



NEW AFRICAN PROPERTIES

ANNUAL REPORT 2013

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Gaborone Shopping Centre, Gaborone

PROFILE OF THE COMPANY

31 July 2013

New African Properties Limited is a public variable rate loan stock company and listed on the Botswana Stock Exchange on 28 September 2011 with a current market capitalisation of P1,3 billion. The Company owns a portfolio of primarily Botswana based retail properties for investment purposes with the objective of investing in properties that:

- provide returns to investors through income and capital growth superior to alternative risk related investments;
- have stable and complementary tenant mixes;
- are subject to leases that provide secure covenants with staggered expiry dates thereby minimising the risk of vacancies upon expiry whilst also presenting growth potential upon early lease renewal;
- have leases which provide for the recovery of operating costs from tenants with sufficiently strong rental escalations - either in line with or ahead of inflation rates - to prevent the net income yields from being eroded by inflationary pressures;
- are of adequate size, quality of construction, visibility and accessibility to attract good and reliable tenants;
- present inherent future earnings and capital growth potential;
- provide diversified spread of property investment;
- provide a balanced portfolio so that no one investment dominates the others.



Cover picture and the above - Riverwalk Shopping Centre, Gaborone

KEY SALIENT INFORMATION

for the year ended 31 July 2013

	31 July 2013	31 July 2012	% change
INCOME			
Contractual rental * (P000)	123 648	113 937	9%
Distributable income * (P000)	101 649	89 202	14%
Distributable income * (tpu)	16.82	14.76	14%
Distributions (tpu):	16.75	14.69	14%
- interim	8.36	7.23	
- final	8.39	7.46	
Profit (P000)	189 918	144 522	29%
ASSETS			
Investment property *(Pm)	1 016	927	
Borrowings (Pm)	34	36	
Net asset value (Pm)	1 007	925	
GEARING			
Debt to property value (%)	3%	4%	
Debt fixed (%)	0%	0%	
Interest cover (times)	32	21	
UNIT STATISTICS			
Units in issue (millions)	604	604	
Closing price (tpu)	214	217	
Mkt cap at end of period (Pm)	1 293	1 312	
Premium to NAV (%)	28%	42%	
Historic yield (%)	7.8%	6.8%	
Total return per linked unit (%)	6.3%	15.8%	
PROPERTIES			
Number of properties	65	65	
Last valuation * (Pm)	1 016	927	
GLA (000m ²)	130	130	
Vacancy (by GLA)	3.6%	1.5%	
Vacancy (by rental)	2.8%	1.3%	

* excludes rental straight lining

OVERVIEW AND BACKGROUND

HISTORY AND BACKGROUND

NAP represents a consolidation of the property interests of Cash Bazaar Holdings ("CBH"), its wholly owned subsidiaries and certain other co-owned properties into a single BSE listed company. This created a more liquid investment vehicle owning a large portfolio of immovable property, which contributed to the expansion of the Botswana capital markets and affords citizens the opportunity to invest in property they would otherwise not be able to invest in. The listing also allows investors to realise the benefits of critical mass and to facilitate the leveraging of finance for on-going expansion, all in a tax efficient entity.

CBH is a well established multi-national corporation with businesses spread across Botswana, South Africa, Namibia and Zambia. CBH has interests in the property, clothing retail, furniture retail, building supplies manufacture, finance and tourism industries and is responsible for the management of NAP via its wholly owned subsidiary, Nafprop. This diverse range of activities provides market knowledge and excellent insight into the business environments in Southern Africa which will create property investment opportunities from which NAP can benefit.

NAP's properties are strategically located in prime shopping nodes throughout the country and include such iconic centres as Riverwalk Mall, Riverwalk Plaza and Kagiso Centre in Gaborone.

EQUITY STRUCTURE

The ownership of linked units in a variable rate loan stock company is tax efficient as profits are distributed by means of a dividend and a debenture interest payment which is larger than the dividend. The full amount of interest is deductible from income of the variable rate loan stock company as an expense incurred in the production thereof.

Interest paid by the company to non-residents is subject to 15% withholding tax which is a final tax. Interest payable to residents which are tax paying entities is subject to 10% withholding tax which can be credited against tax payable by the recipient. Dividends paid to non-residents and residents are subject to 7.5% withholding tax which is a final tax. The rates of withholding tax could vary depending on the existence of, and terms of, a double taxation avoidance agreement between Botswana and the country of residence of the non-resident. Furthermore, any capital gains on disposal of linked units after one year of acquisition are exempt from taxation under the current taxation regime as the Company, which is a public company, has offered more than 49% of its linked units to trade on the Botswana Stock Exchange.

As the Company is a public company with a code of corporate governance and independent directors, it is a transparent investment vehicle with linked unitholders being able to vote on important issues that affect them. The listing on the BSE allows linked units to be bought and sold in a transparent market, subject to liquidity constraints of the BSE.



Riverwalk Shopping Centre, Gaborone

DIRECTORS AND OFFICERS

as at 31 July 2013



*Directors: Standing: Seshadri Venkatakrishnan, Jerome McLoughlin, Fact Lebala and Suresh Visvanathan
Seated: Tobias Mynhardt (Managing Director) and John Mynhardt (Chairman)*



John Tobias Mynhardt
Non-Executive Chairman
B.Comm (UCT)
Board and Investment Committee

After completing his Bachelor of Commerce degree at the University of Cape Town in 1968, Mr Mynhardt started work in the family trading store in Francistown. He has remained involved in the Botswana retail industry ever since. During this time he has developed extensive business interests in Botswana and he is chairman of all the companies in the CBH Group as well as and including Furnmart Limited and the companies in the group's Tourism and Hospitality Divisions. During his career he has served as a member of the Francistown Town Council and on the Boards of the Botswana Housing Corporation and First National Bank of Botswana. He is currently a member of the University of Botswana Council.



Tobias Louis John Mynhardt
Managing Director
B.Comm (UCT) (Hons-US),
MSc Econ (LSE)
Member of Risk, Audit & Compliance Committee and Investment Committee

Mr Mynhardt's experience includes 4 years with investment advisory firm Cross Border Capital LLC in London. Upon his return to Botswana in 2003 he was appointed to the CBH Board and assumed responsibility for the materials supply division. In 2005 Mr Mynhardt was assigned to run the Property Division and subsequently initiated an aggressive growth strategy. In April 2009, Mr Mynhardt was appointed Managing Director of Furnmart Limited as well as Managing Director of the CBH Group having served as Deputy-MD of the respective organisations for two years. Mr Mynhardt has been Managing Director of New African Properties Limited since its listing in 2011.

DIRECTORS AND OFFICERS (continued)

as at 31 July 2013



Fact Badzile Lebala
Executive Director

Mr Lebala left the Botswana Police Force after 28 years of service with the rank of Superintendent of Police and was awarded the Police Medal for Good Conduct. During this career he was Commanding Officer for many Police Districts in Botswana. He was for many years responsible for identifying sites and their owners as well as conducting negotiations for their acquisition. He also liaised with all the district councils, licencing and land boards to facilitate the development and commissioning of the various developmental properties. He has retired from the CBH Group and is now a farmer. He continues to be a board member of Furnmart Ltd and New African Properties Ltd and serves the Group on an ad hoc project basis.



Jerome Patrick McLoughlin
Independent, Non-Executive Director
B.Comm, Dip Acc (Natal), C.A. (S.A.)
Chairman of Risk, Audit & Compliance Committee

After completing articles with Deloittes (Durban) in 1993 and qualifying as a chartered accountant, Mr McLoughlin started a career in public audit practice and currently serves as a director of a firm of registered auditors known as Fouché Hodgkinson McLoughlin Inc. He also serves as a non-executive director to companies and serves as trustee on a number of trusts. He has substantial experience in an advisory capacity and in property investment.



Suresh Visvanathan
Executive Director
B.Sc, ACA (ICAI), CIA, FCA (BOTS)

Mr Visvanathan joined CBH 17 years ago from the Housing Development Finance Corporation Ltd in India where he had worked as an Assistant Accounts Manager and a Senior Internal Auditor. As Group Financial Controller, Mr Visvanathan is responsible for the accounting and reporting functions of the Group. He has been instrumental in setting up the management audit division and is in charge of the group treasury function. In recent years he has been overseeing the secretarial functions of the Group. He is also a qualified CISA.



Seshadri Venkatakrishnan
Independent, Non- Executive Director
C.A. (India)
Member of the Risk, Audit & Compliance Committee

Mr Venkatakrishnan is a Chartered Accountant from India with about 30 years of wide experience in Finance, Treasury, Operations & General Management. He has held senior roles in different capacities in varied business sectors like Retail, Manufacturing, Property Holdings and Property development, Tourism and Hospitality, Financial BPO, IT, IT Enabled Services, Healthcare sector & Education. He has about 30 years of experience, 20 of which has been in Africa particularly in Botswana. Mr Venkatakrishnan currently holds directorships in companies in India.

DIRECTORS AND OFFICERS (continued)

as at 31 July 2013



Lauren Tapping
Chief Financial Officer
B.Compt (Hons) (UNISA),
CTA, C.A.(S.A.), ACPA
Member of the Investment
Committee
Attends Risk, Audit & Compliance
Committee meetings by invitation

Ms Tapping has 25 years financial experience of which the last 19 years have focussed on the property industry and specifically the listed real estate sector in South Africa and Namibia. She joined CBH as Chief Financial Officer of New African Properties in March 2012 and has since also assumed the role of Group CFO for the CBH Group. Prior to this she has served as Finance Director of JSE listed SA Corporate and Marriott Property Services

(Proprietary) Limited, director of Namibian listed Oryx Properties Limited and Head of Finance for the Listed Real Estate Division at Old Mutual Property Investments. In these capacities she was also a key part of the project team responsible for several new listings, responsible for the financial and regulatory processes related to a reverse takeover and instrumental in the merger of five funds into the then Martprop Property Fund. She served on various committees including Investment, Risk Audit & Compliance and Remuneration & Nomination Committee, which she chaired at Oryx. She gained experience in the various facets of property while at Marriott, a company that provided the full spectrum of property related services to a large client base including South African and Namibian listed companies and numerous private property companies. Prior to her commercial experience she spent 6 years in the audit environment.



Madirelo Centre, Gaborone



Riverwalk Shopping Centre, Gaborone



Shopping Centres adjacent to Gaborone Station

MANAGEMENT

as at 31 July 2013



Peter Charles Laaks



Martin Ralph Baker



Odirile Merafhe



Willie Kruger



Eric Kalaote



Paul Taurayi Bwanya

Peter Charles Laaks - CBH Group Executive

Mr Laaks has been associated with the CBH group for 35 years having initially served as General Manager of Furniture Mart and then as a director of the Retail Division of the CBH Group. Mr Laaks has been involved at a strategic level in property acquisitions and developments.

Martin Ralph Baker - CBH Group Executive, B Comm, Dipp Acc, C.A.(S.A.)

Following two years of mechanical engineering study, Mr Baker served his articles and qualified as a C.A.(S.A.) whilst a Manager in the Entrepreneurial Services division of Deloitte and Touche. He joined Teleboss, a South African national telecoms company, in 1993 as Group Financial Director and was subsequently additionally appointed as Financial Director of Siltek Finance before starting up a local representation of a global IT company Atos & Origin. In 2001 Mr Baker joined the apparel and shoes retail division of the CBH Group of which he is Managing Director. He has grown the group's bi-national retail business organically and through acquisitions tenfold to a P1bn company with over 2500 associates. Mr Baker has been closely involved in the strategic side of the CBH property division, playing a leading role

in a major acquisition in 2004 and with the listing of New African Properties Limited in 2011 where he served briefly as a Non Executive Director prelisting. Mr Baker continues to contribute towards all CBH strategic matters, group structuring, mergers and acquisitions. He serves on numerous Boards and Trusts and has served Furnmart Limited in a Non-Executive Director capacity since 2011.

Odirile Merafhe - CBH Group Executive, B.Sc (Embry Riddle, USA)

Mr Merafhe is currently a member of the Executive Management team of Cash Bazaar Holdings, responsible for business development and special projects. Prior to this he was head of Business Development for Momentum Africa responsible for the growth of Momentum Africa subsidiaries in 10 countries and new opportunities in Africa and emerging markets. Before that he was General Manager of Momentum Botswana, the administrator of Botsogo Health plan, since the inception of the company. He oversaw the growth of the Botswana business to a well-respected and successful medical aid company with over 20,000 lives under administration. Before joining Momentum he was Chief Executive Officer of the Hospitality and Tourism

MANAGEMENT (continued)

as at 31 July 2013

Association of Botswana after spending 12 years in the Airline industry in Botswana and South Africa. Mr Merafhe is former Chairman of Junior Achievement Botswana, Director of Botswana Development Corporation, MRI Botswana Limited, Botswana Tourism Board, Botswana Business Coalition on HIV AIDS. He is currently a director of Momentum Botswana and Botswana Confederation of Commerce Industry & Manpower.

Willie Kruger - Chief Executive Officer Nafprop

Mr Kruger's experience in property commenced in 1987 with Sanlam Properties as a Leasing Consultant and assistant Property Manager. From there he moved onto Old Mutual Properties in 1998 where he was trained as Property Manager and Property Portfolio Manager. Here he gained experience in dealing with aspects such as Property Management, Marketing, Facilities Management, Lease Audits and Staff Training. He accepted a position with RMB Properties in 1995 where he was exposed to Property Asset Management. During 1995 he was appointed by Broll Property Group as Property Portfolio Manager. He was appointed as Director to their Board in 1996 and to the Board of Broll Namibia shortly thereafter. After spending 10 years with Broll he established BBA Property Group of which he was

appointed Managing Director in 2007. The Property Portfolio under his direct supervision was valued at R2.3 billion in 2012.

Eric Kalaote - Chief Accountant, AAT, ACCA

Mr Kalaote joined the CBH group in 2007. He is the Chief Accountant of Nafprop (Pty) Ltd. He is ACCA qualified, and a registered member of the Botswana Institute of Chartered Accountants. He was previously employed by Kgalagadi Breweries, a subsidiary of Sechaba Holdings, as a finance trainee. Mr Kalaote has 8 years' experience in the accounting field of which 6 years have been in the property industry.

Paul Taurayi Bwanya - General Manager - Property Management, Dip. Real Estate Practice, AREI, MREIB

Mr Bwanya is the holder of a Diploma in Real Estate Practice and has worked in the property industry for 22 years in various capacities. He has accumulated regional property experience in property valuation and property management by working for international real estate consultancy companies. Mr Bwanya joined Nafprop in May 2007. He focuses on attaining market-related sustainable rentals whilst minimising vacancies, ensuring prompt collection of rentals and maintaining reasonably low running costs without compromising service delivery.



Nafprop Team

MANAGEMENT REPORT

for the year ended 31 July 2013

Management have pleasure in submitting their report for the year ended 31 July 2013.

FINANCIAL REVIEW

Distributable earnings for the year amounted to P101.7 million or 16.82 thebe per linked unit, a 14% increase on the comparable P89.2 million (14.76 thebe) for the prior year. This growth was achieved as a result of increased net rentals, higher interest earnings in view of the higher rates achieved and the amalgamation of the Botswana subsidiary company on 1 August 2012.

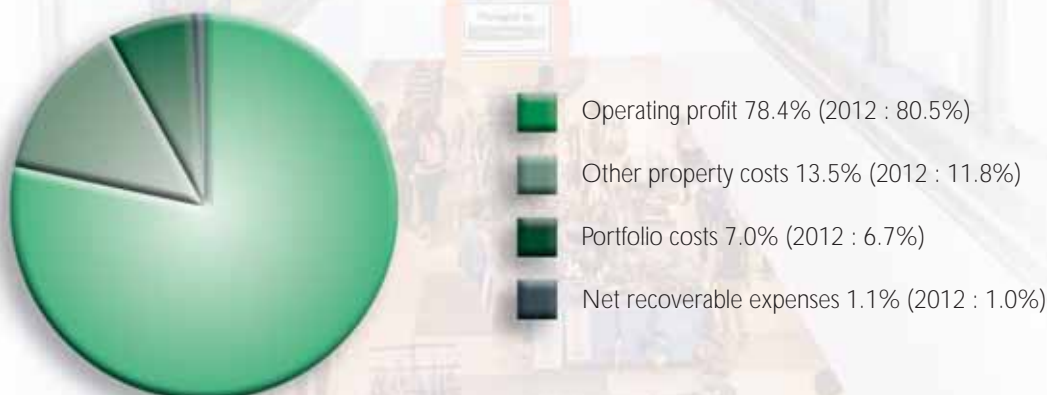
Distributable income was arrived at as follows:

	2013 P'000	2012 P'000
Revenue	123 648	113 937
Other Income	2 046	1 192
Net property costs	(18 321)	(14 724)
Net rental income	107 373	100 405
Portfolio expenses	(8 779)	(7 685)
Operating profit before straight line adjustment	98 594	92 720
Net investment income	5 876	2 612
Profit before tax, straight line and fair value adjustments	104 470	95 332
Taxation (relating to distributable income)	(2 820)	(6 130)
Distributable income	101 650	89 202
Number of units in issue (in 000's)	604 397	604 397
Distributable income in tpu	16.82	14.76

In view of the necessity of declaring the year end distribution before the year end, that distribution was once again based on forecast. The actual distributable income was marginally ahead of this forecast and the surplus distributable income of P419 000 (2012: P415 000) will be available for distribution in future financial years. No prior year retained distributable income has been paid out in the current year.

Total distributions to linked unitholders amounted to 16.75 (2012:14.69) thebe per linked unit, an 8.4% (2012: 7.3%) income yield on the initial listing price of P2.00 and 7.7% on the opening unit price of P2.17. Income already taxed, in view of the subsidiary company, has been distributed as dividends while the balance has been distributed as interest on debentures.

Operating profit as a percentage of operating income can be analysed as follows:



MANAGEMENT REPORT (continued)

for the year ended 31 July 2013

FINANCIAL REVIEW (continued)

The above distributable income is reconciled to profit and total comprehensive income for the year as follows:

Distributable income

Fair value adjustments

- Investment property (net)
- Financial asset

Share of associate's profit

Amortisation of intangible asset

Rent straight lining adjustments

Deferred tax on

- Investment property
- Other capital allowances
- Rent straight-lining

Net profit

Foreign exchange currency difference

Comprehensive income

2013 P'000	2012 P'000
101 650	89 202
88 926	51 613
134	(1 699)
3 045	-
(881)	-
3 347	1 292
(8 533)	1 164
-	3 355
(770)	(405)
186 918	144 522
(3 546)	(2 266)
183 372	142 256

PROPERTY PORTFOLIO

The portfolio comprises 65 properties, predominantly retail and Botswana based, with a small exposure to Namibian retail (5%) and Botswana industrial (2%). Certain Botswana retail properties have an office component (6 131m² or 5%) but properties are categorised based on primary use.

	Namibia Pm	Botswana Pm	Total Pm	%
Fair value by sector:				
Retail	49	951	1 000	98%
Industrial	-	16	16	2%
Total	49	967	1 016	100%
%	5%	95%	100%	
Number of properties	7	58	65	
GLA (m ²)	12 561	117 357	129 918	

The properties have a wide geographical spread within the relevant countries, with 58 properties in Botswana and 7 in Namibia. The acquisition and development of the properties was driven by the demand for retail property and as a result, the majority of the properties are located in urban and semi-urban areas, being the major cities of Gaborone and Francistown and other important urban areas such as Molepolole, Tlokweng, Maun, Kasane and Selebi Phikwe.

MANAGEMENT REPORT (continued)

for the year ended 31 July 2013

PROPERTY PORTFOLIO (continued)

The top 10 properties by value comprise 77% of the total value of the portfolio at year end and are:

Property	Pm value at 31/7/13(*)	% of portfolio	Location	Major tenants
Riverwalk	227,2	22.36%	Gaborone	Pick'n Pay, Woolworths, Hifi Corp, Ackermans, Dunns , Mr Price etc.
Kagiso Centre	115,7	11.38%	Gaborone - Broadhurst	Payless, Pep, Jet, CB Stores, Topline, Woolworths, Taku, Sheet Street, Options, JB Sports.
Gaborone Shopping Centre (Furnmart Station)	110,0	10.82%	Gaborone - Station Area	Pep, Furnmart, CB Stores, Hungry Lion, Options, Cell City.
Mafenyatlala Shopping Centre	81,9	8.06%	Molepolole	Spar, FNB, Barclays, Pep, Dunns, Cashbuild, Bank Gaborone, KFC.
Riverwalk Plaza	66,6	6.55%	Gaborone	Homecorp, Spar, Tops, FNB and Incredible Connection.
Kasane Mall (Spar Complex)	52,3	5.15%	Kasane	Spar, Furnmart, CB Stores Group, Pep, Dunns, Barclays, Woolworths, LEA, BTC, Post.
Madirelo (Payless Mall)	36,1	3.55%	Gaborone - Station Area	Payless, CB Stores, Furnmart, Topline, Cash Crusaders.
Plot 8 (Knock Out Centre)	35,1	3.46%	Gaborone - Station Area	Knock-Out, Hungry Lion, CB Stores, Chicken Licken.
Mokoro Centre	33,5	3.30%	Maun	Spar, Ackermans, Pep, Dunns, Furnmart, Orange Wings, Style, Multi Choice
Tlokweng Shopping Centre	24,8	2.44%	Gaborone	Choppies, Furnmart, Liqourama, Pep.
Total 2013	783,2	77.07%		
Total 2012	711,0	76.66%		

(*) This is the carrying value before rent straight line adjustment.

The retail offering in Gaborone has significantly increased over the last few years. The Company's properties are however situated in popular established nodes that continue to trade well.

No acquisitions have been made during the year as opportunities have been limited. Management is however actively seeking to expand the portfolio and composition by either developing or purchasing yield enhancing properties in order to grow its income base. Certain growth opportunities have been identified and are being pursued. Management is positive about this potential.

The properties are occupied in terms of 466 leases. The top ten tenants contribute approximately 48% of total rental and occupy 49% of gross lettable area. These tenants are all well-known and established operators who are performing well in the premises occupied. They include Furnmart, Spar, CB Stores Group, Pepkor, Choppies, Woolworths, Payless, JD Group, Cashbuild and Mr Price.

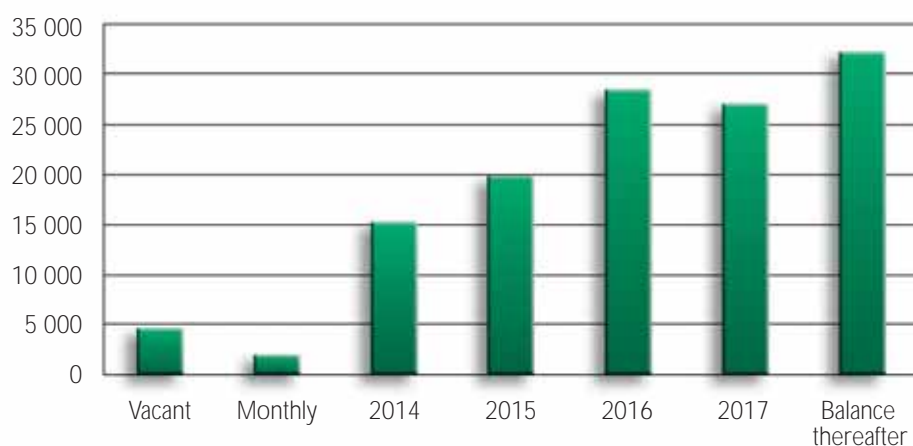
Total vacant space at the year-end is 4 681m² which amounts to 3,6% of gross lettable area. On a rental basis the vacancy is approximately 2.8%. Vacancies are primarily in the outlying areas / villages of Molepolole, Palapye, Phikwe, Shakawe and Ombalantu. Although there is interest in most of the locations careful vetting of the prospective tenants is in progress to ensure sustainable business models have been considered by the applicants thereby reducing possible credit risk. The Government of Botswana has taken up a few of the available office units in Phikwe.

MANAGEMENT REPORT (continued)

for the year ended 31 July 2013

PROPERTY PORTFOLIO (continued)

The lease expiry profile as at 31 July 2013 based on gross lettable area and financial years are:



The 2013 expiries which constituted the majority of Furnmart leases have successfully been renewed. The new leases have been spread over 3 to 5 year lease terms in order to smooth out the expiry profile of the portfolio. The expiry profile for the next five years thereby reflects a gradual growth in leases expiring in each individual financial year.

Monthly tenancies amount to 2 073m². These are made up of recently expired leases as at 31st July 2013 and renewal negotiations are underway. 95%, by area, of all other leases that expired during the year were renewed and the majority of monthly leases will ultimately be renewed once agreement has been reached on the terms.

The increase in vacancies during the past year has been as a result of the cancelling of leases and vacating of tenants that have constantly defaulted on rental payments. 788m² of the vacant space has however been let with effect from 1 October 2013, reducing the vacancy to 3%. Negotiations are underway on a number of the remaining vacancies.

PROSPECTS AND FUTURE GROWTH

The property portfolio continues to perform in line with management expectations and is expected to deliver distribution growth to investors flowing from rental escalations.

While it is not the intention to grow purely for the sake of growth, NAP and its asset manager continue to seek suitable investment opportunities to enhance long term sustainable growth and, with an almost ungeared portfolio, NAP is well placed to take advantage of opportunities that do arise. This is particularly challenging in the current Botswana market where the demand for investment property offering acceptable returns exceeds supply. This has been exacerbated by the fact that new development opportunities are limited in view of the economic slowdown and significant recent development in the retail and office segments, particularly in Gaborone.

Future developments and acquisitions will be funded through a combination of cash, debt and equity, as appropriate at the time. From a long term perspective the Board considers it appropriate to increase the debt level in the portfolio to provide the positive effects of gearing over time. The current challenge to this is the limited availability of property and, as a result, the likely yields relative to the cost of debt in the short term.

UNITHOLDER ANALYSIS

as at 31 July 2013

The following summarises the unitholders:

Category	Number of unitholders 2013 2012		Number of units held 2013 2012		% of units held 2013 2012	
Unitholders by size of holding:						
1 - 500	698	703	171 294	172 660	-	-
500 - 1 000	117	117	93 143	94 185	-	-
1 001 - 5000	229	243	563 692	600 314	0.1%	0.1%
5 001 - 10 000	44	56	340 361	416 278	0.1%	0.1%
10 001 - 100 000	84	105	2 192 866	2 911 527	0.5%	0.5%
Over 100 000	63	61	601 035 768	600 202 160	99.3%	99.3%
Total	1 235	1 285	604 397 124	604 397 124	100.0%	100.0%
Unitholders by classification:						
Body corporates	33	37	483 159 968	483 936 398	79.9%	80.1%
Insurance companies and pension funds	38	34	75 961 629	69 019 085	12.6%	11.4%
Trusts	-	2	-	57 058	-	-
Individuals	1 164	1 212	45 275 527	51 384 583	7.5%	8.5%
Total	1 235	1 285	604 397 124	604 397 124	100.0%	100.0%
Public	1 230	1 280	121 578 172	120 896 354	20.1%	20.0%
Non-public						
Directors interests	5	5	482 818 952	483 500 770	79.9%	80.0%
Total	1 235	1 285	604 397 124	604 397 124	100.0%	100.0%
Unitholders holding more than 5%:						
Cash Bazaar Holdings (Pty) Ltd	1	1	452 763 502	453 445 320	74.9%	75.0%
FNB BW Noms (Pty) Ltd Re: IAM BPOFPF	1	-	39 160 128	-	6.5%	-
SCBN (Pty) Ltd Re: IAM	-	1	-	33 085 171	-	5.5%
Total	2	2	491 923 630	486 530 491	81.4%	80.5%



Riverwalk Shopping Centre, Gaborone

UNITHOLDER ANALYSIS (continued)

as at 31 July 2013

2013

Month	Closing mkt cap Pm	High P	Low P	Closing # P	Volume traded	Value traded P	Number of trades	Average trade value P
Aug-12	1 312	2.20	2.17	2.17	322 898	700 707	24	29 196
Sep-12	1 299	2.17	2.15	2.15	422 243	908 267	5	181 653
Oct-12	1 299	2.15	2.10	2.15	2 565 225	5 515 046	16	344 690
Nov-12	1 324	2.19	2.15	2.19	676 225	1 458 334	14	104 167
Dec-12	1 330	2.20	2.19	2.20	268 587	588 992	16	36 812
Jan-13	1 330	2.20	2.20	2.20	521 575	1 147 465	11	104 315
Feb-13	1 330	2.20	2.20	2.20	73 204	161 049	9	17 894
Mar-13	1 330	2.20	2.19	2.20	211 684	463 986	13	35 691
Apr-13	1 330	2.21	2.20	2.20	173 223	381 481	19	20 078
May-13	1 330	2.20	2.20	2.20	1 740 910	3 830 002	17	225 294
Jun-13	1 330	2.21	2.20	2.20	1 091 469	2 401 773	49	49 016
Jul-13	1 293	2.19	2.14	2.14	73 405	160 231	10	16 023
		2.21	2.10		8 140 648	17 717 333	203	87 278

Number of units traded as a % of total units in issue 1.35%

2012

Month	Closing mkt cap Pm	High P	Low P	Closing # P	Volume traded	Value traded P	Number of trades	Average trade value P
Oct-11	1 396	2.31	2.20	2.31	1 720 460	3 796 581	69	55 023
Nov-11	1 360	2.35	2.20	2.25	179 614	408 717	43	9 505
Dec-11	1 330	2.25	2.20	2.20	66 496	149 050	27	5 520
Jan-12	1 330	2.20	2.20	2.20	1 492 224	3 282 893	14	234 492
Feb-12	1 324	2.20	2.19	2.19	114 790	252 532	9	28 059
Mar-12	1 299	2.19	2.15	2.15	5 164	11 174	9	1 242
Apr-12	1 390	2.30	2.15	2.30	729 485	1 658 629	24	69 110
May-12	1 360	2.35	2.25	2.25	572 432	1 327 259	30	44 242
Jun-12	1 420	2.35	2.25	2.35	832 628	1 955 595	57	34 309
Jul-12	1 312	2.35	2.19	2.17	15 758	36 680	16	2 293
		2.35	2.15		5 729 051	12 879 110	298	43 218

Number of units traded as a % of total units in issue 0.95%

Annualised 1.14%

the closing value is based on the BSE report for trades that take place on the last day of the month while all other information is based on the record date per the Transfer Secretary records. At times the closing price is therefore outside the minimum to maximum range for a specific month.

GOVERNANCE AND RISK

The directors recognise the need to conduct the business with integrity and in accordance with generally acceptable corporate practices. The Company, insofar as practicable, complies with the principles of the King Report and the Botswana Stock Exchange Code of Best Practice on Corporate Governance, insofar as they are applicable to the Company.

The Board has accordingly established mechanisms and policies appropriate to the operations, which include a Board Charter, Approval framework, Public Information Policy as well as two sub-committees as detailed below.

BOARD AND ITS SUB-COMMITTEES

The Board consists of 6 directors, 50% of whom are non-executive and 33% independent non-executive. The Board members bring significant experience in the property and retail fields which are the primary business sectors relevant to the Group. Non-executive directors are chosen for their business acumen and skills pertinent to the business of the Company. The Board considers that it is adequately constituted to enable it to carry out its duties and that there is an appropriate balance of skills. 50% of the Board are Motswana. One third of directors are required to retire annually at the annual general meeting, based on those longest in office. Retiring members are eligible for re-election with all motions for appointment or re-election being considered individually. During the year Messrs. T. Mynhardt and F. Lebala retired and were re-elected at the annual general meeting held on 23 January 2013.

The Board meets at least three times per annum. While the Board strives to have full attendance at meetings, the quorum is any four directors and board papers are distributed timeously to enable members to be properly briefed prior to meetings. Directors who are unable to attend a meeting receive the relevant documents and are able to communicate with the Chairman and Company executives on any issue. During the year the Board met three times with the only absences being Mr F. Lebala (1) and Mr S.Venkatakrishnan (2).

Decisions required to be taken between meetings are attended to by the passing of a resolution signed by all directors. These round robin resolutions are subsequently ratified at the following Board meeting.

The primary responsibilities of the Board are:

- To exercise leadership, enterprise, integrity and judgement in directing the Company as so to achieve its strategic goals and objectives;
- To approve the strategic direction and budgets of the Company and ensure that the goals and objectives are aligned to those set out in the Trust Deed and that the Company is able to continue as a going concern;
- To retain full and effective control of the Company, its management and key service providers;
- To delegate appropriate matters to its sub-committees, management and service provider in terms of written mandates and authority, and to amend the terms of reference as well as members of the sub-committees as appropriate;
- To consider the Board composition; and
- Reporting formally to linked unitholders through the annual report and announcements.

The Board has established two sub-committees, being the Risk, Audit & Compliance Committee (RACC) and the Investment Committee (IC). The terms of reference and composition of these committees is set out below.

The Company has no employees and there is therefore no need for a Remuneration Committee. The Board approves remuneration payable to independent directors, which will then be ratified by unitholders at each annual general meeting.

The Board as a whole considers Board composition and has not formed a separate Nomination Committee.

In as far as the Board is aware:

- The Company has not engaged in any activities which contravene laws and regulations;
- The Directors have declared all material interests in contracts involving the Company;

GOVERNANCE AND RISK (continued)

BOARD AND ITS SUB-COMMITTEES (continued)

- The Company has made all endeavours to ensure equitable treatment of unitholders;
- The RACC has conducted a review of the key internal controls which cover financial, operational and compliance controls and risk management; and
- The Board has considered the Company's ability to continue as a going concern and concluded that it is able to.

Risk, Audit & Compliance Committee

Composition, quorum & frequency

- Chaired by an independent director.
- Comprise two independent directors (with sufficient financial literacy) and the Managing Director. The Chief Financial Officer and external auditors attend meetings by invitation.
- Meet at least twice per annum and meetings may be held by conference call for logistical reasons.
- Quorum of 2 members.

In addition, the external auditors and independent RACC directors are given the opportunity to meet without management being present if deemed appropriate. Neither the independent directors nor external auditors considered this necessary during the year under review.

Scope and Responsibilities

- Review of internal controls and systems;
- Monitoring that decisions taken by the board that affect the RACC are followed through;
- Monitoring compliance with Trust Deed, BSE Listings Requirements, Companies Act, Corporate Governance and other applicable legislation;
- Review the audit management letter;
- Recommend letters of representation and other documentation for board approval;
- Recommend approval of annual reports and interim results to board;
- Recommend approval of BSE announcements to board;
- Agree and recommend accounting policies to board;
- Reporting to board on proceedings of the committee;
- Monitor the corporate risk assessment process;
- As regards External Audit, the RACC should:
 - recommend their appointment;
 - be satisfied with their independence especially where non-audit services are performed;
 - agree the principles with the external auditors without limiting their statutory obligations;
 - decide on the extent of external verification of non-financial information;
 - decide on the external review of interim results;
- Consider problems identified in the going concern assumption;
- Consider the appropriateness and disclosure of related party transactions; and
- Recommendation regarding internal audit.

The Committee met formally three times this year. The members of the Committee are J.P. McLoughlin (Chairman and Independent non-executive director), S.Venkatakrishnan (Independent non-executive director) and T.L.J. Mynhardt (Managing Director). Mr S.Venkatakrishnan only attended one meeting, while all other members, the external audit partner and the CFO attended all meetings in person.

GOVERNANCE AND RISK (continued)

BOARD AND ITS SUB-COMMITTEES (continued)

Investment Committee

Composition, quorum & frequency

- Chaired by the Chairman.
- Comprise the Chairman, Managing Director and Chief Financial Officer.
- Meet as required.
- Quorum of 2 members.

Scope and Responsibilities

- Developing and recommending an investment strategy;
- Advising on and/or effecting disposals, acquisitions and developments within the approved investment policy and authority limits;
- Recommending disposals, acquisitions and developments to the Board which exceed the authority limits;
- Approving the Company's funding facilities, debt fixes and banking arrangements.

The Committee did not meet formally during the year but held discussions as required. The members of the Committee are J.T. Mynhardt (Chairman), T.L.J. Mynhardt (Managing Director) and L.C. Tapping (Chief Financial Officer).

ASSET AND PROPERTY MANAGEMENT

The assets and properties of the Company are managed by Nafprop, a wholly owned subsidiary of CBH, in terms of separate property and asset management agreements. The key responsibilities and remuneration in terms of these agreements are set out below.

Asset Management

The manager is accountable to the Board of Directors of NAP, with the obligation to report regularly as required by the Board of NAP.

Key responsibilities:

- Manage the assets and securities owned by the Company, from time to time;
- Carry out all treasury and asset management services;
- Investigate and prepare recommendations of strategy for the Company including potential acquisitions or disposals from the Company's portfolio;
- Negotiate for and conclude agreements for acquisitions and disposals to and from the portfolio;
- Manage cash surpluses and payment of distributions to linked unitholders;
- Procure valuations;
- Undertake the financial, administrative and secretarial management of the Company;
- Prepare or cause to be prepared all financial statements, reports, returns and valuations of the property portfolio;
- Procure compliance by the Company with applicable regulatory requirements; and
- Prepare budgets of income and expenditure at the commencement of each financial year.

Remuneration:

The manager is entitled to be reimbursed any expenditure or other amounts reasonably incurred and disbursed by it in respect of the management of the Company's assets and is entitled to an annual fee equal of 0.50% (exclusive of VAT) of the value of the average market capitalisation of the Company in the month in question plus debt of the Company, paid monthly.

GOVERNANCE AND RISK (continued)

ASSET AND PROPERTY MANAGEMENT (continued)

Property Management

The manager is accountable to the Board of Directors of NAP, with the obligation to report regularly as required by the Board of NAP.

Key responsibilities:

- Let accommodation in the properties, prepare leases, collect rentals, enforce leases and other contractual arrangements;
- Manage the properties, paying all costs, disbursements and expenses related to and arrange and maintain insurance in respect of the properties;
- Recommend to the Board any replacement, repairs, refurbishment or maintenance necessary;
- Prepare budgets in respect of the properties each year;
- Assist with the preparation of the half yearly and annual financial statements and reports to the Company;
- Maintain a separate bank account into which all rental income is paid and from which all expenses in respect of the properties is disbursed;
- Keep books and records in accordance with acceptable practices and standards, and report in terms of International Financial Reporting Standards (IFRS); and
- Prepare budgets for each financial year and present same for approval by the Board prior to the commencement of that year.

Remuneration:

The manager is entitled to be reimbursed all expenditure and other amounts reasonably incurred by and disbursed by it in respect of the properties, and a fee equal to 4.5% (exclusive of VAT) of the amount of total collections by it, and, in respect of letting, 100% of the first month's gross rental for leases that run up to five years and 150% of the first month's gross rental for leases that run in excess of five years, and in respect of renewals of such leases procured by the manager itself 50% of the aforesaid fees based on the period of renewal.

RISK MANAGEMENT

The primary objective of risk management is to find the balance between minimising risk to acceptable levels and the costs and practicalities in achieving this. This involves gaining an understanding of the risks the Group is exposed to, establishing acceptable tolerance levels and managing the risks to ensure they stay within the tolerable levels.

In the normal course of operations the Group is exposed to strategic and business risk, financial risk, regulatory and compliance risk. The group's exposure to human resources risk is an indirect risk for the Group as it employs no staff in view of the asset and property management being outsourced. NAP's executives are consulted in all key employment decisions by the Asset and Property Manager and have direct access to the relevant managers as required.

The Group's exposure to technology risk is similarly outsourced and the Asset and Property Manager uses a reputable and well supported property management system, the MDA system, for managing the company and its properties. MDA is an interactive and adaptive system which allows Nafprop to generate real time reports for each of the properties and allows for the effective management of the properties. Nafprop can accurately manage and access instant data on the tenancies, leases, occupancies, rental income and expenses through this system.

The key significant risks the Group is exposed to, together with the key controls are summarised below.

GOVERNANCE AND RISK (continued)

Financial risk

Financial risk comprises market risk (incorporating interest, currency and other price risk), credit risk and liquidity risk. Note 31.1 to the annual financial statements deals with the major elements of financial risk which arise from financial instruments to which the Group is exposed during or at the end of the financial reporting period.

Strategic and business risk

This is the risk that the company does not achieve critical objectives such as meeting stakeholder expectations, does not have access to capital as required, as well as inherent business risks in the property sector.

The annual review of investment strategy, regular budget and forecasting process, approval framework and the routine presentation of reports to Board are the Board's primary method of managing strategic and business risks. The Company has also contracted with competent asset managers who are responsible for advising the Board on strategy and individual property investments.

Portfolio growth

This is the risk that the Group is unable to grow its asset base in order to create new investment opportunity and realise its strategic objectives. The growth of the portfolio has been challenging in view of the demand for property investment opportunity and limited availability of sizeable assets. Both the Board and Management are actively pursuing potential opportunities but will only consider acquisitions or developments that contribute positively to the long term growth in returns to unitholders. The Company also has access to any development projects secured by Nafprop, including those on land banked properties.

Investment decision risk

This is the risk that inappropriate investment decisions are made. These decisions are made in terms of the approval framework, which delegates limited decisions in this regard to the Investment Committee, while retaining decision making responsibility for all significant investment decisions at a Board level. The Board also relies on input from the Asset Manager in this regard.

Capital risk management

This is the risk that the Group will have inadequate access to capital to meet its needs and its ability to continue as a going concern. The gearing level, relative cost of debt and equity as well as the yield hurdle and breakeven point forms part of the annual investment strategy review and is a key part of any investment decision contemplated. The Board also reviews cash flow projections at each meeting. This risk is more fully dealt with in note 31.2 to the annual financial statements.

Property performance risk

The Asset and Property Manager is responsible for managing the properties on a day to day, and more strategic, basis. The key considerations are the market factors surrounding the property, the continued tenancy, rental levels, collection of rentals and management of operating costs to optimise spend. Nafprop has various systems, controls and committees in place to manage these issues, including property management and leasing meetings, and report to Board in summarised form on all the relevant items at each meeting.

Regulatory and compliance risk

This is the risk that the company does not comply with relevant legal requirements.

The risk is managed through the use of competent, skilled and experienced service providers who are required to provide their respective systems, controls and procedures to the RACC for review, as well as to confirm their compliance to these. The Company also uses the BSE checklists for Best Code of Corporate Governance. Further checklists will continue to be put in place to assist the Board in monitoring this risk.

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors are required in terms of the Companies Act (CAP 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group and 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 consolidated and separate annual financial statements.

The consolidated and separate 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 control established by the group 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 implemented by trained and appropriately skilled personnel and are reported to the Risk, Audit & Compliance Committee. The Board requires adherence to the highest ethical standards in ensuring that the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that, based on the information and explanations given by management, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate 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 have reviewed the group's cash flow forecast for the year to 31 July 2014 and, in the light of this review and the current financial position, they are satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.


The external auditors are responsible for independently reviewing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the external auditors and their report is presented on page 21.

The consolidated and separate annual financial statements set out on pages 24 to 58, which have been prepared on the going concern basis, were approved by the board on 17 October 2013 and were signed on its behalf by:



JT Mynhardt
Chairman

17 October 2013



TLJ Mynhardt
Managing Director

17 October 2013

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEW AFRICAN PROPERTIES LIMITED

Report on the Financial Statements

We have audited the Group annual financial statements and annual financial statements of New African Properties Limited, which comprise the consolidated and separate statement of financial position as at 31 July 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 24 to 58.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation of financial statements that give a true and fair view 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.

Auditor's Responsibility

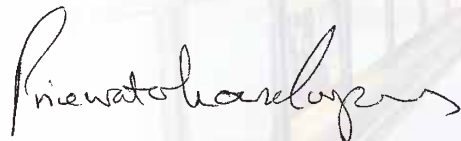
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of New African Properties Limited as at 31 July 2013, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.



Individual practicing member: **Rudi Binedell**
Membership number: 20040091

Gaborone
17 October 2013



DIRECTORS' REPORT

The Directors have pleasure in submitting their report for the year ended 31 July 2013.

NATURE OF BUSINESS

New African Properties Limited is a property investment company listed on the Botswana Stock Exchange and is classified as a public variable rate loan stock company. The Group derives its income from rental income from a portfolio of predominantly Botswana based retail properties.

STATED CAPITAL

As a loan stock company the equity of the company comprises linked units, where every one ordinary share is indivisibly linked to one variable rate debenture.

At 31 July 2013 there were 604 397 124 (2012: 604 397 124) linked units in issue with the following changes during the year:

	2013	2012
Balance at beginning of year	604 397 124	74 043 355
Issued during the year in respect of:		
Amalgamations	-	171 787 544
Acquisitions	-	283 566 225
Private placing	-	65 000 000
Public offer	-	10 000 000
Balance at end of year	604 397 124	604 397 124

DISTRIBUTION

Distributions to linked unitholders comprise dividends on the ordinary shares and interest on debentures. The following distributions were declared for the year:

	2013		2012	
	P'000	thebe per linked unit	P'000	thebe per linked unit
Number 3 - declared 9 April 2013, paid 28 May 2013 (2012: Number 1 - declared 25 April 2012, paid 1 June 2012)				
Interest	48 412	8.01	37 110	6.14
Dividends	2 115	0.35	6 588	1.09
Flowing from Botswana subsidiary	-	-	4 956	0.82
Flowing from Namibian subsidiary	2 115	0.35	1 632	0.27
	50 527	8.36	43 698	7.23
Number 4 - declared 26 July 2013, paid 13 September 2013 (2012: Number 2 - declared 19 July 2012, paid 7 September 2012)				
Interest	49 198	8.14	38 319	6.34
Dividends	1 511	0.25	6 769	1.12
Flowing from Botswana subsidiary	-	-	5 621	0.93
Flowing from Namibian subsidiary	1 511	0.25	1 148	0.19
	50 709	8.39	45 088	7.46
Total for the year	101 236	16.75	88 786	14.69

HOLDING COMPANY

The company's holding company is Cash Bazaar Holdings (Proprietary) Limited.

DIRECTORS' REPORT (continued)

SUBSIDIARY COMPANIES

Details of the Group's subsidiary companies are set out in note 6 to the financial statements.

DIRECTORS

There have been no changes to the board during the financial year and to the date of this report. The following directors served on the Board during the year:

Name	Date of appointment	Date of resignation
JT Mynhardt (Chairman)	22/02/2008	
FB Lebala	22/02/2008	
JP McLoughlin	12/08/2011	
TLJ Mynhardt	22/02/2008	
S Venkatakrishnan	12/08/2011	
S Visvanathan	08/06/2011	

DIRECTORS' FEES

Independent directors are paid fees for meetings attended. Total fees for the year amounted to P81 500 (2012: P40 000). No other executive or non-executive directors are paid fees by the Company.

DIRECTORS' INTERESTS

The aggregate number of linked units held directly by directors at 31 July 2013 was 340 332 (2012: 340 332) linked units. Indirectly, 482 478 620 (2012: 483 160 438) linked units were held.

BORROWINGS

The company's borrowing capacity is limited to 70% of the value of the assets of the Company or such other sum as the Company may, by ordinary resolution, in general meeting determine. Directors are authorised to secure the repayment of or raise any such sum by mortgage or charge upon the whole or any part of the property and assets of the Company.

Borrowings amount to P34,5 million at 31 July 2013 (2012: P36,1 million).

COMPANY SECRETARY

The company secretary is DPS Consulting Services (Proprietary) Limited.

POST BALANCE SHEET EVENTS

There are no material subsequent events occurring between the year end and the date of these financial statements.



JT Mynhardt
Chairman
17 October 2013



TLJ Mynhardt
Managing Director
17 October 2013

STATEMENTS OF FINANCIAL POSITION

at 31 July 2013

		Group		Company	
	Notes	2013 P'000	2012 P'000	2013 P'000	2012 P'000
ASSETS					
Non-current assets					
Investment property	5	998 040	912 323	948 683	653 101
At fair value		1 016 441	927 462	966 520	665 535
Less: Rent straight line adjustment		(18 401)	(15 139)	(17 837)	(12 434)
Investment in subsidiaries	6	-	-	36 650	221 114
Investment in associate	7	7 996	4 951	4 951	4 951
Financial asset	8	20 067	19 933	20 067	19 933
Intangible asset	9	11 312	12 193	11 312	12 193
Rent straight line adjustment		17 720	14 624	17 156	11 943
Total non-current assets		1 055 135	964 024	1 038 819	923 235
Current assets					
Trade and other receivables	10	97 514	29 480	103 777	37 114
Rent straight line adjustment - current portion		681	515	681	491
Tax receivable		3 042	3 245	2 665	2 244
Cash and cash equivalents	11	32 818	88 642	20 233	83 888
Total current assets		134 055	121 882	127 356	123 737
TOTAL ASSETS		1 189 190	1 085 906	1 166 175	1 046 972
EQUITY AND LIABILITIES					
Equity					
Linked units	12	871 824	871 824	871 824	871 824
Foreign currency translation reserve		(5 812)	(2 266)	-	-
Retained income		141 418	55 736	123 685	39 629
Total equity		1 007 430	925 294	995 509	911 453
Non-current liabilities					
Borrowings	13	32 576	34 498	32 576	34 498
Deferred tax liability	14	76 643	67 307	73 252	45 753
Total non-current liabilities		109 219	101 805	105 828	80 251
Current liabilities					
Trade and other payables	15	19 941	12 095	12 238	8 556
Distributions payable		50 709	45 088	50 709	45 088
Borrowings - current portion	13	1 891	1 624	1 891	1 624
Total current liabilities		72 541	58 807	64 838	55 268
TOTAL EQUITY AND LIABILITIES		1 189 190	1 085 906	1 166 175	1 046 972

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 July 2013

		Group		Company	
	Notes	2013 P'000	2012 P'000	2013 P'000	2012 P'000
Revenue	16	126 995	115 229	120 920	86 505
Contractual		123 648	113 937	117 849	84 863
Rent straight line adjustment		3 347	1 292	3 071	1 642
Other income	17	2 046	1 192	6 196	14 957
Net property costs	18	(18 321)	(14 724)	(17 502)	(10 103)
Net rental income		110 720	101 697	109 614	91 359
Other expenses	19	(8 779)	(7 685)	(8 712)	(6 431)
Operating profit		101 941	94 012	100 902	84 928
Net finance income		5 876	2 612	5 394	7 424
Finance income	20	9 181	7 105	8 699	10 941
Finance expense	21	(3 305)	(4 493)	(3 305)	(3 517)
		107 817	96 624	106 296	92 352
Investment property fair value adjustment	5	88 926	51 613	78 554	37 218
At fair value		92 273	52 905	81 625	38 860
Rent straight line adjustment		(3 347)	(1 292)	(3 071)	(1 642)
Financial asset fair value adjustment	8	134	(1 699)	134	(1 699)
Amortisation of intangible asset	9	(881)	-	(881)	-
		195 996	146 538	184 103	127 871
Share of associate's profit	7	3 045	-	-	-
Profit before taxation		199 041	146 538	184 103	127 871
Taxation	22	(12 123)	(2 016)	(10 150)	544
Profit for the year attributable to linked unitholders		186 918	144 522	173 953	128 415
Other comprehensive income					
Currency translation differences		(3 546)	(2 266)	-	-
Comprehensive income for the year attributable to linked unitholders		183 372	142 256	173 953	128 415
Units in issue at end of year		604 397 124	604 397 124	604 397 124	604 397 124
		Thebe	Thebe	Thebe	Thebe
Basic and diluted earnings per unit attributable to linked unitholders	23	30.93	23.91	28.78	21.25
Distribution per linked unit	24	16.75	14.69	16.75	14.69

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 July 2013

	Share capital P'000	Debentures P'000	Total linked units P'000	Foreign currency translation reserve P'000	Non distributable retained income P'000	Distributable retained income P'000	Total P'000
Group							
2012							
Transactions with owners							
Linked units issued for amalgamations, acquisitions, assignment, purchase and receivable (note 26)	7 371	729 703	737 074	-	-	-	737 074
Linked units issued for cash in placing	1 300	128 700	130 000	-	-	-	130 000
Linked units issued for cash in offer	200	19 800	20 000	-	-	-	20 000
Initial charges	(152)	(15 098)	(15 250)	-	-	-	(15 250)
Distributions declared (note 24)							
Number 1 - declared 25 April 2012	-	-	-	-	-	(43 698)	(43 698)
Number 2 - declared 19 July 2012	-	-	-	-	-	(45 088)	(45 088)
Total transactions with owners	8 719	863 105	871 824	-	-	(88 786)	783 038
Comprehensive income							
Comprehensive income for the year	-	-	-	-	-	142 256	142 256
Transfer of revaluation gains net of related taxes	-	-	-	-	55 321	(55 321)	-
Transfer to foreign currency translation reserve	-	-	-	(2 266)	-	2 266	-
Total comprehensive income	-	-	-	(2 266)	55 321	89 201	142 256
Balance at end of year	8 719	863 105	871 824	(2 266)	55 321	415	925 294
2013							
Balance at beginning of year	8 719	863 105	871 824	(2 266)	55 321	415	925 294
Transactions with owners							
Distributions declared (note 24)							
Number 3 - declared 9 April 2013	-	-	-	-	-	(50 527)	(50 527)
Number 4 - declared 26 July 2013	-	-	-	-	-	(50 709)	(50 709)
Total transactions with owners	-	-	-	-	-	(101 236)	(101 236)
Comprehensive income							
Comprehensive income for the year	-	-	-	-	-	183 372	183 372
Transfer of revaluation gains net of related taxes	-	-	-	-	85 268	(85 268)	-
Transfer to foreign currency translation reserve	-	-	-	(3 546)	-	3 546	-
Total comprehensive income	-	-	-	(3 546)	85 268	101 650	183 372
Balance at end of year	8 719	863 105	871 824	(5 812)	140 589	829	1 007 430

STATEMENTS OF CHANGES IN EQUITY (continued)

for the year ended 31 July 2013

	Share capital P'000	Debentures P'000	Total linked units P'000	Foreign currency translation reserve P'000	Non distributable retained income P'000	Distributable retained income P'000	Total P'000
Company							
2012							
Transactions with owners							
Linked units issued for amalgamations, acquisitions, assignment, purchase and receivable (note 26)	7 371	729 703	737 074	-	-	-	737 074
Linked units issued for cash in placing	1 300	128 700	130 000	-	-	-	130 000
Linked units issued for cash in offer	200	19 800	20 000	-	-	-	20 000
Initial charges	(152)	(15 098)	(15 250)	-	-	-	(15 250)
Distributions declared (note 24)							
Number 1 - declared 25 April 2012	-	-	-	-	-	(43 698)	(43 698)
Number 2 - declared 19 July 2012	-	-	-	-	-	(45 088)	(45 088)
Total transactions with owners	8 719	863 105	871 824	-	-	(88 786)	783 038
Comprehensive income							
Comprehensive income for the year	-	-	-	-	-	128 415	128 415
Transfer of revaluation gains net of related taxes	-	-	-	-	39 174	(39 174)	-
Total comprehensive income	-	-	-	-	39 174	89 241	128 415
Balance at end of year	8 719	863 105	871 824	-	39 174	455	911 453
2013							
Balance at beginning of year	8 719	863 105	871 824	-	39 174	455	911 453
Amalgamation of subsidiary (note 26)	-	-	-	-	11 370	(31)	11 339
Transactions with owners							
Distributions declared (note 24)							
Number 3 - declared 9 April 2013	-	-	-	-	-	(50 527)	(50 527)
Number 4 - declared 26 July 2013	-	-	-	-	-	(50 709)	(50 709)
Total transactions with owners	-	-	-	-	-	(101 236)	(101 236)
Comprehensive income							
Comprehensive income for the year	-	-	-	-	-	173 953	173 953
Transfer of revaluation gains net of related taxes	-	-	-	-	71 665	(71 665)	-
Total comprehensive income	-	-	-	-	71 665	102 288	173 953
Balance at end of year	8 719	863 105	871 824	-	122 209	1 476	995 509

STATEMENTS OF CASH FLOWS

for the year ended 31 July 2013

		Group		Company	
	Notes	2013 P'000	2012 P'000	2013 P'000	2012 P'000
Cash flows from operating activities					
Profit before taxation		199 041	146 538	184 103	127 871
Adjustments for:					
Net finance income		(5 876)	(2 612)	(5 394)	(7 424)
Fair value and impairment adjustments		(88 178)	(49 914)	(77 807)	(35 519)
Share of associate's profit		(3 045)	-	-	-
Rent straight line adjustment		(3 347)	(1 292)	(3 071)	(1 642)
Changes in working capital					
Trade and other receivables		(1 483)	11 479	715	(6 990)
Trade and other payables		7 845	(25 328)	(4 478)	352
Currency translation difference		29	-	-	-
Cash generated from operations		104 986	78 871	94 068	76 648
Finance expense		(3 305)	(4 493)	(3 305)	(3 517)
Finance income		9 181	7 105	8 699	10 941
Distributions paid to linked unitholders	24	(95 615)	(43 698)	(95 615)	(43 698)
Taxation paid	25	(2 293)	(7 657)	(295)	(2 548)
Net cash flows from operating activities		12 954	30 128	3 552	37 826
Cash flows from investing activities					
Investment property acquired / improved	5	(572)	(534)	(204)	(474)
Investment in subsidiary, acquisitions and amalgamations	26	-	(26 905)	1 265	(39 483)
Investment in associate and intangible asset		-	(17 144)	-	(17 144)
Deposit in related party receivable		(66 551)	(24 902)	(66 613)	(24 836)
Net cash flows from investing activities		(67 123)	(69 485)	(65 552)	(81 937)
Cash flows from financing activities					
Linked units issued for cash (net of costs)		-	134 750	-	134 750
Borrowings decreased		(1 655)	(6 751)	(1 655)	(6 751)
Net cash flows from financing activities		(1 655)	127 999	(1 655)	127 999
Net change in cash and cash equivalents		(55 824)	88 642	(63 655)	83 888
Cash and cash equivalents at beginning of year		88 642	-	83 888	-
Cash and cash equivalents at end of year	11	32 818	88 642	20 233	83 888

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 July 2013

1. GENERAL INFORMATION

New African Properties Limited and its subsidiaries (together the Group) own a portfolio of investment property located primarily in Botswana. The company is listed on the Botswana Stock Exchange.

These financial statements have been approved by the Board of Directors on 17 October 2013.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Group and Separate annual financial statements are set out below and are consistent in all material respects with those applied in the previous year.

2.1 Basis of preparation

These annual financial statements have been prepared on a going concern basis, are prepared in accordance with International Financial Reporting Standards ("IFRS") and have been prepared under the historical cost convention as modified by the measurement of investment properties and certain financial assets and financial liabilities at fair value. Fair value adjustments do not affect the calculation of distributable income but do impact the net asset value per linked unit to the extent that adjustments are made to the carrying value of assets and liabilities.

2.2 Basis of consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

The Group annual financial statements incorporate the results and financial position of the Company and all subsidiaries, currently only New African Properties Namibia (Proprietary) Limited. The results of subsidiaries are included from the effective dates of gaining control and up to the effective dates of relinquishing control.

All group companies have a 31 July year end and apply uniform accounting policies for like transactions.

All intercompany transactions and balances between group entities are eliminated with the exception of intercompany interest capitalised to the cost of investment property during construction.

The Company carries its investment in subsidiaries in its separate financial statements at cost less any accumulated impairment.

2.3 Common control transactions

Business combinations which result from transactions between the holding company and its subsidiaries or between subsidiaries of the Company are defined as common control transactions and are accounted for using the predecessor method of accounting.

Under the predecessor method of accounting, the results of the entities or businesses under common control are presented as if the business combination had been effected from the effective date. The assets and liabilities combined are accounted for prospectively, based on the carrying amounts applying the Company's accounting policies at the date of transfer. On consolidation, the cost of the business combination is cancelled with the values of the net assets received. Any resulting differences are classified as equity.

2.4 Business combinations

The Group may invest in subsidiaries that hold properties but do not constitute a business. These transactions are therefore treated as asset acquisitions rather than business combinations.

For acquisitions meeting the definition of a business combination the acquisition method of accounting is used. The cost of an acquisition is measured as the aggregate of the fair value of the underlying assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is not amortised but is tested for impairment on an annual basis. An impairment loss recognised for Goodwill is not reversed in a subsequent period. On disposal of a subsidiary, attributable goodwill is included in the determination of the profit or loss on disposal. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in profit or loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.5 Investment in associate

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Currently the only associate is Edco (Proprietary) Limited.

An investment in associate is accounted for using the equity method in the consolidated financial statements and at cost in the separate company financial statements, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by companies in the consolidated Group, is classified as investment property.

Investment property comprises freehold land, freehold buildings, land held under operating lease and buildings held under finance lease. Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are assessed at every reporting date. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. These fair values exclude accrued operating lease income and other assets that are also supported by the same cash flows used in determining the value of investment property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Direct costs relating to major capital projects are capitalised and are incurred to maintain, upgrade or refurbish properties to preserve or improve capital value. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Changes in fair values, as well as gains or losses on disposal are recorded in the statement of comprehensive income in the period in which they occur. Such gains, losses or fair value adjustments are excluded from the calculation of distributable income.

2.7 Intangible assets

Intangible assets other than goodwill are recognised where the entity has acquired or developed identifiable, non-monetary assets that are expected to generate future economic benefits for the entity and where the cost can be reliably measured. These assets are initially recognised at cost and subsequently carried at cost less accumulated impairment losses and, where the assets have a finite useful life, any accumulated amortisation.

Land lease rights are amortised over the underlying lease period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets

Non-financial assets, other than investment property, that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed. Such impairments and reversals are excluded from the calculation of distributable income.

2.9 Financial instruments

Non-derivative financial instruments recognised on the statement of financial position include cash and cash equivalents, trade and other receivables, non-current assets, interest bearing borrowings and trade and other payables. The group currently has no derivative financial instruments.

(a) Financial assets

(i) Initial recognition

Financial assets are initially measured at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Financial assets are classified into the following specific categories: 'at fair value through profit or loss', 'held to maturity' investments, 'available for sale' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(ii) Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is held for trading or designated as such upon initial recognition.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- Such designation eliminates or substantially reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS39 Financial Instruments: Recognition and Measurement permits the entire combined contract to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Such changes are excluded from the calculation of distributable income.

The financial asset reflected as non-current assets has been designated as at fair value through profit or loss.

(iii) Held-to-maturity investments

Bills of exchange and other assets with fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments.

Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment losses. The Group does not currently have any held-to-maturity assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

(iv) Available for sale financial assets

Gains and losses arising from changes in fair value of available for sale financial assets, other than impairment losses, are recognised directly in equity. Where the investment is disposed of the cumulative gain or loss previously recognised in equity is transferred to profit or loss. Such transfers are excluded from the calculation of distributable income.

The Group does not currently have any available for sale financial assets.

(v) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are measured at amortised cost using the effective interest method, less any impairment.

The Group's financial assets classified as loans and receivables, include trade and other receivables and cash and cash equivalents.

(vi) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the entity to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the asset, the Group recognises its retained interest in the asset and an associated liability for amounts it will have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss where the financial liability is either held for trading or it is designated as at fair value through profit or loss. Such changes in fair value are excluded from the calculation of distributable income.

The Group does not currently have any financial liabilities at fair value through profit or loss.

(ii) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate which exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.10 Trade receivables

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 Group will not be able to collect all amounts due according to the original terms of 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 effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

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 as other income in the statement of comprehensive income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.11 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.13 Trade payables

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

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

2.15 Revenue recognition

Revenue includes rental income from properties.

(a) Rental income

Rental income from operating leases is recognised in income on a straight-line basis over the lease term.

(b) Interest income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding amount and the effective rate over the period to maturity when it is determined that such income will accrue to the Group.

2.16 Operating lease (Group is the lessor)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

When properties are leased out under an operating lease, the properties are included in the statement of financial position as investment properties. Lease income is recognised over the term of the lease on a straight-line basis.

2.17 Interest expense

Where the Group undertakes a major development or refurbishment of its property, interest is capitalised to the cost of the property concerned during the construction period. All other interest expenses for borrowings are recognised within 'finance expense' in the statement of comprehensive income using the effective interest rate method.

2.18 Current and deferred income tax

The tax expense comprises current and deferred income tax and is recognised in the statement of comprehensive income, except where it relates to items recognised directly in other comprehensive income or equity. In those cases the tax is also recognised in other comprehensive income or equity as applicable.

Current tax is determined at current rates on the net income for the year after taking into account income and expenditure which is not subject to tax, assessed or estimated tax losses brought forward from prior years and the tax effect of credits and charges, including depreciation, attributable to periods other than the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for the following temporary differences:

- 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 or taxable profit or loss ;
- Goodwill that arises on initial recognition of a business combination;
- Differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred income tax is determined using the tax rates that have been enacted as at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying value of the combined entity's investment property will generally be realised by capital (the consideration on the sale at the end of use). The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the statement of financial position. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Taxation on items that are not distributable is similarly excluded from the calculation of distributable income.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Distributions

Distributions to linked unitholders are recognised as a liability in the Group's financial statements in the period in which the distributions are approved by the Board.

2.20 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.20 Foreign currency translation (continued)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

2.21 Operating segments

As stated in note 30 no segmental results are reflected. This is consistent with the internal reporting to the Managing Director, the Group's chief operating decision-maker, who reviews the performance of the Group as a single economic entity.

3. ADOPTION OF NEW AND REVISED STANDARDS

(a) Standards and amendments to existing standards and interpretations effective on or after 1 August 2012 and adopted by the Group:

Standard/interpretation	Content	Applicable for financial years beginning on/after
IAS 1	Presentation of items of other comprehensive income	1 July 2012
IAS 12	Deferred tax: recovery of underlying assets	1 January 2012

- Amendment to IAS 1, 'Presentation of items of other comprehensive income'
The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.
- Amendment to IAS 12, 'Deferred tax - recovery of underlying assets'
The Group had early adopted this amendment in a prior period.

(b) New standards, amendments and interpretations issued, but not yet effective

The following new and amended standards and interpretations have been issued and are mandatory for the Group's accounting periods beginning on or after 1 August 2013 or later periods and are expected to be relevant to the Group:

Standard/interpretation	Content	Applicable for financial years beginning on/after
IFRS 9	Financial instruments: Classification and measurement	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 12	Disclosure of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

3. ADOPTION OF NEW AND REVISED STANDARDS (continued)

- IFRS 9, 'Financial instruments' - classification and measurement
IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The standard also results in one impairment method replacing the numerous impairment methods in IAS 39 that arise from the different classification categories. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on 1 August 2015. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.
- IFRS 10, 'Consolidated financial statements'
IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. In addition, the amendment deals with the transitional requirements, clarifying the date of initial application and the need to assess control at this date, which impacts the treatment of comparative figures. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on 1 August 2013.
- IFRS 12, 'Disclosures of interests in other entities'
IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. In addition, the amendment deals with the transitional requirements, clarifying the date of initial application and the need to assess control at this date, which impacts the treatment of comparative figures. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on 1 August 2013.
- IFRS 13 'Fair value measurement'
IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Group is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on 1 August 2013.

The IASB and the IFRIC have published the following standards and interpretations and amendments, which were not yet effective. The standards, amendments and interpretations are not expected to be relevant to the Group's operations:

Standard/ interpretation	Content	Applicable for financial years beginning on/after
IAS 19	Amendments to IAS 19, 'Employee benefits'	1 January 2013
IAS 27	Separate financial statements	1 January 2013
IAS 28	Investments in associates and joint ventures	1 January 2013
IAS 32	Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities	1 January 2014
IFRS 1	Amendment to IFRS 1, 'First time adoption of international financial reporting standards', on government loans	1 January 2013
IFRS 7	Financial Instruments: Disclosures - asset and liability offsetting	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRIC 20	Stripping costs in the production phase of a surface mine	1 January 2013

(c) Early adoption of standards

The Group did not early adopt any new or amended standards in the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences as adjusted for current market conditions and other factors considered to be reasonable under the circumstances.

In arriving at the amounts at which assets and liabilities are measured in the financial statements, the Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Investment property

The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information the Group determines the estimated fair value and has utilised an independent expert in making this assessment.

The valuation basis used is market value, which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In calculating the market value the investment method has been adopted. The key assumptions underlying the investment method are net cash flows and the capitalisation rate used. Net cash flows were based on rentals and relevant expenditure taking cognisance of existing tenancies, operating expense budgets and specific market circumstances relative to these. A 10% change in the net income would have the estimated impact of P106 million for the Group and P101 million for the Company (2012: P96 million for the Group and P67 million for the Company) on the carrying value of the investment property.

The capitalisation rate has been determined based on a relevant long bond yield adjusted for the relevant risks applicable to each property including asset class, sector, location, building, leasehold / freehold and tenancy. The weighted average capitalisation rate is 11,19% (2012: 11,67%) and a 1% upward shift in this rate would have an estimated P87 million for Group and P84 million for company (2012: P76 million for Group and P50 million for Company) downward impact on the aggregate independent valuation of the investment properties, while a 1% downward shift in capitalisation rate would have an estimated P104 million for Group and P100 million for company (2012: 91 million for Group and P60 million for Company) upward impact on the valuations.

As the Independent valuation assumes standard terms and conditions with respect to title, the value of one property has been reduced by the directors to take into account specific contractual arrangements. This adjustment has been calculated by recalculating the property value based on expected cash flows from operations as well a lump sum payment at a future date, all discounted at 16,5% (2012: 16,5%). A 1% downward shift in the discount rate would increase the carrying value by approximately P23 million (2012: P22 million) and a 1% upward shift would decrease the carrying value by approximately P19 million (2012: P18 million), while a 10% change in the lump sum payment would have an estimated P3,6 million (2012: P2,9 million) impact on the carrying value of investment property.

Financial asset

The financial asset arises from the right to receive 63% of the rental income from an investment property in terms of a cession. The asset has been valued by discounting the projected income streams at 16,0% (2012: 16,0%).

A 1% downward shift in the discount rate would increase the carrying value by approximately P1,8 million (2012: P1,8million) and a 1% upward shift would decrease the carrying value by approximately P1,5 million (2012: P1,6 million), while a 10% change in the cash flows would have an estimated P2,0 million (2012: P2,0 million) impact on the carrying value.

Allocation of purchase price between Investment in associate and Intangible asset

During 2012 an agreement conferred rights that led to an Intangible Asset as well as 26% ownership in the Associate. The singular purchase price was allocated based on the underlying values of the two assets calculated by discounting the respective cash flows at a discount rate of 16,5%. A 1% shift in this rate would have resulted in the reallocation of approximately P0,5 million between the individual assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Income taxes

The Group is subject to tax in two jurisdictions, Botswana and Namibia. Certain estimates are required in determining the provision for income taxes and where the final tax is different from the amounts estimated such differences will impact the current and deferred taxation provisions.

The principle assumption that has a material effect on these financial statements is the tax that will be payable on the future disposal of investment properties. The amendment to IAS 12 for investment property was early adopted. The effect of this is that capital gains will be taxed using the applicable capital gains tax rate and calculations, and not the corporate tax rates. For Botswana properties this is based on normal company tax rates being applied to the difference between the selling price and the indexed adjusted cost, while in Namibia it means that no tax is payable. The Group has provided for tax on fair value gains on this basis. In the event that the tax regulations are amended before the disposal of properties, the actual liability that would arise could be very different.

5 INVESTMENT PROPERTY

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
Opening balances	912 323	-	653 101	-
At fair value	927 462	-	665 535	-
Rent straight line adjustment	(15 139)	-	(12 434)	-
Predecessor balances adopted on amalgamation, acquisition and assignment (Note 26)	-	862 670	216 824	615 409
At fair value	-	876 517	219 156	626 201
Rent straight line adjustment	-	(13 847)	(2 332)	(10 792)
Subsequent additions and improvements at cost	572	534	204	474
Fair value adjustment	88 926	51 613	78 554	37 218
At fair value	92 273	52 905	81 625	38 860
Rent straight line adjustment	(3 347)	(1 292)	(3 071)	(1 642)
Effect of translation to presentation currency	(3 781)	(2 494)	-	-
At fair value	(3 866)	(2 494)	81 625	38 860
Rent straight line adjustment	85	-	-	-
Total valuation at end of year				
At fair value	1 016 441	927 462	966 520	665 535
Rent straight line adjustment	(18 401)	(15 139)	(17 837)	(12 434)
Net carrying value at end of year	998 040	912 323	948 683	653 101

The investment property acquired at listing was settled primarily by the issue of linked units to the vendors.

The investment properties were independently valued at an aggregate P1 061 million for Group and P1 011 million for Company as at 31 July 2013 (2012: P960 million for Group and P665 million for Company) by Curtis Matobolo of Knight Frank (Pty) Ltd. He holds recognised relevant professional qualifications, is a members of the Royal Institute of Chartered Surveyors (RICS) and the Real Estate Institute of Botswana and has relevant experience for the investment properties valued.

The properties were valued in accordance with Statement of Asset Valuation Practice and Guidance Notes prepared by the RICS (The Red Book) on an open market basis using an adapted discounted cash flow approach at capitalisation rates ranging from 9.5% to 16.0% (2012: 10.0% to 15.5%) and a weighted average rate of 11.19% (2012: 11.67%), assuming that the properties are not subject to any adverse easements, restrictive covenants or undue provisions that would otherwise depress the values.

The independently determined fair values totalling P1 061 million (2012: P960 million) have been reduced by the directors to account for the impact of the restrictive lease covenants pertaining to one of the Group's properties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
5 INVESTMENT PROPERTY (continued)				
Investment property valued at P82 million (2012: P71 million) is used as security for the bank borrowings referred to in note 13.				
No interest was capitalised to investment property during the year (2012: nil).				
Commitments are set out in note 28.				
Operating income attributable to the investment property amounts to:				
Revenue	126 995	115 229	120 920	86 505
Rent straight line adjustment	(3 347)	(1 292)	(3 071)	(1 642)
Contractual revenue earned from investment property	123 648	113 937	117 849	84 863
Other income	2 046	1 192	6 196	14 957
Net property costs	(18 321)	(14 724)	(17 502)	(10 103)
Recoverable expenses	(9 835)	(9 163)	(9 786)	(6 380)
Operating cost recoveries	8 439	8 048	8 396	6 128
Net recoverable expenses	(1 396)	(1 115)	(1 390)	(252)
Other property expenses	(16 925)	(13 609)	(16 112)	(9 851)
Net rental income excluding rent straight line adjustment	107 373	100 405	106 543	89 717
6 INVESTMENT IN SUBSIDIARIES				
Total investment in shares and loans at cost	-	-	36 650	221 114
Comprising:				
	% holding	Investment in shares P'000	Investment in loans P'000	Total investment P'000
2013				
New African Properties Namibia (Proprietary) Limited	100%	36 650	-	36 650
		36 650	-	36 650
2012				
Riverwalk (Proprietary) Limited	100%	142 343	42 121	184 464
New African Properties Namibia (Proprietary) Limited	100%	36 650	-	36 650
		178 993	42 121	221 114
These investments are carried at cost.				
Directors' valuation			2013 P'000 45 526	2012 P'000 238 817

The directors' valuation is based on the net asset value of the companies, including the carrying value of the respective investment properties determined as detailed in note 5 above.

With effect from 1 August 2012 Riverwalk (Pty) Ltd and New African Properties Ltd were amalgamated (refer note 26). The loan to Riverwalk (Pty) Ltd bore interest at prime lending rate plus 1,0% and had no fixed dates of repayment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

		Group		Company	
	% holdings	2013 P'000	2012 P'000	2013 P'000	2012 P'000
7 INVESTMENT IN ASSOCIATE					
Acquired at cost	26%	4 951	4 951	4 951	4 951
Share of associate's profit for the period		3 045	-	-	-
		<u>7 996</u>	<u>4 951</u>	<u>4 951</u>	<u>4 951</u>
This investment was acquired on 4 June 2012.					
The associate company holds the lease rights to certain plots after the expiry of an existing lease, is not expected to generate cash flows until that time and has earned no revenue since acquisition.					
There have been no impairment indicators since the last impairment test as at 31 July 2012 when it was tested by discounting the projected future income streams at a discount rate of 16.5%. No impairment is considered necessary at this time.					
New African Properties Ltd has an option to increase its holding in the Associate to 80% between 2024 and 2029. Such option is exercisable at open market value.					
8 FINANCIAL ASSET					
Receivable					
Opening balance		19 933	-	19 933	-
Predecessor balances adopted upon amalgamation (note 26)		-	21 632	-	21 632
Fair value adjustment		134	(1 699)	134	(1 699)
Carrying value		<u>20 067</u>	<u>19 933</u>	<u>20 067</u>	<u>19 933</u>
This asset comprises the right to receive 63% of the rental income from an investment property comprising a shopping mall in Gaborone until 2037 in terms of a cession agreement with Mynco (Pty) Ltd and is effectively secured over the underlying asset.					
The asset is carried at fair value as determined by directors based on the estimate future cash flows to the company discounted at 16.0% (2012: 16.0%).					
9 INTANGIBLE ASSET					
Land lease rights					
Opening balance		12 193	-	12 193	-
Recognised during the year		-	12 193	-	12 193
Amortisation		(881)	-	(881)	-
		<u>11 312</u>	<u>12 193</u>	<u>11 312</u>	<u>12 193</u>

The land lease right arises from contractual rights acquired by the Group which allow future cost and operational efficiencies.

There have been no impairment indicators since the last impairment test as at 31 July 2012 when it was tested by discounting the projected future income streams at a discount rate of 16.5%. No impairment is considered necessary at this time.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
10 TRADE AND OTHER RECEIVABLES				
Trade receivables net of impairment	2 688	853	2 599	734
Trade receivables	5 164	1 310	4 820	1 045
Less: impairment	(2 476)	(457)	(2 221)	(311)
Withholding tax certificates not received net of impairment	-	454	-	-
Withholding tax certificates not received	-	799	-	345
Less: impairment	-	(345)	-	(345)
Prepayments	1 980	2 140	1 961	1 986
Related party receivables	91 453	24 902	91 449	24 836
Dividends receivable	-	-	6 387	8 547
Other receivables	1 393	1 131	1 381	1 011
	97 514	29 480	103 777	37 114
The carrying values of receivables approximate their estimated fair values.				
Age analysis of trade receivables past due and not impaired:				
30 days	1 876	657	1 788	545
60 days	812	76	811	70
90 days	-	120	-	119
	2 688	853	2 599	734
Age analysis of impaired trade receivables:				
30 days	225	-	225	-
60 days	203	-	110	-
90 days	944	52	941	36
> 90 days	1 104	405	945	275
	2 476	457	2 221	311
Withholding tax receivables arise where tenants are required to withhold 5% of rental payments to landlords and remit this directly to BURS. The tax deducted is treated as a receipt from the tenant and a tax payment by the landlord which is deducted from tax payable, with any remaining balance being refundable. The company only allocates these amounts to tax receivable / reduction in tax payable when it receives the relevant document from the tenant. Prior to this, the deduction is treated as a trade and other receivable. As a listed company, there is now an exemption from this withholding tax for rentals paid to the listed company directly.				
Age analysis of withholding tax receivables past due and not impaired:				
30 days	-	92	-	-
60 days	-	103	-	-
90 days	-	40	-	-
> 90 days	-	219	-	-
	-	454	-	-
Age analysis of impaired withholding tax receivables:				
30 days	-	-	-	-
60 days	-	-	-	-
90 days	-	-	-	-
> 90 days	-	345	-	345
	-	345	-	345

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

		Group		Company	
		2013 P'000	2012 P'000	2013 P'000	2012 P'000
10	TRADE AND OTHER RECEIVABLES (continued)				
The impaired receivables are mainly 90 days and over and relate to a number of individual tenants in various properties. Movements in accumulated impairment losses are accounted for in the statement of comprehensive income under other property expenses and other income and are summarised as follows:					
Trade receivable impairment (including on WHT receivables):					
Opening balance		802	-	656	-
Predecessor balances adopted upon amalgamation (note 26)		-	662	86	-
Additional impairment during the year		2 204	963	1 943	746
Reversal of previous impairments		(465)	(161)	(420)	(91)
Amounts written off during the year		(44)	(650)	(44)	-
Effect of translation to presentation currency		(21)	(12)	-	-
Balance at end of year		2 476	802	2 221	655
The provision for impairment as a percentage of arrear rentals is reflected in the table below. The impairment provision has been grossed up for the VAT effect that is included in the arrears amount but not the impairment amount.					
Impairment (excluding WHT related)		2 476	457	2 221	311
Add: VAT		297	55	267	37
Impairment including VAT		2 773	512	2 488	348
Trade receivables		5 164	1 310	4 820	1 045
Impairment as a % of trade receivables		54%	39%	52%	33%
Related party receivables comprise:					
Cash Bazaar Holdings (Proprietary) Limited		91 449	24 556	91 449	24 836
Furnmart Limited		4	346	-	-
		91 453	24 902	91 449	24 836
These related party receivables are unsecured, repayable on demand and bear interest at 1,5% below prime lending rate.					
The Board considers that material credit risk exposure has been adequately provided for.					
11	CASH AND CASH EQUIVALENTS				
Fixed deposit	- Bank Gaborone	-	30 512	-	30 512
	- Banc ABC	-	20 627	-	20 627
Current account	- Barclays Bank	(1 672)	7 907	(1 672)	7 907
	- First National Bank	(36)	-	-	-
Call account	- Bank Gaborone	18 886	14 274	18 886	14 274
	- Barclays	3 019	11 231	3 019	9 966
	- Banc ABC	-	602	-	602
	- First National Bank	12 621	3 489	-	-
Total		32 818	88 642	20 233	83 888

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 Units	2012 Units	2013 Units	2012 Units
11 CASH AND CASH EQUIVALENTS (continued)				
The net amount has been reflected as cash and cash equivalents in the statement of financial position in view of the overdrafts being book overdrafts and the sweeping arrangements with the bank results in automatic transfers from the call account as required in the current account.				
12 LINKED UNITS				
Linked units in issue	604 397 124	604 397 124	604 397 124	604 397 124
Each linked unit comprises one ordinary share indivisibly linked to one unsecured variable rate debenture.				
Stated share capital comprises 604 397 124 linked units, each comprising one ordinary share of no par value indivisibly linked to one variable rate unsecured debenture.				
Linked units equivalent to 15% of the number of linked units in issue at any time are under the control of the Directors for allotment and issue for cash or for the acquisition of immovable property until the next annual general meeting, at which meeting the authority will sought to be renewed until the following annual general meeting.				
In terms of the Trust Deed governing the Debentures:				
- The debentures are only redeemable at the instance of the Company, after approval by resolution of the Board, and with the written consent of the creditors of the Company or at the discretion of the Trustee following certain events specified in the Trust Deed. In the event that they are to be redeemed, the amount payable for every debenture shall be the higher of 99/100 of the three month average weighted traded price of a linked unit on the BSE or the issue price of P1.98.				
- The interest payable on debentures shall be determined by and in the sole discretion of the Company's Directors. Notwithstanding this, the Company is obliged to distribute at least 80% of monies available after the payment of approved capital expenditure, repayment of capital and interest due on third party debt, provision for replacement repair and refurbishment of assets and operating costs, as interest on the debentures.				
	P'000	P'000	P'000	P'000
13 BORROWINGS				
Bank Gaborone Limited, comprising:				
Non-current portion	32 576	34 498	32 576	34 498
Current portion	1 891	1 624	1 891	1 624
	<u>34 467</u>	<u>36 122</u>	<u>34 467</u>	<u>36 122</u>

This loan is secured by a mortgage bond for P40 million registered over Tribal Lot 39, Molepolole in the Bakwena Tribal Territory, which is classified as investment property in note 5 and valued at P82 million at the date of this report (2012: P71 million).

The loan is repayable in monthly instalments, currently amounting to P395 642, until November 2024 and incurs interest at 1.5% below prime lending rate. The capital portion repayable over the next 12 months has been reflected as a current liability.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
13 BORROWINGS (continued)				
The fair value of borrowings approximates the carrying value at the reporting date.				
The Group is exposed to floating interest rates on this liability.				
The interest on this facility for the next 12 months at the current rate amounts to	2 857	3 362	2 857	3 362
A 1% increase in the prime lending rate would have the impact of increasing this by	341	359	341	359
The Group has no other debt facilities in place at this time.				
The company's borrowing capacity is limited to 70% of the value of the assets of the Company or such other sum as the Company may, by ordinary resolution, in general meeting determine. Directors are authorised to secure the repayment of or raise any such sum by mortgage or charge upon the whole or any part of the property and assets of the Company.				
14 DEFERRED TAX LIABILITY				
Fair value gains on investment property (after indexed cost adjustment)	55 571	47 036	55 571	37 352
Building allowances claimed	23 734	21 628	20 339	10 332
Rent straight line adjustment	4 117	3 360	3 924	2 735
Prepaid expenses/ income received in advance	(132)	7	-	-
Impairment of receivables	(65)	(58)	-	-
Tax loss utilised	(6 582)	(4 666)	(6 582)	(4 666)
Total deferred tax liability	76 643	67 307	73 252	45 753
And the movement for the year comprises:				
Opening balances	67 307	-	45 753	-
Predecessor balances adopted upon amalgamation (note 26)	-	70 772	17 989	47 652
Current year charge	9 627	(3 237)	9 510	(1 899)
Effect of translation to presentation currency	(291)	(228)	-	-
Balance at end of year	76 643	67 307	73 252	45 753
Estimated tax losses of P29,9 million for Group and P29,9 million for Company (2012: P21,2 million for Group and P21,2 million for Company) have been utilised to reduce deferred tax liabilities. There are no other tax losses in the Group.				
15 TRADE AND OTHER PAYABLES				
Tenant deposits	4 556	4 587	4 378	3 609
Trade payables	3 133	2 241	2 297	1 846
Rent received in advance	3 130	2 483	2 901	1 767
Accruals and provisions	3 558	2 784	2 662	1 334
Related party payable	5 564	-	-	-
	19 941	12 095	12 238	8 556

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
16 REVENUE				
Rent received excluding turnover rentals				
- Contractual	122 279	111 987	116 550	83 515
- Rent straight line adjustment	3 347	1 292	3 071	1 642
	<u>125 626</u>	<u>113 279</u>	<u>119 621</u>	<u>85 157</u>
Turnover rental	1 369	1 950	1 299	1 348
	<u>126 995</u>	<u>115 229</u>	<u>120 920</u>	<u>86 505</u>
The future minimum contractual rentals receivable under non-cancellable operating leases are as follows:				
Within next year	119 902	104 593	113 389	77 872
Between 1 and 5 years	293 544	195 900	272 095	122 134
Later than 5 years	32 790	15 245	32 790	15 245
	<u>446 236</u>	<u>315 738</u>	<u>418 274</u>	<u>215 251</u>
Of this P18,4 million for Group and P17,8 million for Company (2012: P15,1 million for Group and P12,4 million for Company) has been recognised as a receivable in view of the adjustment to straight line rentals over the period of leases.				
17 OTHER INCOME				
Dividends from subsidiary companies	-	-	4266	14 766
Promotion and advertising income	590	348	590	19
Tenant contribution to marketing	404	354	404	-
Gift voucher sales	247	227	247	-
Bad debts recovered	465	161	420	91
Sundry income	340	102	269	81
	<u>2 046</u>	<u>1 192</u>	<u>6 196</u>	<u>14 957</u>
18 NET PROPERTY COSTS				
Recoverable costs:				
Cleaning & refuse	(3 772)	(3 645)	(3 737)	(2 273)
Security	(2 419)	(2 269)	(2 419)	(1 814)
Utilities	(3 644)	(3 249)	(3 630)	(2 293)
Recoverable expenses	<u>(9 835)</u>	<u>(9 163)</u>	<u>(9 786)</u>	<u>(6 380)</u>
Operating cost recoveries	8 439	8 048	8 396	6 128
Balance of recoverable cost	<u>(1 396)</u>	<u>(1 115)</u>	<u>(1 390)</u>	<u>(252)</u>
Other property costs:				
Impairment of trade receivables	(2 204)	(963)	(1 943)	(746)
Letting commission	(1 508)	(1 109)	(1 508)	(733)
Property management fee	(6 311)	(5 693)	(6 311)	(4 407)
Rates	(1 057)	(1 081)	(881)	(644)
Repairs and maintenance	(3 298)	(2 584)	(2 930)	(1 938)
Other property expenses	(2 547)	(2 179)	(2 539)	(1 383)
Total property costs	<u>(18 321)</u>	<u>(14 724)</u>	<u>(17 502)</u>	<u>(10 103)</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
19 OTHER EXPENSES				
Asset management fee	(6 764)	(6 898)	(6 764)	(5 660)
Fees paid to auditors	(498)	(375)	(478)	(359)
Audit fee current year	(380)	(345)	(380)	(345)
Audit fee prior year	(98)	(14)	(98)	(14)
Other services	(20)	(16)	-	-
Directors' fees	(82)	(40)	(82)	(40)
Other portfolio expenses	(1 435)	(372)	(1 388)	(372)
	<u>(8 779)</u>	<u>(7 685)</u>	<u>(8 712)</u>	<u>(6 431)</u>
20 FINANCE INCOME				
Banks	2 234	3 721	1 822	3 473
Tenants	799	535	729	328
Related party	6 148	2 849	6 148	7 140
	<u>9 181</u>	<u>7 105</u>	<u>8 699</u>	<u>10 941</u>
21 FINANCE EXPENSE				
Related party	-	(974)	-	-
Bank borrowings	(3 305)	(3 519)	(3 305)	(3 517)
	<u>(3 305)</u>	<u>(4 493)</u>	<u>(3 305)</u>	<u>(3 517)</u>
22 TAXATION				
Botswana current taxation				
Current year	(640)	(3 806)	(640)	(1 356)
Namibian current taxation				
Current year	(1 783)	(1 447)	-	-
Prior year underprovision	(73)	-	-	-
Total current taxation	<u>(2 496)</u>	<u>(5 253)</u>	<u>(640)</u>	<u>(1 356)</u>
Botswana deferred taxation				
Current year	(9 506)	3 229	(9 506)	1 899
Prior year underprovision	(4)	-	(4)	-
Namibia deferred taxation				
Current year	(194)	8	-	-
Prior year underprovision	77	-	-	-
Total deferred taxation	<u>(9 627)</u>	<u>3 237</u>	<u>(9 510)</u>	<u>1 899</u>
Total taxation	<u>(12 123)</u>	<u>(2 016)</u>	<u>(10 150)</u>	<u>544</u>
Attributable to:				
Distributable income	(2 820)	(6 130)	(937)	(1 469)
Fair value adjustments	(8 533)	1 164	(8 537)	(981)
Other capital deductions	-	3 355	-	3 355
Rental straight line adjustments	(770)	(405)	(676)	(361)
	<u>(12 123)</u>	<u>(2 016)</u>	<u>(10 150)</u>	<u>544</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013	2012	2013	2012
22 TAXATION (continued)				
Reconciliation of the effective and statutory tax rate:				
Effective tax rate	6.2%	1.4%	5.5%	(0.4%)
Adjusted for:				
Fair value adjustments - net difference	6.1%	8.7%	4.6%	5.3%
Dividend income	-	-	0.5%	2.5%
Tax on dividends	(0.3%)	(0.9%)	(0.3%)	(1.1%)
Capital expenditure allowed	-	2.3%	-	2.6%
Interest on debentures allowed for tax purposes	11.0%	11.3%	11.7%	13.0%
Effect of difference in country tax rates	(1.0%)	(0.8%)	-	-
Statutory tax rate in Botswana	22.0%	22.0%	22.0%	22.0%
23 BASIC AND DILUTED EARNINGS PER UNIT ATTRIBUTABLE TO LINKED UNITHOLDERS				
The basic earnings per share is calculated by dividing the net profit by the weighted number of linked units in issue during the year.				
Profit for the year attributable to linked unitholders (P'000)	186 918	144 522	173 952	128 415
Weighted average number of linked units	604 397 124	604 397 124	604 397 124	604 397 124
Earnings per linked unit in thebe	30.93	23.91	28.78	21.25
The units allocated and issued for the properties, amalgamations and receivable were issued with an effective date of 1 August 2011, with all income on the assets accruing to the Company with effect from this date. The 1 August 2011 has accordingly been used for the purposes of calculating the weighted average number of units in issue for the prior year.				
There are no dilutive ordinary shares and the diluted earnings per linked unit are therefore the same as the earnings per linked units.				
	2013 P'000	2012 P'000	2013 thebe per linked unit	2012 thebe per linked unit
24 DISTRIBUTIONS PAID TO LINKED UNITHOLDERS				
Distributions per linked unit are based on the linked units in issue on the respective declaration date.				
Group and Company				
Number 3 - declared 9 April 2013, paid 28 May 2013 (2012: Number 1 - declared 25 April 2012, paid 1 June 2012)				
Interest	48 412	37 110	8.01	6.14
Dividends	2 115	6 588	0.35	1.09
Flowing from Botswana subsidiary	-	4 956	-	0.82
Flowing from Namibian subsidiary	2 115	1 632	0.35	0.27
	50 527	43 698	8.36	7.23
Number 4 - declared 26 July 2013, paid 13 September 2013 (2012: Number 2 - declared 19 July 2012, paid 7 September 2012)				
Interest	49 198	38 319	8.14	6.34
Dividends	1 511	6 769	0.25	1.12
Flowing from Botswana subsidiary	-	5 621	-	0.93
Flowing from Namibian subsidiary	1 511	1 148	0.25	0.19
	50 709	45 088	8.39	7.46

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

24 DISTRIBUTIONS PAID TO LINKED UNITHOLDERS (continued)

Total distribution declared

Amounts unpaid at beginning of year

Amounts unpaid at end of year

Distributions paid to linked unitholders

2013 P'000	2012 P'000	2013 thebe per linked unit	2012 thebe per linked unit
101 236	88 786	16.75	14.69
45 088	-	7.46	-
(50 709)	(45 088)	(8.39)	(7.46)
95 615	43 698	15.82	7.23

25 TAXATION PAID

Receivable at beginning of year

Predecessor balances adopted upon amalgamation (note 26)

Charged during the year

Receivable at year end

Group		Company	
2013 P'000	2012 P'000	2013 P'000	2012 P'000
3 245	-	2 244	-
-	840	766	1 052
(2 496)	(5 253)	(640)	(1 356)
(3 042)	(3 245)	(2 665)	(2 244)
(2 293)	(7 657)	(295)	(2 548)

26 COMMON CONTROL TRANSACTIONS

On 1 August 2012, the company and wholly owned subsidiary, Riverwalk, amalgamated in accordance with the provisions of section 225 of the Companies Act (42 : 01), and no consideration was paid or units issued in settlement of this transaction.

Pursuant to various agreements as set out in the Company's prospectus dated 15 August 2012, the company's linked units were exchanged for a portfolio of properties and the related assets and liabilities by way of amalgamations, acquisitions, assignment and a cession. These 529 397 124 linked units were issued in consideration for the following assets and liabilities and accounted for as detailed in note 2.3 prospectively. The individual transactions are more fully described in the prospectus dated 15 August 2011.

The assets and liabilities adopted upon amalgamation comprise:

Investment property	-	862 670	216 824	615 409
Rent straight line adjustment	-	13 847	2 332	10 792
Investment in subsidiaries	-	-	-	178 993
Investment in associate	-	-	4 951	-
Financial asset	-	21 632	-	21 632
Trade and other receivables	-	16 057	765	5 288
Gross receivable	-	16 719	851	5 288
Impairment provisions	-	(662)	(86)	-
Tax receivable	-	1 399	766	1 315
Cash and cash equivalents	-	23 582	1 265	2 638
Borrowings	-	(93 360)	(42 121)	(42 873)
Deferred tax liability	-	(70 772)	(17 989)	(47 652)
Trade and other payables	-	(37 422)	(8 160)	(8 205)
Tax payable	-	(559)	-	(263)
Value of asset acquired through amalgamation	-	737 074	158 633	737 074
Less: Company's investment in subsidiary & associate	-	-	(147 294)	-
Transferred to equity	-	-	11 339	-
Value of linked units issued	-	-	(11 339)	-
	-	737 074	-	737 074

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 Units	2012 Units	2013 Units	2012 Units
26 COMMON CONTROL TRANSACTIONS (continued)				
The following is a summary of the various transactions that gave rise to the above:				
Linked units issued to:				
Cash Bazaar Holdings in respect of short form amalgamations	-	74 043 355	-	74 043 355
Cash Bazaar Holdings and minorities in respect of long form amalgamations	-	171 787 544	-	171 787 544
Cash Bazaar Holdings for properties in terms of the acquisition agreements	-	118 007 525	-	118 007 525
Furnmart for properties in terms of the acquisition agreements	-	2 777 927	-	2 777 927
Cash Bazaar Holdings for the shares in terms of the Share Purchase agreements	-	136 764 578	-	136 764 578
Mynco for the Assignment and Receivable	-	26 016 195	-	26 016 195
Total linked units in exchange for above assets and liabilities	-	529 397 124	-	529 397 124
Other linked units issued:				
Placees who subscribed to the Private Placing	-	65 000 000	-	65 000 000
Members of the public who subscribed to the Public Offer	-	10 000 000	-	10 000 000
Total linked units in issue at end of year	-	604 397 124	-	604 397 124
	P'000	P'000	P'000	P'000
Cash payments were also made in part settlement of the above borrowings	-	(50 487)	-	(50 487)
Subsidiaries borrowings in above	-	-	-	50 487
Loan to subsidiary	-	-	-	(42 121)
Less: cash received as part of transactions	-	23 582	1 265	2 638
Net cash paid for investment in subsidiary, acquisitions and amalgamations	-	(26 905)	1 265	(39 483)

27 RELATED PARTY TRANSACTIONS

The Group's holding company is Cash Bazaar Holdings (Proprietary) Limited. Other related parties with whom transactions have occurred, and their relationships with the Group, are:

Cash Bazaar (Proprietary) Limited
Furnmart Limited
Hunters Africa (Proprietary) Limited
Nafprop (Proprietary) Limited
Directors
Linked unitholders
Riverwalk (Proprietary) Limited

New African Properties Namibia (Proprietary) Limited
Mynco (Proprietary) Limited

Fellow subsidiary, related through common ownership
Fellow subsidiary, related through common ownership
Fellow subsidiary, related through common ownership
Fellow subsidiary, related through common ownership
Company officers
Linked unitholders
Subsidiary company, amalgamated with holding company on 1 August 2012
Subsidiary company
Related through common ownership

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

		Group		Company	
		2013 P'000	2012 P'000	2013 P'000	2012 P'000
27 RELATED PARTY TRANSACTIONS (continued)					
The following related party transactions took place during the year:					
Nature of transaction and party	Terms				
Rental (contractual)		27 085	25 313	25 342	22 915
Cash Bazaar (Proprietary) Limited	Lease	9 717	8 765	9 717	7 883
Furnmart Limited	Lease	15 149	14 514	13 406	12 998
Hunters Africa (Proprietary) Limited	Lease	258	237	258	237
Mynco (Proprietary) Limited	Cession	1 961	1 797	1 961	1 797
Interest received		6 148	2 849	6 148	7 140
Cash Bazaar Holdings (Proprietary) Limited	Linked to prime	6 148	2 849	6 148	1 630
Riverwalk (Proprietary) Limited		-	-	-	5 510
Asset management fee - Nafprop (Proprietary) Limited Contract		(6 764)	(6 898)	(6 764)	(5 660)
Property management fee - Nafprop (Proprietary) Limited	Contract	(6 311)	(5 693)	(6 311)	(4 407)
Leasing fees - Nafprop (Proprietary) Limited	Contract	(1 508)	(1 109)	(1 508)	(733)
Directors fees to independent directors	Board approved	(82)	(40)	(82)	(40)
Interest paid - Nafprop (Proprietary) Limited	Linked to prime	-	(974)	-	-
Initial charges - Cash Bazaar Holdings (Proprietary) Limited	Prospectus	-	(15 100)	-	(15 100)
Distributions - Linked unitholders	Board approved	(101 236)	(88 786)	(101 236)	(88 786)
Dividends received / (paid)		-	-	4 266	14 766
Riverwalk (Proprietary) Limited	Board approved	-	-	-	11 458
New African Properties Namibia (Proprietary) Limited	Board approved	-	-	4 266	3 308
And the following balances exist at the balance sheet date:					
Nature of transaction and party					
Investment in subsidiary companies - loan accounts					
Riverwalk (Proprietary) Limited	6	-	-	-	42 121
Related party receivables	10	94 154	24 902	91 449	24 836
Cash Bazaar Holdings (Proprietary) Limited		91 449	24 556	91 449	24 836
Furnmart Limited		5	346	-	-
Dividends receivable	10	-	-	6 387	8 547
Riverwalk (Proprietary) Limited		-	-	-	5 608
New African Properties Namibia (Proprietary) Limited		-	-	6 387	2 939

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

		Group		Company	
	Notes	2013 P'000	2012 P'000	2013 P'000	2012 P'000
27 RELATED PARTY TRANSACTIONS (continued)					
Trade receivables	10	946	177	946	173
Cash Bazaar (Proprietary) Limited		563	47	563	43
Furnmart Limited		7	130	7	130
Mynco (Proprietary) Limited		376	-	376	-
Trade payables	15	(64)	(168)	(64)	(128)
Nafprop (Proprietary) Limited		-	(87)	-	(87)
Cash Bazaar Holdings (Proprietary) Limited		-	(81)	-	(41)
Cash Bazaar (Proprietary) Limited		(29)	-	(29)	-
Furnmart Limited		(35)	-	(35)	-
Distribution payable - Linked unitholders		(50 709)	(45 088)	(50 709)	(45 088)

28 CONTINGENCIES AND COMMITMENTS

There are no material contingent liabilities or commitments at the date of the statement of financial position.

29 SUBSEQUENT EVENTS

There are no material subsequent events occurring between the year end and the date of these financial statements.

30 SEGMENT RESULTS

No segmental results are reflected as the Group's business activities are concentrated in the retail property segment, primarily carried out within Botswana and the Board considers results on an aggregate basis. The Management report elsewhere in this document reflects the geographic and sectoral allocation of the portfolio which supports the immaterial nature of the other segments.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

In the normal course of operations the Group is exposed to strategic and business risk, financial risk, regulatory and compliance risk. This note deals with the major elements of financial risk which arise from financial instruments to which the Group is exposed during or at the end of the financial reporting period. Financial risk comprises market risk (incorporating interest, currency and other price risk), credit risk and liquidity risk. The primary objectives of risk management are to gain an understanding of the risk the Group is exposed to, establish acceptable tolerance levels and manage the risks to ensure they stay within the tolerable levels.



Kagiso Shopping Centre, Gaborone

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

31.1 Financial Risks

Market risk

This is the risk that the fair value or future cash flows will fluctuate because of changes in market prices. The Group's market risk arises primarily from interest bearing assets and liabilities and foreign exchange movements with respect to the Namibian subsidiary company.

All sensitivities in these financial statements are based on the change of one factor with all others remaining constant which is unlikely to occur in practice.

(a) Interest rate

In view of the Group's limited interest-bearing assets and liabilities, the operating cash flows are substantially independent of changes in market interest rates.

The Board considers that the current debt level is sufficiently low to allow all debt to be at floating rates and that this would be reconsidered when the external borrowings exceed 10% of the value of investment property. The impact, on Group and Company, of a 1% increase in the interest rate applicable to external borrowings would have the impact of increasing interest for the next 12 months by P0,3 million (2012: P0,4 million).

Assets on which interest is earned include trade receivables, related party receivables and cash and cash equivalents. The balance of trade receivables is low and the impact of interest rate changes on these amounts is negligible. The balances on related party receivables and cash and cash equivalents at the year end and the impact of a 1% change in interest rate on these balances is set out below:

	Group		Company		Impact of 1% change			
	2013 P'000	2012 P'000	2013 P'000	2012 P'000	2013 P'000	2012 P'000	2013 P'000	2012 P'000
Related party receivables (excluding loan to subsidiary)	91 453	24 902	91 449	24 836	914	249	914	248
Cash and cash equivalents	32 818	88 642	20 233	83 888	328	886	202	839
From a Group point of view a change in interest rate on the loan to subsidiary will have no impact but from a company perspective the impact is:								
Loan to subsidiary	-	-	-	42 121	-	-	-	421

The Group currently has no exposure to fixed rate financial instruments and therefore has no significant exposure to fair value interest rate risk.

(b) Foreign exchange risk

The Group owns a Namibian subsidiary company which holds investment property in Namibia and is accordingly exposed to foreign exchange risk in respect of financial assets and liabilities that are not in the Group's functional currency which is the Botswana Pula. The relevant exchange rate is the South African Rand and Botswana Pula rate in view of the Namibian Dollar being linked to the Rand. In view of the size of these assets relative to the overall portfolio the Board does not consider it necessary to enter into foreign exchange hedges.

The net assets subject to foreign exchange risk, converted at a rate of 1.1569 (2012: 1.0639) Rand to the Pula, at the reporting date comprise:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company		Impact of a 10% increase		Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000	2013 P'000	2012 P'000	2013 P'000	2012 P'000	2013 P'000	2012 P'000
31.1 Financial Risks (continued)										
Investment property	49 356	42 397	-	-	(4 487)	(3 854)	-	-	-	-
Cash and cash equivalents	12 585	3 489	-	-	(1 144)	(317)	-	-	-	-
All other receivable	1 065	755	-	-	(97)	(69)	-	-	-	-
Trade and other payables	(14 090)	(3 924)	-	-	1 281	357	-	-	-	-
Deferred taxation	(3 391)	(3 565)	-	-	308	324	-	-	-	-
	<u>45 525</u>	<u>39 152</u>	<u>-</u>	<u>-</u>	<u>(4 139)</u>	<u>(3 559)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciled to Investment in subsidiary:										
Net assets per above	45 525	39 152								
Less: post acquisition reserves	(14 687)	(4 768)								
Add: cumulative foreign exchange translation difference	5 812	2 266								
	<u>36 650</u>	<u>36 650</u>								

(c) Price risk

The group's exposure to price risk is primarily related to non-financial assets, namely its investment in investment property. Refer to note 4 in this regard.

Credit risk

Credit risk is the risk that a counterparty may cause financial loss to the Group by failing to discharge an obligation. The Group's financial assets that are subject to credit risk are primarily cash and cash equivalents and trade and other receivables. The Group's maximum exposure to credit risk at the year end was:

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
Trade and other receivables	97 514	29 480	103 777	37 114
Cash and cash equivalents	32 818	88 642	20 233	83 888
	<u>130 332</u>	<u>118 122</u>	<u>124 010</u>	<u>121 002</u>
Trade and other receivables includes primarily related party receivables and compromises:				
Related party receivables	91 453	24 902	91 449	24 836
Prepayments	1 980	2 140	1 961	1 986
Dividends receivable	-	-	6 387	8 547
Trade receivables net of impairment	2 688	853	2 599	734
Withholding tax certificates not received net of impairment	-	454	-	-
Other receivables	1 393	1 131	1 381	1 011
	<u>97 514</u>	<u>29 480</u>	<u>103 777</u>	<u>37 114</u>

Related party receivables are payable on demand by the Group's holding company and fellow subsidiary.

Credit risk with respect to trade receivables is minimised by the diverse tenant base. Credit checks are performed prior to concluding leases and arrear rentals are actively managed.

A detailed analysis of these receivables is set out in note 10.

Credit risk attached to the Group's cash and cash equivalents is minimised by only investing cash resources with reputable financial institutions. The balances at the various institutions is detailed in note 11.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

31.1 Financial Risks (continued)

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations as they become due in the ordinary course of business at a reasonable cost. The Group's liquidity risk is managed by the Group's asset managers on a daily basis with formal cash flow reporting to the Board at each meeting.

The maturity profile of financial instruments is set out in the table below based on the earliest likely settlement:

	Less than 3 months P'000	Between 3 months and 1 year P'000	Between 1 and 5 years P'000	After 5 years P'000	Total P'000
Group					
2013					
Assets					
Financial asset - Receivable ¹	504	1 533	9 724	121 679	133 440
Trade and other receivables ²	4 081	91 453	-	-	95 534
Cash and cash equivalents	32 818	-	-	-	32 818
Liabilities					
Borrowings ³	458	1 433	9 387	23 189	34 467
Interest on borrowings ³	729	2 128	9 603	6 879	19 339
Trade and other payables ²	16 811	-	-	-	16 811
Distributions payable	50 709	-	-	-	50 709
2012					
Assets					
Financial asset - Receivable ¹	490	1 471	9 542	131 834	143 337
Trade and other receivables ²	2 438	24 902	-	-	27 340
Cash and cash equivalents	88 642	-	-	-	88 642
Liabilities					
Borrowings ³	392	1 232	8 276	26 222	36 122
Interest on borrowings ³	855	2 507	11 668	10 260	25 290
Trade and other payables ²	9 612	-	-	-	9 612
Distributions payable	45 088	-	-	-	45 088
Company					
2013					
Assets					
Financial asset - Receivable ¹	504	1 533	9 724	121 679	133 440
Trade and other receivables ²	10 367	91 449	-	-	101 816
Cash and cash equivalents	20 233	-	-	-	20 233
Liabilities					
Borrowings ³	458	1 433	9 387	23 189	34 467
Interest on borrowings ³	729	2 128	9 603	6 879	19 339
Trade and other payables ²	9 336	-	-	-	9 336
Distributions payable	50 709	-	-	-	50 709

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

31.1 Financial Risks (continued)

Liquidity risk (continued)

	Less than 3 months P'000	Between 3 months and 1 year P'000	Between 1 and 5 years P'000	After 5 years P'000	Total P'000
Company					
2012					
Assets					
Financial asset - Receivable ¹	490	1 471	9 542	131 834	143 337
Trade and other receivables ²	10 292	24 836	-	-	35 128
Cash and cash equivalents	83 888	-	-	-	83 888
Liabilities					
Borrowings ³	392	1 232	8 276	26 222	36 122
Interest on borrowings ³	855	2 507	11 668	10 260	25 290
Trade and other payables ²	6 789	-	-	-	6 789
Distributions payable	45 088	-	-	-	45 088

¹ based on expected cash flows and not carrying value

² excludes prepayments and income received in advance which will not impact future cash flows

³ based on expected cash flows which are split between capital and interest

31.2 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for linked unitholders and benefits for other stakeholders while maintaining an optimal capital structure which reduces the cost of capital.

The capital structure of the Group comprises linked units, being an ordinary share linked to a debenture, external long term borrowings, related party receivables and cash and cash equivalents as set out in notes 12, 13, 10 and 11 respectively.

The company is a variable loan stock company and as such its distributions are governed by the Trust Deed, details of which are set out in note 12. Loan stock companies are typically funded through a combination of linked units and long term debt.

The Group has a business planning cycle that runs on an annual basis with updates as appropriate. The planning process identifies the funding opportunities available to the Group and the expected cost of each as part of this process. Any specific transaction is also considered together with the relative funding considerations. The Group monitors capital on the basis of the gearing ratio, both in absolute terms and based on net debt, at a Group level. This ratio is calculated as the debt or net debt over the total investment property value. Net debt is calculated as total borrowings less cash and cash equivalents as well as related party receivables from the Group's holding company, and the total property value is the investment property at fair value plus any assets designated as Property, Plant & Equipment or Held for sale.

The group's borrowings are currently low and the Board anticipates increasing this when suitable investment opportunities arise.

The gearing ratios as at the year end were as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

	Group		Company	
	2013 P'000	2012 P'000	2013 P'000	2012 P'000
31.2 Capital risk management (continued)				
Net debt	(89 804)	(77 422)		
Borrowings	34 467	36 122		
Cash and cash equivalents	(32 818)	(88 642)		
Related party receivables	(91 453)	(24 902)		
Investment property at fair value	1 016 441	966 521		
Gearing ratios:				
Debt to property value	3%	4%		
Net debt to property value	n/a	n/a		
The company's borrowing capacity is limited to 70% of the value of the assets of the Company, or such other sum as the Company may by ordinary resolution in general meeting determine, in terms its Constitution.				
At the year end the company's gearing ratio on this basis was:				
Borrowings			34 467	36 122
Total assets			1 189 190	1 166 175
Gearing ratio			3%	3%

31.3 Categories of financial instruments

	At fair value through profit & loss P'000	Loans & receivables P'000	Financial liabilities at amortised cost P'000	Non- financial assets & liabilities P'000	Total P'000
Group					
2013					
Assets					
Investment property	-	-	-	998 040	998 040
Investment in associate	-	-	-	7 996	7 996
Financial asset	20 067	-	-	-	20 067
Intangible asset	-	-	-	11 312	11 312
Rent straight line adjustment	-	-	-	18 401	18 401
Trade and other receivables	-	97 514	-	-	97 514
Tax receivable	-	-	-	3 042	3 042
Cash and cash equivalents	-	32 818	-	-	32 818
Total assets	20 067	130 332	-	1 038 791	1 189 190
Liabilities					
Borrowings	-	-	34 467	-	34 467
Deferred tax liability	-	-	-	76 643	76 643
Trade and other payables	-	-	19 941	-	19 941
Distributions payable	-	-	50 709	-	50 709
Total liabilities	-	-	105 117	76 643	181 760

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

31.3 Categories of financial instruments (continued)

	At fair value through profit & loss P'000	Loans & receivables P'000	Financial liabilities at amortised cost P'000	Non- financial assets & liabilities P'000	Total P'000
Group					
2012					
Assets					
Investment property	-	-	-	912 323	912 323
Investment in associate	-	-	-	4 951	4 951
Financial asset	19 933	-	-	-	19 933
Intangible asset	-	-	-	12 193	12 193
Rent straight line adjustment	-	-	-	15 139	15 139
Trade and other receivables	-	29 480	-	-	29 480
Tax receivable	-	-	-	3 245	3 245
Cash and cash equivalents	-	88 642	-	-	88 642
Total assets	19 933	118 122	-	947 851	1 085 906
Liabilities					
Borrowings	-	-	36 122	-	36 122
Deferred tax liability	-	-	-	67 307	67 307
Trade and other payables	-	-	12 095	-	12 095
Distributions payable	-	-	45 088	-	45 088
Total liabilities	-	-	93 305	67 307	160 612

Company

2013

Assets

Investment property	-	-	-	948 683	948 683
Investment in subsidiaries	-	-	-	36 650	36 650
Investment in associate	-	-	-	4 951	4 951
Financial asset	20 067	-	-	-	20 067
Intangible asset	-	-	-	11 312	11 312
Rent straight line adjustment	-	-	-	17 837	17 837
Trade and other receivables	-	103 777	-	-	103 777
Tax receivable	-	-	-	2 665	2 665
Cash and cash equivalents	-	20 233	-	-	20 233
Total assets	20 067	124 010	-	1 022 098	1 166 175

Liabilities

Borrowings	-	-	34 467	-	34 467
Deferred tax liability	-	-	-	73 252	73 252
Trade and other payables	-	-	12 238	-	12 238
Distributions payable	-	-	50 709	-	50 709
Total liabilities	-	-	97 414	73 252	170 666

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2013

31.3 Categories of financial instruments (continued)

	At fair value through profit & loss P'000	Loans & receivables P'000	Financial liabilities at amortised cost P'000	Non- financial assets & liabilities P'000	Total P'000
Company					
2012					
Assets					
Investment property	-	-	-	653 101	653 101
Investment in subsidiaries	-	-	-	221 114	221 114
Investment in associate	-	-	-	4 951	4 951
Financial asset	19 933	-	-	-	19 933
Intangible asset	-	-	-	12 193	12 193
Rent straight line adjustment	-	-	-	12 434	12 434
Trade and other receivables	-	37 114	-	-	37 114
Tax receivable	-	-	-	2 244	2 244
Cash and cash equivalents	-	83 888	-	-	83 888
Total assets	19 933	121 002	-	906 037	1 046 972
Liabilities					
Borrowings	-	-	36 122	-	36 122
Deferred tax liability	-	-	-	45 753	45 753
Trade and other payables	-	-	8 556	-	8 556
Distributions payable	-	-	45 088	-	45 088
Total liabilities	-	-	89 766	45 753	135 519

31.4 Fair value hierarchy

This analysis categorises the financial instruments carried at fair value into different levels based on the level of subjectivity applied in determining the inputs used in the determination of fair value. This assessment is determined based on the lowest level of input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input into the fair value measurement in its entirety requires judgement, considering the factors specific to the asset or liability. If a fair value uses observable inputs that require significant adjustment based on unobservable inputs or any other significant unobservable inputs, that measurement is a Level 3 measurement.

The fair value hierarchy is measured as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 : inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs for the asset or liability that are not based on observable market data, that is unobservable inputs.

The Group's financial assets and liabilities carried at fair value as at the year end were classified as follows:

	Group			Company		
	Level 1 P'000	Level 2 P'000	Level 3 P'000	Level 1 P'000	Level 2 P'000	Level 3 P'000
2013						
Financial asset	-	-	20 067	-	-	20 067
Cash and cash equivalents	32 818	-	-	20 233	-	-
2012						
Financial asset	-	-	19 933	-	-	19 933
Cash and cash equivalents	88 642	-	-	83 888	-	-

The carrying value of trade and other receivables and payables, net of impairment provisions, approximates their respective fair values. The fair value of financial liabilities is similarly estimated to approximate carrying value in view of it bearing interest at a market related variable rate.

TERMS AND DEFINITIONS

Amalgamations, acquisitions, assignment, purchase and receivable

The method of acquisition of the portfolio and related assets on listing, which included the short and long form amalgamation of companies, acquisition of properties, purchase of shares, assignment of rights and obligations and cession of the right to receive the income, all with effect from the effective date of 1 August 2011, and subsequently the amalgamation of wholly owned subsidiary Riverwalk (Proprietary) Limited and NAP on 1 August 2012.

BSE

The Botswana Stock Exchange as established by the Botswana Stock Exchange Act Cap 56:08.

BURS

Botswana Unified Revenue Service

Capitalisation (cap) rates

The rate at which the annual net income from an investment is capitalised to ascertain its capital value at a given date.

CBH

Cash Bazaar Holdings (Proprietary) Limited, the Group's holding company, and a company registered in the Republic of Botswana.

Company, Holding Company or NAP

New African Properties Limited.

CSDB

Central Securities Depository Company of Botswana Limited.

Debentures

Variable rate unsecured debentures in the debenture capital of the Company, each of which is indivisibly linked to an ordinary share, together making up a Linked Unit.

Discount / Premium to NAV

The difference between the price at which units are trading on the BSE and the NAV, divided by the NAV.

Distributable income

Net income from rentals, after portfolio expenses and net interest, but excluding items of a capital nature (being primarily fair value adjustments and gains / losses on disposal), other accounting entries such as rent straight line adjustments, and taxes on those excluded amounts.

Distribution

Payments to linked unitholders twice per annum based on the distributable income and determined by the Board. These distributions comprise dividends on shares and interest on debentures. It is the income return on linked units.

Financial asset receivable

The right to receive a portion of the income derived by Mynco (Pty) Ltd, for a period of 25 years, by way of cession granted by Mynco (Pty) Ltd to the Company.

Financial Year

The financial year ending 31 July annually.

Forward yield

Expected income for the following 12 months divided by the current price / value, expressed as a percentage.

Furnmart

Furnmart Limited, a company incorporated in Botswana and listed on the BSE, and a company related to CBH.

Group

NAP and its subsidiary companies, currently New African Properties Namibia (Pty) Ltd.

GLA

Gross Lettable Area.

Historic yield

Distributions for the previous 12 months divided by the current trading price on any given day, expressed as a percentage.

IFRS

International Financial Reporting Standards

Income / distribution yield

Distributions for the previous 12 months divided by the opening unit price, expressed as a percentage.

Interest cover

The number of times that distributable earnings before interest and distributions covers the interest expense.

TERMS AND DEFINITIONS (continued)

Linked Unit

One Ordinary Share indivisibly linked to one Debenture of the Company, being the equity structure of the company.

Linked Unitholders

Holders, from time to time, of Linked Units.

m²

A unit of measure, the area of a square whose sides measure exactly one metre.

Nafprop

Nafprop (Proprietary) Limited, a company incorporated in Botswana, a subsidiary of CBH. NAP's asset and property manager.

Net asset value (NAV)

The value of all assets less all liabilities, also equal to total unitholders' funds. Also expressed as NAV per linked unit by dividing NAV by the number of linked units.

Net property expenses

Property operating expenses less recoveries against those expenses from tenants.

N\$

Namibian Dollars, the legal tender of Namibia.

Ordinary Share

Ordinary share of no par value in the share capital of the Company, which together with one indivisibly linked debenture make up a Linked Unit in the Company.

PLS / VLS

Property loan stock / variable rate loan stock company, being a company registered as such and having a linked unit equity structure and investing in immovable property.

Property portfolio

The properties owned by the Company, either directly or indirectly through subsidiary companies.

Pula or P

The legal tender of Botswana, the reporting currency for the Group.

Shares

Ordinary shares of no par value in the stated share capital of the Company, each of which is indivisibly linked to one Debenture.

Straight line adjustment

The accounting adjustment required to smooth escalating income streams from leases over the period of each lease. This adjustment is required in terms of IFRS and is included in profit but not in the calculation of distributable income which is based on the cash flows inherent in the leases.

Tenant retention

The square meters (m²) renewed on expiry expressed as a percentage of the total m² that expired during the period.

Thebe or t

The legal tender of Botswana, representing one hundredth of a Pula.

Total return/s

The income distribution plus the movement in the linked unit price as a percentage of the opening unit price, ignoring any reinvestment of income.

tpu

Thebe per linked unit.

Trust Deed

The trust deed relating to the Debentures entered into between the Company and J Y Stevens, as trustee for Linked Unitholders.

Trustee

Party to the Debenture Trust Deed, and acts on behalf of debenture holders in terms of the Deed.

Vacancy factor

Unoccupied space (excluding where vacant due to development) relative to total space, either expressed as a percentage of GLA or total income.

WHT

Withholding tax, being a tax deducted at the source of an income stream for direct payment to the revenue authority.



NOTICE OF ANNUAL GENERAL MEETING

NEW AFRICAN PROPERTIES LTD
"the Company" or "New African Properties" or "NAP"
Incorporated in the Republic of Botswana, Company No. Co 2008/545
BSE share code: NAP
ISIN code: BW 000 000 1049

NOTICE TO ALL LINKED UNITHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company for the 2013 financial year will be held in the Boardroom, Cash Bazaar Holdings, Plot 20573/4, Block 3, Gaborone, at 08h00 on Wednesday, the 15th day of January 2014

AGENDA

1. Notice convening the meeting

2. Ordinary resolutions:

2.1 Resolution number 1 :

To consider and adopt the annual financial statements and annual report, including the report of the auditors, for the year ended 31 July 2013.

2.2 Resolution number 2:

To consider and ratify the distributions declared for the year, comprising:

- Number 3 - declared 9 April 2013, paid 28 May 2013 8.36 thebe per linked unit
- Number 4 - declared 26 July 2013, paid 13 September 2013 8.39 thebe per linked unit

2.3 Resolution number 3:

To re-elect retiring directors and confirm new directors in accordance with the Company's Constitution. Motions for re-election will be moved individually.

In terms of the Constitution all directors shall retire at the first annual general meeting, thereafter at least one-third of the directors shall retire at each meeting, with all directors who have held office for three years since last election or appointment being required to retire. Accordingly, Messrs. J.T. Mynhardt and S. Visvanathan retire by rotation but being eligible, offer themselves for re-election. Abridged Curriculum Vitae's of these directors are set out on pages 4, 5 and 6 of this annual report.

2.4 Resolution number 4:

To consider and ratify the directors' fees payable to independent directors for the year ended 31 July 2013 as set out in the directors' report on pages 22 and 23 of the annual report.

2.5 Resolution number 5:

To reappoint PricewaterhouseCoopers as auditors of the Company for the ensuing year and approve their remuneration for the year ended 31 July 2013. These motions will be moved individually.

2.6 Resolution number 6:

To place linked units equal to 15% of the number of linked units in issue at any time under the control of the directors for allotment and issue for cash or for the acquisition of immovable property until the next annual general meeting, at which meeting such authority will be sought to be renewed until the next annual general meeting, subject to the following limitations in terms of the BSE Listings Requirements in respect of each of the resolutions below:

NOTICE OF ANNUAL GENERAL MEETING (continued)

(a) General issues for cash:

- i. Any such issue shall be made to "public shareholders" as defined by the BSE Listings Requirements; and
- ii. Such issues may not exceed 10% of the Company's issued linked units in any one financial year and 15% in any thirty six month period. This calculation to be based on the number of linked units in issue at the date of such application less any linked units issued during the current financial year or current and preceding two financial years (as applicable), provided that any linked units issued pursuant to an announced, irrevocable and underwritten rights issue or concluded acquisition may be included as though they were in issue at the date of the application; and
- iii. The maximum discount at which linked units may be issued is 10% of the weighted average traded price over the 30 days prior to the date the price is determined or agreed. The Committee to be consulted for a ruling if the linked units have not traded during this period; and
- iv. A 90% majority of votes cast by linked unitholders present in person or by proxy at the annual general meeting is required to approve the resolution; and
- v. The Committee may, under certain circumstances, waive some or all of the above requirements; and
- vi. After issuing, on a cumulative basis within the financial year, 5% or more of linked units in issue prior to that issue, an announcement containing full details as required in terms of section 5.87 of the Listings Requirements will be published.

(b) Issue for the acquisition of immovable property:

- i. Listing Committee to be consulted and determines that the issue is for the bona fide purchase of assets.

(c) Issue for the acquisition of immovable property by way of a vendor consideration placing:

- i. All vendors must have an equal opportunity of participating in the placing;
- ii. The minimum placing price, unless unitholders specific approval is obtained, is the lower of: a 10% discount to the 30 day weighted average price prior to the directors' authorising the placing or the date of the placing. The Committee to be consulted for a ruling if the linked units have not traded during this period.

3. To transact any other business which may be transacted at an annual general meeting.

4. Close the meeting.

NOTE:

Any member who is entitled to attend and vote at a general meeting is entitled to appoint one or more persons as a proxy to attend, speak and vote in his / her stead and the proxy so appointed need not be a member of the Company. Proxy forms must be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time fixed for the meeting.

By order of the Board

Dated this 17 October 2013

DPS Consulting Services (Pty) Ltd
Company secretary
Registered office:
Plot 50371, Fairground Office Park, Gaborone
Fax +267 397 3901

PROXY FORM

NEW AFRICAN PROPERTIES LIMITED
"the Company" or "New African Properties" or "NAP"

I/ We _____

Of _____

Being the registered holder/s of _____ linked units in the Company, at the close of business on Friday, 10 January 2014, hereby appoint:

_____ of _____;

Or failing him / her

_____ of _____;

Or failing him / her

the Chairman of the meeting

as my / our proxy to attend, speak and vote for me / us on my / our behalf at the annual general meeting of the company to be held at 08h00 on Wednesday, 15th January 2014, and at any adjournment thereof and to vote for or against the resolutions or to abstain from voting in respect of the units registered in my / our name/s, in accordance with the following instructions:

Resolution number	Detail	In favour	Against	Abstain
1	Consider and adopt the annual financial statements			
2	Consider and ratify the distributions declared for the year			
3	To re-elect retiring directors and confirm new directors			
	(a) J.T. Mynhardt			
	(b) S. Visvanathan			
4	Consider and ratify the directors' fees payable to independent directors			
5	(a) Reappoint PricewaterhouseCoopers as auditors of the Company for the ensuing year, and			
	(b) approve their remuneration			
6	Place linked units equal to 15% of the number of linked units in issue at any time under the control of the directors:			
	(a) General issues for cash (requires 90% approval)			
	(b) Issue for the acquisition of immovable property			
	(c) Issue for the acquisition of immovable property by way of a vendor consideration placing			

PROXY FORM

Signed this _____ day of _____

Full name: _____

Signature: _____

Assisted by (Guardian): _____

A member who is entitled to attend and vote at a general meeting is entitled to appoint one or more persons as a proxy to attend, speak and vote in his / her stead and the proxy so appointed need not be a member of the Company.

Registered office:

Plot 50371 Fairground Office Park, Gaborone
Fax +267 397 3901

INSTRUCTIONS ON SIGNING AND LODGING THIS PROXY FORM

1. This must be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the time of the scheduled meeting.
2. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled. Any alteration or correction made on this form must be signed, not initialled, by the signatory / signatories.
3. The Chairman of the meeting shall be entitled to decline to accept the authority of the signatory:
 - a. Under a power of attorney; or
 - b. On behalf of a company or any other entity;Unless such power of attorney or authority is deposited at the registered office of the company not less than 48 (forty eight) hours before the scheduled time for the meeting.
4. The authority of a person signing a Proxy in a representative capacity must be attached to the Proxy form unless the authority has previously been recorded by the Secretary.
5. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his proxy in the blank space(s) provided for that purpose.
6. When there are joint holders of units and if more than one such joint holder is present in person or represented by proxy, then the person whose name stands first in the register in respect of such units, or his / her Proxy, as the case may be, shall alone be entitled to vote in respect thereof.
7. The completion and lodging of this Proxy shall not preclude the signatory from attending the meeting and speaking and voting in person thereat to the exclusion of any Proxy appointed in terms hereof should such signatory wish to do so.
8. The Chairman of the meeting may reject or accept any Proxy form which is completed and/ or submitted other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.
9. If the unitholding is not indicated on the Proxy form, the Proxy will be deemed to be authorised to vote the total unitholding.
10. A minor or any other person under legal incapacity must be assisted by his / her parent or guardian, as applicable, unless relevant documents establishing his / her capacity are produced or have previously been registered.

CORPORATE INFORMATION AND ADMINISTRATION

NEW AFRICAN PROPERTIES LTD

"the Company" or "New African Properties" or "NAP"

Incorporated in the Republic of Botswana, Company No. Co 2008/545

BSE share code: NAP

ISIN code: BW 000 000 1049

Managing Director

Tobias Mynhardt
Cash Bazaar Holdings
Plot 20573/4, Block 3, Gaborone
Private Bag 115, Gaborone
Tel: +267 367 0501
Fax: +267 397 4734

Chief Financial Officer

Lauren Tapping
Cash Bazaar Holdings
Plot 20573/4, Block 3, Gaborone
Private Bag 115, Gaborone
Tel: +267 367 0501
Fax: +267 397 4734

Company Secretary and registered office

DPS Consulting Services (Pty) Ltd
Plot 50371, Fairground Office Park, Gaborone
P.O. Box 1453, Gaborone
Tel: +267 395 2011
Fax: +267 397 3901

Transfer Secretaries

Grant Thornton Business Services (Pty) Ltd
Plot 50370 Acumen Park, Gaborone
P.O. Box 1157, Gaborone
Tel: +267 395 2313
Fax: +267 397 2357
Email: anjana.suresh@bw.gt.com

Property and Asset Manager

Nafprop (Pty) Ltd
Plot 20573/4, Magochanyama Road, Block 3, Gaborone
Private Bag 115, Gaborone
Tel: +267 391 3051
Fax: +267 397 2598
Email address: Info@nafprop.co.za

Trustee

J. Y. Stevens
Plot 64518, Fairground Office Park,
P.O. Box 211008 Bontleng, Gaborone
Tel: +267 395 2474
Fax: +267 395 2478
Email: jy@dss.co.bw

Auditors

PricewaterhouseCoopers
Plot 50371, Fairground Office Park, Gaborone
P.O. Box 294, Gaborone
Tel: +267 395 2011
Fax: +267 397 3901

Corporate Legal Advisor

Neill Armstrong
4th Floor, Turnstar House, Main Mall, Gaborone
P.O.Box 45701, Gaborone
Tel: +267 395 2797
Fax: +267 319 1610
Email: nwa@neillarmstrong.com

Bankers

Barclays Bank Botswana Limited
Barclays House, Khama Crescent, Gaborone
P.O.Box 478, Gaborone
Tel: +267 395 2041
Fax: +267 395 3905

Sponsors

Motswedi Securities (Proprietary) Limited
Unit 30, Plot 113, Kgale Mews, Gaborone
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Tel: +267 318 8627
Fax: +267 318 8629
Email: motswedi@motswedi.co.bw



NEW AFRICAN PROPERTIES

ANNUAL REPORT 2013

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