

VERBATIM NOTES OF MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS , HELD IN THE COMMITTEE ROOM (WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON TUESDAY, 5th JUNE, 2018 AT 10.59 A.M.

Submittee/ Interviewee: Energy Fiji Limited

In Attendance:

- | | | | |
|----|-------------------|---|--------------------------------|
| 1. | Mr. Bobby Naimawi | – | Acting Chief Executive Officer |
| 2. | Mr. Shalen Prasad | – | Finance Manger |
| 3. | Mr. Umesh Chandra | – | Manager IT |
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DEPUTY CHAIRPERSON.- Honourable Members, members of the media, Officials from the Office of the Auditor-General (OAG), Parliament secretariat staff and in particular, resource personnel from Energy Fiji Limited (EFL). I welcome you all to the meeting of the Public Accounts Committee dated 5th June, 2018. We are here to discuss issues that we send to EFL in regards to the 2015 Audit Report on State-Owned Entities (SOEs) and Statutory Authorities (SAs).

I welcome you, Sir, Acting CEO and your team and without further ado, if you could just very briefly introduce your team and provide a bit of background knowledge on the entity. Perhaps, just out of interest, this new divestment of shares scheme that EFL is currently undertaking, just for the information of the Committee. Thank you.

MR. B. NAIMAWI.- I would like to introduce my colleagues.

(Introduction of EFL Team)

In terms of the Company, I am sure all of you are aware that we have made some changes as part of Government's plan to diverse the Company and that has gone through the first phase which is to corporatise the Company.

Through that corporatisation process, we have changed our name from Fiji Electricity Authority (FEA) to Energy Fiji Limited (EFL). Likewise, we are going through a process to divest some of the Company shares as intended by Government and that is, to pump out around 5 percent of the shareholding to the current account holders of the new Company, EFL.

Obviously, Government's intension is to try and divest 49 percent of the shareholding in the near future. That is probably the update from the new entity called EFL.

DEPUTY CHAIRPERSON.- Thank you, Sir. I do understand that this is a policy matter, the change in name but some of the underlying reasons could be because EFL is more intensifying in terms of renewable energy or other sources of energy? Is that the reason why?

MR. B. NAIMAWI.- Yes. The Honourable Minister have come out publicly on the reason for the change in name but obviously, one of the reason for changing name is to align it to the company set, it is a limited liability company.

DEPUTY CHAIRPERSON.- Thank you. Honourable Members, any questions on introductory remarks?

HON. A.M. RADRODRO.- Deputy Chairperson, just a question on the share issue. You mentioned 5 percent, can you just clarify 5 percent of what?

MR. B. NAIMAWI.- This is made public too that Government will own 51 percent shareholding of the Company. Out of the 49 percent, 5 percent will be pumped out to the debt or the electricity account holders of customers in EFL and the other 44 percent will be sold to a cornerstone investor or institution buyer.

HON. A.M. RADRODRO.- (Inaudible)

MR. B. NAIMAWI.- Yes, 5 percent of the total shareholding, the shareholders' value as at 31st December, 2017.

HON. A.M. RADRODRO.- That is valued at...

MR. B. NAIMAWI.- The unaudited value is \$696 million close to \$700 million.

DEPUTY CHAIRPERSON.- I also got a message, encouraging me to become part of shareholding because I am one of the account holders. So my registration as a shareholder can be done through a phone call, I believe?

MR. B. NAIMAWI.- Yes, there are various processes you can do this. You can come physically to one of our locations and we encourage those who have not registered to come forward. Either you can physically attend to one of our locations Fiji-wide it is published in the newspaper or you can fill it online.

You go to our website and fill it online. When you fill it online, it requires you to provide an identification. You scan the identification, attach it online and submit it to EFL but otherwise, you can do it physically as well. You can come over to any of our locations and the locations are published daily in the *Fiji Sun*. So we encourage members of the general public to come over and register for shares.

DEPUTY CHAIRPERSON.- So when you say location, it can be a nearby...

MR. B. NAIMAWI.- Yes, for Suva, you can come over to the EFL Head Office or the other location in Suva is at the old FVB Bureau opposite Telecom. We have set up a booth there. Also, we have set up one at RB Patel. There are two in Nausori and one in Nakasi for the Suva region, and also we have set up one in Navua Town, Vunidawa and all the Western towns and cities, including the North.

DEPUTY CHAIRPERSON.- So, since it requires an ID, how does that accommodate through a phone call that we make?

MR. B. NAIMAWI.- I am not too sure about the phone call but as far as my knowledge about the application, you can do it either online because it requires some kind of substantive identification and under the application, the criteria is very clear that either you give your voter registration as a proof of Fiji citizenship and that you are based in Fiji, or a passport, so I think you cannot do that through a phone call.

HON. A.D. O'CONNOR.- Honourable Deputy Chairperson, on that shareholding, there is a certain criteria that the account holders must meet as a certain income threshold, is that correct?

MR. B. NAIMAWI.- Correct, yes.

HON. A.D. O'CONNOR.- So not everyone can

MR. B. NAIMAWI.- The share is divided into two, as you rightfully pointed out, Sir.

The first part is to cater for the subsidised customers of EFL, those who are living below the threshold income of \$30,000. So those particular customers are given 250 percent of shares. Those who are above the \$30,000 income threshold and can afford it, they are given 150 percent of shares.

HON. A.M. RADRODRO.- Thank you, Acting CFO. Can you just tell the Committee on the basis of pre-pay, the ones in the villages, are they subsidised or unsubsidised?

MR. B. NAIMAWI.- Most of the pre-paid according to our database will fall in the subsidised category so obviously they will get 250 percent, because they have registered and most of them registered their total household income to be less than \$30,000 per annum.

HON. A.M. RADRODRO.- Regarding villages and settlements, for meters that are connected to churches, village halls and schools, what about the ownership of that?

MR. B. NAIMAWI.- The criteria is very straightforward, that you must be a natural person born in Fiji then you must hold a status of citizenship of Fiji. So obviously a church cannot be the natural person, so they will not qualify for this shareholding. You must be a natural person born in Fiji, you must be a citizen of Fiji and then you must produce proof of

citizenship, either through voter registration card or passport. So obviously a church will not have a passport.

DEPUTY CHAIRPERSON.- Thank you Acting CFO, just continuing on, because this is a very important matter for those people who are interested in getting registered. In case there is a loss, it will not affect the person who is given the opportunity to be the shareholder, am I correct?

MR. B. NAIMAWI.- Can you clarify the loss?

DEPUTY CHAIRPERSON.- Let us say, if for some reason, EFL makes a loss, will not affect the shareholding?

MR. B. NAIMAWI.- Yes, it will not affect the shareholding. It is basically just like normal private company, when there is a loss we do not send any dividend. Dividend is based on profitability.

DEPUTY CHAIRPERSON.- Thank you.

MR. B. NAIMAWI.- So you maintain your status of shareholding with that company but you always have the option to sell your shares.

DEPUTY CHAIRPERSON.- Thank you. Honourable Members, any questions?

We will move on to the actual audit issues that we had sent and I now give the opportunity to you, Acting CFO, or your designated speaker to take us through your written submission.

MR. B. NAIMAWI.- Deputy Chairperson, just a matter of clarity, we were a bit confused on the matters that we were supposed to cover this morning session, because we were basically referring to the entire audit issues that were raised, based on the 2015 Audit. Fortunately, we managed to discuss that with the OAG just before we came into the room. So the question is basically only to one issue, that is, the fixed asset physical account, am I correct?

DEPUTY CHAIRPERSON.- Yes, because what happened, the OAG changed the reporting format for GCCs and one of it being EFL.

What they did was, they only highlighted the main and stringent issues. I mean, I am sure there must have been other issues as well ...

MR. B. NAIMAWI.- Correct, yes.

DEPUTY CHAIRPERSON.- ... but the ones they deemed it necessary to be discussed as the most important issue out of all, that is the one they are mostly focussing on. And this is not only for EFL, it is for other entities as well, so on that note since you had put this forward, we actually had a special meeting with the OAG and we did give them some

suggestions as to how they can accommodate more information because this has been a very sudden change in format.

So as much as I must understand that you might have been confused when you actually saw the actual audit issues appearing there, we were as well but as of now as we speak, the format will remain until and unless they decide to change it in the future because they have that independence to do so. Thank you.

MR. B. NAIMAWI.- Thank you so much, Sir, for that.

In terms of the physical count of the assets of the new company, EFL, just to note, Honourable Members, that EFL would be one of the biggest companies in Fiji with the largest asset base. I would say it would be in the top three besides Fiji National Provident Fund (FNPF) and obviously Fiji Airways, if I am right.

We are a billion-dollar company and to do a physical verification of a billion-dollar company, it would have been a very exhaustive exercise. But in the paper that we have responded to, we are trying to do this in a stage approach, so if you take the year 2015, our total asset base was about \$1.3 billion and obviously because our asset is physically feasible, bulk of it in terms of the asset itself.

For example, out of that \$1.3 billion, about \$600 million of that is associated with hydro dams and we know that the largest asset in EFL is the Monasavu Dam. Then we built the second hydro asset which is called the Nadarivatu Hydro in 2012. So both of them combined, is almost half of what is the requirement of an asset.

Second to that is all our network and power generation assets, that is about another half a billion. So while the exercise to physically verify is quite exhaustive, we have put a plan and submitted that to the Public Accounts Committee.

But the rationale behind the physical verification of those assets is very simple. If that asset does not exist today, then obviously customers will be jumping because that asset is required to be physically present for power supply to be supplied through those assets and then to obviously, supply customers. That is one point, but that is not an excuse for EFL not to go and count the assets.

We have put a plan in place which we have started in 2016 and Mr. Shalen Prasad, after this meeting, will give you some of the verifications that we have started this exercise.

We have started with the small, low-hanging fruit asset, I would call it, like computers. We have identified computers throughout our company, then we tag the computers and then that number that we have tagged the computer physically with is the same number that we have allocated in the Fixed Assets Register in the system. So that is the first exercise we have done, and we have completed.

The next one that we have is motor vehicles. Motor vehicles are very straightforward too, so we do not want to put a new numbering to the vehicle to complicate it. Whatever is the vehicle number, that is the vehicle that we have tagged in our system as the number of the vehicle. For example, FB735 is a vehicle so that number is tagged in the system as the physical identification of the vehicle that is running outside. To simplify it because if we put a separate number on that vehicle, then obviously we have to look for a place in the vehicle to put those numbering.

(Inaudible)

MR. B. NAIMAWI.- Yes, just tagging and simplify it.

The one that we are doing and it is in the process right now, and this is part of the divestment exercise, is to identify all the land belonging to FEA and transfer them to EFL. To identify this land you have to go through a process of verifying the titles, so I would say we are 90 percent of that exercise at the moment. There is a bit of titles that we have identified but we could not match it to a relevant title. Obviously, we have to go through a legal process to do this and we are working closely with the Solicitor-General's Office to identify this balance of 5 percent to 10 percent of land.

Otherwise, again we will give you a copy of whatever land title we have managed to match with the physical land on the ground and then we have tagged that land in the system using the land title for simplicity purposes. We do not want to recreate another numbering system for that, so if tomorrow someone comes and asks, 'What is this particular land located in Ba? What is the title?' We can straightaway go into the system and give the title of that land.

Also part of this exercise, we were trying to get all the copies of the titles and archive them, so archive them in the system and also physically in the physical archive. That, we are doing at the moment with the land.

We are trying to tag the land by just using the land title number. Obviously, the two big assets - the generation and network asset will come later. We are trying to do this for a practical reason, for example, for land, you cannot identify the land and go and put one number on the land, that is impossible and not practical. What we are trying to do again for land is the title number becomes the tagging number for that particular land.

HON. A.D. O'CONNOR.- Just a question for you, on the land, Acting CEO, how about the land that is occupied at the moment by the 32 kVA Towers that is running from Wailoa to Cunningham and also to Vuda?

MR. B. NAIMAWI.- We do not actually get a title on those land, we just get the willing clearance they call it, but we pay a lease for that willing clearance.

DEPUTY CHAIRPERSON.- Sir, in terms of the EFL facilities which are located in shared properties, in this case I am talking about a case of Nagado where we have the water

treatment plant and we have a plant that belongs to FEA. In regards to shared spaces, how does the titles or the recognition of those particular areas will be for EFL?

MR. B. NAIMAWI.- When we acquired that piece of land, it was initially owned by PWD which is now Water Authority of Fiji (WAF). By then when we engaged with WAF which was a good project for Fiji I would say because of the limited resources, we got a bite of two cherries from the same project. The same water that is supplying the whole of the Western Division, before it actually go into the pipeline to supply, it produces energy.

But in terms of the land you were asking, we sub-lease that land to FEA from WAF so that part of the land where the power station is sitting belongs to FEA or EFL now. Otherwise, it is a good project for Fiji. It will take a bit of time to convince the technicality of the project because hydro, what we look at is the head of the project, the gravity, whereas water is just pressure and pipeline. In this case here, we try to balance both of them so that the outcome benefits Fiji; it is a renewable energy and the same water is piped to fill the Western Division's water system.

DEPUTY CHAIRPERSON.- Thank you, Sir. In terms of other technical assets belonging to EFL, in this particular case I am talking about the power lines. Also out of interest, how do you give value to that when it comes to it being the fixed asset of your entity?

MR. B. NAIMAWI.- There are various ways to value an asset; you can do a business valuation of an asset or you can just do a valuation to recognise the fair value in your books. There are various ways to do a valuation. If you do a business valuation of FEA, then obviously we do not go to the nitty-gritty of the asset. You take what is called, a goodwill of the company in future. What will be the goodwill of FEL, say for 20 or 30 years from now and that obviously will be the interest of whoever wants to come and buy EFL.

If you are doing an evaluation just to recognise the fair value of the asset in our books, then we will have to go to individual asset. So, if you do that exercise, then obviously we will have to cover every pole, every dam and every cable, and do a valuation because the Honourable Aseri Radrodro will know this, that when you book an asset into your books for accounting, it started to depreciate over time. And then as you bring in a new asset the value of that asset will be more than the depreciated value. So, sometimes in the future you will need to do a valuation of those assets so that if it is giving you the benefit to the company, then obviously that benefit needs to match up against the depreciation of that asset. That is why that valuation is important along the way in terms of the life of the asset but that is basically just purely accounting valuation but if you want to sell the business then obviously you have to do what is called discounting cash flow basis valuation.

DEPUTY CHAIRPERSON.- Honourable Members any question? So, there is a breakdown of the valuation of the assets and this is a general breakdown but specifically taking into account the actual value. So, the first one being land and building, generation assets and thirdly being network and generation assets. Sir, if you do not mind explaining

why is generation assets repeated included with network and generation assets and generation assets separately? So.

MR. B. NAIMAWI.- The first part of the generation is specifically the two hydro big products.

DEPUTY CHAIRPERSON.- The two hydros

MR. B. NAIMAWI.- In the past, I am talking about twenty, thirty years ago, when accountant during those days were registering the assets in to the accounting system, they were not thinking of what will be the accountant thirty years from now see this asset. So, they lump everything into one group. So, the difficulty that we are facing today is to try and isolate the asset so in that particular one, what they did was they put all the generation and the network asset into one and I am specifically referring it to a diesel power station. So, the diesel power station are also part of that distribution and networking asset.

DEPUTY CHAIRPERSON.- So when we speak about the third generation assets it deals with those which require fossil fuels I believe like diesel, generation plan.

MR. B. NAIMAWI.- So, today when we take over a new asset we are very careful on how we take it into what is called the Fixed Asset Register, so that ten years from today if someone wants to go and analyse that asset they have got all the information available for that asset and it is not merged or consolidated with another asset. It makes it very difficult and particularly from a selling point of view. If you want to sell that asset and it is joined with another asset it is very difficult to know what the book value of that asset is.

DEPUTY CHAIRPERSON.- Sir, what convincing roles for shareholders does these schemes like the one we have at Nabou Green Energy Plant. How does that intensify or acts as what you call as an attraction for schemes like that for people to buy shares for EFL? What are the advantages of those schemes to EFL?

MR. B. NAIMAWI.- The good thing about that scheme from a learning point of view because when there is a particular renewable energy project, the question is whether EFL does it or someone else should do it. However, if EFL does it then obviously you have to put that borrowed money or loan into EFL's balance sheet. So, obviously when you put loans in a balance sheet then it becomes a risky balance sheet. So, there is a term called to de-risk that balance sheet. To de-risk that balance sheet, you get someone from outside to do it and for that you just buy the energy from them and that is basically the arrangement with these independent power producer because EFL has got limitation on its balance sheet, in some of the ratios. Industry-wise for Energy Company, the gearing cannot be more than 45 percent.

So, if we continue to put all the projects into EFL's balance sheet once it goes above 45 percent it becomes a very risky organisation which means the debt probably will be viewed as higher than the shareholder's.

When the company becomes liquidated or insolvent then you do not have enough asset to repay the debt on the balance sheet. So, that is the reason why we encourage private investors to also come and participate particularly on the generation side. But if that project is a good one, I would say, a project that gives a high return to EFL on a stand-alone basis which means the project can pay off the loan then obviously will take on those projects.

The biomass is quite a risky part of renewable energy project because you have to go and look for the fuel source just like looking for timber every day; to burn the timber and create energy whereas for hydro you just need to put a catchment, fill water into that catchment and then you do not have to worry about collecting the wood on a day to day basis. That is the difference between the two. So, for a project that has got operational high risk like the biomass, we get the private players to come and do it.

Secondly, we do not have the expertise to run very specialised plants. So, we get the right players to come and do it as well.

DEPUTY CHAIRPERSON.- Thank you. That was a very clear and educational explanation.

HON. A.M. RADRODRO.- Deputy Chairperson, supplementary question to Acting CEO. Just a clarification, your land and buildings and generation assets, the value that you put in. Generation assets, you mentioned associated with Monasavu and Nadarivatu Hydro Schemes. What are those assets that are in these generation assets?

MR. B. NAIMAWI.- Monasavu, if you take a hydro project has got a different component and that is the reason why I said earlier that when they did the Monasavu Hydro and capitalised it into a fixed assets register, they should have done it by component. For example, a hydro will have a weir. A weir is just like a retaining wall to collect water. Very high civil work required and the pressurised weir must be able to take any force of water and collect it.

Secondly, it has to build a tunnel at the head or at a gravity so that it can spin the turbines at the downstream of the power station. So, you have a high pressured tunnel and a low pressured tunnel as part of the hydro project. Obviously, at the end of that tunnel you have a power station where energy is produced. This is where the big turbines are placed and the force of the water comes in and spins these turbines. So, what we are trying to do now, we are trying to capture every aspect of that asset. We have done that for Nadarivatu but unfortunately Monasavu when it was built those days, they just put Monasavu into one category of asset.

HON. A.M. RADRODRO.- I am just trying to get clarification in terms of whether the land is also part of this generation asset?

MR. B. NAIMAWI.- Land is kept separately and it will be part of the land and building.

HON. A.M. RADRODRO.- The water that is used for generation?

MR. B. NAIMAWI.- Water is not valued, basically because it is given by God.

HON. A.M. RADRODRO.- For Monasavu Dam, where is it coming from?

MR. B. NAIMAWI.- It comes through all the rivers.

HON. A.M. RADRODRO.- Creeks.

MR. B. NAIMAWI.- For Nadarivatu, we have two main river streams.

Qaliwana River and there is another stream just parallel to Qaliwana that flows in and connects into the Nadarivatu Weir. It is the retaining wall across the river. So we built the water to a certain level then we have the tunnel that takes the water to the power station. The power station is located at about 1.5 kilometres to 2 kilometres at a gravity. It must go at a gravity.

HON. A.M. RADRODRO.- Just trying to get clarification because in some areas the term “water” is a mineral especially for mineral water but FEA is not terming water as mineral because of these collection points.

MR. B. NAIMAWI.- This is purely rain water. I think the mineral water is borehole water. You have to go really deep inside (underground). So, these are collected water.

HON. MEMBER.- (Inaudible)

MR. B. NAIMAWI.- Yes, they have to drill underground to get that water.

HON. A.M. RADRODRO.- (Inaudible)

MR. B. NAIMAWI.- No, no.

HON. RATU N.T. LALABALAVU.- Honourable Deputy Chairperson, through you. I seek some clarification again from Acting CEO on this issue of water. Did the FEA pay royalty on the amount of water that is used to generate the units of electricity?

MR. B. NAIMAWI.- You are correct, Sir. Apart from the land lease that we pay the landowners, we also pay royalties to the landowners on every water that is converted to energy.

HON. RATU N.T. LALABALAVU.- And that is the very point that has been raised by Honourable Aseri Radrodoro.

DEPUTY CHAIRPERSON.- (Inaudible)

HON. RATU N.T. LALABALAVU.- Come again, Sir.

DEPUTY CHAIRPERSON.- (Inaudible)

HON. RATU N.T. LALABALAVU.- It comes to the same thing that they have in New Zealand.

MR. B. NAIMAWI.- Correct.

HON. RATU N.T. LALABALAVU.- The New Zealand Government was trying to dispose some of its companies that were running hydros and all that. One of the major issues that cropped up was the rights of the resource owners on the usage of water. That is exactly where Honourable Aseri Radrodro is coming from. This has already been passed in the House, there being no royalty, water was excluded from it.

MR. B. NAIMAWI.- But otherwise, Sir, in our case we pay water royalty to the landowners for every water that is converted to energy.

HON. RATU N.T. LALABALAVU.- Thank you, Sir.

DEPUTY CHAIRPERSON.- So interesting. Honourable Members, any more questions?

HON. A.M. RADRODRO.- Land and building - some of the areas that you have identified are all native land. So are those still recorded as part of your assets?

MR. B. NAIMAWI.- Yes, it is. All native lease are recorded as part of the assets of EFL and obviously we amortise this lease over the life of the lease. Most of these leases are 99 years old lease.

DEPUTY CHAIRPERSON.- Office of the Auditor-General, there was only one pertinent issue which was in regards to the valuation of the fixed assets. The valuation is given in the submission. We just want confirmation from your good office, is that fine, these values that are there or is it subject to more audit?

OAG REP.- Thank you, Deputy Chairperson. The comments are noted from EFL. There are some valuations that are still ongoing which I believe will be completed in 2018. So we would be in a better position to confirm that in our 2018 Audit. We have noted a significant progress done by EFL in terms of valuations done to the other type of assets. So we will keep this as our follow-up issue and again we will follow it up in our 2018 Audit for its completion.

DEPUTY CHAIRPERSON.- I believe 5 percent to 10 percent valuation is still left, but so far as we speak, let us say if 90 percent of the valuation is done, is that satisfactory for the Office of the Auditor-General?

OAG REP.- That should be satisfactory based on the comments of EFL. However, we would like to have a verification of that in our 2018 Audit as well since there are some that are still ongoing.

DEPUTY CHAIRPERSON.- Thank you, Honourable Members. Any more questions before we conclude? Acting CEO, any final comments before we conclude? You have something else to discuss, Sir?

MR. S. PRASAD.- Thank you, Deputy Chairperson and Honourable Members as Acting CEO has emphasised on the physical verification of the assets, we have also provided a copy of the fixed asset register card to the Office of the Auditor-General and they have vetted and confirmed that we have commenced with the exercise that the Acting CEO has mentioned. And also for the Honourable Members, Deputy Chairperson, we also have a copy that will be circulated so that you confirm and vet the fixed assets register now maintained by EFL has got a tagging of its assets. Thank you.

MR. B. NAIMAWI.- Mr. Deputy Chairman, I think that is about it and I must thank the Public Accounts Committee.

HON. A.M. RADRODRO.- Mr. Chairman one last question, Acting CEO. Can you just give us the details of the rate of royalty that you are currently paying on water? And whether it is been reviewed or is going to be reviewed now with the name change and privatisation process going on?

MR. B. NAIMAWI.- Currently for Nadarivatu we are paying about 50 cents on the unit generated. The TLTB normally reviews this rate every now and then.

HON. A.M. RADRODRO.- When was the last time?

MR. B. NAIMAWI.- I cannot recall the last review.

HON. A.M. RADRODRO.- For Monasavu, what is the rate?

MR. B. NAIMAWI.- Monasavu is 50 cents.

HON. A.M. RADRODRO.- Nadarivatu is also 50 cents?

MR. B. NAIMAWI.- 60 cents; both are 60 cents.

HON. A.M. RADRODRO.- Per unit of electricity?

MR. B. NAIMAWI.- Yes. If I am correct, it is megawatt hour energy.

HON. A.M. RADRODRO.- Thank you. Mr. Deputy Chairman.

DEPUTY CHAIRPERSON.- Thank you Acting CEO, any final comments before we conclude?

MR. B. NAIMAWI.- Thank you Mr. Deputy Chairman. I just want to thank the Public Account Committee for inviting EFL this morning. I hope that we have answered all the questions and some of the issues raised by the Public Accounts Committee. If we have not answered your questions, you are most welcome to come over to EFL and we are prepared to discuss any other issues that you think has not been answered this morning.

DEPUTY CHAIRPERSON.- Since fixed assets is a main issue and we intend to write something in our report. These are the codes of the assets, right?

MR. B. NAIMAWI.- You want to explain that, Sir?

DEPUTY CHAIRPERSON.- But it does not have value to it, it is only the code.

MR. S. PRASAD.- Mr. Deputy Chairman it does have, it is the accounting system that EFL is using to track the assets. The sheet that you are looking at, one is this cost centre. Cost centre means which division that asset belongs to and if you look on the other side it is called the locations. So all those locations will tell you exactly where our assets are located.

DEPUTY CHAIRPERSON.- So we have to related these codes to...

MR. S. PRASAD.- Right, that is why I had given a separate sheet so that we are able to identify the values - these are the places where our assets are located. Very easy to identify in our accounting system.

DEPUTY CHAIRPERSON.- So we will use these codes to complement with the actual value.

MR. S. PRASAD.- Every asset card has got the description of the asset type together with the cost centre and location. The cost centre tells which division the asset is and the location tells us where the asset is located.

DEPUTY CHAIRPERSON.- Thank you. Honourable Members I believe that is all and I thank you Acting CEO for your indulgence, your time and for enlightening us a bit more about the organisation itself. We only have the best wishes for you and your team especially the divestment of shares EFL which is striving for. Thank you.

The Committee adjourned at 11.39 a.m.