LETLOLE LA RONA LIMITED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2023

Highlights





AUDITED

Jun-2022

97,526,385

95,565,255 (1,035,333)

(1,963,290) 393,837

(8,906,951)

(23,709,391) **63,615,361**

8,347,962

(21,318,596)

23.880.95 74,525,683

31,200,958 30,165,625

1 0 3 5 3 3 3

105,726,641

(9,837,958)

95,888,683

98,874,292

280,000,000

280,000,000

110.153.252

AUDITED

39.34

18.41

0.10 18.31

2,996,463

274,771

AUDITE

Jun-2023

102,146,703

98,731,227

59,458

3,356,018

1,612,156

1,508,589

10,897,813

(9,821,667)

(31,889,850) **74,453,744**

20,734,401

(34,476,270)

12,509,443

73,221,318

46,097,73

46,261,978

(164 240

119,319,055

(18,136,185

110,301,319

280,000,000

280,000,000

122.397.798

43.72

19.74

0.10 19.64

AUDITED

101,182,870

Profit Before Tax

FOR THE YEAR ENDED 30 JUNE 2023

Continuing Operations Revenue	
Contractual revenue	
Straight line lease rental adjustment	
Operating cost recoveries	
Other income Movement in credit loss allowances	
Other non operating gains	
Property related expenses	
Administrative expenses	
Operating Profit	
Finance Income Finance costs	
Share of profit from equity accounted investments	
Profit before fair value adjustment	
Fair value adjustment of investment properties	
As per valuation	
Straight line lease adjustment	
Profit Refore Tax	
Profit Before Tax Taxation	
Taxation Profit from continuing operations	
Taxation Profit from continuing operations Profit from discountinued operations	
Taxation Profit from continuing operations Profit from discountinued operations	
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year	
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year	
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year Weighted average number of linked units in issue	
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year Weighted average number of linked units in issue Earnings per linked unit (Thebe)	average
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year Weighted average number of linked units in issue Earnings per linked unit (Thebe) Earnings per linked unit is calculated based on the a number of linked units in issue and total	5
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year Weighted average number of linked units in issue Earnings per linked unit (Thebe) Earnings per linked unit is calculated based on the a number of linked units in issue and total comprehensive income for the year, adjusted by the	5
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year Weighted average number of linked units in issue Earnings per linked unit (Thebe) Earnings per linked unit is calculated based on the a number of linked units in issue and total comprehensive income for the year, adjusted by the on debenture interest credited to the statement	5
Taxation	5
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year Weighted average number of linked units in issue Earnings per linked unit (Thebe) Earnings per linked unit is calculated based on the a number of linked units in issue and total comprehensive income for the year, adjusted by the on debenture interest credited to the statement	5
Taxation Profit from continuing operations Profit from discountinued operations Total Comprehensive Income for the year Number of linked units in issue at end of the year Weighted average number of linked units in issue Earnings per linked unit (Thebe) Earnings per linked unit is calculated based on the a number of linked units in issue and total comprehensive income for the year, adjusted by the on debenture interest credited to the statement of changes in equity of:	5

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

BWP	Jun-2023	Jun-2022
ASSETS		
Non-current assets		
Investment properties	967,983,900	1 003,397,520
Loan to associate company	99,224,484	-
Operating lease asset Right of use asset	20,716,721 98,348	20,552,481 703,540
Investment in associates	234,624,422	217,086,735
Other receivable	-	26,620,370
Investments at fair value	6,250,000	6,250,000
Property, plant & equipment	1,607,628	1,143,274
Deferred tax	12,843,591	12,271,077
Deferred taxation recoverable - related party Total Non- Current Assets	3,200,048	3,302,144
Iotal Non- Current Assets	1,346,549,142	1,291,327,141
Current assets		
Taxation refundable	2,992,181	1,911,591
Trade and other receivables	6,091,038	7,179,720
Cash and cash equivalents	66,797,614	142,273,660
Total Current Assets	75,880,833	151,364,971
Non-current assets held for sale	96,500,000	-
Total Assets	1,518,929,975	1,442,692,112
EQUITY AND LIABILITIES Capital and reserves Stated capital Debentures-Linked units Retained income	2,718,884 405,113,547 505,885,904	2,718,884 405,113,547 438,752,106
Total equity and liabilities	913,718,335	846,584,537
Liabilities Non-current liabilities		
Borrowings	476,346,426	471,257,982
Deferred taxation	69,626,596	63,116,473
Lease liability	-	126,200
Total non- current liabilities	545,973,022	534,500,655
Current liabilities		
Debenture interest and dividend payable	29,764,000	28,084,000
Trade and other payables	24,111,238	27,940,730
Current portion of borrowings	5,237,180	4,860,172
Current portion of lease liability	126,200	722,018
Total current liabilities	59,238,618	61,606,920
Total equity and liabilities	1,518,929,975	1,442,692,112

STATEMENT OF CHANGES IN FOUITY FOR THE YEAR ENDED 30 JUNE 2023

BWP	Stated capital	Debentures	Retained Income	Total
Balance at 30 June 2021	2,718,884	405,113,547	380,146,853	787,979,284
Total comprehensive income for the year Dividends declared Debenture interest declared Taxation attributable to debenture interest	-	- - -	98,874,292 (280,000) (51,268,000) 11,278,960	98,874,292 (280,000) (51,268,000) 11,278,960
Balance at 30 June 2022	2,718,884	405,113,547	438,752,105	846,584,536
Total comprehensive income for the year Dividends declared Debenture interest declared Taxation attributable to debenture interest	-	-	110,301,319 (280,000) (54,984,000) 12,096,480	110,301,319 (280,000) (54,984,000) 12,096,480
Balance at 30 June 2023	2,718,884	405,113,547	505,885,904	913,718,335

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

BWP	
Cash flows from operating activities Profit before taxation from continuing operations Profit/(loss) before taxation from discontinued operations	
Adjustments for: Fair value adjustment of investment properties Share of profit from equity accounted investments (Profit)/Loss on sale of plant & equipment Finance costs Finance Income Depreciation expense Movement in credit loss allowances Movements in operating lease assets Operating income before working capital changes	
Working capital changes Decrease in trade and other receivables Increase/(decrease) in trade and other payables Taxation paid Net cash generated from operating activities	
Cash flows (used in)/from investing activities investment properties refurbishments Investment in associates Distribution from associates Other receivable Finance income Acquisition of property, plant & equipment Sale of property, plant & equipment Loan to associate company	
Net cash used in investing activities	
Cash flows used in financing activities Repayment of borrowings Borrowings raised Finance costs Payment of lease liability Dividends and debenture interest paid Net cash used in financing activities	

Net increase in cash and cash equivalents ning of the vea Cash and cash equivalents at begin Cash and cash equivalents at end of the year

SEGMENTAL REPORTING	Corporate	Commercial & Retai	Industria
BWP		Grietar	
SEGMENTAL STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023 - AUDITED			
Segment revenue	-	20,662,003	81,481,700
Other income	12,733	44,756	1,554,667
Movement in Credit loss allowances Other non operating gains	1,508,589 10,897,813	-	
Property related expenses	(557,748)	(2,079,621)	(7,184,298)
Administrative expenses	(30,303,976)	(292,992)	(1,292,882
Operating profit Finance income	(18,442,590) 20,734,401	18,334,146	74,562,188
Finance costs	(21,565,387)	(10,342,868)	(2,568,015
Share of profit from equity accounted investments	12,509,443	-	
Fair value gain on investment property net of adjustment resulting from straight lining		7,062,559	39,035,178
Tax expense	(18,136,185)	7,002,559	39,035,176
Profit from continuing operations	(24,900,318)	15,053,837	111,029,350
Discontinued operations Profit from discontinued operations		5,631,025	
Profit for the period	(24,900,318)	20,684,862	111,029,350
	Corporate	Commercial & Retail	Industria
BWP		a notan	
SEGMENTAL STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022 - AUDITED			
Segment revenue Other income	- 148,430	18,861,947 64,814	78,664,438 61,52
Movement in Credit loss allowances	(1,963,290)		01,52
Other non-operating gains	393,837	-	
Property related expenses Administrative expenses	(1,320,169) (23,232,312)	(2,440,401) (165,237)	(5,146,381) (311,842
Operating profit	(25,252,512)	16,321,122	73,267,742
Finance income	8,347,962	-	
Finance costs Share of profit from equity accounted investments	(9,003,025)	(10,265,412)	(2,050,159)
Fair value gain on investment property net of adjustment	23,880,957	-	
resulting from straight lining	-	8,058,835	23,142,123
Tax expense Profit from continuing operations	(9,837,958) (12,585,568)	14,114,545	94,359,706
Discontinued operations	(12,000,000)		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Profit from discontinued operations Profit for the period	(12,585,568)	(223,680) 13,890,866	94,359,706
· · · · · · · · · · · · · · · · · · ·	(12,000,000)		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	6t-	6	In decidents
	Corporate	Commercial & Retail	Industria
BWP			
SEGMENTAL STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 - AUDITED			
Investment property including operating lease asset	-	223,847,133	764,853,488
Non-current assets held for sale	-	49,300,000	
Other accets	401 157 050	E 07 770	1 0 (2 1 5

431,157,853

431,157,853

410,408,355

410,408,355

Other assets

Total Assets

Other assets

Total Assets

AS AT 30 JUNE 2022 - AUDITED

Investment Property including operating lease asset

Note: All liabilities of the company fall under the corporate segment.

273,654,905

259,990,000

260,673,707

683,707

766,815,643

716,760,001

724,201,166

7,441,165

47,200,000

47,408,884

208,884



The improvement in collections, where the average monthly collection rate was just over 100%, and the prudent cash management led to a strong cashflow position which enabled the company to pay distributions to linked unit holders.

The company's share price closed the year at P2.50 relative to P3.00 in the previous year. This drop in the share price is no reflection of the companies fundamentals but rather a sell down by one of the key shareholders as they were exiting their investment in the company.

3. DISTRIBUTION

3.88

(189,343,182)

(3.625.214) 247,469,94

(21,318,596)

19.956.76

171,928,803

65.533.838

142,273,660

102,146,703

1,612,156

1.508.589

10,897,813

76,739,821

Total

(640,573

(99,224,484)

(72,982,815)

(2,534,548)

(34,476,270)

53.584.00

(83,316,836)

(75,476,046)

142 273 66

66,797,614

Residential

8,000,000

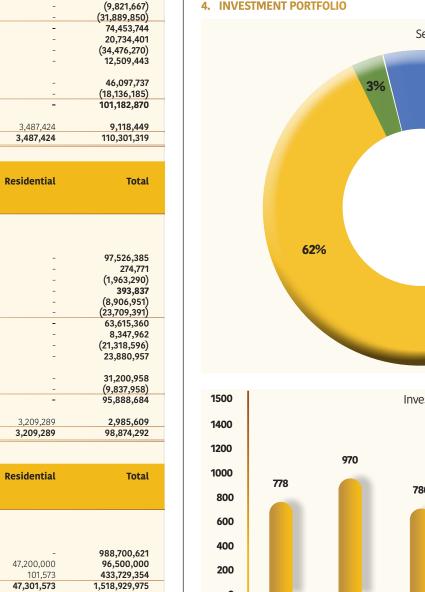
(722,018

Unit holders are advised that the Board of Directors declared a final distribution of 10.63 thebe per linked unit on 22 June 2023 in respect of the financial year ended 30 June 2023, comprising of a dividend of 0.05 thebe and debenture interest of 10.58 thebe per linked unit.

This brought the total distribution declared in the 2022/2023 financial year to P55,264,000.00 (being a dividend of 0.10 thebe per share and interest of 19.64 thebe per linked unit).

Year to June	2023	2022
Linked units in issue	280m	280m
Earnings per linked unit	43.72 Thebe	39.34 Thebe

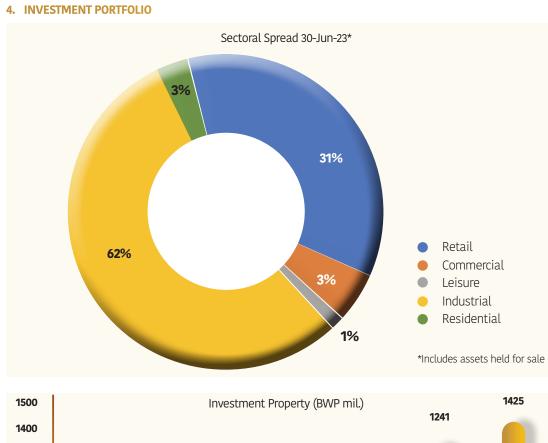
The declared distribution was paid to linked unit holders registered in the books of the company as at the close of business on 21 July 2023. The Transfer Secretary executed the distribution on 02 August 2023. In line with the requirements of the Botswana Income Tax Act (CAP 52.01), withholding tax at the applicable rate was deducted by the company from interest paid to unit holders unless they were specifically exempted.



2017

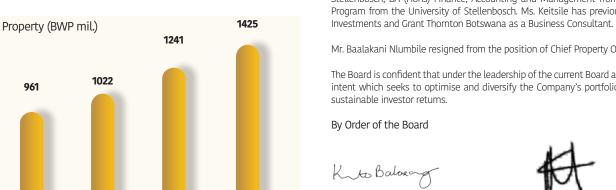
2018

2019



2020

2021



2022

2023

*Includes assets held for sale

Kato Balozang Mr. Khuto Balosang Chairman

10. MANAGEMENT CHANGES

8. EVENTS AFTER REPORTING PERIOD

Competition and Consumer Authority (CCA).

Ms. Katso Gaobakwe - Non-Executive Director

Mr. Boikanvo Koosidintsi - Independent Non-Executive Director

Mr. Zola Lupondwana - Independent Non-Executive Director

include Ms. Bronwyn Knight, Mr. Oteng Keabetswe and Mr. Donald Borthwick.

ratification of Mr Muller's appointment and the re-election of Mr Pearson.

Ms. Chandada Masendu- Kusane - Chief Property Officer

Ms. Lesego Keitsile – Head of Investments

The Board is pleased to announce the following appointments to the Executive team of LLR:

9. BOARD CHANGES



Directors: K. Balosang (Chairperson)| B. Kgosidintsi | K. Gaobakwe | M. Maphane | Z. Lupondwana

1,023,950,001

418,742,111

1,442,692,112

The company has entered into a sale agreement with Botswana Railways Organisation for the acquisition of an additional stake of 25% in JTTM by LLR. This transaction follows the initial acquisition of a 32.8% stake in JTTM in November 2021. The transaction, when successfully concluded, will result in LLR being the majority shareholder in JTTM with shaholding of 57.8%. The conclusion of the transaction is subject to certain conditions precedent to the Sale of Linked Units Agreement, one of which is the regulatory approval of the transaction by the

The Board is pleased to announce the appointment of Ms. Katso Gaobakwe, Mr. Boikanyo Kgosidintsi and Mr. Zola Lupondwana to the Board, effective the 29th of June 2023. The Board also appointed Mr. Khuto Balosang as substantive Chairman effective the 1st of November 2022, taking over from Mr. Oteng Keabetswe who had been interim Chairman from the 14th of December 2021.

Ms. Katso Gaobakwe is currently employed by Botswana Development Corporation (BDC) as an Investment Principal. She is a fellow member of the Association of Chartered and Certified Accountants (ACCA) and the Botswana Institute of Chartered Accountants (BICA), and has completed a Masters in Finance and Investment. Ms. Gaobakwe has also completed a Management Development Program with the University of Stellenbosch Business School. She is a director in several companies within the BDC portfolio.

Mr. Boikanyo Kgosidintsi is the former Chief Executive Officer of Western Life Insurance Botswana. He was previously Group Head of Investor Relations at Letshego Holdings Limited, a position he held from 2014 until 2021. Mr. Kgosidintsi is a lawyer by profession, with an LLB degree from the University of Botswana and has broad African capital markets experience, having been involved in structuring, execution, and marketing of debt capital market raisings. Mr. Kgosidintsi is the Chairman of the Botswana Bond Market Association.

Mr. Lupondwana is a debt, equity investment and financial management professional with over two decades experience in investment analysis and portfolio management in the listed and unlisted investments in South Africa. Mr. Lupondwana has over a decade experience in wholesale property finance of transactions in the residential housing market and has previously worked in asset management at a leading investment management company - Allan Gray Limited, where he set up Allan Gray's business in Botswana. He is a member of the South African Institute of Chartered Accountants (SAICA), the Institute of Chartered Accountants in England & Wales (ICAEW) and is a Chartered Financial Analyst. He also holds a Bachelor of Commerce in Accounting from the University of Botswana

On the 8th of March 2023, Grit issued an announcement to the market of its intention to divest from LLR. The transaction was concluded on the 20th of June 2023. As a result, the Grit's representatives on the board of LLR stepped down on the 30th of June 2023. These Directors

Mr Mervin Muller and Mr Gregory Pearson ceased being members of the board on 14 December 2022 after shareholders voted against the

Ms Masendu-Kusane joined LLR on the 12th of June 2023 as the Chief Property Officer. She is a seasoned and experienced real estate executive, with a Master of Science degree in Real Estate, a Bachelor of Science degree in Property Studies, and is a Certified Project Management Professional and is a PRINCE 2 Practitioner. Her experience covers property development, project management, asset management, valuations, and investment. She has experience in both executive and non- executive leadership of listed and non-listed companies in Botswana. Her career has been spent in commercial banking and local real estate markets. She has worked for First National Bank, Stanbic Bank, Khumo Properties and RDCP. Before joining LLR, she was an executive director at Minnacle Properties.

Ms. Keitsile joined LLR on the 12th of May 2023 as the Head of Investments. She is an investment professional with over 12 years' experience in investments and portfolio management. She holds an MSc in Finance and Investments from London School of Business and Finance, a certificate in Executive Leadership from the University of Oxford, a Certificate in Enterprise Risk Management from the University of Stellenbosch. BA (Hons) Finance. Accounting and Management from the University of Nottingham and a Management Development Program from the University of Stellenbosch. Ms. Keitsile has previously worked at the Motor Vehicle Accident (MVA) Fund as Head of

Mr. Baalakani Nlumbile resigned from the position of Chief Property Officer in May 2023 to pursue other interests.

The Board is confident that under the leadership of the current Board and Management, the Company will be able to deliver on its strategic intent which seeks to optimise and diversify the Company's portfolio, drive balance sheet growth, and enhance stakeholder value and