

Consolidated Statements of Comprehensive Income

For the year ended 30 June 2010

	Notes	Group		Parent	
		2010	2009	2010	2009
		R'000	R'000	R'000	R'000
Revenue	3	1,633,043	1,492,688	1,622,380	1,485,496
Cost of sales		(620,856)	(545,011)	(620,856)	(545,024)
Changes in water inventory	15.2	(601)	122	(601)	122
Chemicals		(32,510)	(32,751)	(32,510)	(32,751)
Depreciation		(65,190)	(59,848)	(65,190)	(59,848)
Energy		(56,963)	(43,145)	(56,963)	(43,145)
Maintenance		(108,500)	(100,825)	(108,500)	(100,825)
Raw water		(83,870)	(77,744)	(83,870)	(77,744)
Section 30 activities		(169,537)	(141,132)	(169,537)	(141,132)
Staff costs		(92,618)	(82,666)	(92,618)	(82,666)
Other direct operating expenses		(11,067)	(7,022)	(11,067)	(7,035)
Gross profit		1,012,187	947,677	1,001,524	940,472
Other income	4	8,529	31,707	7,762	30,826
Other operating and administration expenses		(403,216)	(337,338)	(389,186)	(329,164)
Profit from operations	5	617,500	642,046	620,100	642,134
Net finance costs		(79,773)	(116,296)	(80,076)	(116,496)
Interest income	6	150,568	151,193	150,423	151,075
Finance costs	7	(230,341)	(267,489)	(230,499)	(267,571)
Share of profit from associate		2,985	1,264	-	-
Profit for the year		540,712	527,014	540,024	525,638
Other comprehensive income					
Mark-to-market adjustment long-term investments		-	(2,256)	-	(2,256)
Other comprehensive income for the year		-	(2,256)	-	(2,256)
Total comprehensive income for the year		540,712	524,758	540,024	523,382
Profit attributable to:					
Equity holders of the parent		540,712	527,014		
Total comprehensive income attributable to:					
Equity holders of the parent		540,712	524,757		

Consolidated Statements of Financial Position

As at 30 June 2010

	Notes	Group		Parent	
		2010	2009	2010	2009
		R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
		2,825,051	2,666,523	2,816,638	2,660,141
Property, plant and equipment	8	2,684,007	2,473,075	2,681,063	2,471,835
Intangible assets	9	6,980	3,185	6,980	3,185
Biological assets	10	6,181	6,754	1,533	2,166
Investments in subsidiaries and associates	11	5,703	3,994	4,882	3,440
Investments	12	18,622	22,481	18,622	22,481
Other financial assets	13	103,558	157,034	103,558	157,034
Current assets					
		1,483,271	1,417,441	1,480,766	1,413,580
Investments	12	1,178,673	1,213,416	1,178,673	1,213,416
Assets held for sale	14	17,039	105	16,934	-
Inventories	15	8,642	9,145	8,607	9,129
Trade and other receivables	16	264,913	183,794	264,238	182,978
Interest and premium receivable	17	12,314	3,282	12,314	3,282
Bank and cash	18.1	1,690	7,699	-	4,775
Total assets		4,308,322	4,083,964	4,297,404	4,073,721
EQUITY AND LIABILITIES					
Capital and reserves					
		2,088,004	1,547,292	2,082,141	1,542,117
Capital	19	442,847	442,847	442,847	442,847
Accumulated profit		1,645,157	1,104,445	1,639,294	1,099,270
Non-current liabilities					
		1,606,873	1,105,045	1,606,873	1,105,045
Long-term debt	20	1,400,166	917,448	1,400,166	917,448
Other non-current liabilities	21	16,965	18,125	16,965	18,125
Post-retirement benefit obligations	26	189,742	169,472	189,742	169,472
Current liabilities					
		613,445	1,431,627	608,390	1,426,559
Short-term debt	20	117,282	1,061,455	117,282	1,061,455
Provisions	22	63,664	60,444	61,978	58,120
Accounts payable	23	374,201	276,562	370,832	273,818
Interest payable		40,877	33,166	40,877	33,166
Bank overdraft	18.1	17,421	-	17,421	-
Total equity and liabilities		4,308,322	4,083,964	4,297,404	4,073,721

Consolidated Statements of Changes in Equity

For the year ended 30 June 2010

	Group			
	Capital	Investment revaluation reserve	Accumulated profit	Total
	R'000	R'000	R'000	R'000
Balance as at 30 June 2008	442,847	2,256	577,431	1,022,534
Movement for the year				
Total comprehensive income	-	(2,256)	527,014	524,758
Profit for the year	-	-	527,014	527,014
Other comprehensive income	-	(2,256)	-	(2,256)
Balance as at 30 June 2009	442,847	-	1,104,445	1,547,292
Movement for the year				
Total comprehensive income	-	-	540,712	540,712
Profit for the year	-	-	540,712	540,712
Other comprehensive income	-	-	-	-
Balance as at 30 June 2010	442,847	-	1,645,157	2,088,004

	Parent			
	Capital	Investment revaluation reserve	Accumulated profit	Total
	R'000	R'000	R'000	R'000
Balance as at 30 June 2008	442,847	2,256	573,632	1,018,735
Movement for the year				
Total comprehensive income	-	(2,256)	525,638	523,382
Profit for the year	-	-	525,638	525,638
Other comprehensive income	-	(2,256)	-	(2,256)
Balance as at 30 June 2009	442,847	-	1,099,270	1,542,117
Movement for the year				
Total comprehensive income	-	-	540,024	540,024
Profit for the year	-	-	540,024	540,024
Other comprehensive income	-	-	-	-
Balance as at 30 June 2010	442,847	-	1,639,294	2,082,141

Consolidated Statements of Cash Flows

For the year ended 30 June 2010

	Notes	Group		Parent	
		2010	2009	2010	2009
		R'000	R'000	R'000	R'000
OPERATING ACTIVITIES					
Cash receipts from customers		1,558,531	1,482,248	1,547,889	1,474,174
Cash paid to suppliers and employees		(711,910)	(736,970)	(701,904)	(731,017)
Net cash from operating activities	18.2	846,621	745,278	845,985	743,157
INVESTING ACTIVITIES					
Proceeds on disposals of property, plant and equipment		641	14,180	641	14,157
Grant funding		21,946	-	21,946	-
Additions to property, plant and equipment		(329,540)	(234,203)	(327,197)	(233,371)
Additions to intangible assets		(4,917)	(2,774)	(4,917)	(2,774)
Proceeds on disposal of biological assets		170	879	-	-
Investments in subsidiaries and associates		1,278	1,402	1,278	2,388
Net cash used in investing activities		(310,422)	(220,516)	(308,249)	(219,599)
FINANCING ACTIVITIES					
Long-term borrowings raised		600,000	-	600,000	-
Long-term borrowings repaid		(1,086,095)	(107,964)	(1,086,095)	(107,964)
Short-term borrowings repaid		-	(14,222)	-	(14,222)
Investments increased		(41,198)	(251,882)	(41,198)	(251,882)
Interest received		195,295	102,573	195,150	102,455
Finance costs paid		(227,631)	(259,205)	(227,789)	(259,288)
Net cash used in financing activities		(559,629)	(530,700)	(559,932)	(530,901)
CASH AND CASH EQUIVALENTS					
Net decrease for the year		(23,430)	(5,938)	(22,196)	(7,343)
At beginning of year		7,699	13,637	4,775	12,118
At end of year	18.1	(15,731)	7,699	(17,421)	4,775

Segmental Report

For the year ended 30 June 2010

Umgeni Water has two reportable segments:

- (i) The primary segment as defined by section 29 of the Water Services Act no. 108 of 1997 which is made up of bulk water and wastewater treatment; and
- (ii) Other activities as defined by section 30 of the Water Services Act No. 108 of 1997. This business segment consists of non-regulated activities which are mainly defined as services that complement bulk water service provision such as laboratory services, water quality monitoring and environmental management and where Umgeni Water acts as an implementing agent for any sphere of government for projects related to water service delivery.

	Group			
	Primary activities		Other activities	Total
	Bulk water	Wastewater		
For the year ended 30 June 2010	k'l'000	k'l'000	k'l'000	k'l'000
Volume sold	425,848	273	-	426,121
	R'000	R'000	R'000	R'000
Revenue	1,374,017	44,216	214,810	1,633,043
Cost of sales	(417,085)	(26,535)	(177,236)	(620,856)
Changes in water inventory	(601)	-	-	(601)
Chemicals	(29,387)	(3,071)	(52)	(32,510)
Depreciation	(62,699)	(2,491)	-	(65,190)
Energy	(50,338)	(5,789)	(836)	(56,963)
Maintenance	(98,732)	(7,597)	(2,171)	(108,500)
Raw water	(83,870)	-	-	(83,870)
Section 30 activities	-	-	(169,537)	(169,537)
Staff costs	(82,022)	(6,297)	(4,299)	(92,618)
Other direct operating expenses	(9,436)	(1,290)	(341)	(11,067)
Gross profit	956,932	17,681	37,574	1,012,187
Other income	3,636	3,572	1,321	8,529
Other operating and administration expenses	(377,167)	(6,001)	(20,048)	(403,216)
Amortisation	(98,978)	-	-	(98,978)
Impairments and write-offs	(9,790)	-	(16)	(9,806)
Depreciation	(14,782)	(385)	(828)	(15,995)
Other expenses	(253,617)	(5,616)	(19,204)	(278,437)
Profit from operations	583,401	15,252	18,847	617,500
Interest income	150,424	-	144	150,568
Finance costs	(222,464)	(8,032)	155	(230,341)
Share of profit from associate	-	-	2,985	2,985
Profit for the year	511,361	7,220	22,131	540,712
Capital expenditure - for the year	291,768	26,832	15,856	334,457
Segment assets	2,782,577	88,245	85,079	2,955,901
Interest in associate	-	-	5,703	5,703
Unallocated				1,346,718
Consolidated total assets				4,308,322
Segment liabilities	1,388,058	33,624	95,766	1,517,448
Unallocated				702,870
Consolidated total liabilities				2,220,318

Segmental Report continued

For the year ended 30 June 2010

	Group			Total
	Primary activities		Other activities	
	Bulk water	Wastewater		
	k'l'000	k'l'000	k'l'000	k'l'000
For the year ended 30 June 2009				
Volume sold	415,956	273	-	416,229
	R'000	R'000	R'000	R'000
Revenue	1,259,555	41,930	191,203	1,492,688
Cost of sales	(370,235)	(26,151)	(148,625)	(545,011)
Changes in water inventory	122	-	-	122
Chemicals	(29,293)	(3,357)	(101)	(32,751)
Depreciation	(57,358)	(2,490)	-	(59,848)
Energy	(38,104)	(4,515)	(526)	(43,145)
Maintenance	(89,194)	(9,171)	(2,460)	(100,825)
Raw water	(77,744)	-	-	(77,744)
Section 30 activities	-	-	(141,132)	(141,132)
Staff costs	(73,200)	(5,388)	(4,078)	(82,666)
Other direct operating expenses	(5,464)	(1,230)	(328)	(7,022)
Gross profit	889,320	15,779	42,578	947,677
Other income	26,452	3,572	1,683	31,707
Other operating and administration expenses	(312,212)	(5,748)	(19,378)	(337,338)
Amortisation	(94,218)	-	-	(94,218)
Impairments and write-offs	22,372	-	(131)	22,242
Depreciation	(12,420)	(381)	(717)	(13,518)
Other expenses	(227,946)	(5,367)	(18,530)	(251,844)
Profit from operations	603,560	13,603	24,883	642,046
Interest income	151,075	-	118	151,193
Finance costs	(259,011)	(8,460)	(18)	(267,489)
Share of profit from associate	-	-	1,264	1,264
Profit for the year	495,624	5,143	26,247	527,014
Capital expenditure - for the year	230,805	2,571	827	234,203
Segment assets	2,507,557	91,066	57,791	2,656,414
Interest in associate	-	-	4,099	4,099
Unallocated				1,423,451
Consolidated total assets				4,083,964
Segment liabilities	1,900,697	39,351	38,856	1,978,904
Unallocated				557,768
Consolidated total liabilities				2,536,672