



Botswana Development Corporation Limited
"Your Investment Partner"

A LIMITED LIABILITY PUBLIC COMPANY INCORPORATED IN
BOTSWANA UNDER THE COMPANIES ACT OF BOTSWANA
(COMPANIES ACT, 2003)

Audited Abridged Financial Results for the year ended 30 June 2013

EQUITY PARTICIPATION | LOAN FINANCING | PROPERTY DEVELOPMENT | INVOICE DISCOUNTING

Audited abridged financial results for the year ended 30 June 2013

Abridged statements of comprehensive income	Group		Company	
	2013 P 000	2012 P 000	2013 P 000	2012 P 000
Revenue	317,933	274,417	101,744	104,151
Gross profit	221,517	178,129	101,744	104,151
Share of profits of associates	71,809	46,760	-	-
Fair value of investment properties	89,089	40,297	-	-
Other expenses	(368,982)	(331,136)	(323,895)	(280,125)
Profit/(loss) before tax	13,433	(65,950)	(222,151)	(175,974)
Income tax (expense)/credit	(35,906)	6,462	2,459	22,877
Loss for the year	(22,473)	(59,488)	(219,692)	(153,097)
Other comprehensive income				
Net gain on investments designated as at fair value through other comprehensive income	151,660	30,509	151,660	30,509
Net gain/(loss) on revaluation of property, plant and equipment	5,075	(350)	-	-
Share of other comprehensive loss of associates	(27,173)	(6,469)	-	-
Other comprehensive income for the year, net of tax	129,562	23,690	151,660	30,509
Total comprehensive income/(loss) for the year	107,089	(35,798)	(68,032)	(122,588)
(Loss)/profit attributable to:				
Owners of the Company	(46,070)	(66,915)	(219,692)	(153,097)
Non-controlling interests	23,597	7,427	-	-
	(22,473)	(59,488)	(219,692)	(153,097)
Total other comprehensive income attributable to:				
Owners of the Company	129,562	23,690	151,660	30,509
Non-controlling interests	-	-	-	-
	129,562	23,690	151,660	30,509

Abridged statements of financial position	Group			Company		
	2013 P'000	2012 P'000	Restated 2011 P'000	Restated 2013 P'000	Restated 2012 P'000	Restated 2011 P'000
Non-current assets	2,672,472	2,314,658	2,155,928	1,997,785	1,795,592	1,699,773
Current assets	415,255	492,705	591,259	179,842	275,841	440,942
Assets classified as held for sale	2,510	-	-	-	-	-
Total assets	3,090,237	2,807,363	2,747,187	2,177,627	2,071,433	2,140,715
Capital and reserves	2,008,633	1,917,577	1,951,623	1,319,476	1,387,508	1,510,096
Non-controlling interests	185,041	163,395	159,211	-	-	-
Non-current liabilities	484,443	263,357	314,002	284,539	63,933	121,921
Current liabilities	412,120	463,034	322,351	573,612	619,992	508,698
Total equity and liabilities	3,090,237	2,807,363	2,747,187	2,177,627	2,071,433	2,140,715

Abridged statements of cash flows	Group		Company	
	2013 P 000	Restated 2012 P 000	2013 P 000	Restated 2012 P 000
Opening cash balance	273,296	399,971	185,673	231,739
Net cash from/(used in) operating activities	36,351	(75,685)	22,151	(13,143)
Net cash used in investing activities	(230,394)	(189,070)	(266,307)	(165,117)
Net cash from financing activities	124,867	138,080	133,350	132,194
Closing cash balance	204,120	273,296	74,867	185,673

Segmental revenue and results	Segment revenue		Segment profit/(loss) before tax	
	2013 P 000	Group Restated 2012 P 000	2013 P 000	Company Restated 2012 P 000
Agribusiness and Services	49,641	22,530	2,774	(372)
Industry	67,874	78,872	(8,938)	(45,826)
Property	122,951	105,327	170,670	126,227
Holding Company	101,744	104,151	(222,151)	(175,974)
	342,210	310,880	(57,645)	(95,945)

BASIS OF PREPARATION

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

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

INDEPENDENT AUDITOR'S REPORT

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

In their report, the external auditors issued an Emphasis of Matter in respect of the circumstances and significant effect of the restatement of comparative information resulting from the full provision for impairment of the glass project as described in the subsequent events paragraph on the next page.

BOTSWANA DEVELOPMENT CORPORATION LIMITED

Moedi House | Plot 50380 | Fairgrounds Office Park | Private Bag 160 | Gaborone | Tel: (+267) 3651300 | Fax: (+267) 3903114 | 3904193 | 3913567
Email: enquiries@bdc.bw | Website: www.bdc.bw



Audited Abridged Financial Results for the year ended 30 June 2013

EQUITY PARTICIPATION | LOAN FINANCING | PROPERTY DEVELOPMENT | INVOICE DISCOUNTING

Abridged statements of changes in equity

Group Year ended 30 June 2013	Stated Capital P 000	Contri- bution to Factory Premises P 000	Fair Value Reserve P 000	Other Reserves P 000	Dividend Reserve P 000	Claims Equali- sation Reserve P 000	Retained Earnings P 000	Total Attributable to Members P 000	Non- controll- ing interest P 000	Total P 000
Balance at 1 July 2012										
- as restated	864,199	24,070	325,155	68,208	45,194	4,054	586,697	1,917,577	163,395	2,080,972
Total comprehensive income/(loss) for the year	-	-	151,660	(22,098)	-	-	(46,070)	83,492	23,597	107,089
Transfers during the year	-	-	-	86	-	902	(988)	-	-	-
Taxation attributable to debenture interest	-	-	-	-	-	-	7,564	7,564	-	7,564
Debenture interest declared during the year	-	-	-	-	-	-	-	-	(7,518)	(7,518)
Issue of share to non-controlling interests	-	-	-	-	-	-	-	-	5,628	5,628
Dividend paid	-	-	-	-	-	-	-	-	(61)	(61)
Balance at 30 June 2013	864,199	24,070	476,815	46,196	45,194	4,956	547,203	2,008,633	185,041	2,193,674
Year ended 30 June 2012 - as restated										
Balance at 1 July 2011										
- as restated	864,199	24,070	294,646	75,832	38,700	3,375	650,801	1,951,623	159,211	2,110,834
Total comprehensive income/(loss) for the year	-	-	30,509	(6,819)	-	-	(66,915)	(43,225)	7,427	(35,798)
- as restated	-	-	30,509	(6,819)	-	-	(66,915)	(43,225)	7,427	(35,798)
Issue of share to non-controlling interests	-	-	-	-	-	-	-	-	1,631	1,631
Transfers during the year	-	-	-	(805)	-	679	126	-	-	-
Taxation attributable to debenture interest	-	-	-	-	-	-	9,179	9,179	-	9,179
Debenture interest declared during the year	-	-	-	-	-	-	-	-	(4,816)	(4,816)
Dividend proposed	-	-	-	-	6,494	-	(6,494)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(58)	(58)
Balance at 30 June 2012 - as restated	864,199	24,070	325,155	68,208	45,194	4,054	586,697	1,917,577	163,395	2,080,972
Company Year ended 30 June 2013										
Balance at 1 July 2012										
- as restated	864,199	24,070	325,155	-	45,194	-	128,890	1,387,508	-	1,387,508
Total comprehensive income/(loss) for the year	-	-	151,660	-	-	-	(219,692)	(68,032)	-	(68,032)
Balance at 30 June 2013	864,199	24,070	476,815	-	45,194	-	(90,802)	1,319,476	-	1,319,476
Year ended 30 June 2012 - as restated										
Balance at 1 July 2011										
- as restated	864,199	24,070	294,646	-	38,700	-	288,481	1,510,096	-	1,510,096
Total comprehensive income/(loss) for the year	-	-	30,509	-	-	-	(153,097)	(122,588)	-	(122,588)
- as restated	-	-	30,509	-	-	-	(153,097)	(122,588)	-	(122,588)
Dividend proposed	-	-	-	-	6,494	-	(6,494)	-	-	-
Balance at 30 June 2012 - as restated	864,199	24,070	325,155	-	45,194	-	128,890	1,387,508	-	1,387,508

FINANCIAL PERFORMANCE

Revenue growth of 16% from P274 million to P318 million was achieved for the Group despite the challenging market conditions. Whilst the net loss for the Group was P22 million, the Group achieved total comprehensive income for the year of P107 million after taking into account net gains on investments and revaluation of property plant and equipment. The Group's assets continue to grow at a healthy rate increasing to P3 billion in the year under review. The Board of Directors embarked on a strategic move to review the Corporation's mandate, the aim of which is to come up with a sustainable, efficient and value adding business model in line with the best practise and to ensure its relevance, competitiveness and sustainability.

Through this exercise, the Corporation will review its processes, structures, capabilities, governance and risk management systems. This exercise will also review our portfolio and introduce more generally accepted standards for credit and risk assessment. The envisaged model recommended for the Corporation will be expected to yield positive results going forward and bring forward new prospects for the organisation.

GOVERNANCE

The Board of Directors continue to recognise the need to conduct the business of the Corporation with integrity and in accordance with the generally accepted practises and endorses the internationally accepted principles of corporate governance and public responsibility.

EVENTS AFTER THE REPORTING PERIOD

Fengyue Glass Manufacturing (Botswana) (Propriety) Limited

The Corporation's investment in Fengyue Glass Manufacturing (Botswana) (Propriety) Limited, was assessed to be fully impaired due to the fact that the project failed to meet its targets, including the completion timelines, substantial budgeted cost over-runs and governance failures. The Board of Directors assessed and took into consideration all possible options and factors and hence decided on the liquidation of the glass project, as the appropriate course of action.

Consequently, a full provision for the Corporation's investment value and all other funds spent on the glass project totalling P511 million, was made in the Group's financial statements. The same impairment indicators were present at the end of the 2012 and 2011 financial year-ends, hence the comparative information for the 2012 and 2011 financial year-ends were restated.

Mr B Marole
Chairman of the Board
30 June 2013

Mr B Gaetsaloe
Managing Director