

**REPORT AND ACCOUNTS
for the year ended 31 December 2012**

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The members present their report together with the financial statements for the year ended 31st December 2012

Statement of members' responsibilities

The members are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Corporation at the end of the financial period and of the profit or loss for that financial period.

In preparing those financial statements, the members are required to:

- select suitable accounting policies and apply them consistently
- make judgments and estimates that are reasonable and consistent
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business

The members are responsible for ensuring that the Corporation keeps proper accounting records. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activities of the Corporation throughout the year were:

- the generation and distribution of electricity
- the storage, treatment and distribution of potable water
- the treatment and disposal of wastewater.

During this financial year energy bill was enacted, which brings Public Utilities Corporation under the supervision of Seychelles Energy Commission. This act also removes the monopoly power PUC had to produce and distribute Electricity whereby private parties would be allowed to produce electricity and at their discretion to distribute via PUC's Electricity distribution network through a predetermined buy-back agreement.

Turnover

	12 months to 31 December 2012 SR	12 months to 31 December 2011 SR
Continuing operations		
Electricity	1 176 048 846	851 552 710
Water	111 471 699	99 841 443
Sewerage	13 356 523	11 972 911
	<u>1 300 877 068</u>	<u>963 367 064</u>
Less : Interdepartmental Charges - (note 21)	- 72 879 825	(42,710,217)
Net Turnover	<u>1 227 997 243</u>	<u>920 656 847</u>

Results:

The results are summarized as follows:

	12 months to 31 December 2012 SR	12 months to 31 December 2011 SR
Segmental operating results of continuing operations		
Electricity	92 986 024	(52 621 254)
Water	(41 624 448)	(29 054 169)
Sewerage	(13 742 458)	(13 652 685)
	<u>37 619 118</u>	<u>(95 328 108)</u>
Corporate costs		
Transport maintenance	(3 740 388)	(3 072 802)
Administration	(59 740 451)	(39 335 266)
	<u>(63 480 840)</u>	<u>(42 408 068)</u>
Results of continuing operations before financing costs & subvention	<u>(25 861 722)</u>	<u>(137 736 176)</u>
Net Finance Charges	12 883 865	14 225 065
Grant Income	18 202 200	7 379 295
Operating results for the year from continuing operations	5 224 343	(116 131 816)
Non recurrent income - (note 20)		27 000 000
Net comprehensive income for the year	<u>5 224 343</u>	<u>(89 131 816)</u>

Included in the net operating results of the water division is a charge of SCR 10,624,020.70 incurred in respect of the distribution of potable water to the consumers by the use of 'bowsers'.

Fixed assets

Changes during the year in Property Plant & Machinery are summarized in pages 10 and 11 in the notes to the financial statements numbers 8 and 9.

During the year under consideration , additions to Property Plant & Machinery with material values includes the following;

	SR
High pressure pump in Providence and Anse- Boileau	14 682 500
Upgrading Praslin Desalination plant	13 135 180

All the above assets were financed by international aids.

Capital work in Progress consist of the following large value investments;

7 Unit Containerized Desalination Plants	187 998 979
Rehabilitation & Upgrading Desalination Plants	173 264 274

Wind Farm

During the year 8 wind generators with a total peak capacity of 6 MW and average annual electricity generation of 6 000 MWh were erected with grant funding of Abu Dhabi Government . It is expected by the PUC management that during 2013 these wind turbines will be vested under the management of PUC . As these are grant funded the investment cost will not have an impact on the operational performances of PUC, however the energy generated through these renewable cost-free input energy generators would result in some fuel cost savings to PUC in forthcoming years.

Dividends

The members have recommended that no dividend is paid for the year under review.

Members & Member's interests

The members during the year, in accordance with Section 4 of the Public Utilities Corporation Act 1985, were:

	<u>PERIOD</u> <u>01.01.12 - 31.12.12</u>
Chairman	Mr. B. Choppy
Chief Executive Officer	Mr. P. Morin

Non-executive members

Mrs. V. Laporte
Mr. J. Rassool
Mr. B. Belle
Mr. C. Benoiton
Mr. F. Joseph

No contract or arrangement (other than service contracts) has been entered into at any time during the year, or subsisted at the end of the year, in which any member had a material interest which was significant in relation to the Corporation's business.

None of the members has any interest in the assigned Capital of the Corporation.

Auditors

In accordance with the Public Utilities Corporation Act 1985 (as amended), the Auditor General Office is mandated to audit Corporation's accounts. Under a contract entered between the Auditor General Office and Messers Pool & Patel, the latter firm was engaged to perform the audit function for the year and report their findings to the Auditor General Office.

*Approved by the Board of Members, on
and signed on it's behalf by:*

Chairman

Date: 16 April 2013



Chief Executive Officer

**INDEPENDENT AUDITORS REPORT TO THE AUDITOR GENERAL
IN RESPECT OF THE AUDIT OF THE FINANCIAL STATEMENTS OF THE PUBLIC UTILITIES CORPORATION**

**PUBLIC UTILITIES CORPORATION
REPORT OF THE AUDITORS
to the Auditor General**

We have audited the financial statements for the year ended 31st December 2012 on pages 4 to 14 which have been prepared under the historical cost convention as modified by the valuation of certain fixed assets more fully described in notes 1.3 and 8 and the accounting policies set out in note 1.

This report is made solely for the benefit of the Auditor General in accordance with the Public Utilities Act 1985 (as amended). Our audit work has been undertaken so that we might state to the Auditor General those matters we are required to state to him in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Auditor General as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

The members are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, of those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Auditing Guidelines. An audit includes examination, on a test basis, of evidence relevant to the accounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Corporation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Significant matters and inherent uncertainty

Included in stocks (Note 10) is a sum of R12,288,432 which represents the cost of "Strategic spares" held by the Corporation. In view that a fair proportion of these items were purchased years ago, verification of cost has proved futile and we have therefore had to rely on the values provided to us by the Corporation's personnel. Further, a number of these spare parts are specific to old generators which although still in use have exceeded their estimated useful lives. Should these generators cease to work these specific spares will become obsolete.

Opinion

Subject to any adjustment which could arise out of above mentioned matters, in our opinion, the financial statements give a true and fair view of affairs of the Corporation as at 31 December 2012 and of the result and cash flow for the year then ended, and the financial statements have otherwise been prepared in accordance with the requirements of Public Utilities Corporation Act 1985.

Pool & Patel
Pool & Patel
CHARTERED ACCOUNTANTS
16th April 2013

POOL
(Nelson Le Roithere)
P.O. Box 111
Eschelle
1/1/13

PUBLIC UTILITIES CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

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	Note	12 months ended 31 December 2012	12 months ended 31 December 2011
		SR	SR
Turnover			
Continuing operations	2	<u>1 227 997 243</u>	<u>920 656 847</u>
		<u><u>1 227 997 243</u></u>	<u><u>920 656 847</u></u>
Operating results of continuing operations before financing costs and subventions	3	(25 861 722)	(137 736 167)
Return from Financing Activities	4	<u>12 883 865</u>	<u>14 225 065</u>
Net results of continuing operations		<u>(12 977 857)</u>	<u>(123 511 102)</u>
Grant Income	22	18 202 200	7 379 294
Other Comprehensive Income / Expenditure	20	<u>27 000 000</u>	<u>27 000 000</u>
Net comprehensive income for the year	18	<u>5 224 343</u>	<u>(89 131 807)</u>
Retained earning as at 1 January	18	(530 494 564)	(441 362 757)
Retained earning as at 31 December	18	<u><u>(525 270 221)</u></u>	<u><u>(530 494 564)</u></u>

The notes on pages 7 to 14 form part of these financial statements

	Note	2 012		2 011	
		SR	SR	SR	SR
Tangible fixed assets					
Operating assets	9	947 554 141		948 280 670	
Capital work in progress	8	499 810 109		307 781 860	
			<u>1 447 364 251</u>		<u>1 256 062 530</u>
Current assets					
Stocks	10	159 424 974		147 102 978	
Debtors	11	161 744 944		175 168 491	
Bank balances and cash	12	<u>98 119 491</u>		<u>93 736 135</u>	
		<u>419 289 409</u>		<u>416 007 604</u>	
Creditors due within one year					
Deferred Grant Income	22	27,846,095		16 665 614	
Other creditors	13	<u>96 002 584</u>		<u>95 869 080</u>	
		<u>123 848 678</u>		<u>112 534 694</u>	
Net current assets					
Total assets less current liabilities			<u>295 440 731</u>		<u>303 472 910</u>
Creditors due after more than one year					
Deferred Grant Income	22	(759 274 672)		(587 769 728)	
Other creditors	13	<u>(25 844 449)</u>		<u>(24 764 692)</u>	
			<u>(785 119 121)</u>		<u>(612 534 420)</u>
Provision for Employment Costs & Benefits	14		<u>(43 212 490)</u>		<u>(37 751 994)</u>
Net assets			<u><u>914 473 370</u></u>		<u><u>909 249 027</u></u>
Assigned capital					
Assigned capital	15		892 132 467		892 132 467
Revaluation reserve	16	158 537 000		158 537 000	
Capital contribution reserve	17	389 074 124		389 074 124	
Accumulated earnings / (losses)	18	<u>(525 270 221)</u>		<u>(530 494 564)</u>	
			<u>22 340 903</u>		<u>17 116 560</u>
Assigned Capital & Reserves			<u><u>914 473 370</u></u>		<u><u>909 249 027</u></u>



Chairman
16.04.13



Chief Executive Officer

The notes on pages 7 to 14 form part of these financial statements

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
CASH FLOW STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2012

	FY 2012		FY 2011	
	SR 000	SR 000	SR 000	SR 000
Profit from Operations		5 224		(89 132)
Add: Non Cash Items				
Depreciation	55 946		48 384	
Prior Year Adjustment	0			
Provision for Liabilities & Charges	5 460		2 313	
Less Grant Income	(18 202)		(7 379)	
(Gain) / Loss on disposal of Fixed Assets			(115)	
		43 205		43 203
Operating cash flow before working capital changes		48 429		(45 929)
(Increase) / Decrease in inventory	(12 322)		1 878	
(Increase) / Decrease in trade receivables	13 424		(21 756)	
Increase / (Decrease) in trade payables within one year	134		25 791	
Increase / (Decrease) in trade payables over one year	1 080	2 315	1 096	7 008
Cash generated from operations		50 744		(38 921)
Less:				
Interest Paid				
Income Tax Paid				
Net Cash from Operating Activities	a	50 744		(38 921)
Purchase of Fixed Assets	1	(55 220)	(287 324)	
(Increase) / Decrease in WIP		(192 028)	(231 780)	
Proceeds from sale of Fixed Assets				
Interest Received		(247 248)	-	519,104
Net Cash Used in Investing Activities	b			
Movement in Share Capital	2			
Proceeds from long term borrowings				
Government Grants received		200 888	409 739	
Dividends Paid		-	-	409,739
Net Cash Used in Financing Activities	c	200,888		
Net Increase / (Decrease) in Cash and Cash Equivalents	a + b + c	4 383		(148 286)
Cash and Cash Equivalents at the Beginning of the Period		93,736		242,022
Cash and Cash Equivalents at the End of the Period		98,119		93,736

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Section 16 of the Public Utilities Corporation Act 1985 and in accordance with accounting principles issued by the International Accounting Standards Committee as modified to reflect the Corporation's specific needs.

The principle accounting policies applied by the Corporation are set out below and unless otherwise stated are consistent with those applied in previous years.

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the valuation of dams, reservoirs, treatment works and pipeline networks relating to the water and sewerage activities of the Corporation.

1.2 Turnover

Turnover represents the invoiced value of electricity and water supplies to consumers, interdepartmental charges and other services provided and goods sold.

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost, or valuation, less amounts provided to write off the assets over their estimated useful economic lives.

Dams, reservoirs, water and sewage treatment works and pipeline networks are stated at members' valuation on 1 April 1992 and additions thereafter at cost.

All other fixed assets are stated at cost including assets that have been the subject of a donation to the Corporation; in the latter case, the value attributed to those assets have been credited to a "Deferred Grant Income" as more fully described in note 22.

Land is not depreciated. Other fixed assets are depreciated on a straight line basis over their estimated useful economic lives, which are principally as set out below.

	years
Buildings	50
Dams and reservoirs	50
Water and sewage treatment works	30 - 50
Water and sewerage networks	30 - 50
Electricity generation plant	15
Electricity distribution networks	15 - 25
Other plant and machinery	8 - 10
Operating equipment	4
Office equipment	5
Furniture and fittings	8
Motor vehicles	5 - 7

Fixed assets taken over from Seychelles Electricity Corporation Limited and the Seychelles Water Authority at the commencement of business on 1 January 1986 are depreciated on their original cost and not on the net book value as taken over by the Corporation.

Capital work in progress is represented by costs incurred on capital projects which were commenced prior to, and were incomplete at the end of the financial period.

1.4 Depreciation of Capital Assets

In arriving at the charge for the year for depreciation/amortization of Capital Assets, any Grants or Capital Contributions received towards the cost of these assets are not taken into account.

1.5 Intangible fixed assets

Research costs are charged to the profit and loss account during the financial period in which the expenditure is incurred, except where the costs relate to a specific capital project which has been undertaken, or will be undertaken in the foreseeable future.

Costs relating to such projects are carried forward and capitalized to capital work in progress at the commencement of the project.

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1.6 Stocks

Stocks of fuel and lubricants are valued at cost. Other stocks which include spare parts and non resalable items are valued at cost or net realizable value on a weighted average basis, due regard being made for slow moving and obsolete items. Obsolescence is determined by the Corporation's engineers after paying due regards to the specificity of the item of spare parts and other non resalable items.

1.7 Foreign currencies

Foreign currencies are converted into Seychelles Rupees at rates of exchange ruling on the dates of the transactions.

Foreign currency assets and liabilities are translated to Seychelles Rupees at rates of exchange approximating to those ruling at the balance sheet date.

Foreign currency conversion differences are dealt with as follows:

- differences arising from operating activities are accounted for in arriving at the operating loss.
- differences arising on other non-operating liabilities are disclosed separately in the income statement.

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

2 TURNOVER	2012	2011
	SR	SR
Analysis by class of business		
Turnover was derived from the operational activities of the Corporation as follows:		
Continuing operations		
Electricity	1 176 048 846	851 552 710
Water	111 471 699	99 841 443
Sewerage	13 356 523	11 972 911
	<u>1 300 877 068</u>	<u>963 367 064</u>
Less: Inter departmental Charges	<u>(72 879 825)</u>	<u>(42 710 217)</u>
	<u>1 227 997 243</u>	<u>920 656 847</u>
Analysis by regional location		
Turnover was derived from the following sources within Seychelles:		
Continuing operations		
Mahe and inner islands	1 157 967 931	858 359 782
Praslin & La Digue	142 909 137	105 007 282
	<u>1 300 877 068</u>	<u>963 367 064</u>
Less: Inter departmental Charges	<u>(72 879 825)</u>	<u>(42 710 217)</u>
	<u>1 227 997 243</u>	<u>920 656 847</u>
3 OPERATING PROFIT (LOSS)	2012	2011
	SR	SR
Operating profit (loss) before corporate costs		
Electricity	92 986 024	(52 621 254)
Water	(41 624 448)	(29 054 169)
Sewerage	(13 742 458)	(13 652 685)
	<u>37 619 118</u>	<u>(95 328 108)</u>
Corporate costs		
Transport maintenance	(3 740 388)	(3 072 802)
Administration	(59 740 451)	(39 335 257)
Total Corporate operating costs	<u>(63 480 840)</u>	<u>(42 408 059)</u>
Total operating profit(loss) after corporate costs	<u>(25 861 722)</u>	<u>(137 736 167)</u>
The operating loss is arrived at after charging the following:		
	2012	2011
	SR	SR
Depreciation	55 946 490	48 384 206
Auditors' remuneration	285 574	271 975
Members emoluments	1 242 722	940 756
<i>'Page 9</i>		
4 RETURNS FROM FINANCING ACTIVITIES	2012	2011
Interest Payable	-	-
	<u>-</u>	<u>-</u>
Interest receivable on		
Overdue trade debts	12 175 686	12 413 484
Term deposits	654 028	1 497 024
Loans to employees	54 151	314 557
	<u>12 883 865</u>	<u>14 225 065</u>
	<u>12 883 865</u>	<u>14 225 065</u>

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012
5 FOREIGN EXCHANGE GAIN (LOSS)

	2012	2011
	SR	SR
Realised	<u>2 543 730</u>	<u>(3 538 226)</u>
	<u>2 543 730</u>	<u>(3 538 226)</u>

6 MEMBERS' EMOLUMENTS

	2012		2011	
	Emoluments	PIT	Emoluments	PIT
	SR		SR	
Executive members				
Salaries				
Executive chairman			790 179	118 527
CEO	1 050 960	157 644		
Non-executive members				
Fees	<u>29 000</u>	<u>5 118</u>	<u>27 000</u>	<u>5 050</u>
	<u>1 079 960</u>	<u>162 762</u>	<u>817 179</u>	<u>123 577</u>

7 FOREIGN CURRENCIES

	2012	2011
	SR	SR
Balances in foreign currencies at the end of the financial period have been converted into Seychelles rupees at the following rates of exchange:		
Pounds sterling	20.4256	19.4333
US dollars	12.6150	12.5560
Euro	16.6173	16.7179

8 TANGIBLE FIXED ASSETS - CAPITAL WORK IN PROGRESS

	2012	2011
	SR	SR
At the beginning of the financial period	307 781 860	76 002 115
Expenditure during the financial period	<u>247 248 210</u>	<u>283 014 344</u>
	<u>555 030 070</u>	<u>359 016 459</u>
Completed projects capitalised to operating fixed assets		
Buildings	1 164 082	1 994 914
Water and sewage treatment works	32 561 894	5 296 161
Water and sewerage networks	11 349 708	18 645 177
Electricity distribution networks	9 335 183	13 152 919
Others	809 094	12 145 429
	<u>55 219 961</u>	<u>51 234 599</u>
At the end of the financial period	<u>499 810 109</u>	<u>307 781 860</u>

9 Tangible Fixed Assets

TANGIBLE FIXED ASSETS - OPERATING ASSETS

	Land & Buildings	Dams & Reservoirs	Water & Sewage Treatment Works	Water & Sewerage Networks	Electricity Generation Plants	Electricity Distribution Networks	Other plant & Machinery	Operating Equipment	Office Equipment	Furniture & Fittings	Motor Vehicles	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost												
At 01 January 2012	243,771,777	71,541,357	309,190,754	320,189,047	509,545,579	215,650,136	52,534,045	12,643,948	19,254,678	3,236,077	34,160,321	1,791,717,718
Additions	1,164,082	2,582,500	32,561,894	8,767,208	9,335,183	-	0	35,200	773,894	-	-	55,219,961
Disposals											1,857,833	1,857,833
At 31 December 2012	<u>244,935,858</u>	<u>74,123,857</u>	<u>341,752,648</u>	<u>328,956,256</u>	<u>518,880,762</u>	<u>215,650,136</u>	<u>52,534,045</u>	<u>12,679,148</u>	<u>20,028,572</u>	<u>3,236,077</u>	<u>32,302,488</u>	<u>1,845,079,846</u>
Depreciation												
At 01 January 2012	63,532,621	18,916,125	203,305,853	119,844,596	225,377,507	129,613,996	30,392,288	9,615,596	17,364,853	3,160,462	22,313,150	843,437,047
Additions	5,265,955	464,139	6,042,550	9,287,270	30,073,868	-	0	326,221	804,885	29,970	3,651,633	55,946,490
Disposals											1,857,833	1,857,833
At 31 December 2012	<u>68,798,576</u>	<u>19,380,264</u>	<u>209,348,403</u>	<u>129,131,866</u>	<u>255,451,374</u>	<u>129,613,996</u>	<u>30,392,288</u>	<u>9,941,817</u>	<u>18,169,739</u>	<u>3,190,432</u>	<u>24,106,950</u>	<u>897,525,705</u>
Net book value as at 31 December 2012	<u>176,137,282</u>	<u>54,743,593</u>	<u>132,404,245</u>	<u>199,824,389</u>	<u>263,429,388</u>	<u>86,036,139</u>	<u>22,141,757</u>	<u>2,737,331</u>	<u>1,858,833</u>	<u>45,646</u>	<u>8,195,538</u>	<u>947,554,141</u>
At 31 December 2011	<u>180,239,156</u>	<u>52,625,232</u>	<u>105,884,900</u>	<u>200,344,451</u>	<u>284,168,072</u>	<u>86,036,139</u>	<u>22,141,757</u>	<u>3,028,352</u>	<u>1,889,824</u>	<u>75,615</u>	<u>11,847,171</u>	<u>948,280,670</u>

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

10 STOCKS

	2012	2011
	SR	SR
Materials and consumables		
Electricity generation fuel and lubricants	26 570 143	37 734 216
Spare parts and non resalable items	132 854 831	109 368 762
	<u>159 424 974</u>	<u>147 102 978</u>

11 ACCOUNTS RECEIVABLE & PREPAYMENTS

	2012	2011
	SR	SR
Trade debtors	125 947 502	158 898 359
Unbilled Units(Units in Meters)	34 018 644	30 149 458
Prepayments and deposits on operating expenditure	18 890 991	34 982 752
Loans and advances to employees	276 503	224 133
Less provision for bad debts	1 652 591	2 511 008
	<u>(19 041 287)</u>	<u>(16 614 467)</u>
	<u>161 744 944</u>	<u>210 151 242</u>

12 BANK BALANCES AND CASH

	2012	2011
	SR	SR
Other Term Deposits repayable within one year	54 882 967	35 013 740
Operating accounts	43 161 024	58 466 551
Cash	75 500	255 844
	<u>98 119 491</u>	<u>93 736 135</u>

13 OTHER CREDITORS

	2012	2011
	SR	SR
DUE WITHIN ONE YEAR		
Trade creditors	83 300 844	51 550 079
Other creditors	12 701 740	9 336 250
	<u>96 002 584</u>	<u>60 886 328</u>

OTHER CREDITORS

	2012	2011
	SR	SR
DUE AFTER ONE YEAR		
Deposits lodged by customers as security against non-payment of debts due in respect of electricity and water consumption.	25 844 449	24 764 692
	<u>25 844 449</u>	<u>24 764 692</u>

14 PROVISION FOR EMPLOYMENT COSTS & BENEFITS

	Accrued Leave SR	Long service gratuities SR	Severance compensation SR	Total SR
At the beginning of the FY	<u>4 963 541</u>	<u>2 948 814</u>	<u>29 839 638</u>	<u>37 751 993</u>
Movements during the FY				
Provided	797 100	1 983 811	4 539 428	7 320 339
Utilised	797 100	1 919 462	59 620	1 979 082
	<u>797 100</u>	<u>3 903 273</u>	<u>4 599 048</u>	<u>9 299 421</u>
At the end of the FY	<u>5 760 641</u>	<u>3 013 162</u>	<u>34 438 686</u>	<u>43 212 490</u>

The long service gratuities and severance compensation provisions are in respect of amounts accrued due to employees at the end of the financial period which will become payable after the end of the financial period to those employees who have completed the necessary terms and conditions of employment.

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

21 INTER DEPARTMENTAL REVENUE INCLUDED IN TURNOVER	2012	2011
	SR	SR
ELECTRICITY	70,806,554	41,190,218
WATER	688,900	1,519,999
	<u>71,495,454</u>	<u>42,710,217</u>
22 DEFERRED GRANT	2012	2011
	SR	SR
Deferred grant Income balance brought forward from previous year	604,435,342	92,595,091
Grants received during the period	200,887,625	519,219,545
Less: Grant Income Amortized	18,202,200	7,379,294
Total Deferred grant Income carried forward	<u>787,120,766</u>	<u>604,435,342</u>
Deferred grant Income falling due within one year	27,846,095	16,665,614
Deferred grant Income falling due after more than one year	759,274,672	587,769,728
	<u>787,120,766</u>	<u>604,435,342</u>

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Statement of comprehensive income

NOTES

		Dec 2012 12 months SR ' 000	Dec 2011 12 months SR ' 000
Turnover			
Supply of electricity and water	23	1 266 947	945 720
Services		33 930	17 647
Total Turnover		<u>1 300 877</u>	<u>963 367</u>
Direct operating expenses			
Generation fuel & lubricants		950 147	808 107
Electricity		67 503	36 939
Materials & equipment charges		38 846	31 610
Total Direct Operating Expenses		<u>1 056 495</u>	<u>876 656</u>
Commercial Margin		<u>244 382</u>	<u>86 711</u>
Other Operating Costs			
Repairs & maintenance		32 678	16 618
Drought Expenses		10 624	13 587
Contractors fees- Tree Clearance		2 497	1 603
Establishment expenses			
Utility charges		5 377	5 771
Rent		388	961
Repairs & maintenance		1 198	1 527
Other		4 678	4 944
Transport expenses			
Fuel & oil		9 272	8 510
Repairs & maintenance		3 339	2 468
Hire		6 349	5 095
Licences & insurance		1 378	1 320
Employee expenses			
Salaries		93 908	83 832
Social security & pension		1 501	950
Long service gratuities and compensation		8 768	3 329
Other employee related costs		8 374	7 081
Administration and other expenses			
Administration expenses		20 270	12 009
Bad debts net of recoveries		2 488	11 712
Foreign exchange loss (gain)		2 544	(3 538)
Inter-corporation cost recoveries		(1 334)	(1 601)
Total Other Operating Costs		<u>214 297</u>	<u>176 179</u>
Operating profit(loss) before Interest & Depreciation		<u>30 085</u>	<u>(89 467)</u>
Depreciation charge		55 946	48 384
Loss (profit) on disposal of fixed assets			(115)
		<u>55 946</u>	<u>48 269</u>
Operating profit (loss) before interest		<u>(25 862)</u>	<u>(137 736)</u>
Interest receivable on			
Overdue trade debtors		12 176	12 413
Term deposits		654	1 497
Loans to employees		54	315
		<u>12 884</u>	<u>14 225</u>
Interest payable on			
Loans		-	-
Profit / (Loss) on ordinary activities		<u>(12 978)</u>	<u>(123 511)</u>
Foreign exchange gain(loss) on loans			
Grant Income		18 202	7 379
Other Comprehensive Income / Expenditure	22		27 000
Profit (Loss) for the financial period		<u>5 224</u>	<u>(89 132)</u>

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Detailed operating results - Electricity

	Dec 2012 12 months SR ' 000	Dec 2011 12 months SR ' 000
Turnover		
Supply of electricity	1 157 163	846 117
Services	18 886	5 435
	<u>1 176 049</u>	<u>851 553</u>
Direct operating expenses		
Generation fuel & lubricants	950 147	808 107
Materials & equipment charges	24 438	15 510
Repairs & maintenance	19 369	8 898
Tree Clearance	2 497	1 603
Establishment expenses		
Utility charges	2 613	2 456
Rent		
Repairs & maintenance	375	295
Other	1 719	1 693
Transport expenses		
Fuel & oil	2 958	2 509
Repairs & maintenance	1 179	749
Hire	1 816	797
Licences & insurance	440	435
Employee expenses		
Salaries	28 293	27 205
Social security & pension	531	365
Long service gratuities and compensation	2 757	1 392
Other employee related costs	2 826	2 437
Administration and other expenses		
Administration expenses	5 293	2 663
Bad debts net of recoveries	2 485	1 778
Foreign Exchange loss (gain)		
	<u>1 049 738</u>	<u>878 891</u>
Depreciation charge	<u>33 325</u>	<u>25 283</u>
	<u>1 083 063</u>	<u>904 174</u>
Operating profit before interest	<u>92 986</u>	<u>(52 621)</u>
Net interest payable		
Receivable on overdue trade debtors	9 757	10 096
Payable on loans	-	-
	<u>9 757</u>	<u>10 096</u>
Profit (Loss) after interest	<u>102 743</u>	<u>(42 525)</u>
Grant Income	<u>10 125</u>	<u>4 101</u>
Profit /Loss for financial period	<u>112 868</u>	<u>(38 424)</u>

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Detailed operating results - Water

	Dec 2012 12 months SR ' 000	Dec 2011 12 months SR ' 000
Turnover		
Supply of water	109,784	99 602
Services	1 688	239
	<u>111 472</u>	<u>99 841</u>
Direct operating expenses		
Electricity	59 809	31 368
Materials & equipment charges		
Exclusive of transport fuel and oil	12 813	13 807
Drought Expenses	10 624	13 587
Repairs & maintenance	9 587	5 651
Establishment expenses		
Utility charges	44	1 617
Rent		
Repairs & maintenance	232	371
Other	1 190	1 403
Transport expenses		
Fuel & oil	4 089	4 169
Repairs & maintenance	1 680	1 154
Hire	3 449	3 199
Licences & insurance	475	467
Employee expenses		
Salaries	28 080	26 053
Social security & pension	467	293
Long service gratuities and compensation	3 159	1 082
Other employee related costs	2 410	2 015
Administration and other expenses		
Administration expenses	3 605	2 559
Bad debts net of recoveries	3	9 853
Foreign Exchange loss (gain)		
Inter-corporation cost recoveries	(569)	(822)
	<u>141 147</u>	<u>117 827</u>
Depreciation charge	<u>11 949</u>	<u>11 068</u>
	<u>153 096</u>	<u>128 896</u>
Operating profit before interest	<u>(41 624)</u>	<u>(29 054)</u>
Net interest payable		
Receivable on overdue trade debtors	2 419	2 317
Payable on loans	-	-
	<u>2 419</u>	<u>2 317</u>
Grant Income	6 336	2 442
Profit(Loss) after interest	<u>(32 870)</u>	<u>(24 295)</u>

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Detailed operating results - Sewerage

	Dec 2012 12 months SR ' 000	Dec 2011 12 months SR ' 000
Turnover		
Disposal fees	13 197	11 439
Other services	159	534
	<u>13 357</u>	<u>11 973</u>
Direct operating expenses		
Electricity	7 694	5 571
Materials & equipment charges		
Exclusive of transport fuel and oil	686	2 140
Repairs & maintenance	3 722	2 064
Establishment expenses		
Utility charges	382	364
Rent		
Repairs & maintenance	153	32
Other	101	200
Transport expenses		
Fuel & oil	410	280
Repairs & maintenance	172	105
Hire	280	328
Licences & insurance	53	38
Employee expenses		
Salaries	3 512	3 305
Social security & pension	50	29
Long service gratuities and compensation		119
Other employee related costs	163	142
Administration and other expenses		
Administration expenses	1 019	691
	<u>18 397</u>	<u>15 407</u>
Depreciation charge	<u>8 702</u>	<u>10 219</u>
	<u>27 099</u>	<u>25 626</u>
Operating profit before interest	(13 742)	(13 653)
Grant Income	788.82	282.26
Profit(loss) after interest	<u>(12 954)</u>	<u>(13 370)</u>

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Corporate costs - Transport maintenance

	Dec 2012 12 months SR ' 000	Dec 2011 12 months SR ' 000
Direct operating expenses		
Materials & equipment charges		
Exclusive of transport fuel and oil	165	153
Repairs & maintenance		6
Establishment expenses		
Utility charges	171	148
Rent		
Repairs & maintenance	308	19
Other	169	156
Transport expenses		
Fuel & oil	819	415
Repairs & maintenance		109
Hire	3	1
Licences & insurance	172	226
Employee expenses		
Salaries	1 939	1 754
Social security & pension	47	40
Long service gratuities and compensation		85
Other employee related costs	110	213
Administration and other expenses		
Administration expenses	26	30
Inter-corporation cost recoveries	(765)	(779)
	3 164	2 576
Depreciation charge	576	496
Grant Income	(252)	(27)
Total Expenditure	3 489	3 046

**PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY**

Corporate costs - Administration

	Dec 2012 12 months SR ' 000	Dec 2011 12 months SR ' 000
Establishment expenses		
Utility charges	2 167	1 184
Rent	388	961
Repairs & maintenance	908	810
Other	1 499	1 492
Transport expenses		
Fuel & oil	997	1 138
Repairs & maintenance	273	353
Hire	800	768
Licences & Insurance	238	155
Employee expenses		
Salaries	32 084	25 515
Social security & pension	406	224
Long service gratuities and compensation	2 851	651
Other employee related costs	2 865	2 273
Administration and other expenses		
Administration expenses	10 327	6 065
Bad debts net of recoveries		81
Inter-corporation cost recoveries		
Foreign exchange loss (gain)	2 544	(3 538)
	<u>58 347</u>	<u>38 133</u>
Depreciation charge	1 394	1 318
Loss (profit) on disposal of fixed assets		(115)
Expenditure before interest	<u>59 740</u>	<u>39 335</u>
Interest receivable on		
Term deposits	(654)	(1 497)
Loans to employees	(54)	(315)
	<u>(708)</u>	<u>(1 812)</u>
Interest payable on		
Loans	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Expenditure after interest	<u>59 032</u>	<u>37 524</u>
Loss (Gain) on exceptional items		(27 000)
Grant Income	-700	- 527.70
Unrealised Loss / (Gain) on forex loans	-	-
Non Recurrent Items		
Expenditure after Non Recurrent Items	<u>58 332</u>	<u>9 996</u>