



## Botswana Development Corporation Limited

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

#NewBDC

#SeriousAboutBusiness

# AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2015

## COMPANY PROFIT AFTER TAX

▲ **215%**

2015	P89.4 mil
2014	(P77.6 mil)

## GROUP REVENUE

▲ **19%**

2015	P339.9 mil
2014	P286.7 mil

## COMPANY REVENUE

▲ **29%**

2015	P194.4 mil
2014	P150.4 mil

## GROUP ASSET BASE

▲ **8%**

2015	P3.9 bil
2014	P3.6 bil

## COMPANY ASSET BASE

▲ **9%**

2015	P2.5 bil
2014	P2.3 bil

	CONSOLIDATED		COMPANY	
	2015 P'000	2014 P'000	2015 P'000	2014 P'000
<b>ABRIDGED STATEMENTS OF COMPREHENSIVE INCOME</b>				
Revenue	339,884	286,743	194,403	150,379
Gross profit	219,953	195,431	194,403	150,379
Share of profits of associates	102,445	53,272	-	-
Fair value gain of investment properties	101,392	110,515	-	-
Other income and expenses	(176,523)	(323,504)	(84,597)	(217,469)
<b>Profit/(loss) before tax</b>	<b>247,267</b>	<b>35,714</b>	<b>109,806</b>	<b>(67,090)</b>
Income tax expense	(45,087)	(43,496)	(20,405)	(10,491)
<b>Profit/ (loss) for the year</b>	<b>202,180</b>	<b>(7,782)</b>	<b>89,401</b>	<b>(77,581)</b>
<b>Other comprehensive income</b>				
Net gain on available for sale investments	187,060	203,606	187,060	203,606
Net gain on revaluation of property, plant and equipment	3,744	808	-	-
Share of other comprehensive (loss)/income of associates	(2,628)	18,701	-	-
<b>Other comprehensive income for the year</b>	<b>188,176</b>	<b>223,115</b>	<b>187,060</b>	<b>203,606</b>
<b>Total comprehensive income for the year</b>	<b>390,356</b>	<b>215,333</b>	<b>276,461</b>	<b>126,025</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the Company	182,953	(74,880)	89,401	(77,581)
Non-controlling interests	19,227	67,098	-	-
	<b>202,180</b>	<b>(7,782)</b>	<b>89,401</b>	<b>(77,581)</b>
<b>Total other comprehensive income attributable to:</b>				
Owners of the Company	188,176	223,115	187,060	203,606
Non-controlling interests	-	-	-	-
	<b>188,176</b>	<b>223,115</b>	<b>187,060</b>	<b>203,606</b>

	CONSOLIDATED		COMPANY	
	2015 P'000	2014 P'000	2015 P'000	2014 P'000
<b>ABRIDGED STATEMENTS OF FINANCIAL POSITION</b>				
Non-current assets	3,304,224	3,193,937	2,171,736	2,085,249
Current assets	514,994	438,546	316,675	179,295
Assets classified as held for sale	127,380	3,070	-	-
<b>Total assets</b>	<b>3,946,598</b>	<b>3,635,553</b>	<b>2,488,411</b>	<b>2,264,544</b>
Capital and reserves	2,599,995	2,234,521	1,721,962	1,445,501
Non-controlling interests	297,354	313,751	-	-
Non-current liabilities	656,191	492,493	304,353	123,587
Current liabilities	393,058	594,788	462,096	695,456
<b>Total equity and liabilities</b>	<b>3,946,598</b>	<b>3,635,553</b>	<b>2,488,411</b>	<b>2,264,544</b>

	CONSOLIDATED		COMPANY	
	2015 P'000	2014 P'000	2015 P'000	2014 P'000
<b>ABRIDGED STATEMENTS OF CASH FLOWS</b>				
Opening cash balance	191,550	204,120	39,565	74,867
Net cash used in operating activities	(44,685)	(68,056)	(192,692)	(160,266)
Net cash from/(used in) investing activities	179,293	(81,041)	303,190	194,400
Net cash (used in)/from financing activities	(206,823)	136,527	(142,864)	(69,436)
<b>Closing cash balance</b>	<b>119,335</b>	<b>191,550</b>	<b>7,199</b>	<b>39,565</b>



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	Stated Capital P'000	Share application P'000	Fair value reserve P'000	Other reserves P'000	Dividend reserve P'000	Claims equalisation reserve P'000	Retained earnings/ (Accumulated losses) P'000	Total attributable to members P'000	Non-controlling interest P'000	Total P'000
<b>STATEMENTS OF CHANGES IN EQUITY</b>										
<b>CONSOLIDATED</b>										
<b>Year ended 30 June 2015</b>										
Balance at 1 July 2014	864,199	24,070	680,421	135,385	45,194	5,737	479,515	2,234,521	313,751	2,548,272
Total comprehensive income for the year	-	-	187,060	1,116	-	-	182,953	371,129	19,227	390,356
Transfers during the year	-	-	-	(2,639)	(45,194)	1,037	46,796	-	-	-
Debenture interest declared during the year	-	-	-	-	-	-	-	-	(12,519)	(12,519)
Acquisition of shares from minority interests	-	-	-	-	-	-	-	-	(23,010)	(23,010)
Dividend paid	-	-	-	-	-	-	-	-	(95)	(95)
Other movements	-	-	-	-	-	-	(5,655)	(5,655)	-	(5,655)
<b>Balance at 30 June 2015</b>	<b>864,199</b>	<b>24,070</b>	<b>867,481</b>	<b>133,862</b>	<b>-</b>	<b>6,774</b>	<b>703,609</b>	<b>2,599,995</b>	<b>297,354</b>	<b>2,897,349</b>
<b>Year ended 30 June 2014</b>										
Balance at 1 July 2013	864,199	24,070	476,815	115,697	45,194	4,956	547,203	2,078,134	185,041	2,263,175
Total comprehensive income for the year	-	-	203,606	19,509	-	-	(74,880)	148,235	67,098	215,333
Issue of share to minority interests	-	-	-	-	-	-	-	-	74,633	74,633
Transfers during the year	-	-	-	179	-	781	(960)	-	-	-
Taxation attributable to debenture interest	-	-	-	-	-	-	8,152	8,152	-	8,152
Debenture interest declared during the year	-	-	-	-	-	-	-	-	(12,933)	(12,933)
Dividend paid	-	-	-	-	-	-	-	-	(88)	(88)
<b>Balance at 30 June 2014</b>	<b>864,199</b>	<b>24,070</b>	<b>680,421</b>	<b>135,385</b>	<b>45,194</b>	<b>5,737</b>	<b>479,515</b>	<b>2,234,521</b>	<b>313,751</b>	<b>2,548,272</b>
<b>COMPANY</b>										
<b>Year ended 30 June 2015</b>										
Balance at 1 July 2014	864,199	24,070	680,421	-	45,194	-	(168,383)	1,445,501	-	1,445,501
Total comprehensive income for the year	-	-	187,060	-	-	-	89,401	276,461	-	276,461
Transfers during the year	-	-	-	-	(45,194)	-	45,194	-	-	-
<b>Balance at 30 June 2015</b>	<b>864,199</b>	<b>24,070</b>	<b>867,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,788)</b>	<b>1,721,962</b>	<b>-</b>	<b>1,721,962</b>
<b>Year ended 30 June 2014</b>										
Balance at 1 July 2013	864,199	24,070	476,815	-	45,194	-	(90,802)	1,319,476	-	1,319,476
Total comprehensive income for the year	-	-	203,606	-	-	-	(77,581)	126,025	-	126,025
<b>Balance at 30 June 2014</b>	<b>864,199</b>	<b>24,070</b>	<b>680,421</b>	<b>-</b>	<b>45,194</b>	<b>-</b>	<b>(168,383)</b>	<b>1,445,501</b>	<b>-</b>	<b>1,445,501</b>

### 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.

### Financial performance

#### BDC GROUP

BDC Group's financial performance improved significantly in 2015 recording profit before tax of P247.3 million, which is a 592% increase over prior year. Consolidated revenues grew by 19% to P339.9 million from P286.7 million. This is a sign that the underlying business is performing well and that the remodelling programme is bearing tangible results throughout the BDC Group.

Total comprehensive income of P390.4 million was realised compared to P215.3 million in the previous year. The Group balance sheet grew by 8% from P3.6 billion in 2014 to P3.9 billion in 2015.

#### BDC COMPANY

The Corporation recorded a profit before tax of P109.8 million in 2015, being a 264% increase when compared to prior year losses of P67.1 million. This improved performance is reflective of management focus in implementing recommendations of the remodelling programme. Revenues of P194.4 million were 29% ahead of prior year revenues as a result of an improvement in dividends declared in the year under review.

The 2015 results are a reflection of our strategic journey and a demonstration of the strength of our underlying business. We recognize that our turnaround is still fragile - and will take another 2-3 years to fully bed down - but we remain resolute to return to profitability and contribute to the industrialisation of Botswana.

#### Governance

The Board of Directors continues 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.

#### Business Outlook

BDC has begun to experience the positive effects of the remodelling exercise that was completed in the prior year. The Board and Management are confident that the programme

will not only rebuild trust with our stakeholders, but will also ensure that BDC emerges as the leading investment company in Botswana and the region.

With a successful implementation of an extensive transformation programme, the focus has now shifted to funding new ventures as well as expansion of existing businesses. There exists a robust deal pipeline for which capital is currently being raised from both domestic and international capital markets.

During the year under review, the Corporation successfully divested from one of its investments. As stipulated in its mandate to invest in viable and sustainable businesses, BDC continuously reviews its investment portfolio so as to invest in new business and divest from some of its existing investments. A number of investments have been earmarked for disposal in the coming financial year.

Whilst the Corporation is in its early years of its 5 year strategic goal, the Board remains optimistic about the future prospects and opportunities. We admit that the journey will be challenging, however our efforts and focus remain towards being an innovative and sustainable development finance institution.

**Ms. V. Molatedi**  
Acting Chairperson of the Board

**Mr. B. Gaetsaole**  
Managing Director