



ANNUAL REPORT

FOR THE YEAR
01 JULY 2016 - 30 JUNE 2017

UTILITY REGULATORY AUTHORITY
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Table of Contents

Chairman's Overview	Pg. 3
Background	4
The Board	5
Corporate Governance	7
Activities of URA	8
Report of the Director of Audit	12
Financial Statements: 01 July 2016 to 30 June 2017	16
Notes to Financial Statements for the year ended 30 June 2017	20

Chairman's Overview

On behalf of the Board of the Utility Regulatory Authority (URA), I am pleased to provide a brief overview of URA's performance for the Financial Year ending 30 June 2017.

This is the first Annual Report of the URA, the Board having been appointed in September 2016. As a newly-established Authority, our immediate priorities were to recruit appropriately experienced professional staff and to set up an independent office.

I wish to extend my gratitude to the dedicated staff of the Ministry of Energy and Public Utilities who provided assistance to the URA as it establishes itself.

The coming year will be a very challenging one with the major tasks of the elaboration of the Authority's three-year Strategic Plan, progressive recruitment of technical staff and providing them with the necessary training, establishing the Authority's regulatory processes that are both universally acceptable and capable of implementation in our country's environment, as well as a thorough review of the key Acts so that a clear and unambiguous legal framework is in place.

In accordance with the URA Act, the Authority can only regulate the electricity sector at present. But even in that sector, the URA cannot exercise its regulatory function until the Electricity Act of 2005 has been proclaimed. And this proclamation can only be made once all the relevant Acts have been harmonised and the URA has recruited the necessary technical staff. In that process, the Authority expects the full support of all stakeholders in helping it to ensure that the interests of all of them are effectively balanced.

I finally take this opportunity to express my deep appreciation to my colleague Board members for their undivided commitment, support and collaboration during the year under review.



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Prof/Goolamhussen Mohamedbhai, GOSK
Chairman, URA Board



BACKGROUND

Historical Background

In 2004, the Government of Mauritius approved the setting up of a Utility Regulatory Authority (URA) and the URA Act was enacted in November 2004 to set up a regulatory framework for the electricity, water and wastewater sectors. However, the Authority did not become operational since the Board was not constituted. Some amendments were made to the Act in 2008, essentially with regard to the method of appointment of the Chairperson and Commissioners. In 2016, further amendments were made, this time with regard to the qualifications and experience of the Chairperson and Commissioners.

Objects of the Authority

The objects of the Authority, as per section 5 of the Act, are to:

- (a) ensure the sustainability and viability of utility services;
- (b) protect the interests of both existing and future customers;
- (c) promote efficiency in both operations and capital investments in respect of utility services; and
- (d) promote competition to prevent unfair and anti-competitive practices in the utility services industry.

Functions and Powers of the Authority

Section 6 of the Act lists the functions and powers of the Authority, which are to:

- (a) implement the policy of Government relating to applicable utility services;
- (b) grant, vary and revoke licences in respect of a utility service;
- (c) enforce the conditions laid down in an undertaking authorisation;
- (d) regulate tariffs and other charges levied by a licensee in accordance with any rules specified in the relevant Utility legislation;
- (e) mediate or arbitrate disputes between a customer and a licensee, or between 2 or more licensees;
- (f) determine whether a licensee has an obligation to extend a utility service to customers or to an area not adequately supplied with such utility service;
- (g) establish an appropriate procedure for receiving and enquiring into complaints by customers in relation to any utility services; and
- (h) establish and implement adequate systems for monitoring the compliance by licensees with standards and applicable regulations and making such information publicly available.
- (i) take measures for the better protection of customers in relation to any utility services;
- (j) take measures to suppress any abusive, illegal or dishonourable practices in relation to any activity of a licensee;

- (k) take measures and make recommendations to a licensee in respect of any Power Purchase Agreement which a licensee proposes to enter into; and
- (l) examine and make recommendations to a licensee in respect of any management services contract, operation and maintenance contract or any other contract which a licensee proposes to enter into in relation to water services or waste water disposal services.

These functions and powers, however, are subject to the relevant utility legislation. At present, the only utility mentioned in the URA Act is the electricity services (1st Schedule, Part B), and the relevant legislation is the Electricity Act 7 of 2005, which has not yet been proclaimed.

THE BOARD

The Board of the URA, comprising a Chairperson and three Commissioners, was appointed on 14 September 2016 by the President of the Republic of Mauritius on the advice of the Prime Minister given after consultation with the Leader of the Opposition. The Board was constituted as follows:

Professor Goolamhussen Mohamedbhai, *GOSK, Chairperson*

Mr Philip Ah-Chuen, *Commissioner*

Mr Luc Eddy Astruc, *Commissioner*

Mr Rampiar Luchmun-Roy, *Commissioner*

In October 2016, Mr L. E. Astruc stepped down as Commissioner for personal reasons and on 28 October 2016, Mr Sadatmanund Narain was appointed as Commissioner to replace him.

Profile of Board Members

Professor Goolamhussen Mohamedbhai, *GOSK, Chairperson*

Goolamhussen (Goolam) Mohamedbhai, aged 72, obtained a BSc (Hons) and a PhD in Civil Engineering from the University of Manchester, UK. He later undertook postdoctoral research at the University of California, Berkeley. He joined the University of Mauritius in 1972 and served successively as Head of Department of Civil Engineering, Dean of Faculty of Engineering, Pro-Vice-Chancellor and finally Vice-Chancellor from 1995 to 2005. He served as Secretary-General of the Association of African Universities in Accra, Ghana from 2008-2010. He was also President of the International Association of Universities and a member and Vice-Chair of the governing Council of the United Nations University, head quartered in Tokyo. He is the recipient of several honorary doctorates and awards. He is currently a member of the Council of the National University of Lesotho, the Council of the Mauritius Academy of Science and Technology (MAST), the Board of the Centre for Higher Education Trust (CHET) (South Africa) and the Board of the University World News (Africa).

Mr Philip Ah-Chuen, Commissioner

Philip Ah-Chuen, aged 68, studied and worked in the UK from where he obtained a BTech (Hons) from Brunel University and an MSc in Industrial Administration from Aston University. He is a Fellow of both the Mauritian Institute of Management (FMIM) and the Mauritius Institute of Directors (FMID). He has been a Lecturer in Management Studies at the University of Mauritius (1976-1980), a management consultant at De Chazal Du Mee & Co. (1980-1985) and the Executive Director of ABC Motors Co. Ltd (1985-1993). He has also been Chairman of the Mauritian Institute of Management (1990, 1991, 1995, 1996, 2014 and 2015) and Chairman of the Senior Appointments Committee of the Mauritius Institute of Education (2007-2015). He is presently the Executive Director of Allied Motors Co. Ltd, a non-executive director of Chue Wing & Co. (ABC Foods), an independent, non-executive director of SBM Bank (Mauritius) Ltd. and a Commissioner of the Public Service Commission.

Mr Rampiar Luchmun-Roy, Commissioner

Rampiar (Ram) Luchmun-Roy, aged 70, was admitted Fellow of the Association of Chartered Certified Accountants (UK) in 1983. In 1984-85, he followed the International Tax Program at the Harvard Law School, USA. He joined the Income Tax Department as Junior Assessor in 1971 and, after working for a few years as Accountant at the Ministry of Finance, he returned to the Income Tax Department where he was appointed first Investigating Officer, then Deputy Commissioner of Income Tax. He served briefly as Acting Commissioner of Income Tax in 1991-92 and then left the public service to join Pricewaterhouse Coopers, first as Tax Manager, then Senior Manager and finally Tax Director. He retired in 2008. From 1988-1997, he was part-time lecturer in Accounting and Taxation at the University of Mauritius. He is currently a member of the Assessment Review Committee at the Ministry of Finance and Economic Development.

Mr Sadatmanund Narain, Commissioner

Sadatmanund Narain, aged 78, obtained a B.E. (Electrical Engineering) from the University of Roorkee, India, after which he proceeded to the UK for practical training with different firms, including the South Wales Electricity Board. He joined the Central Electricity Board (CEB) of Mauritius in 1964 as Assistant Engineer. In 1969, he followed a Post-Graduate Diploma in Electrical Power Systems Engineering at the University of Manchester Institute of Science and Technology, UK. He then continued his career at the CEB and successively served as Senior Engineer, Transmission and Distribution Engineer, Administrative Manager/Secretary, Assistant General Manager and finally Deputy General Manager. Over the period 1983-1985, he was appointed Secrétaire Générale of the Ecole Supérieure Inter-Africaine de l'Electricité, Bingerville, Cote d'Ivoire. He retired from the CEB in 2003. He is Member of the Institution of Electrical Engineers, UK (MIEE), Chartered Engineer of the Council of Professional Engineers, UK (C.Eng) and a Registered Professional Engineer, Mauritius (RPEM).

BOARD MEETINGS

During the year under review, 14 Board meetings were held, the first one on 29 September 2016 and the fourteenth one on 28 June 2017. The Chairperson and the three Commissioners attended all the meetings, except for the following:

- (a) Second meeting held on 13 October 2016: Mr S. Narain was not present as he had not yet been appointed Commissioner to replace Mr L. E. Astruc.
- (b) Fourth meeting held on 14 December 2016: Mr R. Lutchmun-Roy did not attend as he was overseas.

All the meetings were held at the premises of the MEPU, SICOM Building, Ebene.

CORPORATE GOVERNANCE

Effective corporate governance practices are essential to achieving and maintaining high level of public trust, corporate success and sustainable economic growth.

As a regulator of the country's utility services, the URA is duly bound to operate within a strong governance framework that rests on a value system of transparency, accountability and trust.

In accordance with section 32 of the URA Act, the Chairperson and the Commissioners filed with the Independent Commission Against Corruption a declaration of their assets and liabilities within 30 days of their appointment.

No Board member has any interest in any enterprise involved in the provision of a utility service.

All staff appointments were made by the full Board.

All purchases were made in accordance with the purchasing procedures prevailing at the Ministry of Energy and Public Utilities (MEPU) and were approved by the Board.

Commissioner Philip Ah-Chuen declared interest and recused himself from any meeting or part of a meeting where matters related to the purchase of a car for URA were discussed.

ACTIVITIES OF URA

The Launch

On 29 September 2016, the Deputy Prime Minister and Minister of Energy and Public Utilities, Hon. Ivan Leslie Collendavelloo, *GCSK, SC*, presented the Board members at a launch ceremony attended by the potential stakeholders of the URA and representatives of the media.

In his speech, the Deputy Prime Minister mentioned that the URA represented a major development for the public utilities sector as it would constitute a pillar of transparency for the protection of consumers and would boost investments in a framework conducive to development. He added that the Independent Power Producers, the renewal of Power Purchase Agreements and renewable energy would also constitute priority areas for the URA.

The Chairperson, Professor Mohamedbhai, mentioned in his address that the four key attributes that would guide the operations of the URA would be independence, autonomy, responsibility and expertise. He pointed out that the URA was starting from scratch and the Board would have to work both sequentially and in parallel so as to set up the Authority speedily. He acknowledged that a major challenge for the Authority would be to find appropriately experienced professional staff.

Support Staff from MEPU

Pending the appointment by URA of its own staff, the Ministry of Energy and Public Utilities (MEPU) designated several of its staff to provide assistance to the URA in different capacities on a part-time basis. These were:

- (a) Mrs Mohna Shadu, Office Management Executive (to act as Secretary to the Board)
- (b) Mrs Sharda Choolun, Principal Finance Officer (to provide assistance in financial matters)
- (c) Mrs Ruma Gya, Human Resource Executive (to provide support on human resources issues)

Several other staff of the MEPU also provided assistance to the URA on an *ad-hoc* basis.

URA Logo

In October 2016, the Authority launched a competition in the local press for the design of a corporate logo of the URA, with a prize of Rs 25,000 to be awarded to the selected best entry. A jury panel comprising representatives of the Open University, the Mahatma Gandhi Institute and the Mauritius Institute of Education was set up to select the best entry.

Six applications were received by the closing date. The Board approved the recommendation of the jury panel that the winner of the competition was Mr Kooshalnath Bhungy. However, the Board decided that the logo would be launched, and the prize awarded to Mr Bhungy, at a reception when the URA moved to its premises and the Director had been appointed.

Staff Appointments

(a) Director

An international call for applications for the post of Director was launched on 4 January 2017. By the closing date of 17 February 2017, six applications were received, two from Mauritius and four from overseas. However, only one candidate from overseas fully met the eligibility requirements. That candidate was interviewed by the Board through Skype on 15 March 2017 and was offered the post. He, however, subsequently declined the URA's offer.

A second international call for applications was launched on 3 May 2017. In addition to the usual circulation channels, the advertisement was posted on LinkedIn and circulated to several regional utility regulatory associations in Africa. By the closing date of 5 June 2017, 22 applications were received, 10 from Mauritius and 12 from overseas. However, 13 of these candidates did not have the relevant qualifications and/or experience as advertised. A shortlisting of the remaining 9 candidates was carried out by the Board, preference being given to those who had utility regulatory experience at senior management level. The first three candidates were then interviewed by the Board on 28 June 2017. An offer of contractual appointment was made to the first candidate, Mr Alfred Dusenge Byigero, Deputy Director General in charge of Energy, Water and Sanitation Regulation at the Rwanda Utility Regulatory Authority (RURA).

(b) Administrative Officer

The post of Administrative Officer at the URA was advertised in the local press on 4 January 2017. By the closing date, 78 applications were received. However, only 7 candidates met the eligibility requirements. They were interviewed by the Board on 24 March 2017. Mr Suraj B. Naiko was found to be the best candidate and he was offered the post on a contractual basis. Mr Naiko joined the URA as Administrative Officer on 10 May 2017.

(c) Finance Officer

The post of Finance Officer was advertised, together with that of the Administrative Officer, on 4 January 2017. By the closing date, 36 applications were received but only 9 of them met the eligibility requirements. The 9 candidates were interviewed by the Board on 25 March 2017. None of the candidates was found suitable for appointment.

A second call for application for Finance Officer was made on 29 March 2017. Twenty-seven applications were received and 7 of them met the eligibility requirements. These candidates were interviewed by the Board on 9 May 2017. Two candidates were found suitable for appointment but both of them subsequently turned down URA's offer of appointment.

The Board decided to re-advertise the post of Finance Officer for a third time.

Renting of Office Space

In January 2017, the URA invited bids in the local press for renting of office space in the Ebene/Plaines Wilhems region. By the closing date, only one bid was received. The Board found the location of the building not suitable and the monthly rent too high.

It was therefore decided that two staff of the MEPU should visit office accommodations available for rental, preferably in the Ebene area, as advertised on line or in the press, and submit their findings to the Board. Five offices were visited in the Ebene area and the cheapest and most suitable one was the office on the 8th Floor of 1 Cybercity, Ebene. The Board approved the rental of that office for URA for a period of five years with effect from 1 May 2017.

Several items of furniture, computers and other electronic equipment, electrical appliances and stationery were purchased for the office. Blinds were also fitted to the windows and an Access Control System at the entrance of the office was installed.

Road Map for URA

In February 2017, the Senior Chief Executive of the MEPU, Mrs N. Nababsing, approached the National Renewable Energy Laboratory (NREL), USA, which had previously undertaken studies on energy issues for the MEPU, to prepare a Road Map for the operationalisation and institutional strengthening of the URA. The NREL agreed to support the request and commissioned the Regulatory Assistance Project (RAP), USA, to undertake the study.

The RAP submitted a first draft of the report which was considered by the URA Board and senior technical staff of the MEPU. The views and suggestions were communicated to RAP which, in June 2017, submitted a revised version of the report. The final report covers a wide range of topics, including integrated planning, financial analysis, tariff structure and analysis, licensing, renewable energy integration, and consumer protection. The report also provided observations on a phased plan of action for the URA that had been prepared earlier by the MEPU.

The Road Map would prove to be a useful guide for the URA Director.

Overseas Visits by Board members

- (a) On 28 October 2016, Prof. G. Mohamedbhai, Chairperson, while attending a higher education conference in Nairobi, Kenya, visited the Energy Regulatory Commission (ERC) of Kenya, where he met and had discussions with the Director General of the Commission.
- (b) On 21 December 2016, while attending a meeting in Accra, Ghana, Prof. G. Mohamedbhai, Chairperson, visited the Public Utilities Regulatory Commission (PURC) of Ghana, which regulates the electricity and water sectors. He had discussions with the Director for Water and the Technical Manager for Energy.
- (c) In January 2017, Mr S. Narain, Commissioner, attended the 7th Annual General Meeting of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA), which was held in Lusaka, Zambia. His attendance was sponsored by the Common Market for Eastern & Southern Africa (COMESA).

Indicative Work Programme for Next Financial Year

The Director, who has now been recruited, will assume duty in October 2017. The URA, with the advice of the Director, would consolidate its staffing positions and, in particular, start recruiting the basic technical staff necessary for it to perform its regulatory role.

Among other activities scheduled during the next financial year are:

- (a) Harmonisation of the Electricity Act, the Central Electricity Board Act and the URA Act in preparation for the URA to progressively develop the required regulatory instruments in terms of secondary legislations/regulations including those relating to licensing operations in the electricity sector.
- (b) Holding of a seminar/workshop, facilitated by an external expert, to sensitise all relevant stakeholders on the role of a regulatory body for the utilities.
- (c) Preparation of a three-year Strategic Plan for the URA.



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Utility Regulatory Authority
for the year ended 30 June 2017**



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF UTILITY REGULATORY AUTHORITY

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Utility Regulatory Authority, which comprise the statement of financial position as at 30 June 2017 and of its statement of financial performance, statement of cash flows and statement of changes in General Fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Utility Regulatory Authority as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with the Financial Reporting Standards For Small Entities (FRSSE) issued by the Financial Reporting Council and in compliance with the Statutory Bodies (Accounts and Audit) Act.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report of the Utility Regulatory Authority for the year ended 30 June 2017, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting Standards For Small Entities issued by the Financial Reporting Council, and in compliance with requirements of the Statutory Bodies (Accounts and Audit) Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of **expressing an opinion on the effectiveness of the Authority's internal control.**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

In my opinion, in all material respects:

- the Utility Regulatory Authority has complied with the Act and any directions of Minister to whom its responsibility is assigned, in so far as they relate to the accounts;
- as far as could be ascertained from my examination of the financial statements submitted to me, expenditure incurred were not of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- the Utility Regulatory Authority has been applying its resources and carrying out its operations fairly and economically.



K.C.TSE YUET CHEONG (MRS)

Director of Audit

National Audit Office

Level 14

Air Mauritius Centre

PORT-LOUIS

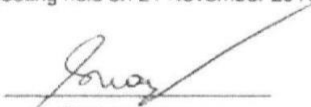
8 February 2018

Financial Statements for the Year 1 July 2016 to 30 June 2017

Statement of Financial Position
as at 30 June 2017

	Notes	30-Jun-17
		Rs.
ASSETS		
Non-Current Assets		
Property, Plant and Equipment (P.P.E)	1	121,669
		121,669
Current Assets		
Cash and Cash Equivalent	2	1,212,689
		1,212,689
TOTAL ASSETS		1,334,358
FINANCED BY		
General Fund		1,105,594
		1,105,594
Current Liabilities		
Trade and other Payables	3	228,764
		228,764
TOTAL EQUITY AND LIABILITIES		1,334,358

The Financial Statements were approved and authorized for issue by the Utility Regulatory Authority Board at its meeting held on 21 November 2017.



 Chairperson
 Professor Goolamhussen Mohamedbhai

Date: 21 November 2017



 Commissioner
 Mr Rampiar Luchmun Roy

Date: 21 November 2017



Statement of Financial Performance
for the year ended 30 June 2017

		30-Jun-17
	Notes	Rs.
Revenues	4	<u>5,000,000</u>
Expenses		
Operating Costs	5	3,795,728
Administrative Costs	6	<u>98,678</u>
		<u>3,894,406</u>
Surplus for the year		1,105,594
Other Comprehensive Income		-
Total Comprehensive Income		<u><u>1,105,594</u></u>

Statement of Changes in General Fund

for the year ended 30 June 2017

	General Fund	Total
	Rs.	Rs.
Balance at 01 July 2016	-	-
Surplus for the Year	1,105,594	1,105,594
Balance at 30 June 2017	1,105,594	1,105,594

Statement of Cash Flows

for the year ended 30 June 2017

	Note	30-Jun-17
		Rs.
OPERATING ACTIVITIES		
Surplus for the year		1,105,594
<i>Adjustment for items not involving cash</i>		
Depreciation on P. P. E		1,031
NET CASH GENERATED FROM OPERATING ACTIVITIES		1,106,625
WORKING CAPITAL CHANGES		
Increase/Decrease in Trade and other Receivables		-
Increase/Decrease in Trade and other Payables		228,764
NET MOVEMENT IN WORKING CAPITAL		228,764
INVESTING ACTIVITIES		
Purchase of PPE		-122,700
NET CASH IN INVESTING ACTIVITIES		-122,700
FINANCING ACTIVITIES		
Capital Grant		-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,212,689
CASH AND CASH EQUIVALENTS AT PREVIOUS YEAR		-
CASH AND CASH EQUIVALENTS FOR THE YEAR ENDED	2	1,212,689

Notes to financial Statements for the year ended 30 June 2017

General Information

The Utility Regulatory Authority (URA) is an independent body set up by the Government of Mauritius to regulate the utility services, namely electricity, water and wastewater. Its objects are to ensure the sustainability and viability of the utility services; protect the interests of consumers; promote efficiency in both operations and investments in respect of utility services; and promote fair competition in the utility services industry. URA Act was enacted on 2004 and subsequently amended in September 2008. The Act was again amended in June 2016 and gazetted on 29 June 2016 to allow for the appointment of the Chairperson and the Commissioners. The Board was finally set up in September 2016.

a) Accounting Policies

The Financial Statements of the Authority comply with the Statutory Bodies (Accounts and Audit) Act and have been prepared in compliance with the Financial Reporting and Accounting Standards issued under section 72 of the Financial Reporting Act.

The going concern basis has been adopted.

b) Revenue Recognition

Re-current Government grants are recognised on accrual basis as income is matched against the Re-current expenses of the entity.

Interest and other income are recognised on an accrual basis.

c) Expenditure

Expenditure is recognised on accrual basis.

d) Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less depreciation. Depreciation is the systematic allocation of funds representing the use of an asset over its useful life. Depreciation is provided on the straight-line basis so as to write off the depreciation value of the assets over their expected useful economic lives.

The annual rates of depreciation used for the purpose are as follows: -

d) Property, Plant and Equipment (continued)

❖ Equipment	❖ 20%
❖ Furniture and Fixtures	❖ 10%
❖ Computer and Software	❖ 20%

Depreciation was charged in the year of purchase on a pro-rata basis.

e) Cash and Cash Equivalent

Cash and Cash Equivalent comprise of bank balances and cash in hand. Cash equivalent are short-term balances readily available.

f) Provisions

A provision is recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

g) Comparative figures

The current Financial Statements are prepared for one year. There are no comparative figures since it is the first-year operation.

h) Currency and Rounding Off of Figures

The figures in the Financial Statements are in Mauritian Rupees and have been rounded off to the nearest rupee.

i) Related Party Transactions

Related Parties are individual and Companies where the related party or the authority has the ability directly or individually to control the other party or exercise significant influence over the other party in making financial and operating decision. For the year under review, payments were effected to the Board comprising the Chairperson and three Commissioners.

1. Property, Plant and Equipment (P.P.E)

All fixed assets are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to acquisition of the items.

	Equipment	Furniture and Fittings	Total
Cost	Rs.	Rs.	Rs.
At 1 July 2016	-	-	-
Additions during the year	20,000	102,700	122,700
At 30 June 2017	20,000	102,700	122,700
Depreciation			
At 1 July 2016	-	-	-
Charge for the year	289	742	1,031
At 30 June 2017	289	742	1,031
Net Book Value 30 June 2017	19,711	101,958	121,669

2. Cash and cash equivalents

	30-Jun-17
	Rs
SBM Bank Balance	1,212,689
	<u>1,212,689</u>

3. Trade & other Payables

30-Jun-17

Rs.

Accruals:

PAYE (Mar17-Jun17)	191,754
TDS (May-Jun 17)	37,010
	<u>228,764</u>
	<u><u>228,764</u></u>

4. Revenues

The Revenues are grants received from the Ministry.

5. Operating Costs

Rs.

Fees to Board Members	2,284,865
Staff Salary	90,871
Allowances to MEPU staff	100,611
PAYE (Dec 16- Feb 17)	229,211
Accruals PAYE/TDS (Mar 17-Jun 17)	228,764
Rent	672,100
Depreciation for PPE	1,031
Agency fee	187,040
Bank Charges	1,235
	<u>3,795,728</u>
	<u><u>3,795,728</u></u>

6. Administrative Costs

30-Jun-17

Rs.

Publicity	91,264
Miscellaneous expenses	7,414
	<u>98,678</u>

7. Pending Litigation

There was no litigation pending.

8. Events after the Statement of Financial Position date

There have been no other material events after Statement of Financial Position date which would require disclosure or adjustment to the 30 June 2017 Financial Statements.