



Financial results

For year ended 31 March 2012

Business
PARTNERS

Investing in Entrepreneurs

1. Nature of the business

The Company is principally engaged in investing capital, knowledge and skill in viable small and medium sized businesses. The Company is registered in South Africa.

2. Business activities

During the period under review, finance for 357 (2011: 436) investment projects (excluding investment properties) amounting to R858,5 million (2011: R982,9 million) was approved at an average investment amount of R2 405 000 (2011: R2 254 000). The Company follows a risk based investment approach by structuring the majority (85,2 percent) of its investments with equity and royalty instruments. An equity stake was obtained in 84 projects (2011: 98 projects) at an average investment amount of R4,5 million (2011: R4,0 million).

The Group manages a portfolio of industrial and commercial properties with a lettable area totalling more than 466 600 m² (2011: 458 000 m²), providing business premises to more than 1 770 (2011: 2 100) tenants.

Additional information on the business activities of the Company is available in the Management Review section of the Annual Report.

3. Operational and financial review

The Group's net profit amounted to R100,1 million, (2011: R107,1 million), a decrease of R7,1 million or 6,6 percent compared to the prior year.

Total revenue decreased marginally from R357,9 million in the prior year to R357,7 million for the year ended 31 March 2012. Other operating income increased by R25,7 million or 28,9 percent, largely due to an increase in surpluses realised on the disposal of unlisted investments and investment properties. Other operating expenses increased by R20,0 million (6,4 percent), primarily the result of a R19,1 million increase in staff costs. The staff costs for the year included a R14,2 million net cost incurred on the transfer of active members from the defined benefit pension fund to the defined contribution retirement fund.

The investment portfolio risks are managed through the use of risk monitors and credit control measures ensuring the adequate identification of and accounting for credit losses.

During the period under review, bad debts amounted to R89,1 million (2011: R80,1 million). The recovery of bad debts written off amounted to R17,9 million (2011: R13,2 million). Impairment charges released during the year amounted to R1,5 million, compared to an impairment charge raised in the prior year of R11,4 million.

The R167,8 million total allowance for impairment represents 7,8 percent of the portfolio (2011: R173,5 million representing 8,6 percent of the portfolio).

Finance charges increased by 30,6 percent from the prior year as the Group's borrowings increased from R258,0 million at the end of March 2011 to R411,6 million at 31 March 2012.

A long term loan facility to the value of R400 million was finalised before the end of the period. R200 million of this facility was drawn down shortly after the reporting date.

4. Events subsequent to the reporting date

No events occurred between the reporting date and the date of this report that would require disclosure in, or adjustment to, the financial statements as presented.

5. Share capital and reserves

The authorised share capital remained unchanged at 400 million ordinary shares of R1 each. The issued share capital remained unchanged at 178,8 million shares of R1 each.

6. Dividend

Dividend cover for the year equals 4.5 times (2011: 5.2 times). The dividend policy aims to ensure at least a four times cover for the dividend, after evaluating the nature and quality of the profit for the year.

The solvency and liquidity tests as required by section 4 of the Companies Act 71 of 2008 were applied, and the Company will satisfy these tests immediately after completing the proposed distribution.

A cash dividend of 13 cents per share in respect of the 2012 financial year (2011: 12 cents) was declared on 23 May 2012, payable on or about 24 August 2012 to all shareholders registered in the share register at the close of business on 14 August 2012.

7. Earnings per share

Earnings per share decreased to 57,0 cents (2011: 62,0 cents) based on 173,3 million weighted number of shares in issue. Diluted earnings per share decreased to 56,5 cents (2011: 60,5 cents). Headline earnings per share decreased to 23,2 cents (2011: 35,5 cents). Diluted headline earnings per share decreased to 23,0 cents (2011: 34,9 cents). For more information, refer to notes 12 and 24 in the financial statements.

8. Directors' remuneration and interest

The directors' remuneration is set out in note 29 to the financial statements. No material contracts in which the directors have any interest were entered into in the current year.

9. Major shareholders

Shareholders holding beneficially, directly or indirectly, in excess of 5% of the issued share capital of the Company are detailed in the annual report.

10. Directors

10.1 The Directors of the Company on 31 March 2012 were:

Directors appointed in terms of Article 13.4 of the Memorandum of Incorporation:

Mr T van Wyk (Chairman)	Mr F Meisenholl
Mr JW Dreyer	Dr ZZR Rustomjee
Mr GG Gomwe (Zimbabwean)	Mr VO Twala

Directors appointed in terms of Article 13.2 of the Memorandum of Incorporation:

Mr DR Geeringh	Mr D Moshapalo
Dr P Huysamer	Ms ZJ Matlala
Dr E Links	Mr SST Ngcobo

Directors appointed in terms of Article 15 of the Memorandum of Incorporation:

Mr N Martin (Managing Director)
Mr C Botes (Executive Director)
Mr G van Biljon (Executive Director)

Directors appointed in terms of Article 17.1 of the Memorandum of Incorporation:

Mr NP Janse van Rensburg (Alternative Director to Mr GG Gomwe)

10.2 During the year the following changes occurred in the composition of the Board of Directors:

Director	Event	Terms	Date
Mr JP Rupert	Resigned as Chairman and Director	Article 13.4	02 August 2011
Mr T van Wyk	Appointed as Chairman	Article 16.3	02 August 2011
Dr P Huysamer	Retired	Article 13.2	02 August 2011
	Re-appointed	Article 13.2	02 August 2011
Mr D Moshapalo	Retired	Article 13.2	02 August 2011
	Re-appointed	Article 13.2	02 August 2011
Mr NP Janse van Rensburg	Appointed as Alternate Director to Mr GG Gomwe	Article 17.1	21 February 2012

11. Company Secretary

The Company Secretary is Ms CM Gerbrands, whose business and postal addresses are those of the registered office of the Company.

12. Annual Financial Statements

These annual financial statements have been audited by the external auditor PricewaterhouseCoopers Incorporated in compliance with the applicable requirements of the Companies Act 71 of 2008. The preparation of the annual financial statements were supervised by Mr BD Bierman.

13. Auditors

PricewaterhouseCoopers Incorporated continued in the office as auditors of the Group. The Audit and Risk committee nominated PricewaterhouseCoopers Incorporated for re-appointment, at the forthcoming annual general meeting, as auditors for the 2013 financial year. Mr S Beyers will be the designated auditor.

14. Acknowledgments

Mr JP Rupert resigned on 2 August 2011 as Chairman of the Board. We would like to extend a special word of gratitude to Mr Rupert for his commitment, valuable contributions and guidance during his tenure as Chairman.

Sincere appreciation is extended to all our shareholders, members of the Board and its committees for their dedicated and positive participation throughout the year. To the entire staff of Business Partners Limited, we express our gratitude for their loyalty, commitment and hard work in pursuing the objectives of the Company.



T van Wyk
Chairman
23 May 2012



N Martin
Managing Director

Statement of financial position

as at 31 March 2012

		Group		Company	
		2012	2011	2012	2011
Notes		R000	R000	R000	R000
Assets					
Non-current assets					
		2 677 490	2 463 305	2 547 645	2 329 321
	3	679 940	569 232	573 254	470 985
	4	1 748 846	1 623 140	1 745 112	1 614 454
	5	77 143	85 462	1 874	1 874
	6	88 830	88 586	5 603	5 326
	7			139 071	139 797
	8	82 731	96 885	82 731	96 885
Current assets					
		353 603	316 885	324 172	294 547
	4	286 555	263 807	283 547	261 480
	9	5 621	1 196	5 621	1 196
	10	25 574	23 172	25 032	19 955
	11	35 853	25 411	9 972	9 744
		-	3 299	-	2 172
Total assets					
		3 031 093	2 780 190	2 871 817	2 623 868
Equity and liabilities					
Capital and reserves attributable to equity holders of the parent					
		2 440 513	2 367 550	2 298 250	2 224 915
	12	178 835	178 835	178 835	178 835
	12	(15 292)	(15 292)		
	13	49 552	57 225	45 750	53 486
		2 227 418	2 146 782	2 073 665	1 992 594
Non-controlling shareholders' interest					
		1 000	1 929		
Total equity					
		2 441 513	2 369 479	2 298 250	2 224 915
Non-current liabilities					
		294 407	308 851	292 174	306 065
	14	195 014	224 071	195 014	222 874
	8	75 631	67 940	75 631	67 940
	15	23 762	16 840	21 529	15 251
Current liabilities					
		295 173	101 860	281 393	92 888
	14	216 616	33 923	216 616	33 923
	16	36 017	32 726	22 620	24 526
	17	36 645	34 839	35 373	34 067
		5 824	-	6 713	-
		71	372	71	372
Total liabilities					
		589 580	410 711	573 567	398 953
Total equity and liabilities					
		3 031 093	2 780 190	2 871 817	2 623 868

Statement of comprehensive income

for the year ended 31 March 2012

		Group		Company	
		2012	2011	2012	2011
		R000	R000	R000	R000
Notes					
Revenue	18	357 726	357 863	344 532	344 449
Other operating income	19	114 674	88 966	119 682	76 064
Operating expenses	20	(331 832)	(311 978)	(308 935)	(297 161)
Profit from operations	22	140 568	134 851	155 279	123 352
Finance cost		(23 055)	(17 653)	(23 048)	(17 647)
Equity accounted earnings		20 388	21 781		
Profit before taxation		137 901	138 979	132 231	105 705
Tax expense	23	(37 855)	(31 683)	(29 700)	(23 234)
Net profit		100 046	107 296	102 531	82 471
Other comprehensive income:					
Actuarial loss on defined benefit pension fund		(4 610)	(12 067)	(4 610)	(12 067)
Actuarial loss on post-retirement medical aid obligation		(3 124)	(7 218)	(3 124)	(7 218)
Net loss on post-retirement benefits		(7 734)	(19 285)	(7 734)	(19 285)
Fair value adjustments of available for sale instruments		(2)	8	(2)	8
Share of other comprehensive income of associates		(380)	1 202		
Foreign currency translation reserve		443	(279)		
Other comprehensive income net of tax		(7 673)	(18 354)	(7 736)	(19 277)
Total comprehensive income		92 373	88 942	94 795	63 194
Net profit attributable to:					
Equity holders of the parent		100 079	107 147	102 531	82 471
Non-controlling interest		(33)	149		
		100 046	107 296	102 531	82 471
Total comprehensive income attributable to:					
Equity holders of the parent		92 406	88 793	94 795	63 194
Non-controlling interest		(33)	149		
		92 373	88 942	94 795	63 194
Basic earnings per share	24	57.8	62.0		
Diluted basic earnings per share	24	56.5	60.5		

Statement of change in equity

for the year ended 31 March 2012

	Notes	Attributable to equity holders of the parent			Non-controlling interest R000	Total R000
		Share capital R000	Fair value and other reserves R000*	Retained earnings R000		
Group						
Balance at 1 April 2010		162 857	75 579	2 058 905	1 880	2 299 221
Share options taken up		686				686
Share of associates' movement in retained earnings				(269)		(269)
Change in control of partially owned subsidiaries					(100)	(100)
Total comprehensive income for the period			(18 354)	107 147	149	88 942
Net profit				107 147	149	107 296
Other comprehensive income			(18 354)			(18 354)
Dividend	25			(19 001)		(19 001)
Balance at 31 March 2011		163 543	57 225	2 146 782	1 929	2 369 479
Balance at 1 April 2011		163 543	57 225	2 146 782	1 929	2 369 479
Share of associates' movement in retained earnings				1 317		1 317
Change in control of partially owned subsidiaries					(896)	(896)
Total comprehensive income for the period			(7 673)	100 079	(33)	92 373
Net profit				100 079	(33)	100 046
Other comprehensive income			(7 673)			(7 673)
Dividend	25			(20 760)		(20 760)
Balance at 31 March 2012		163 543	49 552	2 227 418	1 000	2 441 513
Company						
Balance at 1 April 2010		178 835	72 763	1 929 795		2 181 393
Total comprehensive income for the period			(19 277)	82 471		63 194
Net profit				82 471		82 471
Other comprehensive income			(19 277)			(19 277)
Dividend	25			(19 672)		(19 672)
Balance at 31 March 2011		178 835	53 486	1 992 594		2 224 915
Balance at 1 April 2011		178 835	53 486	1 992 594		2 224 915
Total comprehensive income for the period			(7 736)	102 531		94 795
Net profit				102 531		102 531
Other comprehensive income			(7 736)			(7 736)
Dividend	25			(21 460)		(21 460)
Balance at 31 March 2012		178 835	45 750	2 073 665		2 298 250

* Fair value and other reserves included movements on employee post retirement benefit reserves, available for sale financial assets, foreign currency translation movements and movements on the reserves of associate companies.

Cash flow statement

for the year ended 31 March 2012

		Group		Company	
		2012	2011	2012	2011
Notes		R000	R000	R000	R000
Cash flow from operating activities					
	Cash received from clients	412 281	401 584	384 816	379 463
	Cash paid to suppliers and employees	(245 497)	(230 794)	(240 230)	(214 707)
	Cash generated from operating activities	166 784	170 790	144 586	164 756
28.1	Finance cost	(23 055)	(17 653)	(23 048)	(17 647)
28.2	Taxation paid	(14 240)	(19 484)	(11 528)	(17 316)
28.3	Dividends paid	(21 061)	(18 669)	(21 761)	(19 340)
	Net cash generated from operating activities	108 428	114 984	88 249	110 453
Cash flow from investing activities					
	Capital expenditure on				
	– investment properties	(96 864)	(12 331)	(93 903)	(1 168)
	– property and equipment	(3 324)	(7 342)	(2 517)	(3 843)
	Proceeds from sale of				
	– investment properties	27 388	220	27 388	220
	– property and equipment	129	124	129	33
	Loans and receivables advanced	(599 705)	(436 100)	(596 126)	(431 060)
	Loans and receivables repaid	373 293	286 045	367 642	280 402
	Investment in subsidiaries			726	(15 913)
	Proceeds from sale of investments in associates	46 260	16 834	46 260	16 757
	Dividends received from investments in associates	4	10	7 547	6 047
	Net cash utilised in investing activities	(252 819)	(152 540)	(242 854)	(148 525)
Cash flow from financing activities					
	Long-term borrowings repaid	(25 825)	(28 646)	(25 825)	(28 646)
	Long-term borrowings received	-	86 950	-	86 950
	Net cash (utilised in) / generated from financing activities	(25 825)	58 304	(25 825)	58 304
	Net (decrease) / increase in cash and cash equivalents	(170 216)	20 748	(180 430)	20 232
11	Cash and cash equivalents at beginning of year	17 765	(2 983)	2 098	(18 134)
	Cash and cash equivalents at end of year	(152 451)	17 765	(178 332)	2 098