OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

UTILITY REGULATION
AND COMPETITION OFFICE

FOR THE 2026 FINANCIAL YEAR ENDING 31 DECEMBER 2026
AND THE 2027 FINANCIAL YEAR ENDING 31 DECEMBER 2027

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT

(2020 REVISION)

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1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Utility Regulation and Competition Office have agreed the Utility Regulation and Competition Office will seek to achieve during the 2026 and 2027 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Utility Regulation and Competition Office is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

Utility Regulation and Competition Office (‘OfReg’ or the ‘Office’) is the independent multisector authority established by the enactment of the Utility Regulation and Competition Act (2021 Revision) and commenced operations on January 16, 2017.

The Office’s primary functions are provided in the URC Act are to:

- promote objectives set out in Policy
- promote appropriate effective and fair competition
- protect the short and long term interests of consumers in relation to utility services
- promote innovation and facilitate economic and national development

Although the Office’s genesis has come about from an amalgamation of the Information and Communications Technology Authority (‘ICTA’), the Electricity Regulatory Authority (‘ERA’) and the Petroleum Inspectorate, which hitherto had been a Department of the Government of the Cayman Islands its responsibilities have been broadened and now encompass the following sectors and activities:.

- Information and communication technology
- Energy/electricity production and distribution
- Water production and distribution
- Fuels and Dangerous Substances
- Innovation for the facilitation of economic development
- Enhanced consumer protection functions

The URC Act sets out broad duties, functions and powers while sector specific laws provide for sector specific powers and functions (which may differ from sector to sector)

The enabling acts are:

Utility Regulation and Competition (URC) Act (2021 Revision)

Dangerous Substances Act (2017 Revision)

Electricity Act (2008 Revision)

Electricity Sector Regulation (ESR) Act (2019 Revision)

Electronic Transactions Act (2003 Revision)

Fuel Market Regulation Act (2017)

Information and Communications Technology (ICT) Act (2019 Revision)

Wastewater Collection and Treatment Act (2019 Revision)

Water Authority Act (2018 Revision)

Water (Production and Supply) Act (2018 Revision)

Water Sector Regulation Act (2019 Revision

SCOPE OF ACTIVITIES

OfReg's activities are governed by the specific responsibilities set out under the various laws mentioned above. The following activities in particular, represent the key day to day activities carried out by Ofreg in respect of all the sectors which it regulates:

(a) To protect the short- and long-term interests of consumers in relation to utility services;

(b) Take appropriate enforcement action, including the imposition of administrative fines;

(c) Consider and issue licences for specified services within the Cayman Islands, or between the Cayman Islands and elsewhere;

(d) Impose, and monitor adherence to, conditions on all licensees;

(e) Carry out day to day supervision of all licensees to ensure full compliance with the licensees' obligations under the respective legislation;

(f) Promote and facilitate fair competition in each sector in accordance with the legislation and any other formal agreements with the licensee where it is reasonable or necessary to do so;

(g) Promote and facilitate innovation and safety in each sector, including in accordance with any strategic objectives of the Cayman Islands Government's and aligned with the Government's international obligations;

(h) To investigate and resolve complaints from consumers and service providers concerning the provision of services in each sector;

(i) To collect all fees, including licence fees, and any other charges levied under the various acts or regulations made thereunder;

(j) To resolve disputes concerning the interconnection or sharing of infrastructure between or among ICT service providers or ICT network providers;

(k) To promote and maintain an efficient, economic and harmonised infrastructure for each sector;

(l) To act on any matter referred to it by the Minister; and

(m) Implement Government policy as it relates to each sector and provide policy advice to the Cabinet on matters pertaining to each sector.

(n) To provide a framework for the protection of Critical National Infrastructure(CNI)

CUSTOMERS AND LOCATION OF ACTIVITIES

The Office primarily serves the residents of the Cayman Islands and services are normally delivered within the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Utility Regulation and Competition Office for the 2026 and 2027 financial years are as follows:

Vision Statement

Fair regulation for consumers and industry.

Mission

To ensure safe, reliable, economic public utilities to businesses and the people of the Cayman Islands.

Strategic Focus 2026 - 2027

For 2026 and 2027, the Office's strategic focus will be on building a more efficient, sustainable, and consumer-focused regulatory environment across all utility sectors.

Our efforts will be pursued as part of a single, integrated regulatory approach where consumer protection, sustainability, and reliability are central to every decision. By aligning oversight across energy, communications, water, and fuels, the Office will continue to deliver a framework that supports national policy objectives while protecting the long-term interests of consumers and the wider economy.

Strategic goals and objectives

The key strategic goals and objectives for *the Utility Regulation and Competition Office* for the 2026 and 2027 financial years are as follows:

- To maintain a minimum of 90-day operating expenses reserve for the organisation.
- To advance energy efficiency and supporting the transition to cleaner, more sustainable generation.
- To enhance the resiliency, redundancy, and reliability of communications networks as the backbone of national development.
- To modernising water licensing and oversight to safeguard quality, resilience, and affordability.
- To embed stronger regulation in the fuels sector to ensure transparency, security of supply, and fair pricing.

  To continue the assessment of the costs of regulating the fuel sector in comparison to the sector's related revenues and to determine appropriate action to resolve any deficiencies in

- resources with regard to the economic viability of this sector. This assessment will be completed by 31 December 2027.

- To continue reviewing corporate governance policies and procedures and update as required to enable the Utility Regulation and Competition Office to effectively carry out its functions under the various laws.

- To continue reviewing and enhancing IT governance policies and procedures as required to enable the Utility Regulation and Competition Office to effectively carry out its functions under the various laws.

- To review existing legislation and regulations and amend or make recommendations to Government to amend them as required to enable the Utility Regulation and Competition Office to enhance its' operating effectiveness.

- To continue Human Resources assessments to determine the following:

    - Identify skills gaps to cater to the evolving nature of the sectors which are under our remit,

    - Training and development opportunities for the enhancement of capabilities of staff in all sectors,

    Where practical, provide cross training opportunities within the organization.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Utility Regulation and Competition Office for the 2026 and 2027 financial years are as follows:

	2026 1 Jan to 31 Dec 2026 $000's	**2027 1 Jan to 31 Dec 2027 $000's**	**2025 12-Month Forecast $000's**
REVENUE FROM CABINET	2,010	2,010	1,780
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	20	20	20
REVENUE FROM OTHERS	5,177	5,472	4,523
OPERATING EXPENSES	7,214	7,485	6,681
OPERATING SURPLUS/DEFICIT	**(7)**	**17**	**(358)**
NET WORTH	**7,246**	**7,263**	**7,133**
CASH FLOWS FROM OPERATING ACTIVITIES	(7,883)	274	5,270
CASH FLOWS FROM INVESTING ACTIVITIES	(400)	(332)	(85)
CASH FLOWS FROM FINANCING ACTIVITIES	120	-	-
CHANGE IN CASH BALANCES	(8,163)	(58)	5,185

FINANCIAL PERFORMANCE RATIO	**2026 1 Jan to 31 Dec 2026**	**2027 1 Jan to 31 Dec 2027**	**2025 12-Month Forecast**
CURRENT ASSETS: CURRENT LIABILITIES	62.04:1	61.21:1	2.43:1
TOTAL ASSETS: TOTAL LIABILITIES	13.01:1	13.03:1	1.6:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027	2025 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	29.42	30.5	26.81
STAFF TURNOVER (%)			
MANAGERS	-	-	4
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	3.62	4.62	2.92
PROFESSIONAL AND TECHNICAL STAFF	5.95	6.95	6.36
CLERICAL AND LABOURER STAFF	15.3	16.3	14.4
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2026 1 Jan to 31 Dec 2026 $000's	2027 1 Jan to 31 Dec 2027 $000's	2025 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	7,849	7,866	18,987
ASSET REPLACEMENTS: TOTAL ASSETS	0.04:1	0.03:1	0.004:1
BOOK VALUE OF ASSETS: COST OF THOSE ASSETS	0.42:1	0.41:1	0.34:1
DEPRECIATION: CASH FLOW ON ASSET PURCHASES	0.40:1	0.59:1	1.13:1
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2026 1 Jan to 31 Dec 2026 $000's	2027 1 Jan to 31 Dec 2027 $000's	2025 12-Month Forecast $000's
IT SYSTEM UPGRADE	55	267	85
FURNITURE AND FITTINGS	250	-	-
VEHICLE AND EQUIPMENT PURCHASES	95	65	-
TOTAL	**400**	**332**	**85**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Inability to collect regulatory fees for a period of time due to unforeseen circumstances (ie. natural disaster)	Risk Unchanged	Maintenance of a general reserve fund	>$1m
Inability to stay current with industry standards and developments	Risk Unchanged	Investment in leadership and management training Attendance at key regulatory related conferences and training courses HR assessment to identify skills gaps, training and cross training opportunities Expanding organizational structure to strengthen the organization through the addition of key roles	Cannot be estimated
Loss of key personnel	Risk Unchanged	Expanding organizational structure to strengthen the organization through the addition of key roles Cross training, succession planning and performance assessments and recognition Develop a culture that fosters employee engagement and satisfaction	Cannot be estimated
Contingent liabilities - Threat of litigation	Risk Unchanged	Effective regulatory procedures and adequate insurance coverage	Cannot be estimated
Risk of financial fraud	Risk Unchanged	Ensure adequate internal controls are in place with proper payment authorizations. Checks are secured, and minimum cash is on hand	Cannot be estimated

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2025	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
IT Security Risk – the risk of an information security incident	Risk Unchanged	Enhancement of IT Security Risk policy Addition of IT Manager IT Systems Security Testing	Cannot be estimated
Reputational Risk	Risk Unchanged	Continuance of Public Relations and Communications plan Continuous engagement with Stakeholders Ensuring efficient and effective decision making on regulatory matters	Cannot be estimated
Force Majeure	Risk Unchanged	Maintenance of a general reserve Fund Enhancement of the business continuity/disaster recovery plan	Cannot be estimated

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Utility Regulation and Competition Office is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2026 1 Jan to 31 Dec 2026 $000's	2027 1 Jan to 31 Dec 2027 $000's	2025 12-Month Forecast $000's
REVENUE	7,207	7,502	6,323
OPERATING EXPENSES	7,214	7,485	6,681
NET SURPLUS/(DEFICIT)	(7)	17	(358)

BALANCE SHEET	2026 1 Jan to 31 Dec 2026 $000's	2027 1 Jan to 31 Dec 2027 $000's	2025 12-Month Forecast $000's
ASSETS	7,849	7,866	18,987
LIABILITIES	603	603	11,854
NET WORTH	7,246	7,263	7,133

STATEMENT OF CASH FLOW	2026 1 Jan to 31 Dec 2026 $000's	2027 1 Jan to 31 Dec 2027 $000's	2025 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(7,883)	274	5,270
CASH FLOWS FROM INVESTING ACTIVITIES	(400)	(332)	(85)
CASH FLOWS FROM FINANCING ACTIVITIES	120	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2026 1 Jan to 31 Dec 2026 $000's	2027 1 Jan to 31 Dec 2027 $000's
EQUITY INVESTMENTS INTO UTILITY REGULATION AND COMPETITION OFFICE	120	-
CAPITAL WITHDRAWALS FROM UTILITY REGULATION AND COMPETITION OFFICE	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY UTILITY REGULATION AND COMPETITION OFFICE	-	-
GOVERNMENT LOANS TO BE MADE TO UTILITY REGULATION AND COMPETITION OFFICE	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO UTILITY REGULATION AND COMPETITION OFFICE	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[49]	-	-
REMUNERATION[50] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	276	276
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,257	1,323

DESCRIPTION	2026 1 Jan to 31 Dec 2026	2027 1 Jan to 31 Dec 2027
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	7	7

[49] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[50] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Utility Regulation and Competition Office undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Utility Regulation and Competition Office will seek to achieve for the 2026 and 2027 financial years and that the Cabinet will monitor performance against.

Honourable Rolston Anglin, MP
Minister for Finance and Economic Development
On behalf of Cabinet

Chairman of the Board

Utility Regulation and Competition Office

31 December 2025

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2026 and 31 December 2027 and performance for the Utility Regulation and Competition Office for the financial years ending 31 December 2026 and 31 December 2027; and
c. Comply with generally accepted accounting practice.

Chairman of the Board

Utility Regulation and Competition Office

31 December 2025

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF ACCOUNTING POLICIES
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (“IPSAS”) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board (“IPSASB”). The significant accounting policies adopted by the Utility Regulation and Competition Office in these financial statements are as follows:

(a) Basis of preparation

The financial statements of the Utility Regulation and Competition Office are presented in Cayman Island dollars and are prepared on the accrual basis under the historical cost convention.

(b) Use of estimates

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of income and expenses during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(c) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statements date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of comprehensive income.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(e) Short Term Investments

Short-term Investments represent term deposits with banks or other financial institutions with original maturities of greater than three months but less than twelve months.

(f) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collectible by the Authority according to the agreed terms a provision for bad debt is established.

(g) Property, plant and equipment/depreciation and amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization, and any impairment losses.

Depreciation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of the property, plant and equipment and leasehold improvements are amortized over the life of the lease.

The estimated useful lives of the other fixed assets are as follows:

Office equipment and furniture	3 – 5 Years
IT equipment	3 Years
Computer Software	3 - 5 Years
Motor Vehicles	7 Years
Other Equipment	3 – 10 Years
Leasehold Improvements	5 Years

Management reviews the depreciation and amortization method and useful life periodically to ensure that they are consistent with the expected economic benefits from property, plant and equipment.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Office recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Office's activities described below.

Regulatory Fees - Regulatory Fees are the main source of revenue for the Office. Regulatory fees are collected from each sector, with revenue recognized from the administration of licensing arrangements with major licensees.

Services provided to the Government – The Office provides services to the Government which are established and defined through a Purchase Agreement. The purchase agreement details the outputs that the Government and the Office has agreed that the Office will deliver and the Cabinet will purchase in a particular fiscal year. Revenue is recognized when the performance obligations agreed in the purchase agreement are performed. Payments will be made on the basis of a quarterly invoice provided to the Government by the Office.

Licensing fees – The Office issues licences for specified services within the various sectors that it regulates. Revenue is recognized once the license has been issued or in some instances, revenue from application fees are recognized upon receipt of the application for the license.

Permit Fees – The Office processes applications for operating permits for premises and vehicles used to store or transport dangerous substances, under the Dangerous Substances Handling and Storage Act, 2017. The Office also processes applications for permits in relation to the importation of fuel and compressed gas and revenue is recognized once the permit has been issued.

KY Domain Fees – The Office has been delegated authority from the Government, in accordance with section 9(i) of the ICTA Act (2017) for the management and administration of the .ky internet domain. A domain name registration fee is charged upon initial registration of the domain and also at the time of renewal. Fees are charged to domain owners on an annual basis. Revenue is recognized once a domain name has been granted. The management of the .ky domain is contracted to a third party, who remits payment of the registration fees on a quarterly basis.

All application and licence fees are non-refundable.

(i) Operating lease

Lease payments are recognized as an expense on a straight-line basis over the lease term.

(j) Financial Instruments

(a) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are comprised of accounts payables and accrued expenses.

(b) Recognition

The Office recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the statement of comprehensive income.

(c) *Measurement*

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

(d) Derecognition

A financial asset is derecognised when the Office realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(k) Provisions and Contingencies

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Assets			
9,146,478	14,331,449	Cash and cash equivalents	1	6,168,940	6,111,131
-	-	Marketable securities and deposits		-	-
3,126,854	2,497,208	Trade receivables	2	628,705	584,278
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
156,731	156,731	Prepayments	5	172,404	189,645
-	-	Loans	6	-	-
12,430,063	**16,985,388**	**Total Current Assets**		**6,970,049**	**6,885,054**
		Non-Current Assets			
-	1,693,699	Trade receivables	2	331,292	311,414
-	-	Other receivables	2	-	-
-	-	Inventories	3	-	-
-	-	Investments	4	-	-
-	-	Prepayments	5	-	-
-	-	Loans	6	-	-
-	-	Pension Plan Surplus	15	-	-
318,776	307,419	Property, plant and equipment	7	547,734	609,669
-	-	Right-of-use assets	9	-	-
1,844	-	Intangible Assets	8	-	60,000
320,620	**2,001,118**	**Total Non-Current Assets**		**879,026**	**981,083**
12,750,683	**18,986,506**	**Total Assets**		**7,849,075**	**7,866,137**
		Current Liabilities			
4,774,893	6,950,581	Trade payables	11	86,470	86,470
-	7,735	Other payables and accruals	11	7,353	7,477
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Bank Overdraft	1	-	-
-	-	Unearned revenue	12	-	-
18,530	18,530	Employee entitlements	13	18,530	18,530
-	-	Current Portion of Borrowings	14	-	-
4,793,423	**6,976,846**	**Total Current Liabilities**		**112,353**	**112,477**
		Non-Current Liabilities			
-	4,386,045	Trade payables	11	-	-
-	-	Other payables and accruals	11	-	-
-	-	Lease Liability	9	-	-
-	-	Dividends/Surplus Payable	11	-	-
-	-	Unearned revenue	12	-	-
-	-	Employee entitlements	13	-	-
11,000	11,000	Unfunded pension liability	15	11,000	11,000
455,183	480,000	Unfunded post retirement health care	16	480,000	480,000
-	-	Currency Issued		-	-
-	-	Long Term portion of Borrowings	14	-	-
466,183	**4,877,045**	**Total Non-Current Liabilities**		**491,000**	**491,000**
5,259,606	**11,853,891**	**Total Liabilities**		**603,353**	**603,477**
7,491,077	**7,132,615**	**Net Assets**		**7,245,722**	**7,262,660**
		NET WORTH			
2,420,891	2,420,891	Contributed capital		2,540,891	2,540,891
2,600,000	2,600,000	Other Reserves		2,600,000	2,600,000
1,283,000	1,283,000	Revaluation reserve		1,283,000	1,283,000
1,187,186	828,724	Accumulated surpluses/(deficits)		821,831	838,769
7,491,077	**7,132,615**	**Total Net Worth**		**7,245,722**	**7,262,660**

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Revenue			
6,466,220	6,323,188	Sale of goods and services	17	7,206,830	7,501,952
-	-	Investment revenue	18	-	-
-	-	Donations	19	-	-
-	-	Other revenue		-	-
6,466,220	**6,323,188**	**Total Revenue**		**7,206,830**	**7,501,952**
		Expenses			
3,745,351	3,936,716	Personnel costs	20	4,667,740	5,097,226
1,590,023	2,206,505	Supplies and consumables	21	2,086,298	2,066,722
95,796	98,430	Depreciation and Amortisation	10	159,685	210,065
-	-	Impairment of Inventory, property, plant and equipment		-	-
-	-	Finance costs & overdraft interest (including lease interest)	22	-	-
282,208	440,000	Litigation costs	23	300,000	111,000
(29,430)	-	Other (Gains)/losses	24	-	-
-	-	Other Operating expenses		-	-
5,683,948	**6,681,650**	**Total Expenses**		**7,213,723**	**7,485,013**
782,272	**(358,462)**	**Surplus or (Deficit) for the period**		**(6,893)**	**16,939**

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		CASH FLOWS FROM OPERATING ACTIVITIES			
		Receipts			
-	445,000	Sale of goods and services to Cabinet		5,160,217	2,010,000
-	-	Sale of goods and services to Ministries/Portfolios		-	-
-	-	Sale of goods and services to Statutory Agencies and Government Companies		-	-
4,531,134	4,323,120	Sale of goods and services - third party		5,161,164	5,437,456
139,915	-	Interest received		-	-
-	-	Donations / Grants		-	-
4,770,792	9,200,000	Other receipts		-	-
		Payments			
(3,745,351)	(3,936,716)	Personnel costs		(4,667,740)	(5,097,226)
-	-	Supplies and consumables - Ministries/Portfolios		-	-
-	-	Supplies and consumables - Statutory Agencies and Government Companies		-	-
(2,026,972)	(2,461,206)	Supplies and consumables - third party		(2,285,786)	(2,076,039)
-	-	Interest paid		-	-
-	(2,300,000)	Other payments		(11,250,364)	-
3,669,518	**5,270,198**	**Net cash flows from operating activities**	25	**(7,882,509)**	**274,191**
		CASH FLOWS FROM INVESTING ACTIVITIES			
(82,000)	(85,227)	Purchase of property, plant and equipment		(400,000)	(332,000)
-	-	Proceeds from sale of property, plant and equipment		-	-
-	-	Purchase of investments		-	-
-	-	Proceeds from sale of investments		-	-
(82,000)	**(85,227)**	**Net cash flows from investing activities**		**(400,000)**	**(332,000)**
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	-	Equity Investment from Cabinet		120,000	-
-	-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	-	Borrowings		-	-
-	-	Repayment of Borrowings		-	-
-	-	Currency Issues		-	-
-	**-**	**Net cash flows from financing activities**		**120,000**	**-**
3,587,518	**5,184,971**	**Net increase/(decrease) in cash and cash equivalents**		**(8,162,509)**	**(57,809)**
5,558,960	9,146,478	Cash and cash equivalents at beginning of period		14,331,449	6,168,940
9,146,478	**14,331,449**	**Cash and cash equivalents at end of period**		**6,168,940**	**6,111,131**

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2023 brought forward	2,420,891	2,600,000	959,000	404,914	6,384,805
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2023	2,420,891	2,600,000	959,000	404,914	6,384,805
Changes in net worth for 2024					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	324,000	-	324,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	324,000	-	324,000
Surplus/(deficit)for the period 2024				782,272	782,272
Total recognised revenues and expenses for the period	-	-	324,000	782,272	1,106,272
Balance at 31 December 2024	2,420,891	2,600,000	1,283,000	1,187,186	7,491,077
Balance at 31 December 2024 brought forward	2,420,891	2,600,000	1,283,000	1,187,186	7,491,077
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2024	2,420,891	2,600,000	1,283,000	1,187,186	7,491,077
Changes in net worth for 2025					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2025				(358,462)	(358,462)
Total recognised revenues and expenses for the period	-	-	-	(358,462)	(358,462)
Balance at 31 December 2025 carried forward	2,420,891	2,600,000	1,283,000	828,724	7,132,615

UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2025 brought forward	2,420,891	2,600,000	1,283,000	828,724	7,132,615
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2025	2,420,891	2,600,000	1,283,000	828,724	7,132,615
Changes in net worth for 2026					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	120,000	-	-	-	120,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	120,000	-	-	-	120,000
Surplus/(deficit)for the period 2026				(6,893)	(6,893)
Total recognised revenues and expenses for the period	120,000	-	-	(6,893)	113,107
Balance at 31 December 2026 carried forward	2,540,891	2,600,000	1,283,000	821,831	7,245,722
Balance at 31 December 2026 brought forward	2,540,891	2,600,000	1,283,000	821,831	7,245,722
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2026	2,540,891	2,600,000	1,283,000	821,831	7,245,722
Changes in net worth for 2027					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2027				16,939	16,939
Total recognised revenues and expenses for the period	-	-	-	16,939	16,939
Balance at 31 December 2027	2,540,891	2,600,000	1,283,000	838,769	7,262,660

UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description change as applicable	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
460	460	Cash on hand	460	460
4,952,100	10,137,069	CI$ Account	1,974,560	1,916,751
393,918	393,920	US$ Account	393,920	393,920
3,800,000	3,800,000	Short-Term Fixed Deposits	3,800,000	3,800,000
9,146,478	**14,331,449**	**TOTAL**	**6,168,940**	**6,111,131**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,458,481	3,652,717	Sale of goods and services to Cabinet	477,500	477,500
988,423	888,190	Sale of goods and services - third party	529,497	462,420
(320,050)	(350,000)	**Less: provision for doubtful debts (Enter -ve number)**	(47,000)	(44,228)
3,126,854	**4,190,907**	**Total trade receivables**	**959,997**	**895,692**

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Trade Receivables	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current		
3,126,854	(102,955)	Past due 1-30 days	120,107	106,195
-	217	Past due 31-60 days	42	40
-	68,574	Past due 61-90 days	13,413	12,608
-	2,531,372	Past due 90 and above	495,143	465,435
-	-	**Non-Current**	-	-
-	1,693,699	Past due 1 year and above	331,292	311,414
3,126,854	**4,190,907**	**Total**	**959,997**	**895,692**

Changes in the provision of doubtful debts:

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(200,876)	(320,050)	Balance at beginning of period	(350,000)	(47,000)
(119,174)	(29,950)	Additional provisions made during the year	(39,294)	2,772
-	-	Receivables written off during the period	342,294	-
(320,050)	**(350,000)**	**Balance at 31st December**	**(47,000)**	**(44,228)**

NOTE 5: PREPAYMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Prepayments	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Prepayments		
156,731	156,731		172,404	189,645
156,731	**156,731**	**Prepayments - Current**	**172,404**	**189,645**
		Non-Current Prepayments		
-	-	**Prepayments -Non-Current**	-	-
156,731	**156,731**	**Total Prepayments**	**172,404**	**189,645**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Cost of Property, plant & equipment

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	197,235	13,887	211,654	103,115	214,852	740,742
Additions	-	-	55,757	26,452	-	82,209
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2024	197,235	13,887	267,411	129,567	214,852	822,951

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	197,235	13,887	267,411	129,567	214,852	822,952
Additions	-	-	30,227	-	55,000	85,227
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2025	197,235	13,887	297,638	129,567	269,852	908,179

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2026	197,235	13,887	297,638	129,567	269,852	908,179
Additions	13,000	-	60,000	215,000	112,000	400,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2026	210,235	13,887	357,638	344,567	381,852	1,308,179

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2027	210,235	13,887	357,638	344,567	381,852	1,308,179
Additions	-	-	144,000	-	113,000	257,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2027	210,235	13,887	501,638	344,567	494,852	1,565,179

UTILITY REGULATION AND COMPETITION OFFICE

NOTES TO THE FINANCIAL STATEMENTs (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated Depreciation and impairment losses

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2024	56,378	5,844	162,107	34,598	151,664	410,591
Transfers	-	-	-	-	-	-
Impairment Reserve 2024 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2024	26,193	2,777	30,508	15,601	18,504	93,584
Eliminate on Disposal or Derecognisation 2024	-	-	-	-	-	-
Balance as at 31 December 2024	82,571	8,621	192,615	50,199	170,168	504,175

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2025	82,571	8,621	192,615	50,199	170,168	504,174
Transfers	-	-	-	-	-	-
Impairment Reserve 2025 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2025	22,410	2,777	34,718	16,917	19,764	96,586
Eliminate on Disposal or Derecognisation 2025	-	-	-	-	-	-
Balance as at 31 December 2025	104,981	11,398	227,333	67,116	189,932	600,760

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2026	104,981	11,398	227,333	67,116	189,932	600,760
Transfers	-	-	-	-	-	-
Impairment change 2026	-	-	-	-	-	-
Depreciation Expense 2026	23,604	2,488	38,142	59,841	35,610	159,685
Eliminate on Disposal or Derecognisation 2026	-	-	-	-	-	-
Balance as at 31 December 2026	128,585	13,886	265,475	126,957	225,541	760,445

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2027	128,585	13,886	265,475	126,957	225,541	760,445
Transfers	-	-	-	-	-	-
Impairment change 2027	-	-	-	-	-	-
Depreciation Expense 2027	22,537	-	71,686	59,304	41,538	195,065
Eliminate on Disposal or Derecognisation 2027	-	-	-	-	-	-
Balance as at 31 December 2027	151,122	13,886	337,161	186,261	267,079	955,510

Net Book value 31 December 2024	114,664	5,265	74,795	79,367	44,684	318,776
Net Book value 31 December 2025	92,254	2,489	70,305	62,451	79,920	307,419
Net Book value 31 December 2026	81,650	1	92,163	217,610	156,311	547,734
Net Book value 31 December 2027	59,113	1	164,477	158,306	227,773	609,669

UTILITY REGULATION AND COMPETITION OFFICE

NOTES TO THE FINANCIAL STATEMENTs (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 8: INTANGIBLE ASSETS

Cost of Intangible Assets

	Computer Software	*Total*
Balance as at 1 January 2024	6,638	6,638
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2024	6,638	6,638

	Computer Software	*Total*
Balance as at 1 January 2025	6,638	6,638
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2025	6,638	6,638

	Computer Software	*Total*
Balance as at 1 January 2026	6,638	6,638
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2026	6,638	6,638

	Computer Software	*Total*
Balance as at 1 January 2027	6,638	6,638
Additions	75,000	75,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2027	81,638	81,638

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Accumulated Depreciation and impairment losses

	Computer Software	*Total*
Balance as at 1 January 2024	2,581	2,581
Transfers	-	-
Impairment Reserve 2024 (closing balance)	-	-
Depreciation Expense 2024	2,213	2,213
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2024	4,794	4,794

	Computer Software	*Total*
Balance as at 1 January 2025	4,794	4,794
Transfers	-	-
Impairment Reserve 2025 (closing balance)	-	-
Depreciation Expense 2025	1,844	1,844
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2025	6,638	6,638

	Computer Software	*Total*
Balance as at 1 January 2026	6,638	6,638
Transfers	-	-
Impairment change 2026	-	-
Depreciation Expense 2026	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2026	6,638	6,638

	Computer Software	*Total*
Balance as at 1 January 2027	6,638	6,638
Transfers	-	-
Impairment change 2027	-	-
Depreciation Expense 2027	15,000	15,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2027	21,638	21,638

Net Book value 31 December 2024	1,844	1,844
Net Book value 31 December 2025	-	-
Net Book value 31 December 2026	-	-
Net Book value 31 December 2027	60,000	60,000

NOTE 10: DEPRECIATION

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation Summary	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
93,584	96,586	Property Plant Equipment	159,685	195,065
2,213	1,844	Intangible Assets	-	15,000
-	-	Right-of-use assets	-	-
95,796	**98,430**	**Total depreciation expense**	**159,685**	**210,065**

NOTE 11: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Depreciation	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current Trade payables other payables and accruals		
388,848	86,262	Creditors Third party	86,470	86,470
4,386,045	6,864,319	Creditors Ministries/Portfolios	-	-
-	7,735	Other payables	7,353	7,477
-	-	Dividends/Surplus Payable	-	-
4,774,893	**6,958,316**	**Trade payables other payables and accruals - Current**	**93,823**	**93,947**
		Non-Current Trade payables other payables and accruals		
-	4,386,045	Creditors Ministries/Portfolios	-	-
-	**4,386,045**	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
4,774,893	**11,344,361**	**Total trade payables other payables and accruals**	**93,823**	**93,947**

NOTE 13: EMPLOYEE ENTITLEMENTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
		Current employee entitlements		
18,530	18,530	Annual Leave/Comp-time	18,530	18,530
18,530	**18,530**	**Total current portion**	**18,530**	**18,530**
		Non-current employee entitlements		
-	**-**	**Total non-current portion**	**-**	**-**
18,530	**18,530**	**Total employee entitlements**	**18,530**	**18,530**

NOTE 15: UNFUNDED PENSION LIABILITY

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25		12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
590,000	590,000	Value of pension fund allocated assets	590,000	590,000
(601,000)	(601,000)	Past service liability	(601,000)	(601,000)
(11,000)	**(11,000)**	**Fund (deficiency)/Surplus**	**(11,000)**	**(11,000)**

NOTE 16: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description Enter liability	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(455,183)	(480,000)	Defined benefit liability- post retirement healthcare	(480,000)	(480,000)
(455,183)	**(480,000)**	**Total Unfunded Health Care Liability**	**(480,000)**	**(480,000)**

NOTE 17A: SALES OF GOODS AND SERVICES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Revenue type	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
4,531,134	4,443,188	Fees and Charges	5,146,830	5,441,952
-	-	General Sales	-	-
-	-	Rentals	-	-
256,662	100,000	Other Goods & Services Revenue	50,000	50,000
1,678,424	1,780,000	Sale of goods and services to Cabinet	2,010,000	2,010,000
-	-	Sale of goods and services to Other Ministries and Portfolios	-	-
6,466,220	**6,323,188**	**Total sales of goods and services**	**7,206,830**	**7,501,952**

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	*Fees and Charges*	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
3,488,355	3,555,000	Regulatory Fees	4,015,000	4,300,000
568,262	526,938	Licensing Fees	746,705	756,827
245,051	250,000	ky domain fees	265,000	265,000
229,466	111,250	Permit Fees	120,125	120,125
4,531,134	**4,443,188**	**Total Fees & Charges**	**5,146,830**	**5,441,952**

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Other Goods & Services Revenue	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
256,662	100,000	Other Income	50,000	50,000
256,662	**100,000**	**Total Other Goods & Services Revenue**	**50,000**	**50,000**

		Sales of Outputs to Cabinet		
1,678,424	1,780,000	Sales of Outputs to Cabinet	2,010,000	2,010,000
		Other Outputs		
1,678,424	**1,780,000**	**Total Sales of Outputs to Cabinet**	**2,010,000**	**2,010,000**
		Other Interdepartmental Revenue		
		Revenue from Ministries/Portfolios		
-	-	Revenue from Statutory Authorities and Government Companies	-	-
-	**-**	**Total Other Interdepartmental Revenue**	**-**	**-**
6,466,220	**6,323,188**	**Total Goods and Services**	**7,206,830**	**7,501,952**

NOTE 20: PERSONNEL COSTS

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
2,799,717	2,860,625	Salaries, wages and allowances	3,368,104	3,645,304
84,564	48,000	Health care CINICO	52,800	58,080
443,811	561,448	Health care other	678,655	790,734
313,536	354,718	Pension	424,381	459,308
25,152	-	Leave	-	-
78,572	111,925	Other personnel related costs	143,800	143,800
3,745,351	**3,936,716**	**Total Personnel Costs**	**4,667,740**	**5,097,226**

NOTE 21: SUPPLIES AND CONSUMABLES

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
11,201	23,300	Supplies and Materials	17,270	20,830
966,302	1,381,652	Purchase of services	1,245,519	1,247,672
256,206	339,136	Lease of Property and Equipment	301,089	312,310
80,469	92,820	Utilities	88,230	89,720
32,708	29,900	General Insurance	41,600	41,600
70,000	70,000	Interdepartmental expenses	70,000	70,000
37,457	78,747	Travel and Subsistence	52,590	52,590
135,680	190,950	Recruitment and Training	270,000	232,000
1,590,023	**2,206,505**	**Total Supplies & consumables**	**2,086,298**	**2,066,722**

NOTE 23: LITIGATION COST

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
282,208	440,000	Legal Fees	300,000	111,000
-	-		-	-
282,208	**440,000**	**Total Litigation cost**	**300,000**	**111,000**

NOTE 24: OTHER GAINS / (LOSSES)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Descriptions	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
(29,430)	-	Net (gain) / loss on disposal of property, plant and equipment	-	-
(29,430)	**-**	**Total gains/ (losses)**	**-**	**-**

UTILITY REGULATION AND COMPETITION OFFICE

NOTES TO THE FINANCIAL STATEMENTs (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2026 AND 31 DECEMBER 2027

NOTE 25: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Actuals Ending Dec-24	12-Month Forecast Ending Dec-25	Description	12-Month Budget Ending Dec-26	12-Month Budget Ending Dec-27
782,272	(358,462)	**Surplus/(deficit) from ordinary activities**	(6,893)	16,939
		Non-cash movements		
95,796	98,430	Depreciation & Amortisation	159,685	210,065
(29,430)	-	(Gain)/losses on sale of property plant and equipment	-	-
		Changes in current assets and liabilities:		
268,000	24,817	(Increase)/decrease in other current assets - Cabinet	-	-
(1,682,000)	(1,064,055)	(Increase)/decrease in other current assets - Other	3,430,239	47,187
-	-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	(4,386,045)	-
4,234,879	6,569,468	(Increase/(decrease) in current liabilities - Other	(7,079,495)	-
3,669,518	**5,270,198**	**Net cash flows from operating activities**	**(7,882,509)**	**274,191**

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