

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED
(ESCOM)
-ENERGY SECTOR SUPPORT PROJECT (ESSP)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019**

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)
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1. Introduction

1.1 Background information

The Malawi Government entered into an agreement with the World Bank to finance the Energy Sector Support Project (ESSP) in Malawi. The project was implemented by the Electricity Supply Corporation of Malawi (ESCOM) in conjunction with the Ministry of Natural Resources, Energy and Environment (MoNREM). The project was financed by a total of US\$84.70 million composed of credit and a grant in the amounts of SDR12.00 million (equivalent to US\$19,300,000.00) and SDR40.40 million (equivalent to US\$ 65,400,000.00) respectively, applying the exchange rates as of 30th April, 2011. With exchange fluctuations, the project has ended with a total expenditure of US\$68 million (US\$55.00 million by ESCOM and US\$13.00 million by MoNREM).

The project was approved on 28th June 2011 and became effective on 30th June 2012 and was expected to run for four (4) years up to 30th June 2018. Due to some uncompleted works, partly due to delayed implementation, the World Bank granted ESCOM an extension. Consequently, the project was completed on 15th October 2018, however, clearing off some payables continued up to 31st March, 2019. The project started in earnest in late 2014 hence the extension to October 2018.

1.2 Project's immediate objective

The project contributed directly to the set of objectives set out in the Malawi Country Assistance Strategy (CAS) (FY07-FY11). The CAS was a program of country assistance in support of the overall Malawi Growth and Development Strategy (MGDS), which underscored the importance of putting in place a foundation for long-term economic growth through improved infrastructure and the investment climate. It specifically proposed that the World Bank (herein referred as the Bank) continues to play a central role in infrastructure development, focusing its efforts in energy and water development. The ESSP achieved the following:

- (i) the electricity network in the project areas is reliable;
- (ii) the supply stability is assured where voltages have been improved;
- (iii) there is more capacity to connect more customers;
- (iv) there is flexibility in managing system maintenance in the system with minimal power interruptions;
- (v) there is flexibility in operating the system due to remote operations that have come with Substation Automation System (SAS) in the new substations; and
- (vi) reduced forced outages resulting from system faults.

The Energy Sector Support Project encompassed:

- (i) rehabilitation, upgrading and expansion of existing electricity transmission and distribution systems;
- (ii) funding of feasibility studies and preliminary design work for new hydropower plants and backbone transmission line;
- (iii) demand side management and energy efficiency measures; and
- (iv) technical assistance and capacity building for ESCOM and MoNREE.

The project was directly associated with the CAS outcome of putting in place a foundation for long-term economic growth through improved infrastructure and the investment climate by helping to close the supply-demand gap and improve the electricity distribution and transmission sector.

The project aimed at increasing the reliability and quality of electricity supply in the major load centres in Malawi.

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1. Introduction (Continued)

1.3 Project components

Component 1: Electricity Network Strengthening and Expansion whose actual expenditure was US\$48.66 million

This component included the rehabilitation, upgrade and expansion of priority parts of the existing distribution and transmission system, including extension of the network in selected peri-urban areas and reinforcement of the Low Voltage (LV) reticulation. The component was divided into three sub-components:

- Component 1a: Distribution & Transmission, Upgrading and Expansion whose actual expenditure was US\$33.383 million against the original estimate of S\$41.90 million);
- Component 1b: Low Voltage Reticulation Reinforcement and Technical Implementation Support whose actual expenditure was US\$12.12 million (estimate was US\$10.50 million; and
- Component 1c: Design, Procurement & Supervision whose actual expenditure was US\$3.16 million against original estimate of US\$3.80 million.

Component 2: Generation and Transmission Feasibility and Design Studies whose actual expenditure was US\$2.689 million against original estimate of US\$15.20 million which was later revised to US\$2.52 million

This component included financing for feasibility studies needed for eventual development of an additional 200–380 Megawatts (MW) of new hydropower generation capacity in Malawi. The feasibility studies included technical, engineering design & economic assessments and Environmental Social Impact Assessments (ESIAs) (at either preliminary or full level, depending on the site), and development of the necessary environmental and social mitigation/management plans (again at either preliminary or full level, depending on the site).

Component 3: Demand Side Management and Energy Efficiency Measures whose actual expenditure was US\$1.96 million against original estimate of US\$6.80 million,

Given the severe capacity constraints in Malawi's power system, and evidenced by the extensive and year-round load-shedding program, it was proposed to finance several demand-side management (DSM) and energy efficiency activities, focusing on reducing the coincident peak load and therefore reducing load-shedding. Due to the project, there is a notable reduction in the number of forced outages resulting from system faults and there is a remarkable additional capacity to connect more customers due to the energy efficiency measures that were implemented by the project.

Component 4: Capacity Building & Technical Assistance whose actual expenditure was US\$1.38 million

This component provided institutional strengthening and technical assistance to both MoNREM and ESCOM to support their efforts to further develop Malawi's energy sector. The project has enhanced capacity of Project Implementation Unit members and some users through training and project work experience. Activities for component 4 included Component 4.A Support to ESCOM whose actual expenditure was US\$1.38 million against original estimate of US\$0.60 million).

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2 The audit, scope and reporting

2.1 Introduction

We were engaged to perform the audit of the Electricity Supply Corporation of Malawi Limited (ESCOM) - Energy Sector Support Project (ESSP) for the year ended 30 June 2019 in accordance with the engagement letter dated 13 December 2019 signed between the Electricity Supply Corporation of Malawi Limited (ESCOM) - Energy Sector Support Project (ESSP) and Deloitte.

The audit was undertaken to address the following specific objectives:

- To perform an audit in accordance with International Standards on Auditing in order to provide an opinion on the true and fair view of the project's financial statements for the year ended 30 June 2019;
- To confirm that the project is in compliance with relevant Project documents and applicable regulations;
- To report on significant control weaknesses and make recommendations to address these weaknesses as appropriate;
- To ascertain that the reported surplus/(loss) is represented with corresponding assets; and
- To determine whether the project's income was used to further the project's objective.

The project's financial statements and the responsibility for establishing an effective system of internal control are the responsibility of project management.

2.2 Scope

We conducted our audit in accordance with International Standards on Auditing.

2.3 Reporting

We have presented our report as follows:

- Audit of the project's statement of income and expenditure (Section 5); and
- Review of the project's expenditure (Section 6).

2.4 Distribution

This report may only be used by Management of ESCOM-Energy Sector Support Project (ESSP) for the intended purposes based on the specified procedures.

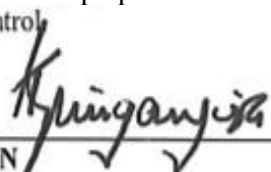
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3 Statement of Directors' responsibilities

Directors are responsible for preparing the financial statements that reflect a true and fair view of the project's financial statements in accordance with the Cash Basis of Accounting Method of the International Public Sector Accounting Standards. Directors are also responsible for the maintenance of adequate accounting records and internal controls, the selection and application of suitable accounting policies, and safeguarding the assets of the project.

Directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the requirements of the project.

Directors further accept responsibility for the maintenance of the accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.


CHAIRMAN


ACTING DIRECTOR OF FINANCE

Date: 20 April 2020

4. **Independent auditor's report** **To the Stakeholders of Electricity Supply Corporation of Malawi Limited (ESCOM) –** **Energy Sector Support Project (ESSP)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Electricity Supply Corporation of Malawi (ESCOM)-Energy Sector Support Project (ESSP) (the Project) as set out on pages 8 to 18, which comprise the statement of income and expenditure for the year ended 30 June 2019, balance of project funds and cash status as at 30 June 2019, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Electricity Supply Corporation of Malawi (ESCOM)-Energy Sector Support Project (ESSP) as at 30 June 2019, and its financial performance and cash status for the year then ended in accordance with the Cash Basis of Accounting Method of the International Public Sector Accounting Standards and in the manner required by the World Bank.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Revised July 2016)*, parts 1 and 3 of the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018)* and other independence requirements applicable to performing audits of financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 5.3.8 of the financial statements. The Project is no longer a going concern because it wound up on 15 October 2018. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Basis of accounting	
As disclosed on 5.3.1 (b), the financial statements are prepared using the Cash Basis of Accounting Method of the International Public Sector Accounting (IPSAS).	We checked and ensured that the financial statements are prepared using the Cash Basis of Accounting Method of the IPSAS and not accruals basis.
We considered the basis of accounting as a key audit matter due to the mix up of accounting bases that was noted in the prior years. In prior years we noted erroneous application of the Accrual Accounting Basis on some transactions of the Project instead of Cash Accounting basis as per IPSAS.	For selected expenditures, we checked if they were recognised when disbursement of cash had occurred. We further checked if income was recognised on receipt of cash. We assessed the accounting basis that was applied and the result of our assessment were satisfactory.

Other Information

The directors are responsible for the other information. The other information comprises the introduction which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Cash Basis of Accounting Method of the International Public Sector Accounting Standards and the requirements of the World Bank and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Deloitte
Chartered Accountants
Madalo Mwenelupembe
Partner

20 April 2020

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5. Financial statements

5.1 Statement of income and expenditure for the year ended 30 June 2019

	<u>2019</u> MK	<u>2019</u> USD	<u>2018</u> MK	<u>2018</u> USD
RECEIPTS				
Opening balance	1 071 777 746.86	1 493 793.84	2 991 344 851.07	4 167 488.68
Replenishments during the year	3 997 236 147.81	5 477 064.87	17 707 254 057.97	24 683 929.87
Interest received	861 917.18	1 196.38	4 837 782.41	6 740.95
Refund from ESCOM	3 310 000.00	4 510.17		
Exchange difference	<u>31 367 600.09</u>	<u>-</u>	<u>440 223 177.41</u>	<u>-</u>
Total financing	<u>5 104 553 411.94</u>	<u>6 976 565.26</u>	<u>21 143 659 868.86</u>	<u>28 858 159.50</u>
PROJECT EXPENDITURES:BY COMPONENT EXPENDITURE				
Component 1	(4 706 307 890.39)	(6 430 337.76)	(17 936 531 559.88)	(24 438 521.10)
Component 2	-	-	(692 381 046.33)	(943 362.69)
Component 3	(67 437 008.55)	(91 198.29)	(56 875 906.62)	(77 492.89)
Component 4	<u>(327 068 213.92)</u>	<u>(449 903.25)</u>	<u>(1 386 093 609.17)</u>	<u>(1 904 988.99)</u>
Total project expenditures	<u>(5 100 813 112.86)</u>	<u>(6 971 439.30)</u>	<u>(20 071 882 122.00)</u>	<u>(27 364 365.67)</u>
Closing Balance	<u>3 740 299.08</u>	<u>5 125.96</u>	<u>1 071 777 746.86</u>	<u>1 493 793.83</u>
CASH				
ESSP Standard Bank plc	2 598 247.78	3 603.41	1 020 267 065.56	1 422 253.31
ESSP FDH Bank Limited	<u>1 142 051.30</u>	<u>1 522.55</u>	<u>51 510 681.30</u>	<u>71 540.52</u>
Total	<u>3 740 299.08</u>	<u>5 125.96</u>	<u>1 071 777 746.86</u>	<u>1 493 793.83</u>

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5. Financial statements (Continued)

5.2 Balance of project's funds and cash status

		2019		2018	
	<u>MK</u>	<u>USD</u>	<u>MK</u>	<u>USD</u>	
1. Opening balance	1 071 777 746.86	1 493 793.84	2 991 344 851.07		4 167 488.68
2. Add: Total income during the reporting period	3 997 236 147.81	5 477 064.87	17 707 254 057.97		24 683 929.87
3. Less: Total expenditure during the reporting period (5 100 813 112.86)		(6 971 439.30)	(20 071 882 122.00)		(27 364 365.67)
4. Add: Interest received	861 917.18	1 196.38	4 837 782.41		6 740.95
5. Add: Refund from ESCOM	3 310 000.00	4 510.17	-		-
6. Add: Exchange rate gain	<u>31 367 600.09</u>	<u>-</u>	<u>440 223 177.41</u>		<u>-</u>
Excess of income over Expenditure	<u>3 740 299.08</u>	<u>5 125.96</u>	<u>1 071 777 746.86</u>		<u>1 493 793.83</u>

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5. Financial statements (Continued)

5.3 Notes to the statement of income and expenditure

5.3.1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

(a) Accounting convention

The financial statements have been prepared under the historical cost convention. The historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies are set out below in the following paragraphs.

(b) Basis of accounting

The statement of income and expenditure has been prepared on the Cash Basis of Accounting Method of the International Public Sector Accounting Standards whereby income is recognized on receipt of cash or cash equivalents and the expenditures recognized on the disbursement of cash or cash equivalents.

(c) Revenue recognition

Grant income is recognized on a cash receipt basis.

(d) Foreign currency transactions

Transactions in other currencies are translated into Malawi Kwacha at the rate ruling on the date of transaction.

(e) Reporting currency

The financial statements are presented in Malawi Kwacha and United States Dollar.

(f) Property, plant and equipment

Plant, vehicle and equipment are recorded as an expense at the time of acquisition, because of the short-term nature of the project. A comprehensive fixed assets register is maintained for all items of plant and equipment held by the project.

5.3.2 Income

Income represents funds received from the World Bank and interest earned on bank balances.

5.3.3 Expenditure

The reported expenditure includes all payments made by the project.

5.3.4 Project unutilized funds

Total income for the project (unutilized funds brought forward plus funding received during the year and any other income) is reduced by total expenditure incurred by the project to arrive at unutilized funds carried forward to the following year.

5.3.5 Opening balance

The opening balance is made up of cash balances from both Standard Bank US Dollar designated account and FDH Bank Malawi Kwacha Account.

5.3.6 Closing balance

The closing balance is made up of cash balances from both Standard Bank US Dollar designated account and FDH Bank Malawi Kwacha Account. These represent the accumulated net interest received on account and net conversion gain when using the local currency. These have since been applied to invoices that have been settled using ESCOM resources.

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5. Financial statements (Continued)

5.3 Notes to the statement of income and expenditure (Continued)

5.3.7 Critical accounting judgements and key sources of estimation uncertainty

No critical judgements were made by management during the current year that would have a material impact on the financial statements and no estimates were made as there is no uncertainty concerning the future at the reporting date that may have a significant risk of causing any material adjustment to the carrying amounts of assets within the next financial year.

5.3.8 Going Concern

In accordance with the project financing agreements with the World Bank, the ESSP was supposed to have wound up on 31 July 2018. However, owing to some remaining works, an extension was granted for the project to wind up on 15 October, 2018. All outstanding payments and works were completed by 31st March, 2019 and as such, the project is no longer a going concern. As at 30 June, 2019, all assets that were acquired and developed under the project were transferred to ESCOM accordingly.

5.3.9 Exchange rates and inflation

	<u>2019</u> MK	<u>2018</u> MK
Kwacha/US Dollar	780.50	733.95
Inflation rate (%)	<u>9.00</u>	<u>8.6</u>

As of 3 April 2020, the above rates had moved as follows:

Kwacha/US Dollar	736.31
Inflation rate (%) (February 2020)	<u>11.00</u>

No adjustments arising from the movement of the exchange and inflation rates after the year-end have been made in the financial statements.

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6. Report on our review of expenditure

6.1 Scope and work performed

We performed the following procedures on a sample basis: -

- We checked that the opening and closing foreign currency denominated account balances relating to the project were translated at the rate ruling on the opening and closing dates respectively;
- We verified that expenditures made out of the project's bank accounts were stated at the rate ruling on the transaction date;
- We reviewed a sample of project purchases and checked that a no objection approval was obtained from the World Bank;
- We checked that the project's financial reports were prepared in an accurate, reliable and timely manner;
- We checked that the project's staff received training and have experience in World Bank funded projects;
- We reviewed the statement of income and expenditure and ensured it was in compliance with the World Bank acceptable reporting requirements;
- We reviewed designated accounts and bank accounts showing deposits and replenishments received and payments duly supported by withdraw application's, interest earned on the accounts and the balance at end of reporting period;
- We checked that procurement reports provided information on the procurement of goods, works and consultant and in compliance with the agreed procurement methods;
- We checked that the project accounts were prepared on cash basis;
- We verified if the reconciliations of bank and other control accounts were periodically prepared in accordance with project appraisal document;
- We verified if the fixed assets schedule was properly maintained and if it reconciled with the general ledger and also that the assets were safely guarded;
- We verified if the account balances in the trial balance are reconciled to the underlying ledgers;
- We reviewed the management accounts to ensure that they reconcile to the trial balance; and
- We reviewed reports of the internal audit department of ESCOM for any issues raised relating to the project.

6.2 Findings

There were no exceptions that were noted. A general recommendation point has been included in the management letter which has been issued separately for consideration.

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7 Annexure

7.1 Fixed asset register

2019

Asset	Supplier	Unit price MK	Qty	Total cost MK
HP Office Printers	Globe Electronics	339 055.79	8	3 160 000.00
Digital Camera	Globe Electronics	128 755.36	3	450 000.00
Projector	Gestetner	580 000.00	1	580 000.00
Laptops	MBH Power	1 238 907.60	3	3 716 722.80
Mobile Phones	Appollo	73 395.00	5	366 975.00
Mobile Phones	Appollo	73 395.00	4	293 580.00
Furniture	Block Buster	197 900.00	3	593 700.00
Training Room Tables	Hisco Ltd	170 000.00	10	1 700 000.00
Rick Stackers Chairs	Hisco Ltd	60 000.00	15	900 000.00
Desk (6 Drawers)	Hisco Ltd	185 000.00	1	185 000.00
High Back Swivel Chairs	Hisco Ltd	300 000.00	2	600 000.00
Chest Freezer	Game Stores	916 100.00	1	916 100.00
Gas & Electric Freezer	Game Stores	580 400.00	1	580 400.00
Defy Cooker	Game Stores	369 900.00	2	739 800.00
Dell Inspiron Laptops	Xerographics	882 992.00	8	7 063 936.00
Desk Top Computers	Globe Internet	520 000.00	5	2 600 000.00
Toyota Hilux BU 8835	EMCO	31 574 529.00	1	31 574 529.00
Toyota Hilux BU 9905	EMCO	38 718 000.00	1	38 718 000.00
Toyota Hilux BU 9906	EMCO	38 718 000.00	1	38 718 000.00
Land	Ministry of Lands	44 072 350.25	1	44 072 350.25
Office Equipment	Various			13 626 628.00
Toyota Coaster BU 6384	Toyota	50 200 250.25	1	50 200 250.25
Toyota Hino BU 5148	Toyota	79 844 533.70	1	79 844 533.70
Toyota Hilux BU 2088	MBH Power	24 003 711.71	1	24 003 711.71
Toyota Hilux BU 2095	MBH Power	24 003 711.71	1	24 003 711.71
Toyota Hilux BU 2093	MBH Power	24 003 711.71	1	24 003 711.71
IVECO Truck BU 5055	Rousant	142 451 036.20	1	142 451 036.20
IVECO Truck BU 5054	Rousant	72 947 146.25	1	72 947 146.25
IVECO Truck BU 5053	Rousant	142 451 036.20	1	142 451 036.20
IVECO Truck BU 5052	Rousant	72 947 146.25	1	72 947 146.25
IVECO Truck BU 5051	Rousant	72 947 146.25	1	72 947 146.25
IVECO Truck BU 5049	Rousant	142 451 036.20	1	142 451 036.20
Ford Ranger BU 4105	Sieyan	17 132 902.29	1	17 132 902.29
Ford Ranger BU 4106	Sieyan	17 132 902.29	1	17 132 902.29
Ford Ranger BU 4107	Sieyan	17 132 902.29	1	17 132 902.29
	Total			<u>1 090 804 894.35</u>

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)
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7 Annexure (Continued)

7.1 Fixed asset register (Continued)

2018

Asset	Supplier	Unit price MK	Qty	Total cost MK
Laptops	MBH Power	1 238 907.60	3	3 716 722.80
Mobile Phones	Appollo	73 395.00	5	366 975.00
Mobile Phones	Appollo	73 395.00	4	293 580.00
Furniture	Block Buster	197 900.00	3	593 700.00
Training Room Tables	Hisco Ltd	170 000.00	10	1 700 000.00
Rick Stackers Chairs	Hisco Ltd	60 000.00	15	900 000.00
Desk (6 Drawers)	Hisco Ltd	185 000.00	1	185 000.00
High Back Swivel Chairs	Hisco Ltd	300 000.00	2	600 000.00
Chest Freezer	Game Stores	916 100.00	1	916 100.00
Gas & Electric Freezer	Game Stores	580 400.00	1	580 400.00
Defy Cooker	Game Stores	369 900.00	2	739 800.00
Dell Inspiron Laptops	Xerographics	882 992.00	8	7 063 936.00
Desk Top Computers	Globe Internet	520 000.00	5	2 600 000.00
Toyota Hilux BU 8835	EMCO	31 574 529.00	1	31 574 529.00
Toyota Hilux BU 9905	EMCO	38 718 000.00	1	38 718 000.00
Toyota Hilux BU 9906	EMCO	38 718 000.00	1	38 718 000.00
Land	Ministry of Lands	44 072 350.25	1	44 072 350.25
Office Equipment	Various	-		13 626 628.00
Toyota Coaster BU 6384	Toyota	50 200 250.25	1	50 200 250.25
Toyota Hino BU 5148	Toyota	79 844 533.70	1	79 844 533.70
Toyota Hilux BU 2088	MBH Power	24 003 711.71	1	24 003 711.71
Toyota Hilux BU 2095	MBH Power	24 003 711.71	1	24 003 711.71
Toyota Hilux BU 2093	MBH Power	24 003 711.71	1	24 003 711.71
IVECO Truck BU 5055	Rousant	142 451 036.20	1	142 451 036.20
IVECO Truck BU 5054	Rousant	72 947 146.25	1	72 947 146.25
IVECO Truck BU 5053	Rousant	142 451 036.20	1	142 451 036.20
IVECO Truck BU 5052	Rousant	72 947 146.25	1	72 947 146.25
IVECO Truck BU 5051	Rousant	72 947 146.25	1	72 947 146.25
IVECO Truck BU 5049	Rousant	142 451 036.20	1	142 451 036.20
Ford Ranger BU 4105	Sieyan	17 132 902.29	1	17 132 902.29
Ford Ranger BU 4106	Sieyan	17 132 902.29	1	17 132 902.29
Ford Ranger BU 4107	Sieyan	17 132 902.29	1	<u>17 132 902.29</u>
	Total			<u>1 086 614 894.35</u>

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7 Annexure (Continued)

7.2 Detailed income and expenditure report

Reporting period: 1 July 2018 to 30 June 2019

	USD	MK
INCOME		
Opening balance	1 493 793.84	1 071 777 746.86
World Bank Funds received during the year	5 477 064.87	3 997 236 147.81
Exchange gain	-	31 367 600.09
Refund from ESCOM	4 510.17	3 310 000.00
Interest received	<u>1 196.38</u>	<u>861 917.18</u>
Total income	<u><u>6 976 565.26</u></u>	<u><u>5 104 553 411.94</u></u>
EXPENDITURE		
Consultancy	395 679.00	292 077 359.47
Travel and Subsistence allowance	158 755.61	114 063 690.43
Line Materials	975 903.21	718 232 332.60
Tax paid	51 852.51	37 234 716.15
Consumables and Sundries	9 862.22	7 178 290.62
Vehicle Services	3 331.75	2 393 097.55
Furniture	807.80	580 000.00
Compensation	1 597 305.55	1 145 791 400.94
Communication and Insurance	41 385.83	30 402 851.91
Purchase of software	166 980.02	123 056 887.78
Training	207 097.56	152 526 151.74
Bank charges	3 453.93	2 526 223.60
Audit fee	17 905.22	12 938 019.73
Wages and Salaries	3 212.09	2 312 771.30
Substations	<u>3 337 907.00</u>	<u>2 459 499 319.04</u>
Total expenditure	<u><u>6 971 439.30</u></u>	<u><u>5 100 813 112.86</u></u>
Surplus income over expenditure	<u><u>5 125.96</u></u>	<u><u>3 740 299.08</u></u>

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)
- ENERGY SECTOR SUPPORT PROJECT (ESSP)
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7 Annexure (Continued)

7.2 Detailed income and expenditure report (Continued)

Reporting period: 1 July 2017 to 30 June 2018

	USD	MK
INCOME		
Opening balance	4 167 488.68	2 991 344 851.07
World Bank Funds received during the year	24 683 929.87	17 707 254 057.97
Exchange gain	-	440 223 177.41
Interest received	<u>6 740.95</u>	<u>4 837 782.41</u>
Total income	<u>28 858 159.50</u>	<u>21 143 659 868.86</u>
EXPENDITURE		
Consultancy	1 680 935.87	1 233 722 881.79
Travel and Subsistence allowance	437 699.31	316 141 852.88
Line Materials	4 049 571.46	2 972 171 708.38
Tax paid	125 933.19	90 778 912.79
Consumables and Sundries	147 126.97	106 601 049.59
Clearing goods charges	42 379.07	31 104 118.43
Motor vehicles	129 661.68	95 165 190.04
Furniture	9 076.38	6 568 000.00
Building Materials	7 991.97	5 727 094.18
Computers	24 032.72	17 517 813.37
Compensation	10 307.48	7 442 000.00
Communication and Insurance	10 616.28	7 791 818.17
Purchase of software	77 247.31	56 695 663.17
Training	1 263 680.36	924 940 800.08
Bank charges	14 059.89	10 309 365.59
Audit fee	32 679.63	23 627 131.71
Wages and Salaries	43 418.22	31 261 115.40
Land Acquisition	351.05	251 000.00
Substations	<u>19 257 596.83</u>	<u>14 134 064 606.43</u>
Total expenditure	<u>27 364 365.67</u>	<u>20 071 882 122.00</u>
Surplus income over expenditure	<u>1 493 793.83</u>	<u>1 071 777 746.86</u>

ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)
- ENERGY SECTOR SUPPORT PROJECT (ESSP)
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7 Annexure (Continued)

7.3 Detailed Expenditure Report by Component

Reporting period: 1 July 2018 to 30 June 2019

	Component 1		Component 2		Component 3		Component 4		Total	
	USD	MK	USD	MK	USD	MK	USD	MK	USD	MK
Consultancy	395 679.00	292 077 359.47	-	-	-	-	-	-	395 679.00	292 077 359.47
Travel and Subsistence	-	-	-	-	-	-	158 755.61	114 063 690.43	158 755.61	114 063 690.43
Line Materials	975 903.21	718 232 332.60	-	-	-	-	-	-	975 903.21	718 232 332.60
Tax Paid	157.77	115 819.61	-	-	-	-	51 694.74	37 118 896.54	51 852.51	37 234 716.15
Communication and Insurance	39 818.44	29 252 466.02	-	-	-	-	1 567.39	1 150 385.89	41 385.83	30 402 851.91
Consumables and Sundries	5 161.58	3 793 825.62	-	-	-	-	4 700.64	3 384 465.00	9 862.22	7 178 290.62
Purchase of Software	75 811.73	55 642 019.23	-	-	91 168.29	67 414 868.55	-	-	166 980.02	123 056 887.78
Compensation	1 597 305.55	1 145 791 400.94	-	-	-	-	-	-	1 597 305.55	1 145 791 400.94
Training	-	-	-	-	-	-	207 097.56	152 526 151.74	207 097.56	152 526 151.74
Wages and Salaries	-	-	-	-	-	-	3 212.09	2 312 771.30	3 212.09	2 312 771.30
Audit fee	-	-	-	-	-	-	17 905.22	12 938 019.73	17 905.22	12 938 019.73
Bank Charges	2 593.47	1 903 347.85	-	-	30.00	22 140.00	830.46	600 735.75	3 453.93	2 526 223.60
Furniture	-	-	-	-	-	-	807.80	580 000.00	807.80	580 000.00
Vehicle service	-	-	-	-	-	-	3 331.75	2 393 097.55	3 331.75	2 393 097.55
Substations	<u>3 337 907.00</u>	<u>2 459 499 319.04</u>	-	-	-	-	-	-	<u>3 337 907.00</u>	<u>2 459 499 319.04</u>
Total	<u>6 430 337.76</u>	<u>4 706 307 890.39</u>	-	-	<u>91 198.29</u>	<u>67 437 008.55</u>	<u>449 903.25</u>	<u>327 068 213.92</u>	<u>6 971 439.30</u>	<u>5 100 813 112.86</u>

ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)
- ENERGY SECTOR SUPPORT PROJECT (ESSP)
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7 Annexure (Continued)

7.3 Detailed Expenditure Report by Component (Continued)

Reporting period: 1 July 2017 to 30 June 2018

	Component 1		Component 2		Component 3		Component 4		Total	
	USD	MK	USD	MK	USD	MK	USD	MK	USD	MK
Consultancy	531 734.45	390 266 499.58	943 000.17	692 114 974.77	-	-	206 201.25	151 341 407.44	1 680 935.97	1 233 722 881.79
Travel and Subsistence	-	-	-	-	-	-	437 699.31	316 141 852.88	437 699.31	316 141 852.88
Line Materials	4 042 633.45	2 967 090 820.63	-	-	-	-	6 938.01	5 080 887.75	4 049 571.46	2 972 171 708.38
Building Materials	-	-	-	-	-	-	7 991.97	5 727 094.18	7 991.97	5 727 094.18
Tax Paid	-	-	-	-	-	-	125 933.19	90 778 912.79	125 933.19	90 778 912.79
Communication and Insurance	10 616.28	7 791 818.71	-	-	-	-	-	-	10 616.28	7 791 818.71
Consumables and Sundries	61 795.68	45 354 939.34	-	-	-	-	85 331.29	61 246 110.25	147 126.97	106 601 049.59
Clearing Charges	-	-	-	-	-	-	42 379.07	31 104 118.43	42 379.07	31 104 118.43
Motor vehicles	129 661.68	95 165 190.04	-	-	-	-	-	-	129 661.68	95 165 190.04
Purchase of Software	-	-	-	-	77 247.31	56 695 663.17	-	-	77 247.31	56 695 663.17
Compensation	-	-	-	-	-	-	10 307.48	7 442 000.00	10 307.48	7 442 000.00
Training	373 241.81	273 940 826.45	-	-	-	-	890 438.35	650 999 973.63	1 263 680.36	924 940 800.08
Wages and Salaries	-	-	-	-	-	-	43 418.22	31 261 115.40	43 418.22	31 261 115.40
Land and Acquisitions	-	-	-	-	-	-	351.05	251 000.00	351.05	251 000.00
Audit fee	-	-	-	-	-	-	32 679.63	23 627 131.71	32 679.63	23 627 131.71
Bank Charges	11 274.40	8 274 845.88	362.52	266 071.56	245.58	108 243.44	2 177.39	1 588 204.71	14 059.89	10 309 365.59
Furniture	-	-	-	-	-	-	9 076.38	6 568 000.00	9 076.38	6 568 000.00
Computers	24 032.72	17 517 813.37	-	-	-	-	-	-	24 032.72	17 517 813.37
Substations	19 253 530.63	14 131 128 805.89	-	-	-	-	4 066.20	2 935 800.00	19 257 596.83	14 134 064 606.43
Total	<u>24 438 521.10</u>	<u>17 936 531 559.88</u>	<u>943 362.69</u>	<u>692 381 046.33</u>	<u>77 492.89</u>	<u>56 875 906.62</u>	<u>1 904 988.99</u>	<u>1 386 093 609.17</u>	<u>27 364 365.67</u>	<u>20 071 882 122.00</u>