



Jordan Water Company - Miyahuna
Annual Report 2009

**Secretary General
of Water Authority of Jordan
Eng. Munir Owais**

Ministry of Water and Irrigation/ Water Authority of Jordan aims at improving financial, administrative and technical efficiency in providing water and wastewater services in Jordan; and to achieve a qualitative move in the level and method of service provision, particularly within the Capital that witnesses rapid economic, cultural and social growth that requires qualified management of the water service to go along with these rapid variables and the accompanied challenges.

I would like to emphasize that our mission and goal concentrates on serving citizens, and upgrade satisfaction of water service, whether in terms of rapidity of water connection, maintenance of network breaks

implementing water and wastewater connections or payments of water bill.

All procedures are important success criteria and progress indicators of the company, in a manner that is consistent with the citizen's comfort reflecting of respect of time and effort.

The company will continue to implement strategic and vital projects to improve water situation, as well as adoption of policies and programs to improve performance level in cooperation with the colleague consultants and competent members of the Management committee.

I extend my appreciation and respect to the members of the Management committee for their efforts and active participation in discussing

and making proper decisions on the various issues of the company.

Further, I thank the CEO, Directors, Managers and all the company staff for their good performance and hope for more efforts and giving in promoting the sublimity of Jordan

CEO Message

Eng. Saad Abu Hammour

Ongoing Progress

Since its establishment in early 2007, Miyahuna have adopted an institutional approach that takes up the realization of goals and fulfillment of the requirements and performance indicators in accordance to a clear and defined parameter, that signifies successes and potential for the promotion thereof, and sheds light on the obstacles to study and evaluate the reasons thereof and propose practical plans for overcoming them.

The company managed, during its first three years, to prove a noticeable presence at the national level through development and improvement services rendered to citizens in addition to the improvement, facilitation and simplification of service provision; this was clearly reflected by figures as 75% of the customers are served within a period not exceeding 6 minutes. The company replaced water meters and increased control on reading remarkably reflected on higher bill accuracy, error avoiding, and decreased the rate of objections submitted by subscribers by 12.5%, despite the increase in the number of subscribers as 20.256 new subscribers were connected to water service during 2009. The company adopts systems for processing of new water and wastewater subscriptions transactions starting with filing the application through the completion of execution, which allows monitoring and measuring rapidity of execution and extent of flow of procedures with a view to simplify them. Further, the company works on developing new computerized systems such as asset management, maintenance and hydraulic analysis system, human resources management and payroll systems, and remote tracking system.

NRW recorded decline in 2009 with a rate of 35.3% compared to 36.8% in 2008. The company managed, in 2009, to detect 1894 of invisible breaking cases and 7863 cases of illegal use of water where 70% thereof had been corrected. The company makes every effort to locate new water resources through equipping and operating (3) new wells with additional water quantity generated estimated to be 1.660.000 cubic meter during 2010, in addition to the rehabilitation of (8) wells with an estimated 541.000 cubic meters increase in water quantity produced . During 2009, water pipelines have been laid at the cost of 3.6 million JD to serve 1318 properties, in addition to sewerage pipes at the cost of 3.3 million JD to serve 1073 properties.

After obtaining the national accreditation , Miyahuna central labs, initiated procedures to obtain the national accreditation certificate UKAS. 103.069 water samples from the source to the network, 420.056 lab tests, were implemented according to the control and operational potable water program.

Stemming from fundamentals and principles that observe efficiency and effectiveness of performance and achievement to put best practices in use, in order to serve and communicate with the subscribers, the company adopts a customer-friendly approach through designing and implementation of trust- fostering programs, water awareness activities, and strategic planned communication to make change in behaviors of water use, in addition to joining national initiatives and programs to enhance knowledge towards maintaining homeland water resources.

We present these achievements to you which could not be realized but with the efforts of the Miyahuna staff operating in various sites; therefore we extend our appreciation to the Chairman and Members of the Management committee for their ongoing support that would realize the eminence and progress of our company.

Summary of Achievements 2009

As of September 2009, the responsibility of management, operation and maintenance of Zara – Maen Water Desalination Plant had

been transferred to Miyahuna. The Plant, which is one of the main water supply resources of the Capital, contribute thereto with 28.5%

of the total water resources with a maximum production capacity of about 47 million cubic meter per annum of potable water; the plant

is staffed with 87 qualified and trained personnel.

The plant was constructed with funding by USAID at a cost of 125 million US Dollars according to the design, building then operation

system. The project started with the production and pumping of water to Amman City on 18/08/2006, while the official inauguration

took place on 18/11/2007.

In the field of customer service, the collection rate in 2009 recorded an increase at 1.75% comparing to 2008, as the payables collection

rate was 102.1%. the collection value from invoices was 53.2 million JD. The reason thereof is attributed to launching the Million

Campaign by the Collection Division, which resulted into the collection of 1.1 million JD after extensive field visits to collect the dues.

The campaign also focused on settling the status of the old outstanding liabilities and referring them to legal channels to take legal

procedures necessary thereof. In addition to the adoption of the policy of motivating the payment and facilitating the settlement

procedures with the avoidance of service suspension but as a last resort.

Service suspension rate proceeded to decrease, the matter that had its positive reflect on the settlement of the defaulters instead of

suspension, so the suspension rate of the subscribers in default in 2009 was 26% comparing to 33% in 2008. this is basically attributed

to the efforts of the field collectors which were manifested in visiting the subscribers more than once in addition to the office support

of the field staffs by contacting the subscribers to notify them of the necessity of settling their bills to avoid service disconnection, and

the rapidity of service reconnection after suspension, as the service is reconnected at the same day of settlement in 97% of

cases.

As for expansion and improvement of the water and sewerage networks, the following had been achieved in 2009:

- Laying and moving the sewerage pipelines to meet the increasing demands and get rid of the health hazards spots of the citizens and

- problems of main networks clogging at the cost of 3.3 million JD to serve 1073 properties.

- Water pipelines laying and moving some of them from other's lands and improvement of networks to contribute to the company's main

- objective which is represented in decreasing the non revenue water, in addition to increasing the rate of served population and raising

- the level of service at the cost of 3.6 million JD to serve 1318 properties.

- Adoption of measures for water sources protection from transgressions which led to a decrease in repairs costs from 98 thousand JD

- in 2008 to 12 JD in 2009.

In order to decrease NRW and improve water supply, initial designs preparation have started through a consultant office to replace

about 11 thousand house connections in Al-Yasmeen, Um Othaina and Wadi Es-Sir Areas; the initial design phases of Amman III

Project had been completed, as this project, of estimated cost of 19.5 million Euros including studies, design, supervision and

implementation, will be financed by German investment bank (KFW) by 65% while 35% will be locally financed.

2010 Expectations

In 2010, Miyahuna aspires to work on several pivots, i.e. reduce NRW, increase water resources and collection of 1 million JD of previous liability, in addition to the increase of the new waste water subscribers number by 1%, water quality and development of some internal systems.

The company aims to decrease the rate of non revenue water to 33% in 2010 by implementing several procedures, including the establishment of 27 districts and revisiting 7 districts and installing hydraulic meters thereon, in addition to the isolation of 16 districts of 62,000 subscribers who will be supplied with water by gravity flow pumping. Procedures also include the decrease of breaks on pipelines and house connections by at least 10% so the breaks become 4 per kilometer.

Miyahuna shall continue to adopt the policy of house connections periodical replacement thus reducing non revenue water , therefore the company will :

- Change 2000 house connections at the value of 2 million JD according to the maintenance reports and the operational nature of the network.

- Commencement of the implementation of the field works in Amman III Project following to the completion of the project's areas study by the consultant, priorities defining and preparation of tender documentation. The total cost of the project is estimated in about 20 million Euros.

- Follow up and referring the consultant's tender and the executive tenders derived there from for Amman IV Project after signing an agreement between the Water Authority and Miyahuna on empowering the authorities of the Water Authority in the project to Miyahuna to represent the former. The total value of the project is estimated in 20 million Euros funded by the German investment bank and the Government of the Hashemite Kingdom of Jordan.

The objectives of the company for 2010 include the collection of financial liabilities in the amount of one million JD from previous years, this will be through:

- Focusing on field collection teams and raising the target required from them by 20%.
- Providing back up office support for field teams by extensive phone calls with the subscribers suspended from service and those who have to settle their dues.

- Encourage the defaulters by means of media announcements to pay their bill in order to avoid service disconnection.

- Increase and diversify bills payment means by:

Allowing for bill settlement using credit cards.

Entering into new agreement with Jordan Post that allows the customers to pay Miyahuna bill without commission.

The company anticipates that the wastewater services subscribers rate will increase by 1% through:

- Implementing 1800 wastewater house connections on the current network within the applications for water connection.

- Increasing field inspection teams to figure out the subscribers who are not connected to the network or the illegal connection.

- Implementing new wastewater networks to ensure addition of 100 new subscribers.

In order to increase, water resources supply Miyahuna 2010 plan will:

- Equip and operate of three new wells to increase the quantities of the produced water from Al-Zigan Desalination Plant, it is anticipated

that the additional water quantity to reach about 1.660.000 cubic meter during 2010.

- Rehabilitate (8) wells in order to increase the quantity of the water produced to 541.000 cubic meters during 2010.

- Operate 10 districts with 27,000 subscribers to figure out shortages that obstruct the operation of the area according to the design and suggestion of practical steps for handling thereof.

- Operate of water pipe 400 mm from Al-Muntazah Plant to Um Al-Basateen to provide Naur villages with 300 – 500 m³/ hour.

- Replacement of large consumers meters, such as hospitals, hotels and governmental departments with high accuracy electromagnetic meters that may be connected in future to remote reading system, instead of the current mechanical meters that are exposed to many failures. The cost of a meter is 4500 JD, where the program aims at replacing 100 meter by end of 2011.

for the purpose of adopting an optimal management of water supply system in the Capital Governorate, 64 sites out of 146 shall be received and operated within the central control and monitoring system project of the main pumping sites of the Capital Governorate (SCADA Amman); these are the sites that passed the trial operation phase.

As for the water quality, the company endeavors to apply the lab quality system in accordance with the requirements of ISO17025 by

establishing the national accreditation scope and initiation of procedures for obtaining the international accreditation (UKAS) of some

chemical and biological lab tests. Labs have been furnished with the most up-to-date equipment for the implementation of monitoring

and operational programs on water and waste water through:

- Accomplishing the expansion of the microbiological lab.
- Introduction of insecticide and ameba tests into the potable water labs.
- Introduction of total nitrogen test, oil and grease test, heavy elements testing of industrial water samples into the waste water labs.
- Expansion of the drying sinks in Zai Plant to solve the problem of the carbonic sludge resulting from the preliminary treatment operations of potable water and semiannual sinks cleaning processes.
- Expansion of chemical material stores in Zai Plant to increase storage capacity

The responsibility for the implementation of the monitoring program for Zara - Maen plant will be transferred from Department of Labs

and Quality/ Water Authority to Miyahuna Labs, in the aftermath of transferring the responsibility for management and operation of

Zara - Maen to miyahuna in September 2009 .

In order to improve certain internal systems, the company will adopt new computerized systems to raise the quality of the rendered

service, so the terms of reference for the company's asset management, maintenance and hydraulic analysis system are to be

prepared; tenders related to the HRMS and Payroll and the Tracking System shall be solicited for the purposes of improving the follow

up of field teams and accelerate maintenance .

Drinking Water

In spite of the slight increase in the quantities with which the Capital had been supplied in 2009, which is estimated at 0.7% accompanied by growth of 3.83% in registered subscribers, Miyahuna maintained water supply of 148.83 liters per capita. This is attributed to the decrease in the non revenue water, shifting from direct pumping from the network to gravity supply from reservoirs, and improving network efficiency .

Non Revenue Water

The decrease of non revenue water from 36.8% in 2008 to 35.3% in 2009 can be attributed to improving collection rate, detection of illegal uses, and extensive work on detecting and repairing the visible and invisible breaks . The company managed, in 2009, to detect 1894 of invisible breaks and 7863 cases of illegal use of water where 70% thereof had been corrected, 2892 cases thereof were illegal waste water network connections . The accomplishment of new water pipeline GRP with 400 mm diameter to convey Abu Al-Zighan wells, salty water, to the desalination plant with 3800 meter length had its evident effect on decreasing non revenue water in these sites from 54% to 0% this year. Three pilot non revenue water projects, with cost of 1.8 million JD are currently in process with participation of the private sector, aim at defining the potentials for reducing non revenue water ratio by selecting 9 operation areas to study the network status therein and gather information to establish databases thereon then operationally isolate them. it is anticipated to reach the final phases of the project, make recommendations and suggest future practical solutions thereto during July 2010

Network Expansion Data

Miyahuna corrects the geographical data and maps used based on greater Amman Municipality maps and the Land and survey Department with a view to find a uniform reference to facilitate and accelerate studies. Approximately 557 km of the water network projects and 11330 house connections had been entered to the central database.

Maintenance

Miyahuna aims at decreasing operational cost through continuous improvement of operation methods, including:

- Continue the execution of the Electric Load Decrease of Zai Water Treatment Plant Agreement at the peak time signed between the Electricity Distribution Company and Miyahuna which achieved a total saving of 56 thousand JD.
- Decrease the cost of chemicals used in Zai Water Treatment Plant by 12.6% of the annual budget in the amount of 286 thousand JD; this is attributed to the good operational dealing with various water qualities and selection of appropriate treatment materials.
- Decrease rate of daily operational cost per vehicle (maintenance, fuel and insurance) by 37% comparing to 2008, the matter that led to an operational saving exceeded 600 thousand JD.
- Rehabilitation of 4 main pumps at Zai Water Treatment Plant within the scope of programmed maintenance plan that adopts modern techniques to improve efficiency of pumps and maintenance thereof, the matter resulted into saving in electric power consumption by 190 thousand JD.

On the other hand, Miyahuna managed to decrease the rate of network breaks number/ km of the total network length from 5.76 in 2008 to 4.92 in 2009. This is attributed to the positive results of water network improvement programs, shifting to gravity supply and reduce pressure in addition to the overall improvement of the maintenance teams performance, which dealt with 11200 job order within the protective maintenance program using the computerized maintenance system CMMS for all equipment in pumping stations, wells, water treatment plants and vehicles, the matter that contributed to the realization of high readiness for all equipment, this has its reflection on the average of pumping units' generators wear and tear cases from 2.3 cases per month to 1.5 cases during 2009.

Summary on Major Projects

- Digging and commissioning five wells in Hesban as new additional water resources to Zara - Maen Desalination Plant with production capacity of 1000 cubic meter/ hour.
- Rehabilitation of 5 wells and maintenance of 7 wells in south Amman, which resulted into improving productivity thereof by 2.680.785 cubic meter during the year.
- Maintenance of Zai water treatment plant convey pipeline of 1200 mm and 17 km in length (from Zai Plant to Dabouq Reservoir) in order to increase water supply efficiency to subscribers.
- Installation of Chlorine Gas Scrubbers Protection at Zai and Al-Taj Plants in order to ensure public safety standards for the Plant staff and neighboring population and conservation of environment.
- Installation of 4 reserve electric convertors with the capacity of 10 MVA and 5 MVA in Zai Plant to ensure the highest level of operational readiness of the working pumping units.
- Expansion of Ras Al-Ein Plant by adding a fifth water filtration treatment unit using UF with the capacity of 200- 220 cubic meters per hour.

Wastewater Network Expansions Data

The value of accumulative service applications submitted by citizens have exceeded 25 million JD, whether for laying new sewerage networks or for completing the existing networks, the matter that poses big challenge to a company with limited resources despite of the ongoing efforts to expand communities service to ensure the conservation of a clean environment in order to protect groundwater resources and streams. Execution of the expansion of Wadi Es-Sir Plant and operation of the new unit has been accomplished at the value of 328 thousand JD, the matter raised the plant's capacity from 400 cubic meters per hour to 650 cubic meter per hour. Geographic Information System Department managed to enter a total of 34.5 km of the wastewater network projects and 1914 wastewater house connections to the company's central database.

Customer Service Subscribers

As for the new subscribers on the existing network, the company have implemented the following during 2009:

- Connecting water service to 20,256 new subscribers and execute 120 km of network.
- Implementing 1833 new wastewater connections and 36 km of networks.

Further, Miyahuna had committed itself to the development of some internal procedures such as:

- Acceleration of the service rendered to subscribers at the company's offices the matter that led to decrease in the customer

waiting time; so that 75% of the customers are being served within 6 minutes instead of 67% during the last year. It is noteworthy here

to mention that the number of customer referring to the offices had decreased from 421 daily in 2008 to 377 daily in 2009 despite of

the increase in the subscribers numbers, which indicates improved level of service and decreasing complains.

- Replacment of 13,238 out of service meters with new meters to promote reading accuracy and decrease commercial non revenue water.

- 500 smart meters have been purchased, so as to replace meters in areas affected by air pressure in the network, accordingly

the company is currently replacing meters wherever needed .

The general improvement of provided service and quality thereof had led to great decline in the number of objections submitted by

subscribers at the rate of 12.5% in 2009, as the number of objections was 7456 constituting a rate of 0.4% of the total annual issued

bills. The reason behind such decline is the campaign for replacing the out of order meters with new meters, and increasing reading quality control by reducing estimated readings and intensifying field visits by teams specialized in quality follow up to verify the accuracy of meter reading, the matter that remarkably reflected on bills accuracy and avoidance of errors.

Water Prices

Following to application of several new procedures, billing improved in 2009 on two aspects:

- The rate of billing to the total subscribers number, which is 460 thousands, as the rate reached 99.03% with an

improvement by 0.25% in 2009.

- Increased rate of issued bills using handheld units by 7.76% so to become 95.1% comparing to 87.34% in the last year.

The value generated from bills was 52.1 million JD with a growth of 2.5% compared to 2008.

Miyahuna rationalize the consumption and raising the awareness among subscribers with respect to the importance of water

conservation by adding the real cost value of the consumed water on the subscribers bill indicating the governmental support value for each bill.

Summary of Major Projects

Creation of two systems to follow up Procedures for new water and wastewater applications starting with filing the application through execution completion. The new system allows better monitorin and measuring the rapidity of execution and future potential for facilitating procedures.

- Customer field survey covered 40 thousand subscribers and non subscribers in south Amman, the survey implemented by specialized private company under supervision of Customer Services Directorate. The achievement rate is estimated at 90%,the project now in its final phases as some locations are being revisited to confirm certain data and connect them later to the billing and geographic information systems. It is expected to accomplish the project in the third quarter of 2010.

- To raise customers awareness in water saving practices, a campaign with the cooperation of USAID and HSBC Bank has been implemented to install 2500 water saving devices in houses with high rate of water consumption.

Communication and Water Awareness

The company adopts a customer friendly approach in dealing with subscribers to familiarize them with the critical water condition in Jordan and their role in water conservation and efficient use thereof through designing and execution of programs oriented to various targeted groups.

The company adopts strategic communication approach in executing communication programs aiming at making change in water handling behaviors through applying the methodology and theories of social marketing. In addition to integrating the communication and water awareness activities into the existing national programs and initiatives, as well as into the various institutions activities with a view to spread the culture of water saving at the largest scale in accordance with institutional considerations to insure sustainability.

The most important achievements of communication and water awareness, aims and goals:
Join Madrasati Initiative (My School) and implement specialized water awareness programs for schools within the Initiative, In addition to school of Amman as a whole.

Execution of the first water festival for children in Jordan in cooperation with Greater Amman Municipality. Design and implement youth specialized water awareness programs.

Conduct a customer satisfaction survey with the company's service in various fields, and use the results of the survey to implement various awareness programs and campaigns.

Issue publications aiming at fostering communication with customers, in addition to the various specialized bulletins. 22 various brochures had been issued in 2009.

Carry out campaigns and programs together with several stakeholders of the public and private sectors such as Greater Amman

Municipality and several governmental institutions, international organizations and various water enterprises.

Carry out customers trust building programs, such as customer water saving devices live shows & providing the devices as gift on national occasions.

Water Quality Tests

In accordance with the monitoring and operational potable water program to ensure the quality of water from the source to the

network, 103,069 samples had been collected and subjected to 420,056 tests in 2009.

4248 samples had also been examined in the wastewater labs on water treated in wastewater plants and industrial factories water

connected to the wastewater network, these were exposed to 19672 tests in 2009.

Analytical results of all laboratory tests confirmed that the treated water supplied to consumers is complying with Jordanian

standards of drinking water. The percentage of compliance for bacteriological water samples collected from Zai treatment plant

effluent and other chlorinated sources was 99.53% and for distribution systems 99.78%.

Considering the importance of maintaining the water quality in conformity to the highest specifications, the company made the following:

- The scope of national accreditation for chemical & microbiological tests increased by four new tests, bringing the total to 44 accredited tests.
- Increasing the number of chemical & microbiological parameters tested at Miyahuna Central labs, by adding the following six tests to the scope of work to ensure the quality of the pumped water as per the requirement of the Jordanian drinking water standard
 - Molybdenum (Mo) Test.
 - Boron (B) Test
 - Girdia & Cryptosporidium
 - Pseudomonas test
 - Fungi Test
- The number of Germdogical samples collected from the distribution net increased by 25% to confirm the quality of pumped water.

Various Complaints

In 2009, Miyahuna had purchased 2 sewerage jets (so the total number is 17 jets) and two potable water tankers (the total number is now 20 tankers) which led to improvement in the response timing to sewerage complaint from 2.79 hours in 2008 to 1.59 hours in 2009 and the water complaint's response timing from 3.3 hours in 2008 to 3.2 hours in 2009.

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

**Financial Statements and
Independent Auditor's Report
For the Year Ended December 31, 2009**

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

105180743

Independent Auditor's Report

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

We have audited the accompanying financial statements of **Jordan Water Company - Miyahuna (Limited Liability Company)**, which comprise the statement of financial position as at December 31, 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Jordan Water Company - Miyahuna (Limited Liability Company)**, as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Talal Abu-Ghazaleh & Co. International

**Husni Ahmad Ilayan
(License # 763)**

Amman - April 28, 2010

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

Statement of financial position as at December 31, 2009

ASSETS	2009	2008
Current Assets	JD	JD
Cash and cash equivalents	2,172,668	7,806,718
Accounts receivable	9,725,780	10,647,926
Other debit balances	10,737,751	11,132,924
Owner receivable - Water Authority of Jordan	103,769	946,342
Inventory	9,233,907	7,836,526
Total Current Assets	31,973,875	38,370,436
Non-current Assets		
Right to use infrastructure	1	1
Intangible assets	17,118,185	6,265,052
Property, plant and equipment	7,085,464	5,780,213
Projects in progress	15,430,907	12,435,979
Total Non-current Assets	39,634,557	24,481,245
TOTAL ASSETS	71,608,432	62,851,681
Contra Accounts		
Subscribers deposits retained by Water Authority of Jordan	3,246,994	3,313,517

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

Statement of financial position as at December 31, 2009

LIABILITIES AND EQUITY	2009	2008
Current Liabilities	JD	JD
Accounts payable	3,988,348	4,977,971
Other credit balances	1,992,852	2,848,715
Income tax provision	366,709	102,264
Total Current Liabilities	6,347,909	7,928,950
Non-current Liabilities		
Water subscribers deposits	2,320,629	1,271,474
Water Authority of Jordan contribution	62,850,436	53,581,436
Total Non-current Liabilities	65,171,065	54,852,910
Total Liabilities	71,518,974	62,781,860
Equity		
Capital	30,000	30,000
Statutory reserve	30,000	14,235
Voluntary reserve	15,141	15,141
Retained earnings	14,317	10,445
Total Equity	89,458	69,821
TOTAL LIABILITIES AND EQUITY	71,608,432	62,851,681
Contra Accounts		
Obligation against subscribers deposits retained by Water Authority of Jordan	3,246,994	3,313,517

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

Statement of comprehensive income for the year ended December 31, 2009

	2009	2008
	JD	JD
Revenues		
Water revenues	43,848,689	42,730,198
Sewerage revenues	20,703,832	20,492,069
Subscription and connection application for water and sewerage fees	10,679,087	12,180,863
Other revenues	2,396,704	2,134,200
Total Revenues	77,628,312	77,537,330
Expenses		
Water purchases	2,560,284	3,288,533
Operating and maintenance expenses	46,809,553	45,594,752
Water and sewerage treatment	10,471,402	10,535,840
Infrastructure usage fees	9,269,000	10,950,000
Administrative expenses	8,197,707	6,984,162
Other expenses	27,503	50,957
Total Expenses	77,335,449	77,404,244
Profit before tax	292,863	133,286
Income tax	(273,226)	(100,000)
Profit	19,637	33,086

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

Statement of changes in equity for the year ended December 31, 2009

	Capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
Balance as at December 31, 2008	15,000	906	1,812	4,017	21,735
Payment of capital	15,000	-	-	-	15,000
Profit	-	-	-	33,086	33,086
Transferred to reserves	-	13,329	13,329	(26,658)	-
Balance as at December 31, 2008	30,000	14,235	15,141	10,445	69,821
Profit	-	-	-	19,637	19,637
Transferred to reserves	-	15,765	-	(15,765)	-
Balance as at December 31, 2009	30,000	30,000	15,141	14,317	89,458

**Jordan Water Company - Miyahuna
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan**

Statement of cash flows for the year ended December 31, 2009

	2009	2008
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	292,863	133,086
Adjustments for:		
Depreciation and amortization	1,796,312	980,034
Infrastructure usage fees	9,269,000	10,950,000
Loss on disposal of property, plant and equipment	8,182	37,789
Doubtful receivables expenses	43,360	-
Recovered allowance for doubtful receivables	-	(89,840)
Change in operating assets and liabilities:		
Accounts receivable	878,786	438,602
Other debit balances	395,173	(868,132)
Owner receivable- Water Authority of Jordan	842,573	551,117
Inventory	(1,397,381)	(1,995,237)
Accounts payable	(989,623)	(1,440,977)
Other credit balances	(855,863)	1,113,682
Water subscribers deposits	1,049,155	705,856
	11,332,537	10,515,980
Income tax paid	(8,781)	-
Net cash flows from operating activities	11,323,756	10,515,980
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(471,617)	(5,099,497)
Purchase of property, plant and equipment	(2,396,963)	(3,445,472)
Proceeds from disposal of property, plant and equipment	21,686	39,834
Projects in progress	(14,110,912)	(11,590,022)
Net cash flows from investing activities	(16,957,806)	(20,095,157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of capital	-	15,000
Net cash flows from financing activities	-	15,000
Net change in cash and cash equivalents	(5,634,050)	(9,564,177)
Cash and cash equivalents - beginning of year	7,806,718	17,370,895
Cash and cash equivalents - end of year	2,172,668	7,806,718