



Solomon Islands Electricity Authority

Financial Statements

For the year ended

31 December 2014

**Solomon Islands Electricity Authority
For the year ended 31 December 2014**

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Solomon Islands Electricity Authority Directors' report

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Solomon Islands Electricity Authority (SIEA) as at 31 December 2014 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

Directors

The Directors in office at the date of this report and at any time during the financial year and up until the date the financial statements were authorised for issue are as follows:

Name

Adrian Wickham - chairman (appointed August 2011)
David Laurie - (appointed April 2010)
Douglas Alex - (retired August 2014)
Harry Zoleveke - (appointed June 2012)
Henry Kapu - (appointed June 2012)
Henry Tobani - (retired August 2014)
John Bosco - (appointed September 2014)
Nanette Tutua - (retired August 2014)
Rovaly Sike - (appointed September 2014)
Sebastian Ilala - (appointed June 2012)
Yolande Yates - (appointed September 2014)

State of affairs

In complying with the Electricity Act (Cap 128) and the State Owned Enterprises Act of 2007, the Directors hereby submit the financial statements of SIEA consisting of the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows of SIEA for the year then ended.

Principal activity

The principal activity of SIEA during the year was the generation and distribution of electricity to the Solomon Islands.

Results

The net profit for the year was SBD 91,415,268 (2013: profit of SBD 46,336,352).

Dividends

The Directors recommended that no dividends be declared or proposed for the year.

Significant events

There has not arisen in the interval between the end of the year and the date of this report any other item, transaction or event of a material and unusual nature that is likely, in the opinion of the Directors, to significantly affect the operations of SIEA, the results of those operations or the state of affairs of SIEA in subsequent financial years.

Dated at 10am this 31st day of March 2015.

Signed in accordance with a resolution of the Directors.


Director


Director

Solomon Islands Office of the Auditor-General

Independent Auditor's Report

**Solomon Islands Electricity Authority
Statement of comprehensive income
For the year ended 31 December 2014**

	Note	2014 SBD	2013 SBD
Operating income			
Electricity sales		446,557,219	404,299,236
Grant income	17	3,033,478	6,151,987
Other operating income	7	14,364,520	11,819,610
Total operating income		<u>463,955,217</u>	<u>422,270,834</u>
Less expenses			
Generation and distribution	8	254,231,805	262,487,701
Administration	9	52,136,862	52,140,517
Operating	10	24,009,296	25,773,013
Depreciation and amortisation	12	35,856,247	28,370,196
Allowance for uncollectability	15	4,604,834	4,919,238
Interest Expense	15	1,096,621	-
Inventory write-off		(10,169)	165,471
Revaluation decrement - property, plant & equipment	12	-	5,958,900
Gain / (loss) from operations		92,029,720	42,455,799
Foreign exchange gain / (loss)		(614,452)	3,880,554
Net profit / (loss) for the year		<u>91,415,268</u>	<u>46,336,352</u>
Other comprehensive income			
Revaluation increment - property, plant & equipment	12	-	62,715,894
Prior period adjustment	11	-	1,355,277
Total comprehensive income / (loss) for the year		<u><u>91,415,268</u></u>	<u><u>110,407,524</u></u>

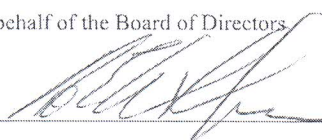
The notes disclosed on pages 32 to 49 are an integral part of the financial statements.

**Solomon Islands Electricity Authority
Statement of financial position
As at 31 December 2014**


Assets	Note	2014 SBD	2013 SBD
Current assets			
Cash and cash equivalents	13	75,411,436	129,367,625
Held to maturity investment		99,128,807	13,284,003
Inventories	14	8,855,512	7,458,153
Receivables	15	70,025,232	62,165,625
Prepayments		<u>1,099,119</u>	<u>336,706</u>
Total current assets		<u>254,520,106</u>	<u>212,612,112</u>
Non-current assets			
Property, plant and equipment	12	460,274,583	402,802,573
Receivables	15	<u>5,962,260</u>	<u>8,686,381</u>
Total non-current assets		<u>466,236,842</u>	<u>411,488,954</u>
Total assets		<u>720,756,948</u>	<u>624,101,066</u>
Current liabilities			
Deferred income	17	2,787,234	6,151,987
Trade and other payables	18	24,656,762	20,081,634
Employee benefits		<u>835,272</u>	<u>837,362</u>
Total current liabilities		<u>28,279,268</u>	<u>27,070,984</u>
Non-current liabilities			
Deferred income	17	<u>29,893,931</u>	<u>25,861,602</u>
Total non-current liabilities		<u>29,893,931</u>	<u>25,861,602</u>
Total liabilities		<u>58,173,199</u>	<u>52,932,586</u>
Equity			
Contributed capital	16	246,933,170	246,933,170
Asset revaluation reserve		299,474,732	299,474,732
Accumulated profits / (losses)		<u>116,175,846</u>	<u>24,760,578</u>
Total equity		<u>662,583,749</u>	<u>571,168,481</u>
Total equity and liabilities		<u>720,756,948</u>	<u>624,101,066</u>

Signed for and on behalf of the Board of Directors

Director



Director



The notes disclosed on pages 32 to 49 are an integral part of the financial statements.

Solomon Islands Electricity Authority
Statement of changes in equity
For the year ended 31 December 2014

	Note	Contributed capital SBD	Asset revaluation reserves SBD	Accumulated retained earnings SBD	Total SBD
Balance at 1 January 2013		246,933,170	236,758,838	(22,931,051)	460,760,957
Total comprehensive loss for the year					
Net profit for the year		-	-	46,336,352	46,336,352
Revaluation of property, plant and equipment	12	-	62,715,894	-	62,715,894
Prior period adjustment	11	-	-	1,355,277	1,355,277
Balance at 31 December 2013		<u>246,933,170</u>	<u>299,474,732</u>	<u>24,760,578</u>	<u>571,168,481</u>
Balance at 1 January 2014		246,933,170	299,474,732	24,760,578	571,168,481
Total comprehensive income for the year					
Net profit for the year		-	-	91,415,268	91,415,268
Balance at 31 December 2014		<u>246,933,170</u>	<u>299,474,732</u>	<u>116,175,846</u>	<u>662,583,749</u>

The notes disclosed on pages 32 to 49 are an integral part of the financial statements.

Solomon Islands Electricity Authority
Statement of cash flows
For the year ended 31 December 2014

	Note	2014 SBD	2013 SBD
Operating activities			
Cash receipts from customers		449,470,346	432,623,084
Cash payments to suppliers and employees		<u>(314,878,186)</u>	<u>(339,863,057)</u>
Net cash provided by operating activities		<u>134,592,159</u>	<u>92,760,027</u>
Investing activities			
Payment for held to maturity investments		(85,844,804)	(13,284,003)
Net payments for property, plant and equipment	12	<u>(106,404,599)</u>	<u>(58,968,473)</u>
Net cash used in investing activities		<u>(192,249,402)</u>	<u>(72,252,476)</u>
Financing activities			
Cash receipts from donor grants		<u>3,701,054</u>	<u>9,036,741</u>
Net cash provided by financing activities		<u>3,701,054</u>	<u>9,036,741</u>
Net increase / (decrease) in cash and cash equivalents		(53,956,189)	29,544,292
Cash and cash equivalents at 1 January		<u>129,367,625</u>	<u>99,823,333</u>
Cash and cash equivalents at 31 December	13	<u>75,411,436</u>	<u>129,367,625</u>

The notes disclosed on pages 32 to 49 are an integral part of the financial statements.