

THE NATIONAL WATER COMMISSION

FINANCIAL STATEMENTS

MARCH 31, 2001



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Chartered Accountants**

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To the Commissioners of
THE NATIONAL WATER COMMISSION

Auditors' Report

We have audited the financial statements set out on pages 2 to 14 and have obtained all the information and explanations which we required except as noted below. The financial statements are the responsibility of the Commissioners. In preparing the financial statements, the Commissioners and Management are required to select suitable accounting policies and apply them consistently, make judgments and estimates that are reasonable and prudent, follow applicable accounting standards, and apply the going concern basis unless it is inappropriate to presume that the Commission will continue in business for the foreseeable future. The Commissioners and Management are responsible for keeping proper accounting records, for safeguarding the assets of the Commission, and for the prevention and detection of fraud and other irregularities. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of Jamaica. Those standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Commissioners, and evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements include for the year ended March 31, 2000 an amount of \$1.82 billion (see note 12) which has been reflected as a grant. We have not been able to obtain appropriate independent confirmation to determine whether this amount is a grant from the Government of Jamaica or a loan. If the amount had been shown as a loan, total liabilities would have increased and the accumulated surplus reduced by the \$1.82 billion plus accrued interest, if any. Interest expense on the loan (if applicable) would have also reduced the operating profit for the year ended March 31, 2001.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith and have been prepared in accordance with generally accepted accounting principles in Jamaica, give, except for the effects, if applicable, of the matter outlined in the preceding paragraph, a true and fair view of the state of affairs of the Commission as at March 31, 2001 and of its profit and cash flows for the year then ended.

KPMG Peat Marwick

January 9, 2002



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is a Member of KPMG International,
a Swiss Association.

Raphael E. Gordon
Caryl A. Fenton
Elizabeth A. Jones

Patrick A. Chin
Patricia O. Dailey-Smith


Linroy J. Marshall
R. Tarun Handa


THE NATIONAL WATER COMMISSION

Balance Sheet
March 31, 2001

	Notes	Thousands of Dollars	
		<u>2001</u>	<u>2000</u> <u>Restated</u>
CURRENT ASSETS			
Cash and cash equivalents		478,273	104,998
Consumers' accounts receivable	5	1,327,981	1,384,695
Due from Government of Jamaica		59,546	59,406
Other accounts receivable and prepaid expenses	6	216,496	116,269
Inventories	2(g)	<u>497,643</u>	<u>218,486</u>
		<u>2,579,939</u>	<u>1,883,854</u>
CURRENT LIABILITIES			
Bank loans and overdrafts, secured		305,260	135,433
Deposits and retentions		54,778	44,932
Trade accounts payable		181,051	73,394
Other accounts payable	7	1,475,706	1,083,772
Current maturities of long-term liabilities	8	<u>48,299</u>	<u>8,344</u>
		<u>2,065,094</u>	<u>1,345,875</u>
NET CURRENT ASSETS		514,845	537,979
FIXED ASSETS			
LONG-TERM RECEIVABLE	9	6,236,906	5,400,038
	10	<u>822</u>	<u>822</u>
		<u>6,752,573</u>	<u>5,938,839</u>
Represented by:			
RESERVES			
Capital reserve	11	64,026	64,026
Capital grants	12	4,457,130	3,897,735
K Factor Fund	13	233,711	133,332
Accumulated surplus		<u>1,852,280</u>	<u>1,777,052</u>
		6,607,147	5,872,145
LONG-TERM LIABILITIES	8	<u>145,426</u>	<u>66,694</u>
		<u>6,752,573</u>	<u>5,938,839</u>

On behalf of the Commission


 Marcia Gibson Acting Chairman


 Wayne Smith Commissioner

The accompanying notes form an integral part of the financial statements.

THE NATIONAL WATER COMMISSION

Statement of Operations
Year ended March 31, 2001

	Notes	Thousands of Dollars	
		<u>2001</u>	<u>2000</u>
Operating revenue	14	4,730,676	4,380,376
Operating expenses	15	<u>4,447,924</u>	<u>3,744,933</u>
		<u>282,752</u>	<u>635,443</u>
Miscellaneous income:			
Interest income		12,943	12,754
Project management fees		18,666	22,996
Gain on disposal of fixed assets		2,635	3,724
Other income		<u>29,770</u>	<u>16,009</u>
		<u>64,014</u>	<u>55,483</u>
		<u>346,766</u>	<u>690,926</u>
Other expenditure:			
Bank charges and interest		23,122	8,693
Loan interest		22,054	36,658
Depreciation		249,950	170,072
Foreign exchange loss		<u>526</u>	<u>661</u>
		<u>295,652</u>	<u>216,084</u>
Operating profit for the year		51,114	474,842
Capital grants	12	<u>559,395</u>	<u>2,092,414</u>
Surplus for the year		<u>610,509</u>	<u>2,567,256</u>

The accompanying notes form an integral part of the financial statements.

THE NATIONAL WATER COMMISSIONStatement of Changes in Reserves
Year ended March 31, 2001

	Thousands of Dollars				
	<u>Capital reserve</u> (note 11)	<u>Capital grants</u> (note 12)	<u>K Factor fund</u> (note 13)	<u>Accumulated surplus</u>	<u>Total</u>
Balances at April 1, 1999	64,026	1,805,321	-	1,621,672	3,491,019
Prior year adjustments (note 16)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328,152)</u>	<u>(328,152)</u>
As restated	<u>64,026</u>	<u>1,805,321</u>	<u>-</u>	<u>1,293,520</u>	<u>3,162,867</u>
Surplus for the year	-	-	-	2,567,256	2,567,256
Cash inflows	-	-	142,022	-	142,022
Transfers:	<u>-</u>	<u>2,092,414</u>	<u>(8,690)</u>	<u>(2,083,724)</u>	<u>-</u>
Balance March 31, 2000	64,026	3,897,735	133,332	1,777,052	5,872,145
Surplus for the year	-	-	-	610,509	610,509
Cash inflows	-	-	124,493	-	124,493
Transfers	<u>-</u>	<u>559,395</u>	<u>(24,114)</u>	<u>(535,281)</u>	<u>-</u>
Balance March 31, 2001	<u>64,026</u>	<u>4,457,130</u>	<u>233,711</u>	<u>1,852,280</u>	<u>6,607,147</u>

The accompanying notes form an integral part of the financial statements.

THE NATIONAL WATER COMMISSIONStatement of Cash Flows
Year ended March 31, 2001

	<u>Thousands of Dollars</u>	
	<u>2001</u>	<u>2000</u> <u>Restated</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for year	610,509	2,552,256
Adjustments to reconcile surplus for year to net cash provided by operating activities:		
Depreciation	249,950	170,072
Gain on sale of fixed assets	(2,635)	(3,724)
	857,824	2,718,604
(Increase)/decrease in current assets		
Accounts receivable and prepaid expenses	(43,513)	(494,091)
Due from Government of Jamaica	(140)	(23,496)
Inventories	(279,157)	63,139
(Decrease)/increase in current liabilities		
Deposits and retentions	9,846	8,350
Trade and other accounts payable	<u>499,591</u>	<u>344,996</u>
Net cash provided by operating activities	<u>1,044,451</u>	<u>2,617,502</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets and project in progress	(1,088,726)	(2,711,795)
Proceeds from disposal of fixed assets	<u>4,543</u>	<u>6,372</u>
Net cash used by investing activities	<u>(1,084,183)</u>	<u>(2,705,423)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term liabilities	(5,045)	(13,863)
Bank loans and overdrafts	169,827	(255,236)
Long term loan received	123,732	66,694
K-Factor fund	<u>124,493</u>	<u>142,022</u>
Net cash provided/(used) by financing activities	<u>413,007</u>	<u>(60,383)</u>
Net increase/(decrease) in cash and cash equivalents	373,275	(148,304)
Cash and cash equivalents at beginning of year	<u>104,998</u>	<u>253,302</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>478,273</u>	<u>104,998</u>

The accompanying notes form an integral part of the financial statements.

THE NATIONAL WATER COMMISSION

Notes to the Financial Statements
March 31, 2001

1. The Commission

The National Water Commission is a statutory body of the Government of Jamaica, providing water and sewerage facilities to the urban and rural areas of Jamaica.

Under the provisions of the National Water Authority Act 1980, the National Water Commission is responsible for providing and operating water supply services in the Corporate Area and the rural parishes.

In 1985, the Commission was mandated to take over all the distribution aspects of water operations previously carried out by the Parish Councils. The Commission started billing the relevant consumers for domestic water in July of that year; however, no assets or liabilities of the Parish Councils were identified for takeover.

These financial statements are presented in Jamaica dollars.

At March 31, 2001 the Commission's employees aggregated 2,587 (2000:2,271).

2. Change in accounting policy

Fixed assets taken over from the National Water Authority in 1980, which were not depreciated prior to that date, and subsequently, have been depreciated on a basis consistent with similar assets of the Commission with effect from March 2001. (See note 16).

3. Significant accounting policies

(a) Accounting convention:

The financial statements are prepared under the historical cost convention modified for the inclusion of certain fixed assets at valuation.

(b) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances including short-term deposits with maturities ranging between one and twelve months from balance sheet date. For the purpose of the statement of cash flows, bank overdrafts are presented as financing activities.

(c) Accounts receivable:

Trade and other receivables are stated at cost less a provision for any doubtful debts.

(d) Accounts payable:

Trade and other payable, including provisions, are stated at cost.

A provision is recognised in the balance sheet when the Commission has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

THE NATIONAL WATER COMMISSION

Notes to the Financial Statements (Continued)
March 31, 2001

3. Significant accounting policies (cont'd)

(e) Depreciation:

In accordance with the policy of the Commission, fixed assets, with the exception of land and land rights, on which no depreciation is provided, are depreciated on a straight line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Raw water reservoirs, intakes, wells, mains and pumps	2% to 5%
Water treatment plants	2½%
Clear water reservoirs	2% to 3⅓%
Meters and pumps	5% and 16⅔%
Buildings and warehouse	2½%
Sewerage plants	1⅓% and 3⅓%
Vehicles	20%
Machinery and equipment	10% and 20%

(f) Foreign currencies:

Foreign currency balances at the balance sheet date are translated at the rates of exchange ruling at that date. Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the statement of operations, except losses on loans for projects in progress, which are capitalised.

(g) Inventories:

Inventories are valued at the lower of cost, determined principally on a weighted average cost basis, and net realisable value.

(h) Pension costs:

The Commission's payments for pension applicable to a particular accounting period are recognised as an expense in the statement of operations in the period in which these are incurred (note 19).

(i) Fair value of financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable and securities. Similarly financial liabilities include accounts payable, bank overdrafts and loans.

THE NATIONAL WATER COMMISSION

Notes to the Financial Statements (Continued)
March 31, 2001

4. Cash and cash equivalents

These include \$333,039,000 non-interest bearing local registered stocks issued by the Government of Jamaica to settle amounts owed by certain Government Agencies (note 5). Subsequent to year end these stocks were used to pay outstanding statutory deductions (note 7).

5. Consumers' accounts receivables

Consumers' accounts receivable are shown net of a provision for doubtful debts of \$1,959,545,000 (2000: \$1,996,748,000). Consumers' accounts receivable includes \$146 million (2000: \$506 million) receivable from Government Agencies (note 4).

6. Other accounts receivable and prepaid expenses

Other accounts receivable and prepaid expenses are shown net of a provision for doubtful debts of \$7,065,000 (2000: \$4,074,000).

7. Other accounts payable

This comprises:

	<u>Thousands of Dollars</u>	
	<u>2001</u>	<u>2000</u>
Statutory deductions (see note 4)	986,026	649,062
Other salary related accruals	116,120	29,235
Accruals for incentive payments	60,000	41,500
Accruals for retroactive pension (see note 16)	113,369	137,000
Other accruals	<u>200,191</u>	<u>226,975</u>
	<u>1,475,706</u>	<u>1,083,772</u>

8. Long-term liabilities

		<u>Thousands of Dollars</u>	
		<u>2001</u>	<u>2000</u>
(a) Caribbean Engineering Company Limited		3,299	6,024
(b) The Bank of Nova Scotia Jamaica Limited	(i)	-	2,320
	(ii)	59,446	-
(c) Government of Jamaica	(i)	66,694	66,694
	(ii)	<u>64,286</u>	-
		193,725	75,038
Less: current maturities		<u>48,299</u>	<u>8,344</u>
		<u>145,426</u>	<u>66,694</u>

THE NATIONAL WATER COMMISSION

Notes to the Financial Statements (Continued)
March 31, 2001

8. Long-term liabilities (cont'd)

- (a) This unsecured loan from Caribbean Engineering Company Limited bears interest at 5%, and was scheduled to be repaid in equal monthly installments by July 1999.
- (b) (i) This represented a mortgage loan from The Bank of Nova Scotia Jamaica Limited. The loan bore interest at 30% and was repaid in December 2000. The loan was secured by first legal mortgage over a commercial property.
- (ii) This loan bears interest at 25% and is scheduled to be repaid by equal monthly installments of \$5 million commencing July 31, 2001. The loan is guaranteed by the Government of Jamaica.
- (c) (i) This unsecured loan, from the Government of Jamaica, is repayable in twenty equal semi-annual installments commencing September 30, 2002. The loan bears interest at Libor plus 3% for the first five years, with a nominal rate to be fixed thereafter for the remaining life of the loan. Interest is payable semi-annually and the first interest payment is due September 30, 2002.
- (ii) This represents the first draw down on a US\$12,048,193 loan between the Government of Jamaica and the Government of China, which was on lent to the Commission for the procurement of pipes, fittings and valves. The loan is repayable in twenty-four equal semi-annual installments commencing January 1, 2006. It bears interest at 4%. The first interest payment is due September 20, 2001.

9. Fixed assets

	Thousands of Dollars					<u>Total</u>
	<u>Land and land rights</u>	<u>Buildings and warehouses</u>	<u>Reservoirs, pumps and sewerage plants</u>	<u>Motor vehicles and equipment</u>	<u>Projects in progress (PIP)</u>	
At cost or valuation:						
March 31, 2000	154,843	61,509	4,737,887*	665,191*	685,738	6,305,168
Additions	-	20,738	727,621	60,088	280,279	1,088,726
Transfer from PIP	-	-	415,765	-	(415,765)	-
Disposals/transfers	-	-	-	(8,126)	-	(8,126)
March 31, 2001	<u>154,843</u>	<u>82,247</u>	<u>5,881,273</u>	<u>717,153</u>	<u>550,252</u>	<u>7,385,768</u>
Depreciation:						
March 31, 2000	-	12,811	306,549*	366,618*	-	685,978
Prior year adjustments (note 16)	-	-	<u>219,152*</u>	-	-	<u>219,152</u>
As restated	-	12,811	525,701	366,618	-	905,130
Charge for the year	-	3,992	163,797	82,161	-	249,950
Eliminated on disposal/transfers	-	-	-	(6,218)	-	(6,218)
March 31, 2001	-	<u>16,803</u>	<u>689,498</u>	<u>442,561</u>	-	<u>1,148,862</u>
Net book values:						
March 31, 2001	<u>154,843</u>	<u>65,444</u>	<u>5,191,775</u>	<u>274,592</u>	<u>550,252</u>	<u>6,236,906</u>
March 31, 2000	<u>154,843</u>	<u>48,698</u>	<u>4,212,186*</u>	<u>298,573*</u>	<u>685,738</u>	<u>5,400,038</u>

THE NATIONAL WATER COMMISSION

Notes to the Financial Statements (Continued)
March 31, 2001

9. Fixed assets (cont'd)

- (a) Land and land rights are shown at valuation of \$11,977,000 (2000: \$11,977,000) carried out by executive staff of the Commission during 1975, plus subsequent additions at cost.
- (b) Under Law 34 of 1936, certain of the lands are vested in the Commission but titles thereto are not registered in the name of the Commission.

* Reclassified to conform with 2001 presentation.

10. Long-term receivable

Long-term receivable represents contributions to the National Housing Trust up to July 31, 1979, recoverable in the years 2001/4.

11. Capital reserve

This consists primarily of the capitalised value of public mains in subdivisions taken over by the Commission.

12. Capital grants

	<u>Thousands of Dollars</u>	
	<u>2001</u>	<u>2000</u>
Balance at beginning of year	<u>3,897,735</u>	<u>1,805,321</u>
Overseas Economic Co-operation Fund	-	614,010
European Union	<u>-</u>	<u>1,206,544</u>
Grants for Negril, Ocho Rios and Montego Bay Sewage systems	<u>-</u>	<u>1,820,554*</u>
Government of Jamaica	87,839	271,860
Caribbean Engineering Company Limited	<u>471,556</u>	<u>-</u>
	<u>559,395</u>	<u>271,860</u>
	<u>559,395</u>	<u>2,092,414</u>
Balance at end of year	<u>4,457,130</u>	<u>3,897,735</u>

*The Minister of Finance and Planning has agreed in principle to the treatment of this amount as a grant to the Commission, and formal approval of the Cabinet is to be sought.

THE NATIONAL WATER COMMISSIONNotes to the Financial Statements (Continued)
March 31, 200116. Prior year adjustments

	<u>Thousands of Dollars</u>	
	<u>2001</u>	<u>2000</u>
Pension accruals (i)	-	109,000
Depreciation (ii)	<u>-</u>	<u>219,152</u>
	<u>-</u>	<u>328,152</u>

(i) This represents accrual for past service pension that is in compliance with a decree by the Government of Jamaica, that effective July 1, 1988, weekly and fortnightly paid employees in the central government and statutory bodies would be granted pensions instead of compassionate gratuities.

(ii) This represents depreciation on assets taken over from the National Water Authority in 1980 which were not depreciated. The depreciation charge has been computed on the basis used by the Commission to comply with generally accepted accounting principles.

The balance sheet, statement of operations and statement of cash flows have been restated accordingly.

17. Commitments

Capital:

At March 31, 2001, there were capital commitments amounting to approximately \$31,318,000 (2000: \$555,587,000) in relation to contracts for capital expenditure, for which no provision has been made in these financial statements.

Lease:

At March 31, 2001, the Commission had lease commitments aggregating \$38,916,169 (\$2000: \$20,565,028) of which \$18,002,430 is due within one year (2000: \$11,276,286).

18. Contingent liabilities

The Commission was contingently liable at March 31, 2001 in respect of various lawsuits alleging damages aggregating approximately J\$25 million (2000: J\$254 million and US\$2.1 million) the outcome of which cannot be determined at this time. Consequently, these have not been provided for in these financial statements.

19. Pension costs

The Commission does not have a pension scheme in place and pensions are paid to employees from internally generated funds. Total expenses for the year aggregated \$83,818,000 (2000: \$83,722,000). (See note 16).

THE NATIONAL WATER COMMISSION

Notes to the Financial Statements (Continued)
March 31, 2001

20. Financial instruments

Exposure to credit, interest rate and currency risk arises in the ordinary course of the Commission's business. Derivative financial instruments are not presently used to reduce exposure to fluctuations in interest and foreign exchange rates.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

For certain customers, the Commission requires cash deposits in respect of financial assets, materially trade receivables. These cash deposits generally cover significant credit risk related to such customers. Additionally, management has a credit policy in place to minimise exposure to credit risk generally. This involves procedures for the disconnection of services to, and recovery of amounts owed by, defaulting customers.

There is concentration of credit risk in respect of trade receivables with the Government of Jamaica which at March 31, 2001 total \$146,020,000 (2000: \$506,000,000), representing 11% (2000: 36.5%) of total trade receivables.

At March 31, 2001 the Commission had a net liability to the Government of Jamaica of \$578,411,000 (2000: \$150,350,000).

(b) Interest rate risk:

(i) Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

(ii) The Commission materially contracts financial liabilities at floating interest rates. These primarily relate to bank overdrafts and loans subject to interest rates fixed in advance, which may be varied by appropriate notice by the lenders. At March 31, 2001, financial liabilities subject to interest aggregated \$498,985,000 (2000: \$210,471,000).

(iii) Foreign currency risk:

The Commission incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Jamaica dollar. The currency giving rise to this is primarily the United States dollar (US\$) although some transactions are denominated in pounds Sterling (£).

Net foreign currency liabilities were as follows:

	<u>Thousands</u>	
	<u>2001</u>	<u>2000</u>
United States dollars	(4,150)	(527)
Pounds Sterling	<u>-</u>	<u>(10)</u>

THE NATIONAL WATER COMMISSION

Notes to the Financial Statements (Continued)
March 31, 2001

20. Financial instruments (cont'd)

(b) Fair value of financial instruments:

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The cost reflected in the financial statements for cash and cash equivalents, accounts receivable, accounts payable and loans are assumed to approximate to their fair values. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement.

THE NATIONAL WATER COMMISSION

SUPPLEMENTARY INFORMATION TO THE
FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2001

THE NATIONAL WATER COMMISSION

Supplementary Information to the Financial Statements

Year ended March 31, 2001

Schedule I

		<u>Thousands of Dollars</u>	
		<u>2001</u>	<u>2000</u>
<u>OPERATING EXPENSES</u>			
Salaries, wages and related costs	(Schedule II)	1,937,337	1,780,713
Repairs and maintenance	(Schedule III)	634,398	571,845
Administration	(Schedule IV)	802,087	547,369
Electricity		939,743	739,755
Telephone		32,134	26,374
Fuel and lubrications		52,966	37,939
Purchases - water		<u>49,259</u>	<u>40,938</u>
		<u>4,447,924</u>	<u>3,744,933</u>

Schedule II

		<u>Thousands of Dollars</u>	
		<u>2001</u>	<u>2000</u>
<u>SALARIES, WAGES AND RELATED COSTS</u>			
Salaries and wages		1,268,733	1,162,968
Allowances	- housing	-	39
	- motor vehicle	91,646	77,998
	- uniform	124,597	111,827
	- other	166,129	162,325
Pension costs		83,818	83,722
Insurance (group)		59,323	50,791
Travelling and transportation		8,835	6,313
Statutory contributions		<u>134,256</u>	<u>124,730</u>
		<u>1,937,337</u>	<u>1,780,713</u>

THE NATIONAL WATER COMMISSION

Supplementary Information to the Financial Statements

Year ended March 31, 2001

Schedule III

	<u>Thousands of Dollars</u>	
	<u>2001</u>	<u>2000</u>
<u>REPAIRS AND MAINTENANCE</u>		
General repairs (pipes)	57,456	67,337
Material and supplies	72,503	129,127
Motor vehicles	75,001	66,509
Plant and equipment	223,133	149,670
Building	70,200	69,266
Chemicals	22,812	12,778
Equipment rental	56,533	44,429
Reinstatement of roads	38,833	24,095
Office furniture and equipment	5,667	5,534
Claims and contingencies	12,260	3,100
	<u>634,398</u>	<u>571,845</u>

Schedule IV

	<u>Thousands of Dollars</u>	
	<u>2001</u>	<u>2000</u>
<u>ADMINISTRATION</u>		
Bad debts	338,758	169,294
Rent, rates and taxes	61,933	48,534
Security services	86,922	84,848
Insurance charges	45,938	40,857
Donations	5,500	-
Computer services	36,375	29,912
Printing and stationery	18,486	19,746
Consultancy fees	97,950	56,092
Postage and cables	36,856	33,208
Overseas travel	708	436
Audit fees	4,877	4,370
Staff welfare	48,317	38,925
Miscellaneous expenses	6,689	6,209
Legal expenses	1,429	3,757
Advertising	11,349	11,181
	<u>802,087</u>	<u>547,369</u>