



# CHOBE HOLDINGS LIMITED

## CHOBE HOLDINGS LIMITED

("the Group" or "the Company")

Incorporated in the Republic of Botswana (Registration Number BW00001487283)

### CONDENSED AUDITED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2021

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 28/02/2021 P'000's Audited	Year ended 29/02/2020 P'000's Audited
Revenue	27 784	373 941
Other operating income	5 116	21 912
Amortisation of intangible assets	(5 638)	(5 637)
Depreciation	(34 988)	(37 174)
Other operating expenses	(73 325)	(215 479)
Operating (loss) / profit	(81 051)	137 563
Finance income	11	360
Finance cost	(3 557)	(3 791)
Share of net loss of associates accounted for using equity method	(857)	(866)
(Loss) / profit before income tax	(85 454)	133 266
Income tax credit / (expense)	17 600	(35 871)
<b>(Loss) / profit for the year</b>	<b>(67 854)</b>	<b>97 395</b>
<b>Other comprehensive income</b>		
Exchange difference on translation of foreign operations	128	(231)
Other comprehensive income/ (loss) for the year	128	(231)
<b>Total comprehensive (loss) / income for the year</b>	<b>(67 726)</b>	<b>97 164</b>
<b>Attributable to</b>		
Owners of the parent	(67 628)	97 059
Non-controlling interest	(98)	105
	(67 726)	97 164
(Loss) / earnings per share (thebe) - basic	(75.76)	108.78

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 28/02/2021 P'000's Audited	As at 29/02/2020 P'000's Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	237 678	260 332
Right-of-use assets	35 942	40 608
Goodwill	54 227	54 227
Land lease rights	68 813	74 142
Other intangible assets	1 550	1 859
Investment in associate	1 904	2 761
Deferred income tax assets	15 035	3 403
	415 149	437 332
<b>Current assets</b>		
Inventory	9 443	11 463
Trade and other receivables	8 674	18 315
Assets classified as held for sale	10 052	-
Current income tax receivable	1 921	2 388
Cash and cash equivalents	15 951	63 733
	46 041	95 899
<b>Total assets</b>	<b>461 190</b>	<b>533 231</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	102 899	102 899
Foreign currency translation reserve	(1 322)	(1 450)
Other reserves	5 108	5 296
Retained income	198 969	266 537
Non-controlling interest	305 654	373 282
	859	957
Total equity	306 513	374 239
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred income tax liabilities	15 759	22 967
Lease liability	49 291	52 836
	65 050	75 803
<b>Current liabilities</b>		
Current income tax payable	3 751	4 389
Bank overdraft	11 622	-
Advance travel receipts	34 218	31 543
Lease liability	3 545	2 777
Trade and other payables	36 491	44 480
	89 627	83 189
Total liabilities	154 677	158 992
<b>Total equity and liabilities</b>	<b>461 190</b>	<b>533 231</b>

#### CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 28/02/2021 P'000's Audited	Year ended 29/02/2020 P'000's Audited
<b>Operating activities</b>		
Cash (used in) / generated from operations	(34 285)	170 090
Interest paid	(22)	(103)
Income tax paid	(1 398)	(32 808)
Cash (used in) / generated from operating activities	(35 705)	137 179
<b>Investing activities</b>		
Purchase of property, plant and equipment	(17 785)	(45 891)
Proceeds on sale of property, plant and equipment	387	572
Payment for acquisition of subsidiaries	-	(25 000)
Payment for acquisition of leasehold rights	-	(10 077)
Interest received	11	360
Net cash used in investing activities	(17 387)	(80 036)
<b>Financing activities</b>		
Lease rental paid	(6 312)	(5 803)
Dividends paid	-	(53 664)
Net cash used in financing activities	(6 312)	(59 467)
Net decrease in cash and cash equivalents	(59 404)	(2 324)
<b>Movement in cash and cash equivalents</b>		
At beginning of year	63 733	66 057
Decrease in the year	(59 404)	(2 324)
At end of year	4 329	63 733
<b>Represented by:</b>		
Cash and cash equivalents	4 329	63 733

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					Total P'000's
	Stated capital P'000's	Retained earnings P'000's	Foreign currency translation reserve P'000's	Other reserves P'000's	Non- controlling interest P'000's	
Balance at 1 March 2020	102 899	266 537	(1 450)	5 296	957	374 239
Loss for the year	-	(67 756)	-	-	(98)	(67 854)
Other comprehensive income	-	-	128	-	-	128
Transfer from other reserves	-	188	-	(188)	-	-
<b>Balance at 28 February 2021</b>	<b>102 899</b>	<b>198 969</b>	<b>(1 322)</b>	<b>5 108</b>	<b>859</b>	<b>306 513</b>

#### HIGHLIGHTS

- Occupancy levels down 89%
- Revenues down 93%
- Operating costs down 66%
- Operating profits down 159%
- Profit after tax down 170%
- Net cash outflow for the year P59 million.
- Government wage subsidy received P9.6 million

#### BASIS OF PREPARATION

The condensed results have been extracted from the audited financial statements for the year ended 28th February 2021, which have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). This extract has not been reviewed by the auditors. The accounting policies applied are consistent with those of the annual financial statements for the year ended 29th February 2020, as described in those financial statements.

The company's auditors, PricewaterhouseCoopers, have issued an unqualified audit opinion on the annual financial statements of which these condensed results are based. A copy of their opinion and the full set of annual financial statements are available for inspection at the registered office.

#### FINANCIAL RESULTS

During the last half of the financial year Directors have done within reason all they could to contain costs across the board, never however losing sight of the fact that as the grip of COVID-19 releases through the roll out of vaccines, particularly so in our traditional source markets, tourism will return to Botswana thus necessitating the ongoing maintenance of our properties so that we can take immediate advantage of improving trade. To protect our staff, the established COVID policies with regards to salaries have been maintained, the lowest paid being protected by the lowest cuts whilst those further up the scale, including Directors, endure cuts up to a maximum of 75%. The extending of the government wage subsidy for a further three months to the end of December has again played a significant role in shoring up the group's cash resources, the Group having received P9.6 million in this regard.

The financial results for the year under review however reflect the continuing impact of COVID-19 on the tourism industry world-wide. Some recovery of business in the form of domestic tourism was achieved when towards the calendar year end travel restrictions were somewhat eased, this so despite the heavy

burden on both travellers and staff in the implementation of the many COVID protocols we are subject to. The substantially lower than normal rates achieved, and the relative thinness of this market precluded the generation of a meaningful impact on our bottom line. This initiative did however give our own citizens an opportunity to enjoy Botswana's wildlife and landscapes at a more affordable price, from a group perspective, it ensured that our properties were brought back to standard, and most importantly, it also allowed for the remobilisation of a number of staff at full salaries.

During the last half of the year our marketing and reservations offices continued to pursue our "don't cancel but defer policy" with encouraging success. We thus continue to hold advance travel receipts, to the value of about P34 million at the financial year end.

Despite our best efforts to preserve cash resources and remain debt free, the ongoing crisis forced us to draw into our prearranged overdraft facility of P25 million to the extent of P11.6 million.

#### FUTURE OUTLOOK

Both our marketing and reservations teams report particularly strong interest from our traditional northern hemisphere suppliers such that there seems little doubt that if people can travel freely, business will recover strongly. To do so however, intercontinental air carriers need to be able to re-establish reliable schedules to the sub-continent, COVID-19 protocols on both arrival and departure need to be clearly understood and flawlessly applied and the vaccine roll out accelerated, particularly so to the staff of tourism establishments thus protecting both our staff and our guests. As almost all foreign travellers enter and exit Botswana through neighbouring states, it remains essential our COVID-19 protocols are harmonised with those neighbouring states to safely ease the flow of travellers. The extension of the State of Emergency for a further six months again dealt a heavy blow to the industry as the connotations of such a proclamation cause many countries to advise their nationals not to travel to countries under a state of emergency, and in many instances, travel insurances cannot be obtained by persons travelling to countries being governed under such proclamations. Should however travel restrictions continue to ease during the course of the forthcoming year your board is confident we can continue to successfully build our occupancies on both domestic and foreign travel to former levels. We in this regard, are encouraged to find that through

the generation of new reservations and the continuing application of judicious cost control strategies we have achieved cash flow stability in terms of maintaining our bank overdraft at current levels. As the group's assets were always maintained to high standards, future capital expenditure requirements are limited with the exception of the necessity to rebuild Camp Xugana within next few years.

Events arising in the last half of the year culminated in the Managing Director, Rodney Gerard tendering his resignation. CEO Jonathan Gibson has been appointed to assume the duties of Managing Director in his place until a suitable replacement is identified and appointed. To strengthen the executive, Lempheditse Odumetse has been promoted to the post of Operations Director.

Whilst the toll of COVID-19 has been demonstrably heavy from a financial perspective, sight should not be lost of the human toll. A number of both our staff and management have suffered the debilitating effects of the illness, but infinitely more serious, COVID has taken the lives of three senior and valued members of our management team, whilst a sad and severe loss to the company and work colleagues, most surely devastating losses to their families and friends.

#### DIVIDEND

In view of the results no dividend has been recommended.

#### UNCLAIMED DIVIDENDS

The Directors wish to bring to the notice of shareholders that there are certain amounts of unclaimed dividends in the Company's records. In terms of clause 27.5 of the Company's Constitution, dividends unclaimed for three years after due date for payment may become the property of the Company and used for the benefit of the Company. The shareholders concerned are therefore advised to claim their unclaimed dividends within the prescribed three-year period. Shareholders can claim their unclaimed dividends by contacting the Company's transfer secretaries:

DPS Consulting Services Proprietary Limited  
PO Box 294, Gaborone  
Tel: 3952011

#### By order of the Board of Directors

**J M Gibson**  
Deputy Chairman & CEO  
20th May 2021



#### Directors

J. M. Nganunu-Macharia (Chairperson), J. M. Gibson (Deputy Chairman & CEO), J. A. Bescoby (British), A. C. Dambe, B. D. Flatt, K. Ledimo, D. S. Ter Haar, A. M. Whitehouse (Australian), S. D. S. Fernando (Sri Lankan), L. Odumetse, J. K. Gibson (British)

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PricewaterhouseCoopers  
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