

**ELECTRICITY SUPPLY CORPORATION  
OF MALAWI LIMITED  
(ESCOM)  
-ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
For the year ended  
30 JUNE 2016**

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)**  
**- ENERGY SECTOR SUPPORT PROJECT (ESSP)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

<b>Contents</b>	<b>Page</b>
1 Introduction	1
1.1 Background information	1
1.2 Project's immediate objective	1
1.3 Project components	1-2
2 The audit, scope and reporting	3
2.1 Introduction	3
2.2 Scope	3
2.3 Reporting	3
2.4 Distribution	3
3 Statement of management's responsibilities	4
4 Independent auditor's report	5-6
5 Financial statements	7
5.1 Statement of income and expenditure for the year ended 30 June 2016	7
5.2 Balance of Project's funds and cash status	7
5.3 Notes to the statement of income and expenditure	8
5.3.1 Significant accounting policies	8
5.3.2 Income	8
5.3.3 Expenditure	8
5.3.4 Project unutilised funds	8
5.3.5 Opening balance	9
5.3.6 Critical accounting judgements and key sources of estimation uncertainty	9
5.3.7 Exchange rates and inflation	9
6 Report on our review of expenditure	10
6.1 Scope and work performed	10
6.2 Findings	10
7 Annexures	11
7.1 Fixed asset register	11
7.2 Detailed income and expenditure report	11-12
7.3 Detailed expenditure report by component	13-14

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

---

**1. Introduction**

**1.1 Background information**

Malawi Government entered into a contract agreement with the World Bank to finance the Energy Sector Support Project (ESSP) in Malawi. The project is implemented by the Electricity Supply Corporation of Malawi (ESCOM) in conjunction with the Ministry of Natural Resources, Energy and Environment (MoNREE). The project is financed by a credit and grant in the amounts of US\$19,300,000.00 and US\$ 65,400,000.00, respectively.

**1.2 Project's immediate objective**

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

The proposed Energy Sector Support Project encompasses:

- (i) rehabilitation, upgrading and expansion of existing electric 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 is 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 aims at increasing the reliability and quality of electricity supply in the major load centres in Malawi.

**1.3 Project components**

**Component 1: Electricity Network Strengthening and Expansion (estimated at US\$56.2 million, including contingencies)**

This component includes 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 is divided into three sub-components:

- Component 1a: Distribution & Transmission Upgrading and Expansion (estimated at US\$41.9 million, including contingencies);
- Component 1b: Low Voltage Reticulation Reinforcement and Technical Implementation Support (estimated at US\$10.5 million, including contingencies); and
- Component 1c: Design, Procurement & Supervision (estimated at US\$3.8 million, including contingencies).



**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

---

1. **Introduction** (Continued)

1.3 **Project components** (Continued)

**Component 2: Generation and Transmission Feasibility and Design Studies (estimated at US\$15.2 million, including contingencies)**

This component includes 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 will include 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 (estimated at US\$6.8 million, including contingencies)**

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. Some of those activities will also contribute to achieve energy savings. These interventions will provide, at relatively low cost, critical "quick wins" in Malawi's efforts to close the demand-supply gap, pending the installation of new generation capacity in the medium term. They will also help Malawi manage its system more reliably and at a lower cost.

**Component 4: Capacity Building & Technical Assistance (estimated at US\$3.5 million, including contingencies)**

This component will provide institutional strengthening and technical assistance to both MoNREE and ESCOM to support their efforts to further develop Malawi's energy sector. Activities will include:

- Component 4.A Support to ESCOM (estimated at US\$0.6 million, including contingencies); and
- Component 4.B Support to MoNREE (estimated at US\$2.9 million, including contingencies).

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

---

**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 2016 in accordance with the engagement letter dated 1 December 2016 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 truth and fairness of the project's financial statements for the year ended 30 June 2016;
- 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 project 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)
- 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.

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

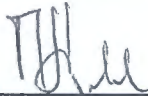
---

**3 Statement of management's responsibilities**

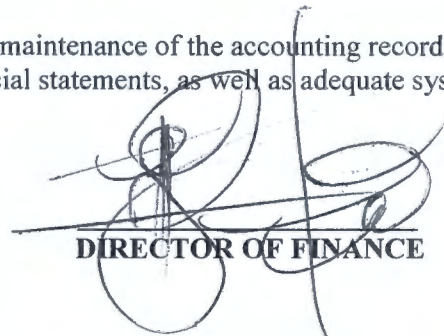
Management is responsible for preparing the financial statements that reflects a true and fair view of the project's financial statements in accordance with the Cash Basis of Accounting Method of the International Public Sector Accounting Standards. Management is also responsible for the maintenance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

Management accepts responsibility for the statement of income and expenditure presented in Section 5 of this report, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the requirements of the project.

Management further accepts 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.



\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**



\_\_\_\_\_  
**DIRECTOR OF FINANCE**

Date: 15/02/.....2017



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

***Report on the financial statements***

We were engaged to audit the financial statements of Electricity Supply Corporation of Malawi Limited (ESCOM)-Energy Sector Support Project (ESSP) as set out on pages 7 to 14, which comprise the statement of income and expenditure for the year ending 30 June 2016, balance of project funds and cash status and a summary of significant accounting policies and other explanatory notes for the year ended 30 June 2016.

***Responsibility for the financial statements***

As stated in Section 3, management is responsible for the preparation of the financial statements that give a true and fair view in accordance with project document or agreement; the Cash Basis of Accounting Method of the International Public Sector Accounting Standards; and for such internal controls as management determine is necessary to enable the preparation of the financial statements that are free from material misstatements due to fraud or error.

***Auditor's responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing. Because of the matters described in the Bases for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Bases for Disclaimer of Opinion**

**Prior year misstatement in expenditure**

Included in the expenditure under component 1 and 4 are expenditure amounts of K105 915 083.54 and K2 776 908.62, respectively (2015: K105 915 083.54 and K9 674 091.82, respectively). These expenses were paid for by ESCOM on behalf of the project in the prior year and were included in the income and expenditure statement for the prior year. In the current year, a refund was made to ESCOM by the project and the amounts were recorded again as expenditure for the current year.

Cash basis accounting requires that income be recognised on receipt rather than when earned and expenditure should be recognised on payment rather than when incurred. By recognising an expenditure that was not paid in the prior year, implies that the prior year cash reconciliation was not reconciled by those amounts and consequently the opening cash balance is misstated. The prior year financial statements have not been restated to correct the error. Inclusion of the expenditure in both financial years has therefore resulted in duplicated expenditures.

**Current year uncorrected misstatements**

Total uncorrected misstatements relating to duplicated/ overstated expenditure, unrecognised expenditure and expenditure wrongly recognised in the current year relating to the period subsequent to year end amounted to K53 913 000. The amount is represented by:

- Payments that were made after year end but recognised in the current year- (K 48 679 000);
- Duplicated/ overstated expenditure- (K34 923 000); and
- Payment made in the year but not recognised -K29 689 000.

These misstatements if corrected would decrease expenditure and increase the expected cash balance by K53 913 000. This therefore, implies that there is unreconciled difference/ cash shortage of K53 913 000 in the project's funds.

#### Current year unreconciled funds

The net income/surplus under cash basis accounting is supposed to equal to cash receipts less the cash disbursements. The project's funds reconciliation for 2016 as shown on the statement of income and expenditure (note 5:1) and on balance of project's funds and cash status (note 5.2) indicates that there is an unreconciled difference of K77 246 412.44. The expected cash balance at year end was K3 287 300 293.94 whilst the cash at bank was K3 210 053 881.50. The unreconciled difference/ cash shortage would increase to K131 159 412.44 after taking into account the uncorrected misstatements of K53 913 000 as reported above. At the date of our audit report, management was still in the process of reconciling the amounts. We were unable to identify the source of these unreconciled funds.

#### Summary of uncorrected entries

	<b>Expenses (MK)</b>	<b>Cash (MK)</b>
Post year end expenses recognised in 2016	(48 679 000)	48 679 000
Duplicated expenses	(34 923 000)	34 923 000
Unrecorded expenses	29 689 000	(29 689 000)
<b>Misstatement</b>	<b>(53 913 000)</b>	<b>53 913 000</b>
Opening balance misstatement	115 589 175.36	115 589 175.36
Unreconciled cash difference/shortage		
-Cash shortage		77 246 412.44
-Unadjusted entries		53 913 000.00
		<b>131 159 412.44</b>

#### Disclaimer of Opinion

Because of the significance of the matters described in the Bases for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

#### Other Matter

The financial statements of the Electricity Supply Corporation of Malawi Limited – Energy Sector Support Project for the year ended 30 June 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 19 January 2016.



Chartered Accountants  
Blantyre, Malawi

**Madalo C. Mwenelupembe**  
Engagement partner

16 February 2016



**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**5 Financial statements**

**5.1 Statement of income and expenditure for the year ended 30 June 2016**

	<u>2016</u> <u>MK</u>	<u>2016</u> <u>USD</u>	<u>2015</u> <u>MK</u>	<u>2015</u> <u>USD</u>
<b>RECEIPTS</b>				
Opening balance	1 461 377 940.69	3 368 655.36	901 981 420.79	2 370 169.88
Replenishments during the year	3 802 150 534.37	6 056 656.40	1 661 047 773.26	3 731 852.64
Interest received	2 408 544.20	3 267.48	-	-
Exchange difference	<u>1 108 139 988.72</u>	<u>-</u>	<u>297 538 968.23</u>	<u>-</u>
<b>Total financing</b>	<u>6 374 077 007.98</u>	<u>9 428 579.24</u>	<u>2 860 568 162.28</u>	<u>6 102 022.52</u>
<b>PROJECT EXPENDITURES:BY COMPONENT EXPENDITURE</b>				
COMPONENT 1	(2 618 536 743.96)	(3 751 032.57)	(1 297 556 101.15)	(2 505 648.37)
COMPONENT 2	(98 115 657.01)	(471 390.61)	(82 797 109.28)	(181 533.70)
COMPONENT 3	(198 403 903.54)	(366 501.35)	-	-
COMPONENT 4	<u>(171 720 409.52)</u>	<u>(285 212.33)</u>	<u>(33 632 071.78)</u>	<u>(80 289.52)</u>
	<u>(3 086 776 714.03)</u>	<u>(4 874 136.86)</u>	<u>(1 413 985 282.21)</u>	<u>(2 767 471.59)</u>
<b>Balance carried forward</b>	<u>3 287 300 293.95</u>	<u>4 554 442.38</u>	<u>1 446 582 880.07</u>	<u>3 334 550.93</u>
<b>CASH</b>				
ESSP Standard Bank of Malawi	3 208 959 290.58	4 552 889.37	1 446 582 880.07	3 334 550.93
ESSP FDH Bank Limited	1 094 590.93	1 553.01	-	-
Unreconciled difference	<u>77 246 412.44</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>3 287 300 293.95</u>	<u>4 554 442.38</u>	<u>1 446 582 880.07</u>	<u>3 334 550.93</u>

**5.2 Balance of project's funds and cash status**

	<u>2016</u> <u>MK</u>	<u>2016</u> <u>USD</u>	<u>2015</u> <u>MK</u>	<u>2015</u> <u>USD</u>
1. Opening balance	1 461 377 940.69	3 368 655.36	901 981 420.79	2 370 169.88
2. Add: Total income during the reporting period	3 802 150 534.37	6 056 656.40	1 661 047 773.26	3 731 852.64
3. Less: Total expenditure during the reporting period	(3 086 776 714.03)	(4 874 136.86)	(1 413 985 282.21)	(2 767 471.59)
4. Add: Interest received	2 408 544.20	3 267.48	-	-
5. Add: Exchange rate gain	<u>1 108 139 988.72</u>	<u>-</u>	<u>297 538 968.23</u>	<u>-</u>
Excess of income over expenditure	<u>3 287 300 293.95</u>	<u>4 554 442.38</u>	<u>1 446 582 880.07</u>	<u>3 334 550.93</u>

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

---

**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 recognised on receipt of cash or cash equivalents and the expenditures recognised on the disbursement of cash or cash equivalents.

**(c) Revenue recognition**

Grant income is recognised 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 Grant income**

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

**5.3.3 Expenditure**

The reported expenditure includes all payments made by the project.

**5.3.4 Project unutilised funds**

Total income for the project (unutilised 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 unutilised funds carried forward to the following year.



**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
 - ENERGY SECTOR SUPPORT PROJECT (ESSP)  
 FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016**

**5. Financial statements (Continued)**

**5.3.5 Opening balance**

The opening balance for cash is different to the closing balance as at 30 June 2015 because the entity had not shown the bank balance for FDH bank amounting to K14, 795,060.62. The entity had in the prior year erroneously expensed the transfer of the funds from Standard bank to FDH bank. This was corrected in the current period.

**5.3.6 Critical accounting judgements and key sources of estimation uncertainty**

No critical judgements were made by the 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.

**5.3.7 Exchange rates and inflation**

	<u>2016</u> K	<u>2015</u> K
Kwacha/US Dollar	704.81	433.82
Inflation rate (%)	22.6 %	22%

Subsequent to year-end, as at 31<sup>st</sup> January 2017, the above noted exchange and inflation rates had moved as follows:

Kwacha/US Dollar	725.43
Inflation rate (%) (December)	20%

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

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

---

**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 accounts 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 projects accounts were stated at the rate ruling on the transaction date;
- We reviewed all 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 projects 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 on 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**

Exceptions noted have been reported in our audit report above and in the management letter which has been issued separately.



**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**7. Annexure**

**7.1 Fixed asset register**

**2016**

<b>Asset</b>	<b>Supplier</b>	<b>Unit price K</b>	<b>Qty</b>	<b>Total cost K</b>
Land	Ministry of Lands	44 072 350.25	-	44 072 350.25
Toyota Hilux	Toyota Malawi	27 051 250.42	3	<u>81 153 751.26</u>
				<u>125 226 101.51</u>

**7.2 Detailed income and expenditure report**

**Reporting period: 1 July 2015 to 30 June 2016**

	<b>USD</b>	<b>MK</b>
<b>INCOME</b>		
Opening balance	3 368 655.36	1 461 377 940.69
World Bank Funds received during the year	6 056 656.40	3 802 150 534.37
Exchange gain	-	1 108 139 988.72
Interest received	<u>3 267.48</u>	<u>2 408 544.20</u>
Total income	<u>9 428 579.24</u>	<u>6 374 077 007.98</u>
<b>EXPENDITURE</b>		
Advances for rehabilitation of power stations and supply of materials	2 595 869.76	1 799 833 332.04
Consultancy	1 390 951.76	777 225 897.82
Tax paid	189 925.86	107 609 788.08
Clearing goods charges	152 773.78	84 290 796.49
Motor vehicles	128 501.74	81 153 751.25
Purchase of software	127 748.00	85 339 410.92
Land acquisition	98 693.34	44 072 350.25
Training	49 051.79	26 959 540.62
Bank charges	32 208.29	20 870 388.58
Audit fee	19 227.14	10 029 500.00
Wages and salaries	<u>13 619.97</u>	<u>7 624 122.42</u>
Total expenditure	<u>4 874 136.86</u>	<u>3 086 776 714.03</u>
Surplus income over expenditure	<u>4 554 442.38</u>	<u>3 287 300 293.95</u>

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)  
- ENERGY SECTOR SUPPORT PROJECT (ESSP)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**7. Annexure (Continued)**

**7.2 Detailed income and expenditure report (Continued)**

**Reporting period: 1 July 2014 to 30 June 2015**

	USD	MK
<b>INCOME</b>		
Opening balance	2 370 169.88	901 981 420.79
World Bank Funds received during the year	3 731 852.64	1 661 047 773.26
Exchange gain	<u>-</u>	<u>297 538 968.23</u>
Total income	<u>6 102 022.52</u>	<u>2 860 568 162.28</u>
<b>EXPENSES</b>		
General spares	1 125 804.52	614 711 341.56
Consultancy	1 096 420.90	544 927 096.63
Tax paid	138 541.64	65 295 468.67
Clearing goods charges	124 589.66	61 638 962.67
Bank charges	101 543.03	49 119 681.90
Land acquisition	99 805.69	44 660 659.00
Travel and subsistence allowance	68 888.15	27 715 726.12
Training	10 749.30	5 330 956.52
Consumables and sundries	<u>1 128.82</u>	<u>585 389.14</u>
Total expenditure	<u>2 767 471.71</u>	<u>1 413 985 282.21</u>
Surplus income over expenditure	<u>3 334 550.81</u>	<u>1 446 582 880.07</u>



**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)**  
**- ENERGY SECTOR SUPPORT PROJECT (ESSP)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

7. Annexure (Continued)

7.3 Detailed Expenditure Report by Component

Reporting period: 1 July 2015 to 30 June 2016

	Component 1		Component 2		Component 3		Component 4		Total	
	USD	MK	USD	MK	USD	MK	USD	MK	USD	MK
Bank charges	32 208.29	20 870 388.58	-	-	-	-	-	-	32 208.29	20 870 388.58
Tax paid	189 925.86	107 609 788.08	-	-	-	-	-	-	189 925.86	107 609 788.08
Clearing goods charges	152 773.78	84 290 796.49	-	-	-	-	-	-	152 773.78	84 290 796.49
Consultancy	919 561.15	679 110 240.81	471 390.61	98 115 657.01	-	-	-	-	1 390 951.76	777 225 897.82
Advances for rehabilitation of power stations and supply of materials	2 229 368.41	1 601 429 428.50	-	-	366 501.35	198 403 903.54	-	-	2 595 869.76	1 799 833 332.04
Travel and subsistence allowance	-	-	-	-	-	-	75 565.43	41 767 835.56	75 565.43	41 767 835.56
Motor vehicles	128 501.74	81 153 751.25	-	-	-	-	-	-	128 501.74	81 153 751.25
Purchase of Software	-	-	-	-	-	-	127 748.00	85 339 410.92	127 748.00	85 339 410.92
Wages and Salaries	-	-	-	-	-	-	13 619.97	7 624 122.42	13 619.97	7 624 122.42
Audit fee	-	-	-	-	-	-	19 227.14	10 029 500.00	19 227.14	10 029 500.00
Land acquisition	98 693.34	44 072 350.25	-	-	-	-	-	-	98 693.34	44 072 350.25
Training	-	-	-	-	-	-	49 051.79	26 959 540.62	49 051.79	26 959 540.62
<b>Total</b>	<b><u>3 751 032.57</u></b>	<b><u>2 618 536 743.96</u></b>	<b><u>471 390.61</u></b>	<b><u>98 115 657.01</u></b>	<b><u>366 501.35</u></b>	<b><u>198 403 903.54</u></b>	<b><u>285 212.33</u></b>	<b><u>171 720 409.52</u></b>	<b><u>4 874 136.86</u></b>	<b><u>3 086 776 714.03</u></b>

**ELECTRICITY SUPPLY CORPORATION OF MALAWI LIMITED (ESCOM)**  
**- ENERGY SECTOR SUPPORT PROJECT (ESSP)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

7. Annexure (Continued)

7.3 Detailed Expenditure Report by Component (Continued)

Reporting period: 1 July 2014 to 30 June 2015

	Component 1		Component 2		Component 3		Component 4		Total	
	USD	MK	USD	MK	USD	MK	USD	MK	USD	MK
Bank charges	101 543.03	49 119 681.90	-	-	-	-	-	-	101 543.03	49 119 681.90
Tax paid	138 541.64	65 295 468.67	-	-	-	-	-	-	138 541.64	65 295 468.67
Land acquisition	99 805.69	44 660 659.00	-	-	-	-	-	-	99 805.69	44 660 659.00
Clearing goods charges	124 589.66	61 638 962.67	-	-	-	-	-	-	124 589.66	61 638 962.67
Consultancy	914 887.20	462 129 987.35	181 533.70	82 797 109.28	-	-	-	-	1 096 420.90	544 927 096.63
Generation spares	1 126 281.15	614 711 341.56	-	-	-	-	-	-	1 126 281.15	614 711 341.56
Travel and subsistence allowance	-	-	-	-	-	-	68 411.52	27 715 726.12	68 411.52	27 715 726.12
Consumables and sundries	-	-	-	-	-	-	1 128.82	585 389.14	1 128.82	585 389.14
Training	-	-	-	-	-	-	10 749.30	5 330 956.52	10 749.30	5 330 956.52
<b>Total</b>	<u>2 505 648.37</u>	<u>1 297 556 101.15</u>	<u>181 533.70</u>	<u>82 797 109.28</u>	<u>-</u>	<u>-</u>	<u>80 289.64</u>	<u>33 632 071.78</u>	<u>2 767 471.71</u>	<u>1 413 985 282.21</u>