BOTSWANA PRIVATISATION ASSET HOLDINGS LIMITED
Registration number CO 2008/312
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

BOTSWANA PRIVATISATION ASSET HOLDINGS LIMITED

INDEX TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

GENERAL INFORMATION

Main business activity:	To collect, receive and hold the portion of assets from privatised entities, on behalf of the Government of Botswana.
Registered address:	Government Enclave Khama Crescent Block 25 State Drive Private Bag 008 Gaborone
Company registration number:	CO 2008/312

Directors: E Moumakwa - Chairman
K Balopi
D Mongudi
M Setlai
E Makhwaje
K Ndobano (expired contract October 2018)
R Sebako (expired contract October 2018)
B Tema
N Hubona

Postal address:	Private Bag 008 Gaborone
Auditors:	KPMG
Banker:	First National Bank of Botswana Limited
Managers and secretaries:	PricewaterhouseCoopers (Proprietary) Limited

CONTENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVAL
for the year ended 31 March 2019

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the company 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. Nothing has come to the attention of the board to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 5.

The annual financial statements set out on pages 6-31, which have been prepared on the going concern basis, were approved by the board on 31 October 2019 and were signed on its behalf by:

Director | **Director**

KPMG, Chartered Accountants
Audit
Plot 67977, Off Tlokweng Road,
Fairgrounds Office Park
PO Box 1519, Gaborone, Botswana
Telephone +267 391 2400
Fax +267 397 5281
Web http://www.kpmg.com/

Independent auditor's report

To the shareholders of Botswana Privatisation Asset Holdings Limited

Opinion

We have audited the financial statements of Botswana Privatisation Asset Holdings Limited (the Company), which comprise the statement of financial position as at 31 March 2019, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and notes to the financial statements, as set out on pages 6 to 31.

In our opinion, the accompanying financial statements present a true and fair view of the financial position of Botswana Privatisation Asset Holdings Limited as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in relation to our audit of the financial statements.

Basis of 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 financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Statement of responsibility by the board of Directors, General information, Directors' report and the Detailed statement of comprehensive income, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of the directors for the financial statements
The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control 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.

In preparing the financial statements, the Directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the 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 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 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

KPMG

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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

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KPMG
Certified Auditors
Practicing member: AG Devlin 19960060
21 November 2019
Gaborone

BOTSWANA PRIVATISATION ASSET HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

	Notes	2019 P	2018 P
Revenue	4	**26,573,629**	11,696,025
Fair value gain/(loss) on investments in Equity Shares	5	**6,304,745**	(244,000)
Disposal gain on BTCL Shares		**-**	14,462
Administrative expenses		**(2,100,619)**	(1,892,993)
Operating profit	5	**30,777,755**	9,573,494
Finance income	6	**4,386**	9,066
Profit before income tax		**30,782,141**	9,582,560
Income tax expense	7	**(491,374)**	(877,202)
Profit for the year		**30,290,767**	8,705,358
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**30,290,767**	8,705,358

BOTSWANA PRIVATISATION ASSET HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION
as at 31 March 2019

	Notes	2019 P	2018 P
ASSETS			
Non-current assets			
Investments in Equity Shares	8	561,507,520	-
Investment in Botswana Building Society Shares	8	-	177,511,477
Investments in Fixed deposits	9	90,756,646	-
Investment in Debentures	10	50,000,000	-
		702,264,166	177,511,477
Current assets			
Investment in Equity Shares for Market Maker Role	8	4,052,511	3,660,000
Investment in Fixed deposits	9	10,000,000	-
Trade and other receivables	11	5,145,872	5,619,259
Cash and cash equivalents	12	2,032,647	25,632,161
		21,231,030	34,911,420
Total assets		723,495,196	212,422,897
FUNDS AND LIABILITIES			
Funds			
Capital contribution		599,920,739	117,970,739
Retained earnings		122,619,384	92,328,617
		722,540,123	210,299,356
Current liabilities			
Deferred financial grant	13	584,126	1,904,394
Trade and other payables	14	370,947	219,147
		955,073	2,123,541
Total funds and liabilities		723,495,196	212,422,897

BOTSWANA PRIVATISATION ASSET HOLDINGS LIMITED

STATEMENT OF CHANGES IN FUNDS
for the year ended 31 March 2019

	Capital contribution P	Retained income P	Total funds P
For the year ended 31 March 2018			
Balance at 1 April 2017	117,970,739	83,623,259	201,593,998
Total comprehensive income			
Profit for the year	-	8,705,358	8,705,358
Balance at 31 March 2018	117,970,739	92,328,617	210,299,356
For the year ended 31 March 2019			
Balance at 1 April 2018	117,970,739	92,328,617	210,299,356
Capital grants received	**481,950,000**	-	**481,950,000**
Total comprehensive income			
Profit for the year	-	**30,290,767**	**30,290,767**
Balance at 31 March 2019	**599,920,739**	**122,619,384**	**722,540,123**

BOTSWANA PRIVATISATION ASSET HOLDINGS LIMITED

STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

	Notes	2019 P	2018 P
Cash flows from operating activities			
Operating profit		30,782,141	9,573,494
Adjusted for:			
Grant income recognised		(1,320,268)	-
Dividends received on Equity Shares		(15,971,881)	-
Fair value loss/(gain) on Equity Shares		(6,304,745)	244,000
Disposal (gain)/loss on Equity Shares		-	(14,462)
Changes in working capital			
Trade and other receivables		787,393	(5,084,308)
Trade and other payables		151,800	36,074
Cash generated from operations		8,124,440	4,754,798
Income tax paid		(809,766)	(877,202)
Net cash generated from operating activities		7,314,674	3,877,596
Cash flows from investing activities			
Finance income	6	4,386	9,066
Sales proceeds from disposal of financial assets		-	1,166,462
Investments made in fixed deposits and Equity Shares		(30,918,574)	-
Net cash (used in) / generated from investing activities		(30,914,188)	1,175,528
Net increase in cash and cash equivalents		(23,599,514)	5,053,124
Cash and cash equivalents at beginning of year		25,632,161	20,579,037
Cash and cash equivalents at end of year	13	2,032,647	25,632,161

1 General information

Botswana Privatisation Asset Holdings Limited ('the Company') is a special purpose entity, incorporated for the purpose of collecting, receiving, warehousing and holding shares and other assets from privatised entities on behalf of the Government of Botswana. It has been incorporated as a company limited by guarantee in terms of the Companies Act and domiciled in Botswana. The address of registered office of the Company is Government Enclave, Khama Crescent, Block 25 State Drive, Gaborone.

The financial statements set out on pages 6 to 31 have been approved by the board of directors on 31 October 2019.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.2.

2.2 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated 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
- 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).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

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 at fair value through profit or loss).

Note 17 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

2.2 Financial instruments (Continued)

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 marketplace.

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

Trade and other receivables

Classification

Trade and other receivables are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company'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 company becomes a party to the contractual provisions of the receivables. They 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 receivables 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 the statement of comprehensive income in finance income (Note 6).

The application of the effective interest method to calculate interest income on a receivable 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 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.

2.2 Financial instruments (Continued)

Trade and other receivables denominated in foreign currencies

When a receivable is denominated in a foreign currency, the carrying amount of the receivable 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 the statement of comprehensive income.

Impairment

The company recognises a loss allowance for expected credit losses on Trade and other receivables excluding prepayments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective receivables.

The company 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 these receivables have not increased significantly since initial recognition, then the loss allowance for those receivables are 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 receivable. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a receivable 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 company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable 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 receivable has increased significantly since initial recognition, the company compares the risk of a default occurring on the receivable as at the reporting date with the risk of a default occurring as at the date of initial recognition.
The company 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 counterparties 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.
Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

2.2 Financial instruments (Continued)

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the receivable has not increased significantly since initial recognition.
The company 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 company 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 company considers that default has occurred when a receivable 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 company writes off a receivable 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. Receivable written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of comprehensive income.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the receivable at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Receivables are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the receivable, external credit ratings (if available), industry of counterparty etc.
The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

2.2 Financial instruments (Continued)

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all receivable in the statement of comprehensive income with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in the statement of comprehensive.

Investments in equity instruments at fair value through profit or loss

Investments in equity shares are classified as mandatorily at fair value through profit or loss.

Investments in debt instruments at amortised cost.

The company hold investments in Debentures and fixed deposits and which are measured at amortised cost.

Investments denominated in foreign currencies

When an investment is denominated in a foreign currency, the carrying amount of the investment 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 the statement of comprehensive income.

Impairment
Investments in equity instruments at fair value through profit or loss are not subject to impairment provisions.

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

Trade and other payables

Classification
Trade and other payables (Note 14) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the company 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.

2.2 Financial instruments (Continued)

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 the statement of comprehensive income.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to Note 17 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When a Trade and other payable is denominated in a foreign currency, the carrying amount of the investment 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 the statement of comprehensive income.

Derecognition

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

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts
Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets
The company 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 company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.2 Financial instruments (Continued)

Financial liabilities
The company derecognises financial liabilities when, and only when, the company 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 the statement of comprehensive income.

Reclassification

Financial assets
The company 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.

2.2.1 Financial instruments: IAS 39 comparatives

Classification
The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

No other reclassifications may be made into or out of the fair value through profit or loss category.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

2.2 Financial instruments (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise 'Investments in Botswana Building Society shares', 'trade receivables' and 'cash and cash equivalents' in the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the asset. Loans and receivables are carried at amortised cost using the effective interest method. The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Impairment testing of trade receivables is described in policy number 2.3.

Off-setting financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to off-set the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in policy number 2.3.

2.3 Trade receivables

Trade receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss.

When a trade receivable is uncollectible, it is written-off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.5 Provisions

Provisions claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.
Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.6 Government grants

Government grants are recognized when there is a reasonable assurance that:

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

Government grants related to investments in indefinite period shares require fulfillment of certain obligations as required by the constitution of the company such as dilution of interests to citizens and citizen owned companies. Government grants would be recognized in profit or loss in the period in which the investments are transferred from citizens and citizen companies.

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

2.7 Trade payable

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the Company's functional and the presentation currency.

2.9. Revenue recognition

Revenue is recognised as follows:

2.9.1 Dividend income

Dividend income is recognised when the right to receive dividend is established.

2.9.2 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current income tax is recognised on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in Botswana.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

3.1 Changes in accounting policies and disclosures

Adoption of IFRS 9

The effect of initially applying IFRS 9 on the Company's financial instruments is described below. Due to the transition method chosen, comparative information has not been restated to reflect the new requirements.

Expected credit losses for non-derivative financial instruments are calculated using the lifetime expected credit loss method described in the financial instruments accounting policy.

The effects of adopting IFRS 9 on the carrying amounts of financial assets at 01 April 2018 relates solely to the impairment requirements. The table below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Companies financial assets as at 01 April 2018.

Financial instruments classification	Original classification under IAS 39	New classification
Investment in BBS Shares	Loans and receivables	Amortised cost
Financial assets at fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss
Trade and other receivables	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade and other payables	Amortised cost	Amortised cost

Financial instruments value	Original carrying amount under IAS 39 P	New carrying amount P	Difference P
Investment in BBS Shares	177,511,477	177,511,477	-
Financial assets at fair value through profit or loss	3,660,000	3,660,000	-
Trade and other receivables	5,619,259	5,619,259	-
Cash and cash equivalents	25,632,161	25,632,161	-
Trade and other payables	219,147	219,147	-

As at 01 April 2018, the directors reviewed and assessed the company's existing financial assets for impairment in accordance with IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised,and compared that to the credit risk as at 01 April 2017 and 01 April 2018 and noted no significant changes.

(a) New and amended standards adopted by the Company

The following new standards, amendments and interpretations to existing standards are mandatory for the company's accounting periods beginning on or after 1 April 2018. These have been adopted by the company during the year. The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

IFRS Number	Effective date	Executive summary
IFRS 9: Financial Instruments	Annual periods beginning on or after 1 January 2018	In the current year, the company has applied IFRS 9. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The key requirements of IFRS 9 are: • Classification and measurement of financial assets. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. • Classification and measurement of financial liabilities. With regard to the measurement of financial liabilities designated as at fair value through profit or loss ("FVTPL"), IFRS 9 requires that the amount of change in the fair value that is attributable to changes in the credit risk is presented in other comprehensive income, unless the recognition would create or enlarge an accounting mismatch in profit or loss. • Impairment. In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. The application of IFRS 9 has not had a significant impact on the financial position and/or financial performance of the company.

IFRS Number	Effective date	Executive summary
IFRS 15: Revenue from contracts with customers	Annual periods beginning on or after 1 January 2018	Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer. Specifically, the Standard introduces a 5-step approach to revenue recognition: • Identify the contract with the customer; • Identify the performance obligations in the contract; • Determine the transaction price; • Allocate the transaction price to the performance obligations in the contracts; • Recognise revenue when (or as) the entity satisfies a performance obligation. Apart from providing more extensive disclosures for the company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the company.

(b) New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following new standards, amendments and interpretations to existing standards are mandatory for the Company. These have not been early adopted by the Company.

Number	Effective date	Executive summary
Annual improvements 2015–2017	Annual periods beginning on or after 1 January 2019 (published December 2017)	These amendments include minor changes to: • IAS 12, 'Income taxes' – a company accounts for all income tax consequences of dividend payments in the same way.
Amendments to IAS 1 and IAS 8 on the definition of material	Annual periods beginning on or after 1 January 2020 (published October 2018)	These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

Management is currently assessing the impact of the application of these new standards, amendments and interpretations on the company's financial statements in the period of initial application. At this time, the adoption of these standards and interpretations is only expected to have an impact on the classification and disclosure of items in the company's financial statements.

3.2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be under the circumstances.

3.2.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.2.2 Income taxes

The company is subject to income tax under the Income Tax Act in Botswana. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

	2019	2018
	P	P
4 Revenue		
Dividend income	**17,104,895**	11,696,025
Grant income recognised	**1,320,268**	-
Interest income on Fixed deposits and Debentures	**8,148,466**	-
	26,573,629	11,696,025
5 Operating profit		
The following items have been charged / (credited) in arriving at operating profit:		
Fair value (gain)/loss on Equity Shares at fair value through profit or loss	**6,304,745**	(244,000)
Expenses by nature		
Audit fees -current year	**100,000**	78,400
-underprovision for the last year	**35,112**	840
Bank charges	**3,048**	2,376
Directors' fees	**54,420**	43,470
Management fees	**784,955**	750,012
Legal fees	**81,674**	-
CSD Fees	**13,440**	13,440
Fees for Market Maker role	**952,000**	961,414
Other expenses	**75,970**	43,041
Total administrative expenses	**2,100,619**	1,892,993
6 Finance income		
Interest received from call deposit	**4,386**	9,066
7 Income tax expense		
Income tax expense	**491,374**	877,202
Total income tax expense	**491,374**	877,202
The tax on the company's profit before taxation differs from the theoretical amount using the basic tax rates as follows :		
Profit before income tax	**30,782,141**	9,582,560
Tax calculated at a tax rate of 22% (2018 : 22%)	**6,772,071**	2,108,163
Expenses not deductable for tax purposes	**9,139**	468,145
Income not subject to tax	**(5,692,260)**	(3,182)
Tax credit on tax clossed carried forward	**(597,576)**	-
Effect on income subject to different tax rate	-	(1,695,924)
Income Tax expense	**491,374**	877,202

The carried forward tax loss of amounting to P 2,716,254 has been fully set-off against taxable income for the year.

9 Investments in Fixed deposits

	2019 P	2018 P
Non Current		
Investment in Fixed Deposit at BBS Limited	**70,756,646**	-
Investment in Fixed Deposit at Botswana Savings Bank (BSB)	**20,000,000**	-
	90,756,646	-
Current		
Investment in Fixed Deposit at BSB	**10,000,000**	-

The carrying amounts of the fixed deposits at amortised cost (holding for maturity and interst income bi-annually)

	Amount (P)	Maturity date	Interest Rate
Investment in Fixed Deposit at BBS Limited	70,756,646	25 April, 2025	6%
Investment in Fixed Deposit at BSB	20,000,000	10 April, 2020	5.28%
Investment in Fixed Deposit at BSB	10,000,000	28 January, 2020	5.8%

10 Investment in Debentures

	2019 P	2018 P
Investment in Debentures at BBS Limited	**50,000,000**	

The carrying amounts of the Debentures at amortised cost (holding for maturity and interst income bi-annually)

	Maturity date	Interest Rate
Investment in Debentures- 10 years interest payable bi-annually	25 April, 2028	6.5%

11 Trade and other receivables

	2019 P	2018 P
Interest receivable	**4,297,814**	-
Receivable from CSD Liquidity Account	**517,552**	507,225
WHT receivable	**314,006**	
Prepayments	**16,500**	62,380
Dividends receivable	-	5,049,654
	5,145,872	5,619,259

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

12 Cash and cash equivalents

	2019	2018
Cash at bank	**2,032,647**	25,632,161

For the purpose of the statement of cash flows the year-end cash and cash equivalents comprise of the following:

	2019	2018
Cash at bank - current and call bank accounts	**2,032,647**	25,632,161

13 Deferred financial grant

	2019 P	2018 P
Grant received as market maker	**584,126**	1,904,394

In the year 2016, a grant of P 6 000 000 was received from Public Enterprises Evaluation and Privatisation Agency as working capital to facilitate the Market maker mandate of buying and selling of Botswana Telecommunications Corporations Limited shares from and to citizens. Working capital of P5,415,874 was utilised to invest in Botswana Telecommunications Corporation Limited shares during the previous years. There is no repayment terms for this grant and the remainder will be utilised to perform the Market maker mandate of buying and selling of BTCL shares.

8 Investments in Equity Shares

	2019 P	2018 P
Investment in BTCL Shares	**481,950,000**	-
Investment in BBSL Shares	**79,557,520**	-
	561,507,520	-
Investment in BTCL Shares for Market Maker Role	**4,052,511**	3,660,000
Investment in Botswana Building Society Shares	-	177,511,477

Valuation as at 31 March 2019	**Market Price per share P**	**Number of Shares**	**Value P**
Investment in BTCL Shares valuation	**0.90**	**535,500,000**	481,950,000
Investment in BBSL Shares valuation	**1.10**	**72,325,018**	79,557,520
Investment in BTCL Shares for Market Maker Role	**0.90**	**4,502,790**	4,052,511

Investments in Botswana Building Society Limited (BBSL) and Botswana Telecommunications Corporation Limited (BTCL) shares comprise of marketable equity securities listed on the Botswana Stock Exchange and they are recognised at fair value through profit or loss, which is therefore equal to their carrying amounts. Botswana Building Society (BBS) has converted to a limited liability Company from a Society on 26 April 2018 (BBS Limited). As a result, the Company's investment in BBS 15% has been split in to Equity Shares, Debentures and Term Deposits during the year. BBS Limited's Ordinary Shares were listed on the Botswana Stock Exchange with effect from 03 September 2018. 51% of BTCL shares (Shareholding of Government of Botswana after privatisation) has been transferred to the Company on 22 March 2019 as Capital Grants. The fair value is determined by references to stock exchange quoted price as at 31 March 2019.

Movements in BTCL and BBSL Shares	**2019 P**	2018 P
Balance at the beginning of the year	-	-
Received BTCL shares through capital grant	**481,950,000**	-
Converted BBS Shares to BBSL listed shares	**72,325,018**	-
Fair value gain for the year	**7,232,502**	-
Balance at the end of the year	**561,507,520**	-

Movements in BTCL shares for Market Maker Role	**2019 P**	2018 P
Balance at the beginning of the year	**3,660,000**	5,056,000
Additions/(disposals) during the year	**1,320,268**	(1,152,000)
Fair value loss for the year	**(927,757)**	(244,000)
Balance at the end of the year	**4,052,511**	3,660,000

Fair value hierarchy of investments at fair value through profit or loss

For investments recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

Level 1	**2019 P**	2018 P
Investment in listed shares (BTCL)	**481,950,000**	-
Investment in listed shares (BBSL)	**79,557,520**	-
Investment in listed shares (BTCL) for Market Maker Role	**4,052,511**	3,660,000
Level 3		
Investment in Botswana Building Society Shares	-	177,511,477

14 Trade and other payables

	2019	2018
	P	P
Management fees payable	**56,000**	56,000
Directors' fees payable	**8,820**	-
Accruals	**306,127**	163,147
	370,947	219,147

15 Analysis of financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Assets as per the statement of financial position - Assets at fair value through profit or loss	2019	2018
	P	P
Investment in BTCL Shares	**481,950,000**	-
Investment in BBSL Shares	**79,557,520**	-
Investment in BTCL Shares for Market Maker Role	**4,052,511**	3,660,000
	565,560,031	3,660,000

Assets as per the statement of financial position - At amortised Cost	2019	2018
	P	P
Investment in Fixed Deposit at BBS Limited	70,756,646	-
Investment in Fixed Deposit at Botswana Savings Bank	30,000,000	-
Investments in BBS shares	-	177,511,477
Investment in Debentures at BBS Limited	50,000,000	-
Trade and other receivables	5,145,872	5,619,259
Cash and cash equivalents	2,032,647	62,380
	157,935,165	**183,193,116**

Liabilities as per the statement of financial position - Other financial liabilities at amortised cost:	2019	2018
	P	P
Trade and other payables	**370,947**	219,147

16 Related parties

Parent organisation

The Company has a related party relationship with the Government of Botswana, being the parent organisation, represented by the Ministry of Finance and Economic Development.

Key management personnel

The Board of Directors of the Company are considered as the key management personnel. The transactions between the Company and key management personnel related to fees paid for Board of Directors meetings. Fees paid during the year amounted to P 54,420 (2018: P 43,470).

17 Financial risk management

17.1 Financial risk factors

The Company's activities may expose it to a variety of financial risks such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

17.1.1 Market risk

a) Foreign currency risk

As the Company has no significant financial assets or liabilities denominated in foreign currencies, the Company's income and operating cash flows are substantially independent of changes in foreign currency exchange rates.

b) Price risk

Equity risk is the financial risk involved in holding equity in a particular investment. The company's investment in listed equities exposes the company to equity price risk. If equity prices had increased/(reduced) by 5% as at 31 March 2019, then the impact on profit before tax would be P 28,278,002 (2018: P 183,000) respectively.

c) Interest rate risk

Cash flow and fair value interest rate risk

Fluctuations in interest rates impact on the value of short-term cash investments giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk. The Company has impact due to interest rate risk on the investments. If interest rate had increased/(reduced) by 1% as at 31 March 2019, then the impact on profit before tax would be P 1,507,556 (2018: P Nil) respectively.

17.1.2 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. These cash resources and deposits are placed with reputable banks and financial institutions.

Maximum exposure to credit risk on assets are as follows:

	2019 **P**	2018 P
Investment in Debentures (Note 10)	**50,000,000**	-
Investment in Fixed deposits (Note 9)	**100,756,646**	-
Trade and other receivables (Note 11)	**5,145,872**	5,619,259
Cash at bank (Note 12)	**2,032,647**	25,632,161
Total assets bearing credit risk	**157,935,165**	31,251,420

17 Financial risk management (Continued)

17.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The table below analyses the Company's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 6 months	Total
	P	P
As 31 March 2019		
Trade and other payables	**370,947**	**370,947**
As 31 March 2018		
Trade and other payables	219,147	219,147

17.2 Capital risk management

The company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company does not have any borrowings from third parties at the reporting date.

17.3 Fair value estimation of financial instruments

The nominal value of trade receivables and payables are assumed to approximate their fair values. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

18 Contingent liabilities

There were no contingent liabilities outstanding as at the end of reporting period (2018: P Nil).

19 Commitments

There were no material capital commitments outstanding at 31 March 2019 (2018: P Nil).

20 Events after the reporting period

There were no events that occurred after the reporting period which require adjustments to or dislosure in these financial statements.

21 Going Concern

The directors have satisfied themselves that the company is in sound financial position and that it has access to sufficient cash and borrowing facilities to meet its foreseeable cash requirements.

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