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International Financial Management for Power Utilities: Cash Cycle and LUKU Receivables Course

16 – 27 May 2027
Manama (Bahrain)

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Ref: 36_361735 **Date:** 16 – 27 May 2027 **Location:** Manama (Bahrain) **Fees:** 7600 GBP

Introduction:

International financial management for power utilities, centred on the cash cycle and LUKU receivables, is the work of recognising, collecting, reporting and forecasting electricity sales cash; LUKU is a prepaid electricity metering, token vending and collection system. This 2-week course is for finance, billing, collections, credit control, treasury and audit professionals in power utilities, and its final deliverable is a cash cycle and receivables improvement plan for their own organisation. It is taught at intermediate to advanced practitioner level through a modelling build and applies IFRS 15 Revenue from Contracts with Customers, the international standard for recognising sales revenue.

Course Objectives:

- Define the stages of the utility revenue cycle and explain how LUKU prepaid vending changes the timing of customer cash
- Distinguish unearned revenue from recognised revenue under IFRS 15 when accounting for prepaid token sales
- Apply the IFRS 9 expected credit loss model and ageing analysis to measure and provision utility receivables
- Compare collection efficiency with billing efficiency, and technical with non-technical losses, to locate where cash is lost
- Interpret the cash conversion cycle, days sales outstanding and a thirteen-week cash forecast to manage working capital
- Justify a collection strategy, control set and KPI pack for government, large-customer and residential accounts

Target Audience:

- Finance and accounting professionals who prepare utility financial statements, deciding how prepaid and postpaid revenue and receivables are recognised and provisioned
- Revenue, collections and credit control staff who pursue customer debt, choosing which accounts, payment plans and recovery actions to prioritise
- Billing, vending and customer accounts staff who maintain billing and token sales records, judging whether data and reconciliations are reliable enough to report
- Treasury and cash management staff who forecast daily liquidity, deciding how collection timing shapes supplier payments and short-term funding
- Internal audit and revenue protection staff who test controls over cash and meters, judging where losses, theft or vending fraud are most likely
- Finance professionals who compile collection performance reports, selecting which KPIs and corrective actions to put forward

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Course Outline:

Day 1: Power Utility Finance Foundations: Value Chain, Revenue Cycle and Cash Cycle

- Generation, Transmission and Distribution Finance: Where Revenue and Cost Arise in Utilities
- Utility Revenue Cycle: Metering, Billing, Vending, Collection and Cash Banking Stages
- Postpaid Billing vs Prepaid Metering: Credit Exposure and Timing of Customer Cash
- LUKU Prepaid Electricity System: Metering, Token Vending and Collection Flow Explained
- Tariff Structures and Customer Classes: Energy, Demand and Fixed Charge Components

Day 2: Prepaid Metering and LUKU Vending Operations: Tokens, Channels and Agents

- STS Standard Transfer Specification Tokens: How Prepaid Credit Moves to Meters
- Vending Platform Architecture: Central Vending Servers, Point-of-Sale Terminals and Online Channels
- Payment Channels and Agents: Banks, Mobile Money and Vendor Network Settlement
- Vendor and Agent Commission Accounting: Accruals, Settlement Terms and Cut-Off Rules
- Customer Communication for Prepaid Adoption: Explaining Tokens, Tariffs and Vending Points

Day 3: IFRS 15 and Prepaid Revenue: Recognising Electricity Sales and Unused Token Credit

- IFRS 15 Revenue From Contracts With Customers: Recognising Electricity Sales Revenue
- Five-Step Revenue Model Applied to Utilities: Contracts, Performance Obligations and Transaction Price
- Unearned Revenue vs Recognised Revenue: Accounting for Unused Prepaid Token Credit
- Connection Fees and Customer Contributions: Treating Upfront Charges Under IFRS 15
- Unbilled Revenue Estimates: Meter Reading Cycles and Period-End Accruals

Day 4: IFRS 9 Expected Credit Loss and Utility Financial Statements

- IFRS 9 Expected Credit Loss Model: Impairment of Utility Trade Receivables
- Provision Matrix Method: Loss Rates by Ageing Bucket and Customer Class
- Forward-Looking Adjustments: Economic Scenarios, Write-Off Policy and Recoveries
- Utility Statement of Financial Position: Receivables, Deposits and Customer Liabilities
- Statement of Cash Flows: Operating Cash From Billing and Vending Receipts

Day 5: Tariff, Subsidy and Regulatory Accounting for Power Utilities

- Cost-Reflective Tariffs vs Social Tariffs: Revenue Requirement and Cross-Subsidy Effects
- Government Subsidies and Tariff Shortfall Compensation: Recognition and Receivable Treatment
- Regulatory Deferral Accounts: Tariff Lag, True-Up Mechanisms and IFRS 14 Limits
- Lifeline Tariff Blocks in Prepaid Vending: Applying Block Rates at the Point of Sale
- Tariff Review Submissions: Presenting Collection Losses and Cost Recovery to Regulators

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Day 6: Applying Receivables Management and Collection Methods in Utilities

- Accounts Receivable Ageing Analysis: Bucketing Utility Debt by Customer Class
- Credit Control Policy for Postpaid Accounts: Deposits, Reminders and Disconnection Steps
- Collection Efficiency vs Billing Efficiency: Measuring Cash Collected Against Energy Billed
- Postpaid-to-Prepaid Migration: Recovering Legacy Arrears Through Token Purchase Deductions
- Spreadsheet Receivables Dashboard: Building Ageing, Collection and Vending Data Views

Day 7: LUKU and Prepaid Vending Reconciliation Lab: Hands-On Matching and Exception Tracing

- Vending Reconciliation: Matching Token Sales, Vendor Remittances and Bank Deposits
- Billing System vs Vending System Data: Customer Master Record Consistency Checks
- Unused Credit Balance Roll-Forward: Reconciling Tokens Sold, Energy Consumed and Liability Movement
- Case Vending Reconciliation: Tracing Unremitted Vendor Cash and Token Exceptions
- Vending Fraud Red Flags: Credit Token Misuse, Unauthorised Vendors and Cash Shortfalls

Day 8: Case Study: Guided Review of a Utility Revenue and Receivables Position

- Case Utility Data Pack: Reviewing Billing, Vending and Receivables Ledgers
- Case Revenue Recognition Review: Applying IFRS 15 to Prepaid and Postpaid Sales
- Case Expected Credit Loss Estimate: Provision Matrix Built From Ageing Data
- Prepaid vs Postpaid Segment Comparison: Findings Memo on Collection Gaps
- Case Debrief: Prioritising Corrections to Revenue, Provision and Reconciliation Errors

Day 9: Cash Forecasting Workshop: Cash Conversion Cycle and Thirteen-Week Forecast

- Cash Conversion Cycle for Utilities: Days Sales Outstanding, Payables and Inventory Days
- Days Sales Outstanding vs Collection Period: Adjusting for Prepaid Revenue Mix
- Thirteen-Week Cash Flow Forecast: Weekly Receipts From Billing and Token Sales
- Power Purchase and Fuel Payables: Aligning Supplier Payment Terms With Collections
- Liquidity Buffers and Short-Term Funding: Overdrafts, Receivables Financing and Treasury Limits

Day 10: Revenue Protection: Field Audits, Loss Analytics and Internal Controls

- Technical vs Non-Technical Losses: Separating Network Losses From Commercial Losses
- Aggregate Technical and Commercial Losses: Measuring Energy Not Converted Into Cash
- Meter Tampering and Bypass Detection: Revenue Protection Inspections and Data Analytics
- Consumption Pattern Analytics: Flagging Zero, Low and Erratic Token Purchases for Field Audit
- Internal Control Matrix for the Revenue Cycle: Segregation of Duties and Approvals

Day 11: Arrears Recovery Strategy: Government Receivables, Large Customers and Payment Arrangements

- Government and Public Entity Arrears: Netting, Budget Allocations and Payment Plans
- Arrears Portfolio Segmentation: Deciding Whether to Collect, Settle, Net or Write Off
- Large Industrial vs Residential Customers: Differentiated Collection Strategies and Account Management
- Payment Arrangement Agreements: Instalment Terms, Security and Default Triggers
- Reporting to Boards and Lenders: Receivables Disclosures and Covenant Compliance Statements

Day 12: Measurement and Improvement: Revenue Cycle KPIs, Benchmarking and Management Reporting

- Revenue Cycle KPI Set: Collection Efficiency, DSO, Arrears Ratio and Vending Uptime
- Leading vs Lagging Indicators: Early Warning Signals in Collection Performance
- Utility Benchmarking: Comparing Collection and Loss Ratios Across Peer Utilities
- Monthly Management Report Pack: Cash, Receivables and Revenue Protection Commentary
- Plan-Do-Check-Act Improvement Cycle: Targeting Root Causes of Collection Shortfalls

Day 13: Capstone Part 1: Building the Cash Cycle and Receivables Model

- Own-Organisation Baseline: Calculating Cash Conversion Cycle and Collection Efficiency
- Receivables Model Build: Ageing, Expected Credit Loss and Arrears Recovery Scenarios
- Cash Forecast Integration: Linking Prepaid Vending and Postpaid Receipts to Payables
- Scenario Testing: Stress-Testing Collection Declines, Tariff Changes and Government Payment Delays
- Current Position vs Target Position: Quantifying the Cash Released by Each Action

Day 14: Capstone Part 2: Presenting the Cash Cycle and Receivables Improvement Plan

- Implementation Roadmap: Sequencing Actions, Owners and Milestones for the First 90 Days
- Management Business Case: Linking Cash Released to Funding and Supplier Payments
- Cash Cycle and Receivables Improvement Plan: Presenting KPIs, Controls and Action Owners
- Peer Review Panel: Challenging Assumptions, Risks and Control Gaps
- Final Assessment and Feedback: Setting Follow-Up Priorities for the Return to Work

Skills You Will Gain:

- Revenue Cycle Mapping
- Prepaid Vending Reconciliation
- Expected Credit Loss Provisioning
- Receivables Ageing Analysis
- Cash Conversion Cycle Analysis
- Thirteen-Week Cash Forecasting
- Revenue Protection Analytics
- Collection KPI Reporting

Why Attend This Course:

- From reconciling token sales, vendor remittances and bank deposits by hand at month end to running a structured vending reconciliation with exception tracing
- From reporting a single overdue receivables total to presenting ageing by customer class with an IFRS 9 provision matrix
- From treating government and large-customer arrears as fixed to negotiating payment arrangements backed by netting and instalment terms
- From scattered collection figures to a cash cycle and receivables improvement plan with KPIs, controls and action owners for the delegate's own organisation

Conclusion:

In other words, financial management in a power utility is about turning energy delivered into cash banked, reported correctly and on time. The course makes three distinctions clear: prepaid token revenue against postpaid billed revenue, collection efficiency against billing efficiency, and technical against non-technical losses. The later days add tariff and regulatory accounting, a vending reconciliation lab, cash forecasting, revenue protection analytics, arrears recovery and KPI reporting to the reporting and collection skills built in the opening days. It suits finance, revenue, billing, credit control, treasury and audit professionals with some utility experience who need practical, calculation-based skills rather than an introduction to accounting.

Frequently Asked Questions FAQ:

What should a delegate know before the International Financial Management for Power Utilities course on cash cycle and LUKU receivables?

Working knowledge of accounting entries, receivables and spreadsheets, plus some experience in a utility finance, billing, collections or audit role, is enough. Bringing anonymised ageing reports, vending summaries or collection figures from the delegate's own organisation brings the modelling build closer to daily work.

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How does International Financial Management for Power Utilities with LUKU receivables differ from a general credit management course?

General credit management courses cover trade debtors in any sector. This course adds utility-specific material: prepaid token revenue, vending reconciliation, technical and non-technical losses, tariff classes, government arrears and the IFRS treatment of unused prepaid credit, all linked to the utility cash conversion cycle.

In financial management for power utilities, what is LUKU and how does it affect receivables?

LUKU is a prepaid electricity metering, token vending and collection system: customers buy credit before use, so energy sold this way creates cash in advance rather than a receivable. Receivables risk shifts to vendor remittances, unused credit liabilities and arrears carried over from postpaid accounts.

What does a delegate take back to work from the International Financial Management for Power Utilities course on cash cycle and LUKU receivables?

Delegates take back a cash cycle and receivables improvement plan for their own organisation, with a baseline cash conversion cycle, an ageing and expected credit loss model, a linked cash forecast, a KPI set and a list of controls and actions with named owners.