

146. **Botswana Postal Services Limited**

The financial statements of Botswana Postal Services Limited for the financial year ended 31 March 2018 were audited by Messrs Grant Thornton, Certified Auditors, who were appointed by the Board.

2.0 Accounts

2. Audit Opinion

In the opinion of the auditors:

The financial statements presented fairly, in all material respects, the financial position of the Botswana Postal Services Limited 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

In the year under review, Botswana Postal Services Limited recorded a profit of P3.11 million, compared to a loss of P7.89 million before revaluation gain of P43.81 million on property, plant and equipment in the previous year. Expenses decreased by 3.5% from P319.41 million in the previous year to P308.25 in the year under review. Income on the other hand was almost static at P311.36 in the current year, compared to P311.52 in the previous year.

2.3 Working Capital

The working capital position of the company as at 31 March 2018 showed current assets of P199.74 million and current liabilities of P251.99 million, resulting in a net current liabilities position of P52.25 million.

The auditors observed some classic symptoms of overtrading like high revenue growth with low returns, high payable days ratio and increased use of the overdraft facilities, leaving the company exposed to the risk of failing to meet its obligations as and when they fell due. Delayed settlements of agency liabilities was a key indicator of the level of the liquidity risk the company was facing.

According to the auditors the main cause of the net current liabilities position was a result of funding universal service obligations operations, while these may be a *raison d'être* for the