

**GENERAL MANAGER: FINANCE  
NICA GEVERS**

**Annual Financial Statements &  
Financial Performance  
2011/2012**

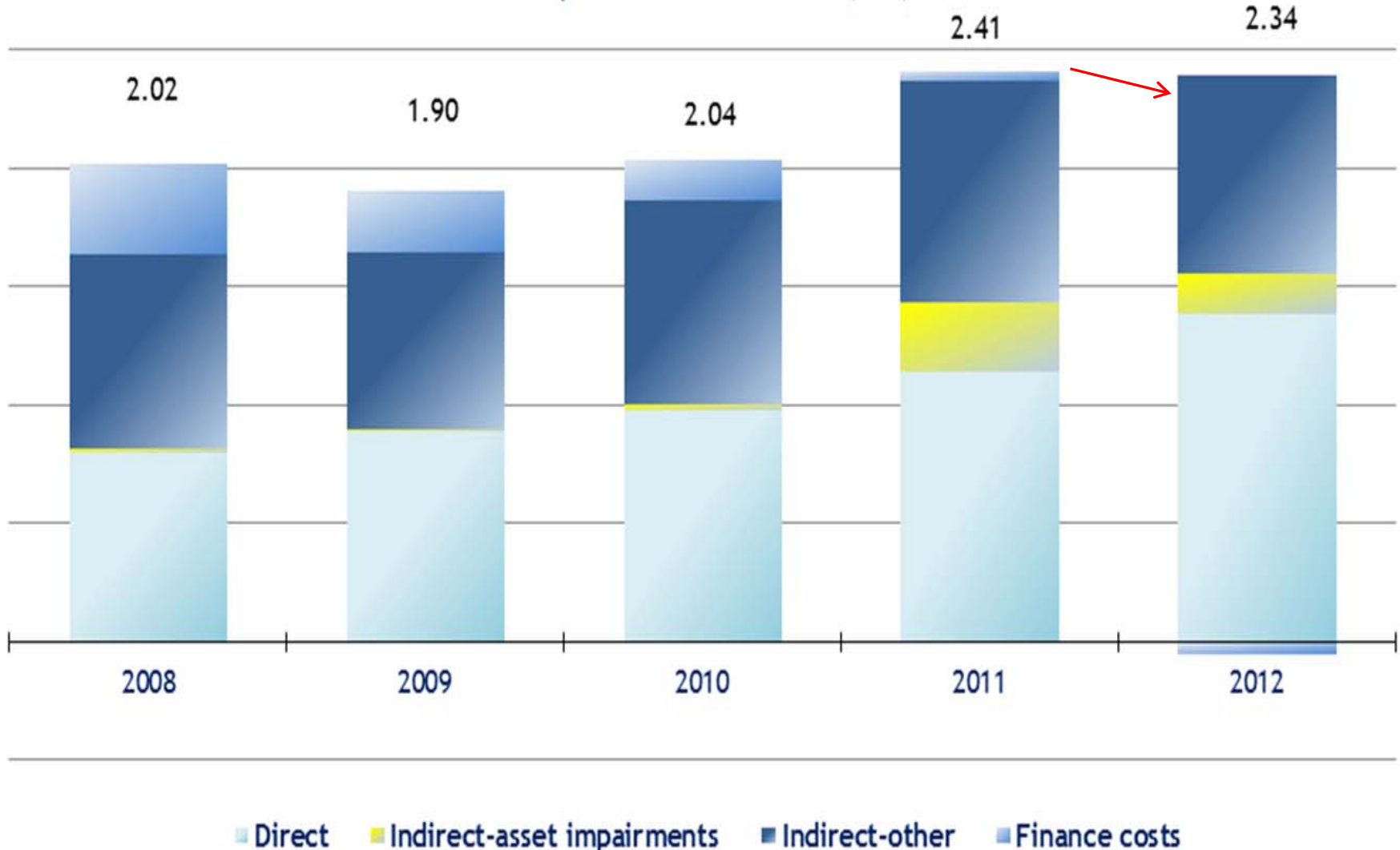


# Statements of comprehensive Income

	Group			
	2012	2011	Movement	
	R'000	R'000	R'000	
Revenue	1 847 151	1 660 912	186 239	↑
Cost of sales	(856 808)	(661 843)	(194 965)	↑
<b>Gross profit</b>	<b>990 343</b>	<b>999 069</b>	<b>(8 726)</b>	↓
<i>GP%</i>	<i>54%</i>	<i>60%</i>	<i>(6%)</i>	
Other income (expense)	52 109	(9 366)	61 474	↑
Other operating and administration expenses	(469 197)	(544 639)	75 443	↓
<b>Profit from operations</b>	<b>573 255</b>	<b>445 064</b>	<b>128 191</b>	↑
Net finance income/(costs)	15 546	(19 923)	35 470	↓
Share of profit from associate	2 531	3 300	(769)	
<b>Profit for the year</b>	<b>591 332</b>	<b>428 441</b>	<b>162 891</b>	↑

# Bulk water cost per kl: 3% reduction

Cost per kl of bulk water (R.c)







# Cash flow analysis

# Abridged statements of cash flows

	Group		
	2012	2011	Movement
	R'000	R'000	R'000
Net cash from operating activities	683 230	1 012 358	(329 128) ↓
Net cash used in investing activities	(350 889)	(360 368)	9 479
Grant Funding	131 000	9 977	121 023 ↑
Additions, disposals & other	(481 889)	(370 345)	(111 544) ↑
Net cash used in financing activities	(422 854)	(534 168)	111 314 ↓
Net (decrease)/increase for the year	(90 513)	117 822	(208 336)
Cash and cash equivalents at beginning of year	102 091	(15 731)	117 821
<b>Cash and cash equivalents at end of year</b>	<b>11 578</b>	<b>102 091</b>	<b>(90 512)</b>

# Financial Performance

# Statement of financial position: Total Assets

	Group		
	2012	2011	Movement
	R'000	R'000	R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>3 143 293</b>	<b>2 921 006</b>	<b>222 288</b>
Property, plant and equipment	3 097 613	2 869 548	228 065 
Other non-current assets	35 685	36 990	(1 305)
Investments	9 995	14 468	(4 473)
<b>Assets held for sale</b>	<b>13 500</b>	<b>14 481</b>	<b>(981)</b>
<b>Current assets</b>	<b>2 031 854</b>	<b>1 849 233</b>	<b>182 622</b>
Investments	1 780 335	1 509 594	270 741 
Other current assets	9 002	8 857	144
Trade and other receivables	205 734	214 825	(9 091)
Bank and cash	11 578	102 091	(90 514) 
	<b>8.4% improvement</b>		
<b>Total assets</b>	<b>5 188 647</b>	<b>4 784 720</b>	<b>403 927</b> 

# Statement of financial position: Equity & liabilities

	Group		
	2012	2011	Movement
	R'000	R'000	R'000
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	<b>3 107 777</b>	<b>2 516 445</b>	<b>591 332</b>
Capital	442 847	442 847	-
Accumulated profit	2 664 930	2 073 598	591 332
<b>Non-current liabilities</b>	<b>1 461 073</b>	<b>1 487 534</b>	<b>(26 461)</b>
Long-term debt	1 136 306	1 257 787	(121 480)
Other non-current liabilities	12 471	15 649	(3 179)
Post-retirement benefit obligations	312 296	214 098	98 198
<b>Current liabilities</b>	<b>619 797</b>	<b>780 741</b>	<b>(160 944)</b>
Short-term debt	120 831	115 006	5 825
Provisions	65 185	70 759	(5 574)
Accounts payable	399 121	558 414	(159 293)
Interest payable	34 660	36 562	(1 903)
<b>Total equity and liabilities</b>	<b>5 188 647</b>	<b>4 784 720</b>	<b>403 927</b>

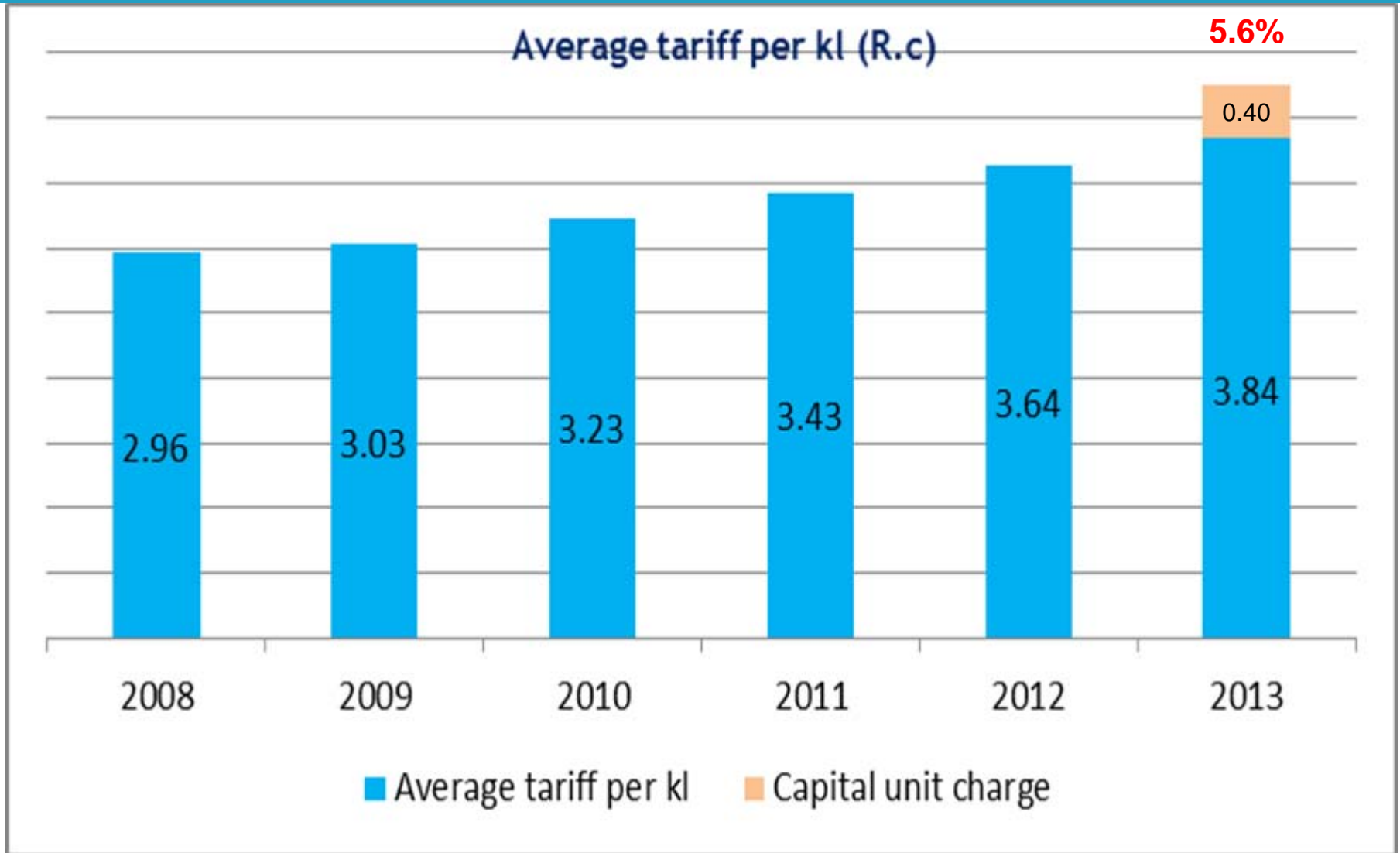


## In conclusion

### **2012 Financial Performance**

- Positive financial performance achieved, despite significant reduction in gross margins.
- Sufficient funds on hand to meet the operating and capital expenditure requirements in the short to medium term.
- Cost per kl of water produced was reduced enabling a tariff increase for 2013 of 5.6%

# WATER TARIFF 2012/13: Increase 5.6%



## Looking Ahead

The focus remains on

❑ Maintaining a financially sustainable organisation by ensuring that:

✓ UW has a sustainable tariff (given the escalation of operating costs and minimum volume growth)

✓ UW continues to receive the required Bulk Infrastructure Grant funding to enable it to deliver on its rural development mandate.

❑ Manage Customer Relations: together we can achieve the common goal of sustainable quality water services for all.

## Looking Ahead

- ❑ Maintaining Strategic Effectiveness
  - ✓ Strategy is aligned with the Executive Authority Expectations
  - ✓ Water Sector Regulation, Reform and Restructuring
  - ✓ National, Regional and Local Government Expectations
  - ✓ Customer Expectations and Challenges



*Thank You*

