



OFFICE OF THE AUDITOR GENERAL

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REPORT OF THE AUDITOR GENERAL TO THE BOARD Public Utilities Corporation

Pursuant to the powers conferred on me by Section 16(2) of Public Utilities Corporation Act, 1985 (as amended) I have caused Pool and Patel (Chartered Accountants) to audit on my behalf the financial statements of the Corporation for the year ended 31 December 2013 as set out on pages 4 to 14. These statements 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.

Board's Responsibility for the Financial Statements

The Board members are responsible for the preparation of financial statements and their fair presentation. The 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, selection and applying appropriate policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on those financial statements based on the audit. The audit was conducted in accordance with international auditing guidelines. Those guidelines require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of 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 these risk assessments, the auditors consider internal control relevant to the Corporation'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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board as well as evaluating the overall presentation of the financial statements.

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

Significant matters and inherent uncertainty

- a) A substantial sum is included in "stocks" representing 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; there have been no movement during the year in respect of these spares. Should these generators cease to work these specific spares will become obsolete.

Opinion

Subject to any adjustment which could arise out of the above mentioned matters, in my opinion, the financial statements fairly present the state of affairs of the Corporation at 31 December 2013 and the results of its operations and cash flows for the year ended, and the financial statements have otherwise been prepared in accordance with the requirements of Public Utilities Corporation Act, 1985 (as amended).



Marc Benstrong
Auditor General

31 March 2014
Victoria

PUC PUBLIC UTILITIES CORPORATION

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REPORT AND ACCOUNTS for the year ended 31 December 2013

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The members present their report together with the financial statements for the year ended 31st December 2013.

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.

Turnover

	12 months to 31 December 2013 SR	12 months to 31 December 2012 SR
Continuing operations		
Electricity	1 265 685 806	1176 048 846
Water	141 084 941	111 471 699
Sewerage	<u>16 491 722</u>	<u>13 356 523</u>
	1 423 262 469	1300 877 068
Less : Interdepartmental Charges - (note 21)	(81 660 454)	(72,879,825)
Net Turnover	<u>1 341 602 016</u>	<u>1227 997 243</u>

Results:

The results are summarized as follows:

	12 months to 31 December 2013 SR	12 months to 31 December 2012 SR
Segmental operating results of continuing operations		
Electricity	298 401 842	92 986 024
Water	(57 147 837)	(41 624 448)
Sewerage	<u>(13 691 705)</u>	<u>(13 742 458)</u>
	227 562 301	37 619 118
Corporate costs		
Transport maintenance	(4 623 443)	(3 740 388)
Administration	(83 961 441)	(59 740 451)
	(88 584 884)	(63 480 840)
Results of continuing operations before financing costs & subvention	138 977 416	(25 861 722)
Net return from financing activities	15 735 826	12 883 865
Grant Income	49 461 158	18 202 200
Operating results for the year from continuing operations	204 174 401	5 224 343
Net comprehensive income for the year	<u>204 174 401</u>	<u>5 224 343</u>

Included in the net operating results of the water division is a charge of **SCR 12,171,766.62** (2012 : 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 and 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
Windfarm	171 922 925
Desalination plants	145 449 248
Rehabilitation & Upgrading Desalination Plants	175 893 284
Efficiency Improvement of Engines - Roche Caiman Power Plant	17 609 070
Replacement of Engine Block, Crankshaft and other Component A11	13 649 456

All the above assets were financed by Government Grants or International aids.

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

	SR
South Mahe Ring Main Completion Project	21 566 373
Improvement and Rehabilitation of Upper La misere Supply Scheme	14 239 084
MT Simpson / La Gogue Raw Water Transfer	30 595 718

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.

In June 2013 these wind turbines were 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 results 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>PERIOD</u>
	<u>01.01.13 - 30.06.13</u>	<u>01.07.13 - 31.12.13</u>
Chairman	Mr. B. Choppy	Mr. Eddy Belle
Chief Executive Officer	Mr. P. Morin	Mr. Philippe Morin
Non-executive members		
	Ms. V. Laporte Mr. J. Rassoul Mr. B. Belle Mr. C. Benoiton Mr. F. Joseph	Ms. Ginny Elizabeth Mr. Jean Rassoul Mr. Andrew Jean-Louis Mr. Joel Melanie Mr. Nimhan Senaratne

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.

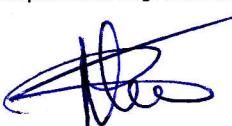
None of the members has any interest in the assigned Capital of the Corporation.

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 its behalf by:


Chairman


Chief Executive Officer

Date: 31 March 2014



**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 2013 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.

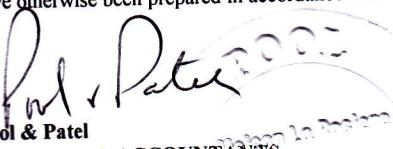
Basis of opinion
We conducted our audit in accordance with International Auditing Guidelines. An audit includes examination, on a test basis, of evidence relevant to the accounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made 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 - Inventories) 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; there have been no movement during the year in respect of these spares. 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 2013 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
CHARTERED ACCOUNTANTS
31st March 2014

**PUBLIC UTILITIES CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2013**

Page 4

	Note	12 months ended 31 December 2013	12 months ended 31 December 2012
		SR	SR
Turnover			
Continuing operations	2	1 341 602 016	1 227 997 243
		1 341 602 016	1 227 997 243
Operating results of continuing operations before financing costs and subventions			
	3	226 996 837	30 084 768
Return from Financing Activities	4	15 735 826	12 883 865
Net results of continuing operations		242 732 663	42 968 634
Depreciation	9	(88 019 421)	(55 946 490)
Amortization of Deferred Grant	22	49 461 158	18 202 200
Net comprehensive income for the year	19	204 174 401	5 224 343
Retained earning as at 1 January	19	(525 270 221)	(530 494 564)
Retained earning as at 31 December	19	(321 095 820)	(525 270 221)

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

PUBLIC UTILITIES CORPORATION
STATEMENT OF FINANCIAL POSITION as at 31 December 2013

Page 5

	Note	2 013	2 012
		SR	SR
Tangible fixed assets			
Operating assets	9	1438 018 886	947 554 141
Capital work in progress	8	229 529 943	499 810 109
		1 667 548 829	1 447 364 251
Current assets			
Inventories	10	220 007 682	159 424 974
Accounts Receivable	11	198 814 290	161 744 944
Bank balances and cash	12	353 103 382	98 119 491
		771 925 353	419 289 409
Creditors due within one year			
Other creditors	14	82 160 391	96 002 584
		82 160 391	96 002 584
Net current assets		689 764 962	323 286 825
Total assets less current liabilities		2 357 313 791	1 770 651 076
Creditors due after more than one year			
Borrowings	13	(118 330 371)	
Other creditors	14	(29 085 017)	(25 844 449)
		(147 415 389)	(25 844 449)
Provision for Employment Costs & Benefits	15	(47 520 360)	(43 212 490)
Net assets		2162 378 042	1 701 594 137
Financed by			
Capital & Reserves			
Assigned capital	16	892 132 467	892 132 467
Revaluation reserve	17	158 537 000	158 537 000
Capital contribution reserve	18	389 074 124	389 074 124
Deferred Grant	22	1043 730 271	787 120 766
Accumulated earnings / (losses)	19	(321 095 820)	(525 270 221)
Assigned Capital & Reserves		2162 378 042	1 701 594 137

Errol

Chairman
31.03.14

Steve

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 2013

	FY 2013 SR 000	FY 2012 SR 000
Profit from Operations		
Non Cash Items	204 174	5 224
Depreciation	88 019	55 946
Provision for Liabilities & Charges	4 308	5 460
Less Grant Income	(49 461)	(18 202)
(Gain) / Loss on disposal of Fixed Assets	(719)	
Operating cash flow before working capital changes	42 147	43 205
	246 321	48 429
(Increase) / Decrease in inventory	(60 583)	(12 322)
(Increase) / Decrease in debtors	(37 069)	13 424
Increase / (Decrease) in creditors payables within one year	(13 842)	134
Increase / (Decrease) in creditors payables over one year	3 241	1 080
Cash generated from operations	138 068	2 315
Net Cash from Operating Activities	a 138 068	50 744
Purchase of Fixed Assets *	(16 986)	(55 220)
(Increase) / Decrease in WIP	(136 470)	(192 028)
Proceeds from sale of Fixed Assets	17 894	
Net Cash Used in Investing Activities	b (135 562)	(247 248)
Proceeds from long term borrowings	118 330	
Government Grants received *	134 148	200 888
Dividends Paid	-	
Net Cash Used in Financing Activities	c 252,478	200,888
Net Increase / (Decrease) in Cash and Cash Equivalents	a + b + c 254 984	4 383
Cash and Cash Equivalents at the Beginning of the Period	98,119	93,736
Cash and Cash Equivalents at the End of the Period	353,103	98,119

* The additions under the Electricity Generation plants in note 9. Includes a sum of SR 171,922,924.81 which is the cost of the Wind Farm vested with the Public Utilities Corporation in June 2013. This cost has not been shown in the Cash Flow Statement as cash receipts or as an outflow under the investing activities because these wind turbines were donated by the Government of United Arab Emirates as a capital Grant. The Corresponding Depreciation and the grant amortized is SR 3,859,669.66.

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

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" 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 - 25
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.

ACCOUNTING POLICIES continued

**PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013**

1.6 Inventories

Inventories of fuel and lubricants are valued at cost. Other inventories 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 reporting 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.

1.8 Deferred Grant

Grants and donations received in respect of specific fixed assets are accounted for at the fair value of the respective assets. Grants and donations are amortised over the respective useful lives of these assets as more fully detailed in note 22 Page 12.

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

2 TURNOVER	2013 SR	2012 SR
Analysis by class of business		
Turnover was derived from the operational activities of the Corporation as follows:		
Continuing operations		
Electricity	1 265 685 806	1176 048 846
Water	141 084 941	111 471 699
Sewerage	16 491 722	13 356 523
	<hr/>	<hr/>
	1 423 262 469	1300 877 068
Less: Inter departmental Charges	(81 660 454)	(72 879 825)
	<hr/>	<hr/>
	1 341 602 016	1227 997 243
	<hr/>	<hr/>

Analysis by regional location
Turnover was derived from the following sources within Seychelles:

Continuing operations		
Mahe and inner islands	1 270 564 539	1157 967 931
Praslin & La Digue	152 697 931	142 909 137
	<hr/>	<hr/>
	1 423 262 469	1300 877 068
Less: Inter departmental Charges	(81 660 454)	(72 879 825)
	<hr/>	<hr/>
	1 341 602 016	1227 997 243
	<hr/>	<hr/>

3 OPERATING PROFIT (LOSS)	2013 SR	2012 SR
Operating profit (loss) before corporate costs		
Electricity		
Water	298 401 842	92 986 024
Sewerage	(57 147 837)	(41 624 448)
	<hr/>	<hr/>
	(13 691 705)	(13 742 458)
	<hr/>	<hr/>
	227 562 301	37 619 118
Corporate costs		
Transport maintenance	(4 623 443)	(3 740 388)
Administration	(83 961 441)	(59 740 451)
Total Corporate operating costs	(88 584 884)	(63 480 840)
	<hr/>	<hr/>
Total operating profit(loss) after corporate costs	138 977 416	(25 861 722)
	<hr/>	<hr/>

The operating profit / loss is arrived at after charging the following:

	2013 SR	2012 SR
Depreciation	88 019 421	55 946 490
Auditors' remuneration	300 000	285 574
Members emoluments	1 525 350	1 242 722

4 RETURNS FROM FINANCING ACTIVITIES	2013 SR	2012 SR
Interest Payable	(2 183 077)	-
	<hr/>	<hr/>
	(2 183 077)	-
Interest receivable on		
Overdue trade debts	16 285 757	12 175 686
Term deposits	1 608 152	654 028
Loans to employees	24 994	54 151
	<hr/>	<hr/>
	17 918 903	12 883 865
	<hr/>	<hr/>
	15 735 826	12 883 865
	<hr/>	<hr/>

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

5 FOREIGN EXCHANGE GAIN (LOSS)

	2013 SR	2012 SR
Realised	578 465	(2 543 730)
	578 465	(2 543 730)

6 MEMBERS' EMOLUMENTS

	2013 SR	2012 SR	
	Emoluments	PIT	Emoluments
Executive members			
Salaries			
Chairman	187 000	33 000	
CEO	721 548	127 332	
Non-executive members			
Fees	388 000	68 471	29 000
	1 296 548	228 803	1 079 960

7 FOREIGN CURRENCIES

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	20.1810	20.4256
US dollars	12.2510	12.6150
Euro	16.9068	16.6173

8 TANGIBLE FIXED ASSETS - CAPITAL WORK IN PROGRESS

	2013 SR	2012 SR
At the beginning of the financial period	499 810 109	307 781 860
Expenditure during the financial period	136 470 172	247 248 210
	636 280 281	555 030 070
Completed projects capitalised to operating fixed assets		
Buildings	5 553 451	1 164 082
Water and sewage treatment works	327 461 760	32 561 894
Water and sewerage networks	53 159 831	11 349 708
Electricity distribution networks	16 135 104	9 335 183
Others	4 440 193	809 094
	406 750 338	55 219 961
At the end of the financial period	229 529 943	499 810 109

Tangible Fixed Assets		Tangible Fixed Assets - OPERATING ASSETS										Total	
		Land & Buildings	Dams & Reservoirs	Water & Sewage Treatment Works	Water & Sewage Networks	Electricity Generation Plants	Electricity Distribution Networks	Other plant & Machinery	Operating Equipment	Office Equipment	Furniture & Fittings	Motor Vehicles	
		SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	
Cost		244,935,858	74,123,857	309,416,231	511,313,636	67,216,545	12,679,148	20,028,572	32,326,077	32,302,488	1,845,079,846		
At 01 January 2013		5,553,451	14,848,106	2,903,095	346,610,173	175,465,934	136,300	324,538,665	3,675,526	74,000	554,567	578,673,263	
Additions						16,820,648					6,551,512	23,372,160	
Disposals												2,400,380,949	
At 31 December 2013		250,489,309	88,971,963	312,319,326	384,921,897	669,958,922	255,809,356	391,75,210	12,815,448	23,704,097	3,310,077	26,305,343	2,400,380,949
Depreciation		68,798,576	19,380,264	210,027,031	130,402,656	246,186,632	135,224,754	32,096,854	9,941,433	18,169,739	3,190,815	24,106,930	89,525,705
At 01 January 2013		5,560,149	1,691,305	7,486,206	11,866,554	22,901,166	7,567,664	26,799,685	288,628	950,960	22,579	2,884,525	88,019,421
Charges for the year													23,183,062
Disposals													6,362,414
At 31 December 2013		74,358,725	21,071,569	217,513,238	142,269,210	252,267,150	142,792,418	58,896,539	10,230,061	19,120,698	3,213,394	20,629,060	962,362,063
Net book value as at 31 December 2013		176,130,584	67,900,394	94,806,088	242,652,687	417,691,772	93,016,938	332,878,671	2,585,387	4,583,399	96,683	5,676,282	1,438,018,886

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

Page 12

10 INVENTORIES

	2013	2012
	SR	SR
Materials and consumables		
Electricity generation fuel and lubricants	29 101 679	26 570 143
Strategic Spares	12 288 432	12 288 432
Spare parts and non resalable items	<u>178 617 571</u>	<u>120 566 399</u>
	<u>220 007 682</u>	<u>159 424 974</u>

11 ACCOUNTS RECEIVABLE & PREPAYMENTS

	2013	2012
	SR	SR
Trade debtors		
Unbilled Units(Units in Meters)	142 345 429	125 947 502
Prepayments and deposits	37 285 049	34 018 644
operating expenditure	26 462 387	18 890 991
VAT Receivable	3 956 591	276 503
Loans and advances to employees	4 733 566	
Less provision for bad debts	<u>1 011 586</u>	<u>1 652 591</u>
	<u>(16 980 317)</u>	<u>(19 041 287)</u>
	<u>198 814 290</u>	<u>161 744 944</u>

12 BANK BALANCES AND CASH

	2013	2012
	SR	SR
Other Term Deposits receivable within one year		
Operating accounts	227 260 422	54 882 967
Cash	125 777 975	43 161 024
	<u>64 985</u>	<u>75 500</u>
	<u>353 103 382</u>	<u>98 119 491</u>

13 Borrowings

	2013	2012
	SR	SR
Loan From E.I.B.	85 933 781	
Loan From A.F.D	<u>32 396 590</u>	
	<u>118 330 371</u>	

During the financial year PUC management entered into two Indemnity agreements relating to certainty of the payment obligations under the European Investment Bank (EIB) and Agence Francaise de Developpement (AFD) with the Republic of Seychelles relating to the upgrade of Seychelles Water and Sewerage infrastructure. The loan bears an interest between 0.5% and 6.34% --- repayable in 13.5 years. The repayment would commence in March 2020. The total loan value is expected to be Euros 36.7 Million. During the financial year 2013 a sum of Euros 7,043,956 was disbursed as the first tranche of this loan facility. During the year no interest was paid, however due provision for the interest payment has been made in these financial statements.

14 OTHER CREDITORS

	2013	2012
	SR	SR
Trade creditors		
Other creditors	<u>68 697 872</u>	<u>83 300 844</u>
	<u>13 462 519</u>	<u>12 701 740</u>
	<u>82 160 391</u>	<u>96 002 584</u>

OTHER CREDITORS

DUE AFTER ONE YEAR

Deposits lodged by customers as security against non-payment of debts due in respect of electricity and water consumption.

	2013	2012
	SR	SR
	<u>29 085 017</u>	<u>25 844 449</u>
	<u>29 085 017</u>	<u>25 844 449</u>

PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

15 PROVISION FOR EMPLOYMENT COSTS & BENEFITS

	Accrued Leave SR	Long service gratuities SR	Severance compensation SR	Total SR
At the beginning of the FY	5 760 641	3 013 162	34 438 686	43 212 490
Movements during the FY				
Provided	2 175 637	1 899 946	1 740 115	5 815 699
Utilised		1 424 018	83 810	1 507 828
	2 175 637	475 928	1 656 305	4 307 870
At the end of the FY	7 936 278	3 489 090	36 094 992	47 520 360

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.

16 ASSIGNED CAPITAL

	2013 SR	2012 SR
Assigned capital is comprised of the following which existed at the time of the establishment of the Corporation:		
Seychelles Electricity Corporation Limited Share Capital	42 069 280	42 069 280
Seychelles Water Authority Government Equity	8 551 125	8 551 125
Loans taken over by GOS as Capital Contribution (Note 24)	841 512 062	841 512 062
	892 132 467	892 132 467

17 REVALUATION RESERVE

	2013 SR	2012 SR
Reserve arising on the valuation of tangible fixed assets	158 537 000	158 537 000

18 CAPITAL CONTRIBUTION RESERVE

	2013 SR	2012 SR
At the beginning of the financial period	389 074 124	389 074 124
At the end of the financial period	389 074 124	389 074 124

Capital Contribution Reserve represents contributions received over the years from both the Government of Seychelles and Private Sector Developers in respect of certain Capital Projects undertaken by the Corporation prior to 1st January 2010,

19 RETAINED EARNINGS

	2013 SR	2012 SR
Accumulated Loss at the beginning of the financial period	(525 270 221)	(530 494 564)
Results of the financial period		
Net results of continuing operations	242 732 663	42 968 634
Depreciation	(88 019 421)	(55 946 490)
Amortization of Deferred Grant	49 461 158	18 202 200
At the end of the financial period	(321 095 820)	(525 270 221)

20 CAPITAL COMMITMENT

Major capital commitments as at the reporting date were as follows;	
Rehabilitation and Upgrading of Desalination Plants on Mahe, Praslin and La Digue	120 000 000
Non Revenue Water Program	205 366 616

**PUBLIC UTILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013**

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21 INTER DEPARTMENTAL REVENUE INCLUDED IN TURNOVER

ELECTRICITY

	2013	2012
	SR	SR
	<u>81,660,454</u>	<u>72,879,825</u>
	<u>81,660,454</u>	<u>72,879,825</u>

22 DEFERRED GRANT

Deferred grant balance brought forward from previous year
 Grants received during the period
 Third Party Deferred grant
 Less: Amortisation of Defferred grant
 Total Deferred grant carried forward

	2013	2012
	SR	SR
	<u>787,120,766</u>	<u>604,435,342</u>
	<u>125,365,430</u>	<u>200,887,625</u>
	<u>180,705,233</u>	
	<u>(49 461 158)</u>	<u>(18 202 200)</u>
	<u>1,043,730,271</u>	<u>787,120,766</u>

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Statement of comprehensive income

NOTES

	Dec 2013 12 months SR ' 000	Dec 2012 12 months SR ' 000
Turnover		
Supply of electricity and water	1 393 609	1 266 947
Services	<u>29 654</u>	<u>33 930</u>
Total Turnover	<u>1 423 262</u>	<u>1 300 877</u>
Direct operating expenses		
Generation fuel & lubricants	808 137	950 147
Electricity	<u>76 463</u>	<u>67 503</u>
Materials & equipment charges	<u>41 435</u>	<u>38 846</u>
Total Direct Operating Expenses	<u>926 035</u>	<u>1 056 495</u>
Commercial Margin		
Other Operating Costs		
Repairs & maintenance	53 484	32 678
Drought Expenses	<u>12 178</u>	<u>10 624</u>
Contractors fees- Tree Clearance	<u>2 589</u>	<u>2 497</u>
Establishment expenses		
Utility charges	5 198	5 377
Rent	<u>456</u>	<u>388</u>
Repairs & maintenance	<u>2 456</u>	<u>1 198</u>
Other	<u>4 721</u>	<u>4 678</u>
Transport expenses		
Fuel & oil	9 103	9 272
Repairs & maintenance	<u>4 085</u>	<u>3 339</u>
Hire	<u>8 061</u>	<u>6 349</u>
Licences & insurance	<u>1 162</u>	<u>1 378</u>
Employee expenses		
Salaries	105 629	93 908
Social security & pension	<u>1 812</u>	<u>1 501</u>
Long service gratuities and compensation	<u>5 734</u>	<u>8 768</u>
Other employee related costs	<u>10 840</u>	<u>8 374</u>
Administration and other expenses		
Administration expenses	20 112	20 270
Value Added Tax	<u>25 303</u>	
Bad debts net of recoveries	(36)	2 488
Foreign exchange loss (gain)	(578)	2 544
Inter-corporation cost recoveries	<u>(1 359)</u>	<u>(1 334)</u>
Total Other Operating Costs	<u>270 950</u>	<u>214 297</u>
Operating profit/(loss) before Interest & Depreciation	<u>226 278</u>	<u>30 085</u>
Depreciation charge	<u>88 019</u>	<u>55 946</u>
Loss (profit) on disposal of fixed assets	(719)	
	<u>87 300</u>	<u>55 946</u>
Operating profit (loss) before interest	<u>138 977</u>	<u>(25 862)</u>
Interest receivable on		
Overdue trade debtors	16 286	12 176
Term deposits	<u>1 608</u>	<u>654</u>
Loans to employees	<u>25</u>	<u>54</u>
	<u>17 919</u>	<u>12 884</u>
Interest payable on		
Loans	(2 183)	-
	<u>(2 183)</u>	<u>(12 978)</u>
Profit / (Loss) on ordinary activities		
Foreign exchange gain/(loss) on loans	49 461	18 202
Grant Income	<u>204 174</u>	<u>5 224</u>
Profit (Loss) for the financial period		

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Detailed operating results - Electricity

	Dec 2013	Dec 2012
	12 months	12 months
	SR ' 000	SR ' 000
Turnover		
Supply of electricity	1 256 078	1 157 163
Services	9 608	18 886
	1 265 686	1 176 049
Direct operating expenses		
Generation fuel & lubricants	808 137	950 147
Materials & equipment charges	26 255	24 438
Repairs & maintenance	37 373	19 369
Tree Clearance	2 589	2 497
Establishment expenses		
Utility charges	2 441	2 613
Rent	607	375
Repairs & maintenance	1 913	1 719
Other		
Transport expenses		
Fuel & oil	3 212	2 958
Repairs & maintenance	1 241	1 179
Hire	1 919	1 816
Licences & insurance	340	440
Employee expenses		
Salaries	33 243	28 293
Social security & pension	616	531
Long service gratuities and compensation	1 726	2 757
Other employee related costs	3 786	2 826
Administration and other expenses		
Administration expenses	4 140	5 293
Value Added Tax	602	
Bad debts net of recoveries		2 485
Foreign Exchange loss (gain)		
	930 142	1 049 738
Depreciation charge	37 142	33 325
	967 284	1 083 063
Operating profit before interest	298 402	92 986
Net interest payable		
Receivable on overdue trade debtors	13 324	9 757
Payable on loans	(2 183)	-
	11 141	9 757
Profit (Loss) after interest	309 542	102 743
Grant Income	14 530	10 125
Profit /Loss for financial period	324 072	112 868

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Detailed operating results - Water

	Dec 2013 12 months SR ' 000	Dec 2012 12 months SR ' 000
Turnover		
Supply of water		
Services	137 531	109 784
	<u>3 554</u>	<u>1 688</u>
	<u><u>141 085</u></u>	<u><u>111 472</u></u>
Direct operating expenses		
Electricity		
Materials & equipment charges	68 543	59 809
Exclusive of transport fuel and oil		
Drought Expenses	13 124	12 813
Repairs & maintenance	12 178	10 624
Establishment expenses	11 966	9 587
Utility charges		
Rent	41	44
Repairs & maintenance		
Other	163	232
Transport expenses	1 154	1 190
Fuel & oil		
Repairs & maintenance	3 684	4 089
Hire	2 049	1 680
Licences & insurance	4 403	3 449
Employee expenses	393	475
Salaries		
Social security & pension	31 534	28 080
Long service gratuities and compensation	525	467
Other employee related costs	1 931	3 159
Administration and other expenses	3 345	2 410
Administration expenses		
Value Added Tax	3 778	3 605
Bad debts net of recoveries	35	
Foreign Exchange loss (gain)	(11)	3
Inter-corporation cost recoveries		
	<u>(598)</u>	<u>(569)</u>
Depreciation charge	<u>158 239</u>	<u>141 147</u>
	<u>39 994</u>	<u>11 949</u>
	<u><u>198 233</u></u>	<u><u>153 096</u></u>
Operating profit before interest	<u><u>(57 148)</u></u>	<u><u>(41 624)</u></u>
Net interest payable		
Receivable on overdue trade debtors		
Payable on loans	2 962	2 419
	-	-
Grant Income	<u>2 962</u>	<u>2 419</u>
Profit(Loss) after interest	<u>32 914</u>	<u>6 336</u>
	<u><u>(21 272)</u></u>	<u><u>(32 870)</u></u>

PUBLIC UTILITIES CORPORATION

FINANCIAL SUMMARY

Detailed operating results - Sewerage

	Dec 2013 12 months SR ' 000	Dec 2012 12 months SR ' 000
Turnover		
Disposal fees	15 420	13 197
Other services	1 072	159
	<u>16 492</u>	<u>13 357</u>
Direct operating expenses		
Electricity	7 920	7 694
Materials & equipment charges		
Exclusive of transport fuel and oil	2 056	686
Repairs & maintenance	4 144	3 722
Establishment expenses		
Utility charges	363	382
Rent		
Repairs & maintenance	126	153
Other	407	101
Transport expenses		
Fuel & oil	516	410
Repairs & maintenance	335	172
Hire	315	280
Licences & insurance	51	53
Employee expenses		
Salaries	4 468	3 512
Social security & pension	61	50
Long service gratuities and compensation		
Other employee related costs	228	163
Administration and other expenses		
Administration expenses	437	1 019
Value Added Tax	2	
	<u>21 429</u>	<u>18 397</u>
Depreciation charge	<u>8 755</u>	<u>8 702</u>
	<u>30 183</u>	<u>27 099</u>
Operating profit before interest	(13 692)	(13 742)
Grant Income	861.26	788.82
Profit/(loss) after interest	<u>(12 830)</u>	<u>(12 954)</u>

PUBLIC UTILITIES CORPORATION

FINANCIAL SUMMARY

Corporate costs - Transport maintenance

	Dec 2013 12 months SR '000	Dec 2012 12 months SR '000
Direct operating expenses		
Materials & equipment charges		
Exclusive of transport fuel and oil	300	165
Repairs & maintenance		
Establishment expenses	171	171
Utility charges		
Rent	460	308
Repairs & maintenance	224	169
Other		
Transport expenses	547	819
Fuel & oil		
Repairs & maintenance	14	3
Hire	168	172
Licences & insurance		
Employee expenses	2 611	1 939
Salaries	57	47
Social security & pension		
Long service gratuities and compensation	82	110
Other employee related costs		
Administration and other expenses	84	26
Administration expenses	3	
Value Added Tax	(761)	(765)
Inter-corporation cost recoveries	3 958	3 164
Depreciation charge	665	576
Grant Income	(253)	(252)
Total Expenditure	<u>4 370</u>	<u>3 489</u>

PUBLIC UTILITIES CORPORATION
FINANCIAL SUMMARY
Corporate costs - Administration

	Dec 2013 12 months SR ' 000	Dec 2012 12 months SR ' 000
Establishment expenses		
Utility charges	2 181	2 167
Rent	456	388
Repairs & maintenance	771	908
Other	1 023	1 499
Transport expenses		
Fuel & oil	1 145	997
Repairs & maintenance	490	273
Hire	1 411	800
Licences & Insurance	210	238
Employee expenses		
Salaries	33 773	32 084
Social security & pension	552	406
Long service gratuities and compensation	2 077	2 851
Other employee related costs	3 399	2 865
Administration and other expenses		
Administration expenses	11 674	10 327
Value Added Tax	24 661	
Bad debts net of recoveries	(26)	
Inter-corporation cost recoveries		
Foreign exchange loss (gain)	(578)	2 544
	83 218	58 347
Depreciation charge	1 463	1 394
Loss (profit) on disposal of fixed assets	(719)	
Expenditure before interest	83 961	59 740
Interest receivable on		
Term deposits	(1 608)	(654)
Loans to employees	(25)	(54)
	(1 633)	(708)
Interest payable on		
Loans	-	-
Other	-	-
Expenditure after interest	82 328	59 032
Loss (Gain) on exceptional items		
Grant Income	-	902.69
Unrealised Loss / (Gain) on forex loans	-	700.25
Non Recurrent Items		
Expenditure after Non Recurrent Items	81 426	58 332