

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022



We keep it flowing, *for you.*

Total assets improved by

33%



The corporation is pleased to present the audited financial results for the year ended 31 March 2022. There is a marginal improvement in the loss before tax in comparison to the previous year. The period under review saw the completion of four (4) major projects that are meant to increase the nation's water supply.

BASIS OF PREPARATION

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

INDEPENDENT AUDITORS REPORT

The Corporation's annual financial statements have been audited by PricewaterhouseCoopers and they have issued an unqualified audit opinion. The audit opinion is available for inspection at the Corporation's registered office and website.

FINANCIAL HIGHLIGHTS

<p>14% P2.07 BIL REVENUE 2021: P1.81 BIL</p>	<p>1% P2.34 BIL OPERATING EXPENSES 2021: P2.32 BIL</p>
<p>18% P208 MIL LOSS BEFORE TAX 2021: P254 MIL</p>	<p>33% P14.74 BIL TOTAL ASSETS 2021: P11.07 BIL</p>

STATEMENT OF COMPREHENSIVE INCOME

REVENUE

The Corporation recorded total revenue of P2.07 billion for the year ended 31 March 2022, an increase of 14% in comparison to the prior financial year. This increase is mainly a result of the tariff increase that was introduced

on 1 June 2021 and continued implementation of revenue maximisation strategies such as improved operational efficiency, reduction of Non-Revenue Water and new connections to customers.

OPERATING EXPENSES

Total operating expenses grew by P16.73 million to P2.34 billion (2021: P2.32 billion) for the year ended 31 March 2022, despite a 67% decrease in net impairment loss on trade receivables. This is an adverse increase of 1% in comparison to the prior year attributable to an increase in water treatment and distribution expenses.

PROFITABILITY

The Corporation reported a loss before tax of P207.98 million (2021: P253.71 million) which is an 18% favourable movement compared to the previous financial year. The overall result can be summarised as an outcome of negative macro and microeconomic forces resulting from the COVID-19 pandemic and increased inflation.

STATEMENT OF FINANCIAL POSITION

The Corporation's financial position (total assets) has improved by 33% to P14.74 billion (2021: P11.07 billion) due to an increase in non-current assets by 36% from P8.68 billion to P11.80 billion in 2022. The increase is attributable to property, plant and equipment acquisitions and new projects that commenced during the period.

CUSTOMER CARE

The Corporation has introduced a kiosk to a variety of its self-service channels as part of its drive to embrace digital transformation thereby enhancing collections and customer service.

OUTLOOK

Botswana is looking for new and sustainable solutions in all sectors of the economy, and our industry is no different. The water sector is challenged to create value for future generations through the creation of sustainable water sources and infrastructure.

This provides rare opportunities for stewardship. The Corporation extended the strategy duration by another year to March 2023, with a drive to identify areas of enhancements that will put the Corporation in a position of being closer to achieving the status of "a leading water utility service provider."

The Corporation has aligned with the Government's Reset Agenda, which directs that we improve performance to position the Corporation as a benchmark in operational efficiencies and transform it into a Centre of Excellence. In this vein, our project portfolio provides assurance of water for the future amid climate change, where access to clean water and sanitation has become a global concern. We remain committed to the delivery of the mandate, to help our nation experience the ripple effect of the proverbial water drop as it contributes toward economic growth.

BOARD CHAIRMAN

CHIEF EXECUTIVE OFFICER

STATEMENT OF COMPREHENSIVE INCOME

	Mar-22 P'000	Mar-21 P'000
Revenue	2,066,697	1,811,031
Other Income	30,451	30,300
Total operating expenses	(2,339,717)	(2,322,990)
Operating loss before tariff subsidies and grants	(242,569)	(481,659)
Revenue grant	-	172,194
Operating loss after tariff subsidies and grants	(242,569)	(309,465)
Finance income	62,706	81,321
Finance costs	(28,119)	(25,570)
Loss for the year before income tax	(207,982)	(253,714)
Income tax	(184,378)	79,223
Loss for the year	(392,360)	(174,491)

STATEMENT OF FINANCIAL POSITION

	Mar-22 P'000	Mar-21 P'000	Mar-20 P'000
ASSETS			
Non-current assets	11,807,836	8,682,376	7,203,249
Current assets	2,932,890	2,389,401	2,537,624
Total assets	14,740,726	11,071,777	9,740,873
EQUITY AND LIABILITIES			
Capital and reserves	5,087,849	5,480,209	5,654,700
Non-current liabilities	8,939,757	4,728,532	3,608,169
Current liabilities	713,120	863,036	478,004
Total liabilities	9,652,877	5,591,568	4,086,173
Total equity and liabilities	14,740,726	11,071,777	9,740,873

STATEMENT OF CHANGES IN EQUITY

	Irredeemable Capital P'000	Government Contribution P'000	Interest Subsidy Reserve P'000	Retained Earnings P'000	Total P'000
Balance at 1 April 2020	752,738	4,104,627	17,466	781,872	5,656,703
Correction of error (net of tax)	-	-	-	(2,003)	(2,003)
Restated total equity at the beginning of the financial year	752,738	4,104,627	17,466	779,869	5,654,700
Loss for the year (restated*)	-	-	-	(174,491)	(174,491)
Transfers within components of equity	-	-	330	(330)	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	330	(174,821)	(174,491)
Balance as at 31 March 2021 (Restated*)	752,738	4,104,627	17,796	605,048	5,480,209
Balance as at 1 April 2021 as originally presented	752,738	4,104,627	17,796	615,499	5,490,660
Correction of error (net of tax)	-	-	-	(10,451)	(10,451)
Restated total equity at the beginning of the financial year	752,738	4,104,627	17,796	605,048	5,480,209
Loss for the year	-	-	-	(392,360)	(392,360)
Transfers within components of equity	-	-	166	(166)	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	166	(392,526)	(392,360)
Balance as at 31 March 2022	752,738	4,104,627	17,962	212,522	5,087,849

STATEMENT OF CASH FLOWS

	Mar-22 P'000	Mar-21 P'000
Cash flows from/(to) operating activities	(639,785)	(44,261)
Net cash used in investing activities	(4,601,259)	(1,394,805)
Net cash from financing activities	3,990,146	1,312,808
Net decrease in cash and cash equivalents	(1,250,898)	(126,258)
Cash and cash equivalents at beginning of the year	1,534,154	1,660,412
Cash and cash equivalents at end of the year	283,256	1,534,154

