

# LETLOLE LA RONA LIMITED UNAUDITED ABRIDGED FINANCIAL RESULTS FOR THE HALF YEAR PERIOD ENDED 31 DECEMBER 2020

Letlole La Rona Limited,  
Incorporated in the Republic of Botswana.  
Registration Number- BW0001394482  
Share Code- letlole ISIM. BW 000 000 1035

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Unaudited Dec-2020 P	Unaudited Dec-2019 P	Audited Jun-2020 P
<b>Continuing Operations</b>			
Revenue	50,137,611	39,418,452	81,155,468
Contractual revenue	47,864,680	37,425,568	77,517,804
Straight line lease rental adjustment	1,352,339	760,917	1,475,841
Operating Cost recoveries	620,592	1,231,967	2,861,823
Other income	249,885	31,489	3,577,990
Movement in credit loss allowances	(2,065,052)	(194,503)	(3,311,256)
Impairment loss on investment property	-	-	(3,741,907)
Property related expenses	(4,616,232)	(4,473,885)	(7,857,371)
Administrative expenses	(13,900,125)	(9,650,324)	(21,872,558)
<b>Operating Profit</b>	<b>29,806,087</b>	<b>25,131,229</b>	<b>47,949,566</b>
Finance income	1,713,559	3,662,702	7,614,790
Finance costs	(7,716,826)	(8,220,190)	(16,449,873)
Share of profit from associate	1,050,611	3,066,581	5,773,534
<b>Profit before fair value adjustment</b>	<b>24,311,232</b>	<b>23,640,321</b>	<b>44,888,017</b>
Fair value adjustment of investment properties	8,440,537	10,630,553	33,309,781
As per valuation	9,752,876	11,391,470	34,785,622
Straight line lease adjustment	(1,352,339)	(760,917)	(1,475,841)
<b>Profit before tax</b>	<b>32,751,769</b>	<b>34,270,875</b>	<b>78,197,798</b>
Taxation	(4,124,430)	(5,137,920)	(7,635,063)
<b>Profit from continuing operations</b>	<b>28,627,339</b>	<b>29,132,955</b>	<b>70,562,735</b>
Profit from discontinued operations	549,822	1,466,520	1,788,098
<b>Total Comprehensive Income for the year</b>	<b>29,177,161</b>	<b>30,599,475</b>	<b>72,350,833</b>
Number of linked units in issue at end of the year	280,000,000	280,000,000	280,000,000
Weighted average number of linked units in issue	280,000,000	280,000,000	280,000,000
<b>Earnings per linked unit (thebe)</b>	<b>12.15</b>	<b>12.50</b>	<b>25.79</b>
Earnings per linked unit is calculated based on the average number of linked units in issue and total comprehensive income for the year, adjusted by the taxation on debenture interest credited to the statement of changes in equity of:	34,015,647	34,997,961	65,620,968
<b>Distribution per linked unit (thebe)</b>	<b>7.19</b>	<b>7.19</b>	<b>16.12</b>
Dividends per linked unit (thebe)	0.05	0.05	0.10
Debenture interest per linked unit (thebe)	7.14	7.14	16.02

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Unaudited Dec-2020 P	Unaudited Dec-2019 P	Audited Jun-2020 P
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	957,976,940	761,053,199	892,495,663
Operating lease asset	20,574,110	18,585,417	19,300,338
Right of Use Asset	1,651,900	2,183,163	1,887,886
Investment in associate	4,204,390	4,136,341	4,299,294
Investments at fair value	6,250,000	6,250,000	6,250,000
Property, plant & equipment	1,444,936	1,981,610	1,697,701
Deferred taxation recoverable - related party	5,032,963	5,139,841	5,125,126
<b>Total Non-Current Assets</b>	<b>1,034,974,755</b>	<b>836,329,571</b>	<b>969,749,408</b>
<b>Current assets</b>			
Taxation refundable	146,870	1,029,745	1,399,579
Trade and other receivables	5,939,766	5,472,534	9,027,428
Cash and cash equivalents	59,235,855	225,746,167	122,590,894
<b>66,644,330</b>	<b>232,248,446</b>	<b>133,017,900</b>	
Non-current assets held for sale	749,000	9,000,000	-
<b>1,109,109,085</b>	<b>1,077,578,017</b>	<b>1,102,767,309</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	2,718,884	2,718,884	2,718,884
Debentures-Linked units	405,113,547	405,113,547	405,113,547
Retained income	375,191,109	351,088,961	363,308,583
<b>Total equity and liabilities</b>	<b>783,023,540</b>	<b>758,921,392</b>	<b>771,141,015</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term loan	229,969,077	232,948,336	231,288,123
Deferred taxation	55,158,553	48,951,809	55,964,773
Lease Liability	1,607,944	1,518,936	1,333,279
<b>Total non-current liabilities</b>	<b>286,735,573</b>	<b>283,519,081</b>	<b>288,586,175</b>
<b>Current liabilities</b>			
Debenture interest and dividend payable	22,133,120	20,133,120	25,001,200
Trade and other payables	13,987,382	12,486,005	13,983,958
Current portion of the loan	2,607,697	1,950,991	3,512,900
Distribution Payable	62,177	567,341	542,062
<b>Total current liabilities</b>	<b>39,349,976</b>	<b>35,137,547</b>	<b>43,040,120</b>
<b>Total equity and liabilities</b>	<b>1,109,109,085</b>	<b>1,077,578,017</b>	<b>1,102,767,309</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Stated capital P	Debentures P	Retained Income P	Total P
<b>Balance at 01 Jul 2019</b>	<b>2,718,884</b>	<b>405,113,547</b>	<b>336,224,115</b>	<b>744,056,546</b>
Total profit and comprehensive income for the year	-	-	30,599,475	30,599,475
Dividends declared	-	-	(140,000)	(140,000)
Debenture interest declared	-	-	(9,993,120)	(9,993,120)
Taxation attributable to debenture interest	-	-	4,398,486	4,398,486
<b>Balance at 31 December 2019</b>	<b>2,718,884</b>	<b>405,113,547</b>	<b>351,088,961</b>	<b>758,921,392</b>
Total profit and comprehensive income for the year	-	-	31,751,358	31,751,358
Dividends declared	-	-	(140,000)	(140,000)
Debenture interest declared	-	-	(24,861,200)	(24,861,200)
Taxation attributable to debenture interest	-	-	5,469,464	5,469,464
<b>Balance at 30 June 2020</b>	<b>2,718,884</b>	<b>405,113,547</b>	<b>363,308,582</b>	<b>771,141,015</b>
Total profit and comprehensive income for the year	-	-	29,617,161	29,617,161
Dividends declared	-	-	(140,000)	(140,000)
Debenture interest declared	-	-	(21,993,120)	(21,993,120)
Taxation attributable to debenture interest	-	-	4,838,487	4,838,487
<b>Balance at 31 December 2020</b>	<b>2,718,884</b>	<b>405,113,547</b>	<b>375,191,109</b>	<b>783,023,540</b>

## STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Unaudited Dec-2020 P	Unaudited Dec-2019 P	Audited Jun-2020 P
<b>Cash flows from operating activities</b>			
Profit before taxation	32,751,769	34,270,875	78,197,798
Profit/(loss) before taxation from discontinued operations	549,822	1,466,520	1,788,098
Adjustments for:			
Fair value adjustment of investment properties	(8,440,537)	(10,630,553)	(33,309,781)
Share of profit from associate	(1,050,611)	(1,516,581)	(5,773,534)
Gain/Loss on sale of plant & equipment	(2,329)	-	-
Dividend from Associate	-	(1,550,000)	-
Finance costs	7,716,826	8,220,190	16,449,873
Finance income	(1,713,559)	(3,662,702)	(7,614,790)
Depreciation expense	5,241,351	5,899,630	11,407,743
Movement in credit loss allowances	2,065,052	194,503	3,311,256
Impairment loss on investment property	-	-	(3,741,907)
Movements in operating lease assets	(1,353,461)	(760,917)	(1,475,841)
IFRS 16 Interest	58,604	75,804	-
<b>Operating income before working capital changes</b>	<b>31,648,090</b>	<b>26,696,768</b>	<b>56,455,730</b>
Working capital changes			
Increase/decrease in trade and other receivables	985,507	23,420,463	16,748,817
Increase/(decrease) in trade and other payables	(4,279,990)	(23,642,779)	(23,564,680)
Taxation paid	(69,130)	(383,460)	(753,294)
<b>Net cash generated from operating activities</b>	<b>32,136,477</b>	<b>24,990,992</b>	<b>48,886,573</b>
<b>Cash flows (used in)/from investing activities</b>			
Additions to investment properties	(64,451,051)	(33,911,342)	(146,416,285)
Distribution From Associate	2,000,000	150,000	2,400,000
Purchase of financial assets	-	-	-
Finance income	1,713,559	3,662,702	7,614,790
Acquisition of property, plant & equipment	(33,834)	(150,750)	(187,957)
Proceeds on sale of investment property	-	-	9,000,000
<b>Net cash used in investing activities</b>	<b>(61,313,526)</b>	<b>(28,489,191)</b>	<b>(127,589,452)</b>
<b>Cash flows used in financing activities</b>			
Net movement on borrowings	(1,202,250)	(2,053,460)	(2,151,764)
Finance costs	(7,716,826)	(8,220,190)	(16,449,873)
Dividends paid	(140,000)	-	(280,000)
Debenture interest paid	(24,792,915)	(29,379,857)	(49,953,120)
Payment on Lease Liability	(326,002)	(315,174)	(484,516,000)
<b>Net cash generated from/(used in) financing activities</b>	<b>(34,177,993)</b>	<b>(40,108,682)</b>	<b>(69,319,273)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(63,355,043)</b>	<b>(44,866,881)</b>	<b>(148,022,152)</b>
Cash and cash equivalents at beginning of the year	122,590,894	270,613,048	270,613,048
<b>Cash and cash equivalents at end of the year</b>	<b>59,235,855</b>	<b>225,746,167</b>	<b>122,590,894</b>

## SEGMENTAL REPORTING

	Corporate P	Commercial & retail P	Leisure P	Industrial P	Residential P	Total P
<b>SEGMENTAL STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2020 - UNAUDITED</b>						
Segment revenue	253	12,287,847	-	35,588,096	2,261,416	50,137,612
Other income	20,685	714	-	85,941	142,545	249,885
Movement in Credit loss allowances	(2,065,052)	-	-	142,545	-	(2,065,052)
Property related expenses	(1,073,735)	-	-	(3,015,512)	(5,26,986)	(4,616,232)
Administrative expenses	(13,900,125)	-	-	-	-	(13,900,125)
<b>Operating profit</b>	<b>(19,944,239)</b>	<b>11,214,826</b>	<b>-</b>	<b>32,658,525</b>	<b>1,876,975</b>	<b>29,806,087</b>
Finance income	1,713,559	-	-	-	-	1,713,559
Finance costs	(1,477,052)	(5,248,792)	-	(9,990,981)	-	(7,716,826)
Share of profit from associate	1,050,611	-	-	-	-	1,050,611
Fair value gain on investment property net of adjustment resulting from straight lining	-	(4,304,164)	-	12,802,083	(57,382)	8,440,537
Tax expense	(4,124,430)	-	-	-	(4,124,430)	(4,124,430)
<b>Profit from continuing operations</b>	<b>(19,323,750)</b>	<b>1,661,870</b>	<b>-</b>	<b>44,469,627</b>	<b>1,819,592</b>	<b>28,627,339</b>
<b>Discontinued operations</b>						
Profit from discontinued operations	-	-	-	549,822	-	549,822
<b>Profit for the year</b>	<b>(19,323,750)</b>	<b>1,661,870</b>	<b>-</b>	<b>45,019,448</b>	<b>1,819,592</b>	<b>29,177,161</b>
<b>SEGMENTAL STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 2019 - UNAUDITED</b>						
Segment revenue	31,489	11,644,224	-	25,736,396	2,037,832	39,418,452
Other income	20,685	714	-	-	-	21,400
Movement in credit loss allowance	(194,503)	-	-	-	-	(194,503)
Property related expenses	(1,073,735)	-	-	(2,494,179)	(6,09,210)	(4,473,885)
Administrative expenses	(9,650,324)	-	-	-	-	(9,650,324)
<b>Operating profit</b>	<b>(9,813,338)</b>	<b>10,273,728</b>	<b>-</b>	<b>23,242,217</b>	<b>1,428,622</b>	<b>25,131,229</b>
Finance income	3,662,702	-	-	-	-	3,662,702
Finance costs	(8,220,190)	-	-	-	-	(8,220,190)
Share of profit from Associate	3,066,581	-	-	-	-	3,066,581
Fair value gain on investment property net of adjustment resulting from straight lining	-	(1,432,907)	-	12,077,824	(14,363)	10,630,553
Tax expense	(5,137,920)	-	-	-	-	(5,137,920)
<b>Profit from continuing operations</b>	<b>(16,442,166)</b>	<b>8,840,821</b>	<b>-</b>	<b>35,320,041</b>	<b>1,414,259</b>	<b>29,132,955</b>
<b>Discontinued operations</b>						
Profit from discontinued operations	-	-	-	1,466,520	-	1,466,520
<b>Profit for the year</b>	<b>(16,442,166)</b>	<b>8,840,821</b>	<b>-</b>	<b>35,320,041</b>	<b>1,414,259</b>	<b>30,599,475</b>
<b>SEGMENTAL STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020 - AUDITED</b>						
Segment revenue	2,525	25,177,614	-	51,793,139	4,184,715	81,585,468
Other income	11,400	-	-	3,528,635	34,630	3,577,190
Movement in Credit loss allowances	(3,311,256)	-	-	-	-	(3,311,256)
Impairment loss on investment properties	-	-	-	(3,741,907)	-	(3,741,907)
Property related expenses	-	(2,614,606)	-	(3,974,604)	(1,268,160)	(7,857,371)
Administrative expenses	(21,872,558)	-	-	-	-	(21,872,558)
<b>Operating profit</b>	<b>(25,181,289)</b>	<b>22,574,408</b>	<b>-</b>	<b>47,605,263</b>	<b>2,951,185</b>	