ANNUAL REPORT 2018

PRIME TIME

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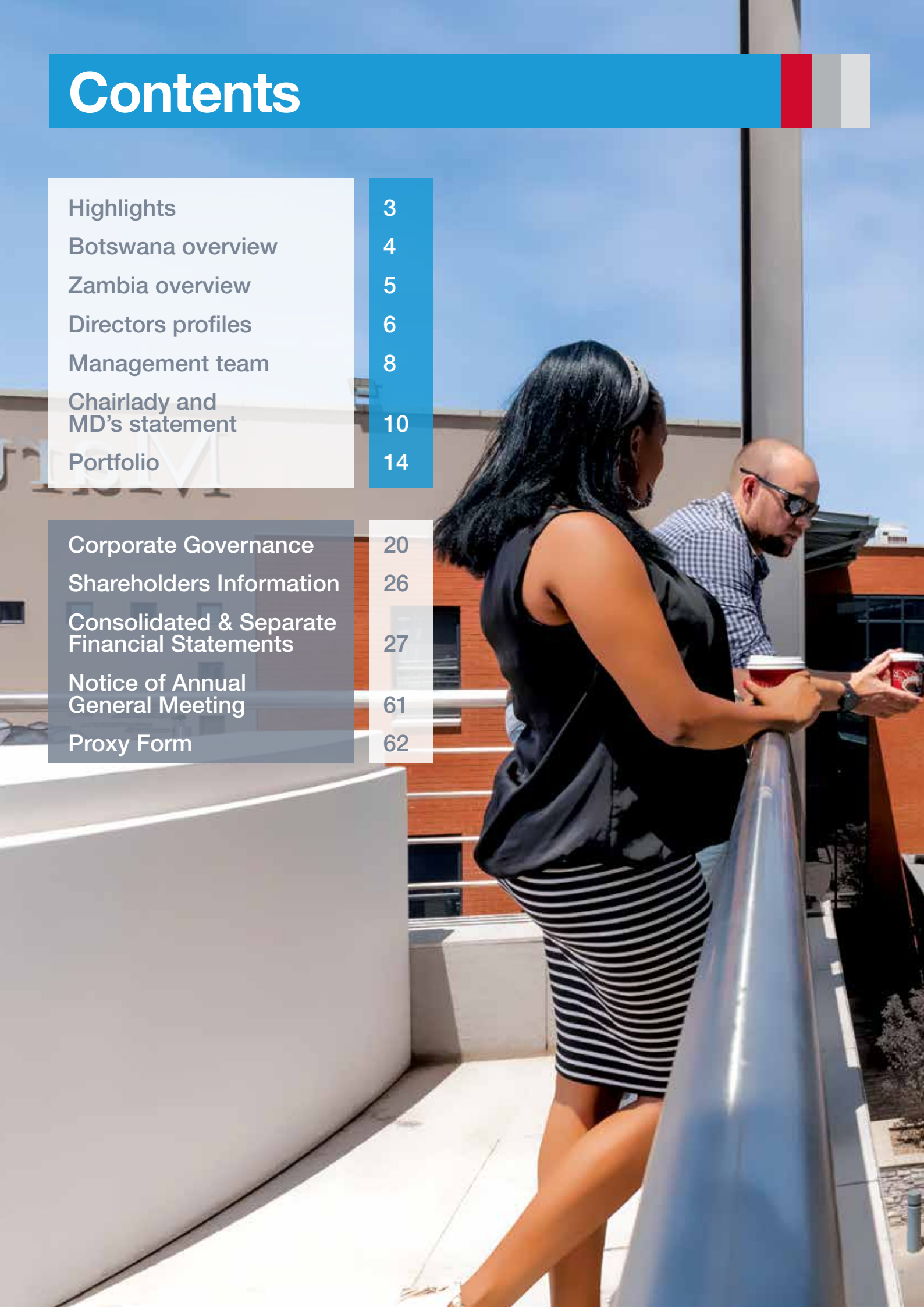
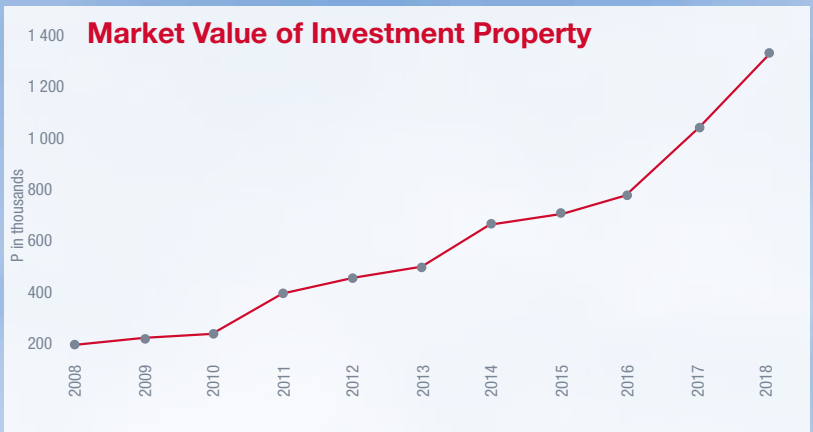
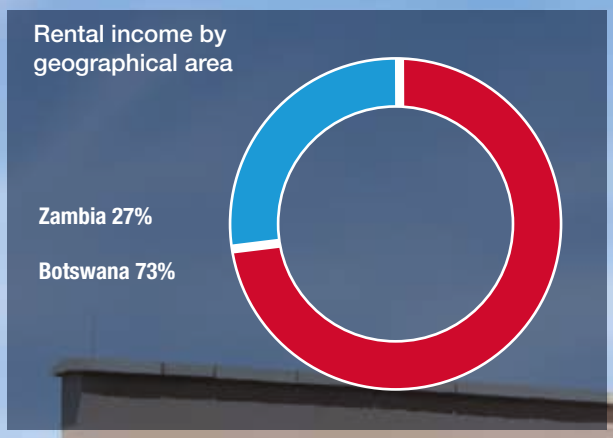
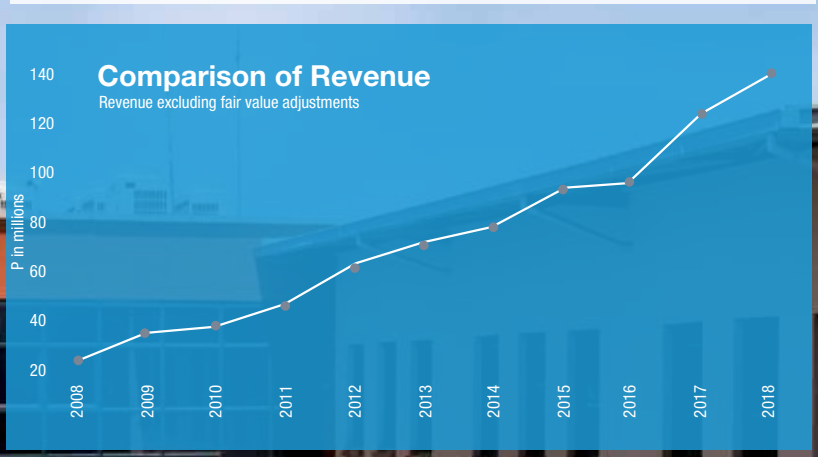
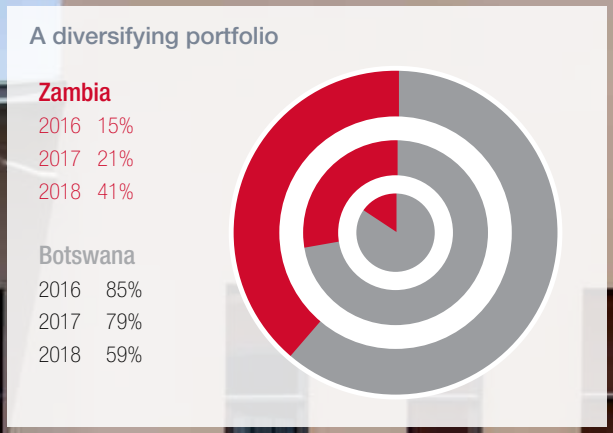


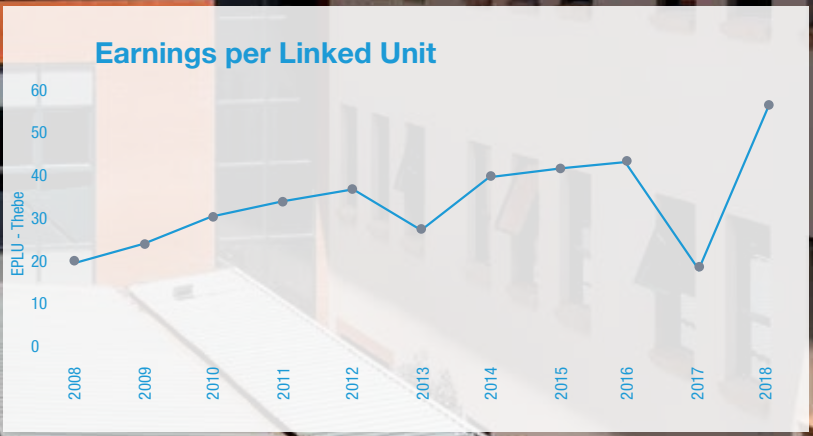
Highlights











100k sqm

GLA has doubled since listing. The portfolio grew 15% in the last year and comprises of 27 properties.

26 %

increase in investment property value.

300

PrimeTime has a broad tenant base with over 300 leases in place at the end of 2018.

14k sqm

of new property was added to the portfolio in 2018.

Botswana Overview

The last decade has seen a slower pace of economic growth in Botswana than the nation had become accustomed to in the 40 years after independence. However, the property market has seen a rapid expansion over that period with substantial new space delivered in the office and retail sectors.

The occupational retail market is now settling down following a period of uncertainty as foreign retailers expansion was impaired by licensing difficulties. That issue now appears to have been resolved which has given the sector a renewed confidence.

In Gaborone, the office market is still developing rapidly, with new developments in the CBD continuing to rise from the ground and a real critical mass of businesses now located there, pulling more occupiers to the area. The premier decentralised node of Fairgrounds Office Park is settled and the high vacancy rate there caused by the delivery of a substantial amount of new stock in the last few years has largely been taken up.

Investor appetite for high-quality assets is strong, supporting capital values through competition between buyers for standing institutional grade property. Although competition has compressed yields, there will be investment opportunities in various markets across the country as Botswana grows.

MANTLO HOUSE

SOLD above book value

SEBELE CENTRE

EXTENTION Completed

THE DESIGN QUARTER

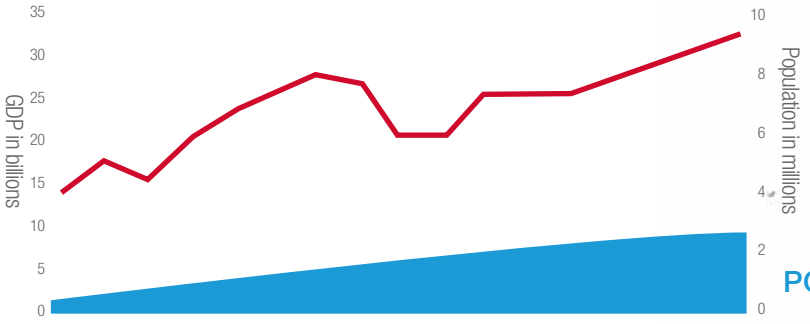
3,010 sqm **REALISED**

AFA HOUSE

REVAMPED
and new lease signed

RAMOTSWA SHOPPING CENTRE

REVITALISED



GDP
POPULATION
SOURCE: IMF

Zambia Overview

MUNALI MALL

6000sqm **DELIVERED**

CHIRUNDU MALL

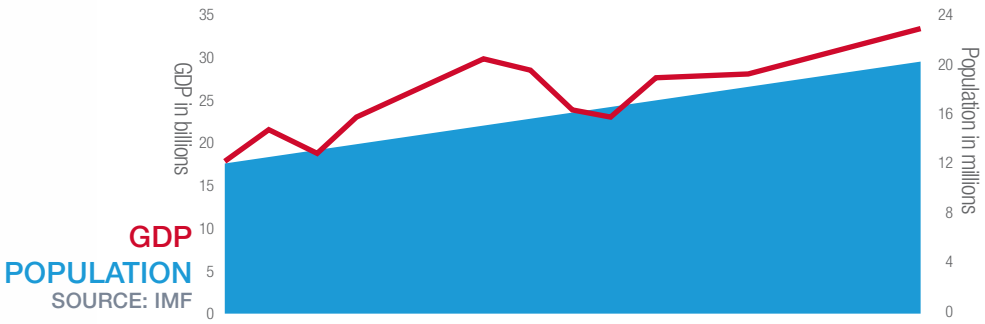
COMPLETED
and generating income

The underlying fundamentals in the Zambian market are strong, despite the ups and downs of the copper price and Kwacha in recent years. Zambia's growing and urbanising population and a general lack of good quality stock present a compelling case for the long-term prospects of the property market.

This is reflected in the volume of investment in property over the last three years, with a reported $1.3 billion of institutional grade investment in the period, three-quarters of which comes from outside the country.

While the delivery of a substantial amount of space in both the office and retail sectors in recent years has supressed rentals in certain areas, there are still opportunities to develop in both sectors. In Lusaka, as with many old African CBDs, traffic and ailing infrastructure is forcing tenants to more peripheral locations with lower density offices.

There has also been considerable retail development, which is taking a while to absorb in some areas, especially parts of Lusaka. However, the overall provision of formal retail space in comparison to other countries in the region is low and will provide opportunities for investment for years to come.



Directors Profiles

SANDY KELLY (MANAGING DIRECTOR)
Pr. Eng. BSc (Civ Eng) MBA MBIDP
Sandy has been involved in property investment and development for over 30 years. As Managing Director of Time Projects, he engineered the development of PrimeTime's initial property portfolio.

SIFELANI THAPELO
LL.B (UB) LL.M (Cambridge)
Since 2005 Sifelani has been Senior Partner at S. Thapelo Attorneys. He is a fellow of the Cambridge Commonwealth Society Law Organisation and a member of various Boards in Botswana.

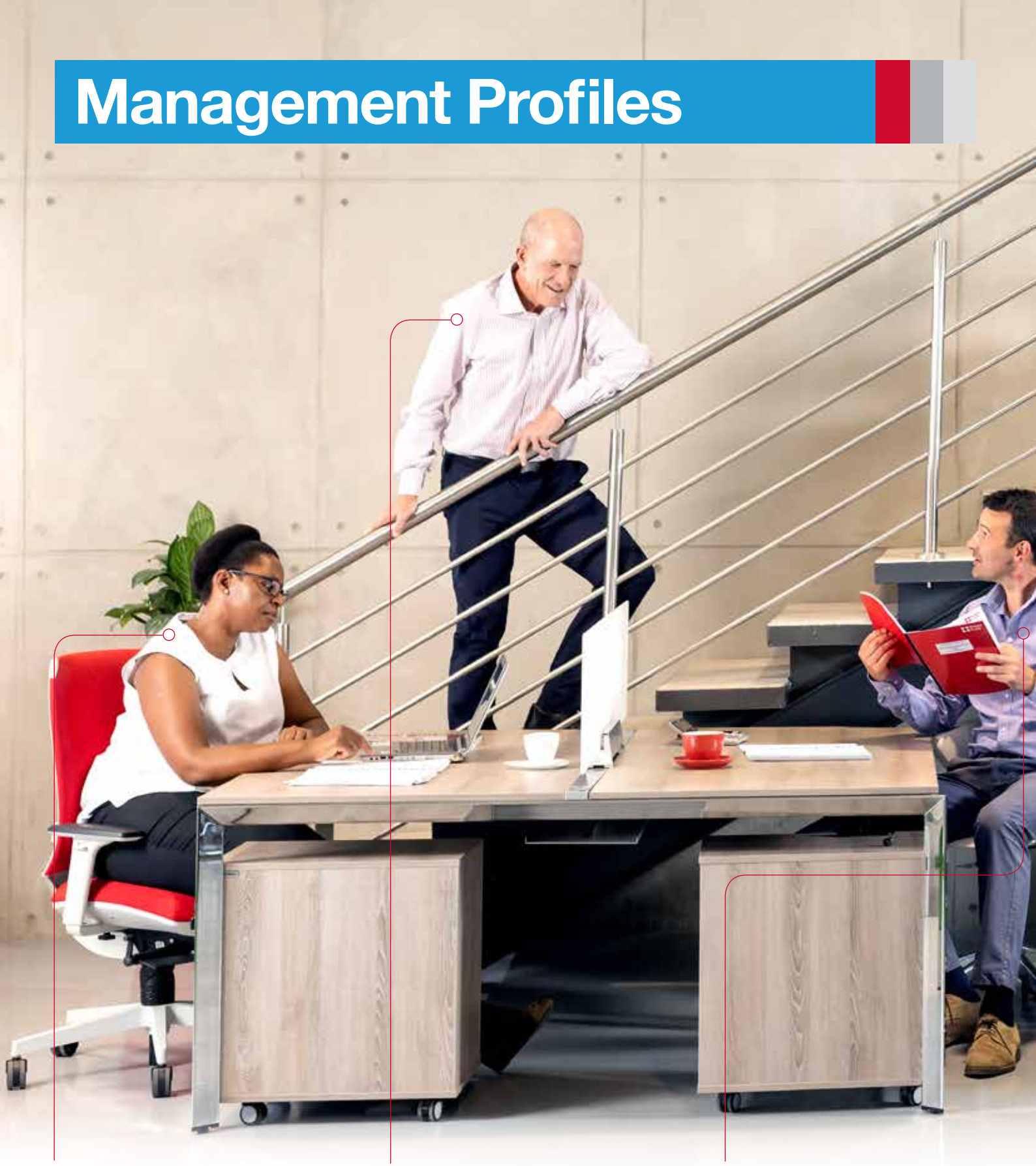
TURNIE MOROLONG
BA (UB) MBA (UB) Dip. PM
Turnie is the Property Director of Time Projects (Botswana) (Pty) Limited and has been with the company for over 13 years. He has over 20 years' experience in property management.

PETRONELLA MATUMO (Chairlady)
HND (Shannon, Rep. of Ireland), IHCI
Petronella is a hotelier by profession and is the Managing Director of Private Collection (Pty) Limited and Fine Jewellery Manufacturing (Pty) Limited – diamond jewellery retailer and manufacturing companies respectively. She has extensive business experience gained on the Boards of a diverse range of companies.

JOANNA JONES
BA (Hons) FCA (UK) FCPA (Bots)
Jo has been the Finance Director of Time Projects (Botswana) (Pty) Limited for over 10 years. With over 25 years' experience in financial accounting she was appointed to the Board in June 2017.

CROSS KGOSIDIILE
BaC (Accounting), MsB Admin, FCMA FCPA (Bots)
Cross is a fellow of the Chartered Institute of Management Accountants and chairs the Audit Committee for PrimeTime. The CEO of the Motor Vehicle Accident Fund for over 10 years from 2005, he is now the CFO of the Botswana Power Corporation and has extensive experience on several boards in Botswana.

Management Profiles



WANANANI NYASULU
Wani is the Group Finance Manager for the PrimeTime Group of companies, having worked her way up in Time Projects from where she started in 2008 as a Property Administrator. With a career spanning over 20 years in the property and accounting sectors, she is a part qualified accountant and is in the final stages of her ACCA professional examinations.

SANDY KELLY (MANAGING DIRECTOR)
Pr. Eng. BSc (Civ Eng) MBA MBIDP
Following an early career in South Africa in construction, Sandy came to Botswana in 1988 to "open the doors" for Time Projects. He was instrumental in developing PrimeTime's initial portfolio and its successful listing on the BSE in December 2007. Since then, as Managing Director of Time Projects and PrimeTime, he has led the team that has built up the Company's investment properties to double the size at inception.

JOE SIMPSON
HND BA (Hons)
Joe has been the Asset Manager for Time Projects since 2014. His 18-year career has all been in the Real Estate field, joining Knight Frank London in 2001 he rose to head up their International Research Division, before transferring to their Botswana office. His main role for PrimeTime is in assessing, negotiating and facilitating property acquisitions and disposals, and in managing the major lease renewals.

MERAPELO MOPAKI

Merapelo has been the Property and Maintenance Manager at Time Projects since 2013. He holds a certificate in Real Estate and has over 10 years experience in the Botswana property industry, working all over the country. Merapelo is a key player in the servicing and utility provision to PrimeTime's Botswana properties, as well as working on improvement projects and providing tenant liaison.

JOANNA JONES

BA (Hons) FCA (UK) FCPA (Bots)

Jo has been Time Project's Finance Director since 2007. Having qualified as a Chartered Accountant in the UK, she moved to Botswana 20 years ago initially with PricewaterhouseCoopers. With a background in audit she has been working in industry for the last 18 years. She oversees the finances for the PrimeTime group of companies.

TURNIE MOROLONG

BA (UB) MBA (UB) Dip. PM

Turnie has been with Time Projects since 2005 and was appointed Director of the Property Management Division in December 2007. Turnie has also sat on the PrimeTime Board since inception. He has gained vast experience in property management attained more than 20-years in various capacities. He is responsible for the day-to-day management of all the properties in the PrimeTime group portfolio.

Chairlady & Managing Director's statement

We have great pleasure in presenting you with the latest PrimeTime annual report. The financial year ending 31 August 2018 proved to be an exciting and extremely productive period for the group and we are delighted to report substantial increases in revenues and profits.

PERFORMANCE AND RESULTS

Year-on-year: lease revenue grew 13% to P125 million and investment property by 26% to P1.4 billion, while NAV increased 11% to P762 million. The price per linked unit remained fairly static over the course of the year, ending it marginally down at P3.12.

We are pleased to report an increase in distribution per linked unit of 6% to 16.88 thebe as we begin to see the benefits of the foundations for growth that have been laid in the last few years.

THE PORTFOLIO

The market value of the group's portfolio grew considerably as new properties were added, but also because of USD gains recognised in Zambia on revaluations. Several of the Botswana properties also saw increased market values, but overall capital value growth in our domestic market was pedestrian in the year.

At the year end the portfolio consisted of 99,850 m² of total lettable area across the office, retail and industrial markets, a 15% increase year-on-year and double the total on listing in 2007.

While one small property was disposed of – Mantlo House in Francistown – significant additions were made to the portfolio during the year. The Chirundu Mall in Zambia, located on the border with Zimbabwe, was completed in April. A second property, Munali Mall in a central suburb of Lusaka, opened during the last week of August 2018. Back at home the Design Quarter at Setlhoa was also completed in August, offering an exclusive home and office décor shopping experience in Gaborone. The incorporation of these properties into the portfolio towards the end of the year means the benefit of the income they will generate will only be realised in the coming financial year and beyond.

TENANTING

Attracting and retaining high quality tenants is the basis on which PrimeTime has grown. At the end of August 2018, vacancies stood at 5% across the portfolio. This is slightly higher than the 3% recorded in the prior year which is due to the completion of the Design Quarter and Munali Mall right at the end of the financial year. Retail malls typically take a few months to achieve full occupancy post completion, so 5% reflects a very solid performance through the rest of our portfolio. These voids are being absorbed and we expect to see our vacancy rate fall considerably in the next few months.

The tenanting of Pilane Crossing has settled down after its challenging start. Regional retailers Clicks, Jet, PEP and Ackermans all opened during the year as well as the extension of a drive-through KFC. A second 1,100sqm extension is now underway at the centre, scheduled for completion in Q2 of 2019, a significant portion of which is pre-let. The new extension at Sebele Centre opened in good time for the new tenants to benefit from the 2017 Christmas trade.

In Zambia, tenant demand at the Kabulonga Centre has been particularly strong with the inevitable failures in the first year of a retail centre quickly refilled with quality tenants. We secured new tenants for our Office Park in Lusaka, Alexander Forbes leased space during the year and the law firm Corpus Legal took the balance, with occupation from November 2018. Tenanting at the two new retail centres opened during the year remains a focus for our property management team. Chirundu was close to 90% let at the year end, but on a one-year rental guarantee from the developer, and negotiations with national and regional retailers on the vacant space at Munali were ongoing. There has been strong footfall at these centres in the short time they have both been trading which will gain further momentum as they come to full occupation. Both assets greatly enhance the portfolio and will provide solid income in the long term.

MAINTAINING AND ENHANCING OUR PROPERTIES

With our properties providing part of the fabric of people's daily lives, and in many cases serving as focal points for communities, ensuring they stay in good condition and are attractive places for people to work or visit is essential. In the 2018 financial year the refurbishment programme included an exterior facelift for our Ramotswa centre - paving the carpark area and providing shaded stalls for the use of informal traders as a community development initiative.

REVALUATION OF PROPERTIES

The total investment property portfolio value stood at P1.4 billion at the end of August 2018, up from P1.1 billion at the prior year end. The main changes during the year have been the addition of Zambian retail centres at Chirundu and Munali plus the Design Quarter in Gaborone.

Chairlady & Managing Director's statement

In terms of the external revaluation exercise to market at the year end all our Zambian properties saw healthy upwards revaluations from the prior year – with a total year end value of USD53 million - impacting on the bottom line profit figures. The Botswana portfolio was more of a mixed bag, while several properties increased, a few were marginally down on their prior year values.

Several of our properties in Botswana are subject to ground leases and as their terms shorten the market value is adjusted accordingly. We are at the advanced stages of negotiating a substantial extension on one of these and on purchasing the freehold on another, both of which should be completed in the 2019 financial year.

Our strategic decision to focus on tenant management, property maintenance, sectoral and geographical diversification will maintain the value of the Group's assets in the longer term.

PROSPECTS & OPPORTUNITIES

In Botswana, we look forward to our second development at Setlhoa commencing and have a few other prospects in the pipeline.

In Zambia we see the two new retail centres bedding down as secured tenants open and the balance of the space is taken up. The refurbishment of the PwC Office Park is almost complete which will give the complex a fresh look with solid blue-chip tenants, all on new long-term leases.

Our geographical diversification into Zambia is now established. During the year, the Zambian operations contributed 27% of rental income. This is forecast to grow to 34% in 2019, reflecting the amount of time that management has invested in this expansion.

While opportunities are still available in Zambia and are under continuous assessment, we believe that PrimeTime is now well positioned to expand further afield. Significant opportunities are currently and actively being evaluated in several other countries across the region on the premise of risk diversification and taking advantage of good investment opportunities as we see them.

CONCLUSIONS

PrimeTime's stellar performance over the year is largely due to the benefits of our efforts at geographic diversification in the last few years.

Looking ahead, we will continue to improve the quality of our local property portfolio, divesting underperforming assets and looking for investment opportunities and diversification that support our strategy of long-term wealth creation.

We would like to take this opportunity to thank our unitholders - your support is invaluable to our success. To our Board of Directors, thank you for your service, invaluable insight and guidance during the year. Finally, to our tenants – thank you for helping us grow PrimeTime and joining us on our journey.

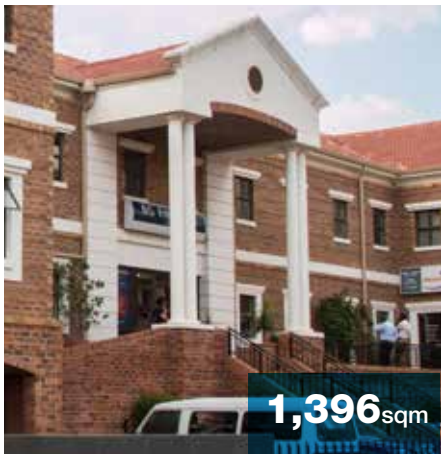
P.Matumo
(Chairlady)

A.L.Kelly
(Managing Director)

Portfolio

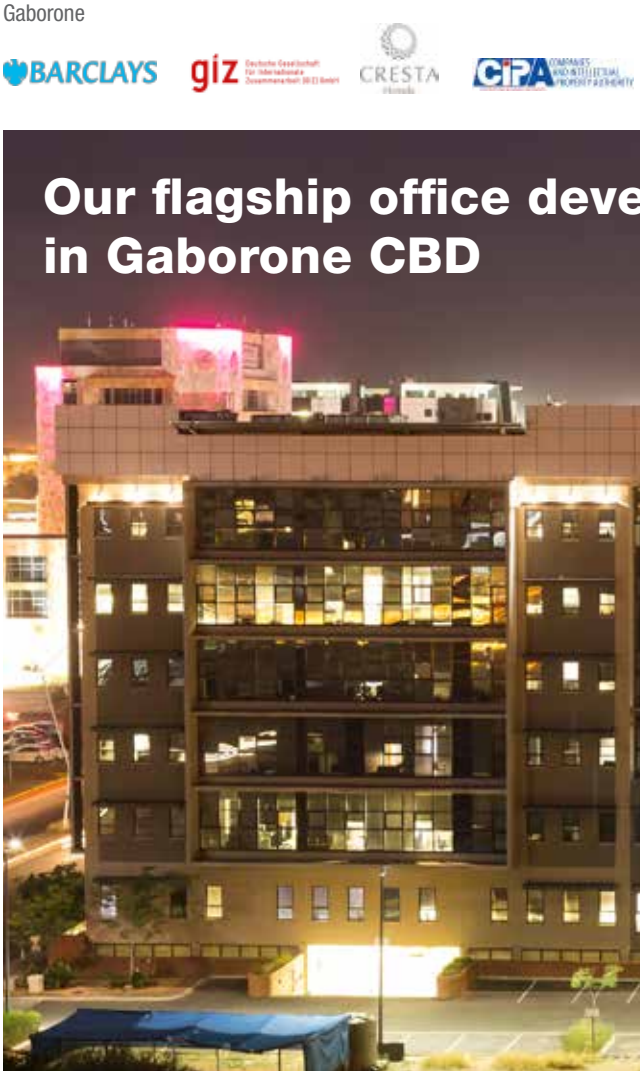
INDEPENDENCE PLACE
Gaborone

CAPRICORN HOUSE
Gaborone



DHL
Gaborone

PRIME PLAZA
Gaborone



AFA HOUSE Gaborone

G4S HQ
Gaborone

G4S LUSAKA/KITWE
Lusaka/Kitwe

SOUTH RING MALL
Gaborone

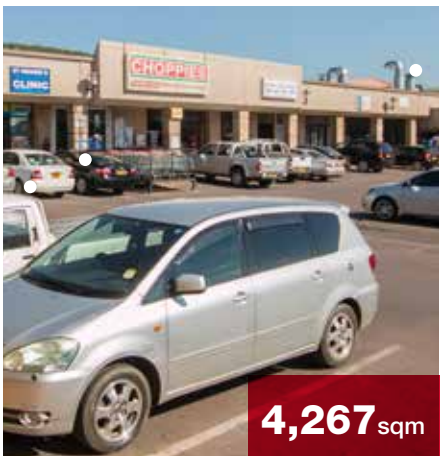
Portfolio

DESIGN QUARTER Gaborone

Cecil Nurse. Dulux

HILLSIDE MALL
Lobatse

CHOPPIES PEP Mr Price BARCLAYS



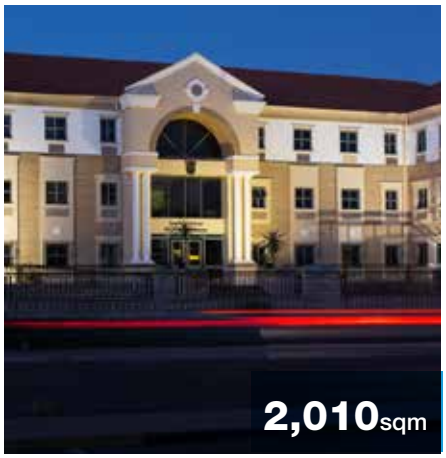
NSWAZWI MALL
Francistown

SPAR PEP ACKERMANS cb

RAMOTSWA SHOPPING CENTRE
Ramotswa

CHOPPIES PEP cb

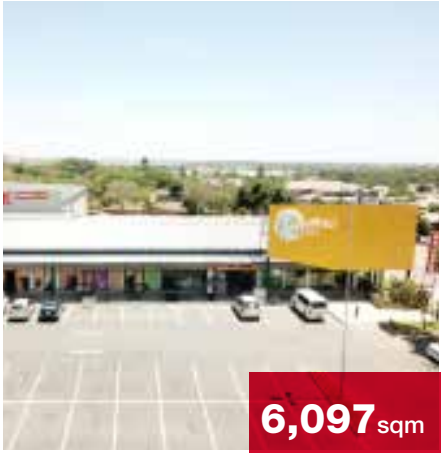
SOUTH AFRICAN HIGH COMMISSION
Gaborone



LETSHEGO PLACE
Gaborone

PWC OFFICE PARK
Lusaka

MUNALI MALL Lusaka



Portfolio

GHANZI SHOPPING CENTRE
Ghanzi

SPAR Topline BARCLAYS

2,258sqm

BOITEKO JUNCTION
Serowe

SPAR FNB Cashbuild

7,918sqm

CHIRUNDU MALL
Chirundu

SHOPRITE PEP HUNGRY LION

4,828sqm

SEBELE CENTRE
Gaborone

Pick n Pay Inspired by you | WOOLWORTHS | MUGG & BEAN

Extension to our prime Gaborone retail asset completed

10, 248sqm

CENTRO KABULONGA

Lusaka

PILANE CROSSING

Pilane

Corporate Governance

Corporate governance provides a framework to ensure PrimeTime's compliance with all its contractual, statutory and regulatory obligations and assists in providing the stakeholders with timely, relevant and meaningful reports.

The Group is in the process of adopting King IV as the framework for Corporate Governance and the table at the end of this Report details its compliance with the 16 principles to date as well as action points for further compliance in the coming year.

The successful operation of the company is the responsibility of the Board and its aim is to build a sustainable business. It is the Unitholders' role is to appoint the Board of Directors and the external auditors, and to evaluate their performance.

BOARD MEETINGS AND ATTENDANCE

Name	Quarterly Board meetings	Additional Directors meetings	Additional Non-Exec Directors meetings	Annual General meetings
P Matumo *	4 (4)	1 (1)	2 (2)	1 (1)
A L Kelly**	4 (4)	1 (1)	N/A	- (1)
J C Jones	4 (4)	1 (1)	N/A	1 (1)
C Kgosidiile	4 (4)	- (1)	2 (2)	- (1)
M T Morolong	4 (4)	1 (1)	N/A	1 (1)
S Thapelo	4 (4)	1 (1)	2 (2)	- (1)

*Chairlady
**Managing Director

(The number in brackets represents the number of meetings held during the office of the member)

RELATED PARTY TRANSACTIONS WITH THE MANAGEMENT COMPANY

The Board remains sensitive to the related party transactions between the Group and Time Projects (Botswana) (Pty) Limited (Time Projects) the day-to-day managers of the Group. All such transactions are subject to full scrutiny and approval by the Non-Executive Board members before Unitholder approval is sought. Additional meetings and/or discussions are held by the Non-Executive Board members if necessary, in order to facilitate this.

Unitholders are provided with full disclosure of these transactions prior to voting and the Linked Units held by the related parties are not entitled to vote.

DIRECTORS REMUNERATION FOR THE YEAR ENDED 31 AUGUST 2018

	BWP
P Matumo*	147 470
A L Kelly**	94 135
J C Jones	105 470
C Kgosidiile***	153 140
M T Morolong	94 135
S Thapelo	117 965

*Chairlady
**Managing Director
***Including fees paid for attendance at Audit Committee meetings

Executive Directors are remunerated by the external management company which is not disclosed here.

AUDIT COMMITTEE

Certain specific duties have been delegated to the Audit Committee, whilst overall responsibility remains with the Board.

The Committee comprises one Non-Executive Director as Chairman and one Independent Non-Executive member – Mario Bellini CA (SA) CA (Australia) FCPA (Bots). Mario, an Audit Committee member since 2009, brings with him a wealth of financial experience. Having completed his training in South Africa he then moved to Botswana in 1991 and has worked across a broad spectrum of industries, many of which have operations across the African continent. He has a detailed knowledge of our local market having spent over 20 years of his career based in Botswana; he also spent three years working and studying in Australia gaining his dual qualification.

The Board is satisfied that the Committee members have recent and relevant financial experience. The implementation of recommendations made by this Committee enhances the company's transparency and corporate governance.

The Committee meets independently of the Board together with the external auditors, representatives of Time Projects and Executive Directors by invitation. It is involved in the planning of the statutory annual audit at which a detailed risk assessment of the Group is performed. The Committee reviews the consolidated annual financial statements before publication and receives a direct report from the auditors on the results and findings of the audit process.
The main duties of this Committee are to provide the Board with additional assurance on the following:

- the accuracy and reliability of the annual financial statements,
- that appropriate financial and operating controls are in place,
- that significant operating and financial risks have been identified, evaluated and mitigated,
- compliance by the Group with legal and regulatory requirements; and
- the independence and performance of the Group's external auditors.

Considering the size and structure of the Group, a dedicated internal audit function is not required at this stage. The internal controls documented by Time Projects have been reviewed at Audit Committee meetings and found to be adequate.

MEETINGS AND ATTENDANCE

(The number in brackets represents the number of meetings held during the office of the member)

Audit committee member	Committee meetings
C Kgosidiile (chairlady)	3 (3)
M Bellini	3 (3)

DIRECTORS' DEALINGS

The Company operates a policy of prohibiting dealings by Directors and management in periods immediately preceding the announcement of its interim and year-end financial results, and any period when the Company is trading under a cautionary announcement.

COMPANY AND MEETING SECRETARY

A representative from PricewaterhouseCoopers, the Company Secretary, attends all Annual and Extraordinary General meetings. Time Projects provides a meeting secretary to take minutes at the Board meetings and these are subsequently ratified by the Board. The removal of the Company Secretary is a matter for the Board as a whole.

EXTERNAL AUDITORS

The external auditors are responsible for the independent review and the expression of an opinion on the reasonableness of the financial statements based on the audit. The audit partner was rotated in 2015 in order to ensure continued independence.

Corporate Governance

COMPLIANCE WITH KING IV

*Principal

Leadership	*	Description	Explanation The Board	Governance outcomes
Steers and sets strategic direction	1	The Board should lead ethically and effectively.	Has taken cognisance of the approach contained in King IV that the Company has a role to play in society and has an obligation to conduct itself as a responsible corporate citizen. Transparency, integrity and accountability are all embedded beliefs which exist within the Company; Ensures the Company complies with all the BSE, IFRS and Companies Act requirements. Minutes of all Board meetings are kept and made available to the auditors upon request; Considers all available information before deciding to ensure that the decisions that are made are effective; Ensures that an ethical culture is embedded in its strategy, plans and performance, despite the Company not having any employees; Feels strongly that it currently conducts its business ethically and with integrity. However, it is planning to draft a written a Code of Ethics and Conduct to commit the business practices which the Company follows to writing as well as the standards of behaviour required by others within the Company. This will ensure that an ethical culture permeates throughout Company and Group as it evolves and grows. Planned adoption of the Code is by the 2019 financial year end.	Ethical culture
Steers and sets strategic direction	2	The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Assumes responsibility for the governance of ethics. When the Code of Ethics and Conduct (see principle 1 above) has been adopted, it will clearly set out the business practices to be followed as well as the standards of behaviour for all persons within the Company.	Ethical culture
Steers and sets strategic direction	3	The Board should ensure that the organisation is and is seen to be a responsible corporate citizen.	During the 2018 financial year ensured it evaluated the recommended adoption from the Audit Committee of King IV by engaging a consultant to host a workshop for all Directors and senior members of the management team. Both the King III and King IV codes were compared, contrasted and discussed. The Board then made the collective decision to adopt King IV; Operates in a manner that considers the sustainability and financial health of the Company; Incorporates environmental responsibilities into its decision-making processes when developing properties where practicable; Believes that as a property investment fund enabling individuals and pension funds to enjoy the benefits of property ownership, the Company should be mindful of maximising the returns to unitholders. As such it does not set a large budget for donations and sponsorship. However, it does assist the communities in which it operates where possible. For example, the 2018 refurbishment program included an exterior facelift for our Ramotswa retail centre including providing shaded stalls for the use of informal traders as a community development initiative.	Ethical culture
Steers and sets strategic direction	4	The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Assumes responsibility for strategy. This is formalised through its strategy document which is updated annually, tabled and adopted; Uses the approved strategy document to assist in making investment and divestment decisions by applying the agreed parameters therein to each opportunity identified; Makes only yield enhancing property acquisitions that provide sustainable earnings and support a platform for growth.	Ethical culture

Corporate Governance

COMPLIANCE WITH KING IV

*Principal

Leadership	*	Description	Explanation The Board	Governance outcomes
Steers and sets strategic direction	5	The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.	Ensures the Annual Financial Statements meet all the requirements of the BSE, IFRS and Companies Act. The Financial Statements are audited by a reputable audit firm to ensure that they correctly represent the financial position of the Company and Group; Publishes an Annual Report containing a Chairman and Managing Directors Report which details the reasons for the current performance of the Group and opportunities available for future development and growth. Other operational information and analysis is also provided in this report providing stakeholders with additional insight; Prides itself on ensuring that all Circulars, press releases and other statements published during the year contain all relevant information and are prepared with transparency. This enables the stakeholders to assess each transaction on its merits; Engages with various stakeholders on an annual basis to present its year-end results first-hand; All BSE announcements, circulars, Annual Reports and notices of the AGM are placed on the Company's website www.primetime.co.bw.	Ethical culture
Steers and sets strategic direction	6	The Board should serve as the focal point and custodian of corporate governance in the organisation.	Leads by example embracing good practices and compliance with corporate governance; Ensured that it was duly educated and carefully considered which Corporate Governance Code to adopt, after due consultation with its external auditors and the Audit Committee. It is committed to ensuring continued compliance as appropriate to the size and activities of the Company; Is committed to adopt a written a code of ethics and conduct (see principle 1 above) by the end of the 2019 financial year.	Ethical culture
Approves policy and planning	7	The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Consists of individuals from a variety of business disciplines, bringing a mix of skills, experience and technical expertise; Is comprised of three Executive Directors and three Non-Executive Directors; Has a Chairlady who is a Non-Executive Director whose role is separate from the Managing Director, providing leadership to the Board in all deliberations and ensuring independent input; Members are subject to retirement by rotation and re-election by the Company's unitholders, at least once every 3 years; Ensures that new members are appointed as additional skills are required; Is committed to the principle of diversity.	Good performance
Approves policy and planning	8	The Board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	Has established an Audit Committee with certain specific duties delegated to it. The Committee Chairman is an independent Non-Executive Director and reports back to the Board after every meeting held; Passes an annual resolution in terms of which certain responsibilities are delegated to the Executive Directors, subject to limits of authority.	Good performance

COMPLIANCE WITH KING IV

*Principal

Leadership	*	Description	Explanation The Board	Governance outcomes
Approves policy and planning	9	The Board should ensure that the evaluation of its own performance and that of its individual members support continued improvement in its performance and effectiveness.	Individual performance evaluations have been performed on all Board members in the past. The format and frequency of such evaluations going forward will form part of the Code of Ethics and Conduct (see principle 1 above).	Good performance
Overseas and monitors	10	The Board should ensure that the appointment of and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.	Remains responsible for formulating and implementing Company policy and making all strategic decisions, however it has delegated the day-to-day management of the Group to Time Projects (Botswana) (Pty) Limited, who have a contractual relationship as the property and asset managers; Performs constant review of this management and the performance of the Group at its quarterly meetings, including monitoring the financial results against the business plan and budget.	Effective control
Overseas and monitors	11	The Board should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	Maintains a detailed Risk Register which is reviewed and updated annually, and more frequently if new risks are identified; Formally approves the updated risk register annually after it has been reviewed and approved by the Audit Committee; Ensures that mitigating action is executed by the Executive Directors.	Effective control
Overseas and monitors	12	The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	Ensures risks relating to technology and information are included within the Company's Risk Register; Ensures that the Internal Control Document details specifics as to the management of technology and information which the company utilises and is reliant upon.	Effective control
Overseas and monitors	13	The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation's being ethical and a good corporate citizen.	Promotes compliance with relevant laws and statutory requirements; Makes use of its Company Secretary and Sponsoring Broker to assist them with Companies Act and BSE Listings Rules compliance; Has legal advisors who are consulted over all legal matters in the jurisdictions in which it operates; Ensures adequate due diligence is performed on all acquisitions made; Ensures that its members and management fully appraise and educate themselves on any new legislation, non-binding rules and codes which may be applicable to the Company; In the 2019 financial year the key areas of focus will be among others the Transfer Pricing Amendment Bill 2018, King IV and new IFRS's.	Effective control

COMPLIANCE WITH KING IV

*Principal

Leadership	*	Description	Explanation The Board	Governance outcomes
Ensures accountability	14	The Board should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	Sets its retainer and meeting fees by an estimation of the time taken by the Directors to adequately fulfil their duties; Reviews remuneration annually; Benchmarks the Directors fees against other similar sized listed entities in Botswana; Discloses the remuneration paid to each Director in the Corporate Governance statement in the Annual Report; Discloses the remuneration paid to each Director in the Related Parties note in the Annual Financial Statements; Requires the Unitholders to approve the Directors remuneration at the AGM.	Legitimacy
Ensures accountability	15	The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organisation's external reports.	Uses the Audit Committee to make recommendations on the internal controls and external audit appointment; Ensures that the Internal Control Document is updated at least annually and is reviewed by the Audit Committee and the External Auditors; Receives reports from the Audit Committee on both the annual audit planning process and the final audit work. This includes details on the controls and integrity of information as well as management letter points from the auditors; Uses independent external valuers to value the entire property portfolio of the Group on an annual basis. These valuers meet with both the external auditors and management and provide additional information to the Audit Committee to support the assumptions used in making the valuations; Entitles the Directors to seek independent professional advice concerning the affairs of the Company and with unlimited access to the services of the Company Secretary; Provides the external auditors with unrestricted access to the Board and Audit Committee members and ensures that the designated partner of the external audit firm attends the AGM of the Company; Ensures that all policies and procedures are uniform throughout the Group.	Legitimacy
Ensures accountability	16	In the execution of its governance role and responsibilities, the Board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Avails itself at every AGM and EGM to discuss its business with Unitholders; Ensures the Executive Directors have an open-door policy and regularly engage with tenants and other stakeholders as and when required; The company's website www.primetime.co.bw is widely used to disseminate information.	Legitimacy

Shareholders Information

as at 31 August 2018

Major Linked Unitholders	Linked Units	%
BPOPF (Across all Asset Managers)	78 020 583	31.89%
LINWOOD SERVICES LIMITED	46 755 269	19.11%
TATI COMPANY LIMITED	23 863 492	9.75%
DEBSWANA PENSION FUND (Across all Asset Managers)	18 241 578	7.46%
SCBN(PTY) LTD RE: METROPOLITAN LIFE BOTSWANA	16 341 702	6.68%
STANBIC NOMINEES RE: BIFM	8 548 910	3.49%

Linked Unit Band	No. Linked units	%	No of Holders	%
0 - 1 999	647 368	0.26%	1 136	64.84%
2 000 - 4 999	688 866	0.28%	238	13.58%
5 000 - 9 999	605 206	0.25%	88	5.02%
10 000 - 49 999	3 825 153	1.56%	199	11.36%
50 000 - 99 999	1 253 992	0.51%	18	1.03%
100 000 - 499 999	8 332 525	3.41%	38	2.17%
500 000 - 50 000 000	229 297 574	93.73%	35	2.00%
	244 650 684	100.00%	1 752	100.00%

Consolidated and Separate Financial Statements

Corporate Information

31 August 2018

DIRECTORS

P Matumo (Chairlady)
A L Kelly (Managing Director)
J Jones
C Kgosidiile
M T Morolong
S Thapelo

INCORPORATED IN THE REPUBLIC OF BOTSWANA

Registration number 2007/4760
Date of Incorporation 29 August 2007

NATURE OF BUSINESS

The company is engaged in property investment

PHYSICAL ADDRESS

Acacia
Prime Plaza
Plot 74538 CBD
Cnr of Khama Crescent Extension and PG Matante
Gaborone

DEBENTURE TRUST TRUSTEE

J Hinchliffe
Unit G, Plot 129
Kgale Mews
P. O. Box 2378
Gaborone

COMPANY SECRETARY

PricewaterhouseCoopers

REGISTERED OFFICE

Plot 50371, Fairgrounds Office Park
P O Box 249
Gaborone

AUDITOR

Deloitte & Touche
Plot 64518, Fairgrounds
P O Box 778
Gaborone

TRANSFER SECRETARIES

Transaction Management Services (Proprietary) Limited
t/a Corpserve Botswana Transfer Secretaries
Unit 206
Plot 64516
Fairgrounds Close
Gaborone

PROPERTY & ASSET MANAGERS

Time Projects (Botswana) (Propriety) Limited
Acacia, Prime Plaza, Plot 74538 CBD, Gaborone
P.O. Box 1395, Gaborone
Tel: 3956080 Fax: 3900160
E-mail: time@time.co.bw

Directors' Report

31 August 2018

The directors have pleasure in submitting to the linked unit holders their report and the audited financial statements of PrimeTime Property Holdings Limited ("Company") and its subsidiaries (the "Group" or "Consolidated") for the year ended 31 August 2018.

Nature of Business

The company is a variable rate loan stock public company and derives its revenue primarily from the rental of investment properties. The company was incorporated under company number CO 2007/4760.

Stated Capital and Debentures

On 20 June 2017 the company had a rights issue of 64 760 484 linked units. At 31 August 2017 and 31 August 2018 the stated capital of the company comprised 244 650 684 ordinary shares, with a nominal value of P14 242 773, which are linked to 244 650 684 variable rate unsecured debentures with a nominal value of P323 329 682.

Each linked unit comprises an ordinary share and one variable rate unsecured debenture, which are indivisible.

The 244 650 684 linked units are listed on the Botswana Stock Exchange.

Financial Statements

The statements of financial position sets out the financial position of the Company and Group at 31 August 2018 and the statements of comprehensive income, statements of cash flows and statements of changes in equity reflect the operating results for the year ended on that date.

Linked Units Distribution Policy

Distributions to linked unit holders is primarily in the form of debenture interest. The following distributions were made/proposed during the year:

Debenture interest (thebe)	2018	2017
Interim paid 23 March 2018 (24 March 2017)	5.55	5.00
Interim paid 31 August 2018 (28 July 2017)	8.40	7.50
Final proposed	2.93	3.42
	16.88	15.92

Administration and Management

The management of the company's properties is undertaken by Time Projects (Botswana) (Proprietary) Limited.

Directors

The following persons acted as directors of the company during the period under review:

P Matumo* (1) (Chairlady)
A L Kelly (2) (Managing Director)
J Jones (3)
C Kgosidiile* (1)
M T Morolong (1)
S Thapelo* (1)
*Non-executive
(1) Motswana (2) South African (3) British

Directors' Holdings in Linked Units

The number of linked units held directly and indirectly by directors at the year end is as follows:

	Held Directly	Held Indirectly
J Jones and family	37 360	-
A L Kelly and family	451 303	46 755 269
P Matumo	661 729	-
M T Morolong and family	7 440	-

Directors' statement of responsibility
and approval of the financial statements

31 August 2018

Directors' statement of responsibility

The directors are responsible for the preparation and fair presentation of the financial statements of PrimeTime Property Holdings Limited, comprising the consolidated and separate statements of financial position as at 31 August 2018, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity, and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards ("IFRS").

The directors are required by the Companies Act of Botswana (Companies Act, 2003), to maintain adequate accounting records and are responsible for the content and integrity of and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS. The external auditors are engaged to express an independent opinion on the financial statements. Their unmodified opinion is presented on pages 31 to 33.

The financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company 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 monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company and Group will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Approval of the consolidated and seperate financial statements

The consolidated and separate financial statements set out on pages 34 to 60, which have been prepared on the going concern basis, were approved by the Board of Directors on 21 November 2018 and were signed on its behalf by:

Director
P.Matumo

Director
A.L.Kelly

Independent auditor's report
to the members of primetime property holdings limited

31 August 2018

Deloitte.

PO Box 778
Gaborone
Botswana

Deloitte & Touche
Assurance & Advisory Services
Chartered Accountants
Deloitte House
Plot 64518
Fairgrounds
Gaborone
Botswana

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Opinion

We have audited the consolidated and separate financial statements of PrimeTime Property Holdings Limited ("the Company" and its subsidiaries ("the Group"), set out on pages 34 to 60, which comprise the statements of financial position as at 31 August 2018, and the statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 31 August 2018, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B), together with other ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified below applies to the consolidated and separate financial statements in the same manner.

Key Audit Matter Valuation of Investment Properties	How the matter was addressed in the audit
The carrying value of investment properties amounted to P1.4 billion (Company: P817 million) and the fair value gain recorded in net profit for the year in respect of investment properties was P84.9 million (Company: P5.8 million). Significant judgement is required by the Directors in determining the fair value of investment properties. We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the significant assumptions associated with determining the fair value. The properties of the Group and Company are revalued on a yearly basis by independent professional valuers. The independent valuers perform full valuations on the portfolio on a five year rotational cycle, in between the full valuation, the properties are subjected to a desktop valuation. The inputs with the most significant impact on these valuations are disclosed in Note 9, and include future net income and the range of capitalisation rates. We assessed the design and implementation of the relevant controls over the valuation process of investment properties.	We assessed the competence, capabilities and objectivity of the Directors' independent valuers, and verified their qualifications. In addition, we discussed and reviewed their terms of engagement to determine that there were no matters that affected their independence and objectivity or imposed scope limitations upon them. We confirmed that the approaches they used are consistent with IFRS and industry norms. We tested a selection of data inputs underpinning the investment property valuation, including rental income, tenancy schedules and capitalisation rates, against appropriate supporting documentation, to assess the accuracy, reliability and completeness thereof. We also evaluated the appropriateness of the valuation methods used by comparison to valuation methods used by other property companies. We found the models (discounted cash flow and net income model) to be appropriate and the capitalisation rates were comparable to market rates and those used in the prior year. We assessed the adequacy of the disclosures in the financial statements relating to investment properties and we found the disclosures in the consolidated and separate financial statements to be appropriate.

Independent auditor's report
to the members of primetime property holdings limited
Continued

31 August 2018

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Other Information
The Directors are responsible for the other information. The other information comprises the Directors' Report and the Directors Statement of Responsibility and Approval of Financial Statements, which we obtained prior to the date of this auditor's report, and the Chairlady and Managing Directors' Report and the Corporate Governance Report, which are expected to be made available to us with the Annual Report after the date in this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements *(Continued)*
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.

Independent auditor's report
to the members of primetime property holdings limited
Continued

31 August 2018

Deloitte.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them any relationships and other matters that may reasonably be thought to bear on our independence that we are aware of, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the users' interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Certified Auditors
Practicing Member: C Ramatlapeng (CAP 008 2018)
Gaborone

23 November 2018

Statements of comprehensive income

For the year ended 31 August 2018

		Company		Consolidated	
	Notes	2018 P	Restated 2017 P	2018 P	Restated 2017 P
Revenue					
Contractual lease revenue		94 202 827	89 524 092	125 111 041	110 452 276
Rentals straight line adjustment		7 178 619	7 342 442	7 834 938	8 940 809
Rental income		101 381 446	96 866 534	132 945 979	119 393 085
Other operating revenue	1	15 300 165	13 614 788	16 994 345	15 022 340
Operating expenses	2	(41 525 526)	(41 219 437)	(48 852 313)	(46 693 567)
Profit on disposal of investment property		1 048 287	-	1 048 287	-
Gain on a bargain purchase	26	-	-	-	5 506 961
Profit on disposal of subsidiary		-	-	3 000	-
Dividend income		-	400 640	-	-
Other gains		-	-	548 269	-
Exchange differences on translating foreign balances		20 258 471	(18 147 703)	(562 912)	(2 408 375)
Ground lease straight line adjustment		(8 892)	(28 188)	(8 892)	(28 188)
Profit from operations before fair value adjustment		96 453 951	51 486 634	102 115 763	90 792 256
Fair value adjustment	3	5 802 669	(18 476 698)	84 909 009	(16 882 355)
Profit from operations		102 256 620	33 009 936	187 024 772	73 909 901
Interest income	4	27 723 609	17 886 797	125 031	725 416
Interest expense	4	(37 066 575)	(39 911 802)	(39 503 875)	(42 482 309)
Profit before taxation		92 913 654	10 984 931	147 645 928	32 153 008
Taxation	6.1	(14 989 125)	(1 283 892)	(19 222 285)	(3 864 025)
Profit for the year		**77 924 529**	**9 701 039**	**128 423 643**	**28 288 983**
Other comprehensive loss					
Items that may be subsequently classified to profit or loss					
Exchange differences on translation foreign operations		(1 304 180)	(231 954)	(21 424 242)	(7 923 872)
Other comprehensive loss		(1 304 180)	(231 954)	(21 424 242)	(7 923 872)
Total comprehensive income for the year		**76 620 349**	**9 469 085**	**106 999 401**	**20 365 111**
Earnings per linked unit (thebe)	**7**	**35.56**	**8.57**	**56.21**	**18.24**
Distribution per linked unit (thebe)	**5**	**16.88**	**15.92**	**16.88**	**15.92**

Statements of financial position

As at 31 August 2018

	Notes	Company 2018 P	Company Restated 2017 P	Consolidated 2018 P	Consolidated Restated 2017 P
ASSETS					
Non-current assets					
Investment properties	8	817 438 143	785 163 086	1 357 006 115	1 069 677 905
Work in progress	10	16 714 466	22 398 109	16 714 466	122 515 807
Investment in subsidiary	11	1 020	1 020	-	-
Rentals straight-line adjustment		50 254 020	43 022 426	52 764 362	44 834 326
		884 407 649	850 584 641	1 426 484 943	1 237 028 038
Current assets					
Amount due from related parties	13	452 705 527	341 645 097	-	-
Trade and other receivables	12	3 382 035	3 802 339	25 020 433	21 254 558
Rentals straight-line adjustment		2 214 003	2 425 386	2 282 588	2 447 147
Taxation receivable		60 258	107 264	257 657	107 264
Cash and cash equivalents		4 130 907	37 707 577	10 880 062	52 480 989
		462 492 730	385 687 663	38 440 740	76 289 958
Total assets		**1 346 900 379**	**1 236 272 304**	**1 464 925 683**	**1 313 317 996**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	14	14 242 773	14 242 773	14 242 773	14 242 773
Debentures	15	323 329 682	323 329 682	323 329 682	323 329 682
Accumulated profits	16	374 518 980	328 806 138	419 637 007	323 425 051
Foreign currency translation reserve		(6 773 896)	(5 469 716)	(1 562 969)	19 861 273
Debenture interest reserve	17	7 168 265	8 367 053	7 168 265	8 367 053
Total equity and reserves		712 485 804	669 275 930	762 814 758	689 225 832
Non-current liabilities					
Deferred taxation	6	39 720 830	34 133 290	39 720 830	34 133 290
Long term borrowings	22	457 591 912	383 943 208	491 008 898	421 939 997
Ground lease straight-line adjustment		887 254	878 362	887 254	878 362
		498 199 996	418 954 860	531 616 982	456 951 649
Current liabilities					
Trade and other payables	18	11 913 137	11 961 778	32 355 905	23 877 581
Amount due to related parties	19	1 968 810	2 944 569	8 895 087	3 653 722
Current portion of long term borrowings	22	101 773 844	127 538 482	108 162 591	133 704 348
Deferred revenue	20	3 673 415	2 858 993	4 194 987	2 879 236
Bank overdraft		16 885 373	2 640 308	16 885 373	2 640 308
Tax payable		-	97 384	-	385 320
		136 214 579	148 041 514	170 493 943	167 140 515
Total equity and liabilities		**1 346 900 379**	**1 236 272 304**	**1 464 925 683**	**1 313 317 996**

Statements of changes in equity

For the year ended 31 August 2018

	Notes	Stated capital P	Debentures P	Accumulated profits P	Foreign currency translation reserve P	Debenture interest reserve P	Total P
Company							
Balance at 1 September 2016		4 716 210	132 610 057	343 170 695	(5 237 762)	6 134 256	481 393 456
Rights issue during the year	14,15	9 526 563	190 719 625	-	-	-	200 246 188
Profit for the year		-	-	9 701 039	-	-	9 701 039
Other comprehensive loss for the year		-	-	-	(231 954)	-	(231 954)
Total comprehensive income/(loss) for the year (Restated)		**-**	**-**	**9 701 039**	**(231 954)**	**-**	**9 469 085**
Debenture interest	5	-	-	(30 853 328)	-	30 853 328	-
Taxation attributable to debenture interest	6.1	-	-	6 787 732	-	-	6 787 732
Debenture interest paid		-	-	-	-	(28 620 531)	(28 620 531)
Restated balance at 31 August 2017		**14 242 773**	**323 329 682**	**328 806 138**	**(5 469 716)**	**8 367 053**	**669 275 930**
Profit for the year		-	-	77 924 529	-	-	77 924 529
Other comprehensive loss for the year		-	-	-	(1 304 180)	-	(1 304 180)
Total comprehensive income/(loss) for the year		**-**	**-**	**77 924 529**	**(1 304 180)**	**-**	**76 620 349**
Debenture interest	5	-	-	(41 297 035)	-	41 297 035	-
Taxation attributable to debenture interest	6.1	-	-	9 085 348	-	-	9 085 348
Debenture interest paid		-	-	-	-	(42 495 823)	(42 495 823)
Balance at 31 August 2018		**14 242 773**	**323 329 682**	**374 518 980**	**(6 773 896)**	**7 168 265**	**712 485 804**
Consolidated							
Balance at 1 September 2016		4 716 210	132 610 057	352 283 733	(5 296 924)	6 134 256	490 447 332
Rights issue during the year	14,15	9 526 563	190 719 625	-	-	-	200 246 188
Profit for the year		-	-	28 288 983	-	-	28 288 983
Other comprehensive loss for the year		-	-	-	(7 923 872)	-	(7 923 872)
Total comprehensive income/(loss) for the year		**-**	**-**	**28 288 983**	**(7 923 872)**	**-**	**20 365 111**
Debenture interest	5	-	-	(30 853 328)	-	30 853 328	-
Taxation attributable to debenture interest	6.1	-	-	6 787 732	-	-	6 787 732
Debenture interest paid		-	-	-	-	(28 620 531)	(28 620 531)
Reclassification of at acquisition journals	29	-	-	(33 082 069)	33 082 069	-	-
Restated balance at 31 August 2017		**14 242 773**	**323 329 682**	**323 425 051**	**19 861 273**	**8 367 053**	**689 225 832**
Profit for the year		-	-	128 423 643	-	-	128 423 643
Other comprehensive loss for the year		-	-	-	(21 424 242)	-	(21 424 242)
Total comprehensive income/(loss) for the year		**-**	**-**	**128 423 643**	**(21 424 242)**	**-**	**106 999 401**
Debenture interest	5	-	-	(41 297 035)	-	41 297 035	-
Taxation attributable to debenture interest	6.1	-	-	9 085 348	-	-	9 085 348
Debenture interest paid		-	-	-	-	(42 495 823)	(42 495 823)
Balance at 31 August 2018		**14 242 773**	**323 329 682**	**419 637 007**	**(1 562 969)**	**7 168 265**	**762 814 758**

Statements of cash flows

31 August 2018

	Notes	Company 2018 P	Company Restated 2017 P	Consolidated 2018 P	Consolidated Restated 2017 P
Cash flows from operating activities					
Profit for the year before taxation		92 913 654	10 984 931	147 645 928	32 153 008
Interest income	4	(27 723 609)	(17 886 797)	(125 031)	(725 416)
Interest expense	4	37 066 575	39 911 802	39 503 875	42 482 309
Gain on bargain purchase		-	-	-	(5 506 961)
Profit on disposal of subsidiary		-	-	(3 000)	-
Fair value adjustments on revaluation of investment properties	3	(12 972 396)	11 162 444	(92 735 055)	7 969 734
Profit on disposal of investment property		(1 048 287)	-	(1 048 287)	-
Operating income before working capital changes		88 235 937	44 172 380	93 238 430	76 372 674
Decrease/(increase) in trade and other receivables		420 304	1 535 923	(3 765 875)	(1 400 520)
(Decrease)/increase in trade and other payables		(48 643)	6 590 661	8 478 325	3 799 959
(Decrease)/increase in amounts due to related parties		(975 759)	(920 775)	5 241 365	(246 578)
Increase in current amounts due from related parties		(111 060 430)	(281 737 351)	-	-
Increase in deferred revenue		814 422	273 188	1 315 751	293 431
Cash (used)/generated from operations		(22 614 169)	(230 085 974)	104 507 996	78 818 966
Income taxes (received)/paid		(366 616)	(568 377)	(5 085 110)	(2 860 574)
Net cash (used)/generated from operating activities		(22 980 785)	(230 654 351)	99 422 886	75 958 392
Cash flows used in investing activities					
Interest received	4	27 723 609	17 886 797	125 031	725 416
Acquisition of subsidiary companies, net of cash acquired	26	-	-	-	(231 454 023)
Disposal of subsidiary		-	6 060 000	-	-
Cost of additions and interest capitalised to investment properties	8	(7 181 064)	(20 119 502)	(7 510 642)	(22 086 418)
Additions to work in progress	10	(22 720 298)	(2 707 545)	(87 643 125)	(49 889 889)
Proceeds on disposal of investment properties		8 809 879	-	8 809 879	-
Net cash used in investing activities		6 632 126	1 119 750	(86 218 857)	(302 704 914)
Cash flows from financing activities					
Net increase in long term borrowings		47 884 066	100 739 383	43 527 144	92 035 567
Debenture interest paid		(42 495 823)	(28 620 531)	(42 495 823)	(28 620 531)
Interest paid	4	(37 066 575)	(39 911 802)	(39 503 875)	(42 482 309)
Stated capital raised on rights issue		-	9 526 563	-	9 526 563
Debentures raised on rights issue		-	190 719 625	-	190 719 625
Net cash (used)/generated from financing activities		**(31 678 332)**	**232 453 238**	**(38 472 554)**	**221 178 915**
Net increase/(decrease) in cash and cash equivalents for the year		(48 026 991)	2 918 637	(25 268 526)	(5 567 606)
Cash at beginning of the year		35 067 269	31 174 906	49 840 681	48 930 706
Effects of exchange rate		205 256	973 726	(30 577 466)	6 477 581
Cash balances at end of the year		**(12 754 466)**	**35 067 269**	**(6 005 311)**	**49 840 681**
Comprising:					
Bank balances and cash		4 130 907	37 707 577	10 880 062	52 480 989
Bank overdraft		(16 885 373)	(2 640 308)	(16 885 373)	(2 640 308)
Cash balances at end of the year		**(12 754 466)**	**35 067 269**	**(6 005 311)**	**49 840 681**

Significant accounting policies

31 August 2018

GENERAL INFORMATION

PrimeTime Property Holdings Limited is a limited company incorporated in the Republic of Botswana. The company is listed on the Botswana Stock Exchange. The address of its registered office, principal place of business and principal activities are disclosed under the Corporate Information on page 28.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Standards affecting amounts reported in the current period

The adoption of the new standards and revisions which became effective in the current year did not have a material impact on the consolidated and separate financial statements.

New/Revised International Financial Reporting Standards

IAS 7 (Amended) - Presentation of Financial Statements (Amendments arising under the Disclosure Initiative) - (Effective date: Annual periods beginning on or after 1 January 2017)

IAS 12 (Amended) Recognition of deferred tax assets for unrealised losses (Effective date: Annual periods beginning on or after 1 January 2017)

IFRS 12 (Amended) Annual improvements to IFRSs: 2014-16 Cycle - IFRS 12 Amendments (Effective date: Annual periods beginning on or after 1 January 2017)

New and revised Standards in issue but not yet effective

IFRS 9 (amended) - continued Financial Instruments (Reissue of a complete standard with all the chapters incorporated) (Annual periods beginning on or after 1 January 2018)

This is a finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing International Accounting Standard ("IAS") 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. There is an introduction of a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment: Introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 15 Revenue from Contracts with Customers (Annual periods beginning on or after 1 January 2018)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.
The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation

Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

IFRS 16 Leases (Annual periods beginning on or after 1 January 2019)

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 17 Insurance contracts (Annual periods beginning on or after 1 January 2021)

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.

IFRIC 22 Foreign Currency Transactions and Advance Consideration (Annual periods beginning on or after 1 January 2018)

The Interpretation addresses foreign currency transactions or parts of transactions where:

Significant accounting policies *continued*

31 August 2018

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS *(continued)*

New and revised Standards in issue but not yet effective *(continued)*

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.

If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

IFRIC 23 Uncertainty over Income Tax Treatments (Annual periods beginning on or after 1 January 2019)

The Interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- The effect of changes in facts and circumstances.

The Directors have not yet evaluated the effect of all the new standards, amendments and interpretations in issue but not yet effective. The Company and Group intends to adopt these standards, if applicable, when they become effective.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards. No significant accounting judgements or estimates, other than the fair value of investment properties, were made in the application of International Financial Reporting Standards.

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis as modified by the revaluation of investment properties. The financial statements are based on the following principal accounting policies:

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements incorporate the financial statements of the company and of its subsidiary, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern their financial and operating policies and the subsidiary have not been classified as investments held for sale. The results of the subsidiary is included in the consolidated financial statements from the effective dates of acquisition and up to the effective dates of disposal. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. All significant intercompany transactions and balances between group companies are eliminated on consolidation. The accounting policies of the subsidiary are consistent with the policies adopted by the Group.

REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer credits, rebates and other similar allowances.

Rental Income

Rental income from operating leases is recognised in the profit or loss on a straight-line basis over the term of the relevant leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Other Operating Revenue

Other operating revenue comprises utility expenses, service levies and other costs recovered from tenants. The income is recognised on an accruals basis by referenced to the service bills for the respective properties.

Interest Income

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

TAXATION

Current Tax

The charge for current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by reporting date.

Significant accounting policies *continued*

31 August 2018

TAXATION *(continued)*

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. In principle deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model in accordance with IAS 40 - Investment Property, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of an entity whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in IAS 12 - Income Taxes (i.e. based on the expected manner as to how the properties will be recovered).

FOREIGN CURRENCY TRANSACTIONS

The Group's consolidated financial statements are presented in Botswana Pula, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income ("OCI") until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into Botswana Pula at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Significant accounting policies *continued*

31 August 2018

LEASING *(continued)*

The Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as Lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVESTMENT PROPERTIES

Investment properties, which are properties held to earn rentals and capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Costs incurred for additions to investment properties in the interim period between the fair value measurements are capitalised to the carrying value of such investment properties at cost. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Any gain or loss arising on derecognition of investment property is included in profit or loss in the period in which the investment property is derecognised.

The change in fair value of investment properties is offset against the rental straight-line adjustment and ground lease straight line adjustment in profit or loss.

WORK IN PROGRESS

Properties in the course of construction or development for use as investment properties are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

FINANCIAL INSTRUMENTS

Financial Assets

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Bank balances and cash are defined as cash on hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Impairment of financial assets

Trade and other receivables, which generally have 30 to 60 day terms, are recognised and carried at original invoice amount less impairment losses. Impairment losses are recognised in profit or loss when collection of the full amount is no longer probable. Impairment losses are written off as incurred.

Trade receivables are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying value and the sum of the consideration received and

Significant accounting policies *continued*

31 August 2018

FINANCIAL INSTRUMENTS *(continued)*

Derecognition of financial assets *(continued)*

receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability or an equity instrument.

Equity instruments

An equity instrument is any contract in that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments, which comprise stated capital and variable rate unsecured debentures, are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

The Group's significant financial liabilities include related party balances and trade payables which have been classified as other financial liabilities. Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Gains and Losses on Subsequent Measurement of Financial Instruments

Gains and losses arising from a change in the fair value of financial instruments are included in profit or loss in the period in which the change arises.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

RELATED PARTY TRANSACTIONS

Related parties are defined as those parties:

(a) directly, or indirectly through one or more intermediaries, if the party:
  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the entity that gives it significant influence over the entity; or

(b) that are members of the key management personnel of the entity, including close members of the family.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions made in the preparation of these consolidated financial statements are discussed below:

Fair value of investment properties

The directors use their judgement in selecting an appropriate valuation technique for the investment properties. Independent experts are engaged on a yearly basis to value the Group's portfolio of properties. The independent valuers perform full valuations on the properties on a five year rotational cycle, in between the full valuations, the properties are subjected to desktop valuations. Investment properties are valued by reference to the discounted value of the net rentals and market evidence of transaction prices for similar properties.

Trade and other receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables when the collectability is considered to be doubtful. Management believes that the impairment write-off is conservative and there are no significant trade receivables that are doubtful and have not been provided for. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration e.g. age, customer current financial status, security held and disputes with customer.

Taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Notes to the consolidated and separate financial statements

31 August 2018

		Company		Consolidated	
		2018 P	2017 P	2018 P	2017 P
1 OTHER OPERATING REVENUE					
Other operating revenue comprises:					
Utilities, service levies and other costs recovered from tenants		15 300 165	13 614 788	16 994 345	15 022 340
2 OPERATING EXPENSES					
Included in operating expenses are the following costs:					
Amounts paid to related parties					
Asset management fees		8 392 612	7 287 142	10 561 270	9 331 630
Property management fees		4 430 345	4 003 337	5 762 974	4 769 113
Letting fees		334 762	781 438	533 202	781 438
		13 157 719	12 071 917	16 857 446	14 882 181
Less: Asset management fees capitalised		(557 556)	(399 170)	(1 965 283)	(2 152 295)
		12 600 163	11 672 747	14 892 163	12 729 886
Auditors' remuneration	Audit fees - current year	451 740	456 036	654 563	715 342
	Audit fees - prior year	3	-	6 835	-
	Other services - taxation	-	-	37 567	17 937
	Other services - consultancy	-	545 944	58 908	630 001
Directors' emoluments	For services as directors	747 498	565 524	747 498	565 524
	For additional services	321 300	264 600	321 300	264 600
Professional fees		807 062	3 096 665	1 161 612	3 297 873
Rentals and ground leases		1 919 607	1 811 508	3 305 406	2 660 986
Rates		613 141	603 570	672 293	645 349
Trustees' fees		49 557	48 310	49 557	48 310
Utilities, service levies and other property costs		17 338 828	16 129 759	19 566 807	17 390 474
3 FAIR VALUE ADJUSTMENT					
Change in fair value of investment properties for the year (Note 8)		12 972 396	(11 162 444)	92 735 055	(7 969 734)
Rentals straight-line adjustment for the year (Note 8)		(7 178 619)	(7 342 442)	(7 834 938)	(8 940 809)
Ground lease straight-line adjustment (Note 8)		8 892	28 188	8 892	28 188
		5 802 669	(18 476 698)	84 909 009	(16 882 355)
4 INTEREST					
Interest income					
- Bank deposits		105 535	688 313	125 031	725 416
- Related parties (Note 24)		27 618 074	17 198 484	-	-
		27 723 609	17 886 797	125 031	725 416
Interest expense					
- Bank borrowings and bonds		39 267 183	41 997 938	41 702 222	44 568 445
- Related parties (Note 24)		-	-	145	-
- Other		6 863	32	8 979	32
		39 274 046	41 997 970	41 711 346	44 568 477
Less: capitalised to work in progress (Note 10)		(1 160 086)	(1 545 365)	(1 160 086)	(1 545 365)
Less: capitalised to investment property (Note 8)		(1 047 385)	(540 803)	(1 047 385)	(540 803)
		37 066 575	39 911 802	39 503 875	42 482 309
5 DEBENTURE INTEREST					
Interim paid 23 March 2018 - 5.55 thebe (2017:24 March 2017 - 5.00 thebe)		13 578 113	8 994 510	13 578 113	8 994 510
Interim paid 31 August 2018 - 8.40 thebe (2017: 28 July 2017 - 7.50 thebe)		20 550 657	13 491 765	20 550 657	13 491 765
Final proposed - 2.93 thebe (2017: 3.42 thebe)		7 168 265	8 367 053	7 168 265	8 367 053
		41 297 035	30 853 328	41 297 035	30 853 328
Weighted average number of linked units in issue for the year		244 650 684	192 349 447	244 650 684	192 349 447
Distribution per linked unit (thebe)		16.88	15.92	16.88	15.92

Notes to the consolidated and separate financial statements *continued*

31 August 2018

Notes	Company 2018 P	Company 2017 P	Consolidated 2018 P	Consolidated 2017 P
6 TAXATION				
6.1 Company Taxation				
Withholding taxation - foreign interest	69 895	102 516	297 270	102 516
Withholding taxation - foreign rental income	246 343	253 747	3 094 461	2 721 725
Withholding taxation - dividend income	-	30 048	1 157 666	30 048
Normal taxation	-	-	-	112 155
Deferred taxation	5 587 540	(5 890 151)	5 587 540	(5 890 151)
Charge/(credit) for the year	5 903 778	(5 503 840)	10 136 937	(2 923 707)
Income tax expense comprises:				
Charge to statement of comprehensive income	14 989 125	1 283 892	19 222 285	3 864 025
Attributable to debenture interest credited to statement of changes in equity	(9 085 348)	(6 787 732)	(9 085 348)	(6 787 732)
	5 903 778	(5 503 840)	10 136 937	(2 923 707)
6.2 Estimated Tax Losses				
The company has estimated tax losses amounting to P10 349 602 (2017: P7 157 814) available to offset against future taxable income. Deferred taxation of P2 276 912 (2017: P1 574 719) has been recognised on these estimated tax losses. Based on budgets and forecasts the directors believe that the company will generate sufficient profits in future to utilise the accumulated losses. As a result a deferred tax asset has been recognised.				
6.3 Deferred Taxation				
Gains on fair value of investment property	16 486 234	19 006 329	16 486 234	19 006 329
Capital allowances	25 511 508	16 701 680	25 511 508	16 701 680
Estimated tax losses	(2 276 912)	(1 574 719)	(2 276 912)	(1 574 719)
Deferred tax liability at end of the year	39 720 830	34 133 290	39 720 830	34 133 290
Deferred taxation arises as follows:				
Gains on fair value of investment property:				
Balance at beginning of the year	19 006 329	27 806 669	19 006 329	27 806 669
Movement during the year	(2 520 095)	(8 800 340)	(2 520 095)	(8 800 340)
Balance at end of the year	16 486 234	19 006 329	16 486 234	19 006 329
Capital allowances on investment property:				
Balance at beginning of the year	16 701 680	12 216 772	16 701 680	12 216 772
Movement during the year	8 809 828	4 484 908	8 809 828	4 484 908
Balance at end of the year	25 511 508	16 701 680	25 511 508	16 701 680
Estimated tax losses:				
Balance at beginning of the year	(1 574 719)	-	(1 574 719)	-
Arising during the year	(702 193)	(1 574 719)	(702 193)	(1 574 719)
Balance at end of the year	(2 276 912)	(1 574 719)	(2 276 912)	(1 574 719)
Total deferred tax	39 720 830	34 133 290	39 720 830	34 133 290

Notes to the consolidated and separate financial statements *continued*

31 August 2018

Notes	Company restated 2018 P	Company restated 2017 P	Consolidated 2018 P	Consolidated 2017 P
6 TAXATION *(continued)*				
Reconciliation of Taxation Charge				
Profit before taxation	92 913 654	10 984 931	147 645 928	32 153 008
Taxation at the current tax rate of 22%	20 441 004	5 899 193	32 482 104	7 073 662
Debenture interest	(9 349 081)	(6 296 517)	(9 349 081)	(6 296 517)
Fair value adjustments	(4 822 595)	(6 006 332)	(5 532 126)	(6 715 863)
Profit on disposal of investment property	(230 623)	-	(230 623)	-
Offset Zambian taxation being withheld on income	-	-	-	(372 639)
Foreign exchange losses/(gains)	-	171 716	(67 732)	191 573
Expenses not deductible	100 263	341 789	100 263	341 789
Effect of lower tax on foreign components	(551 428)	-	(13 044 924)	-
Withholding taxation - foreign income	316 238	356 263	4 621 390	2 824 241
Withholding taxation - dividends	-	30 048	1 157 666	30 048
Charge for the year	5 903 778	(5 503 840)	10 136 937	(2 923 707)
7 EARNINGS PER LINKED UNIT				
The earnings and weighted average number of linked units used in the calculation of earnings per linked unit are as follows:				
Profit for the year	77 924 529	9 701 039	128 423 643	28 288 983
Taxation attributable to debenture interest (Note 6.1)	9 085 348	6 787 732	9 085 348	6 787 732
Earnings for the year attributable to linked unit holders	87 009 877	16 488 771	137 508 991	35 076 715
Weighted average number of linked units in issue for the year	244 650 684	192 349 447	244 650 684	192 349 447
Earnings per linked unit (thebe)	35.56	8.57	56.21	18.24
8 INVESTMENT PROPERTIES				
At fair value				
Freehold properties	179 820 394	185 251 736	179 820 394	185 251 736
Leasehold properties	637 617 749	599 911 350	1 177 185 721	884 426 169
Total investment properties	817 438 143	785 163 086	1 357 006 115	1 069 677 905
Reconciliation of fair value				
Balance at beginning of the year	785 163 086	695 010 161	1 069 677 905	799 722 419
Property additions at cost	6 133 679	19 578 699	6 463 257	21 545 615
Acquisition of subsidiary (Note 26)	-	-	-	181 812 915
Finance costs capitalised	1 047 385	540 803	1 047 385	540 803
Property disposals at value	(7 761 592)	-	(7 761 592)	-
Transfers from work in progress	28 403 941	88 720 537	190 842 284	94 371 095
Fair value adjustment for the year	12 972 396	(11 162 444)	92 735 055	(7 969 734)
Foreign exchange translation reserve	(1 351 025)	(210 416)	11 827 867	(11 432 587)
Rentals straight-line adjustment for the year	(7 178 619)	(7 342 442)	(7 834 938)	(8 940 809)
Ground lease straight line adjustment for the year	8 892	28 188	8 892	28 188
Balance at end of the year	817 438 143	785 163 086	1 357 006 115	1 069 677 905

Notes to the consolidated and separate financial statements *continued*

31 August 2018

8 INVESTMENT PROPERTIES *(continued)*

The fair values of the company's investment properties in Botswana at 31 August 2018 have been arrived at on the basis of valuations carried out at that date by Knight Frank Botswana (Proprietary) Limited, independent valuers. Knight Frank Botswana (Proprietary) Limited are members of the Real Estate Institute of Botswana and are registered in terms of the Real Estate Professionals Act 2003. The principal valuer holds a recognised and relevant professional qualification and has recent experience in the locations and category of the investment properties valued. The valuations conform to International Valuation Standards, and were determined by reference to the discounted value of the net rentals and market evidence of transaction prices for similar properties.

The fair values of the company's investment properties in Zambia at 31 August 2018 have been arrived at on the basis of valuations carried out at that date by Knight Frank (Zambia) Limited, independent valuers. Knight Frank (Zambia) Limited are members of both the Surveyors Institute of Zambia (SIZ) and the Zambia Institute of Estate Agents (ZIEA). The principal valuer holds a recognised and relevant professional qualification and has recent experience in the locations and category of the investment properties valued. The valuations conform to International Valuation Standards, and were determined by reference to the discounted value of the net rentals and market evidence of transaction prices for similar properties.

The Directors assessed the external valuation performed at year end as reasonable.
Capital commitments relating to investment properties are disclosed in Note 28. These have been contracted for. Revenue earned from the investment properties is disclosed as Rental Income on the face of the statement of comprehensive income and the related expenses are disclosed in Note 2.

Freehold properties comprise:

- Plot 203, Gaborone		
- Plot 22, Gaborone	*2	
- Plot 29, Gaborone	*1	
- Plot 16177 - 16185, Francistown	*2	

Leasehold properties comprise:

- Plot 50423, Gaborone	50 year State grant from 20 October 1994	*2
- Plot 20610, Gaborone	50 year State grant from 31 January 2000	
- Plot 165, Gaborone	15 year Ground lease from 1 May 2005, with an option to renew for another 5 year period	
- Plot 67979, Gaborone	50 year State grant from 13 July 2000	*2
- Plot 29, Ghanzi	25 year Ground lease from 1 November 2001	*2
- Plot 3273, Ramotswa	50 year Tribal lease from 9 March 1998	
- Lease Area 110 MP on Plot 2461, Serowe	25 year Ground lease from 1 December 2006	
- Plot 4649, Lobatse	20 year Ground lease from 1 November 2004	*2
- Plot 20584, Gaborone	50 year State grant from 27 November 1998	
- Plot 62417, Gaborone	50 year State grant from 26 September 2005	*2
- Plot 74538, Gaborone	50 year state grant from 26 September 2005	*2
- Tribal Lot 439, Pilane	Notarial deed of cession and delegation from Amatrix Developments (Pty) Limited of a 50 year lease from 18th December 2008 registered at the Deeds Office on 14th October 2016	
- Stand 3144, Lusaka	99 year state lease from 1 July 1975	
- Stand 3714, Kitwe	99 year state lease from 1 January 1968	

Additionally in the group:

Leasehold properties:

PwC Office Park, Subdivision D part of Stand No. 2374, Thabo Mbeki Road, Lusaka	Ceded lease agreement from the Agricultural and Commercial Society of Zambia for 50 years from 2004.	*2
Kabulonga Centro, Subdivision 6 of Farm No. 377a, Bishops Road, Lusaka	Renewable lease agreement with the Zambian Diocesan Trustees for 35 years from 8 April 2015.	
Chirundu Mall, Stand No. 1001, Chirundu	99 year state lease held under a Certificate of Title from 1 May 2014	
Munali Mall, Subdivision 8 of Subdivision E of farm No. 609 corner of Munali Road and 12th Street, Lusaka.	100 year state lease held under a Certificate of Title from 1 July 1975	

*1 This property is encumbered as per Note 21
*2 These properties are encumbered as per Note 22

Notes to the consolidated and separate financial statements *continued*

31 August 2018

9 FAIR VALUE MEASUREMENT

Assets measured at fair value

The investment properties of the company and group are measured at fair value at the end of the reporting period are categorised under Level 3 - Significant unobservable inputs.

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
Recurring fair value measurements at the end of the reporting period				
Investment properties	817 438 143	785 163 086	1 357 006 115	1 069 677 905
Reconciliation of fair value measurements categorised within Level 3 of fair value hierarchy				
Investment properties				
Opening balance	785 163 086	695 010 161	1 069 677 905	799 722 419
Included in profit or loss	5 802 669	(18 476 698)	84 909 009	(16 882 355)
Acquisition of a subsidiary	-	-	-	181 812 915
Foreign exchange translation reserve	(1 351 025)	(210 416)	11 827 867	(11 432 587)
Additions and transfers	34 537 619	108 840 039	197 305 541	115 916 710
Finance costs capitalised	1 047 385	-	1 047 385	540 803
Disposals	(7 761 592)	-	(7 761 592)	-
Closing balance	817 438 143	785 163 086	1 357 006 115	1 069 677 905
Gains and losses arising from fair valuation of investment properties are shown as a separate line in the statement of comprehensive income as follows:				
Total gains/(losses) for the period	5 802 669	(18 476 698)	84 909 009	(16 882 355)

	Fair value at 31/8/2018 Company P	Fair value at 31/8/2018 Group P	Valuation technique	Unobservable input	Range
Valuation techniques and inputs					
Investment properties	817 438 143	1 357 006 115	Discounted net rentals	Capitalisation rate	8-13.5%

Valuation process

The valuation process has been described in Note 8.

Information about sensitivity to changes in unobservable inputs

The fair value of investment properties is a function of the unobservable inputs and the net rental generated by each property in the portfolio of the Company and Group. Significant increases / (decreases) in the capitalisation rate would result in significantly (lower)/higher fair value measurement. The changes are dependant on various market factors including location of property and quality and length of lease periods.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
10 WORK IN PROGRESS				
Balance at beginning of the year	22 398 109	109 369 635	122 515 807	115 020 193
Transferred to investment property	(28 403 941)	(88 720 537)	(190 842 284)	(94 371 095)
Transferred to expenses	-	(958 534)	-	(958 534)
Additions	21 560 212	1 162 180	86 483 039	48 344 534
Acquisition of a subsidiary (Note 26)	-	-	-	54 861 840
Finance costs capitalised	1 160 086	1 545 365	1 160 086	1 545 365
Foreign exchange translation reserve	-	-	(2 602 182)	(1 926 496)
Balance at end of the year	16 714 466	22 398 109	16 714 466	122 515 807

These costs are in relation to:
a) the development on Plot 75782 Sethloa commenced in the current year and was still incomplete as at the reporting date.
b) the development of a retail park on Plot 75749 was completed in the current year and the property was transferred to investment property.
Additionally in the group:
c) the development of a retail shopping centre at Stand No. 1001, Chirundu. The property was completed in the current year and was transferred to investment property.
d) the development of a retail shopping centre at subdivision No. 8 of subdivision E of farm No. 609 corner of Munali Road and 12th Street, Lusaka. The construction was completed in the current year and the property was transferred to investment property.

The finance costs capitalised relate to interest incurred on the various long term borrowings as disclosed in Note 23.

		Company		Consolidated	
	Proportion of ownership interest %	2018 P	2017 P	2018 P	2017 P
11 INVESTMENT IN SUBSIDIARIES					
PrimeTime Property Holdings (Mauritius) Limited	100	1 020	1 020	-	-
		1 020	1 020	-	-

PrimeTime Property Holdings (Mauritius) Limited, a holding Company incorporated in Mauritius, was incorporated on 30 October 2015. It owns 100% of the shares of PrimeTime Property Holdings (Zambia) Limited, Luongo and Lufupa.

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
12 TRADE AND OTHER RECEIVABLES				
Trade receivables	1 515 458	1 900 235	4 219 500	4 951 085
Allowance for doubtful debts	(319 016)	(585 225)	(338 716)	(1 128 038)
Net trade receivables	1 196 442	1 315 010	3 880 784	3 823 047
Other receivables	2 185 593	2 487 329	21 139 649	17 431 511
	3 382 035	3 802 339	25 020 433	21 254 558

The directors consider the carrying amount of trade and other receivables to approximate their fair value. The average credit period is 30 days (2017: 30 days). No interest is charged on overdue receivables. The Company and Group have provided for past due and impaired receivables based on estimated irrecoverable amounts determined by reference to default experience.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
12 TRADE AND OTHER RECEIVABLES (CONTINUED)				
Ageing of past due but not impaired				
60 to 90 days	111 587	340 762	339 753	728 305
Over 90 days	228 639	72 928	988 548	373 130
	340 226	413 690	1 328 301	1 101 435
Movement in the allowance for doubtful debts				
Balance at beginning of year	585 225	545 030	1 128 038	545 030
Amounts written off during the year	(550 605)	(194 827)	(756 190)	(194 827)
Impairment losses reversed	(70 888)	(138 403)	(404 566)	(138 403)
Impairment losses recognised during the year	355 284	373 425	420 986	916 238
Foreign exchange translation reserve	-	-	(49 552)	-
Balance at end of year	319 016	585 225	338 716	1 128 038
13 AMOUNTS DUE FROM RELATED PARTIES				
PrimeTime Property Holdings (Mauritius) Limited	452 705 527	341 645 097	-	-

The loan has no repayment terms and accrues interest at the Group's weighed average cost of borrowings. In the current year, the Group's weighed average cost of borrowings was 7.37% (2017: 7.3%).

The carrying amounts of the balances receivable approximate their fair values as at the reporting dates.

	Company & consolidated		Company & consolidated	
	2018 Number of units	2017 Number of units	2018 P	2017 P
14 STATED CAPITAL				
Fully paid linked units				
Balance at the beginning of the year	244 650 684	179 890 200	14 242 773	4 716 210
Issued 20 June 2017 (Rights issue)	-	64 760 484	-	9 526 563
Balance at the end of the year	244 650 684	244 650 684	14 242 773	14 242 773

Each Linked Unit in the company comprises one linked unit and one variable rate unsecured debenture as per Note 15, which are indivisibly linked. It is not possible to trade with the shares or the variable rate unsecured debentures separately from one another.

The linked units are listed on the Botswana Stock Exchange. All of the issued shares are of the same class and rank *pari passu* in every respect.

In accordance with the Constitution, at any general meeting, every shareholder present in person or by authorised representative or proxy shall have one vote on a show of hands and on a poll, every member present in person, by authorised representative or by proxy shall have one vote for every share held.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

	Company & consolidated		Company & consolidated	
	2018 Number of debentures	2017 Number of debentures	2018 P	2017 P
15 DEBENTURES				
Variable rate unsecured debentures				
Balance at the beginning of the year	244 650 684	179 890 200	323 329 682	132 610 057
Issued 20 June 2017 (Rights issue)	-	64,760,484	-	190 719 625
Balance at the end of the year	244 650 684	244 650 684	323 329 682	323 329 682

Each Linked Unit in the Company comprises one ordinary share as per Note 14, and one variable rate unsecured debenture, which are indivisibly linked. It is not possible to trade with the shares or the variable rate unsecured debentures separately from one another.

All of the variable rate unsecured debentures are of the same class and rank *pari passu* in every respect.

The debentures are governed in terms of a Trust Deed entered into between the company and John Hinchliffe, as the Trustee for the debenture holders and these are regarded as equity.

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
16 ACCUMULATED PROFITS				
Balance at the beginning of the year	328 806 138	343 170 695	323 425 051	352 283 733
Retained from normal operations during the year	30 220 351	(12 002 453)	956 806	(29 689 288)
Arising from fair value adjustments on revaluation of investment properties	15 492 491	(2 362 104)	95 255 150	830 606
Balance at the end of the year	374 518 980	328 806 138	419 637 007	323 425 051

The accumulated profits from normal operations amounts to P65 710 438 (2017: P35 490 088) in the Company and P17 965 690 (2017: P17 008 884) in the Group.

17 DEBENTURE INTEREST RESERVE				
Debenture interest reserve	7 168 265	8 367 053	7 168 265	8 367 053
The final debenture interest proposed, as per Note 5, is held in the debenture interest reserve pending payment.				
The debenture interest will be ratified at the forthcoming Annual General Meeting.				
18 TRADE AND OTHER PAYABLES				
Trade payables	4 256 605	5 587 917	4 256 605	11 910 435
Refundable deposits held for tenants	2 290 908	2 370 694	3 702 915	3 868 514
Other payables	5 365 624	4 003 166	24 396 386	8 098 632
	11 913 137	11 961 777	32 355 906	23 877 581

The average credit period on purchases is 30 days (2017: 30 days). No interest is charged on trade payables. The directors consider the carrying amount of trade and other payables to approximate their fair value.

P8 867 189 of interest due on long term borrowings, which was classified under other payables in the prior year published Annual Financial Statements, has been reclassified under long term borrowings in Note 22 in both the Company and Group Consolidated figures.

The carrying amounts of the trade and other payables approximate their fair values as at the reporting dates.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
19 AMOUNTS DUE TO RELATED PARTIES				
Time Projects (Botswana) (Proprietary) Limited	1 733 960	2 662 306	1 733 960	2 662 306
Time Projects Property (Zambia) Limited	-	-	6 926 277	709 153
Directors' fees	234 850	282 263	234 850	282 263
	1 968 810	2 944 569	8 895 087	3 653 722
The carrying amounts of the balances payables approximate their fair values as at the reporting dates.				
20 DEFERRED REVENUE				
Rentals received in respect of future periods invoiced in advance	3 673 415	2 858 993	4 194 987	2 879 236

21 BANKING FACILITIES AND GUARANTEES

At the reporting date, the company has a general short term banking overdraft facility with Stanbic Bank Botswana Limited of P32 000 000 (2017: P32 000 000). The facility is payable on demand, and attracts interest at the rate of prime currently 6.5% per annum (2017: 7%).

At 31 August 2018 the unused facility was P15 114 627 (2017: P29 359 692).

The Company has guarantees of P321 570 (2017: P693 254) issued by Stanbic Bank Botswana Limited to third parties. These guarantees carry a commission charge of 0.55% per quarter of a year.

Stanbic Bank Botswana Limited has also provided to the company a facility for forward exchange contracts up to USD 1 000 000 (2017: USD 1 000 000) and a spot foreign currency dealing facility of USD1 000 000 (2017: USD1 000 000). At 31 August 2018 there were no open forward exchange contracts or spot foreign currency dealings.

These facilities are secured by First Continuing Covering Mortgage Bond for P31 300 000 over Plot 29 Gaborone (2017: P31 300 000), a cession of insurance and a cession of rentals.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
22 LONG TERM BORROWINGS				
Secured				
Barclays Bank of Botswana Limited	66 219 688	66 259 601	66 219 688	66 259 601
BIFM Capital Investment Fund Two (Pty) Limited Floating Rate Promissory Notes	5 910 998	8 537 891	5 910 998	8 537 891
BIFM Capital Investment Fund Two (Pty) Limited Fixed Rate Promissory Notes	22 588 836	31 624 373	22 588 836	31 624 373
BIFM Capital Investment Fund One (Pty) Limited Fixed Rate Term Loan	66 581 014	66 581 014	66 581 014	66 581 014
First National Bank Botswana Limited acting through its RMB Botswana Division	85 433 151	71 986 724	85 433 151	71 986 724
PT021 Listed unsecured senior notes	97 528 110	97 637 260	97 528 110	97 637 260
PT024 Listed unsecured senior notes	60 140 397	60 140 397	60 140 397	60 140 397
PT026 Listed unsecured senior notes	71 639 726	71 639 726	71 639 726	71 639 726
PTCP01 Unlisted unsecured commercial paper	-	6 528 128	-	6 528 128
PTCP03 Unlisted unsecured commercial paper	-	30 546 575	-	30 546 575
PTCP05 Unlisted unsecured commercial paper	30 507 534	-	30 507 534	-
PTCP06 Unlisted unsecured commercial paper	6 527 502	-	6 527 502	-
African Alliance Botswana Management Company (Pty) Limited	20 734 006	-	20 734 006	-
Stanbic Bank short term facility	25 554 795	-	25 554 795	-
Barclays Bank Zambia PLC	-	-	39 805 733	44 162 656
	559 365 756	511 481 690	599 171 489	555 644 345
Less: Portion repayable within one year				
disclosed as a current liability	101 773 844	127 538 482	108 162 591	133 704 348
Barclays Bank of Botswana Limited	-	39 913	-	39 913
BIFM Capital Investment Fund Two (Pty) Limited Floating Rate Promissory Notes	2 637 425	2 645 460	2 637 425	2 645 460
BIFM Capital Investment Fund Two (Pty) Limited Fixed Rate Promissory Notes	9 490 184	9 793 284	9 490 184	9 793 284
BIFM Capital Investment Fund One (Pty) Limited Fixed Rate Term Loan	1 581 014	1 581 014	1 581 014	1 581 014
First National Bank Botswana Limited acting through its RMB Botswana Division	433 151	71 986 724	433 151	71 986 724
PT021 Listed unsecured senior notes	1 528 110	1 637 260	1 528 110	1 637 260
PT024 Listed unsecured senior notes	1 140 397	1 140 397	1 140 397	1 140 397
PT026 Listed unsecured senior notes	1 639 726	1 639 726	1 639 726	1 639 726
PTCP01 Unlisted unsecured commercial paper	-	6 528 128	-	6 528 128
PTCP03 Unlisted unsecured commercial paper	-	30 546 575	-	30 546 575
PTCP05 Unlisted unsecured commercial paper	30 507 534	-	30 507 534	-
PTCP06 Unlisted unsecured commercial paper	6 527 502	-	6 527 502	-
African Alliance Botswana Management Company (Pty) Limited	20 734 006	-	20 734 006	-
Stanbic Bank short term facility	25 554 795	-	25 554 795	-
Barclays Bank Zambia PLC	-	-	6 388 747	6 165 867
Total long term portion of borrowings	457 591 912	383 943 208	491 008 898	421 939 997

P8 867 189 of interest due on long term borrowings, which was classified under trade payables in the prior year published Annual Financial Statements in Note 18, has been reclassified under long term borrowings in both the Company and Group Consolidated figures.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

22 LONG TERM BORROWINGS *(continued)*

Terms and conditions of long term borrowings

Facility	Period and repayment	Interest rate	Security
BIFM Capital Investment Fund Two (Pty) Limited Floating Rate Promissory Notes of P15 000 000 plus accrued interest to 31 October 2011	The notes were fully drawn-down between 31 January 2011 and 31 August 2011. Interest accrues on the notes during the 'Interest Holiday Period', which period expired on 31 October 2011. Thereafter, interest only is payable quarterly in arrears commencing on 31 January 2012. The capital portion of the notes is redeemable in 24 equal tranches on quarterly redemption dates commencing on 31 January 2015.	Bears interest at a floating rate of 222 basis points above the 91-day Bank of Botswana Certificate rate prevailing, and as published by the Bank of Botswana, 3 months prior to a given interest payment date, currently 1.49% (2017: 1.46%).	Secured by first continuing covering mortgage bonds, a cession of insurance and a cession of rentals over the following properties: Plot 50423 Gaborone, Plot 67979 Gaborone and Plots 16177, 16179, 16180, 16181, 16182, 16183 and 16185 Francistown.
BIFM Capital Investment Fund Two (Pty) Limited Fixed Rate Promissory Notes of P50 000 000 plus accrued interest to 31 October 2011	The notes were fully drawn-down between 31 January 2011 and 31 August 2011. Interest accrues on the notes during the 'Interest Holiday Period', which period expired on 31 October 2011. Thereafter, interest only is payable half yearly in arrears commencing on 30 April 2012. The capital portion of the notes is redeemable in 12 equal tranches on half yearly redemption dates commencing on 30 April 2015.	Bears interest at a fixed rate of 10.3%.	Secured by first continuing covering mortgage bonds, a cession of insurance and a cession of rentals over the following properties: Plot 50423 Gaborone, Plot 67979 Gaborone and Plots 16177, 16179, 16180, 16181, 16182, 16183 and 16185 Francistown.
BIFM Capital Investment Fund One (Pty) Limited Fixed Rate Term Loan of P65 000 000	Interest only is payable half yearly in arrears commencing on 31 May 2013. The capital portion of the notes is redeemable in 6 tranches on half yearly redemption dates commencing on 31 May 2025.	Bears interest at a fixed rate of 9.65%.	Secured by first continuing covering mortgage bonds, a cession of insurance and a cession of rentals over the following properties: Plot 4649 Lobatse, Plot 20610 Gaborone, Plot 29 Ghanzi and Plot 22 Gaborone.
Barclays Bank of Botswana Limited facility of P75 000 000	This loan was varied with effect from September 2016 to an interest only facility with a bullet payment of the capital after a five year period. Prior to that, the term of the loan was 12 years with an initial 2 year interest-only period which ended in August 2015. Thereafter, the capital was repayable in 120 equal monthly instalments.	Bears interest at a variable rate of 150 basis points below the current prime rate of 6.5%. (2017: 7%).	Secured by first covering mortgage bonds, a cession of insurance and a cession of rentals over Prime Plaza 2, Prime Plaza 3 and Prime Plaza 4 situated on Lot 74538, CBD, Gaborone.
First National Bank Botswana Limited acting through its RMB Botswana Division facility of P70 800 000	Period of 3 years from first drawdown date being 24th March 2015. The loan is interest only and is repayable by a bullet payment on 23rd March 2018. The loan was settled on maturity with a roll into the RMB Botswana facility of P85 000 000 disclosed below.	From 14 March 2016 the bank varied the terms of this loan so 50% of the outstanding bears interest at a variable rate of 367 basis points above the 91-day Bank of Botswana Certificate rate prevailing, and as published by the Bank of Botswana. The other 50% of the loan bore interest at a fixed rate of 8.63%. Prior to that the whole facility bore interest at a variable rate of 367 basis points above the 91-day Bank of Botswana Certificate rate prevailing, and as published by the Bank of Botswana.	Secured by a first covering mortgage bond and a cession of insurance and a of rentals over Plot 62417 Gaborone.
First National Bank Botswana Limited acting through its RMB Botswana Division facility of P85 000 000	Period of 3 years from the first advance date being 24th March 2018. The loan is interest only and the capital is repayable by a bullet payment on 23rd March 2021.	Bears interest at a variable rate of 50 basis points below the current prime rate of 6.5%.	Secured by a first covering mortgage bond and a cession of insurance and a of rentals over Plot 62417 Gaborone.
PT021 Listed unsecured senior notes issued on 10 June 2016 P56 000 000 with an additional P40 000 000 issued on 10 December 2016.	The notes mature on 10 June 2021 with a bullet payment.	Bear interest at a variable rate of 100 basis points above the current prime rate of 6.5% (2017: 7%).	None
PT024 Listed unsecured senior notes issued on 10 June 2016 P49 000 000 with an additional P10 000 000 issued on 10 December 2016.	The notes mature on 10 June 2024 with a bullet payment.	Bear interest at a fixed rate of 8.5%.	None
PT026 Listed unsecured senior notes issued on 29 November 2016 P70 000 000	The notes mature on 29 November 2026 with a bullet payment.	Bear interest at a fixed rate of 9%.	None

Notes to the consolidated and separate financial statements *continued*

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22 LONG TERM BORROWINGS *(continued)*

Terms and conditions of long term borrowings *(continued)*

Facility	Period and repayment	Interest rate	Security
PTCP01 Commercial paper issued on 25 November 2016 P60 000 000	P53 480 000 was prepaid on 25 August 2017 by mutual agreement. The balance of the paper matured on 25th November 2017 with a roll into PTCP06 disclosed below.	Bears interest at a variable rate of 50 basis points below prime.	None
PTCP03 Commercial paper issued on 29 November 2016 P30 000 000	The paper matured on 29 November 2017 with a roll into PTCP05 disclosed below.	Bears interest at a fixed rate of 7%.	None
PTCP05 Commercial paper issued on 29 November 2017 P30 000 000	The paper matures on 29 November 2018 with a bullet payment.	Bears interest at a fixed rate of 6.5%.	None
PTCP06 Commercial paper issued on 25 November 2017 P6 520 000	The paper matures on 25 November 2018 with a bullet payment.	Bears interest at a variable rate of 50 basis points below prime.	None
African Alliance Botswana Management Company (Pty) Limited fixed rate notes for P20 373 973 issued on 8 June 2018	The facility is for a 3 month period and is repayable together with the accrued interest on 5 September 2018 with a bullet payment.	Bears interest at a fixed rate of 7.5%.	None
Stanbic Bank short term loan facility for P25 000 000 issued on 4 May 2018	The facility is for a 180 day period and is repayable together with the accrued interest on 3 November 2018 with a bullet paymrent.	Bears interest at a variable rate of 25 basis points above prime.	No additional required to the existing security held by Stanbic Bank as disclosed at Note 21

Additionally in the Group

Facility	Period and repayment	Interest rate	Security
Barclays Bank Zambia PLC facility for USD5 000 000	Period of 7 years, repayable in 84 equal monthly instalments.	Bears interest at a variable rate of 425 basis points above the 3 month USD LIBOR rate of 2.34825% (2017: 1.31056%).	An on demand payment guarantee for an amount of USD5 000 000 issued by Barclays Bank of Botswana Limited (on behalf of Prime-Time Property Holdings Limited) to be retained for the full duration of the facilities. A cession of insurance and a cession of rentals over Subdivision D part of Stand No. 2374 Thabo Mbeki Road, Mass Media, Lusaka, Zambia.

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
23 FINANCIAL RISK MANAGEMENT				
Categories of Financial Instruments				
Financial assets				
Receivables (including related party balances and cash and cash equivalents)	460 213 309	383 149 431	27 873 078	61 753 240
Financial liabilities				
Payables (including related party balances)	588 477 375	528 017 467	654 998 810	584 249 327

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements represent their fair values.

Capital Risk Management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2018.

The capital structure of the group consists of cash and cash equivalents, interest bearing borrowings and equity, comprising stated capital, variable rate unsecured debentures and accumulated profits as disclosed in the statement of financial position.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the

Notes to the consolidated and separate financial statements *continued*

31 August 2018

23 FINANCIAL RISK MANAGEMENT *(continued)*

Significant Accounting Policies in the financial statements.

Financial Risk Management Objectives
The directors monitor and manage the financial risks relating to the operations of the group through analysis of exposures by degree and magnitude of each risk. These risks include market risk (including currency risk and interest rate risk) and credit risk.

Market Risk
The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as described below.

Foreign Currency Risk
In the normal course of business, the company and group enters into transactions denominated in foreign currencies. At 31 August 2018 the company had P55 078 and the group had P66 166 694 monetary liabilities denominated in foreign currencies, which would expose it to fluctuations in foreign currency exchange rates (2017: company P50 634 and group P55 591 859). At 31 August 2018 the company had P455 614 264 and the group had P12 951 369 monetary assets denominated in foreign currencies (2017: company P373 223 023 and group P48 859 355).

If exchange rates had been 5% higher/lower and all other variables were held constant, the company's profits would have increased/decreased by P1 572 080 and the group's profit would have increased/decreased by P5 161 935 (2017: company P965 712 and group P1 149 854).

Interest Rate Risk
Fluctuations in interest rates impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the company's profit and comprehensive income would have increased/decreased by P713 992 and group's profit and comprehensive income and equity would have decreased/increased by P1 336 304 (2017: company P101 458 and group P1 486 427).

Credit Risk
At the reporting date there were no significant concentrations of credit risk for receivables. The carrying amount reflected above represents the group's maximum exposure to credit risk for receivables.

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the directors. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below details the remaining contractual maturity for financial liabilities with agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company may be required to pay.

	<1 year P	1-5 years P	>5 years P
Company			
2018			
Non-interest bearing	10 667 238	-	-
Variable interest rate instruments	53 566 355	250 493 261	-
Fixed interest rate	65 092 861	13 098 651	194 000 000
	129 326 454	263 591 912	194 000 000
2017			
Non-interest bearing	20 224 750	-	-
Variable interest rate instruments	47 179 166	168 112 119	-
Fixed interest rate	74 132 436	21 831 089	194 000 000
	141 536 352	189 943 208	194 000 000
Consolidated			
2018			
Non-interest bearing	30 046 853	-	-
Variable interest rate instruments	59 955 102	283 910 247	-
Fixed interest rate	65 092 861	13 098 651	194 000 000
	155 094 817	297 008 898	194 000 000
2017			
Non-interest bearing	31 633 878	-	-
Variable interest rate instruments	53 345 032	196 499 325	9 609 583
Fixed interest rate	74 132 436	21 831 089	194 000 000
	159 111 346	218 330 414	203 609 583

Notes to the consolidated and separate financial statements *continued*

31 August 2018

24 RELATED PARTY TRANSACTIONS

Trading transactions

The company has entered into a Property Management Agreement and an Asset Management Agreement with Time Projects (Botswana) (Proprietary) Limited. The shareholders of Time Projects (Botswana) (Proprietary) Limited owned 19.3% of the issued linked units of the Company at 31 August 2018 (2017: 22%).

Time Projects (Botswana) (Proprietary) Limited has a 100% owned Zambian registered subsidiary company called Time Projects Property (Zambia) Limited.

During the year, the company entered into the following trading transactions with related parties and had the following balances owed to related parties:

	Purchases of services P	Debenture interest paid (gross) P	Interest received (gross) P	Interest paid (gross) P	Purchases of Investment Property & Work in Progress P	Consulting fees P	Directors fees P	Amounts owed (by)/ to related parties P
2018 Company								
PrimeTime Property Holdings (Mauritius) Limited (Note 13)	-	-	27 618 074	-	-	-	-	(452 705 527)
Time Projects (Botswana) (Proprietary) Limited (Note 19)	13 157 718	-	-	-	1 398 570	-	-	1 733 960
Linwood Services Limited	-	8 121 390	-	-	-	-	-	-
(A L Kelly has a beneficial interest in Linwood Services Limited)								
Key management personnel/directors:								
J Jones and family	-	6 489	-	-	-	-	105 470	29 765
A Kelly and family	-	78 391	-	-	-	-	94 135	29 765
C Kgosidiile	-	-	-	-	-	321 300	153 140	53 595
P Matumo	-	114 942	-	-	-	-	147 470	50 280
M Morolong and family	-	1 292	-	-	-	-	94 135	29 765
S Thapelo	-	-	-	-	-	-	117 965	41 680
Consolidated								
Time Projects (Botswana) (Proprietary) Limited (Note 19)	13 157 718	-	-	-	1 398 570	-	-	1 733 960
Time Projects Property (Zambia) Limited (Note 19)	3 142 164	-	-	145	35 675 489	-	-	6 926 277
Linwood Services Limited	-	8 121 390	-	-	-	-	-	-
(A L Kelly has a beneficial interest in Linwood Services Limited)								
Key management personnel/directors:								
J Jones and family	-	6 489	-	-	-	-	105 470	29 765
A Kelly and family	-	78 391	-	-	-	-	94 135	29 765
C Kgosidiile	-	-	-	-	-	321 300	153 140	53 595
P Matumo	-	114 942	-	-	-	-	147 470	50 280
M Morolong and family	-	1 292	-	-	-	-	94 135	29 765
S Thapelo	-	-	-	-	-	-	117 965	41 680
2017 Company								
PrimeTime Property Holdings (Mauritius) Limited (Note 13)	-	-	17 152 056	-	-	-	-	(341 645 097)
PrimeTime Property Holdings (Zambia) Limited (Note 13)	-	-	46 428	-	-	-	-	-
Time Projects (Botswana) (Proprietary) Limited (Note 19)	12 071 917	-	-	-	11 518 416	-	-	2 662 306
Linwood Services Limited	-	7 438 763	-	-	-	-	-	-
(A L Kelly has a beneficial interest in Linwood Services Limited)								
Key management personnel/directors:								
J Jones and family	-	2 100	-	-	-	-	42 536	42 536
A Kelly and family	-	52 863	-	-	-	-	90 190	51 038
C Kgosidiile	-	-	-	-	-	264 600	123 684	62 383
P Matumo	-	105 281	-	-	-	-	94 699	24 230
M Morolong and family	-	955	-	-	-	-	112 880	51 038
S Thapelo	-	-	-	-	-	-	101 535	51 038
Consolidated								
Time Projects (Botswana) (Proprietary) Limited (Note 19)	12 071 917	-	-	-	11 518 416	-	-	2 662 306
Time Projects Property (Zambia) Limited (Note 19)	3 371 131	-	-	-	21 563 371	-	-	709 153
Linwood Services Limited	-	7 438 763	-	-	-	-	-	-
(A L Kelly has a beneficial interest in Linwood Services Limited)								
Key management personnel/directors:								
Jones and family	-	2 100	-	-	-	-	42 536	42 536
A Kelly and family	-	52 863	-	-	-	-	90 190	51 038
C Kgosidiile	-	-	-	-	-	264 600	123 684	62 383
P Matumo	-	105 281	-	-	-	-	94 699	24 230
M Morolong and family	-	955	-	-	-	-	112 880	51 038
S Thapelo	-	-	-	-	-	-	101 535	51 038

Notes to the consolidated and separate financial statements *continued*

31 August 2018

24 RELATED PARTY TRANSACTIONS *(continued)*
The purchase of services from Time Projects (Botswana) (Proprietary) Limited and Time Projects Property (Zambia) Limited includes asset management fees, property management fees and letting fees.

The amounts owed to related parties are unsecured, payable through the normal course of business and will be settled in cash. No guarantees have been given or received. No expense has been recognised during the year for bad or doubtful debts in respect of any amounts owed between related parties.

The Company and Group as a lessor
Operating leases receivable by the company as a lessor relate to the investment properties owned by the company with lease terms of between 1 and 29 years. The lessees do not have an option to purchase the properties at the expiry of the lease period.

Company
The property rental income earned by the company from its investment properties, all of which are leased out under operating leases, before the rentals straight-line adjustment amounts to P94 202 827 (2017: P89 524 092), as reflected in the statement of comprehensive income. Direct operating expenses arising on the investment properties for the year amounted to P6 688 132 (2017: P6 364 305).

Group
The property rental income earned by the group from its investment properties, all of which are leased out under operating leases, before the rentals straight-line adjustment amounts to P125 111 041 (2017: P110 452 276), as reflected in the statement of comprehensive income. Direct operating expenses arising on the investment properties for the year amounted to P9 398 376 (2017: P7 782 432).

At the reporting date the company had contracted with tenants for the following future minimum lease payments:

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
Not longer than 1 year	86 118 100	88 508 663	128 720 673	115 468 716
Longer than 1 year and not longer than 5 years	240 621 357	245 338 428	381 963 553	323 558 027
Longer than 5 years	206 306 696	239 381 038	231 816 692	252 940 964
	533 046 153	573 228 129	742 500 918	691 967 707

The Company and Group as a lessee
Operating leases payable by the company as a lessee relate to the rental of land over certain leasehold properties as per note 8, on which the company has erected buildings, with lease terms of between 15 and 35 years.

The rental expense incurred by the Company and Group in respect of the above operating ground leases amounts to:

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
Minimum lease payments	500 540	481 242	500 540	481 242
Turnover linked rental	1 419 067	1 330 266	2 804 864	2 179 744
	1 919 607	1 811 508	3 305 404	2 660 986
At the reporting date the estimated minimum lease commitments by the company to lessors amounts to:				
Not longer than 1 year	521 383	500 540	521 383	500 540
Longer than 1 year and not longer than 5 years	2 329 366	2 227 935	2 329 366	2 227 935
Longer than 5 years	1 708 958	2 331 772	1 708 958	2 331 772
	4 559 707	5 060 247	4 559 707	5 060 247

Notes to the consolidated and separate financial statements *continued*

31 August 2018

26 BUSINESS COMBINATIONS

On 21 January 2017, the Group, through its subsidiary company PrimeTime Property Holdings (Mauritius) Limited, acquired 100% of the issued shares of Luongo, a company registered in Mauritius. Luongo owns 100% of issued shares in Tilson Limited, a company registered in Zambia. The Group acquired Luongo in furtherance of its expansion strategy into the region.

On 3 February 2017, the Group, through its subsidiary company PrimeTime Property Holdings (Mauritius) Limited, acquired 100% of the issued shares of Lufupa, a company registered in Mauritius. Lufupa owns 100% of the issued shares in Ataraxia Limited, a company which is registered in Zambia. The Group acquired Lufupa in furtherance of its expansion strategy into the region.

Assets acquired and liabilities recognised at date of acquisition

The fair values of the identifiable assets and liabilities of Lufupa and Luongo as at the date of acquisition were:

	Lufupa P	Luongo P	Total P
Non-current assets			
Investment property	-	181 812 915	181 812 915
Work in progress	54 861 840	-	54 861 840
Current assets			
Trade and other receivables	9 092	14 077 162	14 086 254
Cash and cash equivalents	59 347	2 355 389	2 414 736
Current liabilities			
Trade and other payables	(1 969 597)	(11 830 428)	(13 800 025)
Total identifiable net assets at fair value	52 960 682	186 415 038	239 375 720
Gain on bargain purchase on acquisition	(5 506 961)	-	(5 506 961)
Purchase consideration transferred	47 453 721	186 415 038	233 868 759
Net cash outflow on acquisition of subsidiaries			
Consideration paid in cash			233 868 759
less: cash and cash equivalents balances acquired			(2 414 736)
			231 454 023

Impact of acquisition on the results of the Group for the year ended 31 August 2017

From the date of acquisition, Lufupa contributed no revenue to the Group performance and a loss of P128 789 as the property in Ataraxia Limited is still under construction, whereas Luongo contributed revenue amounting to P13 017 566 and profit of P15 795 143. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been P121 457 073 and profit before tax from continuing operations for the Group would have been P37 621 163.

The gain on bargain purchase has been presented in a separate line on the face of the statement of comprehensive income. The gain on bargain purchase arose as a result of the measurement of the property under development on acquisition to fair value.
The receivables acquired in these transactions with a fair value of P14 077 162 (Luongo) and P9 092 (Lufupa) had gross contractual amounts of P14 077 162 and P9 092 respectively. The best estimate at acquisition date of the contractual cash flows not expected to be collected are PNil for both Luongo and Lufupa.

27 SEGMENT INFORMATION

The company's primary business activities are concentrated in the segment of property rentals and are predominantly concentrated within the geographical regions of Botswana and Zambia. The geographical segmental information is outlined below.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

27 SEGMENT INFORMATION *(continued)*

	Company		Consolidated	
	2018 P	2017 P	2018 P	2017 P
Contractual lease revenue				
Local operations	91 739 393	86 986 621	91 739 393	86 986 621
Foreign operations	2 463 434	2 537 471	33 371 648	23 465 655
	94 202 827	89 524 092	125 111 041	110 452 276
Profit for the year				
Local operations	74 545 088	8 432 826	74 545 088	8 432 826
Foreign operations	3 379 441	1 268 213	53 878 555	19 856 157
	77 924 529	9 701 039	128 423 643	28 288 983
Non-current assets				
Investment properties				
Local operations	798 709 235	766 883 219	798 709 235	766 883 219
Foreign operations	18 728 908	18 279 867	558 296 880	302 794 686
	817 438 143	785 163 086	1 357 006 115	1 069 677 905
Work in progress				
Local operations	16 714 466	22 398 109	16 714 466	22 398 109
Foreign operations	-	-	-	100 117 708
	16 714 466	22 398 109	16 714 466	122 515 817
Total liabilities				
Local operations	634 203 862	566 811 884	634 203 862	566 999 692
Foreign operations	130 713	184 489	67 907 063	57 092 471
	634 334 575	566 996 373	702 110 925	624 092 163

28 CAPITAL COMMITMENTS

Company as disclosed under Note 10:

The retail shopping centre at Tribal Lot 439 Pilane was completed during the prior year. A second extension was in progress at the year end and the total estimated cost to complete as at 31 August 2018 is P7 085 114. A second extension for a fast food outlet was in progress at the prior year end and the total estimated cost to complete as at 31 August 2017 was P2 186 740. The fast food outlet extension was completed during the year.

The retail park at Plot 75749 Setlhoa, Gaborone was completed during the year. The total estimated cost to complete this development as at 31 August 2017 was P19 577 905.

The extension at Sebele Centre for an additional shop was completed during the year and the total estimated cost to complete as at 31 August 2017 was P2 135 894.

Additionally in the Group as disclosed under Note 10:

The retail shopping centre at Stand No. 1001, Chirundu was completed during the year. The total estimated cost to complete this development as at 31 August 2017 was P45 344 320.

The retail shopping centre at subdivision No. 8 of subdivision E of farm No. 609 corner of Munali Road and 12th Street, Lusaka was completed during the year. The total estimated cost to complete this development as at 31 August 2017 was P57 085 260.

Notes to the consolidated and separate financial statements *continued*

31 August 2018

29 RECLASSIFICATION OF PREVIOUSLY REPORTED AMOUNTS

In the prior year, on preparation of the consolidated financial statements some elimination journal entries for P33 082 069 for the recognition of the acquired subsidiaries were incorrectly classified to the foreign currency translation reserve instead of retained income. The misclassification has been retrospectively corrected resulting in changes to the previously stated amounts.

30 PRIOR PERIOD ERROR (Company financial statements)

In the prior year the Company incorrectly accounted for the foreign currency exchange loss arising on the intercompany loan with its Mauritian subsidiary. The loss of P15 829 583 was accounted for in other comprehensive income instead of being accounted for in profit or loss. The error has been adjusted retrospectively by restating the comparative financial statements of the Company.

The effect of correcting the error is illustrated below:

	As previously reported 2017 P	Restated 2017 P	Impact P
Exchange differences on translating foreign balances	(2 318 120)	(18 147 703)	(15 829 583)
Profit before tax	26 814 514	10 984 931	(15 829 583)
Profit for the year	25 530,622	9 701 039	(15 829 583)
Exchange differences on translating foreign operations	(16 061 537)	(231 954)	15 829 583
Retained earnings	344 635 721	328 806 138	(15 829 583)
Foreign currency translation reserve	(21 299 299)	(5 469 716)	15 829 583
Earnings per linked unit (thebe)	16.80	8.57	(8.23)

31 EVENTS AFTER THE REPORTING PERIOD

No events have occurred between the end of the reporting period and the date of approval of the consolidated and separate financial statements which will materially affect the consolidated and separate financial statements.

Notice of annual general meeting

Notice is hereby given that the annual general meeting of unitholders of the company will be held at Acacia Building, Prime Plaza, Plot 74538, Corner of Khama Crescent Extension and PG Matante, CBD, Gaborone, Botswana at 15h00 on Wednesday 27 February 2019, for the purpose of transacting the following business and considering and if deemed fit, passing, with or without modification, the following resolutions:

Agenda

Ordinary Business

1. To read the notice convening the meeting.

2. **Ordinary Resolution 1:**
   To receive, consider, and adopt the audited financial statements for the year ended 31 August 2018.

3. **Ordinary Resolution 2:**
   To approve the interim interest payment of 5.55 thebe per. linked unit declared on 14 February 2018 and paid on 23 March 2018, as authorised and recommended by the directors.

4. **Ordinary Resolution 3**
   To approve the interim interest payment of 8.40 thebe per. linked unit declared on 27 July 2018 and paid on 31 August 2018, as authorised and recommended by the Directors.

5. **Ordinary Resolution 4**
   To approve the final interest payment of 2.93 thebe per. linked unit declared on 21 November 2018 and due to be paid in March 2019, as authorised and recommended by the Directors.

6. **Ordinary Resolution 5**
   To re-elect the following director of the company:
   Sifelani Thapelo who retires by rotation in terms of clause 20.9.1 of the Constitution and, being eligible, offers himself for re-election.

7. **Ordinary Resolution 6**
   To re-elect the following director of the company:
   Mmoloki Morolong who retires by rotation in terms of clause 20.9.1 of the Constitution and, being eligible, offers himself for re-election.

8. **Ordinary Resolution 7**
   To approve the remuneration of the Directors for the year ended 31 August 2018. For the chairlady an annual retainer fee of P52 900 and a sitting allowance of P11 915 per meeting. For the other directors an annual retainer fee of P35 700 and a sitting allowance of P11 915 per meeting.

9. **Ordinary Resolution 8**
   To appoint Deloitte & Touche as auditors for the ensuing year.

10. **Ordinary Resolution 9**
    To fix the remuneration of the auditors for the ensuing year.

11. **Special Resolution**

1. Clause 28 of the Constitution be deleted in its entirety and replaced with the following clause:
   "In addition to the notices to be sent to all registered shareholders, all notices shall, if the company is listed, be published on the relevant stock exchange news service and, if required, in a newspaper circulating in Botswana"

2. Clause 28.1 of the Constitution be deleted in its entirety and replaced with the following clause:

28.1
All notices, reports, accounts or documents to be sent to shareholders shall be sent by any of the following means, in the discretion of the Board;

(i) Delivering it to that shareholder or person;

(ii) Delivering it or sending it by post to the address of the shareholder in the register or the alternative address (if any) nominated by that shareholder or person for that purpose;

(iii) Sending it to a fax number or electronic address (if any) nominated by that shareholder or person for that purpose;

(iv) If permitted by the Companies Act and/or the Listing Requirements notifying that shareholder of the notices' availability by any electronic means nominated by the shareholder for that purpose;

(v) Any other means permitted under the Companies Act and/or the Listing Requirements."

3. Clause 28.2 of the Constitution to be deleted in its entirety and replaced by the following:

   "Any notice given, or document delivered by the company to a shareholder or person whose address for notices is not in Botswana shall be delivered by airmail, air courier, fax or any form of electronic transmission."

Voting and proxies

All unitholders entitled to vote will be entitled to attend and vote at the annual general meeting.

A unitholder who is present in person, or by authorised representative or by proxy shall have one vote on a show of hands and have one vote for every ordinary share held on a poll.

Each unitholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (none of whom need be a unitholder of the company) to attend, speak and subject to the Constitution of the company vote in his/her/its stead.

The form of proxy for the annual general meeting, which sets out the relevant instructions for its completion, is annexed hereto.

In order to be effective, a duly completed form of proxy must be received by the Company Secretary, at Acacia Building, Prime Plaza, Plot 74538, Corner of Khama Crescent Extension and PG Matante, CBD, P. O. Box 1395, Gaborone, Botswana, not later than 15h00 on Friday 22 February 2019.

By Order of the Board

Petronella Matumo
Chairlady of the Board of Directors
14 December 2018
Gaborone

Proxy form

For completion by Unitholders
PLEASE READ THE NOTES BELOW BEFORE COMPLETING THIS FORM.

For use at the annual general meeting of unitholders of the Company to be held at Acacia Building, Prime Plaza, Plot 74538, Corner of Khama Crescent Extension and PG Matante, CBD, Gaborone, Botswana at 15h00 on Wednesday 27 February 2019.

I/We (Name/s in block letters) _____

Of (Address) _____

Appoint (see note 2): _____

1. _____ or failing him/her,
2. _____ or failing him/her,
3. _____ the chairman of the meeting, _____

as my/our proxy to act for me/us at the general meeting which will be held to consider the ordinary business, and to vote for or against the resolutions and/or abstain from voting in respect of the Linked Units registered in my/our name in accordance with the following instructions (see note 2):

Number of Linked units:	For	Against	Abstain
1. Ordinary Resolution 1			
2. Ordinary Resolution 2			
3. Ordinary Resolution 3			
4. Ordinary Resolution 4			
5. Ordinary Resolution 5			
6. Ordinary Resolution 6			
7. Ordinary Resolution 7			
8. Ordinary Resolution 8			
9. Ordinary Resolution 9			
10. Special Resolution			

Signed at_____on _____2019.

Signature _____.
Assisted by
(where applicable)

Each unitholder is entitled to appoint one or more proxies (who need not be member/s of the company) to attend, speak and vote in place of that unitholder at the general meeting.Please read the notes below.

Notes

1.A unitholder must insert the names of two alternative proxies of the unitholder's choice in the space provided, with or without deleting "chairman of the annual general meeting". The person whose name appears first on the form of proxy, and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.

2.A unitholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the unitholder in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the general meeting as he/she deems fit in respect of the unitholder's votes exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution. A unitholder or his/her proxy is obliged to use all the votes exercisable by the unitholder or by his/her proxy.

3.Forms of proxy must be lodged at or posted to the Company Secretary, at Acacia Building, Prime Plaza, Plot 74538, Corner of Khama Crescent Extension and PG Matante, CBD, P.O. Box 1395, Gaborone, Botswana, not later than 15h00 on Friday 22 February 2019.

4.The completion and lodging of this form will not preclude the relevant unitholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such unitholder wish to do so.

5.The chairman of the general meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he is satisfied as to the manner in which the unitholder concerned wishes to vote.

6.An instrument of proxy shall be valid for the general meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

7.A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the unitholder, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the linked units in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the company not less than one hour before the commencement of the general meeting or adjourned general meeting at which the proxy is to be used.

8.The authority of a person signing the form of proxy under a power of attorney or on behalf of a company must be attached to the form of proxy, unless the authority or full power of attorney has already been registered by the company or the Transfer Secretaries.

9.Where linked units are held jointly, all joint unitholders must sign.

10.A minor must be assisted by his/her guardian, unless relevant documents establishing his/her legal capacity are produced or have been registered by the company.


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