'24 ANNUAL REPORT

BDC

SHAPING BOTSWANA'S ECONOMIC LEGACY

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Corporate Profile
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Overview of BDC

Botswana Development Corporation Limited (BDC) serves as Botswana's principal investment agency for commercial and industrial development. Established in 1970 under the Companies Act, BDC operates as a company limited by shares, wholly owned by the Government of Botswana.

Its primary mandate is to foster sustainable and diversified economic growth by funding commercially viable enterprises that stimulate private sector growth, drive innovation, and create employment.

BDC also extends its reach regionally and internationally, contributing to wealth creation for its shareholder whilst advancing the country's economic transformation agenda

Our Brand Promise

BDC's primary mandate is to drive the industrialisation of the country by providing financial assistance to investors with commercially viable projects that perform one or more of the following functions:

- Unlock value in existing industries.
- Stimulate private sector growth and foster synergies with local industries.
- Diversify the economy and strengthen export capacity.
- Create meaningful employment opportunities.
- Expand investments beyond Botswana's borders to enhance global competitiveness.

Our Services

BDC offers a range of financial solutions, including debt, equity, and mezzanine funding, tailored for projects with a minimum funding requirement of P30 million. These solutions are designed to empower growth across various sectors, excluding large-scale diamond mining, and include:

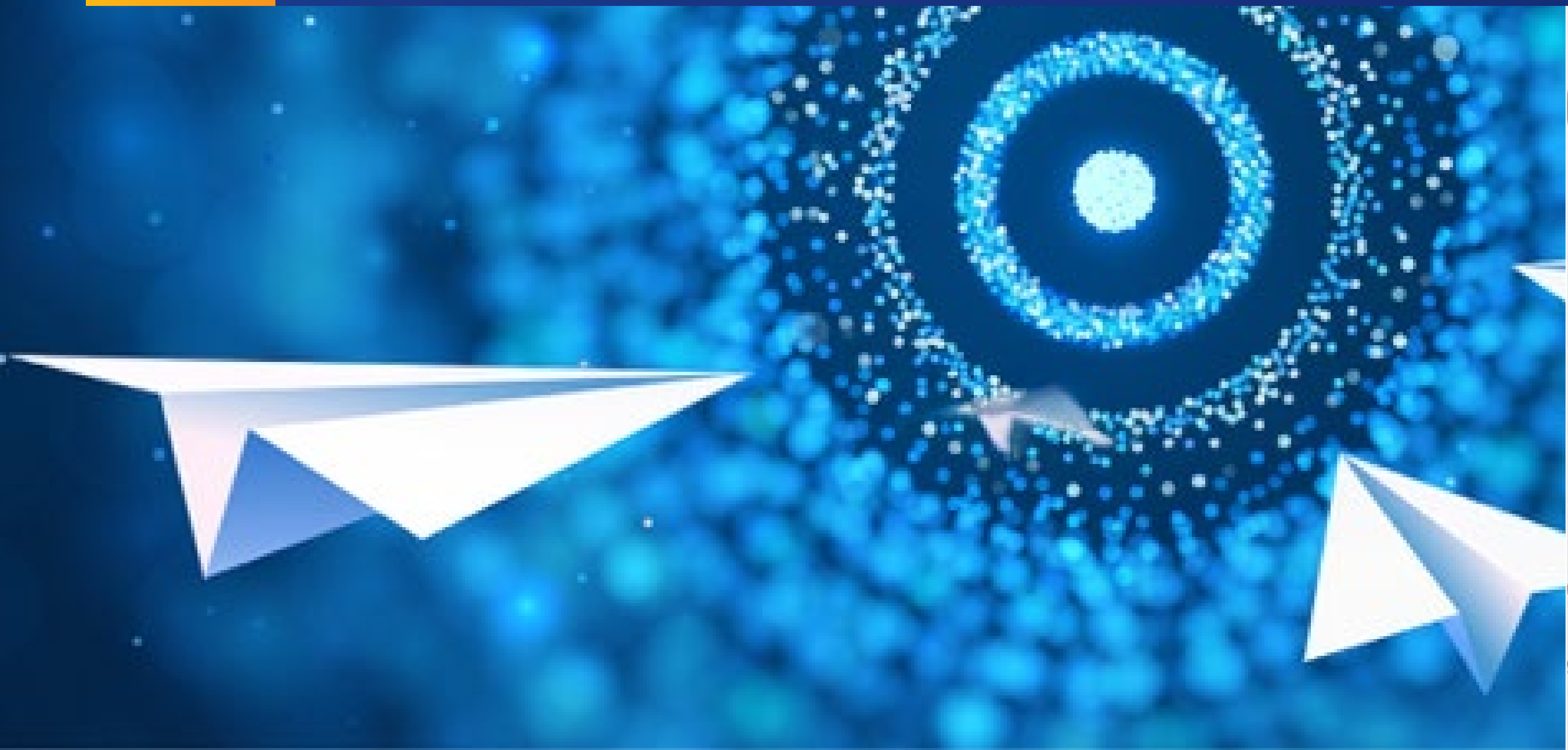
- **Manufacturing;**
- **Renewable Energy;**
- **Technology and Innovation;**
- **Property;**
- **Tourism and Hospitality; and**
- **Services**

Strategic Outcomes

As Botswana's main investment arm of Government, BDC is dedicated to delivering impactful results that align with the nation's economic aspirations. Our strategic outcomes reflect our commitment to fostering sustainable development, empowering local enterprises, and positioning Botswana as a competitive player in the global economy. Through focused investments and partnerships, we aim to create transformative opportunities for growth and prosperity.

- Pioneering industries and unlocking value in untapped sectors across Botswana with a focus on citizen economic empowerment
- Investing locally in large scale export orientated businesses
- Investing globally in high-return commercial and strategic projects with linkages to Botswana
- Integrating Botswana into the world economy through commercial investments and partnerships
- Expediting positive impact to customers and stakeholders through our commitment to service excellence

Corporate Profile cont.



Mission, Vision, and Value Statements

At BDC, our mission, vision, and values collectively define who we are, what we stand for, and the transformative impact we aim to deliver. Rooted in our commitment to driving Botswana's economic growth and transformation, these guiding principles inform every decision we make and every partnership we build, ensuring sustainable value creation for the nation and its people.

Mission

To create sustainable economic value as a strategic investor in inclusive, impactful, and productive enterprises.

Vision

To be the investment partner of choice in the transformation of Botswana's economy.

Values

BDC's values are foundational to its identity and approach, embodying its promise to clients, communities, and the nation:

- **Client Centricity:** Delivering exceptional client experiences built on responsiveness, diligence, and long-term value creation.
- **Innovation:** Driving forward-thinking, creative solutions that challenge norms and set new benchmarks for excellence.
- **Integrity:** Upholding transparency, fairness, and accountability in all interactions and decisions.
- **Sustainability:** Committing to socially, economically, environmentally, and financially responsible practices that balance people, profit, and the planet.

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BDC Logo

The BDC logo serves as a powerful visual embodiment of our identity, values, and role as Botswana's premier investment partner. It symbolises the Corporation's commitment to fostering sustainable economic development and transformation through collaboration, innovation, and strategic partnerships.

Every element of the logo reflects the essence of BDC's mission to transform Botswana's economy while maintaining a global outlook.

The logo design integrates::

- **Four pillars:** Representing BDC's unwavering support for investors, highlighting its role in fostering economic growth and diversification.
- **The roundtable:** Depicting an atmosphere of collaboration and partnership, reinforcing the Corporation's brand promise and values.
- **Tagline – "Your Investment Partner":** This succinct statement captures BDC's dedication to building trusted relationships with stakeholders, reflecting its commitment to creating impactful investments that enhance the quality of life for Botswana's people and beyond.

Financial Highlights

Financial Performance Indicators

Company income from trade

2024	2023	
78m	69m	14%

Group income from trade

2024	2023	
128m	132m	3%

Company interest on loans

2024	2023	
264m	227m	16%

Group interest on loans

2024	2023	
236m	202m	17%

Share of profits from associate entities

2024	2023	
43m	37m	16%

Group expenses

2024	2023	
253m	196m	29%

Company expenses

2024	2023	
135m	102m	32%

Impairment charges

Company 2024	Company 2023	Group 2024	Group 2023
213m	34m	175m	nil

Commentary

- Company income from trade is driven by dividend income from subsidiary and associate entities. In the year current year, there were extraordinary dividends paid by associate companies due to stellar performance in business activities in the year.
- Interest from loans grew year on year due to new facilities disbursed in the year though disbursements were subdued in relation to the prior year.
- Expenses across the group and company increased due to business activities aligned with the strategy objectives, impacts of organisational review processes and marketing activities for new businesses.
- A spike in impairment charge for the year arose due to a single obligor being restaged to Stage 3 under IFRS 9 due to underlying difficulties in the entity's operations

Financial Position Indicators

Total Assets

Group 2024	Group 2023		Company 2024	Company 2023	
P5.7bn	P5.7bn	nil	P5.0bn	P5.0bn	nil

Investments Assets

Group 2024	Group 2023		Company 2024	Company 2023	
4.3bn	4.4bn	1%	4.5bn	4.6bn	2%

Shareholders worth

Group 2024	Group 2023		Company 2024	Company 2023	
2.8bn	2.8bn	nil	2.1bn	2.2bn	5%

Borrowings

Group 2024	Group 2023		Company 2024	Company 2023	
2.1bn	2.2bn	5%	2.0bn	2.1bn	5%

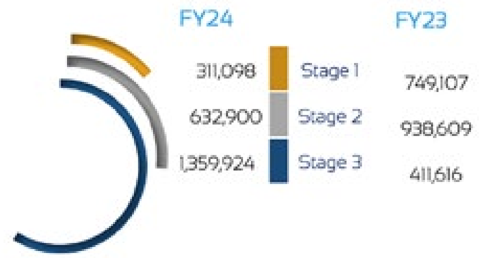
Debt service reserves

2024	2023	
75m	70m	6%

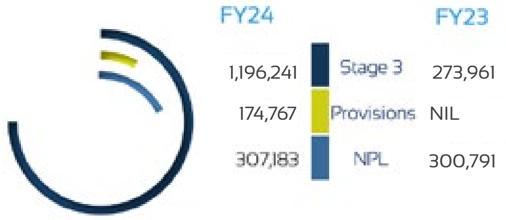
Commentary

- Solid balance sheet for both the company and the group that has proven resilient despite headwinds faced by underlying investee companies and heightened expected credit losses.
- Leverage position well below appetite leaving room for growth

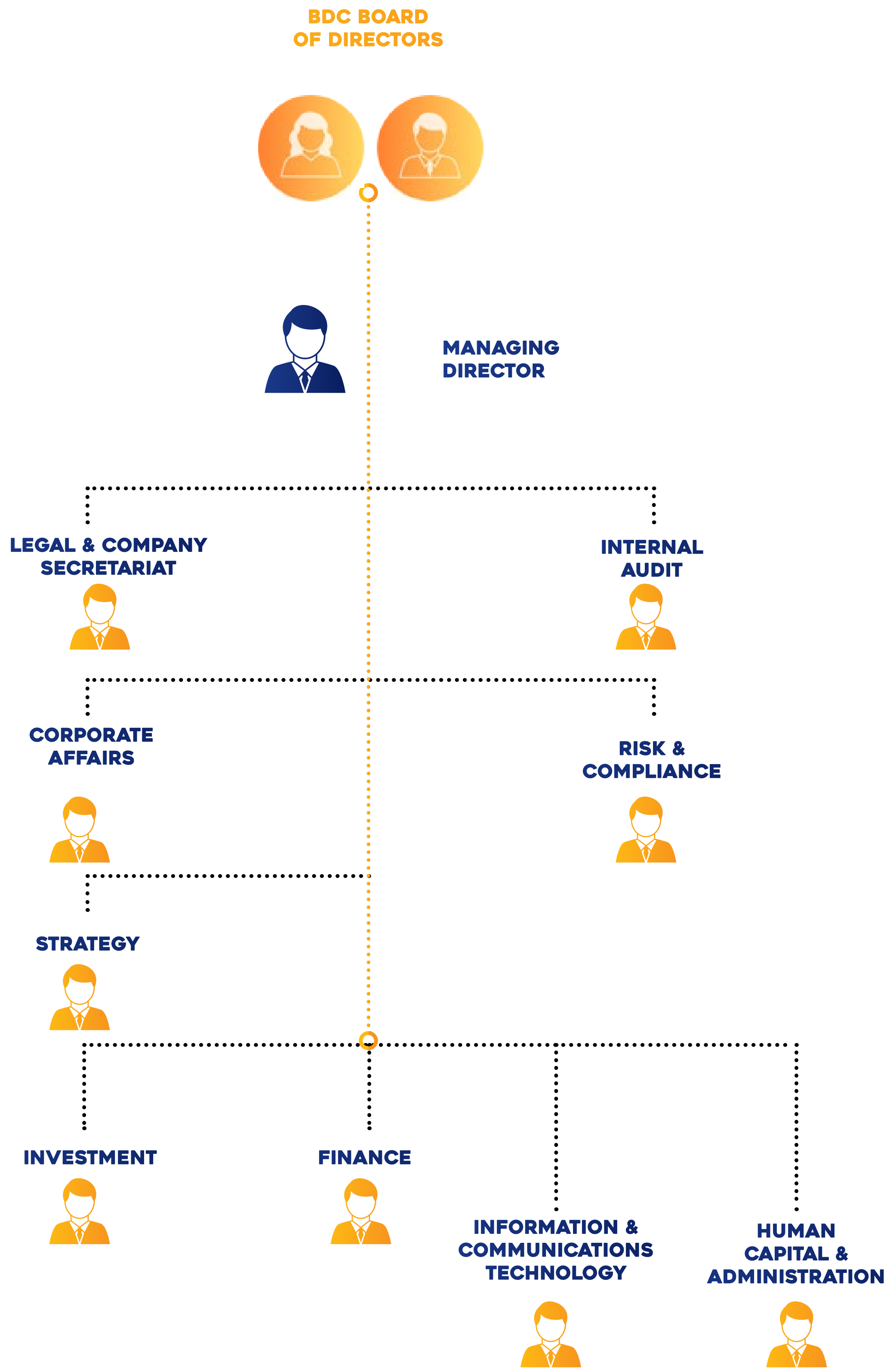
Company



Group



Organisational Structure



Strategic Overview

Strategic Journey

We have set our aspiration to be a premier investment partner of choice in the transformation of Botswana's economy, through successful execution of our Beyond 2019 Strategy.

Moreover, we intend to maximize long-term value for the Shareholder and creating wealth for future generations, in fulfilling our purpose of "creating sustainable economic value as a strategic investor of inclusive, impactful and productive enterprises".

Consistent with the past years, the Corporation has remained resilient and resolute in the execution of its strategic agenda, despite the global challenges.

We have made substantial progress and have built a strong foundation for growth over the last four (4) years. We managed to achieve notable achievements, which include amongst others the following: transformed our operating model; successfully implemented our new organisational structure which has strengthened areas such as risk management, investment monitoring and ICT; ventured into new and untapped sectors such as automotives.

We have successfully navigated through effect of COVID – 19 crisis, Russia – Ukraine conflict and other negative economic factors such as weak demand of diamonds and geopolitical tensions.

Some of our investment portfolio projects are still recovering from negative effects of COVID 19 pandemic and Russian – Ukraine conflict.

The Corporation is currently implementing innovative ways to restructure its non-performing portfolio and intensify its portfolio monitoring, with the view to improve liquidity and enhance the overall portfolio mix.

We are now looking to the future and aim to raise our performance to new levels, by focusing on growing and reinventing the business through the implementation of various key initiatives. The implementation of our Integrated Information Management System which is expected to optimise and automate our key business processes is at 44%. In addition there is an ongoing development of a robust ecosystem of partners that will assist in upscaling value chains development. This is expected to subsequently increase investment in high value manufacturing projects like soda ash dependent industries, automotive component manufacturing, biotechnology, precision engineering, pharmaceutical, agro-processing, renewable energy power generation and ICT.

Horizon 1 (2021/23): Doing things Better

We focused on optimising the business, whereby the following initiatives were implemented.

- Cost management/rationalisation
- Business architecture review
- Customer service strategy
- Information technology strategy
- Performance management framework
- Organisational structure review
- Talent Management Strategy

Horizon 2 (2023/24) Doing things differently

Started to focus on realigning the business by implementing the following initiatives which are various stage of implementation:

- Investment and divestment strategy
- Product, Pricing and Funding strategy
- Capital raising strategy
- Rebranding programme & brand management strategy
- Human Capital Management Strategy
- Group Internal Audit Strategic Plan

Horizon 3 (2024/26) Doing different things

Will focus on growing and reinventing the business and will embark on the following initiatives:

- Balance Sheet Restructuring
- Enhance Portfolio Quality & Performance
- Integrated Information Management System
- Partnership framework
- Project management framework
- Leadership and culture transformation framework

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Strategic Overview cont.

Strategic Framework

To drive outperformance, we are focusing on delivering the following outcomes:

PIONEERING INDUSTRIES AND UNLOCKING VALUE IN UNTAPPED SECTORS ACROSS BOTSWANA WITH A FOCUS ON CITIZEN ECONOMIC INCLUSION.	• Ramp up Automotive Components manufacturing, Soda Ash Dependent industries and High Value manufacturing like biotechnology, pharmaceutical, precision enginneering, ICT, agro processing • Working with Research institutions to commercialise their Intellectual Property (IPs)
INVESTING LOCALLY IN LARGE SCALE EXPORT ORIENTATED BUSINESSES.	• Seeking to develop local products for export market • Increase real (controlling equity stakes) citizen participation in key sectors of the economy (banking, insurance, manufacturing, tourism etc)
INVESTING GLOBALLY IN HIGH-RETURN COMMERCIAL AND STRATEGIC PROJECTS WITH ECONOMIC LINKAGES TO BOTSWANA.	• Establishing targeted partnerships and leveraging Botswana's economic strengths for international investments that will benefit not only the BDC portfolio through synergies, but also the business ecosystem
INTEGRATING BOTSWANA INTO THE WORLD ECONOMY THROUGH COMMERCIAL INVESTMENTS AND PARTNERSHIPS.	• Developing a partnership framework that will deliver actionable and tangible strategic projects in industries that align with Botswana's economic strengths and growth potential.
EXPEDITING POSITIVE IMPACT TO CUSTOMERS AND STAKEHOLDERS THROUGH OUR COMMITMENT TO SERVICE EXCELLENCE.	• Execution of a bespoke customer service strategy with a key focus on service delivery and long-term sustainable relationships

"Creating Sustainable Economic Value as a strategic investor of inclusive, impactful and productive enterprises..."

Corporate Governance

Chairman's Statement
Board Of Directors
Managing Director's Statement
Executive Management

Corporate Governance Report

Overview

The role and responsibility of the Board of Directors ("the Board") of Botswana Development Corporation Limited ("BDC" or "the Corporation") is to set the strategic direction as well as guide the implementation of the Beyond 2019 Strategy.

The Board is cognisant that good corporate governance is pivotal for the implementation and execution of the strategy. As such, it continues to subscribe to the highest standards of corporate governance and good ethical culture.

This commitment to good corporate governance as overseen by the Board, has enabled BDC to continuously maximise long-term value for the Shareholder and create wealth for future generations in a sustainable manner.

BDC is a State-Owned Enterprise ("SOE") which is governed by various statutory enactments.

The Board has further developed and put in place a robust governance framework to ensure effective and efficient operations of the Corporation.

As part of its commitment to good corporate governance, and as recommended by the Botswana Accountancy Oversight Authority ("BAOA"), BDC formally adopted the King III Code of Corporate Governance of South Africa, as its corporate governance code on the 15th of June 2022.

BDC further strives to be a future-fit-for purpose organisation and continuously prepares to be compliant with the King IV Code of Corporate Governance of South Africa.

The Board of Directors

In the year under review BDC was governed by an independent Board appointed by the Minister of Trade and Industry, as the representative of the Government of Botswana ("Shareholder").

The Board provided oversight to Management and was collectively accountable to the Shareholder for promoting and safeguarding the long-term success of the Corporation. Each Director adhered to ethical leadership to safeguard the overall integrity of the Corporation.

In the period under review, the Board comprised of members with an appropriate balance of knowledge, skills, experience, diversity and independence which enabled it to discharge its governance role and responsibilities objectively and effectively.

The BDC Board comprised of a total of nine (9) members of which six (6) were independent non-executive members, two (2) were non-executive members and one (1) was an executive member. BDC continues to support the principles of gender diversity and had a female representation of 33% on its Board.

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Chairman's Statement

Overview

It is my honour to present the Chairman's Statement for the financial year ended 30 June 2024 (FY24), marking a pivotal chapter in Botswana Development Corporation's (BDC) journey as a catalyst agent for economic transformation, inclusivity, and sustainability. This year's achievements reflect our resilience, agility, and commitment to delivering on our mandate amidst evolving global economic conditions.

It is my honour to present the Chairman's Statement for the financial year ended 30 June 2024 (FY24), marking a pivotal chapter in Botswana Development Corporation's (BDC) journey as a catalyst agent for economic transformation, inclusivity, and sustainability. This year's achievements reflect our resilience, agility, and commitment to delivering on our mandate amidst evolving global economic conditions.

Guided by the Beyond 2019 Strategic Intent, BDC has steadfastly pursued its mission of creating long-term sustainable economic value for Botswana. FY24 was characterised by notable progress in operational efficiency, impactful investments, and strategic project revitalisation. Despite challenges, BDC demonstrated robust governance and innovation, resulting in notable financial performance with total income rising to P579 million (FY23, P420m) and total assets standing at P5.7 billion.

The BDC group achieved significant milestones this year, including the recommissioning of Lobatse Clay Works, which boosted manufacturing capacity, generated employment, and bolstered the local manufacturing industry. Milk Valley Farms (formerly Milk Afric) continues to enhance Botswana's food security through expansion of the local dairy sector. Additionally, the opening of the Mall of Maun transformed the retail landscape in the region, creating 1,500 jobs and supporting local economic activity; by drawing in regional and international retailers.

BDC's unwavering commitment to sustainability remains a cornerstone of its strategy, aligning with Botswana's Vision 2036 to move to high income status. Through the Environmental and Social Management System (ESMS) framework, we have ensured our investments are not only profitable but also socially and environmentally responsible. The framework further ensures robust risk mitigation, and to provide a platform to unlock new opportunities in areas like green energy, circular economy initiatives, and community development.

Looking ahead, the Board is committed to deepening economic diversification, fostering meaningful employment, and advancing sustainable development. Through strategic partnerships and impactful investments, BDC is well-positioned to contribute to Botswana's vision of becoming a high-income economy by 2036.

On behalf of the Board of Directors, I extend my heartfelt gratitude to our stakeholders, management, and employees for their unwavering dedication and support in driving BDC's vision. Together, we will continue to shape a prosperous and inclusive future for Botswana.

Maleho Mothibatsela
BDC Board Chairperson

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Director Profiles

Mr. Maleho Mothibatsela
BDC Board Chairperson
[Appointed 01 August 2021]

Mr Mothibatsela is a graduate of Economics and Accounting from the University of Botswana, with core professional experience and expertise in investments, finance, and economics. He has spent 25 years in the financial services sector, 24 years of which have been dedicated to institutional, retail investment management, both locally and abroad, as well as in investment advisory since 2010.

Mr Mothibatsela has served in various other fiduciary capacities over his career including, maiden chairman of the investment committee of the Botswana Public Officers Medical Aid Scheme; Independent member of the investment committee of Fleming Asset Management Botswana; Treasurer to the Anglican Diocese of Botswana as well as Trustee to the Anglican Bishopric Endowment Fund. He is also a director on the board of Okavango Diamond Company.

Mr. Cross Kgosidiile
BDC Managing Director
[Appointed 01 April 2020]

Mr Kgosidiile has over 20 years of experience of building high performance teams having served in a variety of leadership roles including at Botswana Power Corporation (BPC), Motor Vehicle Accident (MVA) Fund and the national airline, Air Botswana. His known forte and expressed passion has continued to be for commercial environments. His experience in leadership capacities boasts of strengths across key commercial areas including Corporate Finance and Strategy.

Mr. Kgosidiile holds a Bachelor of Commerce (Accounting) Degree and a Master's in Business Administration from the University of Botswana. He is a fellow of the Chartered Institute of Management Accountants and serves as its Membership Assessor. He is also a fellow member of the Botswana Institute of Accountants. Mr. Kgosidiile has served as Board Chairman for the Botswana Building Society, was a member of Botswana Railways Board, Stanbic Bank Botswana Limited, MVA Fund and KYS Investments Limited. He is currently Board Chairman of Mmila Fund Administrators which administers the Debswana Pension Fund, a Council Member of ABM University College and Trustee of Botswana Medical Aid Society.

Mr. Mmonesi Aryl Ralebala
[term expired on 31 January 2024]

Mr Ralebala is Executive Chairman of the LSG Group which consists of Tswana Fuel (BP Distributor), Lubricants Supplies (Castrol Distributor), Tswana Gas (LPG Distributor), Africent Investments (Retail Filling Stations), Regent Hotels, and Manong Game Lodge. The LSG group has manpower strength more than 120 personnel. A graduate in Mechanical Engineering from Kenya Polytechnic University, Mr Ralebala's formative years were spent at Shell Oil Botswana in Retail Development and Sales and Marketing.

He later followed his passion and established the Castrol Oil brand in Botswana. With this step he developed the Castrol brand to market leadership for the past two decades. This achievement is acclaimed as exceptional in the Petroleum industry in Botswana and the Region.

Mr. Boniface Mphetlhe –
Shareholder Representative
[Appointed 01 February 2020]

Mr Mphetlhe has worked as an Economist in the Ministry of Finance and Development Planning for over 10 years in the Development Programmes Section and the Macroeconomics Section. He worked in various positions in the Development Programmes Section up to the level of Chief Economist in 2006 after which he was appointed Director for Macroeconomics Policy, where he was responsible for economic policy coordination, including the preparation of the National Development Plan.

Mr Mphetlhe earned a Master of International Affairs (Program in Economic Policy Management) at Columbia University in the USA and B.A. Social Sciences (Economics & Accounting) at the University of Botswana.

Ms. Onalenna Otlaadisa-Diloro –
Risk and Compliance Committee Chairperson
[term expired on 31 January 2024 and was renewed on 01 April 2024]

Ms. Otlaadisa-Diloro is a seasoned attorney with over 17 years post-qualification experience and is the founder of Otlaadisa Law, a boutique corporate and commercial law firm. Her broad expertise includes insolvency and restructuring, banking and finance, commercial dispute resolution, capital markets, mergers and acquisitions, regulatory and general corporate commercial work. She was previously a partner at a leading corporate and commercial firm in Botswana. She has also served as a legal advisor at a leading bank, in addition to her international corporate commercial law experience which she obtained whilst on secondment in the corporate department of Slaughter and May (London office). Ms Otlaadisa-Diloro has consistently been ranked by Chambers Global as a business lawyer with specific strength in insolvency and restructuring and corporate finance in Botswana. She is also ranked by Global Law Experts as a leading insolvency and restructuring practitioner. She holds a Master of Laws (LLM) in Commercial and Corporate Law from Queen Mary University of London and a Bachelor of Laws (LLB) degree from the University of Botswana.

Ms Otlaadisa-Diloro also sits as an Independent Non-Executive Director on the board of Minet Retirement Solutions (Pty) Limited (Formerly AON Retirement Solutions (Pty) Limited), where she chairs the Remunerations and Nominations Committee.

Ms. Shirley Moncho -
Shareholder Representative
[resigned on 30 December 2023]

Ms Moncho is currently the Chief Executive Officer of Botswana Trade Commission and joined the Board whilst holding the position of Deputy Permanent Secretary in the Ministry of Trade and Industry. She is highly experienced, with a demonstrated history of working in international trade, agricultural policy, and industry development. Professionally skilled in international trade policy analysis, policy and strategy development, agricultural development, regional integration, and project management. She holds a Master of Science in Agricultural Economics from Oklahoma State University; Postgraduate Diploma in Management Practices (Trade Policy and Law) from University of Cape Town; and Bachelor of Science in Agriculture from University of Botswana.

Ms Moncho previously served as a Board Member of the Botswana Trade Commission, Botswana Export Credit Insurance and Guarantee Company (BECI), Chemical, Biological, Nuclear and Radiological Weapons Management Authority and Gaborone Immigration Selection Committee.

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Director Profiles cont.

Mr. Mmoloki Ramaeba –
Investment Committee Chairperson
[Appointed on 01 August 2021]

Mr Ramaeba is a seasoned investment banking, finance, and economics executive with over 27 years of experience in several senior banking management roles such as Regional Chief Operating Officer – Corporate & Investment Banking of Atlas Mara – Botswana and later serving as Chief of Staff to Group CEO at Atlas Mara, Dubai UAE. Mr Ramaeba is a transactions and structuring expert who has worked across numerous products, including, inter alia; debt and equity, mergers & acquisitions, capital markets, as well as treasury and balance sheet management.

Mr Ramaeba holds a BA (single major in Economics) from the University of Botswana, Management Leadership Development Programme (MLDP), and the Executive Leadership Development Programme (ELDP) from the Gordons Institute of Business Science under the University of Pretoria. He also has acquired banking and finance training from International Development Ireland Ltd in Ireland and London.

Further, Mr Ramaeba sits on the boards of other public entities such as Botswana Railways where he serves as the Chairperson of the board.

Ms. Julia Ntshole –
Finance and Audit Committee Chairperson
[Appointed 01 August 2021]

Ms Ntshole has extensive experience and skill in finance, treasury, and risk management in the financial services sector. Her career commenced at Ernst and Young as an Auditor. She later joined Investec Bank as the Financial Accountant before joining Stanbic Bank as Financial Accountant. She was later appointed Assets and Liabilities Manager and Market Risk Manager. She then joined BBS Limited as Head of Risk Management from June 2010 to June 2021. She re-joined Stanbic Bank in February 2022 and currently holds the position of Head, Non-Financial Risk.

Ms Ntshole is a holder of a Bachelor of Commerce (Accounting) from the University of Botswana. She is a member of the Association of Chartered Certified Accountants (ACCA). Ms Ntshole holds various certificates in Finance and Risk Management. She holds an ACI Operations Certificate (Financial Markets Association), ICAAP Principles, Basel II and Capital Management Certificate, IFRS 9 Enterprise-wide risk management principles, and Operational Risk Management and Basel II from Dupleix Institute.

Mr. Ndinabo Max Setaelo
[Appointed 01 August 2021]

Mr Setaelo is the Founder and Director of Petrohyper (Pty) Ltd, Firstwatch Holdings (Pty) Ltd, Hi-Lift Services (Pty) Ltd and First Energy Botswana (Pty) Ltd, operating in civil works, fuel logistics and sales, retail and supplies. He brings with him a rich skill set based on immense experience in the petroleum and gas industry, and his outstanding business acumen garnered from his diversified businesses and investments. Mr Setaelo has held various key positions in the petroleum and gas industry sector. With over 20 years in the industry at Management and Executive level, Mr Setaelo possesses key technical industry knowledge, together with a strong focus on stakeholder value and satisfaction.

A graduate in Bachelor of Arts in Social Sciences (Business Economics), Mr Setaelo started his career at Shell Oil Botswana as Depot Operations Supervisor and thereafter as Area Business Manager before establishing his business ventures.

Mr Setaelo is highly experienced and competent in financial management, crisis management, retail fundamentals as well as retail business finance amongst many others.

Mr. Gideon Mmolawa –
Shareholder Representative
[Appointed on 01 April 2024]

Mr Mmolawa is currently the Deputy Permanent Secretary of the Ministry of Trade and Industry, where he provides strategic leadership and coordinates internal and international trade issues and advises the Permanent Secretary on appropriate strategies and policy issues relating to trade. He joined the Public Service in June 1992 as an Assistant Economist and rose to Chief Economist at the Ministry of Finance. He also served as Director in the Department of International Trade and as Deputy Director in the Department of Industrial Affairs both in the Ministry of Trade and Industry.

Mr. Mmolawa has served on the boards of Botswana Bureau of Standards, Public Enterprises Evaluation and Privatisation Agency, and Citizen Entrepreneurial Development Agency. Other assignments include serving as the Coordinator of the European Union and the Southern African Customs Union plus Mozambique and United Kingdom Economic Partnership Agreements.

Mr. Mmolawa holds a Master of Arts Degree (Development Policy and Public Administration) and a Bachelor of Arts Degree (Economics and Accounting) from the University of Botswana.

Ms. Boyang Mufahothe –
Human Capital Committee Chairperson
[Appointed on 01 April 2024]

Ms. Mufahothe is a seasoned human capital professional with strong business acumen leveraging 10+ years of experience working across different industries in Botswana. Through her roles she has proven to be a competent leader and practitioner who demonstrates exceptional people management skills which ensure that human resources programs and initiatives create a good employee experience, in alignment with overall business objectives. Having worked in progressive organizations she is intimately familiar with issues around organizational culture, change management, diversity & inclusion, and the myriads of important issues packed under the ESG themes.

Ms. Mufahothe holds a Master's Degree in People Management, an Honors Degree in Organisational Psychology and a Degree in Labour Law, Organisational Psychology & Human Resources Management from the University of Cape Town. She is also a certified Executive & Management coach, a member of the Steering Committee of the Human Resources Society Botswana and a recipient of the Top 100 Influential HR Leaders in Botswana award.

Board Activities

In the year under review, the BDC Board undertook the following key activities:

Conferences and Training

The Board participated at the annual Indaba Mining Conference which was held in February 2024 in Cape Town, South Africa as part of its stakeholder engagement and its intention to foster relationships with key players of different markets.

The Board further participated at the 38th African Corporate Governance Conference in November 2023 held in Cape Town, South Africa.

The main purpose of the conference was to enhance the Board's knowledge and leadership skills and to ensure that they are knowledgeable in best corporate governance practices.

Board Evaluation

In accordance with clause 9.1.13 of the Board Charter and pursuant to principle 2.22 of King III, the Board undertakes a rigorous review and evaluation of its own effectiveness and performance, and that of its Committees, individual Directors as well as the Company Secretary.

An external evaluation was conducted by an independent service provider.

Tour of BDC Investment Projects

In the year under review, the Board visited the different companies and operations in which BDC has invested either debt, equity or both (mezzanine). The Board underwent a tour of Lobatse Clay Works (Pty) Ltd, Delta Automotive Technologies (Pty) Ltd and Milk Valley Farms (Pty) Ltd.

Board and Committee Record of Attendance

The Board and its Committees convene at least four (4) ordinary meetings annually. Additionally, special meetings are held based on the dictates of business requirements.

During FY24, certain Board Committees did not convene the required number of meetings as the Board became inquorate on 31 January 2024 and was later reconstituted by the Shareholder on 01 April 2024.

The following table depicts the number of meetings held by the Board and its Committees:

Meetings held during FY24

MAIN BOARD	FINANCE AND AUDIT COMMITTEE	HUMAN CAPITAL COMMITTEE	BOARD INVESTMENT COMMITTEE	BOARD RISK & COMPLIANCE COMMITTEE
NINE (9)	SIX (6)	THREE (3)	FOUR (4)	THREE (3)

The table below depicts the sitting fees that were paid to the Directors in FY24:

DIRECTOR	TOTAL AMOUNT PAID IN FY24
Maleho Mothibatsela	BWP 91,417.00
Cross Kgosidiile	N/A
Mmoloki Ramaeba	BWP 93,867.00
Julia Ntshole	BWP 89,267.00
Boniface G. Mphetlhe	BWP 75,367 .00
Mmonesi Aryl Ralebala	BWP 36,150.00
Onalenna Otlaadisa-Diloro	BWP 59,400.00
Ndinabo Max Setaelo	BWP 65,567.00
Shirley Moncho	N/A
Gideon Mmolawa	BWP 25,500.00
Boyang Mufahothe	BWP 17,000.00

Directors' fees for FY24 amounted to 553,000.00 inclusive of other fees paid for official engagements
Key: N/A – Not Applicable

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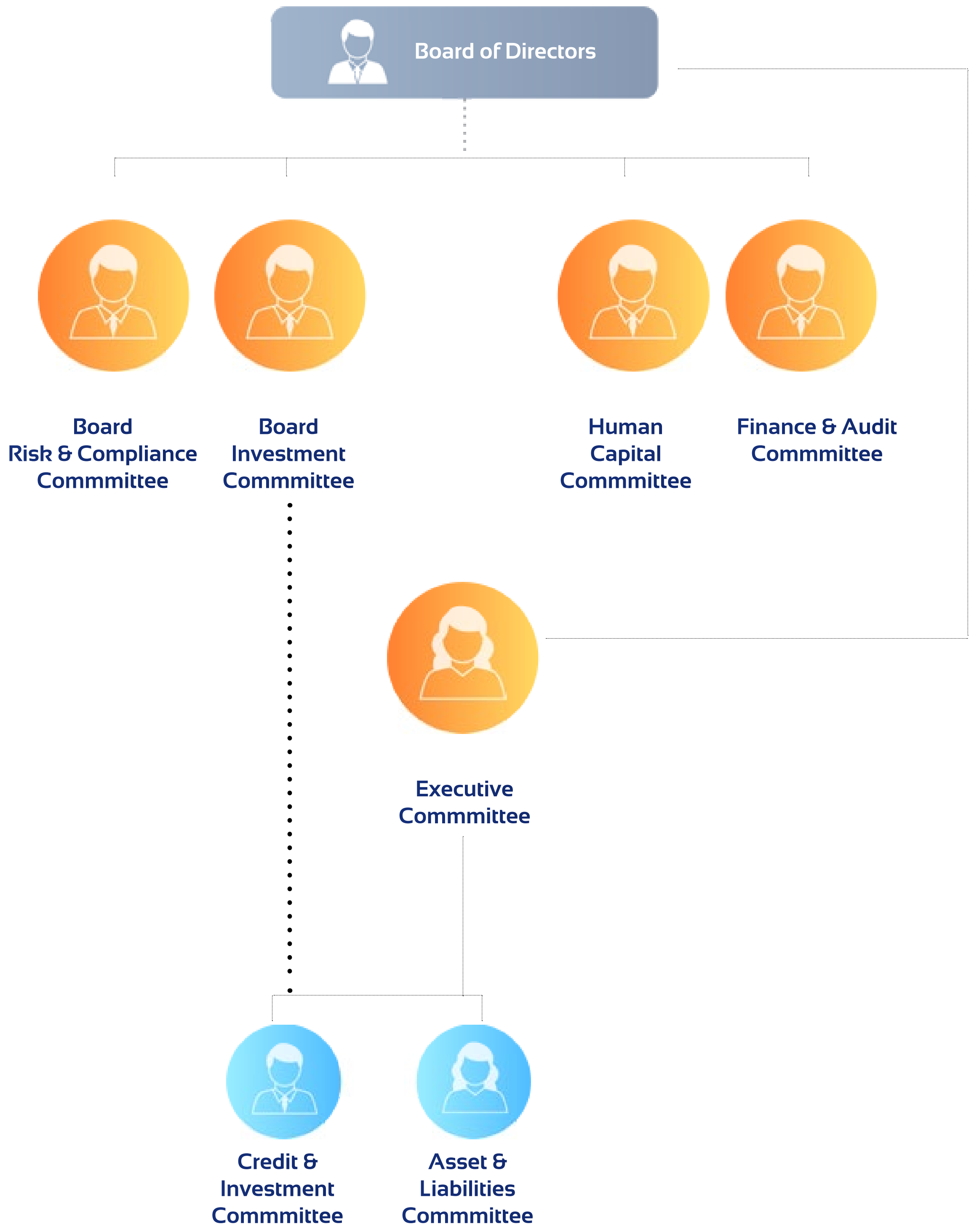
Board Committees



BDC KING III COMPLIANCE STATEMENT

BDC is compliant with most of the principles outlined in the King III Code on Corporate Governance for South Africa, 2009 ("King III"), save for two (2) none-applicable principles. BDC focuses on improving its practices with specific focus on governance, sustainability, combined assurance, and stakeholder engagement. Below is an assessment of BDC's compliance with the King III for FY24:

PRINCIPLE	KING III PRINCIPLE	BDC COMPLIANCE	RESPONSIBLE ENTITY
ETHICAL AND CORPORATE STATUS OF BDC			
Principle 1	Effective leadership based on an ethical foundation.	Complied	Board
Principle 2	Responsible corporate citizen.	Complied	Board
Principle 3	Effective management of the Company's ethics	Complied	Board
THE BOARD AND DIRECTORS			
Principle 4	The Board is the custodian of corporate governance.	Complied	Board
Principle 5	The Board appreciates that strategy, risk, performance, and sustainability are inseparable.	Complied	Board
Principle 6	The Board considers business rescue proceedings when appropriate	Not Applicable	Board
Principle 7	Directors act in the best interest of the company	Complied	Board
Principle 8	The Chairman of the Board is a non-executive director	Complied	Board
Principle 9	Establish a delegation of authority framework	Complied	Board
Principle 10	The Board comprises a balance of power, with a majority of non-executive director who are independent	Complied	Board
Principle 11	Directors are appointed through a formal process	Not Applicable*	Shareholder
Principle 12	Formal induction & ongoing training of directors is conducted	Complied	Board
Principle 13	The Board is assisted by a competent and suitably qualified and experienced Company Secretary	Complied	Board
Principle 14	Regular performance of the Board, Committees and individual directors is conducted	Complied	Board
Principle 15	The Board ensures the integrity of the Company's integrated report.	Complied	Board
Principle 16	A governance framework is agreed between the Corporation and its subsidiaries	Partially Complied	Board
Principle 17	Directors are fairly and responsibly remunerated	Complied	Shareholder
Principle 18	Remuneration of directors is disclosed in the annual report	Complied	Board
Principle 19	The Corporations remuneration policy is approved by the shareholders	Not Complied	Shareholder
INTERNAL AUDIT			
Principle 20	Effective risk based independent internal audit	Complied	Board
Principle 21	Written assessment of the effectiveness of the company's system of internal controls & risk management	Complied	Board
Principle 22	Internal Audit is strategically positioned to achieve its objectives	Complied	Board
THE AUDIT COMMITTEE			
Principle 23	Effective and Independent	Complied	FAC
Principle 24	Suitably skilled and experienced independent non-executive directors	Complied	FAC
Principle 25	Chaired by an independent non-executive director	Complied	FAC
Principle 26	Oversees integrated reporting	Complied	FAC
Principle 27	A combined assurance model is compiled to improve efficiency in assurance activities	Complied	FAC
Principle 28	Satisfies itself of the expertise, resources, and experience of the company's financial function	Complied	FAC
Principle 29	Oversees the external audit process	Complied	FAC
Principle 30	Reports to the Board and Shareholders on how it discharged its duties	Complied	FAC

* The Shareholder appoints Directors through a process that is managed by the Public Enterprises Evaluation and Privatisation Agency.

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Managing Director's Statement

Overview

It is with great pride that I present the Managing Director's Statement for the financial year ended 30 June 2024 (FY24). This year's results reflect the resilience, innovation, and strategic focus that have become hallmarks of Botswana Development Corporation (BDC). As a business, our commitment to transforming Botswana's economy through impactful investments and partnerships remains resolute.

Guided by the Beyond 2019 Strategic Intent, FY24 was a year of execution and delivery. We achieved significant milestones in enhancing our investment and divestment strategies, operational efficiency, and alignment with national development goals. The Corporation's focus on pioneering industries and unlocking value in untapped sectors has been pivotal in driving the desired economic diversification.

For the period under review, total Income for the Group and Company was recorded at P579million and P415million respectively. The significant increase is observable from investment income at company level. Interest income grew by 17% year-on-year to P264million due to further disbursements in local investments. Further there was a notable improvement in dividend income evidenced by an improved performance from one of the affiliated companies which declared special dividends during the year. At group level, income from trade, marginally declined from the prior year base, stemming from a slow down in business activities as one of the subsidiary companies focused in completing an assembly plant in order to grow volumes and propel sales in the future. Profitability at Group was affected, with a loss before tax of P41 million, largely driven by impairment provisions on key assets. Despite these challenges, the effectiveness of our cost management and investment strategies remained evident.

On the execution of strategic projects, we saw the completion of the Investment and Divestment Strategy, which aims to create targeted investments in key sectors, balanced by strategic divestments to optimise returns and ensure citizen inclusion. It further makes consideration of robust risk management and governance, to safeguard assets and promote sustainable growth.

We further progressed significantly with the implementation of the Integrated Information Management System (IIMS) – dubbed 'Motswedi', during FY24, marking a transformative step towards digitisation and operational excellence. This project, alongside the adoption of global standards like COBIT 2019 and ISO/IEC 27001, underscores our commitment to governance, cybersecurity, and process automation.

FY24 was also marked by advancements in key investments such as the Mall of Maun, which made a significant mark in the retail sector and brought regional and international retailers to Botswana. Lobatse Clay Works and Milk Valley Farms further exemplified our commitment to pioneering industries, industrial revitalisation and import substitution. Through targeted capital injections, these projects will continue to promote and support citizen economic inclusion and empowerment, and job creation.

As we embark on the next phase of our journey, we remain committed to enhancing value for the Shareholder – being the Government of Botswana, fostering innovation, and deepening our impact. Our strategic priorities for the ensuing financial year include scaling investments in key sectors, strengthening partnerships, and advancing our digital transformation agenda. These efforts will ensure that BDC remains at the forefront of driving Botswana's economic transformation.
In closing, I extend my heartfelt gratitude to our Shareholder, the Board of Directors, our Employees, and other stakeholders for their unwavering support. Together, we will continue to pave the way for a prosperous and sustainable future.

Cross Kgosidiile
Managing Director

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Executive Management

Mr. Cross Kgosidiile
Managing Director

Ms. Benedicta Abosi
Chief Financial Officer

Mr. Kudzani Pickup
Chief Investment Officer

Ms. Onalenna Mfosi
Chief Audit Executive

Mr. Gilbert Ofetotse
Chief Legal Officer and Group Company Secretariat

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Executive Management

Mr. Botshelo Mokotedi
Chief Risk Officer

Ms. Boitshwarelo Lebang-Kgetse
Head of Corporate Affairs

Ms. Boipelo Gaoetswe
Head of Human Capital
& Administration

Mr. Kebareileng Lebalang
Head of Information &
Communication Technology

- Investment Report
- Human Capital & Administration Report
- Group Internal Audit Report
- Risk & Compliance Report
- Corporate Social Responsibility Report

Investment Report

The global economy in 2024 has been characterised by stable but underwhelming growth with increased trade tensions and policy uncertainties adding to the economic challenges.

Following the economic disruptions caused by the COVID-19 pandemic, Botswana has implemented various recovery efforts aimed at revitalising key sectors, particularly mining, manufacturing, and tourism. The government has prioritised fiscal stimulus measures, infrastructure investment, and policy adjustments to support businesses and restore economic stability. Targeted initiatives, such as the Economic Recovery and Transformation Plan (ERTP), have focused on diversifying the economy, enhancing resilience in critical industries, and creating employment opportunities.

Additionally, efforts to leverage Botswana's substantial foreign exchange reserves and maintain accommodative monetary policies have helped stabilise the macroeconomic environment, promoting gradual recovery in domestic demand and investment activity.
However, real GDP growth in Botswana has slowed to 1.0% in 2024, down from 2.5% in 2023. This decline is driven by a significant contraction in diamond output, Botswana's primary export, as challenging global market conditions weigh heavily on the mining and quarrying sector.

Competitive pressure from the lab-grown diamond industry is intensifying, posing a structural challenge to the natural diamond market. Tepid demand, reflected in the Antwerp Diamond Index, underscores the limited appetite for natural diamonds amid elevated stockpiles.

The ongoing re-pricing of natural diamonds, particularly smaller stones, has shifted retailer and consumer preferences toward lab-grown alternatives, viewed as direct substitutes. Consequently, miners are resorting to production cuts to stabilise prices, further constraining Botswana's near-term growth prospects. Botswana's current account deficit has surged to 6.0% of GDP in 2024, up from 0.6% in 2023, due to declining mineral exports and weak global diamond prices. Despite this, the country's foreign exchange reserves are sufficient to meet external financing needs. The Monetary Policy Rate (MoPR) in Botswana was 2.15% in June 2024, after the Bank of Botswana's Monetary Policy Committee (MPC) reduced it by 0.25% from 2.40% on June 13, 2024.

Inflation decreased from 3.0% in May to 2.8% in June 2024 remaining within the Bank of Botswana 3% to 6% range, largely driven by slower price increases in the transport sector, particularly for vehicles. Botswana's fiscal deficit widened from 2.7% of GDP in FY2023/24 to 5.4% in FY2024/25, due to lower mineral revenues and higher capital expenditure for infrastructure development.

As of June 2024, the Botswana Pula (BWP) remained relatively stable against its currency basket, reflecting the country's prudent fiscal and monetary policies, which further bolster the Corporation's confidence in navigating future opportunities. Risks to Botswana's economic growth outlook are tilted to the downside. Sustained competitive pressure from lab-grown diamonds could keep prices low, forcing further production cuts in Botswana's mining industry, thereby stalling its primary economic growth engine. Additionally, failure to address high income inequality and unemployment could heighten risks of social unrest and weaken popular support for the ruling party. For the year ended 30th June 2024 the Corporation had disbursements amount to BWP 254 million, primarily directed toward a significant retail development in the Northern part of the country where BDC does not have any representation. This significantly trailing the budgeted amount of BWP 869 million by 71%, largely due to delays in due diligence processes for key transactions.

The FY24 disbursements were 16% below the prior years'. Despite the shortfall, the Corporation remains optimistic about an improved disbursement trajectory in FY25, with several major transactions expected to be finalised in FY25.

Portfolio Valuation

The gross portfolio value,excluding Industry Support Fund, rose to BWP 5.1 billion in June 2024, marking a 4% increase from BWP 4.95 billion in June 2023. This growth was primarily driven by disbursements for the retail development. Meanwhile, the quality of loan assets improved, with non-performing loans (NPLs) experiencing a decline 13.1% in FY23 to 11.90% in FY24 remaining within the policy provisions of the Corporation.

Pipeline and Deal Conversion

The Corporation closed the year with a hot and active deal pipeline valued at BWP 2.47 billion with 2 transactions amounting BWP300 million at legal close, 6 transactions amounting to BWP873 million were at due diligence stage while the balance of the deals were at various initial approval stages. The Corporation remains confident in a future characterised by significant growth and financial stability as it actively explores investments in priority sectors aligned with the country's core economic policies.

The Corporation continues to work diligently, collaborating closely with other key partner to fulfil its mandate including executing several Memorandum of Agreements to upscale value chain development, mineral beneficiation and high value manufacturing. Further identifying commercially viable projects that advance BDC's strategic objectives and drive sustainable economic development.

SUBSIDIARIES

FAIRGROUND HOLDINGS (PTY) LTD
LP AMUSEMENT CENTRE (PTY) LTD
MALUTU ENTERPRISES (PTY) LTD
EXPORT CREDIT INSURANCE AND GUARANTEE (PTY) LTD
LOBATSE CLAY WORKS (PTY) LTD
COMMERCIAL HOLDINGS (PTY) LTD
WESTERN INDUSTRIAL ESTATES (PTY) LTD
BOTSWANA HOTEL DEVELOPMENT CORPORATION (PTY) LTD
TALANA FARMS (PTY) LTD
PHAKALANE PROPERTY DEVELOPMENT (PTY) LTD
RESIDENTIAL HOLDINGS (PTY) LTD
MILK VALLEY FARM (PTY) LTD
DELTA AUTOMOTIVE TECHNOLOGIES BOTSWANA (PTY) LTD

NON- AFFILIATES

CRATES AND PALLETS BOTSWANA (PTY) LTD
BA ISAGO UNIVERSITY (PTY) LTD
PHILISA DAY CARE CENTRE (PTY) LTD
GLORYLAND GUEST LODGE (PTY) LTD
THAKADU & KWENA HOTELS CO (PTY) LTD
OXFORD HOLDINGS (PTY) LTD
ACCESS BANK PLC
MINERGY COAL (PTY) LTD
TAME MALLS (PTY) LTD
TRANSPORT HOLDINGS (PTY) LTD
RHODES FOOD GROUP

EQUITY ACCOUNTED INVESTEES

MAREKISETSO A MOROGO WA RONA (PTY) LTD
TRANSUNION (PTY) LTD
PEERMONT GLOBAL BOTSWANA (PTY) LTD
MASHATU NATURE RESERVE (PTY) LTD
INDUS HEALTHCARE (PTY) LTD
KAMOSO AFRICA (PTY) LTD
LETLOLE LA RONA LIMITED

QUOTED INVESTMENTS

CRESTA MARAKANELO LIMITED
SECHABA BREWERY HOLDINGS LIMITED
GRIT REAL ESTATE

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Human Capital and Administration Report

Re-organising the business

The success of any organisation is driven by its people—their skills, creativity, and dedication. Our commitment lies in fostering a thriving workforce within an environment rich in opportunity, inclusivity, and purpose.

This year has brought significant shifts in the global workforce landscape, highlighting the critical need for agility and resilience to ensure long-term business sustainability. As a Corporation, we embraced these challenges with a clear vision to empower our employees, enhance their experiences, and align their aspirations with the business' strategic goals. In support of the Corporation's vision, Human Capital & Administration continues to review and align its offerings to remain relevant, and market competitive. The year marked a significant milestone for BDC with the successful implementation of its new operating models, designed to enhance processes and optimise resources in alignment with its strategic goals and best practices. This transformation not only streamlines operational efficiency but also creates opportunities for workforce growth and development.

The new organisational structure introduces a platform for employees to acquire and refine skills critical to the evolving needs of the business. It paves the way for cross-functional collaboration, fostering innovation and enabling employees to take on more dynamic and impactful roles. Additionally, it provides clear pathways for internal career growth, empowering team members to thrive within the organisation while contributing to its long-term success. This shift underscores the Corporation's commitment to aligning talent capabilities with its vision, ensuring a resilient, agile, and future-ready workforce. Another notable milestone was the establishment of a structured records unit, intended to support the business with efficient and effective management of information assets and ensure compliance with industry standards.

Empowering a Dynamic Workforce for Sustainable Success

The evolving business landscape has heightened the demand for a highly skilled and adaptable workforce, presenting new challenges in identifying and retaining top talent. In response to these dynamics, the Corporation's Human Capital & Administration function has launched enhanced talent management strategies designed to meet these demands effectively. These revised strategies provide a unique opportunity to align the Corporation's talent practices with its strategic objectives. By emphasising targeted skill development, succession planning, and employee engagement, the approach not only addresses current workforce needs but also builds a robust talent pipeline for the future. By these initiatives, the Corporation's aim was to unlock employee's full potential while creating a fulfilling and rewarding environment.

Furthermore, these will give BDC a competitive edge in attracting, developing, and retaining top talent whilst ensuring positive employee experience. Moreover, the Corporation remains dedicated to prioritising employee well-being, not only as a moral obligation but also as a strategic advantage. This commitment has fostered a healthier, more satisfied workforce, well-equipped to deliver exceptional performance.

Embracing Continuous Learning

The modern workplace is constantly evolving, driven by new tools, processes, and market demands. To remain competitive and agile, our employees are continuously developing and refining their skills to stay relevant and meet the challenges of the dynamic environment. Key to this, is a continuous review of our competencies, translating it into personalised learning plans tailored to individual needs. Central to this initiative is the utilisation of the BDC Academy, our online learning platform, which serves as a key enabler for fostering growth and empowering employees to navigate the challenges of a dynamic environment. By harnessing the power of digitisation, we empower employees to take ownership of their learning journey.

Our DNA

Organisational culture is deeply embedded in our DNA and serves as a powerful catalyst for business success. Like many companies, we are intentional with nurturing a strong, positive culture aligned with our business strategy, which unlock significant opportunities, including enhanced employee engagement, heightened innovation, and improved overall performance. We are proud to play a proactive role in driving cultural transformation. Our approach centers on leadership's active engagement in championing the people agenda and modeling the desired behaviors, ensuring that culture not only thrives but also positions the business for sustained success. Our culture is firmly grounded in the pursuit of excellence, guided by how we embody and live our Corporate values every day. By embracing our Positive Aspirational Unwritten Ground Rules "UGRs", which define the desired behaviors and values that employees ascribe to in the workplace, we celebrate diversity as part of creating a vibrant and inclusive environment, where everyone brings their individualism. Our initiatives are driven in collaboration with Change Champions, who play a pivotal role in representing employees' voices while serving as catalysts for driving cultural transformation across the Corporation. Through this partnership, Human Capital & Administration ensures that the change journey is inclusive, impactful, and aligned with the needs of the business.

Human Capital Outlook

The outlook for human capital reflects rapid shifts influenced by technology, demographic changes, globalisation, and evolving societal norms. To ensure relevance and competitiveness, Human Capital must proactively adapt to these trends and align strategies with emerging demands. This requires a shift in how human capital is perceived and managed. Moving away from siloed functions, human capital must evolve into a boundaryless discipline seamlessly integrated with business strategy and the needs of people. This holistic, adaptive approach is critical for staying relevant and competitive in a rapidly changing global landscape. The Corporation remains committed in transcending traditional boundaries and embed itself as a core, adaptive discipline that drives both people and business success. This integration will ensure resilience, fosters innovation, and builds a workforce that is future-ready, purpose-driven, and globally competitive.

Human Capital and Administration Report cont.

Team Dynamics

BDC GENDER DIVERSITY

34% Male

66% Female

MANAGEMENT DIVERSITY

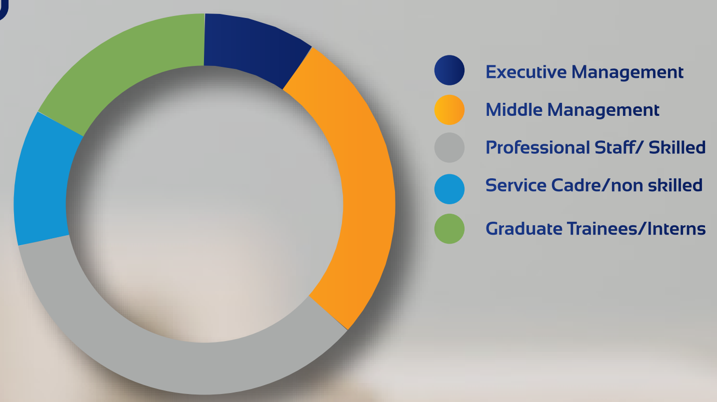
45% Male

55% Female

18%

Percentage of Trainees made up of staff compliment.

HEADCOUNT BY OCCUPATIONAL LEVELS AND TYPES



Group Internal Audit Report

Governing and managing Internal Audit

The Internal Audit department provides, independent, objective assurance to the Board that the governance processes, management of risk and internal control systems are adequate and effective in mitigating the most significant risks that threaten the achievement of the Corporation objectives.

Internal Audit is part of the Corporations Enterprise Risk Management Framework as the third line of defense. The purpose, authority and responsibilities of the Department are set out formally in a charter approved by the Board.

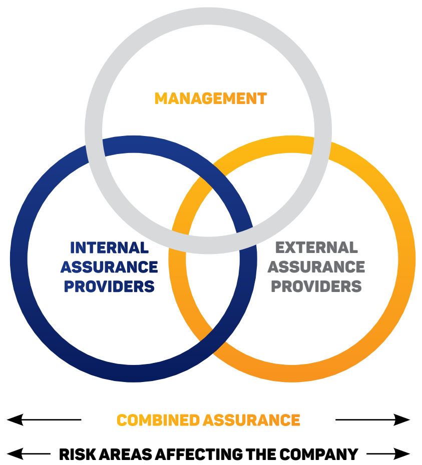
Organisational status

To enhance independence and objectivity and ensure accomplishment of audit objectives, the Chief Audit Executive reports functionally to the Board of Directors through the Finance and Audit Committee "the Committee" and administratively to the Managing Director. To establish, maintain, and assure that the internal audit department has sufficient authority to fulfill its duties, the Committee:

- Approves the internal audit department's charter.
- Approves the risk-based internal audit plan.
- Approves the internal audit budget and resource plan.
- Receive communications from the Chief Audit Executive on the internal audit department's performance relative to its plan and other matters.
- Approves decisions regarding the appointment, performance evaluation and removal of the Chief Audit Executive:

Solutions implemented to support business.

- Combined assurance Framework (overview)



BDC's combined assurance model aims to optimise the assurance coverage obtained from management, internal assurance providers and external assurance providers on the risk areas affecting the Corporation. Within BDC there are several assurance providers that either directly or indirectly provide the Board and management with certain assurances over the effectiveness of those controls that mitigate the risks as identified during the risk assessment process described in the operating environment. Collectively the activities of these assurance providers are referred to as the combined assurance model.

The nature and significance of risks vary and will require assurance providers with the necessary expertise and experience to provide assurance that risks are adequately mitigated. Assurance providers include external audit, internal audit, regulators, etc.

Below are the Corporation's role players in an assurance framework with each providing a different level and degree of assurance. Collectively they work together to obtain the optimum level of assurance needed.

BDC ASSURANCE PROVIDERS

OBJECTIVE

A co-ordinated approach to Corporation assurance activities.

ASSURANCE PROVIDERS ARE INCREASINGLY ENGAGED AND MEET MORE FREQUENTLY.

LEVEL	ROLE
1. **Management-based assurance**	Management oversight including strategy implementation, performance measurements, control self-assessments and continuous monitoring mechanisms and systems.
2. **Governance functions (e.g. Risk, IT and Legal)**	Risk management (adopting an effective enterprise risk management framework), legal, compliance, health and safety, and quality assurance are the leaders at this level. They are responsible for maintaining policies, minimum standards, oversight and risk management performance and reporting.
3. **Independent assurance**	Independent and objective assurance of the overall adequacy and effectiveness of risk management, governance and internal control within the Corporation. This is predominantly the role of internal audit, external audit and other credible assurance providers.
4. **Oversight committees and Board**	Appropriately mandated committees and the Board have an overall oversight role.

ASSURANCE PROVIDERS ARE INCREASINGLY INDEPENDENT.

Tip-Off Anonymous

The Corporation has whistleblowing line which provides a safe platform for all clients and staff to anonymously raise concerns of unethical behavior.

The Corporation is committed to the highest standards of ethical, moral, and legal business conduct. Ethical business behavior is the responsibility of every person in the BDC group of companies and is reflected not only in the management of relationships with each other but also with stakeholders.

The Corporation's Ethics Policy and related Policies are a key component of its commitment to high standards of business and personal ethics in the conduct of its business.

In line with this commitment, we expect employees and members of the public who may be aware of any unethical conduct of BDC group companies and employees of the Corporation to come forward and communicate these concerns through the appropriate channels provided by the Corporation, without any concerns or fear of victimisation. It is recognised that wherever practical, and subject to any legal constraints, matters reported will proceed on a confidential basis.

The Corporation's Ethics Line is a supplementary reporting mechanism through which to raise concerns, if for any reason an employee is uncomfortable with using the normal business channels or unsatisfied with the response from the normal business channels. The system is available for use by all employees, contractors, and stakeholders.

Commitment to whistleblower protection

The Corporation subscribes to the principle of both encouraging and protecting whistleblowers and accordingly will:

- Ensure protection of employees who submit a disclosure in good faith and use the appropriate reporting channels provided by the Corporation.
- Strive to create a culture which will facilitate the disclosure of information by employees relating to criminal and other unethical or irregular conduct in the workplace in a responsible manner by providing clear guidelines for the disclosure of such information and protection against reprisals because of such disclosure.
- Promote zero tolerance to any criminal and other unethical or irregular conduct within the Corporation.

Risk & Compliance Report

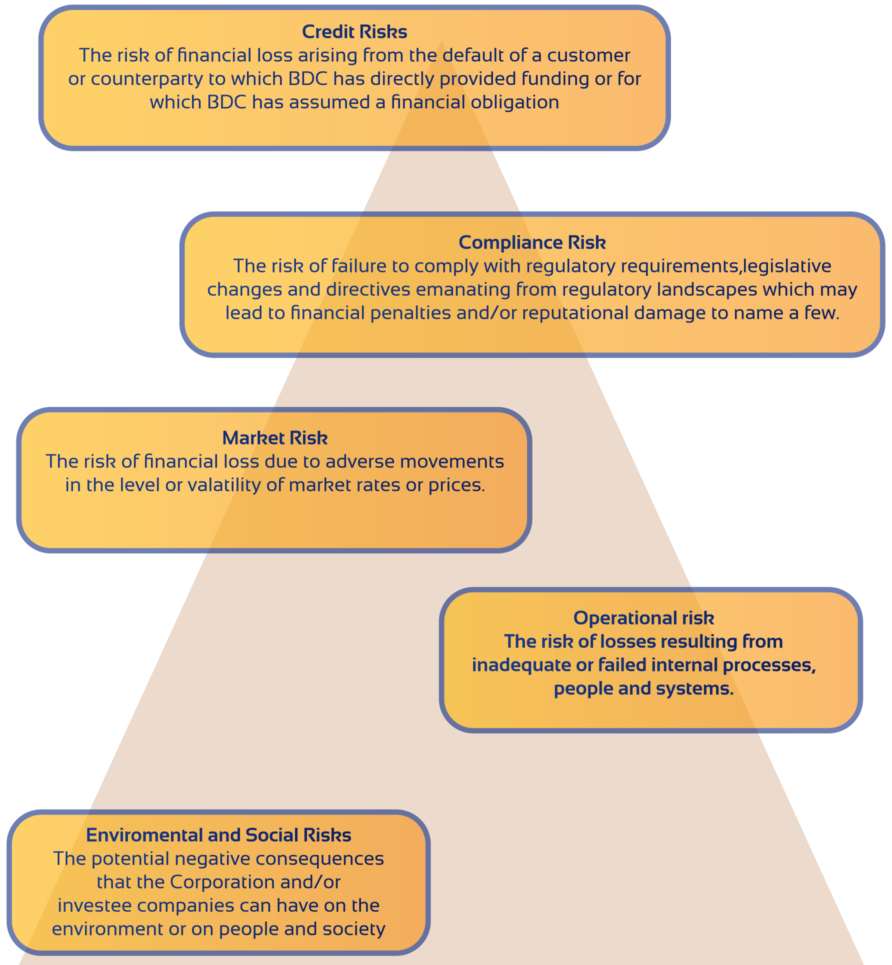
In the pursuit of achieving its strategic goals, Botswana Development Corporation (BDC) remains exposed to a spectrum of risks, which potentially threaten the achievement of the Corporation's objectives. It is imperative to understand and manage the current and emerging threats to ensure sustainable performance and maximise the Corporation's value by reducing unforeseen costs emanating from risk occurrences and managing opportunities.

Risk management within BDC is infused within policies, processes, procedures and activities. The Corporation subscribes to the notion of Enterprise Risk Management which is anchored on a blend of International Organisation for Standardisation 31000 (ISO31000) and Committee of Sponsoring Organisations (COSO) frameworks.

BDC has an approved Risk Appetite Statement (RAS) which articulates the Corporation's overall desired level of exposure to the risks specified in the statement which are both of quantitative and qualitative nature. The RAS is approved by the Board of Directors and monitored by Executive Management who are responsible for the implementation of internal controls and effective risk management checks and balances to promote a continuous and healthy business environment.

BDC Risk Taxonomy

The risk taxonomy outlines the key risks that are relevant to the Corporation, these collectively form the BDC risk universe.



1. Credit Risk

To enhance the credit risk landscape to leverage off the improved credit risk environment and keep up with the current macroeconomic conditions; the Corporation has embarked on enhancing the quality of its investment book through various initiatives to manage risk and accelerate return on investment.

These initiatives included an extensive review of the credit risk policies, processes and procedures, and monitoring exercises.

The Corporation continues to receive technical support from multinational institutions to improve and develop the existing employee skillset the deployment of which has improved the Corporation's ability to seize quality opportunities and grow the investment book.

Amidst the challenging business environment, the Corporation's non-performing loans was at 12%, within the BDC approved risk appetite statement thresholds.

2. Compliance Risk

BDC operates in a continuously evolving legislative and regulatory environment. The Corporation continues to intensify its effort to remain abreast of these changes through continuous scanning of the regulatory landscape through ensuring participation and attendance of various stakeholder engagement fora.

An Anti-Money Laundering, Counter Financing of Terrorism and Proliferation framework exists to ensure compliance with local, international laws and regulations which is monitored for adherence to the provisions of the policy and procedure manuals.

On an annual basis, organisation-wide training to staff is undertaken to ensure staff is aware of their roles and responsibilities with regard to the policy.

3. Business Continuity Management

In line with internationally recognised standards and best practice, BDC conducts an annual comprehensive Business Continuity Management and Information Technology Service Continuity Management test.

The aim of the Business Continuity Management Capability Validation Project is to assess and enhance BDC's readiness to maintain operational continuity amid potential disruptions, including cyber-attacks and other crises.

The key findings of the test conducted in the period under review have confirmed the effectiveness of BDC's Business Continuity Management and Information Technology Service Continuity Management strategies, underscoring the organisation's commitment to resilience and operational continuity.

4. Environmental and Social Risk

BDC participates in the Association of African Development Finance Institutions (AADFI) climate finance working group which is mandated to shape the standard for development finance institutions in climate finance issues, capacitation of members and facilitation of Green Climate Fund (GCF) strategic plan.

BDC has an Environmental and Social Management System (ESMS) framework overseeing by a dedicated resource at management level.

The ESMS framework provides a structured methodology-based approach to managing environmental and social impacts of BDC activities. ESMS facilitates identification of negative and positive impacts of potential investments, with the aim of avoiding, mitigating, or managing negative impacts, and stimulating possible positive impacts.

Corporate Social Responsibility & Corporate Social Investment Report

Introduction

This report provides an overview of the Corporation's Corporate Social Investment (CSI) and Corporate Social Responsibility (CSR) activities for the financial year FY24, showcasing major initiatives designed to drive sustainable community impact aligned with our mission and strategic priorities. These initiatives reflect the Corporation's commitment to creating a positive impact within the communities it serves through strategic programs aligned with BDC's vision, mission and values.

Each project underscores BDC's commitment to creating meaningful change through support for entrepreneurship, inclusive community development, and cultural enrichment. These efforts are structured to reflect BDC's dedication to fostering long-term benefits, strengthening community resilience, and contributing to Botswana's socio-economic progress.

The initiatives undertaken under CSR and CSI are underpinned by the following:

Entrepreneurship Support: Aimed at fostering sustainable entrepreneurship within Botswana, this pillar provides essential funding, resources, skills development, and a supportive environment for emerging entrepreneurs.

Inclusion and Community Support: Focused on improving the quality of life for people with disabilities and marginalised groups, this pillar supports access to education, vocational training, and opportunities for active participation in socio-economic activities.

Promotion of Local Talent: Dedicated to nurturing and celebrating local talent, this pillar supports cultural activities such as music, arts, and sports, with the goal of strengthening national pride and fostering a distinct Botswana identity. Each initiative within these pillars is designed to support Botswana's development goals and empower communities through long-term, sustainable programs.

CSI Initiatives

Through its Corporate Social Investment (CSI) Programme, the Corporation launched its inaugural entrepreneurship development initiative, The Business Den, in 2020. This program is designed to support ambitious, self-driven young entrepreneurs by offering grant funding along with mentorship and networking opportunities. Open to citizen entrepreneurs aged 18-35, the competition welcomes both new business ideas and proposals for expanding existing businesses.

In 2022, Alosa Group emerged as the winner of the first-ever Botswana Development Corporation (BDC) Business Den competition, receiving a grant of P500,000 along with mentorship support to help grow their business. Following this success, BDC undertook the second instalment of Business Den 2.0 Competition in 2023, where UniPay, a tech company promoting cashless payments in public transportation and led by Onalethata Tautona, was selected as the winner. UniPay will be incubated within the Business Den for 18 months, benefiting from ongoing monitoring, evaluation, and mentorship. This period is designed to support UniPay's development and prepare it for sustainable growth beyond the program.

Business Den
Promoting Entrepreneurship

Corporate Social Responsibility (CSR)

The Corporation embraces the development of a more inclusive economy by proactively pursuing community development objectives that emphasise maximum impact on development returns.

These activities involve projects that are ineligible for funding through BDC's commercial business channels and are frequently supported by donations, sponsorships, and strategic partnerships.

As BDC grows and evolves, we strive to consistently implement impactful Corporate Social Investment and Corporate Social Responsibility initiatives that are aligned to our corporate strategy.

BDC's CSR program is focused on initiatives that promote and support entrepreneurship, support inclusion of people living with disabilities and; promote and expose local talent through music and arts.

The BDC Corporate Social Responsibility [CSR] Programme was established for the purpose of setting up a Grants and Donations Fund through which the Corporation will deliver on its Corporate Social Responsibility objective of extending financial and non-financial assistance to deserving organisations.

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Corporate Social Responsibility & Corporate Social Investment Report cont.

OBJECTIVES OF THE CSR PROGRAMME

The BDC CSR Programme intends to achieve the following goals:

CRITERIA FOR DONATIONS, SPONSORSHIPS AND CSI

The Corporation may make donations or financial investments to deserving CSR initiatives, organisations, programmes, projects, publications or causes. The Corporation will not take part in any religious or political requests for financial, human resource or any other support.

Persons qualifying for such support should meet the following criteria:

a) Organisations which provide skills development, employment opportunities, and services to national communities at large.

b) Organisations must be registered, in good standing and compliant in terms of all legislation relevant and applicable to them.

c) Where a request is from a non-registered entity or an individual, whose case in the opinion of the CSR Committee deserves assistance, it will be reviewed and recommended to the Managing Director for request approval.

d) They should perform services that directly contribute to potential and actual benefit to the community and are non-discriminatory, including but not limited to the following:

I. The conservation of the environment, including natural resources.
II. Creation of employment opportunities in communities throughout the Country.
III. The care, rehabilitation and training of the handicapped, socially disadvantaged and ill.
IV. Research and public education on the history, culture, people and economy of Botswana.
V. The provision of recreational and sporting activities representing the country at national level.
VI. The promotion of Botswana as an investment and tourist destination.
VII. The promotion and development of business and entrepreneurial skills for self-employment opportunities.
VIII. Support sustainable community based small developmental projects giving priority to youth and women.
IX. Promotion of talent through sports, music, arts and cultural activities.

The Corporation remains committed to its CSR policy as it remains at the core of who BDC is as a financial institution.

Driving sustainability and longevity, especially for programmes which support vulnerable communities, shall continue to be a priority for our action.












IV

Consolidated and Separate Financial Statements
for the year ended 30 June 2024

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General Information

Country of incorporation and domicile	Botswana
Nature of Business and Principal Activities	Investment arm of Government to promote and facilitate economic development of Botswana.
Directors	M Mothibatsela (Chairman) C Kgosidiile (Managing) B G Mphetlhe M Ramaeba O Otlaadisa-Diloro J S Ntshole N M Setaelo G Mmolawa B Mufahothe C Mamelodi-Onyadile L Pillar
Registered office	Fairscape Precinct Plot 70667 Fairgrounds Office Park
Postal address	Private Bag 160, Gaborone
Bankers	Absa Bank of Botswana Limited First National Bank of Botswana Limited Standard Chartered Bank Botswana Limited Stanbic Bank Botswana Limited
Auditor	KPMG
Group Company Secretary	Gilbert Ofetotse

Directors' Responsibilities Statement and Approval of the Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Botswana Development Corporation Limited ("the Group"), comprising the statements of financial position as at 30 June 2024 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of material accounting policies and notes to consolidated and separate financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards).

The Directors are required by the Companies Act of Botswana (Companies Act, 2003) to maintain adequate accounting records and are responsible for the content and integrity of the financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group and Company as at 30 June 2024 and the results of their operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards. The external auditors are engaged to express an independent opinion on the group and company financial statements and their report is presented on page 54 - 63.

The Directors are responsible for such internal controls 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.

The consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors have made an assessment of the Company's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead. The Directors are of the opinion, based on the information and explanations given by Management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Disclosure of audit information

Each of the directors at the date of approval of this report confirms that:

- in so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and

-the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

Directors' approval of the financial statements

The group and company financial statements set out on pages 64 to 174 which have been prepared on the going concern basis, were approved by the Board on 21 November 2024 by:

J S Ntshole **Director**	**C Kgosidiile** **Managing Director**

Director's Report

The directors have pleasure in submitting their report on the consolidated and separate financial statements of Botswana Development Corporation Limited for the year ended 30 June 2024.

1. Review of financial results and activities

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group and company are set out in the accompanying statements.

2. Stated capital

The total number of ordinary shares issued and fully paid is 638,274,756 (2023: 541,769,462).

3. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality	Changes
M Mothibatsela	Chairperson	Non-executive	Motswana	
C Kgosidiile	Managing Director	Executive	Motswana	
B G Mphetlhe	Other	Non-executive	Motswana	
M A Ralebala	Other	Non-executive	Motswana	Resigned 31 January 2024
S Moncho	Other	Non-executive	Motswana	Resigned 30 December 2023
M Ramaeba	Other	Non-executive	Motswana	
O Otlaadisa-Diloro	Other	Non-executive	Motswana	
J S Ntshole	Other	Non-executive	Motswana	
N M Setaelo	Other	Non-executive	Motswana	
G Mmolawa	Other	Non-executive	Motswana	Appointed 01 April 2024
B Mufahothe	Other	Non-executive	Motswana	Appointed 01 April 2024
C Mamelodi-Onyadile		Non-executive	Motswana	Appointed 15 September 2024
L Pillar		Non-executive	Motswana	Appointed 15 September 2024

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The group incurred a total comprehensive loss for the year ended 30 June 2024 of P54 million (2023: total comprehensive income of P142 million) and as of that date its total assets exceeded its total liabilities by P2.78 billion (2023: P2.79 billion).

The company incurred a total comprehensive loss for the year ended 30 June 2024 of P185 million (2023: total comprehensive income of P81 million) and as of that date its total assets exceeded its total liabilities by P2.10 billion (2023: P2.25 billion).

The Board of Directors has assessed based on profitability and cash flow projections that both the group and company have sufficient cash resources available to settle the obligations up to 12 months from the date of the approval of these financial statements. The company has a Capital and Debt Reserve Account (CDRA) with a balance of P74.5 million (2023: P70.3 million) and its primary purpose is to hold adequate reserves for repayment obligations under long term funding facilities as well as mitigating against the impact of credit losses.

The group and company have also implemented strategies to return to profitability and these are monitored regularly by the Board of Directors. Furthermore, the group and company keeps track of the Botswana government initiatives to protect the economy and will participate as appropriate. Measures already in place, such as the establishment of the Industry Support Fund by Government and the company's allocation.

Director's Report cont.

Going concern (continued)

Projected cash flows include P200 million allocation of the recapitalisation confirmed in the budget speech read on 6 February 2024.

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

6. Directors fees and expenses

It is recommended that the directors fees of P553,000 and executive directors emoluments of P2,267,000 (2023:Fees P416,000, Emoluments P1,765,000) for the year to 30 June 2024 be ratified.

7. Dividends declaration

No dividends (2023: P Nil million) have been declared post reporting date. This position would be evaluated in the next reporting period.

By Order of the Board

G. Ofetotse
Group Company Secretary

Independent Auditor's Report

KPMG, Chartered Accountants
Audit
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Web http://www.kpmg.com/

Independent Auditor's Report

To the shareholder of Botswana Development Corporation Limited

Opinion

We have audited the consolidated and separate financial statements of Botswana Development Corporation Limited (the Group and Company), which comprise the statements of financial position as at 30 June 2024, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, material accounting policies and notes to the consolidated and separate financial statements and other explanatory information, as set out on pages 64 to 174.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Botswana Development Corporation Limited as at 30 June 2024, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 consolidated and separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the *International Ethics Standards Board for Accountants'* International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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Partners: G Motsamai JA Venter*
*South African

VAT Number: P03623901112

Independent Auditor's Report cont.

1) Valuation of investment properties

This key audit matter is applicable to the consolidated financial statements.

Refer to note 1.5 - significant judgements and sources of estimation uncertainty, critical judgements in applying accounting policies, valuation of investment properties, note 1.7 - material accounting policy for investment property and note 7 - investment property.

Key audit matter	How the matter was addressed in our audit
The Group owns a portfolio of investment properties comprising office buildings, residential property, industrial property and mixed-use properties. The carrying values of the investment properties amounted to P1,287.41 million as at 30 June 2024. This accounts for 33% of the Group's total non-current assets and is a significant asset of the Group. The Group's investment properties are measured at fair value based on valuations carried out by independent qualified professional valuers (the "valuers"). The primary valuation model considers the present value of net cash flows to be generated from the respective property, taking into account the unobservable inputs, which is subject to estimation uncertainty and judgements, such as the expected rental growth rate, void periods, occupancy rate and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates which considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. Other models used by the group are the cost method and the market approach method. Due to the significance of the value of investment properties and the estimation uncertainty and judgments involved in determining the fair values	Our audit procedures included the following: • We tested the design and implementation of controls over management's process for reviewing the inputs and results obtained from these valuation reports and ensuring that the movement in the property fair values are appropriately recorded. • We evaluated the competence, capabilities, objectivity of the external valuers, including an evaluation of controls implemented for the appointment and assessment of these experts by management. This was achieved through conducting background checks, inspecting details of the valuers' qualifications and experience and verifying their membership to professional bodies. • With the assistance of our valuation specialists, we evaluated the appropriateness of valuation methodologies used by comparing it to the valuation methodologies applied by other valuers for similar property types. • We obtained an understanding of the valuation process used by the valuers, including the significant assumptions and critical judgements applied in the valuation methodologies and evaluated whether these methodologies met the requirements of IFRS 13, *Fair Value Measurement*.

Independent Auditor's Report cont.

1) Valuation of investment properties

This key audit matter is applicable to the consolidated financial statements.

Refer to note 1.5 - significant judgements and sources of estimation uncertainty, critical judgements in applying accounting policies, valuation of investment properties, note 1.7 - material accounting policy for investment property and note 7 - investment property.

Key audit matter	How the matter was addressed in our audit
of the investment properties, the valuation of investment properties is considered to be a key audit matter in our audit of the consolidated financial statements.	• We assessed and challenged the key inputs and assumptions in the valuation models to ensure that the significant inputs are within a reasonable range for the respective market sector and asset. This included performing the following procedures: ○ We agreed cash flows (rental incomes) to underlying lease contracts on a sample basis; ○ We assessed the reasonableness of cash flows related to rental costs by comparing them to historical financial information; ○ We compared expected market rental growth and discount rates to industry data; ○ We compared occupancy rates, void periods and other costs not paid by tenants to historical data. In addition, we considered whether the historical data was an appropriate indication for future inputs in line with current market conditions; and ○ We agreed the fair values of all the Group's investment properties to the independent valuers' reports. • We considered the adequacy of the disclosures

Independent Auditor's Report cont.

1) Valuation of investment properties

This key audit matter is applicable to the consolidated financial statements.

Refer to note 1.5 - significant judgements and sources of estimation uncertainty, critical judgements in applying accounting policies, valuation of investment properties, note 1.7 - material accounting policy for investment property and note 7 - investment property.

Key audit matter	How the matter was addressed in our audit
	made in the consolidated financial statements related to the valuation of investment properties in relation to the requirements of IAS40, *Investment Property* and IFRS 13.

2) Impairment of investments in subsidiaries and equity accounted investees

This key audit matter is applicable to the separate financial statements.

Refer to note 1.3 - material accounting policies on consolidation, note 1.4 - equity accounted investees, note 1.5 - significant judgements and sources of estimation uncertainty critical accounting estimates and judgements in applying accounting policies impairment of investments in subsidiaries and equity accounted investees notes, note 15 - investment in subsidiaries and note 16 - equity accounted investees.

Key audit matter	How the matter was addressed in our audit
The carrying value of the Company's investments in subsidiaries and equity accounted investees amounted to P1,148.9 million and P391.42 million respectively at the reporting date. This constitutes 31% and 11% of the Company's total non-current assets respectively. The accumulated impairment balance on investments in subsidiaries and equity accounted investees amounted to P 237.9 million and P 139.72 million respectively. Investment in subsidiaries and equity accounted investees are carried at cost less accumulated impairment losses. Management assesses the investment in subsidiaries and equity accounted investees	Our audit procedures performed included the following: • We obtained an understanding of the valuation process used by the valuers to compute the recoverable amount, including the significant assumptions and critical judgments applied in the valuation methodologies and whether these methodologies meet the requirements of IFRS 13 *Fair Value Measurement.* • We tested the design and implementation of controls over management's process for reviewing the inputs and results for impairment of investments in subsidiaries and equity accounted investees and ensuring that the

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Independent Auditor's Report cont.

2) Impairment of investments in subsidiaries and equity accounted investees

This key audit matter is applicable to the separate financial statements.

Refer to note 1.3 - material accounting policies on consolidation, note 1.4 - equity accounted investees, note 1.5 - significant judgements and sources of estimation uncertainty critical accounting estimates and judgements in applying accounting policies impairment of investments in subsidiaries and equity accounted investees notes, note 15 - investment in subsidiaries and note 16 - equity accounted investees.

Key audit matter	How the matter was addressed in our audit
whenever circumstances may indicate the presence of impairment indicators considering amongst other factors the Company's carrying value to the respective net asset values of the investees. Management also takes into consideration information available at the reporting date which may have contributed to the current performance, or which is expected to improve future performance of the subsidiaries and equity accounted investees. The assessment of these investments for impairment therefore requires the application of significant judgement and the use of significant assumptions, which include revenue growth rates, and other cash flow projections. Significant judgements and assumptions are also applied in determining the current market value of non-current assets held by the subsidiaries and equity accounted investees based on valuations carried out by independent qualified professional valuers (refer to the key audit matter in respect of the valuation of investment properties). Given the significance of the carrying values of the investment in subsidiaries and equity accounted investees and the significant judgements made by management, we considered the impairment of these assets to be complex with estimation	movement in impairment losses is appropriately recorded. • We compared the carrying values of the investment in subsidiaries and equity accounted investees with the respective net asset values per the subsidiaries and equity accounted investees' financial statements. Where the above comparison indicated a possible impairment, we discussed with management and assessed the adequacy of their impairment assessment taking into account expected future performance. • We assessed and critically evaluated the future performance and growth rates applied by management in their cash flow projections, based on information available at the reporting date which included comparing expected revenue growth rates to the investees' historical performance and relevant market growth data. • We evaluated the competencies, capabilities, independence and objectivity of the external valuers, including an evaluation of controls in place for the appointment and assessment of these experts by management. We further evaluated the appropriateness of the valuation methodologies used by comparing it to the

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Independent Auditor's Report cont.

2) Impairment of investments in subsidiaries and equity accounted investees

This key audit matter is applicable to the separate financial statements.

Refer to note 1.3 - material accounting policies on consolidation, note 1.4 - equity accounted investees, note 1.5 - significant judgements and sources of estimation uncertainty critical accounting estimates and judgements in applying accounting policies impairment of investments in subsidiaries and equity accounted investees notes, note 15 - investment in subsidiaries and note 16 - equity accounted investees.

Key audit matter	How the matter was addressed in our audit
uncertainty and thus a key audit matter in our audit of the separate financial statements.	valuation methodologies applied by other valuers for similar asset types. • We assessed the adequacy of disclosures in the separate financial statements related to investments in subsidiaries and equity accounted investees in accordance with the requirements of IAS 36, *Impairment of Assets* and IFRS 13.

3) Impairment of financial assets measured at amortised cost

This key audit matter is applicable to the consolidated and separate financial statements.

Refer to note 1.5 - significant judgements and sources of estimation uncertainty, the critical judgements in applying accounting policies loans to subsidiaries, associates and non-affiliates, note 11 - material accounting policy on financial instruments note and note 17 - other investments note relating to financial assets measured at amortised cost.

Key audit matter	How the matter was addressed in our audit
The financial assets measured at amortised cost are included under the "other investments" financial statements caption and amount to P2,516.2 million and P2,963.5 million at the reporting date for the Group and Company respectively. This constitutes 44% and 60% of the Group and Company's total assets respectively. The accumulated expected credit loss on these financial assets	Our audit procedures performed included the following: • We evaluated the design and implementation of controls over the impairment of loans to evaluate the appropriateness of key assumptions applied and the measurement of expected credit losses recognised. • We reconciled the input parameters (credit risk

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Independent Auditor's Report cont.

3) Impairment of financial assets measured at amortised cost This key audit matter is applicable to the consolidated and separate financial statements. Refer to note 1.5 - significant judgements and sources of estimation uncertainty, the critical judgements in applying accounting policies loans to subsidiaries, associates and non-affiliates, note 11 - material accounting policy on financial instruments note and note 17 - other investments note relating to financial assets measured at amortised cost.	
Key audit matter	How the matter was addressed in our audit
amounted to P334,96 million and P377,03 million for Group and Company respectively. The financial assets measured at amortised cost consist of loans disbursed to subsidiaries, equity accounted investees and non-affiliated entities. Loans to subsidiaries, equity accounted investees and non-affiliated entities are initially recognised at fair value and subsequently measured at amortised cost less impairment. The impairment of these loans is considered based on the Expected Credit Loss (ECL) which considers credit risk ratings, Exposure at Default (EAD), the Probability of Default (PD) and the Loss Given Default (LGD). The assessment of these loans for impairment therefore requires the application of judgement and the use of significant assumptions in determining certain inputs used in the expected credit loss computation. Given the significance of the financial assets measured at amortised cost and the significance and subjectivity of the judgements made by management in evaluating these assets for possible impairment, we considered the valuation of these assets to be a key audit matter in our	ratings, EAD, LGDs and exposures) applied in the expected credit loss calculation to underlying records. • With the assistance of our specialists, we reassessed the credit ratings of the borrowers using approaches deemed appropriate to derive reasonable credit risk ratings, PD, EAD and LGDs for each borrower. • We assessed the appropriateness of the staging of the loans by inspecting the payment history of counterparties against agreed loan terms. We also considered qualitative aspects such as its current and forecast financial performance. • We engaged our valuation specialists to assess management's expected credit loss computation on the financial assets measured at amortised cost based on the requirements applicable to IFRS 9, *Financial Instruments*. This included critically evaluating management's judgements and assumptions in determining the expected credit loss on loans to subsidiaries, associates and non-affiliates entities through performance of the following procedures: ○ Re-calculating the EAD based on the remaining term of each loan; ○ Re-rating the obligors using approaches deemed appropriate to derive reasonable credit risk ratings for each obligor;

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Independent Auditor's Report cont.

3) Impairment of financial assets measured at amortised cost This key audit matter is applicable to the consolidated and separate financial statements. Refer to note 1.5 - significant judgements and sources of estimation uncertainty, the critical judgements in applying accounting policies loans to subsidiaries, associates and non-affiliates, note 11 - material accounting policy on financial instruments note and note 17 - other investments note relating to financial assets measured at amortised cost.	
Key audit matter	How the matter was addressed in our audit
audit of the consolidated and separate financial statements.	○ Comparing the unsecured LGD to global market practice; and ○ Assessing the appropriateness of the PD on each loan by considering the credit risk rating and financial information of the borrowers. • We considered the adequacy of the disclosures made in the consolidated and separate financial statements in accordance with IFRS 7, Financial Instruments disclosure.

Other information

The directors are responsible for the other information. The other information comprises the general information, directors' report and the directors' responsibilities statement and approval of the financial statements but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 have 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and for such internal control as the directors

Independent Auditor's Report cont.

determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and company'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 group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 group's and company'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 Group and Company'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 consolidated and separate 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 group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report cont.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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.

Signed by:
KPMG
BAEF1CCAAB584AC...

KPMG
Firm of Certified Auditors
Practicing member: Archibald Gumede (CAP 0045 2024)
Certified Auditor of Public Interest Entity
Gaborone
30 November 2024

Statements of Profit or Loss and Other Comprehensive Income

		GROUP		COMPANY	
Figures in Pula thousand	**Note(s)**	**2024**	**2023**	**2024**	**2023**
Income from trade	2	310,703	300,528	78,172	68,686
Cost of sales	6	(182,365)	(168,675)	-	-
Gross profit		**128,338**	**131,853**	**78,172**	**68,686**
Interest on loans	3	235,908	201,504	264,866	227,125
Rental income		65,744	61,149	-	-
Contractual Rental		63,278	60,464	-	-
- Straight line lease rental adjustment		2,466	685	-	-
		429,990	394,506	343,038	295,811
Finance Income	4	51,750	52,726	66,762	73,763
Other income	5	29,625	21,832	5,584	13,549
Fair value gains on investment properties	7	66,513	865	-	-
- As per valuation		68,979	1,550	-	-
- Straight line lease rental adjustment	7	(2,466)	(685)	-	-
Share of profit of equity accounted investees, net of tax	16	42,971	37,181	-	-
Unrealised impairment of equity investments	8	-	-	(28,879)	(21,629)
Marketing expenses		(7,123)	(4,481)	(6,029)	(3,824)
Occupancy expenses	6	(25,484)	(30,308)	-	-
Expected credit losses	8	(174,767)	664	(184,097)	(12,506)
Unrealised foreign exchange losses		1,782	(35,495)	1,753	(35,408)
Other operating expenses	6	(219,903)	(161,650)	(128,773)	(98,244)
Finance costs	4	(211,698)	(199,093)	(220,354)	(206,549)
Operating (loss) profit		**(16,344)**	**76,747**	**(150,995)**	**4,963**
Change in fair value of debt instruments		(24,343)	(5,555)	(24,343)	(5,555)
(Loss)/profit before taxation	6	**(40,687)**	**71,192**	**(175,338)**	**(592)**
Income tax expense	9	(12,796)	(6,774)	(1,901)	2,773
(Loss)/profit for the year		**(53,483)**	**64,418**	**(177,239)**	**2,181**
Other comprehensive income:					
Items that will not be subsequently reclassified to profit or loss					
(Losses)/gains on fair value of equity securities	27	(10,074)	55,543	(10,074)	55,543
Gains on valuation of land and buildings		8,680	-	-	-
Deferred taxation on revaluation loss		(2,585)	-	-	-
Foreign exchange gains		3,882	6,850	2,033	8,294
Fair value gain on disposal of shares		-	14,936	-	14,936
Total items that will not be reclassified to profit or loss		**(97)**	**77,329**	**(8,041)**	**78,773**
Other comprehensive (loss)/income for the year, net of taxation		**(97)**	**77,329**	**(8,041)**	**78,773**
Total comprehensive (loss)/income for the year		**(53,580)**	**141,747**	**(185,280)**	**80,954**
(Loss)/profit for the year attributable to:					
Owners of the Company		(47,238)	65,029	(177,239)	2,181
Non-controlling interest		(6,245)	(611)	-	-
		(53,483)	**64,418**	**(177,239)**	**2,181**
Other comprehensive (loss) /income attributable to:					
Owners of the Company		(97)	77,329	(8,041)	78,773
Non-controlling interest		-	-	-	-
		(97)	**77,329**	**(8,041)**	**78,773**

Statements of Financial Position as at 30 June 2024

		GROUP		COMPANY	
Figures in Pula thousand	**Note(s)**	**2024**	**2023**	**2024**	**2023**
Assets					
Non-Current Assets					
Investment property	7	1,287,405	1,214,455	-	-
Rental straight-lining adjustment	7	51,362	48,896	-	-
Property, plant and equipment	10	624,376	589,344	1,676	2,282
Intangible assets	11	102,751	108,589	3,640	2,975
Right-of-use assets	13	51	203	75,899	89,822
Biological assets	12	4,840	-	-	-
Goodwill	14	13,909	13,909	-	-
Investments in subsidiaries	15	-	-	1,148,880	1,091,353
Equity accounted investees	16	510,191	492,690	391,416	426,823
Other investments	17	1,354,086	1,590,348	1,955,662	1,969,832
Due from group companies	18	-	-	72,141	69,911
Deferred tax	20	5,958	11,297	-	-
		3,954,929	**4,069,731**	**3,649,314**	**3,652,998**
Current Assets					
Inventories	21	98,726	69,770	-	-
Trade and other receivables	22	192,510	188,028	80,606	94,299
Other investments	17	1,162,085	1,078,576	1,007,868	1,106,686
Deferred lease asset	19	401	294	-	-
Other assets	23	2,591	2,758	-	-
Cash and cash equivalents	24	303,077	311,831	203,487	221,380
Tax receivable		23,416	22,073	9,747	8,610
		1,782,806	1,673,330	1,301,708	1,430,975
Total Assets		**5,737,735**	**5,743,061**	**4,951,022**	**5,083,973**
Equity and Liabilities					
Equity					
Stated capital	25	984,774	888,269	984,774	888,269
ISF equity reserves	26	42,108	96,505	42,108	96,505
Fair value reserve	27	(24,172)	168,861	(24,172)	168,861
Other reserves	28	430,036	414,949	84,832	78,624
Claims equalisation reserve	26	1,207	1,207	-	-
Retained income		1,235,229	1,103,683	1,015,418	1,013,873
Equity attributable to owners of the Company		**2,669,182**	**2,673,474**	**2,102,960**	**2,246,132**
Non-controlling interests	29	114,412	120,657	-	-
Total equity		**2,783,594**	**2,794,131**	**2,102,960**	**2,246,132**
Liabilities					
Non-Current Liabilities					
Borrowings	30	1,759,550	1,936,366	1,734,098	1,884,409
Government grants	31	8,919	9,275	-	-
Bonds Outstanding	33	454,635	378,615	454,635	378,615
Lease liabilities	13	-	-	125,365	142,342
Provisions for restoration costs	34	9,904	9,904	-	-
Deferred tax	20	122,560	104,054	-	-
		2,355,568	**2,438,214**	**2,314,098**	**2,405,366**
Current Liabilities					
Borrowings	30	324,083	264,574	310,734	264,574
Government grants	31	356	356	-	-
Tax payable		1,609	1,609	717	717
Trade and other payables	32	164,305	182,891	103,761	98,852
Lease liabilities	13	15	174	16,955	13,782
Bank overdraft	24635	108,205	61,112	101,797	54,550
		598,573	510,716	533,964	432,475
Total Liabilities		**2,954,141**	**2,948,930**	**2,848,062**	**2,837,841**
Total Equity and Liabilities		**5,737,735**	**5,743,061**	**4,951,022**	**5,083,973**

Statements of Changes in Equity

Figures in Pula thousand	Stated capital	Fair value reserve	ISF Equity reserve	Claims equalisation reserve	Other reserves	Retained income	Total attributable to members	Non-controlling interest	Total equity
Group									
Balance at 01 July 2022	**888,269**	**113,318**	**25,762**	**1,207**	**522,099**	909,718	2,460,373	121,268	2,581,641
Profit for the year	-	-	-	-	-	65,029	65,029	(611)	64,418
Other comprehensive income	-	55,543	-	-	6,850	14,936	77,329	-	77,329
Total comprehensive income for the year	**-**	**55,543**	**-**	**-**	**6,850**	**79,965**	**142,358**	**(611)**	**141,747**
Transfer between reserves	-	-	-	-	(114,000)	114,000	-	-	-
Equity contribution from parent	-	-	70,743	-	-	-	70,743	-	70,743
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**70,743**	**-**	**(114,000)**	114,000	70,743	-	70,743
Balance at 01 July 2023	**888,269**	**168,861**	**96,505**	**1,207**	**414,949**	**1,103,683**	**2,673,474**	**120,657**	**2,794,131**
Loss for the year	-	-	-	-	-	(47,238)	(47,238)	(6,245)	(53,483)
Other comprehensive income	-	(10,074)	-	-	9,977	-	(97)	-	(97)
Total comprehensive loss for the year	**-**	**(10,074)**	**-**	**-**	**9,977**	**(47,238)**	**(47,335)**	**(6,245)**	**(53,580)**
Transfer between reserves	-	-	-	-	5,110	(4,175)	935	-	935
Issue of shares	96,505	-	(96,505)	-	-	-	-	-	-
Equity contribution from parent	-	-	42,108	-	-	-	42,108	-	42,108
Transfer of fair value on disposal of shares	-	(182,959)	-	-	-	182,959	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**96,505**	**(182,959)**	**(54,397)**	**-**	**5,110**	**178,784**	**43,043**	**-**	**43,043**
Balance at 30 June 2024	**984,774**	**(24,172)**	**42,108**	**1,207**	**430,036**	**1,235,229**	**2,669,182**	**114,412**	**2,783,594**
Note(s)	25	27	26	26	28				
Company									
Balance at 01 July 2022	**888,269**	**113,318**	**25,762**	**-**	**182,246**	**884,840**	**2,094,435**	**-**	**2,094,435**
Profit for the year	-	-	-	-	-	2,181	2,181	-	2,181
Other comprehensive income	-	55,543	-	-	8,294	14,936	78,773	-	78,773
Total comprehensive income for the year	**-**	**55,543**	**-**	**-**	**8,294**	**17,117**	**80,954**	**-**	**80,954**
Transfer between reserves	-	-	-	-	(111,916)	111,916	-	-	-
Equity contribution from parent	-	-	70,743	-	-	-	70,743	-	70,743
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**70,743**	**-**	**(111,916)**	**111,916**	**70,743**	**-**	**70,743**
Balance at 01 July 2023	**888,269**	**168,861**	**96,505**	**-**	**78,624**	**1,013,873**	**2,246,132**	**-**	**2,246,132**
Loss for the year	-	-	-	-	-	(177,239)	(177,239)	-	(177,239)
Other comprehensive income	-	(10,074)	-	-	2,033	-	(8,041)	-	(8,041)
Total comprehensive loss for the year	**-**	**(10,074)**	**-**	**-**	**2,033**	**(177,239)**	**(185,280)**	**-**	**(185,280)**
Issue of shares	96,505	-	(96,505)	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	4,175	(4,175)	-	-	-
Equity contribution from parent	-	-	42,108	-	-	-	42,108	-	42,108
Transfer of fair value on disposal of shares	-	(182,959)	-	-	-	182,959	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**96,505**	**(182,959)**	**(54,397)**	**-**	**4,175**	**178,784**	**42,108**	**-**	**42,108**
Balance at 30 June 2024	**984,774**	**(24,172)**	**42,108**	**-**	**84,832**	**1,015,418**	**2,102,960**	**-**	**2,102,960**
Note(s)	25	27	26	26	28				

Statement of Cash Flows

		GROUP		COMPANY	
Figures in Pula thousand	**Note(s)**	**2024**	**2023**	**2024**	**2023**
Cash flows from operating activities					
Cash used in operations	40	(104,863)	(24,880)	(92,218)	(77,117)
Tax received (paid)		9,706	(21,357)	(5,268)	(4,696)
Net cash used in operating activities		**(95,157)**	**(46,237)**	**(97,486)**	**(81,813)**
Cash flows from investing activities					
Purchase of property, plant and equipment	10	(38,350)	(96,958)	(242)	(1,998)
Proceeds/(payments) from sale of property, plant and equipment		654	(302)	356	66
Purchase of biological assets		(4,840)	-	-	-
Additions to investment property	7	(16,747)	(32,387)	-	-
Purchase of intangible assets	11	(665)	(938)	(665)	(938)
Loans repaid		181,115	327,167	176,937	349,356
Proceeds from equity securities		202,053	-	202,053	-
Loans disbursed to non-affiliates		(184,886)	(177,570)	(184,886)	(177,570)
Proceeds from redemption of investments		-	16,775	-	16,775
Loans disbursed to subsidiaries		-	-	(16,656)	(44,637)
Proceeds from disposal of non-current assets held for sale		-	17,784	-	17,784
Dividends from associates		25,470	27,445	-	-
Acquisition of additional shares in subsidiaries		-	-	(50,999)	(83,219)
Interest received		86,031	99,675	100,894	117,179
Dividends received		55,860	45,673	78,172	68,686
Net cash from investing activities		**305,695**	**226,364**	**304,964**	**261,484**
Cash flows from financing activities					
Borrowings repaid		(321,095)	(304,653)	(289,873)	(288,471)
Repayment of bonds outstanding	47	-	(131,500)	-	(131,500)
Proceeds from issue of bonds	47	263,660	-	262,500	-
Finance costs paid		(208,785)	(167,567)	(220,354)	(174,582)
Payment on lease liabilities	13	(166)	(867)	(24,890)	(10,762)
Net cash used in financing activities		**(266,386)**	**(604,587)**	**(272,617)**	**(605,315)**
Total cash movement for the year		**(55,848)**	**(424,460)**	**(65,139)**	**(425,644)**
Cash at the beginning of the year		250,719	664,066	166,830	580,559
Effect of exchange rate movement on cash balances		-	11,113	-	11,915
Total cash at end of the year	**24**	**194,871**	**250,719**	**101,691**	**166,830**

Material Accounting Policies

Corporate information

Botswana Development Corporation Limited is a public limited company incorporated and domiciled in Botswana. Its registered office is in Fairscape Precinct, Plot No 70667, Fairgrounds Office Park. The Company is an investment arm of the Botswana government that promotes and facilitates economic development of Botswana.

The group and company financial statements for the year ended 30 June 2024 were signed and authorised for issue on 21 November 2024.

1. Material accounting policies

The material accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

1.1 Basis of preparation

The group and company financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), effective at the time of preparing these consolidated and separate financial statements .

The consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Botswana Pulas, which is the group and company's functional currency.

1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating-decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

The basis of segmental reporting has been set out in note 44.

1.3 Consolidation

Basis of consolidation

The group's financial statements incorporate the consolidated and separate financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Material Accounting Policies

1.3 Consolidation (continued)

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statements of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Material Accounting Policies

1.3 Consolidation (continued)

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non- controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Under IFRS 3, the consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.4 Equity accounted investees

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Material Accounting Policies

1.4 Equity accounted investees (continued)

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Valuation of investment properties

The Group owns a portfolio of investment properties comprising office buildings, residential property, industrial and mixed use properties located primarily in Gaborone, Selibe-Phikwe and Lobatse. The carrying values of the investment properties amounted to P1.287 billion as at 30 June 2024 (2023: P 1.214 billion). This accounts for 33% (2023:30%) of the group's total non-current assets.(note 7).

The Group's investment properties are included in the consolidated statement of financial position at fair value based on valuations carried out by independent qualified professional valuers ("the valuers"). The valuations are dependent on unobservable inputs which are generally applied by valuers. These unobservable inputs involve judgement. The group uses the following valuation models:

The discounted cash flow valuation model considers the present value of the net cash flows to be generated from property, taking into account the expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected cash flows are discounted using risk-adjusted discount rates.

Among other factors, the discount rate estimations considers the quality of a building and its location (prime vs secondary) tenant credit worthiness and lease terms. Fair value per the income method is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The last method is the cost method which is based upon the determination of a modern equivalent property and includes consideration of adjustments for "physical, functional, technological and economic obsolescence". It is generally applied based on the depreciated replacement cost. It may be considered as a primary methodology where "there is either no evidence of transaction prices for similar property or no identifiable actual or notional income stream that would accrue to the owner.

Material Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

These valuations are performed annually by the directors. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Land Block 5

Property previously transferred from the Government to the group is carried at cost. The group has not yet fulfilled its duties per the agreement of developing the land (building housing and a golf course to the value of P16 million) within two years as agreed with Government in 2003. The Group has applied the exemption in IAS 40.53 as the fair value of the land is not reliably measurable until construction is completed. The land has been subdivided for differing uses based on the developments under construction and at this stage creates uncertainty regarding its valuation. The range of fair values is expected to vary from its cost of P40m to P295m. Once construction is completed, the property will be recognised at fair value.

Construction commenced in the financial year ended 30 June 2018 and is currently ongoing.

Impairment of investments in subsidiaries and equity accounted investees

The company's investments in subsidiaries and equity accounted investees amounted to P1.54 billion (2023: P 1.52 Billion) at the reporting date. This constitutes 42% (2023: 42%) of the group's total non-current assets. The company assesses its investment in subsidiaries and equity accounted investees whenever circumstances may indicate the presence of impairment indicators. The value of the investments is determined using generally accepted valuation methods that are based on overall strategic business models and the current financial position and past performance of these subsidiaries and equity accounted investees companies (note 15 and 16).

Management compares the carrying values of the investments in subsidiaries and equity accounted investees with the respective net asset values per the financial statements. Management also takes into consideration information available at the reporting date which may have contributed to the current performance or which is expected to improve future performance of the subsidiaries and equity accounted investees companies. The assessment of these investments for impairment therefore requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the subsidiaries and equity accounted investees companies.

Taxation

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Impairment loss on debtors

The directors reviews its debtors to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in profit or loss, the directors make judgments as to whether there is any observable data indicating that there is a measurable decrease in estimated cash flows from a portfolio of debtors. Directors use estimates based on the default rate together with forward looking information in terms of the simplified approach under IFRS 9 (refer Note 1.11). The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

Material Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Loans to subsidiaries, associates and non-affiliates

Loans to subsidiaries, associates and non affiliates are initially recognised at fair value and subsequently measured at amortised cost less impairment. Under IFRS 9 the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the cash characteristics test and all cash flows that the group expects to receive, discounted at the original effective interest rate. The impairment of loans from subsidiaries, associates and non- affliates is computed on a loan by loan basis using a formula **ECL = PD*LGD*EAD**. Significant judgement is applied in determining the Probability of Default (PD) and Loss Given Default (LGD).

Probability of Default (PD) – Estimate of the likelihood of default over a given time horizon.

Loss Given Default (LGD) - Estimate of the loss arising in case a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) - Estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payment.

The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

12-month ECLs (stage 1), which apply to all items as long as there is no significant deterioration in credit risk

Lifetime ECLs (stages 2 and 3), which apply when a significant increase in credit risk has occurred on an individual or collective basis or when applying the simplified approach under IFRS 9.

Intangible Assets-Customer contracts

The excess earnings method estimates the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets required to generate the cash flows ("contributory assets"). It is often used for valuations where there is a requirement for the acquirer to allocate the overall price paid for a business between tangible assets, identifiable intangible assets and goodwill. The method takes a "residual" approach to estimate the income that an intangible asset is expected to generate. The calculation started with the total expected income stream from the group assets as a whole and deducted charges for all other charges for all other assets used to generate income with the intangible asset under review during its economic life. Residual streams were then discounted using asset specific rates.

1.6 Biological assets

Biological assets are measured initially at cost and subsequently revalued at the end of the year, at fair value less costs to sell. The estimation of fair value is determined by applying the requirements of IFRS 13 Fair Value Measurement. This is determined based on market prices at measurement date of livestock of similar age, breed, and genetic merit.

To arrive at a reliable fair value measurement, the company groups the biological assets of dairy animals by age, weight and use (lactating cows, bulls for reproduction/breeding or for slaughter/sell), in a similar manner of how they would be valued in a market.

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Material Accounting Policies

1.6 Biological assets (continued)

The change in fair value of a biological asset between reporting dates is reported as a gain or loss in the statement of profit or loss. The aggregate of gain or loss of livestock may be attributable to;

- Newborn of calves
- Physical change (growth of animal)
- Loss (death or theft), sickness or lameness

Biological assets and agricultural produce are classified separately under;

- non-current assets – Biological assets (Livestock held for milking for more than 12 months)

- current assets – Agricultural produce (milk, cull livestock to be sold within 12 months) The classification of agricultural produce is consistent with the company's assessment of its inventories, i.e., typically classified as a current asset because it will be sold, consumed or realised as part of the normal operating cycle. Agricultural produce (milk) is valued in accordance with *IAS 2 Inventories*. The fair value of milk is determined based on market prices in the local area.

Land, dairy equipment and other farm machinery are classified under property, plant and equipment as noncurrent assets. The dairy equipment covers a broad variety of assets, from stand-alone machines to complete production lines or factories. These are valued at market value. The market value is the estimated amount for which the plant, machinery and equipment should exchange on the date of valuation between a willing buyer, willing seller in an arm's-length transaction.

A gain or loss on initial recognition of farm produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine fair value. Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on biological assets where fair value cannot be determined, to write down the cost, less residual value, by equal instalments, over their useful lives as follows:

Item	Depreciation method	Average useful life
Dairy cattle	Straight line	7 years

1.7 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the group, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

In certain circumstances it is difficult to distinguish investment property from owner occupied property or inventory. In those circumstances the criteria used to distinguish investment property are where the owner occupied section is insignificant.

Material Accounting Policies

1.7 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in profit or loss for the period in which it arises.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

Derecognition of investment property

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The disposal of an investment property may be achieved by sale or by entering into a finance lease.

1.8 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

When investment property is transferred to property, plant and equipment, the cost is the fair value on the date of transfer.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Material Accounting Policies

1.8 Property, plant and equipment (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings and other developments	Straight line	25-50 years
Plant and machinery, fixed equipment and other assets	Straight line	6-25 years
Furniture and fixtures	Straight line	4-10 years
Motor vehicles	Straight line	3-5 years
IT equipment	Straight line	3-5 years
Land	No depreciation	

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Material Accounting Policies

1.9 Site restoration and dismantling cost

The group has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss.
c) if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount, and any impairment loss is recognised in profit or loss.

If the related asset is measured using the revaluation model:

a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

   - a decrease in the liability (subject to (b)) is credited in other comprehensive income and accumulated in the revaluation reserve in equity, except that it is recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss

   - an increase in the liability is recognised in profit or loss, except that it is debited to other comprehensive income as a decrease to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in profit or loss.
c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to profit or loss and to other comprehensive income under (a). If a revaluation is necessary, all assets of that class are revalued.

1.10 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.

Material Accounting Policies

1.10 Intangible assets (continued)

- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 years
Customer contracts	Straight line	9.6 years

1.11 Financial instruments

Financial instruments held by the group are classified in accordance with IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the group as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Material Accounting Policies

1.11 Financial instruments (continued)

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 50 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Financial assets at amortised cost

Classification

Loans and receivables have been classified at amortised cost because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable include loan commitment and are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income and finance cost (note 4).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Material Accounting Policies

1.11 Financial instruments (continued)

- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 50).

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counter parties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.The quantitative factors of the model rely on the use of financial statements to extract financial ratios, which assess the financial strength of the borrower from the calculated probability of default and loss given default using a credit rating system .

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Material Accounting Policies

1.11 Financial instruments (continued)

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 50).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 22).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

Material Accounting Policies

1.11 Financial instruments (continued)

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis using the simplified approach which takes into account historical loss ratios for all trade and other receivables in totality.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 17. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Material Accounting Policies

1.11 Financial instruments (continued)

Dividends received on equity investments are recognised in profit or loss when the group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in income from trade (note 2).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses which accumulated in equity in the reserve for valuation of investments for equity investments at fair value are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Borrowings and loans from related parties

Classification

Loans from group companies (note 18) and borrowings (note 30) are classified as financial liabilities and subsequently measured at amortised cost.

Trade and other payables

Classification

Trade and other payables (note 32), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 3).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 50 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 6).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 50).

Material Accounting Policies

1.11 Financial instruments (continued)

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss. Refer to note 33.

When a financial liability is contingent consideration in a business combination, the group classifies it as a financial liability at fair value through profit or loss. Refer to note 33.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss. Refer to note 33 for details.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are measured at amortised cost and stated at carrying amount which is deemed to be fair value.

Bank overdrafts, bonds and borrowings

Bank overdrafts, bonds and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of bank overdrafts, bonds and borrowings is recognised over the term of the bank overdrafts, bonds and borrowings in accordance with the group's accounting policy for finance costs.

Other assets

Other assets (note 23) comprise short term fixed income securities placed in the capital markets with various fund managers. Due to the short term nature of these placements, the carrying value of the assets equals their fair value.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Material Accounting Policies

1.11 Financial instruments (continued)

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.12 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Material Accounting Policies

1.12 Tax (continued)

Group tax relief

Companies in Botswana Development Corporation Limited Group are subject to the special provision Section 3(i) of part II of the Fourth Schedule of the Income Tax Act (Cap 52:01) which allows the group to set-off the taxable losses of its wholly owned subsidiaries against the taxable profits in arriving at the group tax liability.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.13 Leases

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the group is a lessee are presented in note 13 Right of Use Assets/Leases.

Lease liability

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

Material Accounting Policies

1.13 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 4).

The group remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the group will exercise a purchase, termination or extension option.	discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
Change in expected payment under a residual value guarantee.	discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The right-of-use asset is initial measured at cost, which comprises the initial amount of the lease liability adjusted for;

- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred;
- Any initial direct costs incurred by the lessee; and less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the asset.
- An underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Material Accounting Policies

1.13 Leases (continued)

- When the group incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position in note 34 Provisions for restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

As an exception, when the underlying assets are land and buildings, the group adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the group. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.Right of use assets that are investment property are fair valued in line with IAS 40 Investment property.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

1.14 Inventories

Inventories (note 21) are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Material Accounting Policies

1.14 Inventories (continued)

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.15 Other investments

Short term investments (note 17) comprise highly liquid money market instruments placed with local commercial banks.

1.16 Impairment of non financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.17 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'stated capital' in equity. Dividends are recognised as a liability in the group in the period in which they are declared.

Material Accounting Policies

1.18 Compound instruments

Compulsory convertible preference shares and debentures are compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the group, is included in equity.

Combined units are compound instruments, consisting of a debenture (liability) component and a share (equity) component. The debentures are carried at amortised cost, and any premium or discount on issue is written off over the redemption period using the effective interest method.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

1.19 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.20 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Material Accounting Policies

1.20 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

1.21 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statements of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are deducted from the related expense.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

Consolidated and Separate Financial Statements for the year ended 30 June 2024

Material Accounting Policies

1.22 Revenue

Revenue is measured based on the consideration specified in the contract with a customer. The group recognises revenue when it transfers control over a good or service to a customer.

The group recognises revenue from the following major sources:

Interest on Loans and other interest revenue

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Payment terms are within funding agreements which typically require quarterly payments.

Dividend and distribution Income.

Dividend and distribution income is recognised when the right to receive payment is established.

Income from trade

Income from trade comprises revenue from the sale of goods and rendering of services.(within the scope of IFRS 15)

Sale of goods

For sales of goods to cash customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. For sales of goods on credit, a receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rendering of services

Revenue relating to the rendering of services for hotel, conference activities and entertainment events is recognised at the point in time the service is rendered to the customer and the customer simultaneously consumes the benefits.

Revenue for management services and other services is recognised over time based on the stage of completion method. This is determined as based on cost incurred as a proportion of the total costs expected to satisfy the performance obligation. If a customer pays consideration before goods or services are delivered, an advance deposit liability is recognised. The period of contracts average less than a year.

1.23 Rental income

Rental income from operating leases is recognised in the statement of comprehensive income on a straight line basis over the term of the relevant leases.

1.24 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Material Accounting Policies

1.24 Cost of sales (continued)

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.25 Translation of foreign currencies

Group presentation currency

Items included in the consolidated and separate financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated consolidated and separate financial statements are presented in Pula which is the company's functional currency and group presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pulas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pulas by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

1.26 Insurance and reinsurance income

The group classifies income from insurance contracts when it accepts significant risk from another party (policy holder) by agreeing to compensate the policy holder if a specified uncertain future event (the insured event) adversely affects the policy holder. The insurance risk is a risk, other than financial risk, transfered from a holder of a contract to the issuer.

In assessing whether a contract is an insurance contract, all substantive rights and obligations, including those arising from law or regulation are considered.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	**2024**	**2023**	**2024**	**2023**
2. Income from trade				
Income from trade:				
Sale of goods	185,319	191,866	-	-
Revenue from rendering of services	69,524	62,989	-	-
Dividends received:				
Subsidiaries	-	-	13,000	18,000
Associated companies	-	-	9,312	5,013
Quoted investments	55,860	45,673	55,860	45,673
	310,703	**300,528**	**78,172**	**68,686**
3. Interest on loans				
Interest on loans				
Subsidiaries	-	-	26,654	24,059
Associated companies	3,464	3,958	3,464	3,958
Interest on loans from non-affiliate entities	232,444	197,546	234,748	199,108
	235,908	**201,504**	**264,866**	**227,125**

Interest on loans has been calculated based on effective interest rate method. The interest rates range from 6% to 16%.

	Group 2024	Group 2023	Company 2024	Company 2023
4. Finance income and finance cost				
Finance income:				
- Cash and cash equivalents	12,493	20,087	7,002	15,399
- Debenture interest	-	-	16,158	22,192
- Preference shares interest	39,257	32,639	43,602	36,172
	51,750	**52,726**	**66,762**	**73,763**
Finance costs:				
- Bank borrowings	(109,486)	(92,206)	(107,659)	(89,557)
- Long-term borrowings	(59,922)	(65,619)	(59,696)	(65,613)
- Bank overdraft	(9,242)	(4,532)	(9,242)	(4,532)
- Bank charges	(326)	(1,905)	(91)	(941)
- Bonds	(32,715)	(34,125)	(32,580)	(33,896)
- Lease interest	(7)	(706)	(11,086)	(12,010)
	(211,698)	**(199,093)**	**(220,354)**	**(206,549)**
5. Other income				
Management fees	6,001	4,110	5,959	4,024
Arrangement and monitoring fees	1,710	1,072	859	717
Levies, recoveries and other sundry income	23,088	21,016	194	1,839
Profit/(Loss) on disposal of property, plant and equipment	531	(587)	277	50
Loss on sale of investments	(1,705)	-	(1,705)	-
(Loss)/profit on sale of non-current assets held for sale	-	(3,779)	-	6,919
	29,625	**21,832**	**5,584**	**13,549**

Management fees are earned from investee companies (subsidiaries and non-subisiary companies) and these do not relate to rental properties.

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Note	Group 2024	Group 2023	Company 2024	Company 2023

6. Profit before tax

The following items have been accounted for in arriving at profit before tax, in addition to the amounts already disclosed in notes 2, 3 and 4
Included in other operating expenses are the following items;

Figures in Pula thousand	Note	Group 2024	Group 2023	Company 2024	Company 2023
Amortisation of government grant	31	356	356	-	-
Auditors remuneration - financial statements audit**		(3,159)	(2,302)	(2,045)	(936)
Auditors remuneration - prior year under provision		(579)	-	(579)	-
Consulting and professional fees - other		(31,006)	(25,029)	(16,688)	(13,188)
Consulting and professional fees - legal fees		(4,220)	(2,138)	(3,017)	(1,103)
Amortisation of Intangible assets	11	(6,503)	(13,007)	-	-
Depreciation	10	(20,584)	(20,457)	(769)	(570)
Directors' fees		(1,800)	(1,153)	(553)	(416)
Staff costs (as below)		(93,474)	(78,546)	(58,693)	(44,795)
Directors' emoluments		(2,267)	(1,765)	(2,267)	(1,765)
Repairs and maintenance		(7,320)	(4,352)	(511)	(335)
Subscriptions		(5,476)	(4,428)	(4,883)	(3,691)
Training		(1,509)	(1,149)	(1,061)	(607)
Occupancy expenses*		(25,484)	(30,308)	-	-
Staff costs					
Salaries and wages		(87,398)	(73,039)	(55,217)	(41,685)
Terminal benefits		(1,815)	(1,432)	-	-
Medical aid - company contributions		(1,718)	(1,244)	(1,718)	(1,244)
Staff pension		(2,543)	(2,831)	(1,758)	(1,866)
Included in cost of sales are the following items;					
Sale of goods		(139,004)	(131,290)	-	-
Rendering of services		(13,336)	(9,105)	-	-
Employee costs		(5,149)	(4,962)	-	-
Depreciation and impairment		(1,601)	(1,545)	-	-
Manufacturing expenses		(23,275)	(21,773)	-	-
		(182,365)	(168,675)	-	-

*Occupancy expenses of P25.5million (2023: P 30.3million) are included in arriving at profit before tax. These relates to property related expenses for the upkeep of property held for long term rental yields or for capital appreciation or both.

**There were no non-audit services that were provided by the external financial statements auditor.

Consolidated and Separate Financial Statements for the year ended 30 June 2024

Notes to the Consolidated and Separate Financial Statements

7. Investment property

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
Reconciliation of investment property - Group				
Land and buildings at fair value	1,338,767	1,263,351	-	-
Other asset 3 - Non-current portion	(51,362)	(48,896)	-	-
Balance at the end of the year	**1,287,405**	**1,214,455**	-	-
Reconciliation of fair value				
Balance at beginning of the year	1,214,455	1,181,203	-	-
- At valuation	1,263,351	1,229,414	-	-
- Straight line lease rental adjustment	(48,896)	(48,211)	-	-
Additions during the year - acquisitions	16,747	32,387		
Disposals during the year	-	-	-	-
Rental deferral account	-	-	-	-
Transfer to property plant and equipment	(10,310)	-		
Fair value gain of investment properties	66,513	865	-	-
- Increase in fair value during the year	68,979	1,550	-	-
- Straight line lease rental adjustment	(2,466)	(685)	-	-
Balance at end of the year	**1,287,405**	**1,214,455**	-	-

Fair value of investment properties

The investment properties of the group measured at fair value at the end ofthe reportingperiod fall under Level 3 - Significant unobservable inputs.

Valuation technique - Discounted cash flows:

The valuation model considers the present value of net cash flows to be generated from the properties, taking into account the expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant unobservable inputs

Expected market rental growth 3-8% (2023: 5-8%). Occupancy rate 88% - 95% (2023: 80%-90%). Rent-free periods 1-3 months period on new leases (2023:1-6 months period on new leases). Risk-adjusted discount rates 7-15% (2023: 7-8%).

Valuation technique

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific investment property. If this information is not available, the group uses alternative valuation methods such as recent prices on more active markets. These prices are adjusted based on the rental rates or selling price disparities of the different markets. Rental rates and selling prices fluctuate in the region of 3-7% (2023: 5-7%) of the reference location which is Gaborone. Relevant adjustments were made to arrive at the fair value of certain investment properties.

Notes to the Consolidated and Separate Financial Statements

7. Investment property (continued)

Valuation technique - cost replacement method:

The cost approach is based upon the determination of a modern equivalent property and includes consideration of adjustments for "physical, functional, technological and economic obsolescence". It is generally applied based on the depreciated replacement cost. It may be considered as a primary methodology where "there is either no evidence of transaction prices for similar property or no identifiable actual or notional income stream that would accrue to the owner. Where relevant the cost replacement method was averaged with other methods to reflect a more appropriate fair value of the investment property.The significant unobservable inputs include the area of the respective properties and the cost per square metre for the relevant location. The cost per square metre rates used varied from P5,500 to P22,000 (2023:P5,000 to P22,000) for land and buildings. Professional fees, demolition and clearing costs and contingencies averaged 15% (2023:22%).

Inter-Relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase if expected market rental growth were higher; void periods were shorter; the occupancy rate were higher; rent-free periods were shorter; or the risk-adjusted discount rate were lower. The fair value of the investment properties has been arrived at on the basis of valuations carried out at 30 June 2024 by independent professional external valuers. The external valuers are members of the Real Estate Institute of Botswana and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuations were done in conformity with and are subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organisations with which the valuers are affiliated. The market values were determined by the valuers using investment valuation models for industrial and commercial properties. The effective date of the valuations was 30 June 2024. All of the Group's investment property is held under freehold interests.

Investment properties

Last year, the Group acquired a subsidiary, Delta Automotive (Pty) Ltd, that was a lessee to one of its properties. As a result, the property with a carrying amount of P60.5 million was transferred from investment property to property, plant and equipment as it became owner- occupied.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

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7. Investment property (continued)

During the year, the valuation methodology of the GICC property was revised from the depreciated cost approach to income approach. The modification was necessitated by the requirement to accurately reflect fair value of the property and realign to techniques used for similar properties in the market. The impact of the change in methodology was P64 million. The change in valuation method is not expected to have a significant impact in future valuations. The change in valuation has been applied prospectively.

	Group		Company	
Figures in Pula thousand	**2024**	**2023**	**2024**	**2023**
Transactions associated with investment properties are:				
Rental income	65,744	61,149	-	-
Repairs and maintenance expenses	(7,142)	(2,707)	-	-

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8. Movement in impairment allowances -

Group Figures in Pula thousand	2024 Equity accounted investments	Other investments	Trade receivables	Other receivables	2023 Charge to profit or loss	Equity accounted investments	Other investments	Trade and other receivables	Charge to profit or loss
Note(s)	**16**	**17**	**22**	**22**	**16**	**17**	**22**		
Opening balance	16,401	181,817	33,001	-	-	16,401	177,478	31,129	-
ECLs/Bad debts expense/(reversal)	-	153,147	(7,908)	-	145,239	-	4,339	(5,003)	(664)
Clawback ECL	-	-	-	29,528	29,528	-	-	-	-
Trade receivables write offs	-	-	1,857	-	1,857	-	-	-	-
Closing balance	**16,401**	**334,964**	**26,950**	**29,528**	**176,624**	**16,401**	**181,817**	**26,126**	**(664)**

Company Figures in Pula thousand	2024 Investment in subsidiaries	Equity accounted investments	Other investments	Trade receivables	2023 Other receivables	Charge to profit or loss	Investment in subsidiaries	Equity accounted investments	Other investments	Trade and other receivables	Charge to profit or loss
Note(s)	15	16	17	22	22		15	16	17	22	
Opening balance	244,398	104,314	224,316	6,875	-	-	195,125	123,262	218,030	6,678	-
ECLs/Bad debts expense	-	-	152,712	1,857	-	154,569	6,023	-	6,286	197	12,506
Clawback ECL	-	-	-	-	29,528	29,528	-	-	-	-	-
Unrealised impairment loss on equity valuation	(6,528)	35,407	-	-	-	28,879	43,250	(21,621)	-	-	21,629
Closing Balance	**237,870**	**139,721**	**377,028**	**8,732**	**29,528**	**212,976**	**244,398**	**101,641**	**224,316**	**6,875**	**34,135**

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
9. Income tax expense/(credit)				
Major components of the tax expense (credit)				
Current				
Local income tax - prior period (over) under provision	316	(513)	-	-
Withholding tax on debenture interest	2,219	1,128	2,219	1,128
Group tax relief	1,912	-	1,912	(6,336)
Withholding tax on dividends	(2,230)	2,435	(2,230)	2,435
Total normal taxation	**2,217**	**3,050**	**1,901**	**(2,773)**
Deferred tax - current year	10,579	3,724	-	-
	12,796	**6,774**	**1,901**	**(2,773)**

Reconciliation of the tax expense/(credit)

Reconciliation between accounting profit and tax expense.

	Group 2024	Group 2023	Company 2024	Company 2023
Accounting (loss)/profit	(40,687)	71,192	(175,338)	(592)
Tax calculated at 22%/15%	(7,786)	18,041	(38,574)	(130)
Income not subject to tax	(29,760)	(27,391)	(26,790)	(23,069)
Normal taxation - prior year	316	513	-	-
Capital gains tax	(11,420)	(7,511)	-	-
Expense not deductible for tax purposes	41,067	14,167	47,282	10,267
Withholding tax on debenture interest	2,219	1,128	2,219	1,128
Withholding tax paid on dividends received	1,912	2,435	1,912	2,435
Unrecognised deferred tax balances	16,248	5,392	18,082	12,932
Group tax relief (Refer to accounting policy note 1.12)	-	-	(2,230)	(6,336)
	12,796	**6,774**	**1,901**	**(2,773)**

Income not subject to tax

The Income Tax Act of Botswana details in Part 2 of the Second Schedule the gross income items that are exempted from taxation.

Expenses not deductible for tax purposes

Section 50 of the Income Tax Act of Botswana details the types of expenditure which are not allowable as a deduction in arriving at taxable income for the year. These comprise expected credit loss adjustments and lease interest adjustments.

Group

The amount of income tax relating to revaluation of land and buildings recognised in other comprehensive income amounted to P(2.59) million (2023: P Nil million). Other movements in other comprehensive income did not have a tax impact on the group.

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Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023

9. Income tax expense/(credit) (continued)

Unrecognised deferred tax balances

At 30 June 2024, there was a deferred tax liability of P- million (2023: P 92.8 million) for temporary differences of P- million (2023: P 436 million) related to investments in subsidiaries. However, this liability was not recognised because the Group controls the dividend policy of its subsidiaries - i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future. The company has not recognised a deferred tax asset on its accumulated tax losses carried forward and on the tax temporary differences because of the uncertainty over the future utilisation of such an asset against taxable profits.

Tax losses:

In accordance with the Income Tax Act (Chapter 52:01), Section 46, assessed tax losses in relation to any tax year are deductible in ascertaining the relevant chargeable income for the subsequent tax year. No assessed tax losses shall be carried forward as a deduction for a period of more than the five years succeeding the tax year in which such losses arose.

At the end of the year, the assessed and estimated tax losses available for deduction are as follows:

Tax year:	Group 2024	Group 2023	Company 2024	Company 2023
2018/2019	7,595	34,402	-	-
2019/2020	3,209	1,876	1,582	1,582
2020/2021	3,304	3,027	-	-
2021/2022	35,822	34,652	30,034	29,980
2023/2024	75,298	-	70,622	-
	125,228	**73,957**	**102,238**	**31,562**

10. Property, plant and equipment

	2024 Cost or revaluation	2024 Accumulated depreciation	2024 Carrying value	2023 Cost or revaluation	2023 Accumulated depreciation	2023 Carrying value
Group						
Land and buildings	456,846	(22,679)	434,167	427,040	(12,911)	414,129
Plant and machinery	236,101	(160,692)	75,409	224,859	(146,071)	78,788
Furniture and fixtures	21,789	(17,712)	4,077	21,242	(17,098)	4,144
Motor vehicles	6,863	(5,215)	1,648	6,843	(4,507)	2,336
IT equipment	12,922	(11,247)	1,675	12,320	(10,615)	1,705
Capital - Work in progress	107,400	-	107,400	88,242	-	88,242
Total	**841,921**	**(217,545)**	**624,376**	**780,546**	**(191,202)**	**589,344**

	2024 Cost or revaluation	2024 Accumulated depreciation	2024 Carrying value	2023 Cost or revaluation	2023 Accumulated depreciation	2023 Carrying value
Company						
Furniture and fixtures	10,049	(10,025)	24	10,049	(9,992)	57
Motor vehicles	906	(199)	707	1,620	(619)	1,001
IT equipment	6,600	(5,655)	945	6,375	(5,151)	1,224
Total	**17,555**	**(15,879)**	**1,676**	**18,044**	**(15,762)**	**2,282**

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2024

	Land and buildings P'000	Plant and machinery P'000	Furniture and fixrures P'000	Motor vehicles P'000	IT equipment P'000	Capital work in progress P'000	Total P'000
Opening balance							
Cost	427,040	224,665	21,242	6,843	12,514	88,242	780,546
Accumulated depreciation and impairment	(12,911)	(145,877)	(17,098)	(4,507)	(10,809)	-	(191,202)
Net book value at 01 July 2023	**414,129**	**78,788**	**4,144**	**2,336**	**1,705**	**88,242**	**589,344**
Additions	5,943	11,243	558	734	714	19,158	38,350
Disposals and scrappings - cost	-	-	(24)	(714)	(111)	-	(849)
Disposals and scrappings - accumulated depreciation and impairment	-	-	14	643	69	-	726
Transfers (to) and from investment property	10,310	-	-	-	-	-	10,310
Revaluations	8,680	-	-	-	-	-	8,680
Depreciation	(4,895)	(14,622)	(615)	(1,351)	(702)	-	(22,185)
Net book value at 30 June 2024	**434,167**	**75,409**	**4,077**	**1,648**	**1,675**	**107,400**	**624,376**

Reconciliation of property, plant and equipment - Group - 2023

	Land and buildings P'000	Plant and machinery P'000	Furniture and fixrures P'000	Motor vehicles P'000	IT equipment P'000	Capital work in progress P'000	Total P'000
Opening balance							
Cost	423,242	218,108	21,179	5,396	11,154	9,725	688,804
Accumulated depreciation and impairment	(4,004)	(136,603)	(17,709)	(3,871)	(10,244)	-	(172,431)
Net book value at 01 July 2022	**419,238**	**81,505**	**3,470**	**1,525**	**910**	**9,725**	**516,373**
Additions	5,500	8,012	632	1,900	2,265	78,649	96,958
Disposals and scrappings - cost	-	(1,393)	(571)	(454)	(234)	-	(2,652)
Disposals and scrappings - accumulated depreciation and impairment	-	1,348	571	241	207	-	2,367
Transfers	-	131	-	-	1	(132)	-
Revaluations	(1,700)	-	-	-	-	-	(1,700)
Depreciation	(8,909)	(10,815)	42	(876)	(1,444)	-	(22,002)
Net book value at 30 June 2023	**414,129**	**78,788**	**4,144**	**2,336**	**1,705**	**88,242**	**589,344**

Capital Work in Progress

The Group commenced upgrade of one of its factories in the year ended 30 June 2020. Construction and plant upgrade costs for the year amounted to P15.6million (2023: P 73.1million). It is anticipated that the new factory will be in operation in the year ending 30 June 2025.

Notes to the Consolidated and Separate Financial Statements

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2024

	Furniture and fixtures P'000	Motor vehicles P'000	IT equipment P'000	Total P'000
Opening balance				
Cost	10,049	1,620	6,375	18,044
Accumulated depreciation and impairment	(9,992)	(619)	(5,151)	(15,762)
Net book value at 01 July 2023	**57**	**1,001**	**1,224**	**2,282**
Additions	-	-	242	242
Disposals and scrappings - cost	-	(714)	(18)	(732)
Disposals and scrappings - accumulated depreciation and impairment	-	643	10	653
Depreciation	(33)	(223)	(513)	(769)
Net book value at 30 June 2024	**24**	**707**	**945**	**1,676**

Reconciliation of property, plant and equipment - Company - 2023

	Furniture and fixtures P'000	Motor vehicles P'000	IT equipment P'000	Total P'000
Opening balance				
Cost	10,049	714	5,390	16,153
Accumulated depreciation and impairment	(9,950)	(454)	(4,879)	(15,283)
Net book value at 01 July 2022	**99**	**260**	**511**	**870**
Additions	-	905	1,093	1,998
Disposals and scrappings - cost	-	-	(108)	(108)
Disposals and scrappings - accumulated depreciation and impairment	-	-	92	92
Depreciation	(42)	(164)	(364)	(570)
Net book value at 30 June 2023	**57**	**1,001**	**1,224**	**2,282**

Revaluations

The group's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value.

Refer to note 7 for specific details regarding the valuation of the land and buildings.

Notes to the Consolidated and Separate Financial Statements

10. Property, plant and equipment (continued)

The carrying value of the revalued assets under the cost model would have been:

Group - Cost	2024 P'000	2023 P'000
Land	9,729	9,729
Buildings	135,868	93,999
	145,597	**103,728**
Group - Accumulated depreciation		
Buildings	(38,112)	(40,922)
Group - Net carrying amount		
Land	9,729	9,729
Buildings	97,756	53,077
	107,485	**62,806**

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company and its respective subsidiaries.

11. Intangible assets

	2024			2023		
	Cost / Valuation P'000	Accumulated amortisation P'000	Carrying value P'000	Cost / Valuation P'000	Accumulated amortisation P'000	Carrying value P'000
Group						
Computer software, other	7,865	(4,225)	3,640	7,200	(4,225)	2,975
Customer contracts	125,125	(26,014)	99,111	125,125	(19,511)	105,614
Total	**132,990**	**(30,239)**	**102,751**	**132,325**	**(23,736)**	**108,589**

	2024			2023		
	Cost / Valuation P'000	Accumulated amortisation P'000	Carrying value P'000	Cost / Valuation P'000	Accumulated amortisation P'000	Carrying value P'000
Company						
Computer software, other	3,640	-	3,640	2,975	-	2,975

Reconciliation of intangible assets - Group - 2024

	Opening balance P'000	Additions P'000	Amortisation P'000	Total P'000
Computer software, other	2,975	665	-	3,640
Customer contracts	105,614	-	(6,503)	99,111
	108,589	**665**	**(6,503)**	**102,751**

Reconciliation of intangible assets - Group - 2023

	Opening balance P'000	Additions P'000	Amortisation P'000	Total P'000
Computer software, other	2,037	938	-	2,975
Customer contracts	118,621	-	(13,007)	105,614
	120,658	**938**	**(13,007)**	**108,589**

Notes to the Consolidated and Separate Financial Statements

11. **Intangible assets (continued)**

Reconciliation of intangible assets - Company - 2024

	Opening balance P'000	Additions P'000	Total P'000
Computer software, other	2,975	665	3,640

Reconciliation of intangible assets - Company - 2023

	Opening balance P'000	Additions P'000	Total P'000
Computer software, other	2,037	938	2,975

Computer software with a cost of P3,640,000 (2023: P 2,975,000) has not been amortised as it was under development at year-end. The intangible asset is internally generated.

Customer contracts relates to original equipment manufacture contracts for Delta Automotive Technologies (Pty) Ltd. These are multi-year contracts with auto manufactures to supply wiring harnesses for specific car models.The value in use of customer contracts of P125million are Volkswagen, Nissan and Renault harnesses. The contracts were valued at a post-tax discount rate of 16% as of 21 December 2021 and adjusted to 21.54% on a pre-tax discount basis in accordance with IAS 36.55. For significant estimates and judgments on these contracts refer to policy note 1.5.

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	Group		Company	
Figures in Pula thousand	2024	2023	2024	2023

12. **Biological assets**

Group	2024 Cost / Valuation P'000	2024 Accumulated amortisation P'000	2024 Carrying value P'000	2023 Cost / Valuation P'000	2023 Accumulated amortisation P'000	2023 Carrying value P'000
Dairy Cattle	4,840	-	4,840	-	-	-

Reconciliation of biological assets - Group - 2024

	Opening balance	Additions	Total
Dairy Cattle	-	4,840	4,840

As at 30 June 2024 ,livestock comprised of 188 dairy cows, 2,bulls, 55 small heifers, 37 calves. These were measured at fair value less cost to sell.

13. **Right of use assets/Leases**

The group leases several assets, including buildings, plant and IT equipment. The average lease term is 5 years (2023: 5 years). The group has the option to purchase the plant at a nominal amount on completion of the lease term.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
Buildings	-	-	75,848	89,619
Motor vehicles	51	203	51	203
	51	**203**	**75,899**	**89,822**

The parent company leases an office building from its subsidiary. The lease is for a period of 15 year commencing January 2015 to December 2029.

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023

13. Right of use assets/Leases (continued)

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note), as well as depreciation which has been capitalised to the cost of other assets.

	Group 2024	Group 2023	Company 2024	Company 2023
Buildings	-	-	13,772	13,771
Motor vehicles	151	151	151	151
	151	**151**	**13,923**	**13,922**

Other disclosures

	Group 2024	Group 2023	Company 2024	Company 2023
Capital portion of lease liability paid	159	161	13,804	10,762
Interest expense on lease liabilities	7	706	11,086	12,010
Total cash outflow from leases	**166**	**867**	**24,890**	**22,772**
Leases of low value assets included in operating expenses	(3)	39	(3)	39
Leases of low value assets included in cost of merchandise sold and inventories	-	12	-	-

At 30 June 2024, the group is committed to Pnil (2023: P nil) for short-term leases.

Lease liabilities

The maturity analysis of lease liabilities in relation to the company as a lessee is as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
Within one year	15	174	16,955	13,782
Two to five years	-	-	106,820	16,720
More than five years	-	-	18,545	125,622
	15	**174**	**142,320**	**156,124**

Leases (group as lessor)

The group leases its properties under operating lease arrangements to various customers, the leases are typically for 3 to 10 years and escalate annually with rates linked to inflation and are renewable. The maturity analysis (contractual undiscounted rentals receivable) are as follows

	Group 2024	Group 2023	Company 2024	Company 2023
Less than one year	68,095	67,079	-	-
One to two years	65,729	62,282	-	-
Two to three years	53,045	56,996	-	-
Three to four years	48,547	45,350	-	-
Four to five years	45,133	40,704	-	-
More than 5 years	61,444	88,619	-	-

Notes to the Consolidated and Separate Financial Statements

14. Goodwill

Group	2024 Cost P'000	2024 Accumulated impairment P'000	2024 Carrying value P'000	2023 Cost P'000	2023 Accumulated impairment P'000	2023 Carrying value P'000
Goodwill	13,909	-	13,909	13,909	-	13,909

	Opening balance	Closing balance
Reconciliation of goodwill - Group - 2024		
Goodwill	13,909	13,909
Reconciliation of goodwill - Group - 2023		
Goodwill	13,909	13,909

In reviewing the goodwill arising from the acquisition of Delta Automotive Technologies (Proprietary) Limited for impairment, the following key assumptions were made;

- The recoverable values of assets at the end of their useful lives are estimated to be nil.
- No material change in the asset composition and utilisation rates since the valuation date.
- Growth rates will average between 8-10%.
- The cost of equity for auto and parts is a good proxy of the expected returns on Delta Automotive Technologies (Proprietary) Limited assets.
- As at 30 June 2024, the carrying amount of the entity was compared to the recoverable amount of the cash generating unit and no impairment indicators noted. The recoverable amount has been determined based on value in use while the valuation of the entity was based on a discounted cash flow methodology in which a terminal growth rate of 4% was applied and a weighted average cost of capital of 19% used. The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the group of CGUs to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not materially cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements in Pula thousand.

2024	Ordinary shares at cost	Total investment	% of shares held
Agriculture	**150,246**	**150,246**	
Farm Development Company (Pty) Ltd	-	-	100 %
Talana Farms (Pty) Ltd	9,237	9,237	100 %
LP Amusements (Pty) Ltd	60,426	60,426	100 %
Malutu Investments (Pty) Ltd	16,196	16,196	100 %
Milk Afric (Pty) Ltd*	64,387	64,387	100 %
	295,256	**295,256**	
Industry			
Lobatse Clay Works (Pty) Ltd	235,815	235,815	100 %
Delta Automotive Technologies (Pty) Ltd	59,441	59,441	60 %
	35,433	**35,433**	
Services			
Export Credit Insurance & Guarantee (Pty) Ltd	35,433	35,433	100 %
	905,815	**905,815**	
Property management			
Botswana Hotel Development Company (Pty) Ltd	104,098	104,098	100 %
Commercial Holdings (Pty) Ltd	377,048	377,048	100 %
Fairground Holdings (Pty) Ltd	8,615	8,615	51 %
NPC Investments (Pty) Ltd	-	-	100 %
Residential Holdings (Pty) Ltd	41,360	41,360	100 %
Western Industrial Estate (Pty) Ltd	374,184	374,184	100 %
Phakalane Property Development (Pty) Ltd	510	510	51 %
	1,386,750	**1,386,750**	
Less: Accumulated impairment		(237,870)	
		1,148,880	

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries (continued)

2023	Ordinary shares at cost	Total investment	% of shares held
Agriculture	**126,945**	**126,945**	
Farm Development Company (Pty) Ltd	-	-	100 %
Talana Farms (Pty) Ltd	9,237	9,237	100 %
LP Amusements (Pty) Ltd	60,426	60,426	100 %
Malutu Investments (Pty) Ltd	16,196	16,196	100 %
Milk Afric (Pty) Ltd*	41,086	41,086	100 %
	271,022	**271,022**	
Industry			
Lobatse Clay Works (Pty) Ltd	211,581	211,581	100 %
Delta Automotive Technologies (Pty) Ltd	59,441	59,441	60 %
	30,648	**30,648**	
Services			
Export Credit Insurance & Guarantee (Pty) Ltd	30,648	30,648	100 %
	907,136	**907,136**	
Property management			
Botswana Hotel Development Company (Pty) Ltd	104,098	104,098	100 %
Commercial Holdings (Pty) Ltd	377,048	377,048	100 %
Fairground Holdings (Pty) Ltd	8,615	8,615	51 %
NPC Investments (Pty) Ltd	1,321	1,321	100 %
Residential Holdings (Pty) Ltd	41,360	41,360	100 %
Western Industrial Estate (Pty) Ltd	374,184	374,184	100 %
Phakalane Property Development (Pty) Ltd	510	510	51 %
	1,335,751	**1,335,751**	
Less: Accumulated impairment		(244,398)	
		1,091,353	

All the above subsidiaries are registered in Botswana.

*Milk Afric has changed its name to Milk Valley Farms due to rebranding post launch of the business.

Impairment

The accumulated impairment of P238 million (2023: P244 million) relates to the write down of some subsidiaries on the basis of their recoverable amounts.

The assessment of these investments for impairment requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the subsidiaries.

Key assumptions used in the determining future profitability of subsidiaries include revenue growth rate and cash flows projections which were assessed as reasonable and are in line with relevant market growth rates. Such assumptions are based on historical results adjusted for anticipated future growth. These assumptions are a reflection of management's past experience in the market in which the investees operate.The current value of assets held by subsidiaries which is mostly property, plant and equipment and investment property was performed by independent property valuers. Refer to note 7 and 10 for additional details.

Impairment decreased mainly due to the completion of the winding down process of NPC (Pty) Ltd as well as adjustments for recoverable amount of subsidiaries. Impairment loss of P6.5 million (2023: P43.0 million) is included in the profit or loss (refer to note 8).

Notes to the Consolidated and Separate Financial Statements

16. Equity accounted investees

The following table lists all of the associates in the group in Pula thousand:

	Ordinary shares at cost	Post Acquisition Reserve	Total investment	% of shares held
Group - 2024				
Agriculture	**4,432**	**(4,432)**		
Marekisetso A Merogo (Pty) Ltd	4,432	(4,432)	-	23 %
Industry	**44,370**	**(9,841)**	**34,529**	-
Nampak Div Food Botswana	23,077	(7,757)	15,320	26 %
Indus Healthcare (Pty) Ltd	21,293	(2,084)	19,209	26 %
Services	**217,511**	**(58,255)**	**159,256**	-
Peermont Global (Botswana) Ltd	3,000	31,569	34,569	40 %
TransUnion (Pty) Ltd	147	1,992	2,139	49 %
Mashatu Nature Reserve (Pty) Ltd	10,287	107,854	118,141	30 %
Kamoso Africa (Pty) Ltd	204,077	(199,670)	4,407	24 %
Property management	**264,824**	**67,983**	**332,807**	-
Letlole La Rona Limited	264,824	67,983	332,807	40 %
Total all sectors			**526,592**	
Less: Accumulated impairment			(16,401)	
			510,191	
Group - 2023				
Agriculture	**4,432**	**(4,432)**	-	-
Marekisetso A Merogo (Pty) Ltd	4,432	(4,432)	-	23 %
Industry	**44,370**	**(13,259)**	**31,111**	
Nampak Div Food Botswana	23,077	(7,757)	15,320	26 %
Indus Healthcare (Pty) Ltd	21,293	(5,502)	15,791	26 %
Services	**217,511**	**(34,279)**	**183,232**	
Peermont Global (Botswana) Ltd	3,000	25,732	28,732	40 %
TransUnion (Pty) Ltd	147	5,790	5,937	49 %
Mashatu Nature Reserve (Pty) Ltd	10,287	104,945	115,232	30 %
Kamoso Africa (Pty) Ltd	204,077	(170,746)	33,331	24 %
Property management	**264,824**	**29,924**	**294,748**	
Letlole La Rona Limited	264,824	29,924	294,748	40 %
Total all sectors			**509,091**	
Less: Accumulated impairment			(16,401)	
			492,690	

All associated companies are registered in Botswana.

Letlole la Rona Limited has shareholding in JTTM Properties (Pty) Limited (57.79%), NBC Developments (33.3%) and Orbit Africa Logistics (30%). Mashatu Nature Reserve (Pty) Ltd has shareholding in Limpopo Valley Access (Pty) Ltd (100%), Rhodesdrift Investments (Pty) Ltd (100%) and Kanda (Pty) Ltd (51%).

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	**2024**	**2023**	**2024**	**2023**
16. Equity accounted investees (continued)				
Group investments as disclosed above	-	-	510,191	492,690
Add/Less post acquisition reserves	-	-	20,946	38,447
	-	-	531,137	531,137
Less: Accumulated impairment	-	-	(139,721)	(104,314)
	-	**-**	**391,416**	**426,823**
All associated companies are registered in Botswana.				
Movement in equity accounted investees:				
Opening balance	492,690	482,954	426,823	405,202
Share of profit net of tax	42,971	37,181	-	-
Debenture interest and dividend received	(25,470)	(27,445)	-	-
Share of other comprehensive income net of tax	-	-	-	-
Total before impairment	510,191	492,690	426,823	405,202
Impairment reversal/(charged) for the year	-	-	(35,407)	21,621
	510,191	**492,690**	**391,416**	**426,823**

Impairments on equity accounted investments at group level amounted to P16,401,000 (2023: P 16,401,000), these were as a result of significant write down of goodwill of an associate company in prior periods. There was no movement in the current year.

Post acquisition reserves are the group share of post acquisition profits on equity accounted investments.

The assessment of these investments for impairment requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the equity accounted investees.

Key assumptions used in determining future profitability of equity accounted investees include revenue growth rates which were assessed as reasonable and are in line with relevant market growth rates. Such assumptions are based on historical results adjusted for anticipated future growth. These assumptions are a reflection of management's past experience in the market in which the investees operate.

Impairment increased mainly due to the impairments arising from decrease in recoverable amounts of equity accounted investees. Impairment for equity accounted investees at company level was P139 million (2023: P 104 million).

The current value of assets held by equity accounted investees which is mostly property, plant and equipment and investment property was performed by independent property valuers. Refer to note 7 and 10 for additional details.

Refer to note 42 for summarised financial information for material associate companies.

Investments in Letlotle La Rona Limited comprises of linked units, each comprising one ordinary share and one variable debenture which are indivisibly linked. Each linked unit comprises an ordinary share issued at P0.01 and one variable rate unsecured debenture issued at P1.49. The yield on the unit comprises a dividend on the share component and interest on the debenture component of the linked unit.

Notes to the Consolidated and Separate Financial Statements

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17. Other investments

Group

	Notes	2024 Current investments P'000	2024 Non-current investments P'000	2024 Total P'000	2023 % interest	2023 Current investments P'000	2023 Non-current investments P'000	2023 Total current P'000	% interest
Financial assets at armotised cost									
- To associate companies									
P Pather Capital II		14,853	-	14,853	- %	13,052	-	13,052	- %
Mashatu (Pty) Ltd		-	19,465	19,465	7.50 %	-	18,111	18,111	7.50 %
Transport Holdings (Pty) Ltd		11,779	18,830	30,609	11.00 %	11,779	23,197	34,976	11.00 %
- To non-affiliated entities									
Botswana based entities		506,124	347,190	853,314	14.00 %	317,572	457,771	775,343	14.00 %
Regional entities		919,668	-	919,668	15.00 %	791,579	-	791,579	15.00 %
Industry Support Fund (ISF)		37,970	-	37,970	5.25 %	67,143	8,804	75,947	5.25 %
Total financial assets at amortised cost		1,490,394	385,485	1,875,879	-	1,201,125	507,883	1,709,008	-
Equity securities at fair value through profit/loss									
Preference shares									
Crates and Pallets (Pty) Ltd		-	7,022	7,022	13.00 %	-	7,022	7,022	13.00 %
Thakadu and Kwena Hotels (Pty) Ltd		-	13,223	13,223	16.00 %	-	12,453	12,453	16.00 %
Indus Healthcare (Pty) Ltd		-	37,064	37,064	9.65 %	-	35,685	35,685	9.65 %
Minergy Coal (Pty) Ltd		-	177,097	177,097	18.00 %	-	154,230	154,230	18.00 %
Total equity securities at fair value through profit/loss		-	234,406	234,406	-	-	209,390	209,390	-
Debt securities - designated at fair value through profit or loss									
RFG Botswana Limited	48	-	363,613	363,613	10.00 %	45,012	300,000	345,012	10.00 %
Equity securities-designated at Fair value through other comprehensive income									
Sechaba Brewery Holdings Limited shares		-	254,369	254,369	18.00 %	-	399,444	399,444	19.00 %
Cresta Marakanelo Limited shares		-	54,307	54,307	27.00 %	-	52,798	52,798	27.00 %
Grit Real Estate Limited shares		-	68,561	68,561	5.79 %	-	135,089	135,089	3.14 %
Total Debt and Equity securities - designated at fair value		**-**	**740,850**	**740,850**		**45,012**	**887,331**	**932,343**	**-**
		1,490,394	**1,360,741**	**2,851,135**		**1,246,137**	**1,604,604**	**2,850,741**	
Less:									
Accumulated impairment		(328,309)	(6,655)	(334,964)	-	(167,561)	(14,256)	(181,817)	-
		1,162,085	**1,354,086**	**2,516,171**		**1,078,576**	**1,590,348**	**2,668,924**	

Notes to the Consolidated and Separate Financial Statements

17. Other investments (continued)

The Company holds 10,987,870 (2023:19,952,231) and 50,283,961 (2023:50,283,975) ordinary shares in Sechaba Brewery Holdings Ltd and Cresta Marakanelo Ltd, respectively. During the year the Group disposed 860,231 shares in Sechaba Brewery Holdings Ltd. The equity method of accounting is not followed by the Group as it only holds 18% of the shares of Sechaba Breweries Holdings Ltd as at 30 June 2024. For the year ended 30 June 2024, the Group did not exercise significant influence over Sechaba Breweries Holdings Ltd's financial and operating policies. The Group had only one board seat and did not participate in the process of appointing senior management, neither did it have direct influence over the operational strategies of Sechaba Brewery Holdings Limited.

The Group owns 27% (2023: 27%) of Cresta Marakanelo Ltd's issued capital, however the equity method of accounting is not followed as the Group does not exercise significant influence over Cresta Marakanelo Ltd's financial and operating policies. The financial and operating policies of Cresta Marakanelo have been delegated by the Board to Cresta Holdings (Pty) Ltd who manages hotels on behalf of the Cresta Group. The BDC Group does not have any board seats nor ownership in Cresta Holdings (Pty) Ltd and thus does not control the process of appointing senior management, neither does it have direct influence over the operational strategies of Cresta Marakanelo Limited. The fair value of the quoted investments was determined by using level 1 inputs - the share price of the respective investee is quoted on Botswana Stock Exchange.

	Company	
Figures in Pula thousand	**2024**	**2023**
Consolidated other investments as above (gross):	2,851,135	2,850,741
Add back loans and preference shares to subsidiaries:		
Lobatse Clay Works (Pty) Ltd	128,224	102,403
Botswana Hotel Development Corporation (Pty) Ltd	29,080	33,906
Delta Automotive Technologies (Pty) Ltd	211,717	195,448
Western Industrial Estate (Pty) Ltd	20,005	20,255
Milk Valley Farms (Pty) Ltd	35,458	35,458
Fairground Holdings (Pty) Ltd	14,732	13,070
P Panther Capital II	(14,853)	(13,256)
Delta Automotive Technologies (Pty) Ltd ISF	18,412	16,110
Western Industrial Estate (Pty) Ltd - Pref shares	46,648	46,699
Subtotal	3,340,558	3,300,834
Accumulated impairment	(377,028)	(224,316)
	2,963,530	**3,076,518**
Classified as follows		
Current assets	1,007,868	1,106,686
Non-current assets	1,955,662	1,969,832
	2,963,530	**3,076,518**

Notes to the Consolidated and Separate Financial Statements

17. Other investments (continued)

Equity securities are held for long term period and have no fixed maturity.

	Group		Company	
Figures in Pula thousand	**2024**	**2023**	**2024**	**2023**
Maturity analysis of gross loans,financial assets at amortised costs				
Up to 1 year	1,477,607	1,201,081	1,542,227	1,261,169
1-5 years	322,040	489,814	638,137	717,442
>5 years	76,232	18,113	123,558	120,721
Subtotal	1,875,879	1,709,008	2,303,922	2,099,332
Impairment loss allowance	(334,964)	(181,817)	(377,028)	(224,316)
	1,540,915	**1,527,191**	**1,926,894**	**1,875,016**

2024	Group		Company	
Figures in Pula thousand	**Fair value**	**Dividends**	**Fair value**	**Dividends**
Equity securities designated at FVOCI				
Sechaba Brewery Holdings Limited	254,369	48,263	254,369	48,263
Cresta Marakanelo Limited	54,307	2,162	54,307	2,162
GRIT Real Estate Limited	68,561	5,435	68,561	5,435
	377,237	**55,860**	**377,237**	**55,860**

2023	Group		Company	
Figures in Pula thousand	**Fair value**	**Dividends**	**Fair value**	**Dividends**
Equity securities designated at FVOCI				
Sechaba Brewery Holdings Limited	399,444	31,784	399,444	31,748
Cresta Marakanelo Limited	52,798	-	52,798	-
GRIT Real Estate Limited	135,089	13,925	135,089	13,925
	587,331	**45,709**	**587,331**	**45,673**

The Group designates the investments shown above as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

Gross financial assets at amortised cost for the group and company at the end of the year amounted to P1.876 billion (2023: P 1.709 billion) and P2.304 billion (2023: P 2.099 billion) respectively. Corresponding impairment allowances at year end for group and company amounted to P335 million (2023: P 182 million) and P377 million (2023: P 224 million) respectively.

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023

18. Due from group companies

This comprises amounts due from Group companies as a result of the companies having claimed, under the provisions of the Fourth Schedule of the Income Tax Act, to offset their assessable income against the assessable losses of the Company. The balances are offset across the various group companies' tax positions as per Schedule 4 of the Income Tax Act, and this is over periods exceeding a financial year, hence of a long-term nature. The balances are shown net as the ultimate right to the assets/liabilities lies with the Company. These amounts are settled net through an allocation by the Company across the group

Group Company Name	Group 2024	Group 2023	Company 2024	Company 2023
Export Credit Insurance and Guarantee(Pty) Ltd	-	-	1,565	1,565
Lobatse Clay Works(Pty) Ltd	-	-	(9,409)	(9,409)
Commercial Holdings(Pty) Ltd	-	-	11,805	11,805
Botswana Hotel Development Company(Pty) Ltd	-	-	48,424	46,344
Milk Afric	-	-	(513)	(513)
Residential Holdings (Pty) Ltd	-	-	14,487	14,487
Talana Farms(Pty) Ltd	-	-	802	654
Western Industrial Estates(Pty) Ltd	-	-	6,218	5,900
LP Amusement Centre (Pty) Ltd	-	-	(2,866)	(2,550)
Malutu Enterprises (Pty) Ltd	-	-	1,628	1,628
	-	**-**	**72,141**	**69,911**

19. Deferred lease asset

Fairground Holdings (Pty) Ltd has entered into various operating lease agreements with tenants in respect of the property it owns. These operating lease agreements contain fixed annual escalation clauses.The leased land is plot 50660, Fairgrounds, Gaborone. The leases are for a period ranging from 2-3 years with latest expiring March 2025.

In terms of IFRS 16, operating leases with fixed rental escalations are recognised in profit or loss on a straight- line basis. This results in an asset for future lease income recognised in the statement of financial position. This asset reverses during the latter part of the lease term, when the monthly income recognised in profit or loss exceeds the actual cash flows.

	Group 2024	Group 2023	Company 2024	Company 2023
Opening Balance	294	172	-	-
Movement included in profit or loss	107	122	-	-
The deferred lease asset as at 30 June	**401**	**294**	**-**	**-**
Within one year	592	995	-	-
After one year, before five years	-	616	-	-
	592	**1,611**	**-**	**-**

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Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023

20. Deferred tax

Deferred tax liability

	Group 2024	Group 2023	Company 2024	Company 2023
Capital gains tax	(122,560)	(104,054)	-	-

The capital gains and losses are on investment properties and property, plant and equipment.

Deferred tax asset

	Group 2024	Group 2023	Company 2024	Company 2023
Investment properties, property, plant and equipment	531	531	-	-
Provisions	5,420	7,333	-	-
Deferred tax balance from temporary differences other than unused tax losses	5,951	7,864	-	-
Tax losses available for set off against future tax income	7	3,433	-	-
	5,958	11,297	-	-
Total deferred tax asset	**5,958**	**11,297**	**-**	**-**
Deferred tax liability	(122,560)	(104,054)	-	-
Deferred tax asset	5,958	11,297	-	-
Total net deferred tax liability	**(116,602)**	**(92,757)**	**-**	**-**

Reconciliation of net deferred tax liability

	Group 2024	Group 2023	Company 2024	Company 2023
At beginning of year	92,757	99,530	-	-
Charged to profit/(loss)-current year capital allowances	6,991	976	-	-
Deferred tax adjustment - prior year	8,090	(10,496)	--	
Charged to profit/(loss) -tax losses in current year	6,004	1,156	-	-
Charged to profit/(loss) -capital gains tax	2,760	1,591	-	-
At end of year	**116,602**	**92,757**	**-**	**-**

21. Inventories

	Group 2024	Group 2023	Company 2024	Company 2023
Raw materials, components	43,848	17,626	-	-
Work in progress	31,633	45,960	-	-
Finished goods and consumables	24,731	7,670	-	-
	100,212	71,256	-	-
Inventories (write-downs)	(1,486)	(1,486)	-	-
	98,726	**69,770**		

Amounts of inventory recognised as an expense in cost of sales amounts to P139.4 million (2023: P131.3 million)

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
22. Trade and other receivables				
Gross trade receivables	58,884	74,294	8,770	22,201
Allowance for doubtful debts	(26,950)	(33,001)	(8,732)	(6,875)
Net trade receivables	31,934	41,293	38	15,326
Prepayments	66,729	29,058	58,469	25,167
Advances to officers	10,796	1,863	754	1,787
Value Added Tax (VAT)	26,880	39,274	2,886	2,886
Due from related parties	318	313	-	-
Other receivables	34,037	22,754	18,459	14,133
Investment refunds (Clawback)*	-	35,000	-	35,000
Refundable taxes	21,816	18,473	-	-
Total trade and other receivables	**192,510**	**188,028**	**80,606**	**94,299**

The average credit period is 30 days (2023:30 days). No interest is charged on overdue trade debtors. The Group has provided for all trade debtors based on estimated irrecoverable amounts.

*In the current year the claw back was impaired by P29 528 000 due to uncertainty regarding its recoverability.

Expected credit loss assessment for trade and other receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss, (including but not limited to management accounts, audited financial statements, cash flow projections etc) and applying experienced credit judgement. The nature of the company's trade receivables are such that credit gradings are applied on a simplistic basis using qualitative and quantitative factors that are indicative of a risk of default. The expected credit losses for the Company are not material.

Balances of PNil million (2023: PNil million) has been written off while the accounts are being pursued for settlement.

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
Trade receivables past due analysis - days past due but not impaired				
1 - 30 days	11,081	3,914	1,355	-
31 - 60 days	1,989	903	261	515
61 - 90 days	10,195	1,828	125	28
91 and above	35,619	22,535	7,029	4,673
Total	**58,884**	**29,180**	**8,770**	**5,216**
Movement in the allowance for doubtful debts				
Balance at beginning of the year	33,001	38,004	6,875	6,678
Allowance (reversed)/charged during the year	(7,908)	(5,003)	1,857	197
Amounts written off as uncollectable	1,857	-	-	-
Balance at end of the year	**26,950**	**33,001**	**8,732**	**6,875**

At the reporting date, the Group considers the concentration of credit risk limited due to the customer base being unrelated. There are no other impaired trade and other receivables.

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Figures in Pula thousand — Group 2024, 2023; Company 2024, 2023

22. Trade and other receivables (continued)

	2024 Trade receivable	2024 Expected credit loss	2024 Not impaired	2023 Trade Receivable	2023 Expected credit loss	2023 Not impaired
Current	6,628	(446)	6,182	7,241	(125)	7,116
1-30 days	4,094	(125)	3,969	3,934	(20)	3,914
31-60 days	1,687	(155)	1,532	958	(55)	903
61-90 days	6,567	(2,607)	3,960	6,180	(4,352)	1,828
more than 90 days	39,908	(23,617)	16,291	44,106	(21,571)	22,535
	58,884	**(26,950)**	**31,934**	**62,419**	**(26,123)**	**36,296**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to their short term nature.

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
23. Other assets				
Balance at beginning of the year	2,758	9,550	-	-
Interest income - reinvested	198	182	-	-
Net (withdrawals)/deposits	(365)	(6,974)	-	-
Balance at end of the year	**2,591**	**2,758**	-	-

Other assets comprise short term fixed income securities placed in the capital markets with various fund managers. Due to the short term nature of these placements, the carrying value of the assets equals their fair value. The value of funds are based on valuation of units provided by fund managers.

24. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
Cash on hand	7	5	-	-
Bank balances	115,413	108,838	42,590	45,289
Money market funds	130,340	134,561	68,874	91,892
Industry Support Funds (refer to note 46)	45,628	30,308	45,628	30,308
Other cash and cash equivalents	11,554	12,108	-	-
Cash held on behalf of subsidiaries	135	26,011	46,395	53,891
Bank overdraft	(108,205)	(61,112)	(101,797)	(54,550)
	194,872	**250,719**	**101,690**	**166,830**
Current assets	303,077	311,831	203,487	221,380
Current liabilities	(108,205)	(61,112)	(101,797)	(54,550)
	194,872	**250,719**	**101,690**	**166,830**

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023

24. Cash and cash equivalents (continued)

Cash held on behalf of subsidiaries

The company has setup a bank account with Standard Chartered Bank Botswana for the use by owner managed property companies for their daily cash management. The account is used solely by the respective subsidiaries as they have restrictive control. As at 30 June 2024 P46 million (2023: P54 million) was held in the account on behalf of the subsidiaries.

Industry Support Facility

The Industry Support Facility (the "ISF") was a fund created by the Botswana Government to assist businesses with operating costs and working capital loans to sustain their existence during and post the COVID-19 Pandemic. BDC was required as a precondition for reciept of the funds to open and maintain a separate bank account. The account is restricted for the use of operation of the Fund only.

Money market funds

Surplus cash funds are invested in money market funds which comprise rolling and fixed deposits with fund managers and have a tenure of 1 week to 90 days. The interest earned is at an effective interest rate of 7.2% (2023: 5.8%). The proportionate amount of interest up to 30 June is added to the cost of investment to approximate fair value.

For the purpose of impairment assessment, investments in money market funds are considered to have insignificant credit risk as the credit rating of where these investments are held have a minimum of BBB- credit rating. Correspondingly, for the purpose of impairment assessment for these assets, the loss allowance is measured at an amount equal to 12-month ECL.

25. Stated capital

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
Issued 638,274,756 (2023: 541,769,462) Ordinary shares of no par value	984,774	888,269	984,774	888,269

The company's ordinary shares are held by a sole shareholder, the Government of the Republic of Botswana. The shares carry a single vote, as well as a right to dividends as may be declared by the company from time to time. During the year P96,505,294 shares were issued at no par value for a consideration of P96,505,294 against the ISF equity reserve which represents capital injections by the Government of Botswana.

Notes to the Consolidated and Separate Financial Statements

26. Claims Equalisation Reserve and ISF Equity Reserve

Figures in Pula thousand	Note	Group 2024	Group 2023	Company 2024	Company 2023
Claims Equilisation Reserve					
Balance at beginning and end of the year		1,207	1,207	-	-

It is the policy of a subsidiary company to transfer 10% of the net commercial and domestic premium income from retained earnings into the claims equalisation reserve. The transfer from retained earnings ceases when the balance in the reserve account amounts to 150% of the highest gross premium income over the past five years. A transfer amounting to PNil (2023: P Nil) was made to retained earnings to reduce the impact of abnormal claims.

Figures in Pula thousand	Note	Group 2024	Group 2023	Company 2024	Company 2023
ISF Equity Reserve					
Balance as at 30 June 2023		96,505	25,762	96,505	25,762
Transfers during the year		42,108	70,743	42,108	70,743
Transfer to stated capital	25	(96,505)	-	(96,505)	-
Balance at end of the year		**42,108**	**96,505**	**42,108**	**96,505**

The company was mandated to administer a P300 million facility on behalf of the Botswana Government for large business (refer to note 46). In an amendment to the agreement, the Government of Botswana agreed that all collections made on the loans issued be absorbed by the company and treated as shareholder equity for future investments. The repayments will cover cost of administration. As at 30 June 2024, the total amount in the reserve amounted to P42,108,000 (2023: P 96,505,000).

27. Fair value reserve

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
Balance at beginning of the year	168,861	113,318	168,861	113,318
Movement during the year	(10,074)	55,543	(10,074)	55,543
Disposal of shares	(182,959)	-	(182,959)	-
Balance at end of the year	**(24,172)**	**168,861**	**(24,172)**	**168,861**
Comprising:				
Sechaba Breweries Holdings Limited	272,684	398,664	272,684	398,664
Cresta Marakanelo Limited	(23,633)	(25,140)	(23,633)	(25,140)
Grit Real Estate Income Group Limited	(273,223)	(204,663)	(273,223)	(204,663)
	(24,172)	**168,861**	**(24,172)**	**168,861**

The group has made an irrevocable election on adoption of IFRS 9 to classify these equity instruments at fair value through OCI as it is the business model not to hold the equities for trading or for contingent consideration. The fair value and dividend information on these securities are disclosed in Note 17. During the year, the group disposed of shares in Sechaba Breweries Holdings Limited for a consideration of P202M and the original cost of those shares was P19M.

Notes to the Consolidated and Separate Financial Statements

28. Other Reserves

	Foreign exchange movements P'000	Capital and Debt Reserve P'000	Statutory capital & solvency reserves P'000	Revaluation reserve P'000	Total P'000
Company					
Balance as at 30 June 2022	-	182,246	-	-	182,246
Transfers during the year	-	(111,916)	-	-	(111,916)
Foreign exchange gains	8,294	-	-	-	8,294
Balance at 30 June 2023	8,294	70,330	-	-	78,624
Transfers during the year	-	4,175	-	-	4,175
Foreign exchange gains	2,033	-	-	-	2,033
Balance at 30 June 2024	**10,327**	**74,505**	**-**	**-**	**84,832**
Group					
Subsidiaries					
Balance as at 30 June 2022	-	-	2,262	219,411	221,673
Transfers to retained earnings	-	-	-	(2,084)	(2,084)
Foreign currency translation reserves	(1,444)	-	-	-	(1,444)
Balance at 30 June 2023	**(1,444)**	**-**	**2,262**	**217,327**	**218,145**
Transfer to retained earnings	-	-	-	935	935
Foreign currency translation reserves	1,849	-	-	-	1,849
Revaluation reserves	-	-	-	6,095	6,095
Balance at 30 June 2024	**405**	**-**	**2,262**	**224,357**	**227,024**
Associates					
Balance as at 30 June 2022	-	-	-	118,180	118,180
Balance at 30 June 2023				**118,180**	**118,180**
Balance at 30 June 2024				**118,180**	**118,180**
Total Other reserves at 2023	**6,850**	**70,330**	**2,262**	**335,507**	**414,949**
Total Other reserves at 2024	**10,732**	**74,505**	**2,262**	**342,537**	**430,036**

Debt and Capital Reserve

Although the Company is not a regulated financial institution, a Capital and Debt Reserve requirement framework was set up in 2017, through an internal policy. For this purposes, a Capital and Debt Reserve Account (CDRA) was set up, and a minimum of 12.5% of NOPAT gets allocated to this account annually. The account can also be funded from cash windfalls and excess operational liquidity. The primary purpose of the CDRA is to hold adequate reserves for repayment obligations under long term funding facilities as well as mitigating against the impact of credit losses. Disbursements to investments can be made from this account under exceptional circumstances, provided a replacement is made from the Investment fund thereafter.

During the year, the company made a transfer into the account of PNil million (2023: P Nil million) in accordance with policy and utilised PNil million (2023: P 120.0). The funds were invested in an interest bearing account and earned PNil million (2023: P 8.3 million)

Notes to the Consolidated and Separate Financial Statements

28. Other Reserves (continued)

Statutory capital and solvency reserves

In terms of the Insurance Act (CAP 46:01), 15% of profit after taxation and 10% of profit before tax of a subsidiary company, which is providing export and domestic credit insurance, is transferred to statutory capital and solvency reserves respectively. No transfers to these reserves were made during the current or prior financial year as the subsidiary realised a loss before and after taxation in both financial years.

29. Non-controlling interest

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
Balance at beginning of the year	120,657	121,268	-	-
Share of loss and OCI for the year from subsidiaries	(6,245)	(611)	-	-
Balance at end of the year	**114,412**	**120,657**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
30. Borrowings				
Held at amortised cost				
Multilateral Investment Guarantee Agency (MIGA)	189,626	1,142	189,626	-
A non-sovereign EUR50mill secured facility at interest rate EURIBOR +0.45% payable in 14 equal consecutive semi-annual interest payments plus principal payments after a 3 year grace period				
Absa Bank of Botswana Limited	37,230	48,371	-	-
A maximum loan of P179 960 000 that accrues interest at 2.1% below prime rate. The loan is repayable in 168 equal monthly instalments. The loan is secured by a first mortgaged bond over Lot 70667 Gaborone				
National Development Bank	-	553	-	-
A P3 986 520 million facility repayable over a period of 30 months at equal instalments of P172 673.35. The facility attracts a floating interest rate of prime less 1.5%. and matures in August 2024.				
Botswana Government	29,080	33,906	29,080	33,906
Unsecured loan bearing no interest repayable annually in instalments amounting to 50% of the total incremental free cash flow generated by Gaborone International Conference Centre (GICC), subject to a minimum of P200 000 for the first year, escalated thereafter at a rate equal to the increase in Consumer Price Index for urban areas.				
Standard Chartered Bank Botswana	15,031	25,064	15,031	25,064
Secured long term loan facility of BWP50 million bearing interest rate of prime rate plus 1.25% per annum repayable over 5 years. Interest is paid semi annually in arrears with instalments commencing 6 months after end of availability period. The facility is secured by African Guaranteed Fund cover of maximum 75% on principal .				
First National Bank , Absa Bank Botswana Limited and Stanbic Bank	630,596	727,768	630,596	727,768
Botswana Syndicated facility				
Long term unsecured loan facility of P775 000 000 bearing interest at a rate of prime plus 1.35% margin. Interest is payable semi-annualy in arrears with 16 equal amortising repayments starting 6 months at the end of the capital grace period.				
Industry Support Funds (ISF)	81,809	116,922	81,809	116,922
P300 million issued in a series of three tranches of P100 million each over a period of 5 years . The first tranche issued in December 2020 (refer to note 46)				

Consolidated and Separate Financial Statements for the year ended 30 June 2024

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
30. Borrowings (continued)				
African Development Bank	1,024,913	1,105,006	1,024,913	1,105,006
Non-sovereign guaranteed line of credit facility of USD80 million bearing interest rate at 6 months Libor plus 3% per annum. Repayable by semi-annual instalments,amortised with a 2-year principal grace period and balance payable in 16 equal and consecutive payments for a period of 8 years.				
SCB Commercial Facility	73,653	121,514	73,653	121,514
Unsecured 60 months facility of USD16.2 million bearing interest of 5.20% payable in 10 semi-annual equal instalments commencing six months after end of availability period .				
First Capital Bank	124	18,803	124	18,803
An unsecured four year facility of P65 000 000 bearing interest at a rate of Botswana prime plus 2.25% payable by quarterly interest payments over three years following a principal holiday of 12 months.				
Bank Gaborone	1,571	1,891	-	-
The facility attracts interest of prime lending plus 3.5% and is repayable over a period of 84 months at equal instalments of BWP40540.60. The loan is secured by covering mortgage bond of Lot 50660, Gaborone.				
Total Loans	**2,083,633**	**2,200,940**	**2,044,832**	**2,148,983**
Split between non-current and current portions				
Non-current liabilities	1,759,550	1,936,366	1,734,098	1,884,409
Current liabilities	324,083	264,574	310,734	264,574
	2,083,633	**2,200,940**	**2,044,832**	**2,148,983**

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
30. Borrowings (continued)				

Maturity analysis of borrowings is presented on liquidity risk in note 50 (page 167 - 168)

31. Government grants

	Group 2024	Group 2023	Company 2024	Company 2023
Non-current liabilities	8,919	9,275	-	-
Current liabilities	356	356	-	-
	9,275	**9,631**		
Balance at beginning of the year	9,631	9,987	-	-
Amortisation during the year	(356)	(356)	-	-
	9,275	**9,631**	**-**	**-**
Gross Government grants	32,456	32,456	-	-
Amortisation	(13,181)	(12,825)	-	-
Utilised as provision for impairment loss	(10,000)	(10,000)	-	-
	9,275	**9,631**	**-**	**-**

The amounts above relate to the funding that was obtained from the government in the form of government grants in prior years to fund the acquisition of property. Subsequent to acquisition, an impairment loss of P10million for the factory premises in Selebi Pikwe on lot 11270, 11271 and 11272 was made in 2000. The corresponding government grant funding ("Utilised for impairment loss") was released to cover the cost of impairment as the assets were purchased through government grants in the year 2000.

32. Trade and other payables

	Group 2024	Group 2023	Company 2024	Company 2023
Financial instruments:				
Trade payables	50,592	51,869	82,440	74,291
Trade payables - related parties	319	344	20	20
Interest accruals	12,277	9,364	5,149	5,169
Accrued expenses	26,237	22,171	6,090	7,152
Other payables	27,927	44,893	1,709	-
Deposits	28,580	30,789	1,030	1,073
Non-financial instruments:				
Amounts received in advance	1,196	1,336	-	-
Payroll accruals	10,438	14,634	5,882	9,721
Vat payable	6,739	7,491	1,441	1,426
	164,305	**182,891**	**103,761**	**98,852**

Notes to the Consolidated and Separate Financial Statements

33. Bonds outstanding

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
At amortised cost				
BDC 001	82,030	82,030	82,030	82,030
Effective date: June 2016				
Tenor: 13 years				
Pricing: Botswana prime rate plus 2.25%				
Repayment mechanism: 3 equal installments of principal - 2027, 2028 and 2029				
Collateral: None				
BDC 005	75,000	-	75,000	-
Effective date: October 2023				
Tenor: 7 years				
Pricing: Botswana fixed rate at 9.75%				
Repayment mechanism: Bullet at maturity				
Collateral: Unsecured				
BDC 003	142,530	142,530	142,530	142,530
Effective date: February 2018				
Tenor: 10 years				
Pricing: Botswana prime rate plus 1.75%				
Repayment mechanism: 3 equal installments of principal - June 2027, 2028 and 2029				
Collateral: Listed securities.				
BDC 004	162,140	162,140	162,140	162,140
Effective date: September 2020				
Tenor: 11 years				
Pricing: Fixed rate at 8%				
Repayment mechanism: 3 equal installments of principal - 2029, 2030 and 2031				
Collateral: None				
Issuance Costs on BDC 001	(2,560)	(2,813)	(2,560)	(2,813)
Issuance Costs on BDC 003	(45)	(53)	(45)	(53)
Issuance Costs on BDC 004	(2,266)	(2,579)	(2,266)	(2,579)
Bond discount	(2,194)	(2,640)	(2,194)	(2,640)
	454,635	**378,615**	**454,635**	**378,615**

The Company maintains a Botswana Stock Exchange approved BWP1 billion Domestic Medium Term Notes Program from which debt notes are issued to raise capital as and when need arises.

Split between non-current and current portions

	Group 2024	Group 2023	Company 2024	Company 2023
Non-current liabilities	454,635	378,615	454,635	378,615

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
34. Provisions for restoration costs				
Non-current liabilities	9,904	9,904	-	-

A subsidiary company has two mining sites which have been operational since 1992. Botswana legislation and the lease agreement for the mine require the company to restore the sites to their original condition on cessation of mining operations in 2035. The main uncertainty in respect of the estimated provision is the amount of costs to be incurred. The Group expects to settle the majority of the liability at the end of the life of the mine.

At the end of June 2024 ,there was no incremental mine restoration assessment performed because there was insignificant mining activity during the year at Lobatse and none at Mmamabula sites, as the company has stockpiles accumulated from previous years. The last estimate provision for site rehabilitation was performed at the end of 2022, by an external expert, Champs Botswana. The costs estimated by the expert included estimated costs for premature closure, cost of leaving the Quarry open for other possible uses, and cost of backfilling the quarry at the end of the mining period. The discounted liability is adjusted at the end of each period to reflect the passage of time, based on a discount rate of 5.22% (2023:5.22%) that reflects current market assessments and the risks specific to the liability, and changes in the estimated future cash flows underlying the obligation.

A risk free rate of 5.22% (2023:5.22%) reflects the risks specific to the provision as management believes the cashflows are highly likely. These estimates depend on labour costs, known environmental impacts, the effectiveness of remedial and restoration measures, inflation rates and risk-free interest rates specific to each liability. The Company also estimates the timing of the outlays, which is subject to change depending on continued operation or newly discovered reserves.

The entity being referred to ceased operations in 2017 and is currently implementing a turn around strategy to commence operations .

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
35. Bank overdrafts				
Bank overdraft	108,205	61,112	101,797	54,550
The Group's bank overdraft limits are as follows:				
- Standard Chartered Bank Botswana Limited	70,000	70,000	70,000	70,000
- Bank Gaborone	6,500	6,500	-	-
- Stanbic Bank Botswana Limited	55,000	55,000	55,000	55,000
	131,500	**131,500**	**125,000**	**125,000**

Land and buildings were pledged as security for overdraft of P6 500 000 for a subsidiary company, being 1st Continuing coverage Mortgage Bond of P9,000 000 over Lot 69336, Gaborone (A portion of Lot 50660 Gaborone).

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
36. Commitments				
Commitments relating to subsidiaries				
The company has the following commitments relating to subsidiary companies:				
Commitments to provide funding to subsidiaries	-	-	189,824	42,628

In addition, the Company has issued letters of support to its subsidiaries Fairgrounds Holdings (Pty) Ltd, Milk Afric (Pty) Ltd, Lobatse Clayworks (Pty) Ltd and Malutu Enterprises (Pty) Ltd.

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
37. Contingent liabilities				
Guarantees and Bonds outstanding	(573,952)	(604,761)	-	-

The amount of the potential future cash outflows in respect of loan guaranteed as well as their timing depended on whether there will be instances of non-compliance with loan agreements. In 2016 the Corporation ceased issuing guarantees.

The Guarantees and Bonds outstanding are securities that policy holders take to give their employers for various projects and reflects the value of bonds that are active.

38. Pension scheme arrangements

The Company operates a defined contribution pension scheme for its eligible employees which provides for a pension based on length of service. The defined contribution scheme was effected in March 2001. The defined benefit plans are administered by a fund that is legally separated from the company. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. Contributions are based on a fixed percentage of salary of the employees.The total contribution for the current year included in staff costs was P2.5 million (2023: P 2.3 million).

Notes to the Consolidated and Separate Financial Statements

39. Related parties

Relationships

Ultimate holding company	The company is owned 100% by the Government of Botswana. Related balances consist of amounts due from/(to) entities the under common ownership or control other than the Government of the Republic of Botswana and its entities
Subsidiaries	Refer to note 15
Associates	Refer to note 16
Directors	Executive Director and non-executive directors
Members of key management	Executive management

Related party balances

Figures in Pula thousand	Group and Company 2024	Group and Company 2023
Western Industrial Estates (Pty) Ltd		
Cash invested on behalf of subsidiaries	17,658	33,407
Group tax relief with BDC	6,218	5,821
Loan from BDC	20,005	20,256
Payables to BDC	99	376
Cashpooling fund	9,063	2,993
Cashpooling Interest	343	151
Preference shares	46,647	46,493
Interest on Preference shares	2,686	2,062
Commercial Holdings (Pty) Ltd		
Cash invested on behalf of subsidiary by BDC	12,494	14,931
Group tax relief with BDC	11,805	7,977
Dividend earned/due to BDC	5,000	5,000
Cashpooling fund	8,944	3,913
Cashpooling Interest	298	134
Payables to BDC	14	8
Rentals paid by BDC	22,067	20,432
Letlole la Rona Limited		
Debenture interest and dividend due to BDC	16,271	12,012
Botswana Hotel Development Company (Pty) Ltd		
Group tax relief with BDC	48,424	45,294
Loan from BDC	29,080	33,906
Cash invested on behalf of subsidiary	106	2,397
Dividend earned/due to BDC	8,000	5,000
Cashpooling Fund	2,259	2,269
Cashpooling Interest	65	65
Payables to BDC	1	5
Talana Farms (Pty) Ltd		
Group tax relief	802	570
Cash invested on behalf of subsidiary	3,032	2,180
Payables to BDC	-	1
Malutu Investments (Pty) Ltd		
Group tax relief with BDC	1,628	1,628
Payables to BDC	2	2

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Notes to the Consolidated and Separate Financial Statements

39. Related parties (continued)

Figures in Pula thousand	Group and Company 2024	Group and Company 2023
Residential Holdings (Pty) Ltd		
Group tax relief with BDC	14,487	14,487
Cash invested on behalf of subsidiary by BDC	148	22
Cashpooling Fund	9,927	10,580
Cashpooling Interest	720	384
Payables to BDC	-	5
LP Amusement Centre (Pty) Ltd		
Group tax relief with BDC	(2,866)	(2,866)
Cash invested on behalf of subsidiary by BDC	783	1,732
Export Credit Insurance & Guarantee (Pty) Ltd		
Group tax relief with BDC	1,565	1,565
Lobatse Clay Works (Pty) Ltd		
Loan from BDC	128,224	102,403
Group tax relief	(9,409)	(9,409)
Milk Afric		
Loan from BDC	35,439	35,458
Group tax relief with BDC	(513)	(513)
Payables to BDC	153	115
Cash invested on behalf of subsidiary by BDC	10,074	-
Delta Automotive Technologies (Pty) Ltd		
Loan from BDC	211,717	195,449
ISF Loan	18,412	16,110
Payables to BDC	-	10
Mashatu Nature Reserve (Pty) Ltd		
Loan from BDC	19,465	18,111
Interest on loans	1,353	-
Kamoso Africa (Pty) Ltd		
Loan from BDC	13,845	11,735
ISF loan	29,398	27,519
Indus Health Care (Pty) Ltd		
Preference shares	37,064	35,685
Interest on Preference shares	2,729	2,721
Fairground Holdings (Pty) Ltd		
Payables to BDC	18	10
Preference shares	14,732	13,070
Interest on preference shares	1,662	1,471
Payables to Fairground Holdings (Pty) Ltd	274	50

Notes to the Consolidated and Separate Financial Statements

39. Related parties (continued)

	Group and Company	
Figures in Pula thousand	**2024**	**2023**
Related party transactions		
Directors' fees paid		
Botswana Development Corporation	553	416
Botswana Hotel Development Company (Pty) Ltd	15	32
Commercial Holdings (Pty) Ltd	10	36
Export Credit Insurance & Guarantee (Pty) Ltd	102	414
Western Industrial Estates (Pty) Ltd	-	5
Letlole La Rona Limited	1,890	2,923
Residential Holdings (Pty) Ltd	23	27
Directors' remuneration for executive services		
Botswana Development Corporation - short term benefits	2,267	1,765
Botswana Development Corporation - long term benefits	1,141	1,890
Management fees paid to BDC		
Western Industrial Estates (Pty) Ltd	60	60
Key management remuneration		
Botswana Development Corporation	20,467	11,171
Delta Automotive Technologies (Pty) Ltd	3,313	3,382
Fairgrounds Holdings (Pty) Ltd	4,778	3,238
Letlole La Rona Limited	10,516	6,235
LP Amusement Centre (Pty) Ltd	694	1,123
Export Credit Insurance & Guarantee (Pty) Ltd	3,196	4,580
Indus Healthcare (Pty) Ltd	3,111	-
Dividends Received		
Botswana Hotel Development Company	8,000	8,000
Transunion (Pty) Ltd	9,199	4,900
Letlole La Rona Limited	113	113
Commercial Holdings (Pty) Ltd	5,000	10,000
Finance costs paid to BDC		
Western Industrial Estates (Pty) Ltd	1,510	1,499
Lobatse Clay Works (Pty) Ltd	9,165	7,581
Mashatu (Pty) Ltd	-	1,350
Delta Automotive technologies(Pty) Ltd	18,580	16,532
Transport Holdings (Pty) Ltd	-	1,343
Kamoso Africa (Pty) Ltd	3,990	3,566
Rental income from BDC		
Commercial Holdings (Pty) Ltd	22,067	20,432
Interest income on debentures		
Letlole La Rona Limited	16,158	22,192

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Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	**2024**	**2023**	**2024**	**2023**

39. Related parties (continued)

	Group and Company	
Figures in Pula thousand	**2024**	**2023**
Other expenses		
Electricity - Commercial Holdings (Pty) Ltd	263	159
Levy - Commercial Holdings (Pty) Ltd	1,765	1,635
Purchases - Fairground Holdings (Pty) Ltd	-	318

	Group 2024	Group 2023	Company 2024	Company 2023
Compensation to directors and other key management				
Salaries,allowances and other short term benefits	29,219	29,729	20,466	11,171
Post employment benefits	3,588	2,826	2,185	1,890
Remuneration for executive directors	2,822	1,765	2,267	1,765
	35,629	**34,320**	**24,918**	**14,826**

The finance costs on related party facilities bear interest at rates of 8-12% and payable within a period of 5-15 years.

Trading accounts are interest free and repayable on demand.

40. Cash (used in)/generated from operations

	Group 2024	Group 2023	Company 2024	Company 2023
Profit /(loss) before tax	(40,687)	71,192	(175,338)	(592)
Adjustments for:				
Depreciation - PPE	22,185	22,002	769	570
Depreciation - ROUA	151	151	13,923	13,922
Amortisation of intangible assets	6,503	13,007	-	-
Expected credit losses	147,095	(664)	154,859	12,506
Clawback writeoff	29,528	-	29,528	-
Amortisation of Government grants	(356)	(356)	-	-
Loss on disposal of property, plant and equipment	(531)	4,366	(277)	(6,969)
Change in fair of value debt instrument	24,343	5,555	24,343	5,555
Change in fair of value other investments	10,074	(5,900)	10,074	(8,300)
Losses on foreign exchange	635	27,916	90	35,408
Share of profits of equity accounted investees	(42,971)	(37,181)	-	-
Dividends received	(55,860)	(45,673)	(78,172)	(68,686)
Interest income	(235,908)	(221,591)	(264,866)	(264,716)
Finance costs	211,698	199,120	220,354	194,536
Fair value adjustment of investment properties	(66,513)	(865)	-	-
Rental straightlining adjustment	(2,466)	(685)	-	-
Interest on lease liabilities	-	706	-	12,010
Fair value changes on borrowings	-	(1,501)	-	(1,501)
Interest on preference shares	(39,257)	(32,639)	(43,602)	(36,521)
Unrealised impairment of equity investments	-	-	28,879	21,629
Discount on bonds	-	1,097	-	1,097
Movement in deferred lease asset	(107)	(122)	-	-
Changes in working capital:				
Inventories	(28,956)	1,630	-	-
Trade and other receivables	(27,957)	(63,052)	(17,693)	3,552
Other assets	167	6,792	-	-
Trade and other payables	(15,673)	31,815	4,911	9,383
	(104,863)	**(24,880)**	**(92,218)**	**(77,117)**

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Note(s)	Group 2024	Group 2023	Company 2024	Company 2023
41. Fair value information					
Levels of fair value measurements					
Level 1					
Recurring fair value measurements					
Assets	Note(s)				
Equity investments at fair value through other comprehensive income					
Listed shares	17	377,237	587,331	377,237	587,331
Financial assets mandatorily at fair value through profit or loss					
Other equity instrument	23	2,591	2,758	-	-
Total		**379,828**	**590,089**	**377,237**	**587,331**
Level 3					
Recurring fair value measurements					
Assets	Note(s)				
Biological assets					
Dairy cattle	12	4,840	-	-	-
Equity investments at fair value through other comprehensive income					
Listed shares		377,237	587,331	377,237	587,331
Debt instruments at fair value through profit or loss*					
RFG Botswana Partnership	17	363,613	345,012	363,613	345,012
Financial assets mandatorily at fair value through profit or loss					
Preference shares	17	234,406	209,390	234,406	209,390
Total		**980,096**	**1,141,733**	**975,256**	**1,141,733**

**Description updated to align to classification*

Notes to the Consolidated and Separate Financial Statements

41. Fair value information (continued)

Level 1

These instruments comprise of securities listed on the Botswana Stock Exchange or similar and are valued based on active share prices as at year end.

Level 2

There were no level 2 financial instruments in the current or prior year.

Level 3

The Group determines the intrinsic value of its investments based on a discounted cash flow (DCF) methodology. The valuation is based on the anticipated future cash flows projected by the business, which usually has a terminal value date. These projected future cash flows are discounted together with the value of the company in perpetuity at a terminal date, at the company's cost of capital, considering the risks associated with the business and its growth prospects.

In addition, this methodology is widely considered to be the more accurate valuation methodology and the discount rate applied takes account of the cost of the funds invested.

The Group also utilises relative valuation whereby the value of a business is derived from the pricing of comparable assets, standardised using a common variable such as earnings, cash flows, book value, or revenues. Therefore, the value of cumulative preference shares in Thakadu and Kwena Hotels is P13,222,966.0 (2023: P 12,452,746.0).

Significant unobservable inputs utilised herein include nominal growth factor of 3.8% (2023: 3.8%) based on expected long term industry growth rates and expected rump-up following the effects of COVID19, coupon rate of 6% and strike price of P1.59.

The valuation of preference shares in Fairground Holdings is based on a predetermined valuation approach as per the provisions of the preference share agreement signed in 2015. The valuation as of 30 June 2024 was P14.7 million ((2023: P 13.1 million).

The preference shares in Minergy Coal (Pty) Ltd have been fair valued at P177.1 million (2023: P 154.2 million), based on the provisions of the Preference Share Subscription Agreement entered into between the Company and BDC. The downside protection on same is provided for by a floating deed of hypothecation on the company's assets including all licenses and unencumbered plant & machinery, cession of all debts to the Company excluding trade receivables and a corporate guarantee from Minergy Limited, a Botswana Stock Exchange listed company with a market capitalisation of P189.8 million ((2023: P 188.0million)

The investment in Rhodes Foods Group Holdings Limited (RFGH) represents a debt instrument provided to a feeder fund through which the BDC Group and company, in addition to its interest return on the debt instrument, has access to returns on any upside experienced in the feeder fund. The feeder fund invested into Rhodes Foods Group Holdings Limited (RFGH), a Johannesburg Stock Exchange (JSE) listed company. The upside on this arrangement is affected by the movement in share price of RFGH and the waterfall structure arrangement of returns in relation to other partners in the fund. Significant unobservable inputs herein constitute investment management fees charged by the master fund and the residual value of the upside due to the waterfall arrangement.

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand		Group 2024	Group 2023	Company 2024	Company 2023
41. Fair value information (continued)					
Level 3					
Recurring fair value measurements -					
Assets					
Investment property	7	1,287,405	1,214,455	-	-
Land and buildings	10	434,167	414,129	-	-
Biological assets	12	4,840	-	-	-
Total		**1,726,412**	**1,628,584**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

41. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

Group - 2024

		Opening balance P'000	Gains (losses) recognised in profit (loss)/ depreciation P'000	Gains (losses) recognised in other comprehensive income P'000	Purchases/ additions P'000	Transfers into level 3 P'000	Closing balance P'000
Assets							
Investment property							
Investment property		1,214,455	66,513	-	16,747	(10,310)	1,287,405
Property, plant and equipment							
Land and Buildings	10	414,129	-	-	5,943	-	420,072
Equity investments at fair value through other comprehensive income							
Listed shares		587,331	-	(210,094)	-	-	377,237
Debt instruments at fair value through profit or loss							
RFG Botswana Limited		345,012	18,601	-	-	-	363,613
Financial assets mandatorily at fair value through profit or loss							
Preference shares		209,390	25,016	-	-	-	234,406
Other		587,331	-	-	-	-	-
Total		**3,357,648**	**110,130**	**(210,094)**	**22,690**	**(10,310)**	**2,682,733**

Notes to the Consolidated and Separate Financial Statements

41. Fair value information (continued)

	Note	Opening balance	Gains (losses) recognised in profit (loss)	Gains (losses) recognised in other comprehensive income	Purchases	Transfers into level 3	Closing balance
		P'000	P'000	P'000	P'000	P'000	P'000
Group - 2023							
Assets							
Investment property							
Investment property	7	1,181,203	865	-	32,387	-	1,214,455
Property, plant and equipment							
Land and buildings	10	419,238	(8,909)	(1,700)	5,500	-	414,129
Equity investments at fair value through other comprehensive income							
Listed shares		525,325	-	62,006	-	-	587,331
Debt instruments at fair value through profit or loss							
RFG Botswana Limited		360,309	(15,297)	-	-	-	345,012
Financial assets mandatorily at fair value through profit or loss							
Preference shares		180,632	28,758	-	-	-	209,390
Total		**2,666,707**	**5,417**	**60,306**	**37,887**	**-**	**2,770,317**

Notes to the Consolidated and Separate Financial Statements

41. Fair value information (continued)

	Opening balance	Gains (losses) recognised in profit (loss)	Gains (losses) recognised in other comprehensive income	Purchases	Transfers into level 3	Closing balance
	P'000	P'000	P'000	P'000	P'000	P'000
Company - 2024						
Assets						
Equity investments at fair value through other comprehensive income						
Listed shares	587,331	-	(210,094)	-	-	377,237
Debt instruments at fair value through profit and loss						
RFG Botswana Limited	345,012	18,601	-	-	-	363,613
Financial assets mandatorily at fair value through profit or loss						
Preference shares	209,390	25,016	-	-	-	234,406
Total	**1,141,733**	**43,617**	**(210,094)**	**-**	**-**	**975,256**
Company - 2023						
Assets						
Equity investments at fair value through other comprehensive income						
Listed shares	525,325	-	62,006	-	-	587,331
Debt instruments at fair value through other comprehensive income						
RFG Botswana Limited	360,309	(15,297)	-	-	-	345,012
Financial assets mandatorily at fair value through profit or loss						
Preference shares	180,632	28,758	-	-	-	209,390
Total	**1,066,266**	**13,461**	**62,006**	**-**	**-**	**1,141,733**

Notes to the Consolidated and Separate Financial Statements

41. Fair value information (continued)

*Gains and losses recognised in other comprehensive income are included in gains and losses on property revaluation.

The valuation of investment properties is primarily driven by market growth and occupancy rates. Given that the group has long term lease contracts with relatively stable customers, a reasonable change in market assumption is not expected to have a significant impact on the value of investment properties and land and buildings.

42. Interests in other entities

42.1 Entities with non-controlling interests and material associate companies

Name of subsidiary	Phakalane Property Development	Fairgroungds Holdings (Pty) Ltd	Delta Automotive Technologies
Principal Place of Business	Phakalane	Plot 50381,Fairground Office Park	Plot 50371, Fairground Office Park
Nature of Business	Property Developers	Conference Facilities, Renting office Space, Operating a Restaurant, a bar and take away	Manufacture and distribution of high quality electrical wiring harnessess for the automotive industry in all its aspects.
Proportion of ownership held by NCI	49% (2023:49%)	49% (2023:49%)	40% (2023:40%)
Proportion of voting rights held by NCI	49% (2023:49%)	49% (2023:49%)	40% (2023:40%)
Total comprehensive income allocated to NCI of subsidiary in P'000s	PNil (2023: PNil)	P4,105 (2023: P3,170)	P2,140 (2023: P2,559)
Accummulated NCI of subsidiary in P'000s	P12,833 (2023: P12 833)	P82,795 (2023: P83,370)	P18,784 (2023: P24,094)
Dividend paid to NCI in P'000s	PNil (2023: PNil)	PNil (2023 :PNil)	PNil (2023 :PNil)

Notes to the Consolidated and Separate Financial Statements

42. Interests in other entities (continued)

Name of associate	Peermont Global Resort	Kamoso Africa (Pty) Ltd	Letlole la Rona Limited	Mashatu Nature Reserve	Indus Healthcare Pty Ltd
Nature of Business	Operation of Casinos,Hotels, conference centres in Botswana	Manufacturing supply and distribution of fast moving consumer goods in Southern Africa	Variable loan stock company engaged in property investment and deriving revenue in property rentals and trade in property.	Game safaris and accomodation in northern Botswana	Academic hospital
Principal Place of Business	Gaborone	Gaborone	Gaborone	Tuli Enclave	Francistown
Proportion of ownership interest held by entity	40% (2023: 40%)	24% (2023: 24%)	40.36% (2023: 40.36%)	30% (2023: 30%)	26% (2023: 26%)
Investment measure	Equity method	Equity method	Equity method	Equity method	Equity method
Dividends received from associate in P'000	PNil (2023: PNil)	PNil (2023: PNil)	P20 803 (2023: P20 803)	PNil (2023: PNil)	PNil (2023: PNil)

Notes to the Consolidated and Separate Financial Statements

42. Interests in other entities (continued)

42.2 Summarised financial information for non-controlling interests and material associate companies

Subsidiary companies

Statements of Profit or Loss and Other Comprehensive Income	Fairground Holdings P'000	Phakalane Property Development P'000	Delta Automotive Technologies P'000
Revenue	30,378	-	184,902
Cost of sales	(17,348)	-	(150,791)
Gross profit	13,030	-	34,111
Operating income	638	-	14,855
Finance income	28	-	-
Operating expenses	(19,581)	-	(31,497)
Finance costs	(2,482)	-	(15,889)
Profit before tax	(8,367)	-	1,580
Profit for the year from continuing operations	(8,367)	-	1,580
Other comprehensive income	29	-	-
Total comprehensive income for the year	**(8,338)**	**-**	**1,580**
Statements of Financial Position			
Non-current assets	207,706	-	82,666
Current assets	(2,078)	-	119,315
Total assets	**205,628**	**-**	**201,981**
Capital and reserves	171,034	-	(60,088)
Non-current liabilities	19,057	-	34,323
Current liabilities	15,537	-	227,746
Total equity and liabilities	**205,628**	**-**	**201,981**

Equity accounted investee's companies

Statements of Profit and Loss & Comprehensive Income	Letlole La Rona	Peermont Global Resorts	Mashatu Nature Reserve	Kamoso Africa (Pty) Ltd	Indus Healthcare
Year end	June	December	June	June	June
	P'000	P'000	P'000	P'000	P'000
Revenue	108,277	15,925	10,594	1,405,629	88,369
Profit/(loss) for the year from continuing operations	96,591	(451)	2,172	(34,019)	9,974
Total comprehensive income for the year	101,504	(451)	2,172	(35,710)	9,974
Statements of Financial Position					
Non-current assets	1,538,543	171,159	405,100	504,357	88,368
Current assets	114,760	31,646	30,919	-	68,640
Total assets	**1,653,303**	**202,805**	**436,019**	**504,357**	**157,008**

Notes to the Consolidated and Separate Financial Statements

42. Interests in other entities (continued)

	Letlole La Rona P'000	Peermont Global Resorts P'000	Mashatu Nature Reserve P'000	Kamoso Africa (Pty) Ltd P'000	Indus Healthcare P'000
Capital and reserves	983,728	96,922	359,087	(49,786)	59,789
Non-current liabilities	624,027	67,583	-	554,143	51,730
Current liabilities	45,548	38,300	76,932	-	45,489
Total equity and liabilities	**1,653,303**	**202,805**	**436,019**	**504,357**	**157,008**

Equity accounted investee's company results are disclosed for the year ended 30 June 2024. Total comprehensive income has been derived from the latest available results.

43. Events after the reporting period and going concern

Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

There were no transfers to the capital fund reserve, this fund is maintained for the purposes of maintaining reserves for disbursement to investment projects.

No shares have been bought or sold post year end.

Going Concern

The group incurred a total comprehensive loss for the year ended 30 June 2024 of P54 million (2023: total comprehensive income of P142 million) and as of that date its total assets exceeded its total liabilities by P2.78 billion (2023: P2.79 billion).

The company incurred a total comprehensive loss for the year ended 30 June 2024 of P185 million (2023: total comprehensive income of P81 million) and as of that date its total assets exceeded its total liabilities by P2.10 billion (2023: P2.25 billion).

The Board of Directors has assessed based on profitability and cash flow projections that both the group and company have sufficient cash resources available to settle the obligations up to 12 months from the date of the approval of these financial statements. The company has a Capital and Debt Reserve Account (CORA) with a balance of P74.5 million (2023: P70.3 million) and its primary purpose is to hold adequate reserves for repayment obligations under long term funding facilities as well as mitigating against the impact of credit losses.

The group and company have also implemented strategies to return to profitability and these are monitored regularly by the Board of Directors. Furthermore, the group and company keeps track of the Botswana government initiatives to protect the economy and will participate as appropriate. Measures already in place, such as the establishment of the Industry Support Fund by Government and the company's allocation.

Notes to the Consolidated and Separate Financial Statements

43. Events after the reporting period and going concern (continued)

Projected cash flows include P200 million allocation of the recapitalisation confirmed in the budget speech read on 6 February 2024.

The consolidated and separate financial statements have thus been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

44. Segmental information

The Group adopted IFRS 8, "Operating segments". This has resulted in a number of reportable segments presented.

In addition, segments are reported in a manner that is consistent with the internal reporting provided to the operating decision maker.

The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The company has determined that its chief decision maker is the Board of the Company.

Management has determined the operating segments based in the reports reviewed by the Board in making strategic decisions and the board considers the business on the following operating decisions.

- Property development companies (Rental) - Companies that let properties and occasionally sell properties.
- Trade companies (Trade) - Companies that operate within the hospitality or manufacturing industries.
- Service companies (Service) - Companies that provide insurance or investment services (loans).

Consolidated and Separate Financial Statements for the year ended 30 June 2024

Notes to the Consolidated and Separate Financial Statements

44. Segmental information (continued)

The segment information provided to the Board for the reportable segments for the year ended 30 June is as follows:

30 June 2024	Rental P'000	Trade P'000	Services P'000	Total P'000
Revenue	-	241,179	69,524	310,703
Interest on loans	-	-	235,908	235,908
Rental income	65,479	-	265	65,744
Depreciation	-	(17,614)	(4,57)	(22,185)
Amortisation of intangible assets	-	(6,503)	-	(6,503)
EBITDA	57,520	131,119	(12,611)	176,028
Profit/(loss) before tax for the year	53,639	(82,071)	(12,255)	(40,687)
Finance cost	(2,150)	(209,296)	(252)	(211,698)
Finance income	2,741	49,720	(711)	51,750
Fair value gain on investment properties	66,513	-	-	66,513
Assets				
Intangible assets	-	99,111	3,640	102,751
Cash and cash equivalents	64,339	178,761	59,977	303,077
Investment property	1,284,749	-	2,656	1,287,405
Liabilities				
Overdraft	-	68	108,137	108,205
Government grant	9,275	-	-	9,275
Borrowings	37,230	2,044,831	1,572	2,083,633
Total assets	1,419,026	3,886,637	432,072	5,737,735
Total liabilities	163,450	2,611,869	178,822	2,954,141

44. Segmental information (continued)

30 June 2023	Rental	Trade	Services	Total
Revenue	-	234,164	66,364	300,528
Interest on loans	-	-	201,504	201,504
Rental income	61,149	-	-	61,149
EBITDA	83,380	37,033	(3,946)	116,467
Profit/(loss) for the year	31,706	41,839	(2,353)	71,192
Finance cost	(8,687)	(25,687)	(164,719)	(199,093)
Finance income	3,238	429	49,059	52,726
Fair value gain on investment properties	865	-	-	865
Included in total assets				
Intangible assets	-	105,614	2,975	108,589
Cash and cash equivalents	65,856	23,059	222,916	311,831
Investment property	1,214,455	-	-	1,214,455
Included in total liabilities				
Overdraft	11	9,357	51,744	61,112
Government grant	-	-	9,631	9,631
Borrowings	48,371	3,585	2,148,984	2,200,940

Segmental revenue and results

The steering committee assesses the performance of the operating segments based on the measure of EBITDA. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non recurring event. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to operating segments, as this type of activity is driven by the central treasury function. The results of discontinued operations are not included in the measure of EBITDA. This measure is consistent with all prior periods which are presented.

The segment information provided to the steering committee is presented above. The information presented includes a reconciliation of the group's EBITDA to net profit before tax and discontinued operations.

45. New Standards and Interpretations

45.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Initial application of IFRS 17 and IFRS 9 - Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements. The impact of the amendment is not material.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements. The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated and separate financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements. The impact of the amendment is not material.

Notes to the Consolidated and Separate Financial Statements

45. New Standards and Interpretations (continued)

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated and separate financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements. The impact of the amendment is not material.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate financial statements. The impact of the amendment is not material.

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The effective date of the standard is for years beginning on or after 01 January 2023.

The group adopted the standard for the first time in the 2024 consolidated and separate financial statements. The impact of the standard is not material.

45.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2024 or later periods:

Notes to the Consolidated and Separate Financial Statements

45. New Standards and Interpretations (continued)

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 01 January 2025.

The group expects to adopt the amendment for the first time in the 2026 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 01 January 2024.

Notes to the Consolidated and Separate Financial Statements

45. New Standards and Interpretations (continued)

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

46. Funds under management

As part of mitigating the effects of the COVID-19 pandemic on the economy, the Government of Botswana (the "Government") came up with a medium to long term Economic Recovery and Transformation Plan ("ERTP") to support in the revival of the economy. The Government consequently created a dedicated Industry Support Facility (the "ISF") under the COVID-19 Pandemic Relief Fund, under which businesses will be assisted with operating costs and working capital loans to sustain their existence during and post the COVID-19 Pandemic. Due to the magnitude and diverse nature of the eligible businesses under different sectors, the Government engaged different institutions to administer the Facility on its behalf.

BDC was mandated to administer a BWP300 million Facility on behalf of the Government for large businesses, which administration shall include, inter alia, receipt of the application for the loan from eligible businesses, assessing the loan application, disbursing the funds and monitoring the loan performance post disbursements.

Conditions for receipt of the funds included that BDC open a separate bank account to house the funds. The account is restricted for the use of operation of the Fund only. Conditions for subsequent disbursement included key reporting on funds disbursed including details of projects, and quarterly performance of the companies. Records and accounts are also subject to audit by the Auditor General to ensure no mix with BDC's funds/activities.

Per agreement with the Government, all collections from loans issued are to be treated as equity for the company.

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Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Note	Group 2024	Group 2023	Company 2024	Company 2023

46. Funds under management (continued)

As at 30 June 2024, the Company had P200 million (2023: P 200 million) of the funds allocated by Government of which PNil million (2023: P - million) had been disbursed to eligible entities during the year.

ISF Balance due to Government

	Note	Group 2024	Group 2023	Company 2024	Company 2023
ISF funds allocated		200,000	200,000	200,000	200,000
Interest earned on fixed deposits		2,859	2,308	2,859	2,308
Loan repayment transferred to equity	26	(138,613)	(96,505)	(138,613)	(96,505)
Interest payable from loans disbursed		23,060	11,119	23,060	11,119
Impairment on ISF loans		(5,497)	-	(5,497)	-
		81,809	**116,922**	**81,809**	**116,922**
Balances as at 30 June					
Loans disbursed		172,000	172,000	172,000	172,000
Interest receivable on loans		8,291	11,119	8,291	11,119
Equity reclassification	26	(138,613)	(96,505)	(138,613)	(96,505)
Amounts held as cash	24	45,628	30,308	45,628	30,308
Impairment on ISF loans	24	(5,497)	-	(5,497)	-
		81,809	**116,922**	**81,809**	**116,922**
Movement in ISF funds under management					
Opening balance		200,000	200,843	200,000	200,843
Interest earned on fixed deposits		2,859	1,465	2,859	1,465
Subtotal		202,859	202,308	202,859	202,308
Loan repayment transferred to equity	26	(138,613)	(96,505)	(138,613)	(96,505)
Interest payable from loans disbursed		23,060	11,119	23,060	11,119
Impairment on ISF loans		(5,497)	-	(5,497)	-
		81,809	**116,922**	**81,809**	**116,922**

Notes to the Consolidated and Separate Financial Statements

47. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2024

	Opening balance P'000	interest accrued P'000	Foreign exchange movements P'000	Total non-cash movements P'000	Cash flows P'000	Closing balance P'000
Borrowings	2,200,940	169,408	9,308	178,716	(296,023)	2,083,633
Bonds outstanding	378,615	32,715	1,020	33,735	42,285	454,635
Lease liabilities	174	7	-	7	(166)	15
	2,579,729	**202,130**	**10,328**	**212,458**	**(253,904)**	**2,538,283**
Total liabilities from financing activities	**2,579,729**	**202,130**	**10,328**	**212,458**	**(253,904)**	**2,538,283**

Reconciliation of liabilities arising from financing activities - Group - 2023

	Opening balance P'000	Interest accrued P'000	Foreign exchange movements P'000	Fair value changes P'000	Total non-cash movements P'000	Cash flows P'000	Closing balance P'000
Borrowings	2,382,212	158,558	98,815	(1,501)	255,872	(437,144)	2,200,940
Bonds outstanding	509,018	34,125	-	1,097	35,222	(165,625)	378,615
Lease liabilities	335	706	-	-	706	(867)	174
	2,891,565	**193,389**	**98,815**	**(404)**	**291,800**	**(603,636)**	**2,579,729**
Total liabilities from financing activities	**2,891,565**	**193,389**	**98,815**	**(404)**	**291,800**	**(603,636)**	**2,579,729**

Notes to the Consolidated and Separate Financial Statements

47. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Company - 2024

	Opening balance P'000	interest accrued P'000	Foreign exchange movements P'000	Total non-cash movements P'000	Cash flows P'000	Closing balance P'000
Borrowings	2,148,983	167,355	9,308	176,663	(280,814)	2,044,832
Bonds outstanding	378,615	32,580	1,020	33,600	42,420	454,635
Lease liabilities	156,124	11,086	-	11,086	(24,890)	142,320
	2,683,722	**211,021**	**10,328**	**221,349**	**(263,284)**	**2,641,787**
Total liabilities from financing activities	**2,683,722**	**211,021**	**10,328**	**221,349**	**(263,284)**	**2,641,787**

Reconciliation of liabilities arising from financing activities - Company - 2023

	Opening balance P'000	Interest accrued P'000	Foreign exchange movements P'000	Fair value changes P'000	Total non-cash movements P'000	Cash flows P'000	Closing balance P'000
Borrowings	2,313,331	155,167	98,815	(1,501)	252,481	(416,829)	2,148,983
Bonds outstanding	509,018	34,125	-	1,097	35,222	(165,625)	378,615
Lease liabilities	166,886	12,010	-	-	12,010	(22,772)	156,124
	2,989,235	**201,302**	**98,815**	**(404)**	**299,713**	**(605,226)**	**2,683,722**
Total liabilities from financing activities	**2,989,235**	**201,302**	**98,815**	**(404)**	**299,713**	**(605,226)**	**2,683,722**

Figures in Pula thousand	Group 2024	Group 2023	Company 2024	Company 2023
48. Debt instrument at fair value through profit and loss				
Capital invested	300,000	300,000	300,000	300,000
Fair value movements - prior year	20,563	26,117	20,563	26,117
Fair value movements - current year	(11,482)	(5,555)	(11,482)	(5,555)
Interest income	94,274	62,834	94,274	62,834
Cumulative distributions	(39,742)	(38,384)	(39,742)	(38,384)
Carrying value as at 30 June 2024	**363,613**	**345,012**	**363,613**	**345,012**

Fair value gains have been determined based on the 30 June 2024 closing spot price for Rhodes Food Group Holdings Limited of ZAR15.78 (2023:10.55) per share . The loan agreement caters for the use of the 30-day Volume Weighted Average Price which was ZAR13.82 at June 2024 (2023:9.84)

49. Directors' emoluments

P553,000 (2023: P 416,000) directors fees were paid to the non-executive directors or any individuals holding a prescribed office during the year.

2024	Directors emoluments	Directors fees	Total
Executive	2,267	-	2,267
M Mothibatsela	-	91	91
B G Mphetlhe	-	75	75
M A Ralebala	-	36	36
J S Ntshole	-	89	89
O Otlaadisa-Diloro	-	59	59
N M Setaelo	-	66	66
M Ramaeba	-	94	94
G Mmolawa	-	26	26
B Mufahothe	-	17	17
	2,267	**553**	**2,820**

2023	Directors emoluments	Directors fees	Total
Executive	1,765	-	1,765
M Mothibatsela	-	94	94
B G Mphetlhe	-	45	45
M A Ralebala	-	68	68
J S Ntshole	-	43	43
O Otlaadisa-Diloro	-	40	40
N M Setaelo	-	38	38
M Lesolle	-	9	9
M Ramaeba	-	79	79
	1,765	**416**	**2,181**

50. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

	Note(s)	Fair value through profit or loss - debt instruments P'000	Fair value through other comprehensive income - equity instruments P'000	Fair value through profit or loss - Mandatory P'000	Amortised cost P'000	Total P'000	Fair value approximate P'000
Group - 2024							
Trade and other receivables	22	-	-	-	77,085	77,085	77,085
Other investments - short term portion	17	-	-	-	1,162,085	1,162,085	1,162,085
Cash and cash equivalents	24	-	-	-	303,077	303,077	303,077
Other investments - long term portion	17	363,613	377,237	234,406	378,830	1,354,086	1,354,086
Other assets	23	-	-	-	2,591	2,591	2,591
		363,613	**377,237**	**234,406**	**1,923,668**	**2,898,924**	**2,898,924**
Group - 2023							
Trade and other receivables	22	-	-	-	101,223	101,223	101,223
Other investments - short term portions	17	-	-	-	1,078,576	1,078,576	1,078,576
Cash and cash equivalents	24	-	-	-	311,831	311,831	311,831
Other investments - long term portion	17	345,012	587,331	209,390	448,615	1,590,348	1,590,348
Other assets	23	-	-	-	2,758	2,758	2,758
		345,012	**587,331**	**209,390**	**1,943,003**	**3,084,736**	**3,084,736**

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

	Note(s)	Fair value through profit or loss - debt instruments P'000	Fair value through other comprehensive income - equity instruments P'000	Fair value through profit or loss - Mandatory P'000	Amortised cost P'000	Total P'000	Fair value approximate P'000
Company - 2024							
Trade and other receivables	22	-	-	-	19,251	19,251	19,251
Other investments - long term portion	17	363,613	377,237	234,406	980,406	1,955,662	871,692
Cash and cash equivalents	24	-	-	-	203,487	203,487	203,487
Other investments - short term portion	17	-	-	-	1,007,868	1,007,868	1,007,868
		363,613	**377,237**	**234,406**	**2,211,012**	**3,186,268**	**2,102,298**
Company - 2023							
Trade and other receivables	22	-	-	-	66,246	66,246	66,246
Other investments - long term portion	17	345,012	587,331	209,390	828,099	1,969,832	1,969,832
Cash and cash equivalents	24	-	-	-	221,380	221,380	221,380
Other investments - short term portion	17	-	-	-	1,106,686	1,106,686	1,106,686
		345,0125	**587,331**	**209,390**	**2,222,411**	**3,364,144**	**3,364,144**

The fair value of financial instruments approximates their respective carrying amounts due to the short- term nature of financial instruments classified as current in the statement of financial position. Non-current financial instruments bear interest at rates that are comparable to market which makes their carrying amounts approximates their fair values.

Consolidated and Separate Financial Statements for the year ended 30 June 2024

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

Categories of financial liabilities - Figures in Pula thousand

	Note(s)	Amortised cost	Leases	Total	Fair value approximate
Group - 2024					
Trade and other payables	32	145,932	-	145,932	145,932
Borrowings	30	2,083,633	-	2,083,633	2,083,633
Lease liabilities	13	-	15	15	15
Bonds outstanding	33	454,635	-	454,635	454,635
Bank overdraft	24	108,205	-	108,205	108,205
		2,792,405	**15**	**2,792,420**	**2,792,420**
Group - 2023					
Trade and other payables	32	159,430	-	159,430	159,430
Borrowings	30	2,200,940	-	2,200,940	2,200,940
Lease liabilities	13	-	174	174	174
Bonds outstanding	33	378,615	-	378,615	378,615
Bank overdraft	24	61,112	-	61,112	61,112
		2,800,097	**174**	**2,800,271**	**2,800,271**
Company - 2024					
Trade and other payables	32	96,438	-	96,438	96,438
Borrowings	30	2,044,832	-	2,044,832	2,044,832
Lease liabilities	13	-	142,320	142,320	142,320
Bonds outstanding	33	454,635	-	454,635	454,635
Bank overdraft	24	101,797	-	101,797	101,797
		2,697,702	**142,320**	**2,840,022**	**2,840,022**
Company - 2023					
Trade and other payables	32	87,705	-	87,705	87,705
Borrowings	30	2,148,983	-	2,148,983	2,148,983
Lease liabilities	13	-	156,124	156,124	156,124
Bonds outstanding	33	378,615	-	378,615	378,615
Bank overdraft	24	54,550	-	54,550	54,550
		2,669,853	**156,124**	**2,825,977**	**2,825,977**

The fair value of financial instruments approximates their respective carrying amounts due to the short- term nature of financial instruments classified as current in the statement of financial position. Non-current financial instruments bear interest at rates that are comparable to market which makes their carrying amounts approximates their fair values.

50. Financial instruments and risk management (continued)

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The group's targeted gearing ratio is 150%.

The capital structure and gearing ratio of the group at the reporting date was as follows:

		GROUP		COMPANY	
Figures in Pula thousand	**Note(s)**	**2024**	**2023**	**2024**	**2023**
Bonds Outstanding	33	454,635	378,615	454,635	378,615
Borrowings	30	2,083,633	2,200,940	2,044,832	2,148,983
Lease liabilities		15	174	142,320	156,124
Trade and other payables	32	164,300	182,887	103,763	98,849
Total borrowings		**2,702,583**	**2,762,616**	**2,745,550**	**2,782,571**
Cash and cash equivalents	24	(194,872)	(250,719)	(101,690)	(166,830)
Net borrowings		**2,507,711**	**2,511,897**	**2,643,860**	**2,615,741**
Equity		2,783,594	2,794,131	2,102,960	2,246,132
Gearing ratio		90 %	90 %	126 %	116 %

50. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board has overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the board risk and compliance committee (BRCC), which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group risk and compliance committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the board risk and compliance committee.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on loans receivable (at amortised cost), debt instruments at fair value through other comprehensive income, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and -.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below in Pula thousands:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost/ fair value	Gross carrying amount	Credit loss allowance	Amortised cost/ fair value
Group							
Other investments - non-current portion	17	385,485	(6,655)	378,830	507,883	(14,256)	493,627
Equity securities at fair value through profit or loss	17	234,406	-	234,406	209,390	-	209,390
Debt instruments at fair value through profit or loss	17	363,613	-	363,613	345,012	-	345,012
Trade and other receivables	22	124,830	(18,218)	106,612	127,349	(26,126)	101,223
Other investments - current portion	17	1,490,394	(328,308)	1,162,086	1,201,125	(167,561)	1,033,564
Cash and cash equivalents	24	194,872	-	194,872	250,719	-	250,719
		2,793,600	**(353,181)**	**2,440,419**	**2,641,478**	**(207,943)**	**2,433,535**
Company							
Other investments - non-current portion	17	1,592,049	(370,374)	1,221,675	1,849,136	(217,313)	1,631,823
Debt instruments at fair value through profit and loss	17	363,613	-	363,613	345,012	-	345,012
Trade and other receivables	22	57,510	(38,259)	19,251	73,121	(6,875)	66,246
Other investments - current portion	17	1,007,868	(6,654)	1,001,214	1,106,686	(7,003)	1,099,683
Cash and cash equivalents	24	101,690	-	101,690	166,830	-	166,830
		3,122,730	**(415,287)**	**2,707,443**	**3,540,785**	**(231,191)**	**3,309,594**

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

The following table provides information about the exposure to credit risk and Expected Credit Losses (ECLs) for other investments as at 30 June. No ECL was recognised in relation to amounts due from group companies as this relates to group tax relief which is fully recoverable on utilisation of tax losses and tax liabilities in each year. Refer note 18 for further information. No ECL was recognised in relation to cash and cash equivalents and other assets as funds are placed with local institutions that are credit rated and regulated with the Bank of Botswana and ECL on these balances are deemed immaterial. Refer note 22 for trade and other receivables impacts. Refer to note 8 on the analysis of the charge recognised in profit or loss.

Refer to the notes specific to the exposures in the table above, for additional information concerning credit risk.

Figures in Pula thousands	Weighted average loss rate %	Gross carrying amount	Impairment loss allowance	Credit impaired
Group				
2024				
Credit rating B to AAA (Stage 1)	36.00 %	95,823	(6,397)	No
Credit rating B- to CCC- (Stage 2)	45.00 %	583,815	(3,679)	No
Credit grade C or lower (Stage 3)	56.00 %	1,196,241	(317,866)	Yes
		1,875,879	**(327,942)**	
Company				
2024				
Credit rating B to AAA (Stage 1)	36.00 %	311,098	(3,777)	No
Credit rating B- to CCC- (Stage 2)	45.00 %	632,900	(32,300)	No
Credit grade C or lower (Stage 3)	46.00 %	1,359,924	(333,928)	Yes
		2,303,922	**(370,005)**	

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

Figures in Pula thousands	Weighted average loss rate %	Gross carrying amount	Impairment loss allowance	Credit impaired
Group				
2023				
Credit rating B to AAA (Stage 1)	35.00 %	530,344	(30,036)	No
Credit rating B- to CCC- (Stage 2)	45.00 %	904,703	(3,189)	No
Credit grade C or lower (Stage 3)	56.00 %	273,961	(148,592)	Yes
		1,709,008	**(181,817)**	
Company				
2023				
Credit rating B to AAA (Stage 1)	36.00 %	749,107	(32,830)	No
Credit rating B- to CCC- (Stage 2)	45.00 %	938,609	(27,122)	No
Credit grade C or lower (Stage 3)	46.00 %	411,616	(164,364)	Yes
		2,099,332	**(224,316)**	

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due. The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

		Less than 1 year P'000	1 to 5 years P'000	Over 5 years P'000	Total P'000	Carrying amount P'000
Group - 2024						
Non-current liabilities						
Borrowings	30	-	1,345,866	563,047	1,908,913	1,759,550
Bonds outstanding	33	-	454,930	197,474	652,404	454,635
Current liabilities						
Trade and other payables	32	145,932	-	-	145,932	145,932
Borrowings	30	420,022	-	-	420,022	324,083
Bonds outstanding	33	32,299	-	-	32,299	-
Lease liabilities		15	-	-	15	15
Bank overdraft	24	108,205	-	-	108,205	108,205
		706,473	**1,800,796**	**760,521**	**3,267,790**	**2,792,420**

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

		Less than 1 year P'000	1 to 5 years P'000	Over 5 years P'000	Total P'000	Carrying amount P'000
Group - 2023						
Non-current liabilities						
Borrowings	30	-	1,067,184	1,190,391	2,257,575	1,936,366
Bonds outstanding	33	-	415,873	117,760	533,633	378,615
Current liabilities						
Trade and other payables	32	159,430	-	-	159,430	159,430
Borrowings	30	374,060	-	-	374,060	264,574
Bonds outstanding	33	32,491	-	-	32,491	-
Lease liabilities		174	-	-	174	174
Bank overdraft	24	61,112	-	-	61,112	61,112
		627,267	**1,483,057**	**1,308,151**	**3,418,475**	**2,800,271**

		Less than 1 year P'000	1 to 5 years P'000	Over 5 years P'000	Total P'000	Carrying amount P'000
Company - 2024						
Non-current liabilities						
Borrowings	30	-	1,320,413	563,047	1,883,460	1,734,098
Bonds outstanding	33	-	454,930	197,474	652,404	454,635
Lease liabilities		-	152,690	19,125	171,815	125,365
Current liabilities						
Trade and other payables		96,438	-	-	96,438	96,438
Borrowings	30	406,672	-	-	406,672	310,734
Bonds outstanding	33	32,299	-	-	32,299	-
Lease liabilities		36,605	-	-	36,605	16,955
Bank overdraft	24	101,797	-	-	101,797	101,797
		673,811	**1,928,033**	**779,646**	**3,381,490**	**2,840,022**

		Less than 1 year P'000	1 to 5 years P'000	Over 5 years P'000	Total P'000	Carrying amount P'000
Company - 2023						
Non-current liabilities						
Borrowings	30	-	1,039,217	1,175,149	2,214,366	1,884,409
Bonds outstanding	33	-	417,873	117,760	535,633	378,615
Lease liabilities		-	142,342	-	142,342	142,342
Current liabilities						
Trade and other payables	32	87,705	-	-	87,705	87,705
Borrowings	30	371,848	-	-	371,848	264,574
Bonds outstanding	33	32,491		-	32,491	-
Lease liabilities		13,782	-	-	13,782	13,782
Bank overdraft	24	54,550	-	-	54,550	54,550
		560,376	**1,599,432**	**1,292,909**	**3,452,717**	**2,825,977**

Notes to the Consolidated and Separate Financial Statements

		Group		Company	
Figures in Pula thousand		**2024**	**2023**	**2024**	**2023**
50. Financial instruments and risk management (continued)					
Financing facilities					
Unsecured bank overdraft facility, reviewed annually and payable on call:					
Used		108,205	61,112	101,797	54,550
Unused		16,795	63,888	23,203	70,450
		125,000	**125,000**	**125,000**	**125,000**
Secured bank loan facilities with various maturity dates:					
Unused		6,500	6,500	-	-

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:

		Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets:					
Loans receivable	17	919,668	791,579	919,668	791,579
Equity instrument at fair value through other comprehensive income		68,561	135,089	68,561	135,089
Current assets:					
Cash and cash equivalents	24	19,474	668	19,474	668
Non-current liabilities:					
Borrowings		(1,098,566)	(1,226,520)	(1,098,566)	(1,226,520)
Net US Dollar exposure		**(90,863)**	**(299,184)**	**(90,863)**	**(299,184)**

Figures in Pula thousand	Note	Group 2024	Group 2023	Company 2024	Company 2023
50. Financial instruments and risk management (continued)					
Euro exposure:					
Non-current liabilities:					
Borrowings		189,626	1,142	189,626	-
Net Euro exposure		**189,626**	**1,142**	**189,626**	**-**
Net exposure to foreign currency in Pula		**98,763**	**(298,042)**	**98,763**	**(299,184)**

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was asfollows:

	Note	Group 2024	Group 2023	Company 2024	Company 2023
US Dollar exposure:					
Non-current assets:					
Loans receivable		67,227	58,736	67,227	58,736
Equity instrument at fair value through other comprehensive income		5,012	10,024	5,012	10,024
Current assets:					
Cash and cash equivalents	24	1,424	50	1,424	50
Non-current liabilities:					
Borrowings		(80,305)	(91,008)	(80,305)	(91,008)
Net US Dollar exposure		**(6,642)**	**(22,198)**	**(6,642)**	**(22,198)**
Euro exposure:					
Non-current liabilities:					
Borrowings		(12,914)	(85)	(12,914)	-
Net Euro exposure		**(12,914)**	**(85)**	**(12,914)**	**-**
Exchange rates					
Pula per unit of foreign currency:					
US Dollar		13.680	13.477	13.680	13.477
Euro		14.684	13.477	14.684	13.477

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

Group and Company Increase or decrease in rate *	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
Impact on profit or loss:				
US Dollar 7% (2023: 7%)	(11,160)	11,160	(30,399)	30,399
Euro 13% (2023: 13%)	(24,651)	24,651	(148)	148
	(35,811)	**35,811**	**(30,547)**	**30,547**
Impact on equity: *				
US Dollar 7% (2023: 7%)	(6,360)	6,360	(20,943)	20,943
Euro 13% (2023: 13%)	(24,651)	24,651	(148)	148
	(31,011)	**31,011**	**(21,091)**	**21,091**

**Presentation updated to align to classification.*

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the group is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Figures in Pula thousand	Note	Average effective interest rate 2024	Average effective interest rate 2023	Carrying amount 2024	Carrying amount 2023
Group					
Variable rate instruments:					
Assets					
Other investments		9.45 %	8.94 %	524,019	411,340
Cash and cash equivalents	24	7.89 %	7.89 %	303,077	311,831
Short term investments		7.24 %	7.24 %	2,591	2,758
				829,687	**725,929**
Liabilities					
Borrowings	30	7.00 %	7.00 %	1,960,733	2,029,767
Bonds outstanding	33	8.00 %	9.00 %	221,955	219,054
Bank overdraft	24	6.00 %	6.00 %	108,205	61,112
				2,290,893	**2,309,933**
Fixed rate instruments:					
Assets					
Other investments		13.08 %	11.69 %	1,351,861	1,369,293
Liabilities					
Borrowings	30	5.20 %	5.19 %	122,900	170,032
Bonds outstanding	33	8.00 %	8.00 %	232,680	159,561
				355,580	**329,593**
Company					
Variable rate instruments:					
Assets					
Other investments	17	9.38 %	8.76 %	655,802	529,852
Cash and cash equivalents	24	7.89 %	7.89 %	203,487	221,380
				859,289	**751,232**
Liabilities					
Borrowings	30	8.00 %	7.00 %	1,921,931	1,762,896
Bonds outstanding	33	8.30 %	9.00 %	221,955	219,054
Bank overdraft	24	5.60 %	6.00 %	101,797	54,550
				2,245,683	**2,036,500**
Fixed rate instruments:					
Assets					
Other investments		11.30 %	10.81 %	1,648,120	1,584,998
Liabilities					
Borrowings	30	5.20 %	5.00 %	122,900	121,514
Bonds outstanding	33	8.00 %	8.00 %	232,680	159,561
				355,580	**281,075**

Notes to the Consolidated and Separate Financial Statements

50. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group Increase or decrease in rate	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
Impact on profit or loss and equity:				
Bonds and other borrowings 2% (2023:2 %)	(50,765)	50,765	(51,568)	51,568
Bank overdraft 2% (2023:2 %)	(2,164)	2,164	(1,222)	1,222
Other cash and cash equivalents 2% (2023:2 %)	6,062	(6,062)	6,237	(6,237)
Short term investments 2% (2023:2 %)	52	(52)	55	(55)
Other investments 2% (2023:2 %)	27,037	(27,037)	27,386	(27,386)
	(19,778)	**19,778**	**(19,112)**	**19,112**

Company Increase or decrease in rate	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
Impact on profit or loss:				
Bonds and other borrowings 2% (2023:2 %)	(49,989)	49,989	(45,261)	45,261
Bank overdrafts 2% (2023:2 %)	(2,036)	2,036	(1,091)	1,091
Cash and cash equivalents 2% (2023:2 %)	4,070	(4,070)	4,428	(4,428)
Other investments 2% (2023:2 %)	32,962	(32,962)	31,700	(31,700)
	(14,993)	**14,993**	**(10,224)**	**10,224**

Price risk

The group is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio.

There have been no significant changes in the price risk management policies and processes since the prior reporting period.

Refer to note 17 for details on exposure to price risk.

Price risk sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Notes to the Consolidated and Separate Financial Statements

50. **Financial instruments and risk management (continued)**

Group **Increase or decrease in rate**	**2024 Increase P'000**	**2024 Decrease P'000**	**2023 Increase P'000**	**2023 Decrease P'000**
Impact on equity:				
Sechaba Brewery Holdings Limited shares 5% (2023: 5%)	38,155	(38,155)	59,917	(59,917)
Cresta Marakanelo Limited shares 15% (2023: 15%)	8,146	(8,146)	7,920	(7,920)
Grit Real Estate Income Group 15% (2023: 15%)	10,284	(10,284)	20,263	(20,263)
	56,585	**(56,585)**	**88,100**	**(88,100)**
Impact on profit or loss:				
RFG Botswana 15% (2023: 15%)	54,542	(54,542)	51,752	(51,752)
	54,542	**(54,542)**	**51,752**	**(51,752)**
Total impact on profit or loss and equity	**111,127**	**(111,127)**	**139,852**	**(139,852)**

Notes

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