

Finnish Transport Agency

Ministry of Transport and Communications

SGEI entrustment decision 19.12.2011, 5788/0920/2011

Explanation of the costs of SGEI services in 2012 and the parameters for calculating them

The Finnish Transport Agency issued an entrustment decision for a public service obligation to ensure state waterways services for a specific period (19 December 2011, 5788/090/2011).

Meritaito Oy now provides the following report in accordance with the decision on costs incurred in the public service obligation and the parameters for calculating them.

General

The provisions of Article 5 of EU Commission Decision 2005/842/EC have applied to the amount of compensation and what it consists of.

The provisions of the Finnish Accounting Act (1336/1997) have applied to the allocation of income and costs and bookkeeping.

Total amount of compensation

The compensation received for the public service obligation is EUR 15,325,330, EUR 11,425,330 for the maintenance of waterways and EUR 3,900,000 for hydrographic surveying. The compensation is less than the sum of EUR 15,340,000 under the entrustment decision, the difference being EUR 14,760.

The compensation received is shown by service area in Annex 1.

Cost accounting and the costs of the services

There are separate accounts for income and expenditure and they are allocated to the contract areas with reference to Meritaito Oy's own accounts (cost centre and project account). Contract areas are broken down into separate projects. Income and expenditure are recorded on a day-to-day basis.

The costs of the services are set out in Annex 2.

The SGEI service costs under the profit and loss model are given in Annex 3.

Income

Income is recorded for the party making payment and the service in the public service obligation service sales and the service sales on market terms.

Direct costs incurred at cost centres

Direct variable and fixed costs incurred at cost centres are recorded for cost centres and then for services under the public service obligation and services on market terms with reference to the cost centre and project accounts.

Purchase of services and materials

Staff salaries

Cost centres, cost centres

In relation to costs directly allocated to projects

SGEI projects

Market-determined projects

Projects, etc.

Projects, etc.

For hydrographic surveying, the costs incurred at cost centres are allocated to projects in relation to the number of survey days for vessels.

The costs incurred at cost centres, the allocation percentages used and their criteria are kept with the accounts for the statutory period of 10 years.

Depreciation

Depreciation is calculated by business unit and then allocated to the relevant business projects in relation to turnover.

Proportion of shared costs

The shared costs of a business activity are allocated to projects in relation to the direct costs incurred in all the projects in the service area concerned. For example, the shared costs for canals are allocated to projects in relation to the direct costs incurred in the canal operation.

The shared costs of services are recorded for the cost centres for joint services and allocated in relation to the turnover for the cost centres to services under the public service obligation and services on market terms.

Inventory changes and financing expenses

Changes to inventories and financing expenses are accounted for in the calculations by netting them for the costs of joint services. In this way they are allocated in relation to turnover to services under the public service obligation and services on market terms.

Taxes and extraordinary expenses and income

SGEI cost accounting takes no account of taxes or extraordinary income and expenses.

Revenue from services

A total of EUR 359,667 was realised as revenue from SGEI services, while a moderate return according to the entrustment decision was permitted of EUR 694,948. The revenue fell short of the permitted moderate return by EUR 335,280.

CEO

Financial and Administrative Director

ENCL.:

- Appendix 1. SGEI sales
- Appendix 2. Itemised costs by service
- Appendix 3. Costs of SGEI services under the profit and loss model
- Appendix 4. Hydrographic survey project – breakdown
- Appendix 5. Helcom survey project – breakdown
- Appendix 6. Distribution of fixed costs

FOR INFORMATION

Meritaito Oy/management team

Appendix 1

SGEI SALES 1-12/2012

Service products under the public service obligation for the Finnish Transport Agency (€)	SGEI entrustment 2012	Actual 1-12/2012
Coastal waterway maintenance services	4,080,000	4,133,000
Western Gulf of Finland	950,000	1,003,000
Archipelago Sea	1,890,000	1,890,000
Vaasa area	1,240,000	1,240,000
Inland waterways maintenance services	840,000	800,000
Lappeenranta area	840,000	800,000
Channels: operation and maintenance services	4,187,000	4,187,000
Saimaa Canal	3,184,000	3,184,000
Heinävesi/Tahko Route	320,000	320,000
Taipale-Konnus	683,000	683,000
Service products under the public service obligation for the Finnish Transport Agency (€)		
Maintenance and upkeep projects	1,462,000	1, 011,541
Maintenance projects for construction services		419,481
Research	627,000	625,947
Planning	244,000	212,300
Waterway surveys		36,060
Total for waterway maintenance SGEI services	11,440,000	11,425,330
Service products under the public service obligation for the Finnish Transport Agency (€)		
Hydrographic surveys	3,900,000	3,900,000
Open sea	1,800,000	1,705,883
General	1,500,000	990,715
Waterways	300,000	801,785
Special surveys, additional commissions and printouts	300,000	401,616
TOTAL FOR SGEI SERVICES	15,340,000	15,325,330

Appendix 2

ITEMISED COSTS OF SGEI SERVICES 1-12/2012

Maintenance	BILLING	Business expenses: staff	Business expenses: materials and supplies	Business expenses: other costs	Business expenses: total	Depreciation	Joint services + financing expense and depreciation for joint services	Total costs	Margin	Moderate return	Difference
Coastal waterway maintenance services	4,133,000	1,225,495	730,175	504,449	2,460,118	366,608	438,793	3,265,519	867,481	187,416	680,064
Western Gulf of Finland Archipelago Sea Vaasa area	1,003,000	374,391	117,391	121,695	613,477	88,969	106,487	808,932	194,068	45,482	148,585
	1,890,000	455,727	322,318	220,891	998,936	167,648	200,658	1,367,242	522,758	85,705	437,054
	1,240,000	394,355	289,728	161,385	845,469	109,991	131,648	1,087,109	152,891	56,229	96,662
Inland waterways maintenance services	800,000	371,303	132,085	61,462	564,851	70,962	84,934	720,748	79,252	36,277	42,975
Lappeenranta area	800,000	371,303	132,085	61,462	564,851	70,962	84,934	720,748	79,252	36,277	42,975
Channels: operation and maintenance services	4,187,000	2,762,311	365,771	228,995	3,357,078	371,398	444,526	4,173,002	13,998	189,865	-175,867
Saimaa Canal Heinävesi/Tahko Route Taipale-Konnus	3,184,000	2,183,102	325,523	162,873	2,671,498	282,429	338,039	3,291,967	-	144,383	-252,349
	320,000	146,060	16,112	31,941	194,112	28,385	33,974	256,471	107,967	14,511	49,018
	683,000	433,149	24,137	34,182	491,468	60,584	72,513	624,564	63,529	30,972	27,464
Waterway maintenance and upkeep projects	1,011,541	502,115	141,454	91,563	735,132	89,726	107,393	932,251	79,290	45,870	33,420
CONSTRUCTION	BILLING	Business expenses: staff	Business expenses: materials and supplies	Business expenses: other costs	Business expenses: total	Depreciation	Joint services + financing expense and depreciation for joint services	Total costs	Margin	Moderate return	Difference
Maintenance projects for construction services	419,481	293,806	108,754	349,896	752,456	13,383	44,536	810,374	-390,893	19,022	-409,915
Research	625,947	438,416	162,283	522,112	1,122,810	19,969	66,456	1,209,235	-583,288	28,384	-611,673
EXPERT SERVICES: Waterway planning and maintenance service surveys	BILLING	Business expenses: staff	Business expenses: materials and supplies	Business expenses: other costs	Business expenses: total	Depreciation	Joint services + financing expense and depreciation for joint services	Total costs	Margin	Moderate return	Difference
Planning	248,360	132,445	285	56,061	188,791	27,229	78,005	294,025	-45,664	14,349	-60,014
Total for waterway maintenance SGEI services	11,425,330	5,725,890	1,640,807	1,814,539	9,181,236	959,276	1,264,642		20,175	521,184	-501,009
EXPERT SERVICES: Hydrographic surveying	BILLING	Business expenses: staff	Business expenses: materials and supplies	Business expenses: other costs	Business expenses: total	Depreciation	Joint services + financing expense and depreciation for joint services	Total costs	Margin	Moderate return	Difference

Hydrographic surveys	3,900,000	730,409	1,013,413	542,350	2,286,172	329,733	944,603	3,560,508	339,492	173,764	165,728
Open sea	1,705,883	232,704	542,835	176,757	952,297	137,349	393,471	1,483,118	222,766	72,381	150,385
General	990,715	189,216	319,676	162,994	671,886	96,906	277,611	1,046,403	6	51,068	-106,755
Waterways	801,785	158,184	62,871	117,212	338,267	48,788	139,766	526,821	-	25,710	249,254
Special surveys and printouts	401,616	150,305	88,031	85,386	323,721	46,690	133,756	504,167	55,687	24,605	-127,156
									274,965		
									-		
									102,551		
TOTAL FOR SGEI SERVICES	15,325,330	6,456,299	2,654,220	2,356,889	11,467,408	1,289,009	2,209,246	14,965,662	359,667	694,948	-335,280