



Botswana Development Corporation Limited

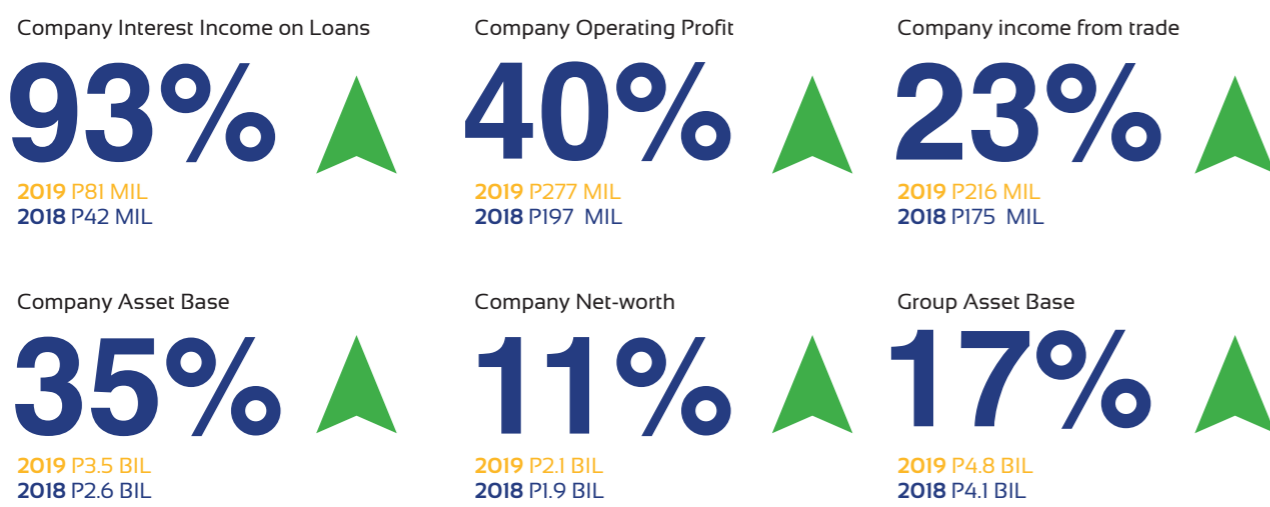
A limited liability public company incorporated in Botswana under the Companies Act, 2003 (as amended).

AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

Abridged statements of comprehensive income	Group	Group	Company	Company
	2019 P'000	2018 P'000	2019 P'000	2018 P'000
Continuing operations				
Income from trade	151,397	122,761	215,554	175,050
Gross profit	108,065	67,188	215,554	175,050
Rental income	167,620	146,566	-	-
Finance and other Income	47,386	105,980	61,167	111,573
Share of profits of equity accounted investees	20,374	23,859	-	-
Fair value gain on investment properties	38,217	44,522	-	-
Other expenses	(284,614)	(292,957)	(69,607)	(135,109)
Operating profit	172,216	149,841	276,657	197,254
Available for-sale-investments reclassified to profit or loss	-	92,053	-	92,053
Profit before tax	97,049	187,211	207,115	243,567
Income tax expense	(21,929)	(38,978)	(8,382)	(16,262)
Profit from continuing operations	75,120	148,233	198,733	227,305
Discontinued operations				
Loss for the year from discontinued operations, net of tax	(24,178)	-	-	-
Profit for the year	50,942	148,233	198,733	227,305
Other comprehensive income				
Gain on revaluation of land and buildings	-	1,798	-	-
Gains on valuation of investments in equity instruments	30,107	-	30,107	-
Share of other comprehensive income of associates	(20)	20	-	-
Total items that will not be reclassified to profit/loss	30,087	1,818	30,107	-
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (Loss)/Gain on available-for-sale investments or loss	-	(19,612)	-	(19,612)
Other comprehensive income for the year net of taxation	30,087	(17,794)	30,107	(19,612)
Total comprehensive income for the year	81,029	130,439	228,840	207,693
Profit attributable to:				
Owners of the Company	30,607	117,639	198,733	227,305
Non-controlling interests	20,335	30,594	-	-
	50,942	148,233	198,733	227,305
Total other comprehensive income attributable to:				
Owners of the Company	30,087	(17,794)	30,107	(19,612)

Abridged statements of financial position	Group	Group	Company	Company
	2019 P'000	2018 P'000	2019 P'000	2018 P'000
Non-current assets	4,150,586	3,526,944	3,164,527	2,126,323
Current assets	660,017	560,645	341,843	479,849
Non-current assets classified as held for sale	11,750	42,250	-	-
Total Assets	4,822,353	4,129,839	3,506,370	2,606,172
Equity and Liabilities				
Equity attributable to owners of the company	2,565,399	2,538,512	2,088,667	1,886,747
Non-controlling interests	365,841	366,260	-	-
Non-current liabilities	1,437,808	1,057,798	1,082,386	549,265
Current liabilities	453,305	167,269	335,317	170,160
Total equity and liabilities	4,822,353	4,129,839	3,506,370	2,606,172

Abridged statements of cash flows	Group	Group	Company	Company
	2019 P'000	2018 P'000	2019 P'000	2018 P'000
Opening cash balance	355,001	171,271	283,534	53,950
Net cash from/(used in) operating activities	116,326	137,778	(94,365)	(32,997)
Net cash (used in)/from investing activities	(594,164)	(206,976)	(643,430)	124,125
Net cash from financing activities	403,713	252,928	405,457	138,456
Dividend paid	-	-	-	-
Closing cash balance	280,876	355,001	(48,804)	283,534



Abridged statements of changes in equity	Stated Capital	Fair Value Reserve	Other Reserves	Claims Equalisation Reserve	Retained earnings/Accumulated losses	Total Attributable to Members	Non-controlling Interests	Total equity
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Group								
Year ended 30 June 2019								
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/(loss) for the year	-	(19,612)	1,818	-	117,639	99,845	30,594	130,439
Transfers between reserves - restated	-	(92,053)	56,054	-	(56,054)	(92,053)	-	(92,053)
Other movements	-	-	-	-	5,374	5,374	2,805	8,179
Debt interest declared during the year	-	-	-	-	-	-	(12,757)	(12,757)
Dividend paid	-	-	-	-	(20,000)	(20,000)	(95)	(20,095)
Balance at 1 July 2018, as previously reported	888,269	447,030	293,285	4,207	905,721	2,538,512	366,260	2,904,772
IFRS 9 Day 1 Adjustments	-	-	-	-	(3,311)	(3,311)	-	(3,311)
Other movements	-	-	-	-	(5,496)	(5,496)	-	(5,496)
Balance at 1 July 2018 as restated	888,269	447,030	293,285	4,207	896,914	2,529,705	366,260	2,895,965
Total comprehensive income for the year	-	30,107	(20)	-	30,607	60,694	20,335	81,029
Transfers during the year	-	-	(3,246)	(3,000)	6,246	-	-	-
Debt interest declared during the year	-	-	-	-	-	-	(19,392)	(19,392)
Other movements	-	-	(7,038)	-	7,038	-	(1,362)	(26,362)
Dividend paid	-	-	-	-	(25,000)	(25,000)	-	-
Transaction with owners of Company	-	-	(10,284)	(3,000)	(11,716)	(25,000)	(20,754)	(45,754)
Balance at 30 June 2019	888,269	477,137	282,981	1,207	915,805	2,565,399	365,841	2,931,240
Company								
Year ended 30 June 2019								
Balance at 1 July 2017	888,269	558,695	36,442	-	307,701	1,791,107	-	1,791,107
Total comprehensive income for the year	-	(19,612)	-	-	227,305	207,693	-	207,693
Transfers between reserves	-	(92,053)	64,796	-	(64,796)	(92,053)	-	(92,053)
Dividend paid	-	-	-	-	(20,000)	(20,000)	-	(20,000)
Balance at 1 July 2018, as previously reported	888,269	447,030	101,238	-	450,210	1,886,747	-	1,886,747
IFRS 9 Day 1 Adjustments	-	-	-	-	(1,920)	(1,920)	-	(1,920)
Balance at 1 July 2018 restated	888,269	447,030	101,238	-	448,290	1,884,827	-	1,884,827
Total comprehensive income for the year	-	-	-	-	198,733	198,733	-	198,733
Transfers between reserves	-	30,107	33,931	-	(33,931)	30,107	-	30,107
Dividend paid	-	-	-	-	(25,000)	(25,000)	-	(25,000)
Transaction with owner of Company	-	30,107	33,931	-	(58,931)	5,107	-	5,107
Balance at 30 June 2019	888,269	477,137	135,169	-	588,092	2,088,667	-	2,088,667

BASIS OF PREPARATION

The Group and company financial statements of the 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 with the exception of the adoption of new standards and interpretations.

The Group and company 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.

The complete set of financial statement from which these abridged results were extracted from, are available on the Company's website.

INDEPENDENT AUDITORS' REPORT

The Group and company 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's revenue amounted to P216 million against prior year P175 million. This 23% increase is on the back of a deliberate strategy to accelerate the conversion of debt transactions which resulted in a 93% growth of interest on loans issued by the Company. The Corporation pushed for improved cost efficiencies resulting in overall administrative expenses reducing to P93 million against the prior year P109 million. At P277 million, operating profit was 40% higher than 2018 driven by the revenue increase and cost containment noted above as well as recoveries on previously impaired assets due to targeted portfolio management of key assets to unlock latent value. The Corporation's net worth stands at P2.1 billion a 11% year-on-year growth due to growth in investment assets that saw total assets growing by 35% to P3.5 billion.

BDC Group

Group revenue closed the year at P151 million, 23% higher than prior year P123 million mainly on the back of growth in interest on loans issued by the Company. Operating income at P172 million is 15% higher than 2018 due to higher interest on loans issued by the Company, improved rental income from increased occupancies, lower impairments and cost efficiencies. Notwithstanding the adoption of IFRS 9 Financial Instruments impairments reduced significantly by 71% reflecting the continued strong portfolio management across the Group. An increase in investment asset values showed a 17% year-on-year growth of Group assets to a historic high of P4.8 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 the internationally accepted principles of corporate governance and public responsibility.

LOOKING AHEAD

2019 marks the final year of our business strategy. The Corporation has successfully established a foundation for a strategic direction to steer forward the next five years following this current period dubbed "Double the business in five years". A successful future to be realised tomorrow rests upon the Corporation's approach made in the present whereby relationships and investments pursued make high returns over the long term. This requires a bold and transformational strategic direction which focuses on commercially viable enterprises in our key focus sectors.

The Corporation is sustainable, a fit for purpose enterprise ready to take on our new bold strategic direction that will be a catalyst in the Botswana growth journey to a high income economy.

DIVIDENDS

Subsequent to year end, the Board of Directors has declared a dividend of P20 million to the Government of Botswana.

N Bogatsu
Director

M Lokaufkau
Director