NEW AFRICAN PROPERTIES

ANNUAL REPORT 2014

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Cover and above - Riverwalk Shopping Centre, Gaborone

PROFILE OF THE COMPANY

31 July 2014

New African Properties Limited (NAP) is a public variable rate loan stock company, listed on the Botswana Stock Exchange (BSE) on 28 September 2011, with a current market capitalisation of P1.2 billion. NAP owns a portfolio of primarily Botswana based retail properties for investment purposes, strategically located in prime shopping nodes throughout the country, with the objective of investing in properties that:

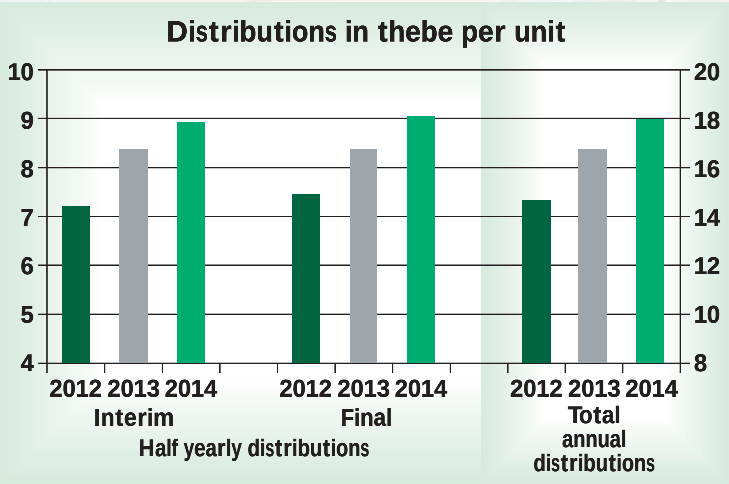
- provide returns to investors through income and capital growth superior to alternative risk related investments;
- have stable and complementary tenant mixes;
- are subject to leases that provide secure covenants with staggered expiry dates thereby minimising the risk of vacancies upon expiry whilst 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 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.

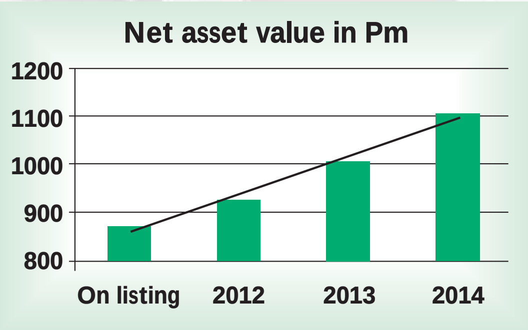
A VALUE ADDING INVESTMENT

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.

Dividends paid by the company are subject to 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. 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 has offered more than 49% of its linked units to trade on the Botswana Stock Exchange. In addition to being able to vote on issues that affect them, unitholders' interests in the listed entity are protected through application of a code of governance and appointment of independent directors to the Board.

The listing has allowed investors benefit from consistent increases in distributions and net asset value through the benefits of critical mass, all in a tax efficient entity.





KEY SALIENT INFORMATION

for the year ended 31 July 2014

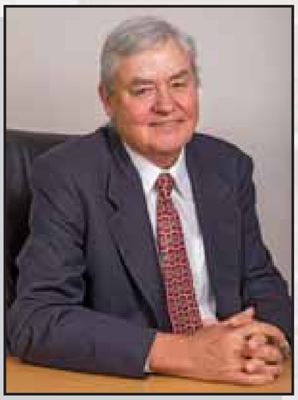
	31 July 2014	31 July 2013	31 July 2012
INCOME			
Contractual rental * (P000)	130 793	123 648	113 937
Distributable income * (P000)	109 002	101 649	89 202
Distributable income * (tpu)	18.03	16.82	14.76
Increase in distributable income (%)	7%	14%	
Distributions (tpu):	17.99	16.75	14.69
- interim	8.93	8.36	7.23
- final	9.06	8.39	7.46
Distribution growth (%)	7%	14%	
Profit (P000)	211 055	186 918	144 522
Increase in profit (%)	13%	29%	
ASSETS			
Investment property * (Pm)	1 135	1 016	927
Borrowings (Pm)	32	34	36
Net asset value (Pm)	1 107	1 007	925
Increase in net asset value (%)	10%	9%	
GEARING			
Debt to property value (%)	3%	3%	4%
Debt fixed (%)	0%	0%	0%
Interest cover (times)	43	32	21
UNIT STATISTICS			
Units in issue (millions)	604	604	604
Closing price (tpu)	206	214	217
Mkt cap at end of period (Pm)	1 245	1 293	1 312
Premium to NAV (%)	13%	28%	42%
Historic yield (%)	8.7%	7.8%	6.8%
Total return per linked unit (%)	4.7%	6.3%	15.8%
PROPERTIES			
Number of properties	65	65	65
Last valuation * (Pm)	1 135	1 016	927
Increase in property valuation (%)	12%	10%	
GLA (000m^2)	130	130	130
Vacancy (by GLA)	3.7%	3.6%	1.5%
Vacancy (by rental)	2.2%	2.8%	1.3%

** excludes rental straight lining*

DIRECTORS

as at 31 July 2014

Directors from left to right: Standing: Fact Lebala, Tobias Mynhardt (Managing Director) and Jerome McLoughlin
Seated: Lauren Tapping (Chief Financial Officer), John Mynhardt (Non-Executive Chairman) and Seshadri Venkatakrishnan



John Tobias Mynhardt
Non-Executive Chairman
B.Comm (UCT)
Chairman of 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.

DIRECTORS (continued)

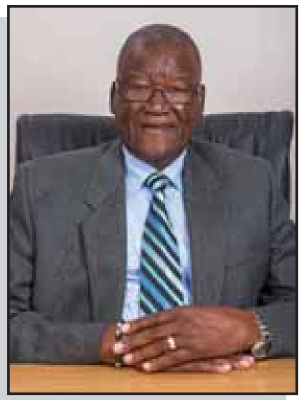
as at 31 July 2014

Tobias Louis John Mynhardt
Managing Director
Executive 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 NAP since its listing in 2011.

Lauren CaroleTapping
Chief Financial Officer
Executive Director
B.Compt (Hons), CTA (UNISA), 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, with a significant focus on the property industry and specifically the listed real estate sector in South Africa, Namibia and more recently in Botswana. She joined CBH Group as NAP's Chief Financial Officer in March 2012 and was appointed as a director in July 2014. She is also the CBH Group Chief Financial Officer. Prior to joining CBH Group she served as Finance Director of Marriott Property Services (Proprietary) Limited, JSE listed SA Corporate, 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 gained experience with the various facets of property from a listed company and broad property services company perspective, was involved in a number of listings and corporate transactions and served on various listed company committees including as chairman of Oryx's Remuneration & Nomination Committee. Prior to her commercial experience she spent 6 years in the audit environment.



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, licensing and land boards to facilitate the development and commissioning of the various developmental properties. He has retired from the CBH Group after serving as a director in the group for over 27 years. He continues to be a board member of Furnmart Ltd and NAP 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 Hodkinson 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.

DIRECTORS (continued)

as at 31 July 2014

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 and Education. He has about 30 years of experience, 20 of which has been in Africa, particularly in Botswana. He currently holds directorships in companies in India.

Gaborone Shopping Centre, Gaborone

MANAGEMENT

as at 31 July 2014

Martin Ralph Baker

Jaco Burger

Eric Kalaote

Willie Kruger

Peter Charles Laaks

Odirile Merafhe

Colin Stewart

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 qualified as a Chartered Accountant (S.A.) whilst serving as a Manager with Deloitte and Touche in 1993. He subsequently served as Group Financial Director of South African telecoms company Teleboss, and as Financial Director of Siltek Finance before starting up a local representation of a global IT company Atos & Origin. Mr Baker joined the apparel and shoes retail division of the CBH Group in 2001 where he currently serves as Managing Director. He has grown the group's bi-national retail business organically and through acquisitions. He has been closely involved in the strategic side of the CBH property division, playing a leading role in a major acquisition in 2004. Mr Baker contributes towards CBH strategic matters, group structuring, mergers and acquisitions, serves on numerous Boards and Trusts and as a Non-Executive Director of Furnmart Limited.

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

Mr Merafhe is 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

MANAGEMENT (continued)

as at 31 July 2014

Officer of the Hospitality and Tourism 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 a Board member of the Botswana Confederation of Commerce Industry & Manpower.

Colin Stewart - CBH Group Financial Manager, B.Compt (Hons), CTA (UNISA), C.A.(S.A.)

Mr Stewart joined the CBH Group in early 2014. Prior to this he served as Group Financial Controller at Celerant Consulting, a multinational management consulting firm based in London. Before that his experience includes a number of financial roles in both the UK and South Africa in the manufacturing, telecommunications and banking sectors. Mr Stewart completed his articles with Deloitte in South Africa having spent 6 years with the firm.

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 to 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 - Nafprop Chief Accountant, AAT, ACCA

Mr. Kalaote has 9 years finance experience of which 7 years is in the property industry. He joined the CBH Group in 2007 and is currently the Chief Accountant of Nafprop (Pty) Ltd. He was previously employed by Kgalagadi Breweries, a subsidiary of Sechaba Holdings, as a finance trainee. Mr. Kalaote is ACCA qualified, and a member of the Botswana Institute of Chartered Accountants.

Jaco Marius Burger - Nafprop Commercial Property Asset Manager B.A. (Hons) Industrial Psychology (Armstrong State University, Savannah, Georgia, USA)

Mr Burger commenced working in the property management industry on completion of his studies in the USA .His first management position was at Old Mutual Properties - subsequent to that he furthered his career at Shoprite Checkers Properties, Murray & Roberts, The Broll Property Group and Homenet Commercial Properties. Mr Burger left the industry after roughly eight years and ventured into the restaurant industry where he was a shareholder and manager in various franchises over the next decade. He has since decided to return to the property management field and has been with Nafprop for close to one year.

Bestways - Gaborone

MANAGEMENT REPORT

for the year ended 31 July 2014

Management and the Executive have pleasure in submitting their report for the year ended 31 July 2014.

FINANCIAL REVIEW

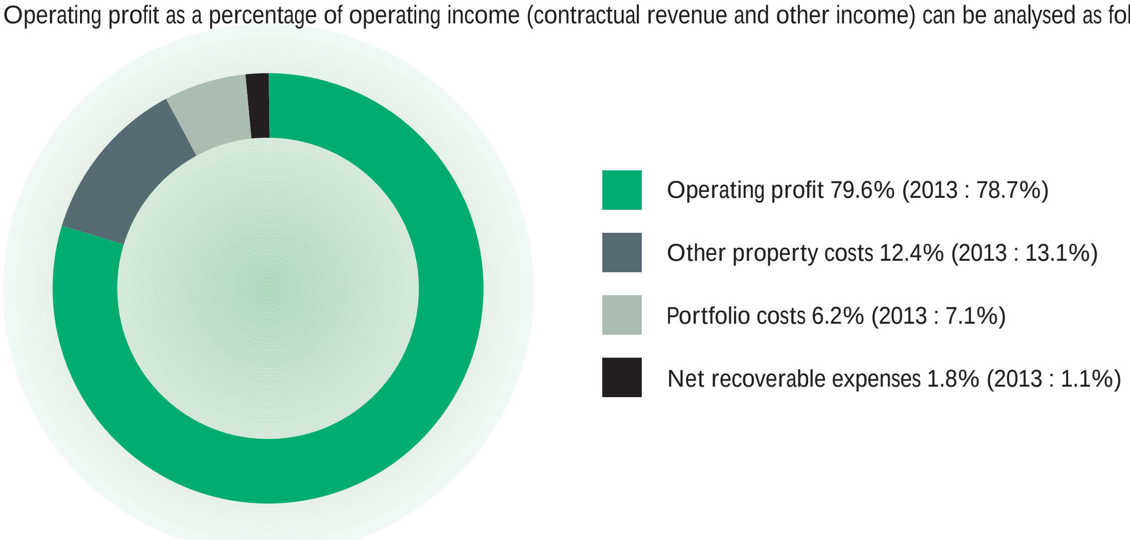
Distributable earnings for the year amounted to P109.0 million or 18.03 thebe per linked unit, a 7.2% increase on the comparable P101.7 million (16.82 thebe) for the prior year. This growth was achieved as a result of increased net rentals and operating profit as well as higher interest earnings, in view of the higher rates achieved, and is indicative of the quality of earnings from the Group's asset base.

Distributable income was arrived at as follows:	2014 P'000	2013 P'000
Revenue before straight line adjustment	130 793	123 648
Other Income	1 588	1 581
Net property costs	(18 750)	(17 856)
Net rental income	113 631	107 373
Portfolio expenses	(8 222)	(8 779)
Operating profit before straight line adjustment	105 409	98 594
Net investment income	6 648	5 876
Profit before tax, straight line and fair value adjustments	112 057	104 470
Taxation (relating to distributable income)	(3 055)	(2 820)
Distributable income	109 002	101 650
Number of units in issue (in 000's)	604 397	604 397
Distributable income in tpu	18.03	16.82

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 practically in line with this forecast and the surplus distributable income amounted to P271 000.

Total distributions to linked unitholders were 17.99 thebe per linked unit, 7.4% above the comparative 16.75 thebe for the 2013 financial year. This equates to a 9.0% (2013: 8.4%) income yield on the initial listing price of P2.00 and 8.4% on the opening unit price of P2.14. These yields offer an attractive return on investment, especially considering the nature of the income stream which grows in line with rental escalations.

Operating profit as a percentage of operating income (contractual revenue and other income) can be analysed as follows:



MANAGEMENT REPORT (continued)

for the year ended 31 July 2014

FINANCIAL REVIEW (continued)

Operating costs have been contained with net property expenses increasing by 5.0% while portfolio costs decreased by 6.3%. The impact of a 45% increase in rates was mitigated by optimising spending and a reduction in the management costs in view of the lease expiry profile.

During the current year the food court at Riverwalk underwent significant changes, which diluted earnings for the period but positions the centre better from a longer term perspective.

Unprovided tenant arrears amounted to P1.8 million (2013: P2.7 million) at year end, being 1.2% (2013: 1.9%) of revenue after taking into account the VAT impact. Net impairment provisions for the year were P2.1 million (2013: P1.7 million), being 1.6% and 1.4% of revenue respectively. Cumulative impairment provisions amounted to 72% (2013: 48%) of total arrears at year end.

The Group also continues to benefit from a relatively high return on excess cash, pending investment in property, and this income forms part of distributable income.

	2014 P'000	2013 P'000
Distributable income is reconciled to profit and total comprehensive income for the year as follows:		
Distributable income	109 002	101 650
Fair value adjustments		
- Investment property (net)	112 921	88 926
- Financial asset	(965)	134
Share of associate's profit	5 649	3 045
Amortisation of intangible asset	(881)	(881)
Rent straight lining adjustments	6 309	3 347
Deferred tax on		
- Investment property	(18 973)	(8 533)
- Rent straight lining	(1 444)	(770)
- Other non-distributable items	(563)	-
Net profit after tax	211 055	186 918
Foreign exchange currency difference	(2 522)	(3 546)
Comprehensive income	208 533	183 372

Net profit before tax reflects an 18.1% increase to P235.1 million (a 12.9% increase in profit after tax to P211.0 million). Fair value adjustments of P112.9 million (2013: P88.9 million) contributed to this increase in profit. This increase in valuations was attributable to growth in net rental income as well as a 99 basis point shift in the weighted average capitalisation rate following a reduction in the long bond rates over the year together with other applicable factors. This revaluation adjustment, together with other fair value and accounting adjustments, and the related taxes thereon are treated as non-distributable income and have the effect of increasing the net asset value of NAP.

The net asset value for the year increased by 9.9% to close at P1.1 billion at 31 July 2014.

MANAGEMENT REPORT (continued)

for the year ended 31 July 2014

PROPERTY PORTFOLIO

Retail is our core focus and where we are able to add most value and this is reflected in the composition of the portfolio.

The portfolio comprises 65 properties, predominantly retail and Botswana based, with a small exposure to Namibian retail (4%) and Botswana industrial (2%). Certain Botswana retail properties have an office component (6 131m^2 or 5%) but properties are categorised based on primary use.

	Namibia Pm*	Botswana Pm*	Total Pm*	%
Fair value by sector:				
Retail	46	1 068	1 114	98%
Industrial	-	21	21	2%
Total	46	1 089	1 135	100%
%	4%	96%	100%	
Number of properties	7	58	65	
GLA (m^2)	12 561	117 523	130 084	

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 of Gaborone, Molepolole, Tlokweng, Maun, Kasane and Selebi Phikwe. The top 10 properties by value comprise 78% of the total value of the portfolio at year end and are:

Property	Pm value at 31/7/14*	% of portfolio	Location	Major tenants
Riverwalk	246,791,383	21.75%	Gaborone	Pick & Pay, Hi Fi Corp, Ackermans, Woolworths, Mr.Price, Dunns, CB Stores, Bata Shoes, Nando's and Mugg & Bean
Kagiso Centre	135,700,000	11.96%	Gaborone	Payless, Pep, Jet, CB Stores, Topline, Woolworths, Taku, Sheet Street, Options, JB Sports
Gaborone Shopping Centre	125,700,000	11.08%	Gaborone	Pep, Furnmart, CB Stores, Hungry Lion, Options
Mafenyatlala Mall	91,300,000	8.05%	Gaborone	Spar, FNB, Barclays Bank, Pep, Dunns, Cashbuild, Bank Gaborone, KFC, Barcelo's Chicken
Riverwalk Plaza	79,300,000	6.99%	Gaborone	Homecorp, Spar, Tops, FNB, Incredible Connection
Kasane Mall	60,780,000	5.36%	Kasane	Spar, Furnmart, CB Stores, Pep, Dunns, BTC, Barclays Bank, Woolworths
Madirelo Centre	42,100,000	3.71%	Gaborone	Payless Supermarket, CB Stores, Furnmart, Topline, Cash Crusaders, Afritec
Mokoro Centre	38,300,000	3.38%	Maun	Spar, Ackermans, Pep, Dunns, Furnmart, Orange, Style
Plot 8	37,000,000	3.26%	Gaborone	Knock-out, Hungry Lion, CB Stores, Chicken Licken
Tlokweng Shopping Centre	28,300,000	2.49%	Gaborone	Choppies, Furnmart, Liquorama, Pep
Total 2014 year end	885,271,383	78.03%		
Total 2013 year end	783,200,000	77.07%		

** Fair value before rent straight line adjustment.*

MANAGEMENT REPORT (continued)

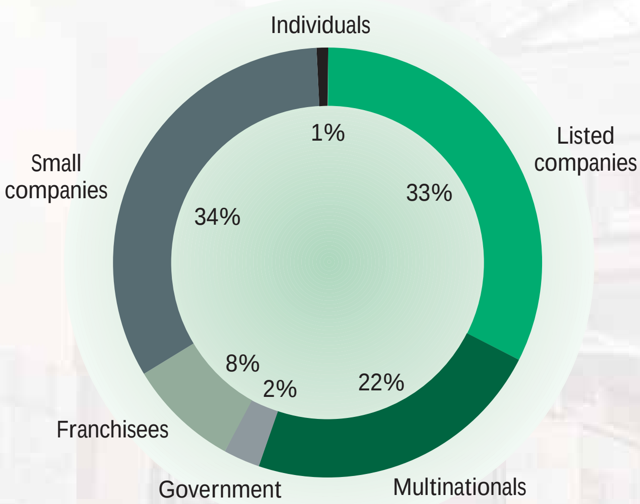
for the year ended 31 July 2014

PROPERTY PORTFOLIO (continued)

There has been no change in the portfolio during the year. The current demand for assets in Botswana has had an impact on pricing and availability of assets. New retail development opportunities in Gaborone are considered limited at this time in view of the significant development that has taken place in recent years, while the Gaborone office market is considered to be oversupplied. There are however opportunities in other Botswana towns and Management continues to look at opportunities that will meet the primary objective of NAP, being to grow distributions on a sustainable basis.

The properties are occupied in terms of 470 leases. The top ten tenants contribute approximately 48% of total rental and occupy 50% of gross lettable area. These tenants are all well-known and established operators who are performing well in the premises occupied. They include the Furnmart, Spar, Pepkor, CB Stores, Choppies, Woolworths, Payless, Pick 'n Pay, Cashbuild and Mr Price groups.

The graph below analyses the rental income for the 2014 year and reflects the relative strength of the underlying tenants that generate the rental income for NAP, with 55% of rentals being received from listed and multinational companies and a further 8% and 2% by franchisees and Government respectively.



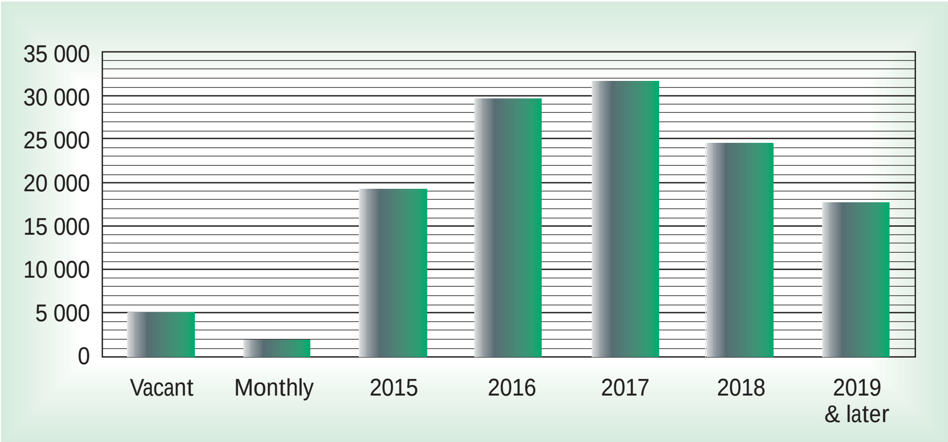
Vacancies have ranged between 2.5% and 4% during the year and amount to 4 868m^2, being 3.74% of gross lettable area, at year end. On a rental basis the vacancy is approximately 2.2%. These vacancies are primarily located in Selebi Phikwe, Molepolole, Mahalapye, Shakawe, Serowe, Kanye and Ombalantu. A number of the vacancies are under negotiation or have been let subsequent to year end. Some recent success has also been seen in Selebi Phikwe, which has contributed to vacancies for some time and accounted for 1 200m^2 of the year end vacancy.

MANAGEMENT REPORT (continued)

for the year ended 31 July 2014

PROPERTY PORTFOLIO (continued)

The lease expiry profile as at 31 July 2014 based on gross lettable area and financial years are:



The graph above reflects a fairly even lease expiry profile. The slight spike in expiries in the 2016 and 2017 financial years relates to the renewal anniversaries of major leases at Riverwalk and Riverwalk Plaza. Monthly tenancies amount to 1 919m^2 and comprise recently expired leases where renewal negotiations were still under way at year end.

PROSPECTS AND FUTURE GROWTH

The board remains confident that the property portfolio is positioned to deliver growing income streams for the year ahead, continuing the trend of predictable and sustainable returns to investors established to date.

Riverwalk Shopping Centre, Gaborone

UNITHOLDER ANALYSIS

as at 31 July 2014

The following summarises the unitholders:

Category	Number of unitholders 2014	Number of unitholders 2013	Number of units held 2014	Number of units held 2013	% of units held 2014	% of units held 2013
Unitholders by size of holding:						
1 - 500	692	698	168 667	171 294	-	-
500 - 1 000	111	117	89 730	93 143	-	-
1 001 - 5000	233	229	569 694	563 692	0.1%	0.1%
5 001 - 10 000	44	44	340 672	340 361	0.1%	0.1%
10 001 - 100 000	91	84	2 649 422	2 192 866	0.4%	0.5%
Over 100 000	60	63	600 578 939	601 035 768	99.4%	99.3%
Total	1 231	1 235	604 397 124	604 397 124	100.0%	100.0%
Unitholders by classification:						
Body corporates	27	33	483 035 966	483 159 968	79.9%	79.9%
Insurance companies and pension funds	46	38	78 972 010	75 961 629	13.1%	12.6%
Individuals	1 158	1 164	42 389 148	45 275 527	7.0%	7.5%
Total	1 231	1 235	604 397 124	604 397 124	100.0%	100.0%
Public	1 227	1 230	121 578 172	121 578 172	20.1%	20.1%
Non-public						
Directors' interests	4	5	482 818 952	482 818 952	79.9%	79.9%
Total	1 231	1 235	604 397 124	604 397 124	100.0%	100.0%
Unitholders holding more than 5%:						
Cash Bazaar Holdings (Pty) Ltd	1	1	479 324 228	452 763 502	79.3%	74.9%
FNB BW Noms (Pty) Ltd Re: IAM BPOPF	1	1	31 366 940	39 160 128	5.2%	6.5%
Total	2	2	510 691 168	491 923 630	84.5%	81.4%

Riverwalk Shopping Centre, Gaborone

UNITHOLDER ANALYSIS (continued)

as at 31 July 2014

2014

Month	Closing mkt cap Pm	High P	Low P	Closing # P	Volume traded	Value traded P	Number of trades	Average trade value P
Aug-13	1 305	2.20	2.14	2.16	79 894	173 156	18	9 620
Sep-13	1 305	2.17	2.15	2.16	96 506	207 611	13	15 970
Oct-13	1 312	2.17	2.16	2.17	53 820	116 686	19	6 141
Nov-13	1 330	2.20	2.17	2.20	11 525 008	25 310 342	47	538 518
Dec-13	1 330	2.25	2.20	2.20	4 242	9 472	8	1 184
Jan-14	1 330	2.20	2.20	2.20	33 333	73 333	19	3 860
Feb-14	1 330	2.20	2.19	2.20	2 300	5 058	6	843
Mar-14	1 287	2.18	2.13	2.13	59 554	127 539	11	11 594
Apr-14	1 281	2.14	2.11	2.12	1 021 335	2 185 526	15	145 702
May-14	1 263	2.12	2.09	2.09	25 432	53 655	11	4 878
Jun-14	1 239	2.05	2.05	2.05	469 432	962 336	14	68 738
Jul-14	1 245	2.06	2.05	2.06	262 398	540 505	26	20 789
		2.25	2.05		13 633 254	29 765 219	207	143 793

Number of units traded as a % of total units in issue 2.26%

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%

 # 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 Batswana. 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 Mr. J.T. Mynhardt retired and was re-elected at the annual general meeting held on 10 January 2014. Mr S. Visvanathan resigned on 10 December 2013 and Ms L.C. Tapping, the CFO, was appointed to the Board on 15 July 2014.

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 S. Venkatakrishnan (2), who provided input as required.

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 judgment 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 are 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. Independent directors receive no compensation other than fees approved and disclosed in this manner.

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

GOVERNANCE AND RISK (continued)

BOARD AND ITS SUB-COMMITTEES (continued)

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;
- 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 Auditors, the RACC should:
  - recommend their appointment;
  - be satisfied with their independence especially where non-audit services are performed;
  - agree the principles for the audits which do not limit 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.

GOVERNANCE AND RISK (continued)

BOARD AND ITS SUB-COMMITTEES (continued)

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. Mr Venkatakrishnan communicated his input to the other Committee members and CFO for the meetings not attended.

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 convened once during the year and held discussions as required with all members participating. 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;
- 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 risks that the Group is exposed to, together with the key controls, are summarised below.

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.

GOVERNANCE AND RISK (continued)

RISK MANAGEMENT (continued)

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 opportunities and realise its strategic objectives. The growth of the portfolio has been challenging in view of the demand for property investment opportunities 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. During the current year the company submitted commentary on the proposed amendments to the BSE Listings Requirements.

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 their 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 2015 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 61, which have been prepared on the going concern basis, were approved by the board on 22 October 2014 and were signed on its behalf by:

JT Mynhardt
Chairman
22 October 2014

TLJ Mynhardt
Managing Director
22 October 2014

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF NEW AFRICAN PROPERTIES LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated annual financial statements and separate annual financial statements of New African Properties Limited, which comprise the consolidated and separate statement of financial position as at 31 July 2014, and 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 61.

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 2014, 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.

PricewaterhouseCoopers

Individual practicing member: Rudi Binedell
Membership number: 20040091

Gaborone
22 October 2014

DIRECTORS' REPORT

The Directors have pleasure in submitting their report for the year ended 31 July 2014.

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 2014 there were 604 397 124 (2013: 604 397 124) linked units in issue with no changes during the year:

	2014	2013
Balance at beginning and 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:

	2014		2013	
	P'000	thebe per linked unit	P'000	thebe per linked unit
Number 5 - declared 9 April 2014, paid 30 May 2014				
(2013: Number 3 - declared 9 April 2013, paid 28 May 2013)				
Interest	52 039	8.61	48 412	8.01
Dividends	1 934	0.32	2 115	0.35
	53 973	8.93	50 527	8.36
Number 6 - declared 15 July 2014, paid 5 September 2014				
(2013: Number 4 - declared 26 July 2013, paid 13 September 2013)				
Interest	49 923	8.26	49 198	8.14
Dividends	4 835	0.80	1 511	0.25
	54 758	9.06	50 709	8.39
Total for the year	108 731	17.99	101 236	16.75

HOLDING COMPANY

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

SUBSIDIARY COMPANIES

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

NEW AFRICAN PROPERTIES

DIRECTORS' REPORT (continued)

DIRECTORS

The following directors served on the Board during the year:

Name	Date of appointment	Last reappointed	Date of resignation
JT Mynhardt (Chairman)	22/02/2008	15/01/2014	
FB Lebala	22/02/2008	23/01/2013	
JP McLoughlin	12/08/2011		
TLJ Mynhardt	22/02/2008	23/01/2013	
LC Tapping	15/07/2014		
S Venkatakrishnan	12/08/2011		
S Visvanathan	08/06/2011		10/12/2013

There have been no other changes to the board up to the date of this report.

DIRECTORS' FEES

Independent directors are paid fees for meetings attended and these fees amounted to P124 500(2013: P81 500) for the year with an under provision for the prior year of P1 350. No other executive or non-executive directors are paid fees by the Company and the Company pays no other compensation to any director.

DIRECTORS' INTERESTS

The aggregate number of linked units held directly by directors at 31 July 2014 was 340 332 (2013: 340 332) linked units. Indirectly, 482 478 620 (2013: 482 478 620) 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 P32.5 million at 31 July 2014 (2013: P34.5 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
22 October 2014

TLJ Mynhardt
Managing Director
22 October 2014

STATEMENTS OF FINANCIAL POSITION

at 31 July 2014

	Notes	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
ASSETS					
Non-current assets					
Investment property	5	1 109 920	998 040	1 065 004	948 683
At fair value		1 134 598	1 016 441	1 088 641	966 520
Less: Rent straight line adjustment		(24 678)	(18 401)	(23 637)	(17 837)
Investment in subsidiary	6	-	-	36 650	36 650
Investment in associate	7	13 645	7 996	4 951	4 951
Financial asset	8	19 102	20 067	19 102	20 067
Intangible asset	9	10 431	11 312	10 431	11 312
Rent straight line adjustment		23 970	17 720	22 930	17 156
Total non-current assets		1 177 068	1 055 135	1 159 068	1 038 819
Current assets					
Trade and other receivables	10	87 507	97 514	98 270	103 777
Rent straight line adjustment - current portion		708	681	707	681
Tax receivable		2 523	3 042	2 273	2 665
Cash and cash equivalents	11	44 997	32 818	28 363	20 233
Total current assets		135 735	134 055	129 613	127 356
TOTAL ASSETS		1 312 803	1 189 190	1 288 681	1 166 175
EQUITY AND LIABILITIES					
Equity					
Linked units	12	871 824	871 824	871 824	871 824
Foreign currency translation reserve		(8 334)	(5 812)	-	-
Retained income		243 742	141 418	222 203	123 685
Total equity		1 107 232	1 007 430	1 094 027	995 509
Non-current liabilities					
Borrowings	13	30 209	32 576	30 209	32 576
Deferred tax liability	14	97 623	76 643	94 062	73 252
Total non-current liabilities		127 832	109 219	124 271	105 828
Current liabilities					
Trade and other payables	15	20 742	19 941	13 386	12 238
Distributions payable		54 758	50 709	54 758	50 709
Borrowings - current portion	13	2 239	1 891	2 239	1 891
Total current liabilities		77 739	72 541	70 383	64 838
TOTAL EQUITY AND LIABILITIES		1 312 803	1 189 190	1 288 681	1 166 175

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 July 2014

	Notes	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
Revenue	16	137 102	126 995	130 162	120 920
Contractual		130 793	123 648	124 362	117 849
Rent straight line adjustment		6 309	3 347	5 800	3 071
Other income	17	1 588	1 581	6 018	5 776
Net property costs	18	(18 750)	(17 856)	(18 470)	(17 082)
Net rental income		119 940	110 720	117 710	109 614
Other expenses	19	(8 222)	(8 779)	(8 162)	(8 712)
Operating profit		111 718	101 941	109 548	100 902
Net finance income		6 648	5 876	5 191	5 394
Finance income	20	9 262	9 181	7 802	8 699
Finance expense	21	(2 614)	(3 305)	(2 611)	(3 305)
		118 366	107 817	114 739	106 296
Investment property fair value adjustment	5	112 921	88 926	115 828	78 554
At fair value		119 230	92 273	121 628	81 625
Rent straight line adjustment		(6 309)	(3 347)	(5 800)	(3 071)
Financial asset fair value adjustment	8	(965)	134	(965)	134
Amortisation of intangible asset	9	(881)	(881)	(881)	(881)
		229 441	195 996	228 721	184 103
Share of associate's profit	7	5 649	3 045	-	-
Profit before taxation		235 090	199 041	228 721	184 103
Taxation	22	(24 035)	(12 123)	(21 472)	(10 150)
Profit for the year attributable to linked unitholders		211 055	186 918	207 249	173 953
Other comprehensive income					
Items that may subsequently be reclassified to profit or loss					
Currency translation differences		(2 522)	(3 546)	-	-
Comprehensive income for the year attributable to linked unitholders		208 533	183 372	207 249	173 953
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	34.92	30.93	34.29	28.78
Distribution per linked unit	24	17.99	16.75	17.99	16.75

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 July 2014

	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							
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
2014							
Balance at beginning of year	8 719	863 105	871 824	(5 812)	140 589	829	1 007 430
Transactions with owners							
Distributions declared (note 24)							
Number 5 - declared 9 April 2014	-	-	-	-	-	(53 973)	(53 973)
Number 6 - declared 15 July 2014	-	-	-	-	-	(54 758)	(54 758)
Total transactions with owners	-	-	-	-	-	(108 731)	(108 731)
Comprehensive income							
Comprehensive income for the year	-	-	-	-	-	208 533	208 533
Transfer of revaluation gains net of related taxes	-	-	-	-	102 053	(102 053)	-
Transfer to foreign currency translation reserve	-	-	-	(2 522)	-	2 522	-
Total comprehensive income	-	-	-	(2 522)	102 053	109 002	208 533
Balance at end of year	8 719	863 105	871 824	(8 334)	242 642	1 100	1 107 232

STATEMENTS OF CHANGES IN EQUITY (continued)

for the year ended 31 July 2014

	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							
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
2014							
Balance at beginning of year	8 719	863 105	871 824	-	122 209	1 476	995 509
Transactions with owners							
Distributions declared (note 24)							
Number 5 - declared 9 April 2014	-	-	-	-	-	(53 973)	(53 973)
Number 6 - declared 15 July 2014	-	-	-	-	-	(54 758)	(54 758)
Total transactions with owners	-	-	-	-	-	(108 731)	(108 731)
Comprehensive income							
Comprehensive income for the year	-	-	-	-	-	207 249	207 249
Transfer of revaluation gains net of related taxes	-	-	-	-	98 871	(98 871)	-
Total comprehensive income	-	-	-	-	98 871	108 378	207 249
Balance at end of year	8 719	863 105	871 824	-	221 080	1 123	1 094 027

STATEMENTS OF CASH FLOWS

for the year ended 31 July 2014

	Notes	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
Cash flows from operating activities					
Profit before taxation		235 090	199 041	228 721	184 103
Adjustments for:					
Net finance income		(6 648)	(5 876)	(5 191)	(5 394)
Fair value and impairment adjustments		(111 075)	(88 178)	(113 982)	(77 807)
Share of associate's profit		(5 649)	(3 045)	-	-
Rent straight line adjustment		(6 309)	(3 347)	(5 800)	(3 071)
Changes in working capital					
Trade and other receivables		1 321	(1 483)	(3 165)	715
Trade and other payables		802	7 845	1 148	(4 478)
Currency translation difference		(748)	29	-	-
Cash generated from operations		106 784	104 986	101 731	94 068
Finance expense		(2 614)	(3 305)	(2 611)	(3 305)
Finance income		9 262	9 181	7 802	8 699
Distributions paid to linked unitholders	24	(104 682)	(95 615)	(104 682)	(95 615)
Taxation paid	25	(2 397)	(2 293)	(270)	(295)
Net cash flows from operating activities		6 353	12 954	1 970	3 552
Cash flows from investing activities					
Investment property acquired / improved	5	(841)	(572)	(493)	(204)
Investment in subsidiary, acquisitions and amalgamations	26	-	-	-	1 265
Deposit in related party receivable		8 686	(66 551)	8 672	(66 613)
Net cash flows from investing activities		7 845	(67 123)	8 179	(65 552)
Cash flows from financing activities					
Borrowings decreased		(2 019)	(1 655)	(2 019)	(1 655)
Net cash flows from financing activities		(2 019)	(1 655)	(2 019)	(1 655)
Net change in cash and cash equivalents		12 179	(55 824)	8 130	(63 655)
Cash and cash equivalents at beginning of year		32 818	88 642	20 233	83 888
Cash and cash equivalents at end of year	11	44 997	32 818	28 363	20 233

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 July 2014

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 22 October 2014.

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 all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.4 Business combinations (continued)

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.

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 and the Group's interests are protected in terms of a shareholders agreement, which includes a pre-emptive right.

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 which includes accrued operating lease income and other assets that are also supported by the same cash flows used in determining the value of investment property. 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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

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 and are transferred to non-distributable retained 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.

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 and are transferred to non-distributable retained 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

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

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 and are transferred to non-distributable retained 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.

(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 and are transferred to non-distributable retained 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 and are transferred to non-distributable retained 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.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

(ii) Other financial liabilities (continued)

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.15 Revenue recognition (continued)

(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 and the adjustments between this and the contractual rentals are transferred to non-distributable retained income.

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.

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 and are transferred to non-distributable retained 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. PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

3. ADOPTION OF NEW AND REVISED STANDARDS

(a) Standards and amendments to existing standards and interpretations effective on or after 1 August 2013 and adopted by the Group:

Standard/ interpretation	Content	Applicable for financial years beginning on/after
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013

- 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. This standard has no significant impact on the financial statements.

- IFRS 11, 'Joint arrangements'
  IFRS 11 focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The standard has no material impact on the Group's financial statements.

- 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. This amendment has only impacted disclosures.

- 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. This amendment has only impacted disclosures.

(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 2014 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
IAS 36	Amendment to IAS36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets.	1 January 2014

3. ADOPTION OF NEW AND REVISED STANDARDS (continued)

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

- Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets.

  This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The standard is not mandatory for the Group until 1 January 2014. 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 2014.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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 2014 or later periods but are not expected to be relevant to the Group:

Standard/ interpretation	Content	Applicable for financial years beginning on/after
IAS 32	Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities	1 January 2014
IAS 39	Amendment to IAS39, Financial Instruments: Recognition and Measurement, Amendment to 'Novation of derivatives'	1 January 2014
IFRIC 21	Levies	1 January 2014
IFRS 10, IFRS 12 & IAS 27	Amendments on consolidation for investment entities	1 January 2014

(c) Early adoption of standards

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 judgments 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Investment property (continued)

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. These are unobservable inputs and accordingly result in the valuations being classed as level 3 in terms of the fair value hierarchy.

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 cash flows would have the estimated impact of P120 million for the Group and P116 million for the Company (2013: P106 million for the Group and P101 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 10.20% (2013: 11.19%) and a 1% upward shift in this rate would reduce the aggregate independent valuation by an estimated P108 million for Group and P104 million for Company (2013: P87 million for Group and P84 million for Company), while a 1% downward shift in capitalisation rate would increase the valuations by an estimated P131 million for Group and P127 million for Company (2013: 104 million for Group and P100 million for Company).

There are inter-relationships between unobservable inputs. To avoid double counting or omitting the effects of risk factors, capitalisation rates reflect assumptions that are consistent with those inherent in the cash flows.

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 as a lump sum payment at a future date, all discounted at 16.25% (2013: 16.5%). A 1% downward shift in the discount rate would increase the carrying value by approximately P26 million (2013: P23 million) and a 1% upward shift would decrease the carrying value by approximately P22 million (2013: P19 million), while a 10% change in the lump sum payment would have an estimated P4.6 million (2013: P3.6 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 15.25% (2013: 16.0%). These assumptions are unobservable inputs and therefore considered level 3 in terms of the fair value hierarchy.

A 1% downward shift in the discount rate would increase the carrying value by approximately P1.7 million (2013: P1.8million) and a 1% upward shift would decrease the carrying value by approximately at P1.5 million (2013: P1.5 million), while a 10% change in the cash flows would have an estimated P2.0 million (2013: P2.0 million) impact on the carrying value.

Associate

The Associate's financial statements are prepared on the historical cost basis based on a 30 June year end. To comply with the group's accounting policies, this investment is equity accounted based on the Directors' fair value of the only underlying asset which has been determined by discounting the expected cash flows from operations at the Group's year end using a discount rate of 16.25% (2013: 16.5%) and the related deferred tax liability. These assumptions are unobservable inputs and therefore considered level 3 in terms of the fair value hierarchy.

A 1% downward shift in the discount rate would increase the carrying value of the investment in the associate by approximately P6.8 million (2013: P5.5 million) and a 1% upward shift would decrease the carrying value by approximately P5.1 million (2013: P4.1 million).

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Income taxes (continued)

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. Following the adoption of IAS 12 for investment property, it is assumed 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.

	Group		Company	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000
5 INVESTMENT PROPERTY				
Opening balances	998 040	912 323	948 683	653 101
At fair value	1 016 441	927 462	966 520	665 535
Rent straight line adjustment	(18 401)	(15 139)	(17 837)	(12 434)
Predecessor balances adopted on amalgamation, acquisition and assignment (Note 26)	-	-	-	216 824
At fair value	-	-	-	219 156
Rent straight line adjustment	-	-	-	(2 332)
Subsequent additions and improvements at cost	841	572	493	204
Fair value adjustment	112 921	88 926	115 828	78 554
At fair value	119 230	92 273	121 628	81 625
Rent straight line adjustment	(6 309)	(3 347)	(5 800)	(3 071)
Effect of translation to presentation currency	(1 882)	(3 781)	-	-
At fair value	(1 914)	(3 866)	-	-
Rent straight line adjustment	32	85	-	-
Total valuation at end of year				
At fair value	1 134 598	1 016 441	1 088 641	966 520
Rent straight line adjustment	(24 678)	(18 401)	(23 637)	(17 837)
Net carrying value at end of year	1 109 920	998 040	1 065 004	948 683

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 204 million for Group and P1 158 million for Company as at 31 July 2014 (2013: P1 061 million for Group and P1 011 million for Company) by Curtis Matobolo of Knight Frank (Pty) Ltd. He holds recognised relevant professional qualifications, is a member 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 8.5% to 15.25% (2013: 9.5% to 16.0%) and a weighted average rate of 10.20% (2013: 11.19%), 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 204 million (2013: P1 061 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 2014

	Group		Company	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000
5 INVESTMENT PROPERTY (continued)				
Investment property valued at P91 million (2013: P82 million) is used as security for the bank borrowings referred to in note 13.				
No interest was capitalised to investment property during the year (2013: nil).				
Commitments are set out in note 28.				
Operating income attributable to the investment property amounts to:				
Revenue	137 102	126 995	130 162	120 920
Rent straight line adjustment	(6 309)	(3 347)	(5 800)	(3 071)
Contractual revenue earned from investment property	130 793	123 648	124 362	117 849
Other income	1 588	1 581	6 018	5 776
Net property costs	(18 750)	(17 856)	(18 470)	(17 082)
Recoverable expenses	(9 961)	(9 835)	(9 916)	(9 786)
Operating cost recoveries	7 607	8 439	7 569	8 396
Net recoverable expenses	(2 354)	(1 396)	(2 347)	(1 390)
Other property expenses	(16 396)	(16 460)	(16 123)	(15 692)
Net rental income excluding rent straight line adjustment	113 631	107 373	111 910	106 543
And to reconcile to statement of comprehensive income:				
Add: Straight line adjustment	6 309	3 347	5 800	3 071
Net rental income per statement of comprehensive income	119 940	110 720	117 710	109 614
6 INVESTMENT IN SUBSIDIARY				
Total investment in shares and loans at cost	-	-	36 650	36 650

Comprising:

	% holding	Investment in shares P'000	Investment in loans P'000	Total investment P'000
2014				
New African Properties (Namibia) (Proprietary) Limited	100%	36 650	-	36 650
2013				
New African Properties (Namibia) (Proprietary) Limited	100%	36 650	-	36 650

This wholly owned subsidiary is carried at cost in the company financial statements and its assets, liabilities and results included in the consolidated financial statements. The subsidiary owns investment properties in Namibia.

	2014 P'000	2013 P'000
Directors' valuation	41 160	45 526

6 INVESTMENT IN SUBSIDIARY (continued)

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. This value is based on level 3 of the fair value hierarchy.

The subsidiary is based in Namibia as is accordingly subject to local exchange control regulations which impose certain restrictions on transferring funds from the country. Normal dividends are however permitted.

		Group		Company	
		2014	2013	2014	2013
	% holdings	P'000	P'000	P'000	P'000
7 INVESTMENT IN ASSOCIATE					
Acquired at cost	26%	4 951	4 951	4 951	4 951
Share of associate's profit post acquisition		8 694	3 045	-	-
		13 645	7 996	4 951	4 951

This investment was acquired on 4 June 2012.

The Botswana based associate company holds the unencumbered lease rights to certain plots after the expiry of an existing lease, is not expected to generate cash flows until that time, has earned no revenue since acquisition and has no liabilities. No dividends have been declared or received since acquisition.

A change in the operations of the company would be considered an impairment indicator and 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.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
8 FINANCIAL ASSET				
Receivable				
Opening balance	20 067	19 933	20 067	19 933
Fair value adjustment	(965)	134	(965)	134
Carrying value	19 102	20 067	19 102	20 067

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 15.25% (2013: 16.0%) and is within level 3 of the fair value hierarchy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

	Group		Company	
	2014	2013	2014	2013
	P'000	P'000	P'000	P'000
9 INTANGIBLE ASSET				
Land lease rights				
Opening balance	11 312	12 193	11 312	12 193
Amortisation	(881)	(881)	(881)	(881)
	10 431	11 312	10 431	11 312

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.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
10 TRADE AND OTHER RECEIVABLES				
Trade receivables net of impairment	1 769	2 688	1 753	2 599
Trade receivables	6 334	5 164	6 165	4 820
Less: impairment	(4 565)	(2 476)	(4 412)	(2 221)
Prepayments	2 067	1 980	2 067	1 961
Related party receivables	82 767	91 453	82 777	91 449
Dividends receivable	-	-	10 787	6 387
Other receivables	904	1 393	886	1 381
	87 507	97 514	98 270	103 777

The carrying values of receivables approximate their estimated fair values.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
Age analysis of trade receivables past due and not impaired:				
30 days	1 456	1 876	1 440	1 788
60 days	313	812	313	811
	1 769	2 688	1 753	2 599
Age analysis of impaired trade receivables:				
30 days	739	225	739	225
60 days	142	203	114	110
90 days	281	944	279	941
> 90 days	3 403	1 104	3 280	945
	4 565	2 476	4 412	2 221

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 net property costs and are summarised as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

	Group		Company	
	2014	2013	2014	2013
	P'000	P'000	P'000	P'000
10 TRADE AND OTHER RECEIVABLES (continued)				
Trade receivable impairment:				
Opening balance	2 476	802	2 221	656
Predecessor balances adopted upon amalgamation (note 26)	-	-	-	86
Additional impairment during the year	2 784	2 204	2 763	1 943
Reversal of previous impairments	(685)	(465)	(572)	(420)
Amounts written off during the year	-	(44)	-	(44)
Effect of translation to presentation currency	(10)	(21)	-	-
Balance at end of year	4 565	2 476	4 412	2 221

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.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
Impairment	4 565	2 476	4 412	2 221
Add:VAT	548	297	529	267
Impairment including VAT	5 113	2 773	4 941	2 488
Trade receivables	6 334	5 164	6 165	4 820
Impairment as a % of trade receivables	81%	54%	80%	52%

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
Related party receivables comprise:				
Cash Bazaar Holdings (Proprietary) Limited	82 767	91 449	82 777	91 449
Furnmart Limited	-	4	-	-
	82 767	91 453	82 777	91 449

The related party receivable is secured by 75 million NAP linked units and certain warranties, is repayable on demand with 3 months' notice and bears interest at 1.5% below prime lending rate. The Group also has the right to offset amounts due to the related party against this loan. The fair value of these receivables approximates their carrying values which are within level 2 in the fair value hierarchy.

The Board considers that material credit risk exposure has been adequately provided for on all trade and other receivables.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
11 CASH AND CASH EQUIVALENTS				
Current account - Barclays Bank	196	(1 672)	196	(1 672)
- First National Bank	(8)	(36)	-	-
Call account - Bank Gaborone	27 690	18 886	27 690	18 886
- Barclays	477	3 019	477	3 019
- First National Bank	16 642	12 621	-	-
Total	44 997	32 818	28 363	20 233

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

	Group		Company	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000
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				
604 397 124 Linked units in issue	871 824	871 824	871 824	871 824

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.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
13 BORROWINGS				
Bank Gaborone Limited, comprising:				
Non-current portion	30 209	32 576	30 209	32 576
Current portion	2 239	1 891	2 239	1 891
	32 448	34 467	32 448	34 467

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 P91 million at the date of this report (2013: P82 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

	Group		Company	
	2014	2013	2014	2013
	P'000	P'000	P'000	P'000
13 BORROWINGS (continued)				
The loan is repayable in monthly instalments, currently amounting to P380 000, until August 2024 and incurs interest at 1.5% below prime lending rate, currently 7.5% (2013: 8.5%). The capital portion repayable over the next 12 months has been reflected as a current liability.				
The fair value of borrowings approximates the carrying value at the reporting date, falls within level 2 of the fair value hierarchy and is based on a borrowing rate of 7.5% (2013: 8.5%).				
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	2 358	2 857	2 358	2 857
A 1% increase in the prime lending rate would have the impact of increasing this by	318	341	318	341
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)	74 544	55 571	74 544	55 571
Building allowances claimed	23 692	23 734	20 339	20 339
Rent straight line adjustment	5 544	4 117	5 200	3 924
Prepaid expenses/ income received in advance	(98)	(132)	-	-
Impairment of receivables	(38)	(65)	-	-
Tax loss utilised	(6 021)	(6 582)	(6 021)	(6 582)
Total deferred tax liability	97 623	76 643	94 062	73 252
And the movement for the year comprises:				
Opening balances	76 643	67 307	73 252	45 753
Predecessor balances adopted upon amalgamation (note 26)		-	-	17 989
Current year charge	21 119	9 627	20 810	9 510
Effect of translation to presentation currency	(139)	(291)	-	-
Balance at end of year	97 623	76 643	94 062	73 252

Estimated tax losses of P27.3 million for Group and P27.3 million for Company (2013: P29.9 million for Group and P29.9 million for Company) have been utilised to reduce deferred tax liabilities. There are no other tax losses in the Group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

	Group		Company	
	2014	2013	2014	2013
	P'000	P'000	P'000	P'000
15 TRADE AND OTHER PAYABLES				
Tenant deposits	4 936	4 556	4 717	4 378
Trade payables	3 326	3 133	2 021	2 297
Rent received in advance	3 178	3 130	2 741	2 901
Accruals and provisions	2 460	3 558	2 421	2 662
Related party payable	6 842	5 564	1 486	-
	20 742	19 941	13 386	12 238

The fair value of trade and other payables approximates the carrying value at the reporting date and is within level 2 of the fair value hierarchy.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
16 REVENUE				
Rent received excluding turnover rentals				
- Contractual	129 988	122 279	123 632	116 550
- Rent straight line adjustment	6 309	3 347	5 800	3 071
	136 297	125 626	129 432	119 621
Turnover rental	805	1 369	730	1 299
	137 102	126 995	130 162	120 920

The future minimum contractual rentals receivable under non-cancellable operating leases are as follows:

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
Within next year	125 528	119 902	118 547	113 389
Between 1 and 5 years	268 284	293 544	252 421	272 095
Later than 5 years	20 575	32 790	20 575	32 790
	414 387	446 236	391 543	418 274

Of this P24.7 million for Group and P23.7 million for Company (2013: P18.4 million for Group and P17.8 million for Company) has been recognised as a receivable in view of the adjustment to straight line rentals over the period of leases.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
17 OTHER INCOME				
Dividends from subsidiary companies	-	-	4 411	4 266
Promotion and advertising income	757	590	757	590
Tenant contribution to marketing	421	404	421	404
Gift voucher sales	283	247	283	247
Sundry income	127	340	146	269
	1 588	1 581	6 018	5 776

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

		Group		Company	
		2014	2013	2014	2013
		P'000	P'000	P'000	P'000
18	NET PROPERTY COSTS				
	Recoverable costs:				
	Cleaning & refuse	(3 872)	(3 772)	(3 838)	(3 737)
	Security	(2 473)	(2 419)	(2 473)	(2 419)
	Utilities	(3 616)	(3 644)	(3 605)	(3 630)
	Recoverable expenses	(9 961)	(9 835)	(9 916)	(9 786)
	Operating cost recoveries	7 607	8 439	7 569	8 396
	Balance of recoverable cost	(2 354)	(1 396)	(2 347)	(1 390)
	Other property costs:				
	Impairment of trade receivables	(2 099)	(1 739)	(2 191)	(1 523)
	Letting commission	(1 038)	(1 508)	(1 038)	(1 508)
	Property management fee	(6 570)	(6 311)	(6 570)	(6 311)
	Rates	(1 536)	(1 057)	(1 363)	(881)
	Repairs and maintenance	(1 935)	(3 298)	(1 865)	(2 930)
	Other property expenses	(3 218)	(2 547)	(3 096)	(2 539)
	Total property costs	(18 750)	(17 856)	(18 470)	(17 082)
19	OTHER EXPENSES				
	Asset management fee	(6 659)	(6 764)	(6 659)	(6 764)
	Fees paid to auditors	(462)	(498)	(429)	(478)
	Audit fee current year	(425)	(380)	(425)	(380)
	Audit fee prior year	-	(98)	-	(98)
	Other services	(37)	(20)	(4)	-
	Directors' fees	(125)	(82)	(125)	(82)
	Other portfolio expenses	(976)	(1 435)	(949)	(1 388)
		(8 222)	(8 779)	(8 162)	(8 712)
20	FINANCE INCOME				
	Banks	1 396	2 234	823	1 822
	Tenants	864	799	860	729
	Related party	7 002	6 148	6 119	6 148
		9 262	9 181	7 802	8 699
21	FINANCE EXPENSE				
	Bank borrowings	(2 611)	(3 305)	(2 611)	(3 305)
	Other	(3)	-	-	-
		(2 614)	(3 305)	(2 611)	(3 305)
22	TAXATION				
	Botswana current taxation				
	Current year	(662)	(640)	(662)	(640)
	Namibian current taxation				
	Current year	(2 254)	(1 783)	-	-
	Prior year under provision	-	(73)	-	-
	Total current taxation	(2 916)	(2 496)	(662)	(640)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

		Group		Company	
		2014 P'000	2013 P'000	2014 P'000	2013 P'000
22	TAXATION (continued)				
	Botswana deferred taxation				
	Current year	(20 810)	(9 506)	(20 810)	(9 506)
	Prior year under provision	-	(4)	-	(4)
	Namibia deferred taxation				
	Current year	(309)	(194)	-	-
	Prior year under provision	-	77	-	-
	Total deferred taxation	(21 119)	(9 627)	(20 810)	(9 510)
	Total taxation	(24 035)	(12 123)	(21 472)	(10 150)
	Attributable to:				
	Distributable income	(3 055)	(2 820)	(561)	(937)
	Fair value adjustments	(18 973)	(8 533)	(18 974)	(8 537)
	Other capital deductions	(661)	-	(661)	-
	Rental straight line adjustments	(1 444)	(770)	(1 276)	(676)
	Effect of rate change	98	-	-	-
		(24 035)	(12 123)	(21 472)	(10 150)

	Group		Company	
	2014	2013	2014	2013
Reconciliation of the effective and statutory tax rate:				
Effective tax rate	10.2%	6.2%	9.4%	5.5%
Adjusted for:				
Fair value and other adjustments - net difference	2.7%	6.1%	2.7%	4.6%
Dividend income	-	-	0.4%	0.5%
Tax on dividends	(0.3%)	(0.3%)	(0.3%)	(0.3%)
Interest on debentures allowed for tax purposes	9.6%	11.0%	9.8%	11.7%
Effect of difference in country tax rates	(0.2%)	(1.0%)	-	-
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.

	Group 2014	Group 2013	Company 2014	Company 2013
Profit for the year attributable to linked unitholders (P'000)	211 055	186 918	207 249	173 953
Weighted average number of linked units	604 397 124	604 397 124	604 397 124	604 397 124
Earnings per linked unit in thebe	34.92	30.93	34.29	28.78

There are no dilutive ordinary shares and the diluted earnings per linked unit are therefore the same as the earnings per linked units.

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	Group		Company	
	2014 P'000	2013 P'000	2014 thebe per linked unit	2013 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 5 - declared 9 April 2014, paid 30 May 2014				
(2013: Number 3 - declared 9 April 2013, paid 28 May 2013)				
Interest	52 039	48 412	8.61	8.01
Dividends	1 934	2 115	0.32	0.35
	53 973	50 527	8.93	8.36
Number 6 - declared 15 July 2014, paid 5 September 2014				
(2013: Number 4 - declared 26 July 2013, paid 13 September 2013)				
Interest	49 923	49 198	8.26	8.14
Dividends	4 835	1 511	0.80	0.25
	54 758	50 709	9.06	8.39
Total distribution declared	108 731	101 236	17.99	16.75
Amounts unpaid at beginning of year	50 709	45 088	8.39	7.46
Amounts unpaid at end of year	(54 758)	(50 709)	(9.06)	(8.39)
Distributions paid to linked unitholders	104 682	95 615	17.32	15.82

	Group		Company	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000
25 TAXATION PAID				
Receivable at beginning of year	3 042	3 245	2 665	2 244
Predecessor balances adopted upon amalgamation (note 26)	-	-	-	766
Charged during the year	(2 916)	(2 496)	(662)	(640)
Receivable at year end	(2 523)	(3 042)	(2 273)	(2 665)
	(2 397)	(2 293)	(270)	(295)

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.

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	Group		Company	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000
26 COMMON CONTROL TRANSACTIONS (continued)				
The assets and liabilities adopted upon amalgamation comprise:				
Investment property	-	-	-	216 824
Rent straight line adjustment	-	-	-	2 332
Investment in subsidiaries	-	-	-	-
Investment in associate	-	-	-	4 951
Financial asset	-	-	-	-
Trade and other receivables	-	-	-	765
Gross receivable	-	-	-	851
Impairment provisions	-	-	-	(86)
Tax receivable	-	-	-	766
Cash and cash equivalents	-	-	-	1 265
Borrowings	-	-	-	(42 121)
Deferred tax liability	-	-	-	(17 989)
Trade and other payables	-	-	-	(8 160)
Tax payable	-	-	-	-
Value of asset acquired through amalgamation	-	-	-	158 633
Less: Company's investment in subsidiary & associate	-	-	-	(147 294)
	-	-	-	11 339
Transferred to equity	-	-	-	(11 339)
Value of linked units issued	-	-	-	-
Cash received as part of transactions	-	-	-	1 265
Net cash received for investment in subsidiary, acquisitions and amalgamations	-	-	-	1 265

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:

Afritec (Proprietary) Limited	Fellow subsidiary
Cash Bazaar (Proprietary) Limited	Fellow subsidiary
Furnmart Limited	Associate of Mynco (Proprietary) Limited
Hunters Africa (Proprietary) Limited	Subsidiary of Mynco (Proprietary) Limited
Mynco (Proprietary) Limited	Related through common ownership and directors
Nafprop (Proprietary) Limited	Fellow subsidiary
New African Properties (Namibia) (Proprietary) Limited	NAP subsidiary
Directors	Company officers
Linked unitholders	Linked unitholders

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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			Group		Company	
			2014	2013	2014	2013
		Notes	P'000	P'000	P'000	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)			29 453	27 085	27 246	25 342
Afritec (Proprietary) Limited	Lease		266	-	266	-
Cash Bazaar (Proprietary) Limited	Lease		10 045	9 717	10 045	9 717
Furnmart Limited	Lease		16 982	15 149	14 775	13 406
Hunters Africa (Proprietary) Limited	Lease		281	258	281	258
Mynco (Proprietary) Limited	Cession		1 879	1 961	1 879	1 961
Interest received			7 002	6 148	6 119	6 148
Cash Bazaar Holdings (Proprietary) Limited	Linked to prime		7 002	6 148	6 119	6 148
Asset management fee - Nafprop (Proprietary) Limited	Contract		(6 659)	(6 764)	(6 659)	(6 764)
Property management fee - Nafprop (Proprietary) Limited	Contract		(6 570)	(6 311)	(6 570)	(6 311)
Leasing fees - Nafprop (Proprietary) Limited	Contract		(1 038)	(1 508)	(1 038)	(1 508)
Directors fees to independent directors	Board approved		(125)	(82)	(125)	(82)
Distributions - Linked unitholders	Board approved		(108 731)	(101 236)	(108 731)	(101 236)
Dividends received / (paid)						
New African Properties (Namibia) (Proprietary) Limited	Board approved		-	-	4 411	4 266
And the following balances exist at the balance sheet date:						
Nature of transaction and party						
Related party receivables		10	82 767	91 453	82 777	91 449
Cash Bazaar Holdings (Proprietary) Limited			82 767	91 449	82 777	91 449
Furnmart Limited			-	4	-	-
Dividends receivable		10				
New African Properties (Namibia) (Proprietary) Limited			-	-	10 787	6 387
Trade receivables			30	947	29	947
Afritec (Proprietary) Limited			19	-	19	-
Cash Bazaar (Proprietary) Limited			2	563	2	563
Furnmart Limited			9	7	8	7
Mynco (Proprietary) Limited			-	377	-	377

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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	Group		Company	
	2014	2013	2014	2013
	P'000	P'000	P'000	P'000
27 RELATED PARTY TRANSACTIONS (continued)				
Trade payables	(6 902)	(5 628)	(1 546)	(64)
Cash Bazaar (Proprietary) Limited	(15)	(29)	(15)	(29)
Cash Bazaar Holdings (Proprietary) Limited	(5 356)	(5 564)	-	-
Furnmart Limited	(44)	(35)	(44)	(35)
Nafprop (Proprietary) Limited	(1 487)	-	(1 487)	-
Distribution payable - Linked unitholders	(54 758)	(50 709)	(54 758)	(50 709)

28 CONTINGENCIES AND COMMITMENTS

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

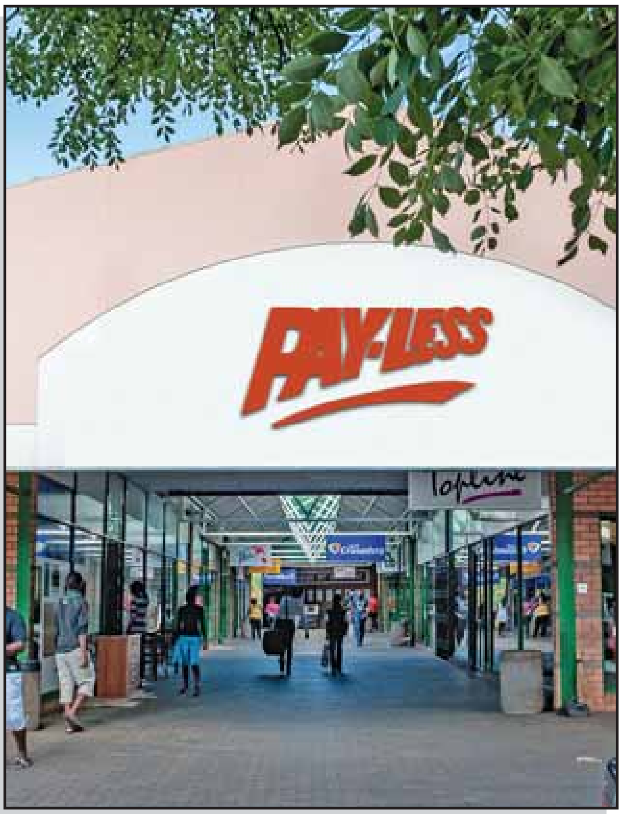
29 SUBSEQUENT EVENTS

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.

Riverwalk Shopping Centre, Gaborone



Madirelo Centre, Gaborone

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31 FINANCIAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

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.

31.1 Financials 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 for the next 12 months is P0.3 million (2013: P0.3 million).

Assets on which interest is earned include trade receivables, related party receivables and cash and cash receivables. 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:

					Impact of 1% change			
	Group		**Company**		**Group**		**Company**	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000	2014 P'000	2013 P'000	2014 P'000	2013 P'000
Related party receivables	82 767	91 453	82 777	91 449	828	914	828	914
Cash and cash equivalents	44 997	32 818	28 363	20 233	450	328	283	202

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 1.2042 (2013: 1.1569) Rand to the Pula, at the reporting date comprise:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

	Group		Company		Impact of a 10% increase Group		Company	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000	2014 P'000	2013 P'000	2014 P'000	2013 P'000
31.1 Financials Risks (continued)								
Market risk (continued)								
Investment property	44 916	49 356	-	-	(4 936)	(4 487)	-	-
Cash and cash equivalents	16 636	12 585	-	-	(1 512)	(1 144)	-	-
All other receivables	1 312	1 065	-	-	(119)	(97)	-	-
Trade and other payables	(18 143)	(14 090)	-	-	1 649	1 281	-	-
Deferred taxation	(3 561)	(3 391)	-	-	324	308	-	-
	41 160	45 525	-	-	(4 594)	(4 139)	-	-
Reconciled to Investment in subsidiary:								
Net assets per above	41 160	45 525						
Less: post acquisition reserves	(12 844)	(14 687)						
Add: cumulative foreign exchange translation difference	8 334	5 812						
	36 650	36 650						

(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	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000
Trade and other receivables	87 507	97 514	98 270	103 777
Cash and cash equivalents	44 997	32 818	28 363	20 233
	132 504	130 332	126 633	124 010
Trade and other receivables includes primarily related party receivables and compromises:				
Related party receivables	82 767	91 453	82 777	91 449
Prepayments	2 067	1 980	2 067	1 961
Dividends receivable	-	-	10 787	6 387
Trade receivables net of impairment	1 769	2 688	1 753	2 599
Other receivables	904	1 393	886	1 381
	87 507	97 514	98 270	103 777

Related party receivables are payable on 3 months' notice by the Group's holding company and is secured by 75 million NAP linked units. The Group also has the right to offset amounts due to its holding company against the loan and the creditor has provided certain warranties to the Group.

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.

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31.1 Financials Risks (continued)

Credit risk (continued)

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.

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					
2014					
Assets					
Financial asset - Receivable[1]	432	1 385	8 900	97 236	107 953
Trade and other receivables[2]	2 673	82 767	-	-	85 440
Cash and cash equivalents	44 997	-	-	-	44 997
Liabilities					
Borrowings[3]	544	1 695	10 832	19 377	32 448
Interest on borrowings[3]	605	1 753	7 553	3 987	13 898
Trade and other payables[2]	17 564	-	-	-	17 564
Distributions payable	54 758	-	-	-	54 758
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
Company					
2014					
Assets					
Financial asset - Receivable[1]	432	1 385	8 900	97 236	107 953
Trade and other receivables[2]	2 639	82 777	-	-	85 416
Cash and cash equivalents	28 363	-	-	-	28 363

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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31.1 Financials 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					
2014					
Liabilities					
Borrowings[3]	544	1 695	10 832	19 377	32 448
Interest on borrowings[3]	605	1 753	7 553	3 987	13 898
Trade and other payables[2]	10 645	-	-	-	10 645
Distributions payable	54 758	-	-	-	54 758
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

[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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
31.2 Capital risk management (continued)				
The gearing ratios as at the year end were as follows:				
Net debt	(95 316)	(89 804)		
Borrowings	32 448	34 467		
Cash and cash equivalents	(44 997)	(32 818)		
Related party receivables	(82 767)	(91 453)		
Investment property at fair value	1 134 598	1 016 441		
Gearing ratios:				
Debt to property value	3%	3%		
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.

	Group 2014 P'000	Group 2013 P'000	Company 2014 P'000	Company 2013 P'000
At the year end the gearing ratio on this basis was:				
Borrowings	32 448	34 467	32 448	34 467
Total assets	1 312 803	1 189 190	1 288 681	1 166 175
Gearing ratio	2%	3%	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					
2014					
Assets					
Investment property	-	-	-	1 109 920	1 109 920
Investment in associate	-	-	-	13 645	13 645
Financial asset	19 102	-	-	-	19 102
Intangible asset	-	-	-	10 431	10 431
Rent straight line adjustment	-	-	-	24 678	24 678
Trade and other receivables	-	87 507	-	-	87 507
Tax receivable	-	-	-	2 523	2 523
Cash and cash equivalents	-	44 997	-	-	44 997
Total assets	19 102	132 504	-	1 161 197	1 312 803
Liabilities					
Borrowings	-	-	32 448	-	32 448
Deferred tax liability	-	-	-	97 623	97 623
Trade and other payables	-	-	20 742	-	20 742
Distributions payable	-	-	54 758	-	54 758
Total liabilities	-	-	107 948	97 623	205 571

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

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					
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
Company					
2014					
Assets					
Investment property	-	-	-	1 065 004	1 065 004
Investment in subsidiaries	-	-	-	36 650	36 650
Investment in associate	-	-	-	4 951	4 951
Financial asset	19 102	-	-	-	19 102
Intangible asset	-	-	-	10 431	10 431
Rent straight line adjustment	-	-	-	23 637	23 637
Trade and other receivables	-	98 270	-	-	98 270
Tax receivable	-	-	-	2 273	2 273
Cash and cash equivalents	-	28 363	-	-	28 363
Total assets	19 102	126 633	-	1 142 946	1 288 681
Liabilities					
Borrowings	-	-	32 448	-	32 448
Deferred tax liability	-	-	-	94 062	94 062
Trade and other payables	-	-	13 386	-	13 386
Distributions payable	-	-	54 758	-	54 758
Total liabilities	-	-	100 592	94 062	194 654

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

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					
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

31.4 Financial instruments - 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 judgment, 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 date, 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
2014						
Financial asset	-	-	19 102	-	-	19 102
Cash and cash equivalents	44 997	-	-	28 363	-	-
2013						
Financial asset	-	-	20 067	-	-	20 067
Cash and cash equivalents	32 818	-	-	20 233	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

31.4 Financial instruments - fair value hierarchy (continued)

There have been no transfers between any of the hierarchy levels during the year (2013: Nil).

Level 1 financial assets include only cash and cash equivalents that are based on actual values invested at the relevant financial institutions.

There are no level 2 financial assets.

Level 3 financial assets comprise the receivable more fully described in note 8. The significant inputs used in determining this value are set out in note 4.

Movements in level 3 financial instruments carried at fair value comprise:

	Group		Company	
	2014	2013	2014	2013
	P'000	P'000	P'000	P'000
Opening balance	20 067	19 933	20 067	19 933
Fair value adjustment recognised in profit and loss	(965)	134	(965)	134
Closing balance	19 102	20 067	19 102	20 067

While not carried at fair value, the fair values of the following financial instruments were disclosed, and the analysis below reflects the fair value hierarchy relative to these instruments:

	Group			Company		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	P'000	P'000	P'000	P'000	P'000	P'000
2014						
Assets						
Trade and other receivables	-	87 507	-	-	98 270	-
Liabilities						
Borrowings	-	32 448	-	-	32 448	-
Trade and other payables	-	20 742	-	-	13 386	-
2013						
Assets						
Trade and other receivables	-	97 514	-	-	103 777	-
Liabilities						
Borrowings	-	34 467	-	-	34 469	-
Trade and other payables	-	19 941	-	-	12 238	-

The carrying value of trade and other receivables, net of impairment provisions, and financial liabilities approximates their respective fair values. The trade and other receivables and payables include amounts due from and to related companies.

31.5 Non-financial instruments - fair value hierarchy

This analysis categorises the non-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 judgment, 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

31 July 2014

31.5 Non-financial instruments - fair value hierarchy (continued)

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 date, that is unobservable inputs.

The Group's non-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
2014						
Investment property	-	-	1 109 920	-	-	1 065 004
2013						
Investment property	-	-	998 040	-	-	948 683

There have been no transfers between any of the hierarchy levels during the year (2013: Nil).

No non-financial assets carried at fair value are classified as level 1 or 2.

Level 3 financial assets comprise the investment property portfolio more fully described in note 5. The significant inputs used in determining this value are set out in that note and note 4.

Movements in level 3 financial instruments carried at fair value comprise:

	Group		Company	
	2014 P'000	2013 P'000	2014 P'000	2013 P'000
Investment property				
Opening balance	998 040	912 323	948 683	653 101
Fair value adjustment recognised in profit and loss	112 921	88 926	115 828	78 554
Predecessor balances adopted on amalgamation	-	-	-	216 824
Capital expenditure	841	572	493	204
Foreign currency gains / (losses) reflected under other comprehensive income	(1 882)	(3 781)	-	-
Closing balance	1 109 920	998 040	1 065 004	948 683

In addition to the investment property disclosed as such in these financial statements, the group equity accounts for its associate which owns an investment property accounted for at fair value. This property asset is also classified as a level 3 hierarchy and is valued based on a 16.25% (2013: 16.5%) discount rate.

The value of the investment in the associate is based on the Group's share of the net asset value of the company, comprising investment property with a value of P131 million (2013: P104 million) less deferred taxation of P29 million (2013: P23 million). The movement in this net asset value comprises the profit and total comprehensive income of the associate for the year and has been equity accounted.

The fair value for the company's investment in its subsidiary company is similarly disclosed and is classified as a level 3 hierarchy in view of it being based on the net underlying asset values which include level 3 inputs for the investment property as set out above.

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.

Bps

Basis points expressed as a hundredth of a percentage.

BSE

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

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.

Capital return

The movement in unit price as a percentage of the opening unit price.

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.

TERMS AND DEFINITIONS (continued)

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.

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.

m^2
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.

TERMS AND DEFINITIONS (continued)

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 / VRLS
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 metres (m^2) renewed on expiry expressed as a percentage of the total m^2 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 calculated using GLA or rental 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 2014 financial year will be held in the Boardroom, Cash Bazaar Holdings, Plot 20573/4, Block 3, Gaborone, at 08h00 on Thursday, the 15th day of January 2015

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 2014.

2.2 Resolution number 2:
To consider and ratify the distributions declared for the year, comprising:

- Number 5 - declared 9 April 2014, paid 30 May 2014 — 8.93 thebe per linked unit
- Number 6 - declared 15 July 2014, paid 5 September 2014 — 9.06 thebe per linked unit

2.3 Resolution number 3:
To ratify the appointment of Ms. Tapping who was appointed by the Board on 15 July 2014.

2.4 Resolution number 4:
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. JP McLoughlin and S Venkatakrishnan retire by rotation but being eligible, offer themselves for re-election. Abridged Curriculum Vitae's of these directors are set out on pages 3, 4 and 5 of this annual report.

2.5 Resolution number 5:
To consider and ratify the directors' fees payable to independent directors for the year ended 31 July 2014 as set out in the directors' report on pages 22 and 23 of the annual report.

2.6 Resolution number 6:
(a) To reappoint PricewaterhouseCoopers as auditors of the Company for the ensuing year; and
(b) to approve their remuneration for the year ended 31 July 2014.
These motions will be moved individually.

NOTICE OF ANNUAL GENERAL MEETING (continued)

2.7 Resolution number 7:

To place linked units equal to an aggregate of 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 three resolutions below. It is specifically recorded that this preamble is applicable to each of the resolutions under 2.7 (a), (b) and (c) and that the 15% limit referred to above is the aggregate limit for all issues under these three subsections of resolution 7 which will be voted on individually.

(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 22 October 2014

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, 9 January 2015, 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 Thursday, 15th January 2015, 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 ratify the appointment of LC Tapping			
4	To re-elect retiring directors and confirm new directors (a) JP McLoughlin			
	(b) S Venkatakrishnan			
5	Consider and ratify the directors' fees payable to independent directors			
6	(a) Reappoint PricewaterhouseCoopers as auditors of the Company for the ensuing year, and			
	(b) Approve their remuneration			
7	Place linked units equal to an aggregate of 15% of the number of linked units in issue at any time under the control of the directors - all subject to the full wording in the notice: (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.

NEW AFRICAN PROPERTIES

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
www.newafricanproperties.co.bw

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Tobias Mynhardt
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