



AUDITOR GENERAL'S OFFICE

Malé, Republic of Maldives

Date: 08 July 2014

No. (PR) 7-STKH/7/2014/33

Press Release

Subject: Auditor General's report to the shareholders and Board of Directors of State Electric Company Limited.

We have issued the audit report to the State Electric Company Limited on 29 June 2013 and published the same on our website www.audit.gov.mv.

As per the audit findings, the accompanying financial statements give a true and fair view of the financial position of State Electric Company Limited as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, No. 10/96, of the Republic of Maldives.

However, the Auditor General has qualified his on the financial statements for the following reason:

The property, plant and equipment of the Company were revalued by an independent external valuer during the year 2011. Accordingly, the assets having net book value of MVR 434,455,893 as at 31 December 2011 were revalued for MVR 847,932,997 and a revaluation surplus of MVR 413,477,104 was recognized in the books of account. However the revaluation report excluded assets having net book value of MVR 26,661,392 as at 31 December 2011 and the Company accounted these assets at their respective net book values based on historical cost. International Accounting Standard – 16 Property, Plant and Equipment requires valuation of the entire class of property, plant and equipment, when a particular item of property, plant and equipment is revalued. Therefore, in the absence of valuation of these assets, we are unable to conclude whether the sum of MVR 15,285,308 included in the property, plant and equipment of MVR 1,526,657,815 and revaluation reserve of MVR 314,096,754 at the balance sheet date are fairly stated.

Stakeholder Relations
Auditor General's Office

