

## 147. **Botswana Power Corporation**

The financial statements of Botswana Power Corporation for the financial year ended 31 March 2018 were audited by Messrs PricewaterhouseCoopers, Certified Auditors, who were appointed by the Board in terms of Section 22 (2) of the Botswana Power Corporation act, (Cap 74:01).

### 2.0 Accounts

#### 2.1 Audit Opinion

In the opinion of the auditors:

The financial statements presented fairly, in all material respects, the financial position of Botswana Power Corporation as at 31 March 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

#### 2.2 Financial Results

After nine years of the Corporation making losses the situation was turned around in the year under review where the Corporation recorded a profit of P 674.11 million, compared to a loss of P 140.25 million in the previous year.

The main contributors to the profitability of the Corporation were the increase of P240.72 million (8.69%) in revenue from P2.77 billion in the previous year to P3.01 billion in the year under review and a decrease of P935.38 million (24%) in generation, transmission and distribution expenses from P3.81 billion in the previous year to P2.88 billion in the year under review. The consumer tariff subsidy however decreased by P210.50 million (13%) from P1.67 billion in the previous year to P1.46 billion in the year under review.

Gains on revaluation of land and buildings and generation, transmission and distribution assets of P1.1 billion also contributed to the overall comprehensive income for the year of P1.61 billion.

The Corporation continued to incur losses (before taking into account the tariff subsidy) and its current liabilities exceeded its current assets. These conditions cast significant doubt on the Corporation's ability to continue as a going-concern. This unfavourable performance requires Government to provide