



# NEW AFRICAN PROPERTIES

## NEW AFRICAN PROPERTIES LTD AND ITS SUBSIDIARY

"the Group" 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

# UNAUDITED INTERIM FINANCIAL RESULTS

## For the 6 months ended 31 January 2014

### ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31.01.2014 P000's	Unaudited 6 months to 31.01.2013 P000's	Audited 12 months to 31.07.2013 P000's
<b>Revenue</b>	<b>68 197</b>	62 133	126 995
Contractual lease rental	64 661	60 844	123 648
Rental straight line adjustment	3 536	1 289	3 347
Other income	1 583	1 193	2 046
Operating expenses	(13 775)	(13 011)	(27 100)
<b>Profit before taxation</b>	<b>56 005</b>	50 315	101 941
Finance income	4 261	4 926	9 181
Finance expense	(1 382)	(1 726)	(3 305)
	<b>58 884</b>	53 515	107 817
Investment property fair value adjustment	25 961	27 429	88 926
Per valuations	29 497	28 718	92 273
Rental straight line adjustment	(3 536)	(1 289)	(3 347)
Financial asset fair value adjustment	(2 542)	853	134
Amortisation of intangible asset	(441)	(441)	(881)
Share of associate's profit	1 543	1 478	3 045
<b>Profit after taxation</b>	<b>83 405</b>	82 834	199 041
Taxation	(2 977)	(3 561)	(12 123)
<b>Profit after taxation</b>	<b>80 428</b>	79 273	186 918
Other comprehensive income			
Currency translation reserve	(3 311)	(2 344)	(3 546)
<b>Total comprehensive income</b>	<b>77 117</b>	76 929	183 372
<b>Linked units in issue</b>	<b>604 397 124</b>	604 397 124	604 397 124
<b>Earnings per linked unit (thebe)</b>	<b>13.30</b>	13.12	30.93
<b>Distribution per unit (thebe)</b>			
Interest	8.61	8.01	16.15
Dividend	0.32	0.35	0.60
<b>Total</b>	<b>8.93</b>	8.36	16.75

### ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31.01.2014 P000's	Unaudited 31.01.2013 P000's	Audited 31.07.2013 P000's
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>1 021 258</b>	937 655	998 040
Investment property	1 043 150	954 022	1 016 441
At valuation	(21 892)	(16 367)	(18 401)
Rental straight line adjustment	9 539	6 429	7 996
Investment in associate	10 871	11 752	11 312
Intangible asset	17 524	20 785	20 067
Financial asset	17 367	15 249	17 720
Rental straight line adjustment	1 076 559	991 870	1 055 135
<b>Current assets</b>	<b>7 536</b>	6 600	6 061
Trade and other receivables	58 141	77 836	91 453
Related party receivable	1 875	2 863	3 042
Tax receivable	4 525	1 118	681
Rental straight line adjustment	65 794	44 727	32 818
Cash and cash equivalents	137 871	133 144	134 055
<b>TOTAL ASSETS</b>	<b>1 214 430</b>	1 125 014	1 189 190
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	<b>1 084 547</b>	1 002 223	1 007 430
<b>Non-current liabilities</b>	<b>31 529</b>	33 652	32 576
Borrowings	77 916	69 263	76 643
Deferred taxation	109 445	102 915	109 219
<b>Current liabilities</b>	<b>18 466</b>	18 173	19 941
Trade and other payables	1 972	1 703	1 891
Borrowings short term portion	-	-	50 709
Distributions payable to unitholders	20 438	19 876	72 541
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 214 430</b>	1 125 014	1 189 190

### COMMENTARY

#### RESULTS

Distributable income for the 6 months to 31 January 2014 amounts to P54.0 million or 8.93 thebe per linked unit, a 6.8% increase on the comparable period last year. This growth is attributable to a 7.0% increase in net operating income less slightly lower investment income.

Earnings for the period amounted to P80.4 million including revaluations and other accounting adjustments, an increase of 1.5% on the comparable period. The revaluations and accounting adjustments do not impact distributable earnings or distributions and do not result in cash flows.

#### PROPERTY PORTFOLIO

There have been no changes in the portfolio during the period under review.

The property portfolio has been valued by directors at P1.04 billion before straight line rental adjustments, a 2.6% increase on the P1.01 billion at 31 July 2013 and a 9.3% increase on the prior year comparative.

Vacancies at the end of January represent 2.8% of gross lettable area which is lower than the 3.6% at the previous year end.

#### PROSPECTS

The Board is confident that the property portfolio will continue to deliver a growing income stream and provide sustainable returns to investors.

#### DISTRIBUTION DECLARATION

Distribution number 5 amounting to 8.93 thebe per linked unit, comprising 8.61 thebe interest and 0.32 thebe dividend, was declared on 9 April 2014 and is payable to unitholders registered on 2 May 2014. The key dates for this distribution are:

Record date to participate in distribution	2 May 2014
Payment	30 May 2014

Withholding tax will be deducted by the company at relevant rates where applicable.

For New African Properties Limited

**J.T. Mynhardt**  
**Chairman**  
9 April 2014

**T.L.J. Mynhardt**  
**Managing Director**

#### Transfer Secretaries

Grant Thornton Business Services (Pty) Ltd  
Plot 50370 Acumen Park  
Gaborone, Botswana  
(PO Box 1157, Gaborone, Botswana)

#### Company Secretary

DPS Consulting Services (Pty) Ltd  
Plot 50371, Fairground Office Park  
Gaborone, Botswana  
(PO Box 1453, Gaborone, Botswana)

Directors: J.T. Mynhardt (Chairman), T.L.J. Mynhardt (Managing Director),  
F.B. Lebala, J.P. McLoughlin#, S. Venkatarishnan\*  
# South African, \* Indian

### ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital P000's	Debentures P000's	Total linked units P000's	Foreign currency translation reserve P000's	Non distributable retained income P000's	Distributable retained income P000's	Total P000's
<b>Unaudited 6 months to 31 January 2013</b>							
<b>Balance at 31 July 2012</b>	8 719	863 105	871 824	(2 266)	55 321	415	925 294
<b>Transactions with owners</b>	-	-	-	-	-	-	-
Distributions declared	-	-	-	-	-	(50 528)	(50 528)
Distributions not yet paid	-	-	-	-	-	50 528	50 528
<b>Comprehensive income</b>	-	-	-	(2 344)	28 720	50 553	76 929
Comprehensive income for the period	-	-	-	(2 344)	-	79 273	76 929
Transfer of non-distributable amounts net of related taxes	-	-	-	-	28 720	(28 720)	-
<b>Balance at 31 January 2013</b>	8 719	863 105	871 824	(4 610)	84 041	50 968	1 002 223
<b>Audited 12 months to 31 July 2013</b>							
<b>Balance at 31 July 2012</b>	8 719	863 105	871 824	(2 266)	55 321	415	925 294
<b>Transactions with owners</b>	-	-	-	-	-	(101 236)	(101 236)
Distributions declared	-	-	-	-	-	(101 236)	(101 236)
<b>Comprehensive income</b>	-	-	-	(3 546)	85 268	101 650	183 372
Comprehensive income for the period	-	-	-	(3 546)	-	186 918	183 372
Transfer of non-distributable amounts net of related taxes	-	-	-	-	85 268	(85 268)	-
<b>Balance at 31 January 2013</b>	8 719	863 105	871 824	(5 812)	140 589	829	1 007 430
<b>Unaudited 6 months to 31 January 2014</b>							
<b>Balance at 31 July 2013</b>	8 719	863 105	871 824	(5 812)	140 589	829	1 007 430
<b>Transactions with owners</b>	-	-	-	-	-	-	-
Distributions proposed	-	-	-	-	-	(53 973)	(53 973)
Distributions not yet paid	-	-	-	-	-	53 973	53 973
<b>Comprehensive income</b>	-	-	-	(3 311)	26 455	53 973	77 117
Comprehensive income for the period	-	-	-	(3 311)	-	80 428	77 117
Transfer of non-distributable amounts net of related taxes	-	-	-	-	26 455	(26 455)	-
<b>Balance at 31 January 2014</b>	<b>8 719</b>	<b>863 105</b>	<b>871 824</b>	<b>(9 123)</b>	<b>167 044</b>	<b>54 802</b>	<b>1 084 547</b>

### ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 31.01.2014 P000's	Unaudited 6 months to 31.01.2013 P000's	Audited 12 months to 31.07.2013 P000's
<b>Net cash from operating activities</b>	<b>936</b>	9 991	12 954
Cash generated from operations	49 092	53 103	104 986
Net finance income	2 879	3 200	5 876
Distributions paid to linked unitholders	(50 709)	(45 088)	(95 615)
Taxation paid	(326)	(1 224)	(2 293)
<b>Net cash generated / (used) in investing activities</b>	<b>33 006</b>	(53 139)	(67 123)
Investment property acquired / improved	(306)	(204)	(572)
Deposit in related party receivable	33 312	(52 935)	(66 551)
<b>Net cash from financing activities</b>	<b>(966)</b>	(767)	(1 655)
Borrowings decreased	(966)	(767)	(1 655)
<b>Net change in cash and cash equivalents</b>	<b>32 976</b>	(43 915)	(55 824)
Cash and cash at beginning of the year	32 818	88 642	88 642
<b>Cash and cash equivalents at end of period</b>	<b>65 794</b>	44 727	32 818

### NOTES

- The accounting policies are consistent with those used in the previous financial year.
- The Group's business activities are concentrated in the retail property rental segment and are primarily carried out within Botswana.
- Comparatives have been restated where necessary for comparability purposes.
- Distribution attributable to linked unitholders is reconciled to comprehensive income as follows:

	Unaudited 6 months to 31.01.2014 P000's	Unaudited 6 months to 31.01.2013 P000's	Unaudited 6 months to 31.01.2013 tpu	Audited 12 months to 31.07.2013 P000's	Audited 12 months to 31.07.2013 tpu
Total comprehensive income	77 117	76 929	12.76	183 372	30.34
Less: Foreign currency translation difference	3 311	2 344	0.54	3 546	0.59
Net profit	80 428	79 273	13.30	186 918	30.93
Less: Fair value adjustments net of tax	(22 630)	(26 655)	(3.74)	(80 527)	(13.32)
Add: Amortisation adjustments	441	441	0.07	881	0.14
Less: Share of associate's net profit	(1 543)	(1 478)	(0.25)	(3 045)	(0.50)
Less: Rental straight line adjustment net of tax	(2 723)	(1 028)	(0.45)	(2 577)	(0.43)
Distributable earnings for current period	53 973	50 553	8.93	101 650	16.82
Distributions	(53 973)	(50 528)	(8.93)	(101 236)	(16.75)
Net income retained	-	25	-	414	0.07