



Botswana Development Corporation Limited

A limited liability public company incorporated in Botswana under the Companies Act, 2003 (as amended).

AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018

Company Profit Before Tax

18% ▲ | 2018 P244 MIL
| 2017 P206 MIL

Group Profit Before Tax

39% ▲ | 2018 P187 MIL
| 2017 P135 MIL

Group Asset Base

5% ▲ | 2018 P4.1 BIL
| 2017 P3.9 BIL

Company Asset Base

8% ▲ | 2018 P2.6 BIL
| 2017 P2.4 BIL

	Consolidated		Company	
	2018 P'000	2017 P'000	2018 P'000	2017 P'000
Abridged statements of comprehensive income				
Continuing operations				
Revenue	122,761	137,246	175,050	179,690
Cost of sales	(55,573)	(63,079)	-	-
Gross profit	67,188	74,167	175,050	179,690
Rental income	146,566	137,113	-	-
Finance and other Income	105,980	73,787	111,573	111,586
Share of profits of associates	23,859	26,784	-	-
Fair value gain of investment properties	44,522	28,508	-	-
Other Expenses	(292,957)	(242,779)	(135,109)	(122,626)
Available for-sale-investments reclassified to profit or loss	92,053	37,390	92,053	37,390
Profit before tax	187,211	134,970	243,567	206,040
Income tax expense	(38,978)	(37,905)	(16,262)	(6,699)
Profit from continuing operations	148,233	97,065	227,305	199,341
Discontinued Operations				
Profit for the year from discontinued operations	-	11,365	-	-
PROFIT FOR THE YEAR	148,233	108,430	227,305	199,341
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Gain on revaluation of land and buildings	1,798	2,254	-	-
Share of other comprehensive income of associates	20	6,857	-	-
	1,818	9,111	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net loss on available-for-sale investments or loss	(19,612)	(301,492)	(19,612)	(301,492)
Other Comprehensive Income for the year	(17,794)	(292,381)	(19,612)	(301,492)
Total comprehensive income	130,439	(183,951)	207,693	(102,151)
Profit attributable to:				
Owners of the Company	117,639	79,059	227,305	199,341
Non-controlling interests	30,594	29,371	-	-
	148,233	108,430	227,305	199,341
Total other comprehensive income attributable to:				
Owners of the Company	(17,794)	(292,381)	19,612	(301,492)
Non-controlling interests	-	-	-	-
	(17,794)	(292,381)	19,612	(301,492)
Abridged statements of financial position				
Non-current assets	3,526,944	3,179,150	2,126,323	2,020,242
Current assets	560,645	476,819	479,849	268,530
Assets classified as held for sale	42,250	217,306	-	89,000
	4,129,839	3,873,275	2,606,172	2,377,772
Assets pertaining to discontinued operations	-	75,491	-	-
Total assets	4,129,839	3,948,766	2,606,172	2,377,772
Equity and Liabilities				
Equity attributable to owners of the company	2,538,512	2,545,346	1,886,747	1,791,107
Non-controlling interests	366,260	345,713	-	-
Non-current liabilities	1,057,798	680,971	549,265	350,877
Current liabilities	167,269	308,929	170,160	235,788
	4,129,839	3,880,959	2,606,172	2,377,772
Liabilities associated with assets classified as held for sale	-	62,729	-	-
Liabilities directly associated with discontinued operations	-	5,078	-	-
Total equity and liabilities	4,129,839	3,948,766	2,606,172	2,377,772
Abridged statements of cash flows				
Opening cash balance	171,271	420,657	53,951	227,474
Net cash generated from / (used in) operating activities	137,778	53,620	(32,997)	(82,144)
Net cash (used in)/from investing activities	(206,976)	3,165	124,125	206,072
Net cash from/(used in) financing activities	252,928	(308,068)	138,456	(297,451)
Cash transferred from assets held for sale	-	1,897	-	-
Closing cash balance	355,001	171,271	283,535	53,951

Abridged statements of changes in equity									
	Stated Capital	Share Application	Fair Value Reserve	Other Reserves	Claims Equalisation Reserve	Retained earnings	Total Attributable to Members	Non-controlling Interests	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Consolidated Year ended 30 June 2018									
Balance at 1 July 2017	888,269	-	558,695	235,413	4,207	858,762	2,545,346	345,713	2,891,059
Total comprehensive income for the year	-	-	(19,612)	1,818	-	117,639	99,845	30,594	130,439
Transfers during the year - Restated	-	-	(92,053)	56,054	-	(56,054)	(92,053)	-	(92,053)
Debt interest declared during the year	-	-	-	-	-	-	-	(12,757)	(12,757)
Dividend paid	-	-	-	-	-	(20,000)	(20,000)	(95)	(20,095)
Other movements	-	-	-	-	-	5,374	5,374	2,805	8,179
Balance at 30 June 2018	888,269	-	447,030	293,285	4,207	905,721	2,538,512	366,260	2,904,772
Year ended 30 June 2017 - Restated									
Balance at 1 July 2016	888,269	-	897,577	217,330	4,207	837,240	2,844,623	331,810	3,176,433
Total comprehensive income for the year - Restated	-	-	(301,492)	9,111	-	79,059	(213,322)	29,371	(183,951)
Transfers during the year - Restated	-	-	(37,390)	36,442	-	(36,442)	(37,390)	-	(37,390)
Debt interest declared during the year - Restated	-	-	-	-	-	-	-	(19,278)	(19,278)
Dividend paid	-	-	-	-	-	(25,000)	(25,000)	(479)	(25,479)
Disposal of an investment	-	-	-	(29,422)	-	-	(29,422)	-	(29,422)
Other movements - Restated	-	-	-	1,952	-	3,905	5,857	4,289	10,146
Balance at 30 June 2017	888,269	-	558,695	235,413	4,207	858,762	2,545,346	345,713	2,891,059
Company Year ended 30 June 2018									
Balance at 1 July 2017	888,269	-	558,695	36,442	-	307,701	1,791,107	-	1,791,107
Total comprehensive income/(loss) for the year	-	-	(19,612)	-	-	227,305	207,693	-	207,693
Dividend paid	-	-	-	-	-	(20,000)	(20,000)	-	(20,000)
Transfers during the year	-	-	(92,053)	64,796	-	(64,796)	(92,053)	-	(92,053)
Balance at 30 June 2018	888,269	-	447,030	101,238	-	450,210	1,886,747	-	1,886,747
Year ended 30 June 2017									
Balance at 1 July 2016	888,269	-	897,577	-	-	174,453	1,960,299	-	1,960,299
Total comprehensive income/(loss) for the year - Restated	-	-	(301,492)	-	-	199,341	(102,151)	-	(102,151)
Dividend paid	-	-	-	-	-	(25,000)	(25,000)	-	(25,000)
Transfers during the year - Restated	-	-	(37,390)	36,442	-	(36,442)	(37,390)	-	(37,390)
Prior year adjustments	-	-	-	-	-	(4,651)	(4,651)	-	(4,651)
Balance at 30 June 2017	888,269	-	558,695	36,442	-	307,701	1,791,107	-	1,791,107

BASIS OF PREPARATION

The consolidated and separate financial statements of Botswana Development Corporation Limited (the "Corporation") have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS). They have been prepared using accounting policies that comply with International Financial Reporting Standards which are consistent with those applied in the prior year financial statements.

The consolidated and separate financial statements of the Corporation have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

INDEPENDENT AUDITORS REPORT

The consolidated and separate financial statements of the Corporation have been audited by external auditors and they have issued an unmodified audit opinion.

FINANCIAL PERFORMANCE COMMENTARY

BDC Company

The Company recorded a total revenue and other income of P287 million against prior year P291 million. Interest income saw a growth of 20 % to P42 million against prior year P35 million reflecting expected growth in debt assets in line with business strategy to rebalance the equity/debt asset profile. Profit before tax grew by 18% year-on-year attributed to a growth in debt assets as well as recoveries from fully impaired assets. This performance is reflective of profits largely driven by strong portfolio management and early success in growing our debt book.

Finance costs are at P46 million down to 17% from prior year owing to introduction of optimally priced facilities and an in year 50bps rate cut by the central bank resulting in an improved interest rate profile. Overall administration expenditure closed the year at P87 million, almost flat compared to prior year P95m which is consistent with a continued cost containment culture.



Mr. B. Marole
Chairperson of the Board

Total assets and net worth experienced 10% and 5% increase respectively year-on-year due to growth in investment assets and positive business performance

BDC Group

Consolidated revenue and other income closed the year at P444 million, the 10% positive variance is mainly driven by growth in rental income and a positive performance at Company level. Overall administrative costs increased by 31% to P238 million compared to P182 million experienced in prior year mainly due to refurbishments at subsidiary with a view of enhancing yields. The Group remains profitable at P187 million against last year P135 million at the back of improved performance at Company level.

An increase in investment asset values showed a 5% year on year growth of Group assets to P4.1 billion.

GOVERNANCE

The Board of Directors continues to ensure a business conduct characterised by integrity and in accordance with generally accepted governance practices and endorses internationally accepted principles of corporate governance and public responsibility.

LOOKING AHEAD

The directors are confident that the financial position of the company remains strong and resilient. As we approach the final year of our renowned strategy, we are more passionate and committed than ever to doubling the business. Despite the continued toughened environment, we have achieved significant milestones in portfolio clean up, resource optimisation and maintained considerable profitability over the strategic period. Beyond 2019, our focus remains in investing in commercially viable projects with valuable returns for the shareholder.

DIVIDENDS

The Board of Directors has declared a dividend of P25 million to the Government of Botswana.



Mr. B. Gaetsaloe
Managing Director