



# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2023



**BusinessPartners**  
The Entrepreneur's Financier

**Business Partners Limited**  
company registration  
number: 1981/000918/06



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For more than **41 years** Business Partners Limited has empowered entrepreneurs, providing specialist financing coupled with mentorship, technical assistance and affordable business premises that unlock the potential of small and medium enterprises (SMEs).

## Our purpose

We empower entrepreneurs to build sustainable businesses contributing to an inclusive and equitable society.

### Unpacking our purpose

#### Empower

We understand that SMEs require 'more than just money'.

#### Entrepreneurs

We partner with individuals who are creative, resilient, determined and intrinsically motivated.

#### Sustainable businesses

- We help develop assets that can benefit future generations and create intergenerational wealth.
- We invest in businesses that show economic merit, operate under free-market principles, engage in healthy competition, add value and create employment and wealth.

#### Inclusive and equitable society

We act on an obligation to help eradicate poverty, decrease unemployment and address the structural inequalities in our society.



## Our mission

Our mission is to invest capital, skill and knowledge into viable entrepreneurial enterprises in South Africa, and markets in Africa where we have a presence.

## Our vision

Our vision is to be the premier business partner for SMEs, supporting growth and development, facilitating entrepreneurial wealth formation and stimulating job creation.

## Our goal

Our goal is to be an internationally respected, successful and profitable business partner for SMEs.

## OVERVIEW OF RESULTS

### Business Activities

Business Partners Limited is a specialist financial services company providing risk finance, technical assistance and mentorship to small and medium enterprises ("SMEs") in South Africa. Revenue is derived from interest and other investment returns arising from the finance provided.

The Group also generates revenue through the provision of investment, management and support services to Business Partners International Africa LLC, an investment company held by international investors alongside Business Partners Limited, which provides access to finance for SMEs in Kenya, Rwanda, Uganda, Malawi and Namibia.

The Group's investment property portfolio consists primarily of industrial properties generating rental and capital appreciation revenue

### Market conditions

High inflation, rising global fragmentation and escalating conflict contributed to a weaker global economy. Although the high level of global inflation has abated, central banks' monetary policies remain restrictive to growth in order to contain upside risk to inflation.

Locally, South Africa faced the multiple challenges of loadshedding and crumbling logistical infrastructure which exacerbated the constraints on economic growth whilst the consistently high levels of unemployment continue to pose significant risk to social cohesion.

Increases in the prime interest rate amounting to 200 bps and inflationary pressures on the cost of doing business resulted in adverse trading conditions for SMEs with margins under pressure. Although SMEs continued to demonstrate resilience, indicators of increasing financial distress have been observed.

### Financial Overview

The Group's assets increased by 3,9 percent whilst borrowings remained stable in the 6-month period ended 30 September 2023 ("reporting period") when compared to the 6-month period ended 30 September 2022 ("prior reporting period"). Cash generated from operating activities improved by R405,3 million compared to the prior reporting period. This performance, largely due to strong cash inflows from the investment portfolio, is commendable against the backdrop of the adverse trading conditions prevalent throughout the reporting period.

The healthy increase in total revenue of 29,2 percent from R266,0 million to R343,8 million is mainly attributed to the increase in interest rates and improved investment income and gains.

The rebuilding of capacity and the improvement in capability has continued during the reporting period. Consequently, operating expenses increased by 11,2 percent to R151,5 million (September 2022: R135,5 million).

Overall, this resulted in net profit increasing by 10,4 percent from R122,5 million to R135,2 million.

### Operational Results

Investment activity increased significantly with 139 (September 2022: 101) investments amounting to R659,7 million (September 2022: R 444,4m) approved during the reporting period.

Clients not meeting their repayment obligations have steadily increased from 33,7 percent of the total portfolio in March 2023 to 41,8 percent at the end of the reporting period.

Endeavours to address inequality and transformation through our investment activity delivered significant improvements in black and female entrepreneurs supported during the reporting period.

Investments approved to black entrepreneurs increased from 37,8 percent to 61,5 percent and Investments approved to female entrepreneurs increased from 26,1 percent to 33,8 percent when compared to the prior reporting period.

The improvement in investment activity resulted in a more than 50 percent increase in facilitating employment opportunities (September 2023: 4 034 jobs; September 2022: 2 573 jobs).

The vacancies in the investment property portfolio improved from 11,2 percent at the end of the prior reporting period to 8,9 percent.

### Prospects

Expectations for global economic growth over the medium term remain muted as major economies grapple with combatting inflation and heightened geopolitical tensions.

Locally, economic growth continues to be suppressed as unreliable electricity supply and constraints in the logistical capacity erode South Africa's economic potential.

Inflation, although back to within the SARB's target range, remains susceptible to headwinds such as dollar strength and increased energy costs, thereby minimising the prospect of interest rate decreases over the medium term.

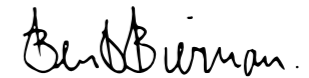
Prospects for SMEs remain negative over the short to medium term. Credit risk is expected to remain at heightened levels.

Investment activity during the latter half of the year is anticipated to exceed the levels achieved to date. The outlook for Business Partners' profitability remains positive and results are expected to match those achieved in the previous year, provided no major systemic shocks are encountered.

### On behalf of the Board of Directors



**N Martin**  
Chairperson



**BD Bierman**  
Managing Director

15 November 2023

*The Condensed Consolidated Interim Financial Statements have been prepared by the Chief Financial Officer, R Dolphin.*

*Directors: N Martin (Chairman), BD Bierman\* (Managing Director), CW Ceasar, R Dolphin\*, O Kotze, J Lang\*, M Lubbe, MD Matshamba, F Meisenholl, D Moshapalo, SST Ngcoba, HE Tshivhase, NJ Williams. \*Executive Honorary Patron: JP Rupert. Company Secretary: CM Gerbrands  
Registration number: 1981/000918/06 ISO 9001 certified*

## Consolidated interim statement of financial position

	Notes	Unaudited results for the period ended 30 September		Audited 31 March
		2023 R000	2022 R000	2023 R000
<b>Assets</b>				
Cash and cash equivalents		406 193	224 631	127 567
Defined benefit pension fund surplus		153 888	133 048	150 084
Accounts receivable		49 836	34 446	51 900
Current income tax asset		-	-	945
Loans and receivables	5	2 775 926	2 908 828	2 965 764
Other investments	6	119 849	80 194	104 855
Assets held for resale		29 850	29 103	28 379
Investments in associates		99 371	99 731	93 054
Investment properties	7	1 899 703	1 758 532	1 838 354
Property and equipment and right-of-use asset		112 229	113 503	113 655
Deferred tax asset		124 138	171 377	120 075
<b>Total assets</b>		<b>5 770 983</b>	<b>5 553 393</b>	<b>5 594 632</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves attributable to equity holders of the parent</b>				
Share capital	8	173 001	173 001	173 001
Fair value and other reserves		10 429	87 205	10 311
Retained earnings		3 986 602	3 679 125	3 899 904
<b>Non-controlling shareholders' interest</b>		<b>15 506</b>	<b>14 553</b>	<b>15 506</b>
<b>Total equity</b>		<b>4 185 538</b>	<b>3 953 884</b>	<b>4 098 722</b>
<b>Liabilities</b>				
Accounts payable		121 289	91 294	108 294
Current tax liability		4 431	1 982	-
Provisions		33 203	32 560	60 445
Shareholders for dividends		1 302	1 963	1 951
Lease liability		5 563	4 945	6 066
Borrowings	9	1 199 350	1 200 713	1 101 911
Deferred tax liability		220 307	266 052	217 243
<b>Total liabilities</b>		<b>1 585 445</b>	<b>1 599 509</b>	<b>1 495 910</b>
<b>Total equity and liabilities</b>		<b>5 770 983</b>	<b>5 553 393</b>	<b>5 594 632</b>

## Consolidated interim statement of comprehensive income

	Notes	Unaudited results for the period ended 30 September		Audited 31 March
		2023 R000	2022 R000	2023 R000
Net interest income	10	191 303	143 380	302 809
Interest income		254 201	186 822	392 353
Interest expense		(62 898)	(43 442)	(89 544)
Fee revenue		359	991	2 010
Income from associated companies		11 348	7 112	21 767
Investment income and gains	11	58 393	28 670	114 741
Net property revenue	12	72 346	76 186	164 345
Property revenue	12.1	155 892	162 346	347 221
Property expenses	12.2	(83 546)	(86 160)	(182 876)
Management and service fee income		9 052	8 618	18 278
Other income		981	1 044	2 008
<b>Total income</b>		<b>343 782</b>	<b>266 001</b>	<b>625 958</b>
Net credit losses (recognised) / released	13	(9 573)	36 048	7 108
Staff costs	14	(106 488)	(100 964)	(212 574)
Other operating expenses		(45 004)	(34 507)	(88 205)
<b>Profit before taxation</b>		<b>182 717</b>	<b>166 578</b>	<b>332 287</b>
Income tax expense		(47 507)	(44 119)	(82 444)
<b>Profit for the period</b>		<b>135 210</b>	<b>122 459</b>	<b>249 843</b>
<b>Other comprehensive income after tax:</b>				
Fair value adjustment on financial assets held at fair value through other comprehensive income		(5)	(68)	(2 092)
Gross amount		(7)	(87)	(2 669)
Tax effect		2	19	577
Foreign currency translation reserve movement		123	(133)	21 473
Gross amount		123	(133)	27 358
Tax effect		-	-	(5 885)
Share of associates' other comprehensive income		-	3 219	2 956
<b>Other comprehensive income for the period</b>		<b>118</b>	<b>3 018</b>	<b>22 337</b>
<b>Total comprehensive income</b>		<b>135 328</b>	<b>125 477</b>	<b>272 180</b>
<b>Profit attributable to:</b>				
Equity holders of Business Partners Limited		135 210	122 459	247 025
Non-controlling interest		-	-	2 818
		<b>135 210</b>	<b>122 459</b>	<b>249 843</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of Business Partners Limited		135 328	125 477	269 362
Non-controlling interest		-	-	2 818
		<b>135 328</b>	<b>125 477</b>	<b>272 180</b>

## Consolidated interim statement of changes in equity

	Notes	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				Total
		Share capital	Fair value and other reserves	Retained earnings	Non-controlling interest	
		R000	R000	R000	R000	
<b>Balance at 1 April 2022</b>		173 001	84 187	3 608 566	14 553	3 880 307
Total comprehensive income for the period			3 018	122 459	-	125 477
Profit for the period				122 459	-	122 459
Other comprehensive income for the period			3 018			3 018
Dividend	16			(51 900)		(51 900)
<b>Balance at 30 September 2022</b>		<b>173 001</b>	<b>87 205</b>	<b>3 679 125</b>	<b>14 553</b>	<b>3 953 884</b>
<b>Balance at 1 April 2023</b>		173 001	10 311	3 899 904	15 506	4 098 722
Total comprehensive income for the period			118	135 138	-	135 256
Profit for the period				135 210	-	135 210
Other comprehensive income for the period			118	(72)	-	46
Dividend	16			(48 440)		(48 440)
<b>Balance at 30 September 2023</b>		<b>173 001</b>	<b>10 429</b>	<b>3 986 602</b>	<b>15 506</b>	<b>4 185 538</b>

## Consolidated interim statement of cash flows

Notes	Unaudited results for the period ended 30 September		Audited 31 March
	2023	2022	2023
	R000	R000	R000
<b>Cash flow from operating activities</b>			
Profit before taxation	<b>182 717</b>	166 578	332 287
Non-cash adjustments	<b>(42 606)</b>	(52 369)	(119 203)
Dividends received	<b>(9)</b>	(16)	(19)
Payment of principal portion of lease liabilities	-	3 403	-
Net interest income	<b>(191 303)</b>	(143 380)	(302 809)
Net interest received in cash	<b>131 419</b>	116 625	227 434
Other movements in assets and liabilities	<b>(13 654)</b>	(13 148)	11 654
	<b>66 564</b>	77 693	149 344
Net inflow / (outflow) from borrowed funds	<b>98 090</b>	(243 402)	(327 950)
Net inflow / (outflow) on loans and receivables	<b>213 391</b>	128 039	40 132
	<b>378 045</b>	(37 670)	(138 474)
<b>Cash generated from / (utilised in) operating activities before tax</b>			
Taxation paid	<b>(42 566)</b>	(32 183)	(75 802)
	<b>335 479</b>	(69 853)	(214 276)
<b>Net cash flow generated from / (utilised in) operating activities</b>			
<b>Cash flow from investing activities</b>			
Capital investment in:			
• Investment properties	<b>(33 244)</b>	(1 332)	(6 111)
• Property and equipment	<b>(1 005)</b>	(1 105)	(3 850)
• Other investments	<b>(15 001)</b>	-	(18 812)
Proceeds from sale of:			
• Investment properties	-	-	26 368
• Assets held for resale	-	-	2 653
• Property and equipment	<b>81</b>	13	43
• Investments in associates	<b>28 720</b>	12 096	54 008
• Subsidiaries	-	-	161
Interest from balances in bank	<b>11 586</b>	4 405	9 223
Dividends received from investments in associates	<b>1 602</b>	2 465	2 880
	<b>(7 261)</b>	16 542	66 563
<b>Net cash flow (utilised in) / generated from investing activities</b>			
<b>Cash flow from financing activities</b>			
Dividends paid	<b>(49 089)</b>	(51 110)	(51 122)
Payment of principal portion of lease liabilities	<b>(503)</b>	(3 403)	(6 053)
	<b>(49 592)</b>	(54 513)	(57 175)
<b>Net cash flow utilised in financing activities</b>			
	<b>278 626</b>	(107 824)	(204 888)
Movement in cash and cash equivalents	<b>127 567</b>	332 455	332 455
Cash and cash equivalents at beginning of period	<b>406 193</b>	224 631	127 567
<b>Cash and cash equivalents at end of period</b>			



# NOTES

TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## Notes to the Consolidated interim financial statements

### 1. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 September 2023 were prepared in accordance with IAS 34, 'Interim financial reporting', and the Companies Act 71 of South Africa. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern, refer to note 20.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied are consistent with those of the previous financial year.

### 2. Estimates

In preparing the condensed consolidated interim financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets, liabilities, income and expenses within the next financial year. Estimates and judgments are continually evaluated and are based on factors such as historical experience and current best estimates of future events.

In preparing these condensed consolidated interim financial statements, the significant judgements made and the key sources of estimation uncertainty were similar to those that applied in preparing the consolidated annual financial statements for the year ended 31 March 2023.

### 3. Financial risk management

The Group's activities expose it to a variety of financial risks such as credit risk, liquidity risk and market risk (which includes interest rate risk and foreign currency risk). There have been no material changes in the risk management systems nor in any risk management policies since year-end.

For a comprehensive overview of the Group's risk management practices, the consolidated interim financial statements should be read in conjunction with the Group's consolidated annual financial statements as at 31 March 2023.

### 4. Assets and liabilities held at fair value

The Group uses the following fair value measurement hierarchy to measure the assets and liabilities on the statement of financial position:

- Level 1: Quoted prices in active market for identical assets or liabilities
- Level 2: Inputs other than quoted prices included with level 1 that are observable
- Level 3: Inputs for the asset or liability that are not based on observable market data

The table below presents the fair values of the Group's assets and liabilities that are measured at fair value:

	As at 30 September 2023 R000	As at 30 September 2022 R000	As at 31 March 2023 R000	Hierarchy of Valuation Technique
Investment properties	1 899 703	1 758 532	1 838 354	Level 3
Listed securities	373	363	380	Level 1
Unlisted shares	119 476	79 831	104 475	Level 3
Investment accounts at fair value	267 326	-	20 335	Level 1
	<b>2 286 878</b>	<b>1 838 726</b>	<b>1 963 544</b>	

#### Measurement of assets at Level 3

The fair value of level 3 assets is determined using valuation techniques which incorporate assumptions based on unobservable inputs and are subject to management judgement. Although the Group believes that its estimates of fair values are appropriate, changing one or more of these assumptions to reasonably possible alternative values could impact the fair value of the assets.

A reconciliation of the opening balances to closing balances for all movements on investments at fair value through other comprehensive income is set out in note 6.

The sensitivity analysis applied to the unobservable inputs in the fair value model of the investment properties and the reconciliation of the opening balances to closing balances for all movements on investment properties is set out in note 7.

During the period ended 30 September 2023, there were no transfers between the different levels of the fair value measurement hierarchy.



**Unaudited results  
for the period ended  
30 September**

**Audited  
31 March**

**2023                      2022                      2023**  
**R000                      R000                      R000**

### 5.Loans and receivables

Gross loans and receivables	3 161 004	3 256 270	3 337 410
Less: Allowance for expected credit losses	<b>(385 078)</b>	(347 442)	(371 646)
• Stage 1	<b>(21 114)</b>	(14 006)	(21 820)
• Stage 2	<b>(24 423)</b>	(28 798)	(26 815)
• Stage 3	<b>(339 541)</b>	(304 638)	(323 011)
<b>Carrying value of loans and receivables</b>	<b>2 775 926</b>	2 908 828	2 965 764
Long-term portion	<b>2 319 661</b>	2 378 059	2 444 162
Short-term portion	<b>456 265</b>	530 769	521 602
	<b>2 775 926</b>	2 908 828	2 965 764

### Allowance for expected credit losses

The allowance for expected credit losses ("ECL") is measured on either of the following bases:

- Stage 1 which are 12 Month ECLs: these are ECLs that result from possible default events within 12 months after the reporting date; and
- Stage 2 and 3 which are Lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The allowance for ECL recognised in the period is impacted by a variety of factors which include:

- transfers between Stage 1 and Stages 2 or 3 due to the financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- additional allowances for new financial instruments recognised during the period;
- impact on the measurement of ECL due to changes in probability of default ("PDs"), exposure at the time of default "EADs" and loss given default "LGDs" in the period, arising from refreshing inputs to the model;
- discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis; and
- financial assets derecognised during the period and write-offs of allowance related to assets that were written off during the period.

The following table further explains changes in the gross carrying amount:

	Stage 1 12- month ECL R000	Stage 2 Lifetime ECL R000	Stage 3 Lifetime ECL R000	Total R000
Gross carrying amount as at 1 April 2023	1 655 703	554 353	1 127 354	3 337 410
Existing loans transfers between stages	<b>(282 355)</b>	79 937	202 418	-
Transfer (to)/from stage 1	-	206 159	76 196	282 355
Transfer (to)/from stage 2	<b>(206 159)</b>	-	126 222	<b>(79 937)</b>
Transfer (to)/from stage 3	<b>(76 196)</b>	<b>(126 222)</b>	-	<b>(202 418)</b>
Movement on existing loans	5 478	<b>(59 996)</b>	<b>(45 495)</b>	<b>(100 013)</b>
New loan agreements originated	48 169	3 821	-	51 990
Write-offs	<b>(60 554)</b>	<b>(30 314)</b>	<b>(37 515)</b>	<b>(128 383)</b>
Gross carrying amount as at 30 September 2023	<b>1 366 441</b>	<b>547 801</b>	<b>1 246 762</b>	<b>3 161 004</b>
Gross carrying amount as at 1 April 2022	1 370 607	733 609	1 284 641	3 388 857
Existing loans transfers between stages	212 682	<b>(240 334)</b>	27 652	-
Transfer (to)/from stage 1	-	<b>(196 849)</b>	<b>(15 833)</b>	<b>(212 682)</b>
Transfer (to)/from stage 2	196 849	-	43 485	240 334
Transfer (to)/from stage 3	15 833	<b>(43 485)</b>	-	<b>(27 652)</b>
Movement on existing loans	<b>(137 109)</b>	47 168	<b>(93 033)</b>	<b>(182 974)</b>
New loan agreements originated	306 204	35 561	17 740	359 505
Write-offs	<b>(96 681)</b>	<b>(21 651)</b>	<b>(109 646)</b>	<b>(227 978)</b>
Gross carrying amount as at 31 March 2023	1 655 703	554 353	1 127 354	3 337 410



**Unaudited results  
for the period ended  
30 September**

**Audited  
31 March**

**2023**      **2022**      **2023**  
**R000**      **R000**      **R000**

### 6. Other investments

The table below presents the reconciliation of the fair value through other comprehensive income of financial assets:

The fair value through other comprehensive income financial assets include the following:

	2023 R000	2022 R000	2023 R000
Listed securities	373	363	380
Unlisted securities	119 476	79 831	104 475
	<b>119 849</b>	80 194	104 855

The movement in fair value through other comprehensive income financial assets is as follows:

	2023 R000	2022 R000	2023 R000
Fair value – beginning of period	104 855	61 468	61 468
Investment increase	15 001	18 812	18 812
Fair value movement in other comprehensive income	(7)	(86)	24 575
Fair value – end of period	<b>119 849</b>	80 194	104 855

The above listed securities and unlisted shares are both measured at fair value. The fair value of listed shares is determined with reference to quoted prices on the relevant securities exchange. The fair value of unlisted shares is determined internally with reference to recognised valuation techniques performed by suitably qualified personnel. The directors approve the valuation techniques annually on the full year results. While some of the investment techniques require the use of unobservable inputs, changing these inputs would not have a significant impact on the value of the investments.

### 7. Investment properties

	Industrial Sector R000	Retail Sector R000	Office Sector R000	Other R000	Total R000
Fair value – as at 1 April 2023	1 355 547	464 775	18 032	-	1 838 354
Acquisitions	28 458	-	-	-	28 458
Improvements	4 321	109	356	-	4 786
Fair value adjustment	17 982	9 573	550	-	28 105
Fair value – 30 September 2023	<b>1 406 308</b>	<b>474 457</b>	<b>18 938</b>	-	<b>1 899 703</b>
Fair value – as at 1 April 2022	1 276 946	439 961	20 581	50	1 737 538
First time consolidated investment properties	58 485	-	-	-	58 485
Transfer to property and equipment	-	-	(3 550)	-	(3 550)
Improvements	5 070	438	604	-	6 112
Disposals	(21 983)	-	(466)	(50)	(22 499)
Fair value adjustment	37 029	24 376	863	-	62 268
Fair value – 31 March 2023	1 355 547	464 775	18 032	-	1 838 354

#### Basis for Valuation

At the interim period an internal valuation of the portfolio was performed across geographical locations and sectors. The purpose of the valuation exercise was to assess the change in fair values of the investment property portfolio over the past 6 months, since the last valuation performed at 31 March 2023.

The valuation of the investment properties was performed internally by suitably qualified personnel and moderated by an internal investment panel, using the discounted cash flow method. The discounted cash flow methodology calculates the net present value (fair value) of expected future income. The net cashflow of an asset for a period of 5-10 years is determined and are then discounted by the appropriate discount rate. The discount rates are calculated by applying the appropriate capitalisation rate as sourced from Rode's Report, the discount rate is determined with reference to the capitalisation rate and adjusted for specific property risk factors. These rates are approved by the valuation panel. Income assumptions take into account current rentals, market rentals and operating recoveries which are used to determine the gross rentals cashflows. Vacancy factors, capex assumptions and property expenses informed by actual and historical trends are then applied to determine the net operating cashflows for each period in the valuation model. The valuation parameters are reviewed and approved by the valuation panel.

The impact of the fair value adjustment on investment properties results in an increase of R28,1 million for the interim financial period (2022: R23,2 million).

On an annual basis a number of properties with consultation with members of the audit committee, are selected to be valued by external valuers in order to assess if the external values are inline with the valuations of the internal Valuation panel. The 2023 Annual report, Note 1.7, 1.16.4 and 10, provide more details and disclosure on the above. A similar external valuation procedure will performed at the end of the current financial year.

**Geographical Footprint**

	Unaudited results for the period ended 30 September		Audited 31 March
	2023	2022	2023
	R000	R000	R000
<b>Province</b>			
Eastern Cape	225 069	210 962	221 778
Free State	20 955	20 571	20 689
Gauteng	715 067	675 254	701 874
KwaZulu-Natal	385 122	376 250	374 448
Limpopo Province	48 884	47 231	48 538
Mpumalanga	54 635	51 686	53 003
North West	36 219	47 316	36 663
Northern Cape	6 784	6 060	6 511
Western Cape	406 968	323 202	374 850
	<b>1 899 703</b>	<b>1 758 532</b>	<b>1 838 354</b>

**High-Level Portfolio Summary**

	Industrial Sector	Retail Sector	Other	Total
<b>As at 30 September 2023</b>				
Number of properties	90	17	3	110
GLA m <sup>2</sup>	309 847	39 514	4 782	354 143
Vacancy m <sup>2</sup>	23 837	6 414	560	30 811
Vacancy %	7.7	16.2	11.7	8.7
Value R000/ m <sup>2</sup>	4.5	12.0	4.0	5.4

**As at 31 March 2023**

Number of properties	89	17	3	109
GLA m <sup>2</sup>	304 184	39 514	4 782	348 480
Vacancy m <sup>2</sup>	35 249	5 860	498	41 607
Vacancy %	11.6	14.8	10.4	11.9
Value R000/ m <sup>2</sup>	4.5	11.8	3.8	5.3

**8. Share capital**

	Unaudited results for the period ended 30 September		Audited 31 March
	2023	2022	2023
	R000	R000	R000
<b>Authorised</b>			
400 000 000 ordinary shares of R1 each	400 000	400 000	400 000
<b>Issued</b>			
173 000 594 (2022: 173 000 594) ordinary shares of R1 each	173 001	173 001	173 001
<b>9. Borrowings</b>			
<b>Non-current</b>			
Interest-bearing long-term loans	757 099	811 823	729 940
Interest-free Jobs Fund loan	21 188	29 699	21 839
	<b>778 287</b>	<b>841 522</b>	<b>751 779</b>
<b>Current</b>			
Short-term portion of long-term loans	421 063	359 191	350 132
	<b>421 063</b>	<b>359 191</b>	<b>350 132</b>
	<b>1 199 350</b>	<b>1 200 713</b>	<b>1 101 911</b>

The nature and terms of the interest-bearing long-term loans are as follows:

- Loans secured by bonds amounting R692 million over properties and incurring interest at rates between prime minus 0,6 percent and prime minus one percent. The loans' repayment terms are between 5 and 10 years.
- Two loans are secured by a cession amounting to R2,85 billion of loans and receivables and incurring interest at prime minus 1,5 percent. The loan's repayment terms are 10 years.

In April 2023, R200 million was drawn down from the loan facility with the International Finance Corporation. All covenants were adhered to during the period and at the balance sheet date.

**Total borrowings reconciliation**

Opening balance	1 101 911	1 436 703	1 436 703
Interest	60 759	40 457	88 315
Repayments	(164 584)	(276 648)	(439 130)
Drawdowns	201 915	-	22 865
Other movements	(651)	201	(6 842)
Total borrowings	<b>1 199 350</b>	<b>1 200 713</b>	<b>1 101 911</b>

	Unaudited results for the period ended 30 September		Audited 31 March
	2023	2022	2023
	R000	R000	R000

## 10. Net interest income

Interest income	<b>254 201</b>	186 822	392 353
• Interest on loans and receivables	<b>169 829</b>	130 442	298 239
• Royalty fees	<b>72 786</b>	51 975	84 891
• Interest on surplus funds	<b>11 586</b>	4 405	9 223
Interest expense	<b>(62 898)</b>	(43 442)	(89 544)
• Interest-bearing borrowings	<b>(62 898)</b>	(43 442)	(89 544)
Net interest income	<b>191 303</b>	143 380	302 809

## 11. Investment income and gains

Investment income	<b>25 854</b>	12 911	44 144
• Surplus on realisation of unlisted financial assets	<b>25 845</b>	12 867	40 256
• Surplus on realisation of investment properties	-	28	3 869
• Dividends income	<b>9</b>	16	19
Investment gains	<b>32 539</b>	15 759	70 597
• Fair value movement investment properties and assets held for resale	<b>28 105</b>	23 189	61 568
• Defined benefit pension fund surplus gain / (loss) *	<b>3 805</b>	(9 644)	7 391
• Net foreign exchange rate differences	<b>629</b>	2 214	1 638
	<b>58 393</b>	28 670	114 741

\* The defined benefit pension fund surplus gain in the current period represents the fair value movement in the defined benefit pension fund surplus asset. The defined benefit pension liability was settled in the prior period. Refer to the consolidated annual financial statements as at 31 March 2023..

	Unaudited results for the period ended 30 September		Audited 31 March
	2023	2022	2023
	R000	R000	R000

## 12. Net property revenue

### 12.1 Property revenue

Contracted rental income	<b>98 193</b>	102 501	223 202
Recoveries	<b>56 163</b>	58 202	119 919
Electricity recovered	<b>21 861</b>	23 864	48 821
Assessment rates recovered	<b>14 008</b>	14 112	29 024
Security recovered	<b>7 538</b>	7 017	14 783
Other costs recovered	<b>12 756</b>	13 209	27 291
Non-contractual revenue	<b>1 536</b>	1 643	4 100
Penalty interest	<b>726</b>	844	1 964
Lease administration fee	<b>808</b>	794	1 509
Commission earned	<b>2</b>	5	627
	<b>155 892</b>	162 346	347 221

### 12.2 Property expenses

Property expenses	<b>(68 609)</b>	(68 883)	(151 494)
Property maintenance	<b>(10 634)</b>	(13 781)	(25 284)
Expected credit losses released	<b>86</b>	517	3 602
Bad debts	<b>(4 389)</b>	(4 013)	(9 700)
	<b>(83 546)</b>	(86 160)	(182 876)
Net property revenue	<b>72 346</b>	76 186	164 345

## 13. Net credit losses recognised / (released)

Loans and receivables written off	<b>6 427</b>	5 767	18 952
Legal expenses incurred on recovery	<b>1 807</b>	4 748	6 356
Expected credit losses recognised / (released)	<b>13 432</b>	(37 686)	(13 482)
• Stage 1	<b>(706)</b>	(5 498)	2 316
• Stage 2	<b>(2 392)</b>	(815)	(2 798)
• Stage 3 (includes suspended interest)	<b>16 530</b>	(31 373)	(13 000)
Recovery of loans and receivables written off	<b>(12 093)</b>	(8 877)	(18 934)
	<b>9 573</b>	(36 048)	(7 108)

	Unaudited results for the period ended 30 September		Audited 31 March
	2023	2022	2023
	R000	R000	R000
Remuneration at cost to company	84 072	78 562	156 346
Bonuses and provisions	16 309	17 341	47 743
Indirect staff costs	6 107	5 061	8 485
	<b>106 488</b>	100 964	212 574

#### 14. Staff costs

#### 15. Earnings per share

##### 15.1 Basic earnings per share

Profit attributable to equity holders of Business Partners Limited	135 210	122 459	247 025
Weighted number of ordinary shares in issue ('000)	173 001	173 001	173 001
Basic earnings per share (cents)	78.2	70.8	142.8

##### 15.2 Headline earnings per share

###### Determination of headline earnings

Profit attributable to equity holders of Business Partners Limited	135 210	122 459	247 025
Adjustments net of tax			
• Capital profit on sale of equipment	9	(48)	(56)
• Profit on realisation of associates	(20 263)	(10 088)	(31 561)
• Profit on realisation of property investments	-	(22)	(3 033)
• Fair value adjustment of investment properties	(22 034)	(18 180)	(48 269)
<b>Headline earnings</b>	<b>92 922</b>	94 121	164 106
Headline earnings per share (cents)	53.7	54.4	94.9

#### 16. Dividend per share

A dividend of 28.0 cents per share (2022: A dividend of 25.0 cents per share and a special dividend of 5.0 cents) in respect of the 2023 financial year was declared on 01 June 2023. The dividend was paid on 25 August 2023 to shareholders registered in the Company's share register on 15 August 2023.

The dividend is subject to a dividend withholding tax at 20 percent. Tax payable is 5.6 cents per share, which results in a net dividend of 22.4 cents per share payable to shareholders who are not exempt from dividends withholding tax, or subject to a reduced rate.

Consistent with the prior year interim period, no interim dividend has been declared.

	Unaudited results for the period ended 30 September		Audited 31 March
	2023	2022	2023
	R000	R000	R000

#### 17. Cash flow information

##### 17.1 Non-cash adjustments

Income from associated companies	(11 348)	(7 112)	(21 767)
Surplus on sale of assets	(25 846)	(12 895)	(44 197)
Fair value adjustment of investment properties	(28 105)	(23 189)	(61 568)
Fair value adjustment of financial instruments	-	2 874	-
Non cash income from consolidation of subsidiaries	-	-	(6 523)
Depreciation	2 337	1 983	10 675
Net credit losses (refer note 13)	19 859	(27 171)	5 470

- Loans and receivables written off
- Legal and other expenses incurred on recovery
- Expected credit losses recognised / (released)

Credit losses - rent debtors	4 302	3 497	6 098
Movement in defined benefit pension fund surplus (refer note 11)	(3 805)	9 644	(7 391)
<b>Total</b>	<b>(42 606)</b>	(52 369)	(119 203)

##### 17.2 Adjustment for net interest received in cash

Interest income received in cash	189 957	152 656	315 319
Interest expense paid in cash	(58 538)	(36 031)	(87 885)
<b>Total</b>	<b>131 419</b>	116 625	227 434

##### 17.3 Taxation paid

Taxation asset - beginning of the year	945	3 725	3 725
Tax provision for the period	(47 507)	(44 119)	(82 444)
Deferred tax	(1 000)	6 557	977
Tax paid by associate companies	565	(328)	2 885
Taxation liability / (asset) - end of the period	4 431	1 982	(945)
<b>Total</b>	<b>(42 566)</b>	(32 183)	(75 802)

##### 17.4 Dividends paid

Dividends payable - beginning of the year	(1 951)	(1 173)	(1 173)
Dividends declared	(48 440)	(51 900)	(51 900)
Dividends payable - end of the period	1 302	1 963	1 951
<b>Total</b>	<b>(49 089)</b>	(51 110)	(51 122)



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