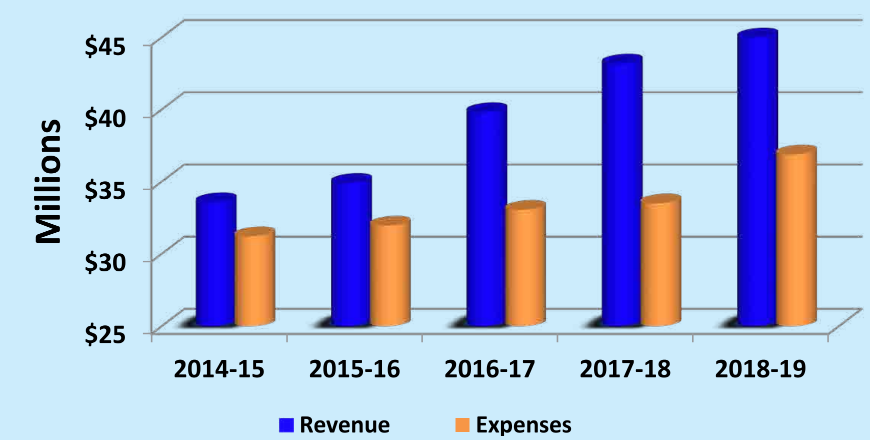
FINANCIAL PERFORMANCE

Sales and Income

Gross revenue for the year was $48.074 Million, a 4.7% increase when compared to last year's revenue of $46.584 Million.

Total Expenses increased by 2.7%, from $38.075 Million to $39.091 Million. This increase is attributed to increases in the customer base, areas of coverage and in total water production and inflation. Due to the acquisition of CWBL the consolidated profit increased by 5.6% from $8.509 Million in the previous year to $8.983 Million this year.

The Graph below shows the comparison of Revenues and Costs for the last 5 fiscal years.



The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the year remained strong, equating to $18.277M (38% of Revenue), comparable to $17.418M (37.4%) in the previous year. Due to increases in costs mentioned above, EBIT, the Earnings Before Interest and Tax, was $11.729M, up 3.8% from the previous year's figure of $11.304M.

Dividends

For the thirteenth year in a row, the Board of Directors was able to approve dividend payment to the minority shareholders. This decision is supported by the Government of Belize, the majority shareholder, having formally agreed to grant its dividend payments to the minority shareholders until 2020 in order to assist both the company and the minority shareholders. The Board declared total dividends amounting to $0.758M or about 8.4% of net profit.

Based on the 40 million shares issued, the consolidated profit of $8.983M equates to earnings of approximately $0.22 (twenty-two cents) per share which is comparable to previous year. Dividend was distributed solely to minority shareholders who received dividends equivalent to $0.1125 (11.25 cents) per share.

Loans, Grants and Debt Servicing

The majority shareholder, GOB continues to assist by covering debt repayments to the Caribbean Development Bank for loans #5 and #10 which totalled $2.361 M in principal and interest payments for this financial year. In February 2019, with the support of GOB and the assistance of the Central Bank of Belize, was able to finalize the purchase of Consolidated Water Belize Limited (CWBL). The purchase was done via a $7M USD loan from the Caribbean Development Bank (CDB).

At the beginning of the 2018/19 financial year, BWS had outstanding loans of $43.046 million. There was one drawdown of $13.574M ($6.735M USD) from the Caribbean Development Bank (CDB Loan #22) representing 95% of the purchase price of CWBL. At March 31, 2019, the total outstanding loan balance was increased to $52.889 million. The Table insert summarizes the Loan balances and debt servicing cash requirements over the last two financial years.

Major Costs and Expenses

The table insert shows the breakdown of costs for FY2018/19* as compared to the previous financial year.

Costs Summary	FY 2018/2019		FY 2017/2018	
	Total (BZ$'000)	Percent of Total	Total (BZ$'000)	Percent of Total
*Water Purchases	6,235	15.95%	6,163	16.19%
*Electricity	2,757	7.05%	2,252	5.91%
*Staff Costs	12,501	31.98%	11,376	29.88%
Other direct/Operating Costs	8,104	20.73%	9,415	24.73%
Total direct costs & Expenses	**29,597**	75.71%	**29,206**	76.71%
*Depreciation	6,548	16.75%	6,114	16.06%
*Interest expense	1,833	4.69%	1,943	5.10%
Taxes & Fees	1,113	2.85%	813	2.13%
Total Other Expenses	**9,494**	24.29%	**8,869**	23.29%
Total Costs and Expenses	**39,091**	100.00%	**38,075**	100.00%
***Total Major Costs**	***29,874***	*76.42%*	***27,848***	*73.14%*

Staff Costs, Interest, Water Purchases, Depreciation and Electricity remain the major costs for the company. The main direct costs continued to be Staff Costs, Water Purchases (San Pedro) and Electricity. The major indirect costs are Depreciation, Loan Interest Expense, and Taxes.

This year's figures include the Group consolidation of expenses.

LOAN MOVEMENT AND DEBT SERVICING

Net Loan Movement	2018/19	2017/18
Beginning Balance	43,046	41,632
Draw downs/Increases	13,574	4,707
Principal Repaid	3,731	3,293
Principal Balance	52,889	43,046
Total Debt Servicing		
Principal Repaid	3,731	3,293
Interest Charges	1,833	1,943
Total Debt Reduction	**5,564**	**5,236**

All figures in BZ$ '000

Asset Expansion and Improvement

During 2018/19, investments in new assets totalling $21.551 million were undertaken with approximately $1.902 million being contributed by the Government of Belize (GOB). One of our major achievement for this year was the acquisition of Consolidated Water Belize Limited in San Pedro at a cost of $14.0 million that has allowed us to produce and supply more water to meet increasing demand in San Pedro. The company continues its strategic focus of expanding our water network in various municipalities and replacing aged infrastructures to improve on our pressure management controls and service delivery. Major investments in water network expansions are ongoing in Corozal, Orange Walk, Cayo and the Belize District.

The overall investment in assets inclusive of new assets, refurbishments and maintenance was $24.101 million in 2018/19 as compared to $20.248 million in 2017/18.

The table insert shows the breakdown of the Investment in Assets and Asset Improvement over the last two financial years.

New Assets, Refurbishment and Maintenance	2018/19	2017/18
Plant & Equipment	9,625	5,824
Water Expansion	11,926	11,230
Total New Assets	21,551	17,054
Developer's Contributions & Grants	-4,071	-974
BWS Expenditure	17,480	16,080
Repairs & Maintenance	2,550	3,194
Total Assets & Maintenance	24,101	20,248
All figures in BZ$ '000		

Government Contributions

During the course of FY 2018/19, GOB has contributed both directly and indirectly $7.1M, made up as shown in the table insert.

Government Contributions	2018/19	2017/18
Debt Repayment	2,361	2,416
Expansion Projects	1,902	580
GST Savings - Zero Rated Status	2,885	2,750
Total Contributions	7,148	5,746
All figures in BZ$ '000		

OPERATIONS

Continuous Improvements

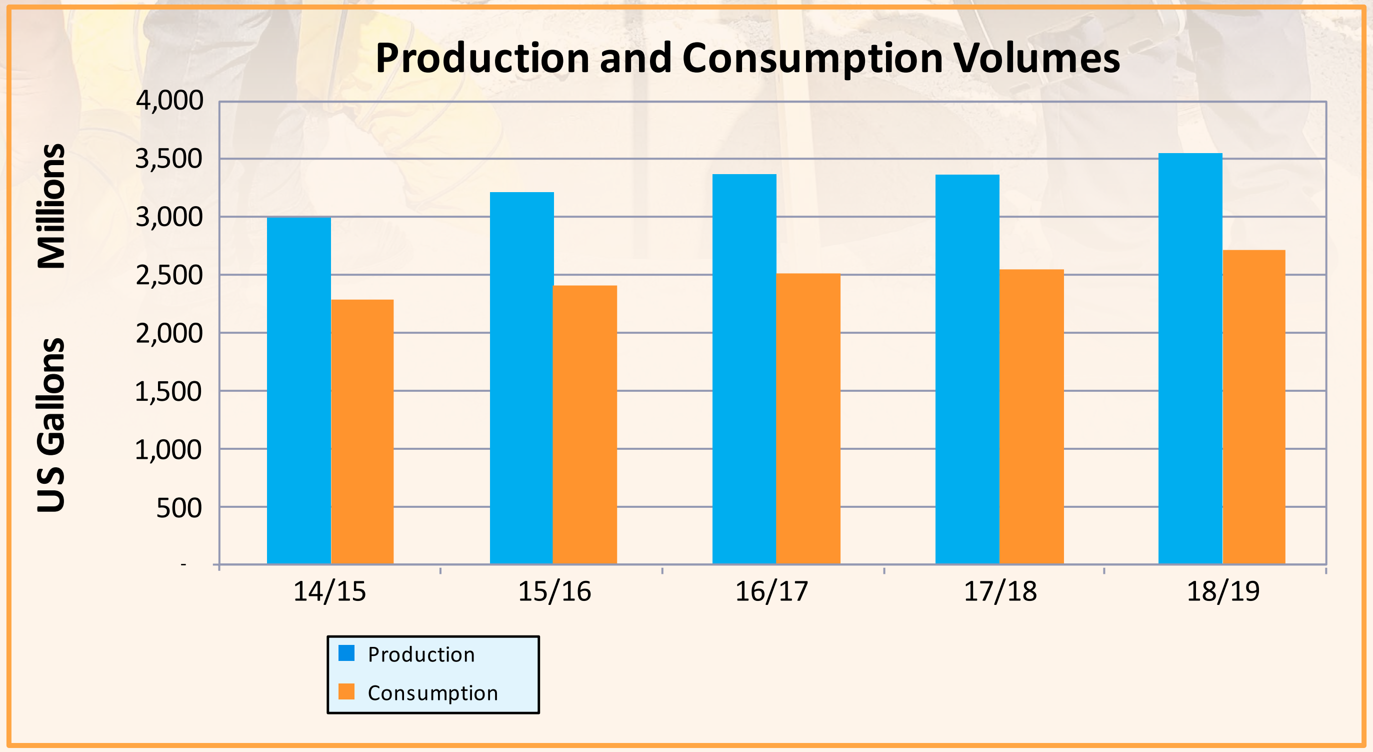
During the year 2018/19, the company achieved several operational improvements and successes - continuity of service was sustained above 99%, average pressures increased by 4.0%, and expansion helped to increase our customer base in all branches. Initiatives to which helped propel the continued improvement included: continued training certification of our employees; process improvements in water supply, treatment and delivery; and similar improvements to wastewater collection and treatment systems. Investments also continued for expansion and improvement of the sewer collection, transportation and treatment systems.

Production and Consumption

The 2,695.4 million US gallons (MUSG) of potable water consumed during the year is the highest in the company's eighteen year history. This overall water usage is comprised of 2,618.4 MUSG from customer consumption and 77 MUSG attributable to usage and losses due to ongoing capital projects. This 1.5% increase in usage volume was driven by water network expansions and growth in service connections, combined with a high continuity of supply and increased pressures. The increase in consumption led to overall production increasing by 0.2%.

Operating KPI's	Year 2018/19	Year 2017/18	%Change
Water Production	3,534.5	3,350.9	0.2%
Water Sales	2,695.4	2,542.5	1.5%
Non-Revenue Water Volume	839.1	808.4	3.7%
Non-Revenue %	23.74%	24.12%	-0.38%
Volume Figures are in Millions of US Gallons (MUSG)			

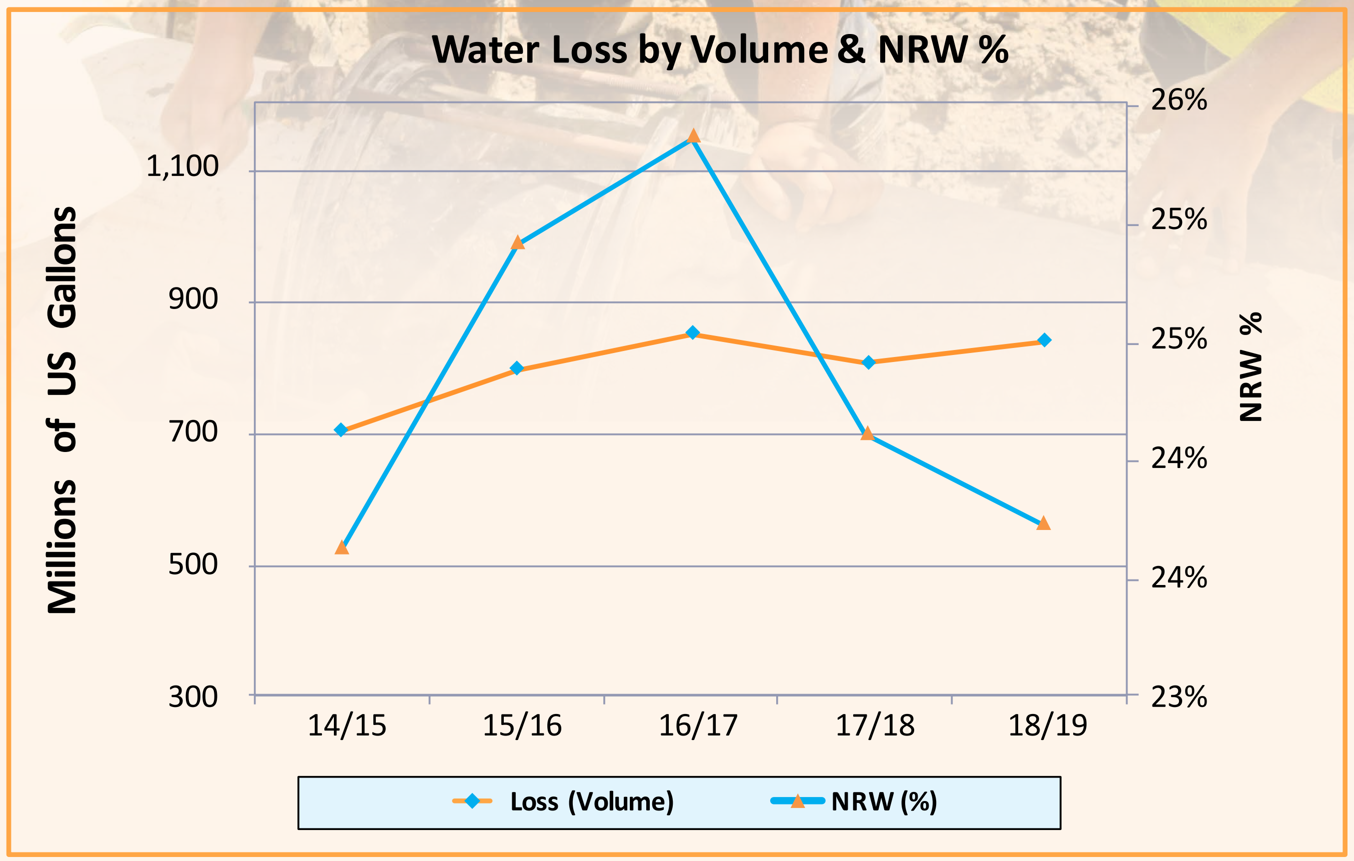
The Chart below highlights the movement in water production and consumption volumes for the last five (5) years.



Non-Revenue Water (NRW) Losses

Non-Revenue Water (NRW) loss percentage reduced from 24.1% of production previous year to 23.7% this year. This NRW percentage is the second lowest in the company 18-year history. However, due to overall production and sales volume increases, the total water loss volume for this financial year was 839.1 MUSG, an increase of 3.7% from the 808.4 MUSG of the previous year. The company's water loss reduction programme includes proactive searching and repairing of leaks, replacing older water mains, identification/removal of illegal connections, and pressure management controls. During the year, the company continued its proactive replacement of aged infrastructure, and the identification and elimination of unauthorized connections and tampering.

This company remains proud of the achievement in keeping NRW below 25%. This figure is well below many water systems in even the most developed countries and is among the very best in the Caribbean and Latin America.



CUSTOMER SERVICES AND BILLING

Customer Service

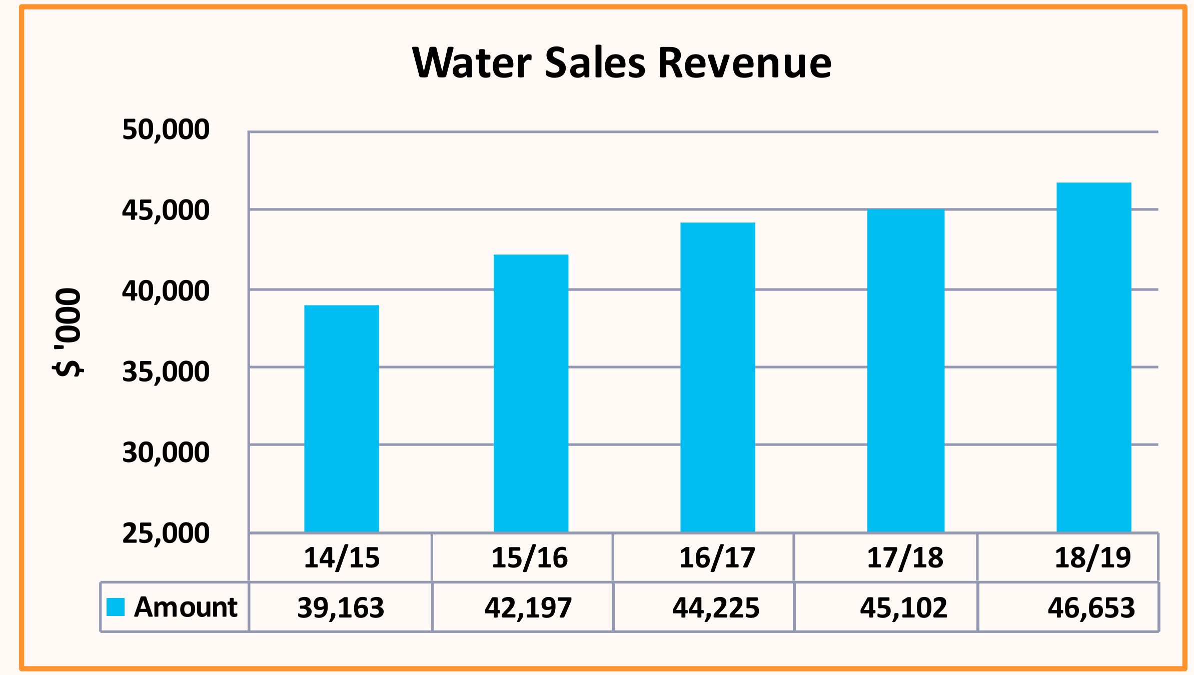
During the fiscal year 2018/19, the company's focus was on improvement our service delivery to our customers. One main goal was to ensure the accuracy of our reading and timely delivery of bills to customers. Another initiative was reaching out to our customers with our 'Go Green" campaign which was twofold, preserving the environment and improvement service delivery.

As part of the initiative to improve service delivery, the company measures delivery and response time to call handling, field services, billing and customer complaints. Requests are given specific targeted completion dates by type. We are pleased to report an 83% success rate in requests targeted for completion within one day and 81% success rate in jobs targeted for completion within three days.

Sales

In 2018/19 the gross water sales revenue was $46.546M, or 3.6% more than the same period last year. We recorded a 2.9% increase in total water consumption from 2,543.0 MUSG previous year to 2,618.4 MUSG and a 2.5% increase in our customer base. The average monthly sales volume per connection increased from 3,649 to 3,665 US gallons or 0.4% and the average tariff per 1,000 gallons increased by 1.0%, from $17.74 to $17.82. The average monthly income per connection increased by 1%, from $64.73 to $65.30.

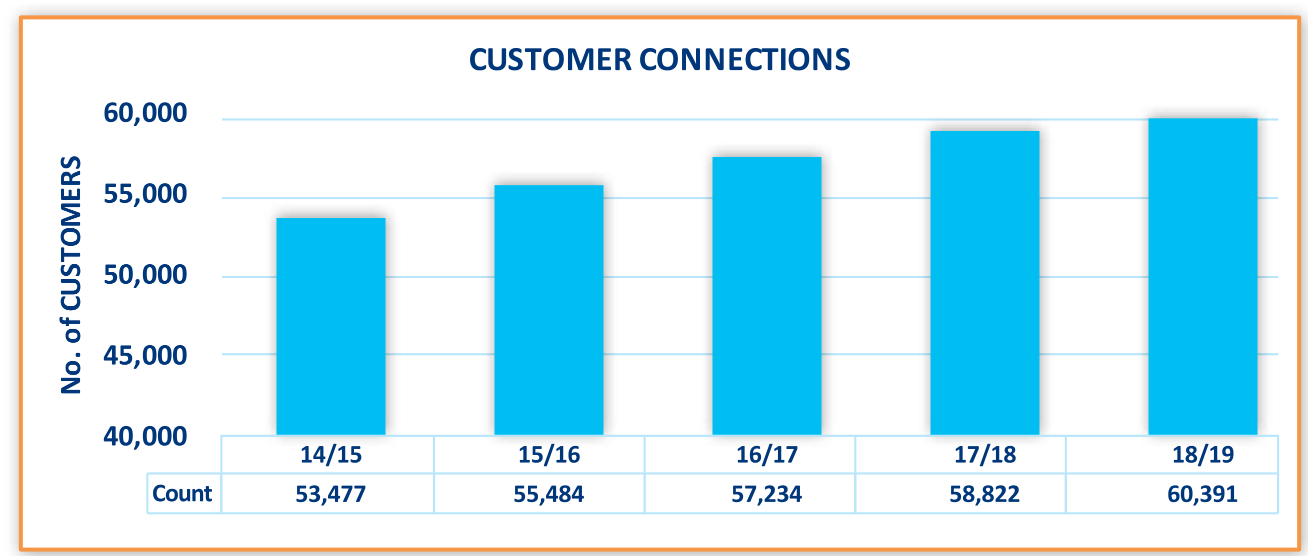
The chart insert illustrates the trend in annual Water-related Sales Revenue.



Customer Connections and Accounts

At the end of the fiscal year, the active customer base had grown by 2.7%, from 58,822 to 60,391 water connections. Contributing factors to the overall increase were, 2,075 customers requested discontinuation of their services, new installations were 4,769, of which 1,562 were new customer accounts. The net of reconnection and disconnection were 1,125 customers.

The chart highlights the growth in our customer connections over the last 5 years.



ENGINEERING AND PROJECTS

BWS completed approximately 75 capital projects during 2018/19. Focus of our capital expenditure program during year 2018/2019. These projects were targeted at assisting with the following strategic objectives:

- Improve Customer Satisfaction
- Increase Customer Base
- Improve Resources

Water Distribution System

We have upgraded approximately 80,000 feet of water mains and 943 service connections country wide in year 2018/2019. The Company has invested approximately $6.5 M on water mains upgrade and replacement countrywide, inclusive of the supply and installation of new pipes and fittings, flushing, pressure testing and disinfection. The company also invested approximately $2.0 M in water network expansion countrywide. This works included expansion of our water network system approximately by 85,435 feet and installation of 3,217 immediate beneficiaries.

Civil and Building Works

New Conference and Training Room, HQ Building, Belize City: BWS has invested $1.0M in improvements and expansion of our Headquarters building. This included renovations of several sections and construction of a new wing to house state-of-the-art Conference and Training Room. These larger, better and more interactive facilities has improved engagement during trainings and high-level meetings thus advancing knowledge and skills. The overall result has helped to empower staff and to improve employee morale.

New 6,200 Feet of Concrete Storage Building, Mile 10: We have invested $1.0 M to build 6,200 sq. ft. concrete storage facility capable of withstanding up to category 3 hurricane. It will be equipped with 16-foot high pallet-storage shelves and a forklift to provide a safe and comfortable working environment for our BWS warehouse personnel.

Special Projects

Lot B, Rehabilitation of Philip Goldson Highway, Belize City: We are pleased to report the completion of Lot B, Rehabilitation of Phillip Goldson Highway, Belize City Project at a cost of approximately BZ$5.0 M. The goal of the Project was to support rehabilitation of the Phillip Goldson Highway from Haulover Bridge to Buttonwood Bay Round-about by upgrading our infrastructure. We have installed approximately 27,600 feet of water mains and upgraded 116 service connections under the project. Water pressure has increased due to this investment.

Transmission Line Upgrade from Eden Street to Hawkesworth Bridge: We installed approximately 9,160 feet of new water mains and upgraded 76 service connections at cost of $620,000 to alleviate water pressure and flow complaints from Santa Elena, Bradley's Bank, and Trapiche Area. Water pressure has increased due to this investment.

Hawkesworth Bridge Crossing: We upgraded approximately 600 feet of 6-inch steel pipe with new 10-inch High Density Polypropylene (HDPE) transmission main over Hawksworth bridge and approximately 4,300 feet of transmission and water mains from San Ignacio Police Station to BWS pumping station at cost of $520,000 to alleviate water pressure and flow complaints from Santa Elena, Bradley's Bank, and Trapiche Area. Water pressure has increased due to this investment.

Internationally Funded Projects

1

Third Water (South Ambergris Caye Water and Sewerage Expansion) Project: CDB's Board of Directors approved a project budget of US$10.9 million for the acquisition of CWBL and water system improvements. Included in the project budget are loan fund of US$8.517M, grant fund totaling US$0.205M and BWS's contribution, equivalent to US$2.18M. The acquisition of CWBL was finalized and BWS assumed control of the company during the last quarter of FY 2018/19. The other component of the projects are programed to be completed by the end of the new financial year 2019-2020.

2

Evaluation and Transactional Advice (E&TA) Consultancy, 2nd Engagement - Purchase of CWBL: The second engagement of the accounting firm Ernst and Young Management of Barbados for the provision of Financial Due Diligence and Transactional Advice services came to a successful conclusion with BWS acquiring CWBL during the last quarter of the reporting period. This consultancy was funded by BWS with support from CDB.

3

Detailed Designs for Expansion of Ambergris Caye Water and Wastewater Facilities: This consultancy was awarded to Dillon Consulting Ltd. of Canada for a total contract value of US$937,977.24. It is scheduled to be completed in the third quarter of the financial year 2019/20. The projected required capital investment for this expansion is BZ$90 million and will result in new water and sewage treatment plants, reservoir and water and sewer linear infrastructure on north Ambergris Caye. Sourcing for the full capital investment required is currently being explored.

4

Water Utility Climate Risk Vulnerability Assessment (CRVA) Consultancy: This Water Utility Climate Risk and Vulnerability Assessment (CRVA) Consultancy will be completed during the third quarter of 2019/20. Dillon Consulting Ltd. of Canada is providing this consultancy at a cost of US$132,581.92. The project entails the development a Climate Change Adaptation Plan for BWS's assets and services in Belize City, the Cayes and Benque Viejo. Financing to implement the adaptation plan will be undertaken when the consultancy is completed.

5

Nutrient fate and Transport (NFT) Study for Wastewater Collection and Treatment Systems for the Placencia Peninsula: CDB approved a loan/grant of US$996,000.00 for funding the Placencia Nutrient Fate and Transport (NFT) Study consultancy. The loan/grant amounts are US$596,000.00 and US$400,000.00 respectively. The consultancy is currently being conducted by CBCL Ltd., a Canadian firm, for a contract value of US$909,098.00, and is scheduled for completion in the last quarter of the upcoming financial year. The aim of the NFT Study is to develop a comprehensive model to predict the fate of nutrients and fecal bacteria in the Placencia lagoon and surrounding coastal Caribbean Sea off the peninsula to aid in the selection of optimal locations for a sewage treatment plant and final effluent disposal. Financing for the construction of the Sewerage project is currently under-way in anticipation of the NFT Study completion.

These projects, and other projects going forward, aim to assist with achieving BWS's strategic objectives, specifically to protect the environment and our natural resources and to ensure the security supply.

HUMAN RESOURCES AND PUBLIC RELATIONS

Staff participated proactively in several key initiatives to further improve our strategic planning and execution. These included revision to strategic planning components, execution of strategic initiatives, and the clear communication of these to all employees.

One major accomplishment in 2018/19, was the successful renegotiation of the Collective Bargaining Agreement (CBA). The new CBA, renegotiated by Management and Union representatives, was completed to the satisfaction of employees, management and Board of Directors. After completion, it was submitted to the Labour Commissioner for review by their team of experts. The new agreement was designed to ensure fair compensation, teamwork, accountability and inclusiveness for the next three years.

"Successful strategy must focus on improving skills, reducing the cost of doing business and making appropriate resources available" R. Blagojevich (paraphrased)

The permanent staff number count was decreased from 294 at the end of the previous year to 293 at March 31, 2019, due to several posts being vacant at year-end. However, due to the increase in project works from the previous year, our temporary employment numbers saw a significant increase by 25%, from 113 to 141, as a number of additional employees were hired.

Employee Development and training

Our training and knowledge-based initiatives continue to be a significantly successful catalyst for improved performance and staff morale. These included our international certification program, personalised knowledge and skill building for employees in the technical field, Health and Safety, and confined space work training. Additionally, a series of other training were coordinated in line with previously strategic areas identified during appraisal; these included the international certification program for operations and technical services personnel through the University of Sacramento, Defensive driving for all the company certified drivers, Time Management and Confined Space training. A number of employees participated in the international certification courses with a success rate of 100%, with over 90 certifications earned.

The training and development programs conducted during the year included international accredited training from Operators without Borders a group out of Canada. The Operators without Borders Group facilitated in-house sessions over a two week period, training and developing our BWS team in many key and relevant areas of water and sewer operations. They also helped with developing a program for improvements in operations and safety including recommendations for future improvements.

Aside from resulting in a more qualified workforce, these various sessions have also resulted in BWS acquiring improved equipment and resources to facilitate staff in working more efficiently and safely while executing their daily responsibilities. The company is therefore able to deliver improved services to our valued customers, as well as improved health and safety practices protecting all employees.

Employee Wellbeing and Performance

The company continued to contribute to, and participate in, staff initiatives which promoted staff wellbeing – these included sports and recreation, healthy living sessions, safety practices and improving the group health insurance coverage. Additionally, the company facilitated fund-raising and assisting with donations for needy staff members or their relatives.

Recognition of top performers for the year, continues to be a positive driver as it builds morale and teamwork among co-workers. Of the 220 employees who were appraised, 85% of them were awarded varying levels of increments.

Public Relations and Community Outreach

BWS, as a responsible corporate citizen, continues to partner with groups and individuals, within our service areas. Our Assistance program continues to be effective and varied since we intentionally aim at reaching a wide spectrum of the communities in which we serve. We have donated monetary contributions to many, food items to feeding pantry programs, sponsorship of various sporting activities and teams, and support to more established organizations such as Cancer Society, the Diabetes and Kidney Association. Over the last three years we have partnered with the RESTORE Belize program which continues to do a stalwart job in assisting needy children from the southside of Belize City. One special donation was a cooperative effort with BWS staff and Hand in Hand Ministries to build a house for a needy family in the Port Loyola area.
During the period, we have continued our efforts to strategically partner with the some of the leading tertiary educational institutions. We have attended sessions with St Johns College, the University of Belize and others reputable tertiary and secondary education institutions. This has proven beneficial since it allowed us a platform to promote BWS and provided an avenue to recruit some of the best talent available in Belize.

The company participated in several public meetings and discussion groups, particularly in areas where water or sewer expansion works were forthcoming or in progress. These included Belmopan San Martin area, San Ignacio/Benque Viejo and San Pedro, Ambergris Caye. We also participated fully in the planning and activities of World Water Day, which was held under the theme “Water for All” to highlight the importance of water to any successful economy.

SUPPORT SERVICES AND PROGRAMMES

Information Technology

Information Technology solutions continue to be a key driver to a number of our strategic objectives. As such, we are committed to upgrading our hardware and software infrastructure to keep pace with modern technology, to serve as a platform for improved business processes and to mitigate against emerging threats and risks.

We have upgraded our core network infrastructure to facilitate business growth over the next ten years alongside continuing to upgrade network bandwidth. As a 24/7/365 business, continuity of service is at the forefront of our endeavours and this year we have utilized BTL's LTE service to provide a backup to the fibre connections at our Treatment Plant facilities. With business continuity in mind efforts have been made to create a secondary data centre so that we can operate effectively in the face of natural disasters.

BWS continues to provide the convenience of making payments via the banks and through payment agents. Collection options remained consistent on a month by month basis with BWS collections accounting for 69%, Bank/Online collections accounting for 26% and agent collections accounting for 5%.

2018 saw the addition of brand new, state-of-the art, training and conference room facilities. The use of smart boards with touch screen technologies have allowed us to more effectively share ideas and taken our meetings to a new and exciting level.

After much planning, we have commenced with the implementation of GIS and will continue to build our capabilities over the next fiscal year. Following on from the GIS implementation, we continue to look for a customer service relationship system that will incorporate the new GIS features as well as offer new and exciting ways for our customers to interact with us.

With these projects we expect to realize our strategic goal of providing fast, secure, reliable and always-on technology.

Internal Audit

Assurance and Consultation

The Board of Directors' and Management's close monitoring of risk combined with Internal Audit's continuous monitoring resulted in improved processes and controls in place. As well as performing assurance engagements, Internal Audit also perform consultation engagements based upon the request of management. During the year, a total of seventeen engagements were completed. These engagements affected areas within operations, customer services, technical services, finance and information technology. As is the established practice, any identified issues of noncompliance or internal control weaknesses are immediately addressed by management.

Training and Development

The Internal Audit compliment continue to receive training to continue to add value to the company. Training this year was focused on improving reporting methodology. The finalized reports, which are shared and reviewed with the management team, have improved on clarity and comprehension enabling faster follow up by management.

Health and Safety

In line with our strategic objectives, initiatives were executed to improve Health and Safety awareness during 2018/19. BWS, in partnership with the National Safety Council of America, delivered defensive driving to all authorized drivers. These sessions assist with reducing unnecessary costs, improving courtesy on the road and protecting our most important asset – our employees.

The staff safety committee continued with branch visits and regular worksite inspections countrywide. As a result, we have been able to catalogue a history which clearly identifies improvements as well as areas where further improvement is needed. In February 2019, BWS welcomed a team from Operators Without Borders (Canada) who facilitated confined space and utility hazard training. They also made recommendations for improvements to processes which company is now implementing.

We will continue to promote Health and Safety awareness in everything we do, both to minimize risks to staff and the public and to uphold our commitment to our stakeholders to be a highly responsible Belizean enterprise.

KEY PERFORMANCE INDICATORS (KPI'S)

Description of KPI	UNIT	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
PROFITABILITY												
Gross Revenue	$' 000	48,074	46,584	45,484	43,194	40,084	34,923	33,583	35,327	34,869	31,047	29,673
Operations and Maintenance	$' 000	29,797	29,166	28,269	25,889	25,725	24,640	24,535	23,673	21,810	18,494	19,216
EBITDA	$' 000	18,277	17,418	17,215	17,305	14,359	10,282	9,049	11,654	13,059	12,553	10,457
EBIT	$' 000	11,729	11,304	11,453	12,336	9,501	5,608	5,095	8,058	9,696	9,117	7,264
Net Profit (Loss)	$' 000	8,983	8,509	8,586	9,690	6,765	2,961	2,360	5,391	5,457	4,878	2,069
EBITDA/Net Turnover	%	38%	37%	38%	40%	36%	29%	27%	33%	37%	40%	35%
Earnings Per Share	$	0.225	0.213	0.215	0.242	0.169	0.074	0.059	0.135	0.136	0.122	0.052
Dividends Per Share[1]	$	0.0190	0.0190	0.0190	0.0189	0.0126	0.0126	0.0126	0.025	0.025	0.025	0.078
Retained Earnings (Deficit)	$' 000	56,999	48,774	41,022	33,195	24,262	18,003	15,546	13,692	9,311	4,861	3,589
LIABILITIES & EQUITY												
Long Term Liabilities	$' 000	65,779	54,551	51,809	52,217	40,149	43,947	44,330	47,023	47,854	49,622	53,135
Current Liabilities	$' 000	11,672	12,442	11,187	10,558	11,655	13,189	13,162	11,327	12,136	10,971	9,182
Total Equity	$' 000	175,327	167,102	159,351	150,856	111,253	104,993	102,537	100,682	96,302	90,578	84,251
ASSETS												
Current Assets	$' 000	28,860	32,650	33,143	32,325	14,995	15,396	14,341	15,250	16,022	14,675	10,584
Total Net Assets	$' 000	252,778	234,096	222,348	213,631	163,057	162,129	160,029	159,032	156,291	151,172	146,566
Additions to Assets	$' 000	23,289	19,353	19,187	21,041	12,197	12,124	10,906	7,294	10,113	7,059	4,742
BALANCE SHEET STRUCTURE												
Current Assets/Current Liabilities	No.	2.47	2.62	2.96	3.06	1.29	1.17	1.09	1.35	1.32	1.34	1.15
Gearing (LT Liabilities/Equity)	%	38%	33%	33%	35%	36%	42%	43%	47%	50%	55%	63%
Total Assets/Total Equity	No.	1.44	1.40	1.40	1.42	1.47	1.54	1.56	1.58	1.62	1.67	1.74
Total Assets/Share Capital	No.	4.21	3.90	3.71	3.56	2.72	2.70	2.67	2.65	2.60	2.52	2.44
Return on Assets(EBIT/Avg. Assets)	%	4.8%	5.0%	5.3%	6.5%	5.8%	3.5%	3.2%	5.1%	6.3%	6.1%	4.9%
WATER VOLUMES												
Water Production	MUSG	3,534.5	3,350.9	3,356.2	3,202.4	2,982.8	2,787.1	2,788.8	2,706.6	2,659.4	2,679.1	2,800.9
Water Sales	MUSG	2,695.4	2,543.0	2,505.4	2,404.6	2,277.9	2,105.0	2,020.4	1,975.1	1,948.3	1,892.5	1,841.7
Non-Revenue Water Volume	MUSG	839.1	812.4	850.8	797.8	704.9	682.1	768.4	731.4	711.1	786.6	959.2
Non-Revenue Water %	%	23.7%	24.1%	25.4%	24.9%	23.6%	24.5%	27.6%	27.0%	26.7%	29.4%	34.2%
Non-Revenue Water (M^3/Conn/Day)	M^3	0.14	0.15	0.16	0.15	0.14	0.14	0.17	0.17	0.17	0.18	0.22
Non-Revenue Water (M^3/Km/Day)	M^3	5.78	5.69	6.11	5.89	5.38	5.35	6.49	6.40	6.50	7.53	9.28
CONNECTIONS												
Beginning Connections	No.	58,822	57,234	55,484	53,477	51,433	49,138	47,906	46,936	45,537	44,610	43,835
New Connections Added	No.	4,769	4,614	4,893	4,846	4,836	5,234	4,500	4,768	1,777	1,089	3,235
Requested Disconnections	*No.*	*2,075*	*2,111*	*2,101*	*1,999*	*2,062*	*2,039*	*2,009*	*2,039*	*2,121*	*2,003*	*n/a*
Disconnections - Non-payment	*No.*	*9,941*	*8,807*	*9,539*	*7,088*	*7,618*	*11,950*	*12,380*	*14,693*	*12,365*	*15,138*	*n/a*
Total Disconnections	No.	12,016	10,918	11,640	9,087	9,680	13,989	14,389	16,732	14,486	17,141	13,061
Reconnections	No.	8,816	7,892	8,497	6,248	6,888	10,591	11,120	11,089	10,548	13,145	12,937
Ending Connections	No.	60,391	58,822	57,234	55,484	53,477	50,974	49,137	46,061	43,376	41,703	46,946
Ending Sewer Connections**	No.	11,382	10,972	10,843	10,691	10,519	10,264	10,158	10,121	10,279	10,233	10,323
BILLING												
Avg. Number of Connections	No.	60,595	57,943	56,422	55,710	54,019	50,619	47,599	44,719	42,540	44,325	45,391
Water Sales Revenue	$' 000	46,546	44,979	44,076	42,026	38,965	34,151	32,815	34,250	33,867	29,750	29,064
Avg. Usage per Connection Monthly	Gal	3,710	3,649	3,704	3,669	3,626	3,465	3,537	3,681	3,817	3,558	3,381
Avg. Sales per Connection Monthly	$	65.32	64.73	65.33	64.44	62.27	57.50	56.32	60.68	61.09	55.93	53.36
Avg. Tariff per 1000 Gallons	$	17.82	17.74	17.59	17.48	17.11	16.22	16.24	17.34	17.38	15.72	15.78
OPERATIONAL EFFICIENCY												
Avg. No. of Staff (Permanent)	No.	293	294	287	262	256	251	252	246	238	229	232
Staff Per 1000 Connections	No.	4.8	5.1	5.1	4.7	4.7	5.0	5.3	5.5	5.6	5.2	5.1
Total Staff Costs	$'000	12,501	11,376	10,423	9,739	8,931	8,546	8,567	8,252	7,745	6,816	7,460
Staff Costs/Emp.	$	4,267	3,869	3,632	3,717	3,489	3,405	3,400	3,355	3,254	2,976	3,216
Revenue/Emp.	$	164,075	158,449	158,480	164,864	156,580	139,135	133,267	143,607	146,507	135,576	127,901
COLLECTION EFFICIENCY												
Overdue Debtors/Trade Debtors	%	11.0%	16.6%	10.2%	14.4%	12.4%	14.0%	13.4%	15.0%	17.4%	14.2%	26.6%
Bad Debts Write Off/Net Turnover	%	0.2%	0.2%	0.3%	0.3%	0.4%	0.0%	0.2%	1.1%	0.7%	0.3%	0.9%
Collection Efficiency	%	98.8%	98.3%	98.9%	98.8%	98.9%	98.2%	98.3%	98.1%	96.8%	98.7%	97.0%
WATER INFRASTRUCTURE												
Total Length of Mains**	Miles	935.8	919.7	897.7	870.1	844.3	821.5	763.0	734.4	704.5	673.2	666.3
Total Length of Mains**	Km	1,506	1,480	1,445	1,400	1,359	1,322	1,228	1,182	1,134	1,083	1,072
Length of Mains/Connection	Ft.	81.8	82.6	82.8	82.8	83.4	85.1	82.0	84.2	85.8	85.2	74.9

KPI Description Note	Key - Units	Key - Units	Key - Units
**=Includes some estimated figures	MUSG = Millions of U.S. Gallons	Gal = US Gallon	% = Percentage
[1]See Management report for details	$' 000 = Thousands of Belize Dollars	No. = Number/Count of Units/Ratio	Ft. = Feet
	$ = Belize Dollars	M^3 = Cubic meters ($1M^3$ = 264.1721Gal)	Km. = Kilometer

N.B. Financial figures represent consolidated amounts for BWS and CWBL

BELIZE WATER SERVICES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS & INDEPENDENT AUDITOR'S REPORT

For the year ended 31 March 2019

BELIZE WATER SERVICES LIMITED (GROUP)

Consolidated Financial Statements and Independent Auditor's Report

For the year ended 31 March 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF BELIZE WATER SERVICES LIMITED (GROUP)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of **Belize Water Services Limited** and its Subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 March 2019, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2019, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our opinion.

Other matters

The subsidiary, **Consolidated Water Belize Limited**, was acquired with effect on 01 January 2019. These accompanying consolidated financial statements include the Subsidiary's statement of financial position as at 31 March 2019 and its statement of comprehensive income, statement of changes in equity and statement of cash flows for the three month period ended 31 March 2019.

MOORE STEPHENS

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

MOORE STEPHENS

• Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Moore Stephens Magaña LLP.

Chartered Accountants
Belize City, Belize
31 July 2019

BELIZE WATER SERVICES LIMITED (GROUP)
Consolidated statement of financial position
As at 31 March 2019
In Belize dollars

	Notes	2019	2018
Assets			
Non-current assets			
Property, plant and equipment	5	**215,426,548**	201,445,505
Intangible asset	3.23, 6	**8,491,220**	-
Total non-current assets		**223,917,768**	201,445,505
Current assets			
Materials and supplies	7	**7,552,186**	8,102,706
Contract balances and other receivables	8	**7,625,980**	5,525,505
Cash and cash equivalents	9	**13,681,866**	19,022,025
Total current assets		**28,860,032**	32,650,236
Total assets		**252,777,800**	234,095,741
Equity and liabilities			
Equity			
Share capital	10	**60,000,001**	60,000,001
Contributed capital reserve (Government of Belize)	11	**11,714,281**	11,714,281
Capital reserve on vesting	12	**15,276,362**	15,276,362
Revaluation reserve	13	**31,337,802**	31,337,802
Retained earnings		**56,998,516**	48,773,690
Total shareholders' equity		**175,326,962**	167,102,136
Non-current liabilities			
Long term borrowings	14	**49,473,108**	39,362,596
Deferred income	3.11, 24	**16,305,825**	15,188,676
Total non-current liabilities		**65,778,933**	54,551,272
Current liabilities			
Current portion - borrowings		**3,416,268**	3,683,472
Trade and other payables	15	**8,255,637**	8,758,860
Total current liabilities		**11,671,905**	12,442,333
Total liabilities		**77,450,838**	66,993,605
Total equity and liabilities		**252,777,800**	234,095,741

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors on 31 July 2019.

Director

Director

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BELIZE WATER SERVICES LIMITED (GROUP)
Consolidated statement of comprehensive income
For the year ended 31 March 2019
In Belize dollars

	Notes	2019	2018
Operating revenue	16	47,880,225	46,277,298
Other income	20	193,858	306,949
Gross revenue		48,074,083	46,584,247
Materials and other external costs	17	(9,592,240)	(9,725,998)
Staff costs	18	(12,500,940)	(11,376,423)
Other operating charges	19	(7,729,130)	(8,103,002)
Depreciation and amortisation of grant income	5	(6,547,864)	(6,114,145)
Gain on disposal of asset		25,181	39,087
Profit before interest and taxes		11,729,090	11,303,767
Finance costs	21	(1,896,888)	(1,981,634)
Profit before tax		9,832,202	9,322,133
Business tax	22	(849,316)	(812,738)
Total comprehensive income for the year		8,982,886	8,509,394
Basic earnings per share			
(BZD per share)			
- Basic earnings per share	23	0.22	0.21

The accompanying notes form an integral part of these consolidated financial statements.

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BELIZE WATER SERVICES LIMITED (GROUP)
Consolidated statement of changes in equity
For the year ended 31 March 2019
In Belize dollars

	Share capital	Contributed capital	Capital reserve	Revaluation reserve	Retained earnings	Total
Balance as at 1 April 2017	60,000,001	11,714,281	15,276,362	31,337,802	41,022,357	159,350,803
Profit for the year	-	-	-	-	8,509,394	8,509,394
Dividends declared	-	-	-	-	(758,061)	(758,061)
Balance as at 31 March 2018	60,000,001	11,714,281	15,276,362	31,337,802	48,773,690	167,102,136
Balance as at 1 April 2018	**60,000,001**	**11,714,281**	**15,276,362**	**31,337,802**	**48,773,690**	**167,102,136**
Profit for the year	-	-	-	-	8,982,886	8,982,886
Dividends declared	-	-	-	-	(758,060)	(758,060)
Balance as at 31 March 2019	**60,000,001**	**11,714,281**	**15,276,362**	**31,337,802**	**56,998,516**	**175,326,962**

The accompanying notes form an integral part of these consolidated financial statements.

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BELIZE WATER SERVICES LIMITED (GROUP)
Consolidated statement of cash flows
For the year ended 31 March 2019
In Belize dollars

	2019	2018
Cash flows from operating activities		
Profit for the year	**8,982,886**	8,509,394
Adjustments for non-cash items:	-	
Depreciation and amortisation of grant income	**6,547,864**	6,114,145
Gain on disposal of property, plant and equipment	**(25,181)**	(39,087)
Impairment allowance	**16,000**	15,000
Interest paid	**(1,673,438)**	(1,650,584)
Finance cost	**1,896,888**	1,981,634
Government grants	**(2,357,122)**	(2,416,121)
Cash flows before working capital changes	**13,387,897**	12,514,381
Changes in working capital components:		
Contract balances and other receivables	**(891,323)**	(730,967)
Material and supplies	**1,547,775**	480,624
Trade and other payables	**1,873,779**	685,269
Cash flow provided by operating activities	**15,918,128**	12,949,307
Cash flow from investing activities		
Purchase of property, plant and equipment	**(23,289,171)**	(19,352,980)
Acquisition of Subsidiary	**(14,501,490)**	-
Contributions to fixed assets	**4,071,663**	974,831
Proceeds from sale of property, plant and equipment	**165,644**	62,349
Net cash used in investing activities	**(33,553,354)**	(18,315,800)
Cash flows from financing activities		
Dividends paid	**(758,060)**	(708,628)
Proceeds from borrowings	**13,573,707**	4,707,033
Repayment of borrowings	**(1,637,729)**	(1,196,382)
Increase in deferred income	**1,117,149**	1,836,555
Net cash provided by financing activities	**12,295,067**	4,638,578
Net change in cash and equivalents	**(5,340,159)**	(727,917)
Cash and cash equivalents at the beginning of the year	**19,022,025**	19,749,942
Cash and cash equivalents at the end of the year	**13,681,866**	19,022,025
Comprised of:		
Cash on hand	**15,959**	52,120
Bank balances	**8,254,580**	13,661,333
Short-term deposits	**5,411,327**	5,308,572
	13,681,866	19,022,025

The accompanying notes form an integral part of these consolidated financial statements.

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1. General information

These consolidated financial statements comprise the financial statements of the Company and its subsidiary (together 'the Group') for the year ended 31 March 2019.

Belize Water Services Limited (BWSL) (the "Company") was incorporated by the Government of Belize on 22 January 2001 as the successor Group to the Water and Sewerage Authority ("WASA"). **Belize Water Services Limited** was vested with the assets and liabilities of WASA on 23 March 2001. The Company is majority owned by the Government of Belize.

The Company is the monopoly water and sewerage utility for the country of Belize, serving all the municipalities of the country as well as some 35 villages. The registered office is at 7 Central American Boulevard, Belize City, Belize.

Effective 01 January 2019, the Company acquired 100% of shares of Consolidated Water (Belize) Limited ("CWBL") ("Subsidiary") for USD 7,000,000 which was funded by a loan from the Caribbean Development Bank. CWBL utilises reverse osmosis technology to produce potable water from seawater and operates under a contractual agreement with BWSL to supply potable water on an exclusive basis to San Pedro, Ambergris Caye. CWBL was previously owned by Consolidated Water Co. Limited, a Cayman Island company. Financial statements for the Group include the consolidation of net assets from CWBL based on the value presented in the 31 December 2018 audited financial statements for CWBL.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRSs and the new Interpretation that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs and new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period beginning on or after 01 January 2018.

IFRS 15, Revenue from Contracts with Customers

The standard is effective for periods beginning on or after 01 January 2018. The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1) Identify the contract with the customer,
2) Identify the performance obligations in the contract,
3) Determine the transaction price,
4) Allocate the transaction price, and
5) Recognise revenue when a performance obligation is satisfied.

The standard also provides specific principles to apply when there is a contract modification, accounting for contract costs and accounting for refund and warranties.

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.1 Amendments to IFRSs and the new Interpretation that are effective for the current year (continued)

IFRS 15, Revenue from Contracts with Customers (continued)

On application of the standard the disclosures are likely to increase. The standard includes principles of disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers by providing qualitative and quantitative information.

The application of these amendments has had no significant impact on the Group's financial statements.

IFRS 9 Financial Instruments

The standard is effective for accounting periods beginning on or after 01 January 2018. The standard since it was originally issued in November 2009, had undergone subsequent amendments, in October 2009, December 2011 and November 2013. The November 2013 amendment removed the effective date, which will be added once the standard has been finalised. Currently, IFRS 9 outlines the recognition and measurement of financial assets, financial liabilities and the derecognition criteria for financial assets. Financial assets are to be measured either at amortised cost or fair value through profit and loss, with an irrevocable option on initial recognition to recognise some equity financial assets at fair value through other comprehensive income. A financial asset currently can only be measured at amortised cost if the Group has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding. On adoption of the standard the Group will have to redetermine the classification of its financial assets specifically for cash and cash equivalents and trade and other receivables.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit and loss (for example derivatives) with changes in the liabilities' credit risk to be recognised in other comprehensive income.

The derecognition principles of IAS 39, 'Financial Instrument: Recognition and Measurement', have been transferred to IFRS 9.

The application of these amendments has had no significant impact on the Group's financial statements.

Amendments to IFRS 2 Classification and Measurement of share-based payment transactions

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted.

The amendments clarify the following:

1. In estimating the fair value of cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.1 Amendments to IFRSs and the new Interpretation that are effective for the current year (continued)

Amendments to IFRS 2 *Classification and Measurement of share-based payment transactions (continued):*

2. Where tax law or regulation requires and entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangements has a "net settlement feature", such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

i) the original liability is derecognised;

ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted at the extend that services have been rendered up to modification date; and

iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The application of these amendments has had no impact on the Group's financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments are effective for annual reporting periods beginning on or after 01 January 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions apply.

Amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other that the ones listed in IAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

The application of these amendments has had no impact on the Group's financial statements.

IFRIC 22 Foreign currency transactions and advance consideration

The Interpretation is effective for annual periods beginning on or after 01 January 2018 with earlier application permitted. Entities can apply Interpretation either retrospectively or prospectively. Specific transaction provisions apply to prospective application.

IFRIC 22 addresses how to determine the date "of transaction" for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue).

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.1 Amendments to IFRSs and the new Interpretation that are effective for the current year (continued)

IFRIC 22 Foreign currency transactions and advance consideration (continued)

The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The application of these amendments has had no impact on the Group's financial statements.

2.2 New and revised IFRSs in issue but not yet effective

IFRS 16 Leases

The standard is effective for periods beginning on or after 01 January 2019 with early application permitted. The standard introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases be lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or finance lease.

The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Company's financial statements.

IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 01 January 2021.

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 17 Insurance Contracts (continued)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 19 Plan Amendment, Curtailment or Settlement

The amendments are effective for annual reporting periods beginning on or after 01 January 2019.

The amendments to IAS 19 Employee Benefits address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

When accounting for defined benefit plans under IAS 19, the standard generally requires entities to measure the current service cost using actuarial assumptions determined at the start of the annual reporting period. Similarly, the net interest is generally calculated by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 28 Long-Term Interests in Associates and Joint Ventures:

The amendments are effective for annual reporting periods beginning on or after 01 January 2019.

Amendments to IAS 28 Long-Term Interests in Associates and Joint Ventures (continued):

The amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The Board also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 28 and IFRS 10 Sale of Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IAS 28 and IFRS 10 deal with situations where there is a sale or contributions of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture that is accounted for using equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate of joint venture. Similarly, gains or losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

3. Significant accounting policies

3.1 Statement of compliance

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), adopted by the International Accounting Standards Board.

3.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Certain asset categories, freehold and leasehold property and infrastructure, have been recorded at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

3. Significant accounting policies (continued)

3.2 Basis of measurement (continued)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial instruments is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, rather directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Functional and presentation currency

The financial statements are presented in Belize dollars (BZD), unless otherwise indicated. The Belize dollar is considered to be the functional currency as the majority of the Group's transactions are denominated, measured, or funded in Belize dollars. All financial information presented in Belize dollars has been rounded to the nearest dollar.

3.4 Foreign currency transactions/translation

Transactions in foreign currencies during the year are translated into Belize dollars at the rates in effect on the dates of the transactions. Foreign currency balances outstanding at the balance sheet date are translated at the rates in effect on that date. Gains or losses on ordinary foreign exchange transactions are included in the results of operations.

3.5 Property, plant and equipment

(i) Initial recognition and measurement

Items of property, plant and equipment are initially recognised at cost.

3. Significant accounting policies (continued)

3.5 Property, plant and equipment (continued)

(ii) Subsequent measurement

Freehold and leasehold property and infrastructure are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses. All other items of property, plant and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Additions, major renewals and improvements are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Any revaluation increase arising on the revaluation of freehold and leasehold property and infrastructure is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(iii) Depreciation

Depreciation is recognised to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives.

Infrastructure assets comprise a network of underground systems. Expenditure on infrastructure assets relating to increases in capacity or enhancement of the network in accordance with defined standards of service is treated as an addition and included at cost and any grants and contributions are amortised over the life of the asset. Infrastructure assets are depreciated over their estimated useful lives.

(iv) Derecognition

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

3. Significant accounting policies (continued)

3.6 Materials and supplies

Materials and supplies are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period when write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.7 Contract balances

Contract balances are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Contract balances are stated at their amortised cost less any allowances for doubtful receivables. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

The loss allowance is calculated based on lifetime expected credit losses. Loss allowance for contract balances is 215,000 for the year ended 2019. Impairment and details of Group's exposure to credit, currency and interest rate risks relating to trade and other receivables is detailed in Note 28. The carrying amount of current receivables is considered to be the same as their fair value, given the short term nature.

3.8 Prepayments

Prepayments represent costs paid in advance of their intended use or coverage. Prepayments are measured at fair value, based on the relevant exchange rates at the date of payment. Prepayments are expensed in the period the service is delivered.

3.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of 3 months or less. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

3.10 Borrowings and borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in net profit or loss in the period in which they are incurred.

3. Significant accounting policies (continued)

3.10 Borrowings and borrowing costs (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

3.11 Government grants and other contributions

Government grants

Government grants received for capital expenditure which have not yet been utilised by the Group are recorded as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. These grants are in the form of loan payments made on behalf of the Group. Government grants are stated at fair value.

Other contributions

Other contributions received from third parties for capital expenditure and are deducted in calculating the carrying amount of the asset. Other contributions are recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

3.12 Trade and other payables

Trade payables represent amounts outstanding to vendors for goods and services obtained. Trade payables are measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

The average credit period on purchases of goods approximates 35.5 days (2018: 35.5 days). No interest is charged on overdue payables; the Group has financial risk management policies in place to ensure all payables are paid within the agreed credit terms. Fair value of trade and other payables is considered to be the same as carrying value given the short term nature of it.

3.13 Security deposits

Security deposits are recognised as a liability upon activation of new customer accounts. Security deposits are applied to accounts in arrears after Management has deemed the account as non-billable after a suitable timeframe has elapsed during which the Group has actively pursued collection without recourse. Security deposits net of arrears are refunded upon closing of the account.

3.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3. Significant accounting policies (continued)

3.15 Revenue from contracts with customers

Policy adopted for period commencing 01 April 2018

a. The Group is in the business of producing and selling potable water supply and providing ancillary services to the general public. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The IFRS 15, Revenue from Contracts with Customers became effective on periods starting 1 January 2018 or later, and is based around five steps in recognising revenue, steps that the Group takes in recognising revenue:

i. Identify the contract with the customer – the contract must be approved by the parties and should have commercial substance. The parties to the contract should also be able to identify their rights regarding the goods or services to be transferred, and the payment terms in relation to those goods or services. It must also be probable that consideration will be received for the goods or services transferred. Contracts with the same customer can be combined if specific criteria are met, for example the contracts are negotiated as a package, the amount of consideration is linked to the performance of another contract, or goods or service are a single performance obligation.

ii. Identify the performance obligations in the contract – these are distinct goods or services that are to be transferred to the customer. A good or service is distinct if the customer can benefit from the good or service either on its own or with other resources that are readily available to the customer and if the promise to transfer the good or service is separately identifiable from other promises in the contract. A good or service is still likely to be separately identifiable if it has a functional dependence on another, but not if this relationship has a 'transformative' effect.

iii. Determine the transaction price – based on the contract terms the transaction price should be determined. The transaction price is the amount that the entity expects to receive in exchange for transferring promised goods or services to a customer. The amount should exclude those collected on behalf of third parties (such as sales taxes). Contract price can include both fixed and variable consideration. An entity is required to estimate variable consideration to which it will be entitled to either using an expected value approach (sum of probability weighted amounts) or the most likely amount (single amount). Variable consideration is only included in the transaction price if it is highly probable that a significant reversal of the consideration will not occur. Reassessment of the variable consideration is required at the end of each reporting period. Contracts may include significant financing components and non-cash consideration. A contract with a financing component is discounted using a discount rate that reflects the credit characteristics of the customer. The effects of financing are presented separately from revenue from customers. The Group uses the practical expedient in IFRS 15 and does not adjust for the financing element if the contracts are to complete within a 12 month period. Any non-cash consideration received is measured at the fair value of the non-cash consideration.

iv. Allocate the transaction price – the transaction price should be allocated to each performance obligation identified in step 2, based on the relative stand-alone selling prices of each distinct good.

3. Significant accounting policies (continued)

3.15 Revenue from contracts with customers (continued)

Policy adopted for period commencing 01 April 2018 (continued)

v. Recognise revenue when a performance obligation is satisfied – a performance obligation is satisfied when the customer obtains control of the good or service. At the inception of the contract the entity must establish if the performance obligation is to be satisfied over time or at a point in time. An entity that satisfies a performance obligation over time recognises revenue over time when the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or where the entity's performance creates or enhances an asset that the customer controls; or where the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date (for example, an incomplete voyage in a voyage charter).

b. Production and selling potable water is based on supply agreements with one or more customers agreeing a fixed price per metered water. This is considered to be a series of identical obligations that are consumed as they are delivered. It is appropriate to recognise revenue over a period of time as it is delivered. Invoicing is used as a practical expedient if this is the only obligation in the arrangement or if the amount invoiced for water & sewer only is clear. The revenue is recognised as obligation is satisfied or when it expires.

Revenue recognition

Policy relating to periods prior to 01 April 2018

(i) Operating revenue

Operating revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services supplied in the normal course of business. Revenue from water supplied is recognised net of value added tax and other sales and related taxes based on the amount of gallons consumed by each customer during each billing cycle. Revenue from the provision of related and other services is recognised when the service is delivered to the customer.

(ii) Other income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

3.16 Expenses

Expenses are recognised when incurred.

3. Significant accounting policies (continued)

3.17 Pension costs

The Group operates a defined contribution pension scheme. A defined contribution scheme is a post-employment scheme under which an entity and employees pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions payable under the defined contribution schemes are charged to the income statement in the periods during which services are rendered by employees.

3.18 Dividends

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared by the Group's Board of Directors.

3.19 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.20 Financial instruments

Policy adopted for period commencing 01 April 2018

A. Recognition and derecognition of financial instruments

Financial instruments, other than derivative financial instruments, are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets that are regular way purchased or sold are recognised using the trade date accounting, i.e. that is when the Group commits to purchase or sell.

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

Policy adopted for period commencing 01 April 2018 (continued)

A. Recognition and derecognition of financial instruments (continued)

Financial instruments that are not trade receivables are initially measured at fair value, which generally equates to acquisition cost, which includes transaction costs for financial instruments not subsequently measured at fair value.

Contract balances are recognised at transaction cost, if they do not contain a significant financing element (IFRS 15). Note 4 provides additional information.

Financial assets are derecognised when:

- The contractual rights to cash flows from the financial asset expire, or
- The asset is transferred such that contractual rights to cash flows of the assets and the risks and rewards of ownership are transferred.

On de-recognition, the Group recognised the differences between carrying amount and consideration.

In factoring arrangements and guaranteed receivables, transfer may not result in de-recognition, because the Group retains exposure to risks and rewards to some extent. The Group assesses it's extended involvement and recognises a liability, such that the net of asset and liability represents the rights and obligations retained, measured based on the classification of the original asset.

Financial liabilities (or a part of) are derecognised when, and only when the obligation is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires. The gain or loss between the carrying value and amount paid is recognised in profit or loss.

If the terms of an existing financial liability (loans and borrowings) are substantially modified this will be considered to meet the criteria for derecognition of the original lability, and a new financial liability is recognised.

B. Classification and subsequent measurement of financial assets

Measurement of financial assets depends on the classification, which is determined by the business model for holding the asset and characteristics of its cash flows.

i) Amortised cost

Assets are held for the purpose of obtaining contractual cash flows, which are solely interest and principal, such as the simplest form of financial instruments, loans and receivables including contract assets. Interest is calculated using effective interest method and included in finance income in profit or loss. Impairment is presented in a separate line in profit or loss.

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

Policy adopted for period commencing 01 April 2018 (continued)

B. Classification and subsequent measurement of financial assets (continued)

ii) Fair value through other comprehensive income (FVOCI).

If in addition to above, if the business model also includes selling the assets, then these assets are measured at fair value with changes in fair value flowing through OCI. Interest income is calculated and presented as above. Impairment is included in profit or loss and reduces/ increases the fair value gain/ loss recognised in OCI reserve.

On derecognition, gains and losses are recycled to profit or loss and included in other gains/ losses.

iii) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria above are measured as FVTPL with changes in fair value presented in other gains/ losses.

For equity investments that the group considers to be long term strategic investments, the group has taken the election in IFRS 9 to present the changes in fair value through other comprehensive income. Unlike ii) above however, on sale of investments, the cumulative OCI gain/ loss will be transferred within equity and will not be recycled through profit or loss.

Dividends are recognised as other income when there is a right to receive payment.

C. Classification and measurement of financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities, which are measured at amortised cost. Financial liabilities are classified at fair value through profit or loss if they are either held for trading or they are otherwise designated within this classification. Gains and losses on such financial liabilities are recognised within other gains and losses in the statement of comprehensive income.

A financial liability is classified as held for trading if (a) it has been acquired principally for the purposes of subsequent short-term repurchase; (b) on initial recognition it is part of a portfolio of identified financial instruments which have a pattern of short-term profit taking; or (c) it is a derivative financial instrument that is not designated and effective as a hedging instrument.

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

Policy adopted for period commencing 01 April 2018 (continued)

C. Classification and measurement of financial liabilities (continued)

Financial liabilities (continued)

A financial liability may otherwise be designated at fair value through profit or loss upon initial recognition if such designation eliminates or reduces significantly a measurement or recognition inconsistency that would otherwise arise; or (b) the financial liability forms part of a group of financial assets, financial liabilities or both, which is managed and its performance evaluated on a fair value basis as a part of the Group's documented risk management and investment strategies; and (c) it forms part of a contract containing one or more embedded derivatives and the entire contract can be so designated in accordance with applicable financial reporting standards.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, within finance costs in the statement of comprehensive income.

The Group derecognises financial liabilities when the obligations of the Group are discharged, cancelled or have expired.

Embedded derivatives

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value through profit and loss.

However financial liabilities which contain multiple embedded derivatives are not separated and are treated as fair value through profit and loss.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible loan notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

Policy adopted for period commencing 01 April 2018 (continued)

C. Classification and measurement of financial liabilities (continued)

Compound financial instruments (continued)

The interest expense on the liability component is calculated by applying the effective interest method. This is obtained by calculating the present value of future cash flows at a market rate for a loan without the convertible component. The difference between the effective interest rate and the interest paid is added to the carrying amount of the convertible loan note.

Interest, dividends, losses and gains relating to the financial liability are recognised in profit or loss. Distributions to the equity holders are recognised in equity, net of attributable taxation.

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

Policy relating to periods prior to 01 April 2018

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of the financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

a. Financial assets

Initial recognition and measurement

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for sale'(AFS) financial assets and 'loans and receivables.' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Group classifies its financial assets as loans and receivables.

Effective interest method

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

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

Policy relating to periods prior to 01 April 2018 (continued)

a. Financial assets (continued)

Loan and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include accounts receivable and other assets.

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

The Group's financial assets classified as loans and receivable include: cash and bank balances and accounts receivable. Refer to Note 28.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collective payments, an increase in number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

Policy relating to periods prior to 01 April 2018 (continued)

a. Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit or loss.

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

Derecognition of financial assets

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in the other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of the transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under the continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount and the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.20 Financial instruments (continued)

Policy relating to periods prior to 01 April 2018 (continued)

b. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'held at amortised cost'. The Group classifies its financial liabilities as other financial liabilities.

Other financial liabilities

Other financial liabilities (include borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Group's other financial liabilities include: accounts payable, other payables and accruals, dividends payable and long-term debt.

Derecognition of financial liabilities

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

Offsetting financial instruments

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

Currently the Group does not offset financial assets and financial liabilities.

3.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any effects.

3.22 Consolidation

The financial statements comprise those of the Company and its subsidiary. Subsidiaries including special purpose entities which are directly or indirectly controlled by the Group are consolidated. Control is achieved where the Company has power over the investee, that expose or give rights to variable returns from its involvement with the investee, and the Company is able to use it power to affect the amount of returns from the investee. Generally control is achieved with a shareholding of more than one half of the voting rights over the relevant activities of the investee. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Company controls another entity.

3. Significant accounting policies (continued)

3.22 Consolidation (continued)

The acquisition method of accounting is used by the Group when it undertakes a business combination. The fair value of consideration transferred at the acquisition date includes the fair value of assets transferred, liabilities incurred by the owners and equity instruments issued by the Group. Consideration can include cash, contingent consideration and options. Acquisition related costs are expensed as incurred unless they relate to the issue of financial instruments in which case they are accounted for in accordance with accounting policies relating to that specific type of financial instrument. The assets acquired and liabilities assumed are recognised at the acquisition date at their fair value. At the acquisition date any equity interest held prior to the acquisition date is recognised at fair value with a resulting gain or loss recognised in profit or loss. The group has an option on a combination by combination basis on how to recognise a non-controlling interest at the acquisition date either at fair value or proportionate share of net assets.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate. Entities which are acquired and are controlled, but which will be held for a period less than twelve months, are recorded as assets held for sale.

The consolidated financial statements are based on the financial statements of the individual companies drawn up using the standard Group accounting policies. Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with Group policies for consolidation purposes. All companies in the Group have the same reporting date of 31 March.

All significant intra-group transactions and balances between Group entities are eliminated on consolidation. The Group applies a policy of treating transactions with a non-controlling interest as transactions with equity holders when control of the subsidiary is not lost. This is therefore reflected in equity.

BWSL exercises control over its subsidiary, CWBL, as it acquired 100% of the stock in this subsidiary entity. In accordance with IFRS 3, Business Combinations, financial statements are presented on a consolidated basis and are indicated as "Group". All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group have been eliminated in full consolidation. In accordance with IFRS 3, These consolidated financial statements reflect the elimination of the investment in the subsidiary of CWBL.

3.23 Intangible asset

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Contractual rights acquired regarding the purchase of "CWBL" will be amortised over 7 years which is the remaining life of the "New Agreement for the Provision of Water from a Seawater Desalination Plant" between BWSL and CWBL. Contractual rights are presented at cost less amortisation and impairment losses. With control of the contract with CWBL, BWSL gained synergies to more efficiently manage the increasing demand for potable water supply from the residents and businesses of Ambergris Caye.

4. Critical accounting estimates and judgements

In implementation of the Group's accounting policies, management used the following judgements that have the most significant effect on the amounts recognised in the financial statements.

4.1 Useful lives of property, plant and equipment

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Category	Years
Freehold & leasehold property	25 to 40 years
Plant & equipment	3 to 10 years
Infra-structure	75 years

4.2 Fair value measurements and valuation processes

The methodology used to revalue buildings was the estimated market value rates per square foot as provided by an independent consultant. The methodology for the revaluation of the water infrastructure assets utilised an average installation cost per foot, based on a costing breakdown which included pipes and fittings, bedding and restoration material, labour and supervision. Since the Group's engineering staff are the only available local personnel with the necessary expertise to conduct water infrastructure valuations, the team was responsible for the inspection and field work of this exercise. Where the installation dates were not known, reasonable estimates of the remaining useful life were determined using the condition of the asset.

4.3 Impairment of property, plant and equipment

At each reporting date the Group's management assesses whether there is any indication of impairment of property, plant and equipment. If at least one such indication exists, management estimates the recoverable amount of assets, which is calculated as the higher of fair value less costs to sell and the value in use. An asset's carrying amount is written down to its recoverable amount and the difference is charged as impairment loss immediately on profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. If the circumstances change and management decides that the value of property, plant and equipment and capital construction-in-progress has increased, the provision for impairment will be fully or partially reversed.

4.4 Impairment allowance in respect of trade and other receivables

Accounts receivable are presented on the statement of financial position net of impairment allowance. The Group records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses.

At each reporting date, the Group evaluates the recoverability of trade receivables and records allowances for doubtful receivables using the percentage of receivables method based on experience which among other things, considers the actual collection history. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

4. Critical accounting estimates and judgements (continued)

4.5 Going concern

These consolidated financial statements have been prepared based on the going concern assumption, which means that assets are realised and liabilities are settled in the course of normal business operations. These consolidated financial statements do not include any adjustments which would be required had the Group been unable to continue as a going concern.

5. Property, plant and equipment

2019	Freehold & leasehold property Valuation	Plant & equipment Cost	Infra-structure Valuation	Construction in progress Cost	Total
Cost					
As at 1 April 2018	24,287,194	65,182,660	142,980,672	8,244,558	**240,695,084**
Additions	3,478,009	4,696,494	11,926,221	3,188,449	**23,289,173**
Acquisition of CWBL assets	439,309	5,377,574	-	-	**5,816,883**
Disposals	-	(681,549)	(2,725)	-	**(684,274)**
Contributions	-	-	(4,240,410)	168,747	**(4,071,663)**
As at 31 March 2019	**28,204,512**	**74,575,179**	**150,663,758**	**11,601,754**	**265,045,203**

2019	Freehold with leasehold property Valuation	Plant with equipment Cost	Infra-structure Valuation	Construction in progress Cost	Total
Accumulated depreciation					
As at 1 April 2018	(953,658)	(29,305,723)	(8,990,198)	-	**(39,249,579)**
Charge for the period	(253,230)	(3,768,125)	(2,526,509)	-	**(6,547,864)**
Acquisition of CWBL Assets	(243,741)	(4,121,282)	-	-	**(4,365,023)**
Disposals/Reclasses	(6,329)	550,243	(101)	-	**543,813**
As at 31 March 2019	**(1,456,958)**	**(36,644,887)**	**(11,516,808)**	**-**	**(49,618,653)**
Net book value:					
As at 31 March 2019	**26,747,554**	**37,930,292**	**139,146,950**	**11,601,754**	**215,426,550**
As at 31 March 2018	23,333,536	35,876,937	133,990,474	8,244,558	201,445,505

Contributions represent projects financed by third parties, developers, and the Government of Belize. Transfers are projects completed during the fiscal year and are added to their respective asset class. As at 31 March 2019 the Group maintains insurance coverage from commercial fire associated perils and burglary including catastrophic perils over buildings, plant and equipment, and water tanks countrywide valued at BZD 53,013,139 (2018: 44,572,782).

5. Property, plant and equipment (continued)

2018	Freehold with leasehold property Valuation	Plant with equipment Cost	Infra-structure Valuation	Construction in progress Cost	Total
Cost					
As at 1 April 2017	22,516,635	61,372,732	133,073,431	5,603,011	**222,565,809**
Additions	1,770,559	4,053,977	11,229,624	2,298,820	**19,352,980**
Disposals	-	(244,049)	(4,825)	-	**(248,874)**
Contributions	-	-	(1,317,558)	342,727	**(974,831)**
As at 31 March 2018	**24,287,194**	**65,182,660**	**142,980,672**	**8,244,558**	**240,695,084**

2018	Freehold with leasehold property Valuation	Plant with equipment Cost	Infra-structure Valuation	Construction in progress Cost	Total
Accumulated depreciation					
As at 1 April 2017	(724,862)	(26,057,052)	(6,579,133)	-	**(33,361,046)**
Charge for the period	(228,796)	(3,474,147)	(2,411,202)	-	**(6,114,145)**
Disposals	-	225,476	136	-	**225,612**
As at 31 March 2018	**(953,658)**	**(29,305,723)**	**(8,990,198)**	**-**	**(39,249,579)**
	(953,658)	(29,305,723)	(8,990,198)	-	**(39,249,579)**
Net book value:					
As at 31 March 2018	**23,333,536**	**35,876,937**	**133,990,474**	**8,244,558**	**201,445,505**
As at 31 March 2017	21,791,773	35,315,680	126,494,299	5,603,011	189,204,763

6. Intangible asset - contract rights

	2019	2018
Cost	-	-
At beginning of the year	-	-
Translation difference	-	-
Disposals	-	-
Additions	8,491,220	-
At the end of the year	**8,491,220**	-

6. **Intangible asset - contract rights (continued)**

	2019	2018
Accumulated amortisation	-	-
At beginning of the year	-	-
Translation difference	-	-
Impairment charge for the year	-	-
At the end of the year	-	-
Carrying amount		
At end of the year	8,491,220	-
At end of the prior year	-	-

Contract rights will be subject to an annual assessment by management to determine the appropriateness of this valuation and any requirements to record an impairment charge.

7. **Materials and supplies**

	2019	2018
Pipework and appurtenances	7,080,206	7,912,547
Spares and consumables	269,315	115,564
Fuel and chemicals	251,888	170,137
Office supplies	58,779	37,088
	7,660,188	8,235,335
Less: Provision for obsolete materials and supplies	(108,002)	(132,628)
	7,552,186	8,102,706

Provision for obsolete materials and supplies consists of the following:

	2019	2018
Provision, beginning of the year	132,628	132,628
Write-offs	(24,626)	-
Provision, end of the year	108,002	132,628

The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in Note 3.15. Due to the transition method chosen in applying IFRS 15, comparative information was not needed to be restated to reflect the new requirements.

8. **Contract balances and other receivables**

	2019	2018
Contract balance with customers	3,563,882	3,584,594
Allowance for doubtful debts	(215,000)	(199,000)
	3,348,882	3,385,594
Other receivables (GST)	2,093,576	1,439,877
Prepayments	2,183,522	700,034
	7,625,980	5,525,505

Allowance for doubtful debts consists of the following:

	2019	2018
Allowance, beginning of the year	199,000	214,000
Increase of the allowance	115,104	176,467
Reversal of the allowance	(99,104)	(191,467)
Provision, end of the year	215,000	199,000

The Group has adopted the simplified approach to measure the impairment of contract balance receivables as outlined in IFRS 9. The loss allowance is calculated on the basis of lifetime expected credit losses. To measure the expected credit losses, management has used historic ageing data of the value of actual contract write-offs as a % of outstanding balances. The loss allowance was supported as follows:

2019	0 - 30	31 - 60	61 - 90	90 +	Total
Expected credit loss %	0%	0%	0%	90%	
Gross carrying amount of contract balances	2,981,736	268,796	74,700	238,650	3,563,882
Lifetime expected loss	-	-	-	215,000	215,000

2018	0 - 30	31 - 60	61 - 90	90 +	TOTAL
Expected credit loss %	0%	0%	0%	90%	
Gross carrying amount of contract balances	2,525,270	457,940	82,493	220,596	3,286,299
Lifetime expected loss	-	-	-	199,000	199,000

9. Cash and cash equivalents

	2019	2018
Current accounts	**8,254,580**	13,661,333
Short-term fixed deposits	**5,411,327**	5,308,572
Cash on hand	**15,959**	52,120
Total	**13,681,866**	19,022,025

Short-term deposits are amounts held at commercial banks which mature within 365 days and earn 0.25% to 2.25% interest per annum.

10. Share capital

	2019	2018
Authorised:		
66,666,666 ordinary shares of BZD 1.50 each	**100,000,000**	100,000,000
1 Special Rights Redeemable Preference Share	**1**	1
	100,000,001	100,000,001
Issued and fully paid:		
40,000,000 ordinary shares (2018: 40,000,000) of BZD 1.50 each	**60,000,000**	60,000,000
Special Rights Redeemable Preference Share	**1**	1
	60,000,001	60,000,001
Ordinary shares outstanding are held as follows:		
Government of Belize	**82.59%**	82.59%
Social Security Board	**10.00%**	10.00%
Others	**7.41%**	7.41%
	100.00%	100.00%

Special Rights Redeemable Preference Share

The Special Rights Redeemable Preference Share, owned by the Government of Belize, has the following rights:

As to income

The Special Share shall not be entitled to participate in any dividends or other distributions by the Group.

As to redemption

The holder of the Special Share may require the Group to redeem the Special Share at par at any time by serving written notice upon the Group and delivering the relevant share certificate to the Group. Any redemption shall be subject to the provisions of the Statutes and the Articles of the Group.

10. Share capital (continued)

Special Rights Redeemable Preference Share (continued)

As to further participation

The Special Share shall not entitle the holder thereof to participate in the profits or assets of the Group beyond such rights as are expressly set forth in the Articles of Association no. 4.

As to voting

The holder of the Special Share shall be entitled to receive notice of, and to attend and speak, at any general meeting or any meeting of any class of shareholders of the Group but the Special Share shall carry no right to vote or any other rights at any such meeting.

As to purchase and transfers

The Group shall not purchase (but may redeem as set out above) the Special Share. The Special Share may be transferred only to a Minister of the Government of Belize or any person acting on the written authority of the Government of Belize.

As to appointment of Directors

1) The holder of the Special Share shall have the right from time to time:

(a) to appoint any person who is not an existing director; or

(b) to nominate any existing director (with the consent of the director concerned) to be a director of the Group ("Government Appointed Director") but so that there shall not be more than two Government Appointed Directors at any time. The holder of the Special Share may remove one or both of the same or terminate the nomination and appoint or nominate another or others in their place.

2) At any time during which the Social Security Board is the holder of Ordinary Shares amounting to 10% or more of the issued share capital of the Group the holder of the special share may appoint any Government Appointed Director as a Chairman of the Board and at any time thereafter may terminate such appointment by like notice in writing.

11. Contributed capital

Represents amounts contributed by the Government of Belize, majority shareholder.

12. Capital reserve

Upon vesting on 23 March 2001, net assets of WASA totalling BZD 75,276,363 were received as consideration for the shares allotted by the Government of Belize totalling BZD 60,000,001 resulting in a capital reserve of BZD 15,276,362. This capital reserve was transferred to the Group upon formation.

13. Revaluation reserve

	2019	2018
Beginning balance	**31,337,802**	31,337,802
Gain on revaluation of property	**-**	-
Disposal of revalued assets	**-**	-
	31,337,802	31,337,802

Driven by written requests from the Public Utilities Commission (PUC), the fixed asset revaluation exercise commenced in September 2014. A consultant was hired to collate all findings and develop a detailed asset register by asset type, location, value, date acquired and remaining useful life among other specifications. The Board of Directors approved the proposal by management to employ the valuation method for Water Infrastructure and Buildings. As a result of the revaluation exercise, there was a total net gain of BZD 30,670,741. This breakdown includes BZD 1,685,277 on Buildings and BZD 28,985,464 on Water Infrastructure assets. In 2017 a part of water infrastructure assets was revalued for the total net gain of BZD 686,792.

14. Long-term debt

	2019	2018
(i) Social Security Board	**25,613,159**	26,466,384
(ii) Caribbean Development Bank #10	**5,544,324**	7,359,585
(iii) Caribbean Development Bank #5	**3,110,491**	3,336,708
(iv) Belize Wastewater Revolving Fund	**5,019,836**	5,799,816
(v) Caribbean Development Bank #53	**27,859**	83,576
(vi) Caribbean Development Bank #22	**13,573,707**	-
Total loans	**52,889,376**	43,046,069
Less: current portion	**(3,416,268)**	(3,683,472)
Long-term portion	**49,473,108**	39,362,596

The loans are payable as follows:

	2019	2018
Within one year	**3,416,268**	3,683,472
Within two to five years	**14,679,501**	13,026,897
Over five years	**34,793,607**	26,335,700
	52,889,376	43,046,069

14. Long-term debt (continued)

(i) Secured BZD 22,000,000 Social Security Board (SSB) loan was obtained in January 2007 in order to refinance the previously held Alliance Bank of Belize loan. In December 2008, SSB approved a restructuring of the loan. Under the new terms, the interest rate was reduced from 12% to 8.5% per annum. In addition, the moratorium period on principal payments was extended from 31 December 2009 to 31 December 2010. Commencing on 31 March 2011, interest and principal were paid in quarterly payments of BZD 652,194. The loan is guaranteed by a mortgage debenture over fixed and floating assets of the Group. On 31 March 2015, the Social Security Board approved an additional BZD 12,000,000 to be consolidated with previously distributed loans. In 2019 and 2018 the interest rate on the loan was 6% per annum. The interest rate is to be revised at five year intervals to reflect prevailing market rates. The loan is repayable in quarterly instalments of BZD 606,226. The maturity date is March 2036. As at 31 March 2019, the loan is fully drawn down.

(ii) Unsecured BZD 27,660,000 Caribbean Development Bank loan #10 guaranteed by the Government of Belize (GOB) repayable by quarterly instalments. Average interest rate on the loan was 3.80% per annum for the year ended 31 March 2019. The loan has varying maturity dates at 2028, 2031. There were no drawdowns for the current year 2019.

(iii) Unsecured BZD 16,800,000 Caribbean Development Bank loan #5 guaranteed by GOB repayable by quarterly instalments. Average interest rate on the loan was 2% per annum for the year ended 31 March 2019. The loan has a final maturity date in 2032. There were no drawdowns for the current year 2019.

(iv) Secured loan (Belize Wastewater Revolving Fund) with Government of Belize, under the GRT/FM-12724-RG grant from Inter-American Development Bank, repayable by quarterly instalments. Average interest rate on the revolving loan is 2% per annum. The loan has varying maturity dates at 2022 and 2027. There were no drawdowns for the current year 2019.

(v) Unsecured loan #53 of USD 250,000 was signed between Caribbean Development Bank, Government of Belize and the Group on 15 July, 2008. The purpose of the loan is for the feasibility study of expansion of the water and sewerage system on Ambergris Caye. The agreement stipulated that if the Bank determines that the project is not feasible, the loan will be converted to a grant. The maturity date is July 2019. The loan is repayable in quarterly payments with interest of 2.5% which commenced on 1 July, 2011. There were no drawdowns for the current year 2019.

(vi) Unsecured loan # 22 of USD 8,517,000 was signed between Caribbean Development Bank, and the Group on 25 September 2018. The purpose of this loan is to fund the 1) purchase of 100% of shares of CWBL from Consolidate Water Co. Ltd., a Cayman Island corporation, 2) expand the related water treatment plant and 3) invest in other related improvement projects. The loan is guaranteed by the Government of Belize. The loan is repayable in quarterly instalments after 2 years of the expiry grace period at an interest rate of 4.5% per annum. As at 31 March 2019, the Group drew down the loan amount valuing BZD 13,573,707. Interest is capitalized on to the principal balance until the loan's repayment schedule begins.

15. Trade and other payables

	2019	2018
Security deposits	**3,422,388**	3,256,288
Trade payables	**1,957,616**	3,078,309
Dividend payable	**892,173**	886,552
Contract retentions payable	**816,523**	478,654
Accrued expenses	**581,347**	299,318
Other payables	**397,291**	476,412
Interest payable	**108,165**	213,187
Taxes payable	**80,134**	70,140
	8,255,637	8,758,860

16. Revenue from contracts with other customers

Set out below is the Group's revenue from contracts with customers:

	2019	2018
Water charges	**46,442,214**	44,866,083
Water connection charges	**487,170**	464,683
Water infrastructure charges	**339,379**	374,367
Services income	**283,723**	257,018
Late payment charges and penalties	**223,710**	202,098
Other water sales	**206,365**	250,833
Bad debt recovery	**32,438**	51,476
Sewerage connection charges	**26,150**	9,400
Discount - measured water sales	**(160,924)**	(198,660)
	47,880,225	46,277,298

17. Materials and other external costs

	2019	2018
Water purchases	**4,926,928**	6,163,237
Electricity costs	**2,799,353**	2,251,959
Chemical expenses	**1,030,360**	1,047,690
Plant running costs	**651,073**	141,691
Meter reading costs	**115,328**	115,406
Physical shortage expenses	**69,198**	6,014
	9,592,240	9,725,998

18. Staff costs

	2019	2018
Salaries and wages	**9,121,783**	8,078,586
Allowances	**870,601**	801,123
Group health insurance	**748,526**	693,698
Other staff costs and grants	**597,281**	764,570
Pension Plan contribution	**580,739**	498,119
Social security expense	**330,548**	314,831
Training and recruitment	**224,426**	195,100
Redundancy costs	**27,036**	30,396
	12,500,940	11,376,423

19. Other operating charges

	2019	2018
Repairs and maintenance	**2,550,475**	3,194,275
Security	**1,437,596**	1,382,357
Office supplies and sundries	**624,609**	678,065
Meetings costs	**479,152**	462,122
Licenses and taxes	**414,669**	312,706
Travel	**381,385**	312,733
Telephone	**332,819**	320,623
Collection fees	**316,974**	322,543
Insurance	**302,239**	320,404
Electricity – office	**222,850**	91,572
Professional fees	**155,282**	99,633
Donations	**153,563**	208,903
Advertisement and marketing	**122,822**	207,247
Bad debt expense	**115,104**	89,028
Rent	**54,441**	52,329
Loose tools	**32,825**	36,280
Other	**32,325**	12,183
	7,729,130	8,103,002

20. Other income

	2019	2018
Interest income from third parties	**108,414**	100,480
Other income	**85,444**	206,469
	193,858	306,949

21. Finance costs

	2019	2018
Bank loan interest	**1,832,866**	1,942,953
Bank charges	**64,022**	38,681
	1,896,888	1,981,634

22. Taxation

A Business Tax of 1.75% is applied on gross measured water revenues. There is no deferred tax resulting from this business tax.

A General Sales Tax of 12.5% is charged on consumer spending that is collected in stages, at the point of importation of the business' purchases and on the sales of the business' goods and services when the goods are sold or services are provided in country. The sale of water is classified as a zero rated item and as such no input tax is collected on such sales. Output tax on purchases and importation are reimbursed to the Group regularly after being carried forward after 4 months as prescribed by the GST Act 49 of 2005.

23. Earnings per share

Basic earnings per share are calculated by dividing the profit after tax by the weighted average number of ordinary shares outstanding during the period.

	2019	2018
Basic earnings per share		
Profit attributable to owners of the Group	**8,982,886**	8,509,394
Weighted average number of outstanding ordinary shares	**40,000,000**	40,000,000
Basic earnings per share	**0.22**	0.21

24. Related party transactions

	2019	2018
Government of Belize		
Water sales		
Balance at the beginning of the year	**522,228**	244,420
Billed	**2,950,322**	2,907,144
Receipts	**(3,207,245)**	(3,673,792)
Balance at the end of the year	**265,305**	522,228

24. Related party transactions (continued)

	2019	2018
Government of Belize		
Deferred revenue		
Balance at the beginning of the year	**15,188,675**	13,352,121
Loan payments	**2,361,646**	2,416,122
Projects fulfilled	**(1,244,496)**	(579,567)
	16,305,825	15,188,675
Social Security Board		
Loans		
Balance at the beginning of the year	**26,466,384**	27,264,437
Repayments	**(873,582)**	(798,053)
Balance at the end of the year	**25,592,802**	26,466,384

The Group receives grants in the form of loan payments made to the Caribbean Development Bank by the Government of Belize on behalf of Belize Water Services Limited earmarked for capital expenditures. Once utilised, these funds are recognised as project contributions. See also Note 5.

Key management personnel

The following information is presented only in respect of those employees of the Group who would be considered as key management personnel, as defined under IAS 24 (Related Party Disclosures). As at 31 March 2019, the number of key management was 9 (2018 - 9).

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2019	2018
Salaries and other short-term benefits	**1,461,048**	1,382,620
Post-employment benefits	**236,035**	194,168
	1,697,083	1,576,788

Loans to key management personnel

	2019	2018
Balance at the beginning of the year	**7,043**	14,999
Issued	**-**	1,100
Repaid	**(6,350)**	(9,056)
Balance at the end of the year	**693**	7,043

24. Related party transactions (continued)

As at 31 March 2019 and 31 March 2018, receivables from key managerial personnel were comprised of staff loans. Staff loans for medical purposes bear interest of 5% per annum and all other purposes bear interest at 10% per annum.

25. Commitments and contingencies

Commitments:

Commitments for capital expenditure at 31 March, 2019 totalled BZD 1,943,769 (2018 - BZD 2,908,960). Planned capital expenditure is for fiscal year 2019 is BZD 21,494,000 (2017 - BZD 16,682,000).

Contingencies:

As per management and the Group's legal counsel, Barrow & Williams LLP, the only litigation, claims or assessments brought against the Group are as noted below:

BWSL brought an action challenging the decision of the Public Utilities Commission (PUC) to proceed with the initiation of Interim Review Proceedings on the basis that there was no exceptional circumstances warranting such a review. In addition, BWSL argued that the notice initiating the review was invalid. The Supreme Court of Belize found in favour of BWSL on both grounds and vacated the decision of the PUC to initiate the review. The PUC did not appeal this decision and therefore, BWSL is entitled to costs as the victorious party in the suit. The matter is currently before the Registrar of the Supreme Court Assessment of Costs. The total costs claimed by BWSL is BZD 56,452.38.

On 8 December 2017 the Chief Justice delivered a ruling in favour of CWBL quashing the decision of PUC to make orders on a complaint issued by the San Pedro Business Association. PUC appealed the decision of the Chief Justice on 20 February 2018. The matter is outstanding before the Court of Appeal and has been fully argued before the Court of Appeal as of 12 June 2019. Therefore, CWBL is awaiting that result of the appeal as the decision was reserved. The Company's legal counsel, Barrow & Williams LLP, do not expect that there will be any financial fallout from the decision except to the extent that the Court may award costs of Supreme Court and Court of Appeal in favour of the successful party.

26. Pension plan

Belize Water Services Limited operates a Defined Contribution Plan which receives a minimum of 5% gross salary from the Group and 3% from its employees. The Group pays an additional 1% of pensionable salary for each member with more than ten years of pensionable service. Additionally, the Group matches up to 3% for employees who opt to increase their voluntary contribution. The Plan is administered by an Independent Board of Trustees and the funds are held separately from those of the Group. During the year under review, the Group contributed BZD 580,739 (2018 - BZD 498,119) to the Plan.

27. Significant non-cash financing activities

During the reporting period, BZD 2,357,122 (2018 - BZD 2,416,121) being principal and interest payments made to the Caribbean Development Bank loan #5, #10 and #53 behalf of the Group for the period were forgone by Government of Belize.

The Board of Directors approved a dividend distribution of BZD 758,061 or 7.5% of original share price for the year ended 31 March 2019 (2018 - BZD 758,061). Dividends are payable on 29 July 2019 to minority shareholders on record as of 31 March 2019. The Government of Belize instructed the Group to distribute its dividend to minority shareholders.

28. Categories of financial instruments

Most of the Group's funds are held in reputable banks in the form of cash. Other assets include receivables acquired in the normal course of business for providing services. Liabilities include accounts payable incurred in the normal course of business for supplies. Categorisation is as follows:

	2019	2018
Financial assets		
Trade and other receivables	**5,442,458**	4,825,471
Cash and cash equivalents	**13,681,866**	19,022,025
Total financial assets	**19,124,324**	23,847,495
Financial liabilities		
Borrowings	**52,889,376**	43,046,069
Trade payables	**1,957,616**	3,078,309
Other payables and accrued expenses	**2,875,633**	2,424,263
Total financial labilities	**57,722,625**	48,548,641

29. Financial risk management

The Group's activities expose the Group to financial market risk, liquidity risk, credit risk and operational risk. The overall risk management of the Group focuses on ensuring business continuity. This is done by:

Market risk – It is the risk that the value of a financial asset may be reduced because of changes in interest rates, currency exchange rates, stock prices, and other financial variables, as well as the reaction of market participants to political and economic events, whether by latent losses as well as potential profits. Management's objective is to manage market risk and monitor the risk exposures within acceptable parameters so as to optimise rates of return.

29. Financial risk management (continued)

Capital risk management

Capital management objectives, policies and approach

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to shareholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the shareholders', regulators and stakeholders.
- To maintain healthy capital ratios in order to support its business objectives and maximise shareholders value.

Approach to capital management

The Group seeks to optimise the structure and sources of capital to enable it to consistently maximise returns to its shareholders.

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's overall capital management process is the setting of target risk which are aligned to performance objectives and facilitate the Group's focus on the creation of value for shareholders.

The primary sources of capital used by the Group are equity shareholders' funds and borrowings.

The capital requirements are routinely forecast periodically, and approvals are made by the Board.

The Group has had no significant changes in its policies and processes to its capital structure during the past year.

The Group has enacted appropriate policies to assist expanding its operations to future development within the urban and rural areas in the country of Belize. Developers are required to contribute to set up of infrastructural expansion which eases the financial burden of expansion on the Group's resources. The Group operates under a monopoly license until 19 March 2026 which provides appropriate safeguards against political and economic events.

Gearing ratio

The gearing ratio, a measure of financial leverage between equity capital funding versus debt financing, at the end of reporting period was as follows:

29. Financial risk management (continued)

Approach to capital management (continued)

Gearing ratio (continued)

	2019	2018
Debt (i)	**52,889,376**	43,046,069
Cash and cash equivalents	**(13,681,866)**	(19,022,025)
Net debt	**39,207,510**	24,024,044
Equity (ii)	**175,326,962**	167,102,136
Gearing ratio	**22%**	14%

(i) Debt is defined as long-term borrowings and current portion of long-term borrowings.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

Liquidity risk

Liquidity risk - Liquidity risk is defined as the risk that the Group may encounter difficulties in obtaining funds to meet its commitments and obligations on time. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which monitors the availability of liquid funds.

Liquidity analysis as of 31 March 2019:

	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Carrying value
Financial assets						
Cash and cash equivalents	8,270,539	2,223,479	3,187,858	-	-	13,681,865
Trade and other receivables		3,250,287	2,192,171	-	-	5,442,458
	8,270,539	**5,473,766**	**5,380,029**	**-**	**-**	**19,124,323**
Financial liabilities						
Borrowings	-	-	3,416,268	14,679,501	34,793,607	52,889,376
Trade payables	-		1,957,616	-	-	1,957,616
Other payables and accruals	-	-	2,875,633	-	-	2,875,633
	-	**-**	**8,249,517**	**14,679,501**	**34,793,607**	**57,722,625**
Liquidity surplus/(gap)	**8,270,539**	**5,473,766**	**(2,869,488)**	**(14,679,501)**	**(34,793,607)**	**(38,598,302)**

29. Financial risk management (continued)

Liquidity risk (continued)

Liquidity analysis as of 31 March 2018:

	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Carrying value
Financial assets						
Cash and cash equivalents	13,713,453	2,187,120	3,121,452	-	-	19,022,025
Trade and other receivables	-	4,825,471		-	-	4,825,471
	13,713,453	**7,012,591**	**3,121,452**	**-**	**-**	**23,847,496**
Financial liabilities						
Borrowings	-	956,690	2,726,782	13,026,898	26,335,699	43,046,068
Trade payables	-	3,078,309	-	-	-	3,078,309
Other payables and accruals	-	2,424,263	-	-	-	2,424,264
	-	**6,459,262**	**2,726,782**	**13,026,898**	**26,335,699**	**48,548,641**
Liquidity surplus/(gap)	13,713,453	553,329	394,670	(13,026,898)	(26,335,699)	(24,701,145)

Credit risk – The Group's exposure to credit risk is the risk that a financial loss may take place if customers fail to meet their obligation arising mainly from credit sales. As at 31 March 2019 and 31 March 2018, the Group's trade receivables are concentrated within the country of Belize. The Government of Belize continues to be the largest customer with an outstanding balance as of 31 March 2019 of BZD 265,305 (2018 - BZD 522,228). The following table outlines the Group's credit risk geographically over the country of Belize:

	2019	2018
Belize District	**1,554,136**	1,599,971
Ambergris Caye and Caye Caulker	**693,162**	686,491
Cayo District	**691,748**	647,505
Stann Creek District	**207,820**	224,260
Orange Walk District	**180,023**	188,080
Corozal District	**154,712**	142,393
Toledo District	**82,281**	95,894
	3,563,882	3,584,594

29. Financial risk management (continued)

Credit risk (continued)

The ageing analysis of trade receivables not impaired at the reporting date is as follows:

	2019	2018
Within trade terms	**2,981,322**	2,823,564
Overdue up to one month	**268,966**	457,940
Overdue between two and three months	**74,747**	82,493
Overdue more than three months	**238,848**	220,596
	3,563,882	3,584,594

Operation risk – It is the risk of the potential loss, directly or indirectly, related to the processes of the Group, human resources, technology, infrastructure and other external factors that are not related to credit, market or liquidity risks, such as those arising from legal and regulatory requirements and the application of generally accepted corporate standards.

The objective of the Group is to manage operational risk in order to avoid financial losses and damage to the Group's reputation.

The structure to manage operational risk has been designed to segregate duties among owners, executors, control areas and areas in charge of compliance with policies and procedures. In order to establish such methodology, the Group has assigned resources to strengthen internal control and organisational structure allowing independence among business area, risk control and record keeping. It includes a proper operational segregation of duties in the recording, reconciliation and authorisation which are documented through policies, processes, and procedures that include control and security standards.

The Internal Audit Department through its activities monitors compliance with control procedures and monitors the severity of the related risks.

The Board of Directors and the Audit Committee have jointly assumed an active role in the identification, measurement, control and monitoring of operational risks and is responsible for understanding and managing these risks.

30. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

30. Reconciliation of liabilities arising from financing activities (continued)

	1 April 2018	Financing cash flows (i)	Other charges (ii)	31 March 2019
Borrowings	43,046,069	11,935,978	(2,092,672)	52,889,375
	43,046,069	**11,935,978**	**(2,092,672)**	**52,889,375**

(i) The cash flows from borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other charges include principal payments for the period made to the Caribbean Development Bank (on loans #5, #10 and #53) on behalf of the Group by the Government of Belize.

31. Subsequent events

Subsequent events have been evaluated through 31 July 2019, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. This includes the final payment for the acquisition of CWBL which has not been determined as of the date of this report.

MISSION STATEMENT

To improve the lives of consumers by delivering cost-effective and sustainable supply of high quality water and wastewater services, in an environmentally and socially responsible manner, promoting employee excellence and providing a fair return to our shareholders.

VISION STATEMENT

The leading utility in the developing world, delivering excellence to stakeholders through highly trained, courteous and empowered staff.

NOTICE TO SHAREHOLDERS

Shareholders are hereby informed that commencing next year 2020, all dividend payments will be made by direct deposit to Bank or Credit Union accounts.

Shareholders who have not yet done so are asked to kindly complete a shareholder update form (enclosed as a loose page), indicating their account information.

BOARD OF DIRECTORS


ALBERTO AUGUST
Chairman


WINSTON MICHAEL
Deputy Chairman


KATHLYN TILLETT
Chairperson
Audit Committee


ALVAN HAYNES
Secretary


MARIA COOPER
Director


THOMAS MORRISON
Director


LOURDES SMITH
Director


WILMOTT SIMMONS
Director


GUADALUPE MAGAÑA-DYCK
Director


KENRICK YSAGUIRRE
Director

MANAGEMENT TEAM


ALVAN HAYNES
Chief Executive Officer


RASHIDA WILLIAMS CASTILLO
Chief Financial Officer


HAYDON BROWN
Human Resources/ Public Relations Manager


DESIREE TILLETT
Customer Service Manager


DAVE PASCASCIO
Operations Manager


SONIA BURNS
Information Technology Manager


SANJAY KESHWANI
Technical Services Manager


DAWN SMITH
Internal Audit Manager


FREDERICK SANDIFORD
Resident Consultant Engineer

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