



## NEW AFRICAN PROPERTIES LTD AND ITS SUBSIDIARY

"the Group" or "New African Properties" or "NAP"

Incorporated in the Republic of Botswana, UIN: BW00001055962

BSE share code: NAP-EQU ISIN code: BW 000 000 1049

www.newafricanproperties.co.bw

# NEW AFRICAN PROPERTIES

## AUDITED ABRIDGED FINANCIAL RESULTS

For the year ended 31 July 2023

### ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2023 P000's	2022 P000's
<b>Revenue</b>	<b>239 642</b>	224 336
Contractual rental and recoveries	238 302	225 814
Rental straight line adjustment	1 340	(1 478)
Other income	4 253	4 412
Operating expenses	(55 262)	(53 989)
	<b>188 633</b>	174 759
Net finance income	3 304	2 408
Finance income	3 857	3 062
Finance expense	(553)	(654)
	<b>191 937</b>	177 167
Investment property fair value adjustment	37 808	16 618
At fair value	38 904	14 904
Rental straight line adjustment	(1 340)	1 478
Lease accounting adjustment	244	236
Financial asset fair value adjustment	(229)	1 397
Intangible asset amortisation	(881)	(881)
Share of associate's profit	6 812	7 078
<b>Profit before taxation</b>	<b>235 447</b>	201 379
Taxation	(9 427)	24 120
<b>Profit for the year</b>	<b>226 020</b>	225 499
Other comprehensive income		
Currency translation difference	(979)	35
<b>Total comprehensive income</b>	<b>225 041</b>	225 534
Linked units in issue	604 397 124	604 397 124
Earnings per linked unit (thebe)*	37.40	37.31
<b>Distribution per linked unit (thebe)</b>	<b>31.01</b>	29.01

\* Earnings per linked unit is equivalent to headline earnings per linked unit and diluted earnings per linked unit

### ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2023 P000's	2022 P000's
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment property	1 551 482	1 514 711
At valuation	1 582 569	1 544 713
Rental straight line adjustment	(32 018)	(30 689)
Lease accounting adjustment	931	687
Investment in associate	67 578	60 766
Financial asset receivable	24 497	24 726
Intangible asset	2 502	3 383
Rental straight line adjustment	24 088	25 257
Total non-current assets	<b>1 670 147</b>	1 628 843
<b>Current assets</b>		
Trade and other receivables	21 796	45 542
Rental straight line adjustment - current portion	7 930	5 432
Tax receivable	1 850	1 415
Deposits in money market funds	46 247	25 060
Cash and cash equivalents	18 185	12 227
Total current assets	<b>96 008</b>	89 676
<b>TOTAL ASSETS</b>	<b>1 766 155</b>	1 718 519
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	<b>1 521 012</b>	1 483 394
<b>Non-current liabilities</b>		
Borrowings	343	4 343
Deferred taxation liabilities	115 595	109 777
Total non-current liabilities	<b>115 938</b>	114 120
<b>Current liabilities</b>		
Trade and other payables	27 923	26 988
Distributions payable to unitholders	96 749	89 913
Taxation payable	534	308
Borrowings - current portion	3 999	3 796
Total current liabilities	<b>129 505</b>	121 005
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 766 155</b>	1 718 519

### ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital P000's	Debentures P000's	Total linked units P000's	Foreign currency translation reserve P000's	Non distributable retained income P000's	Distributable retained income P000's	Total P000's
<b>Balance at 31 July 2021</b>	8 719	863 105	871 824	(12 731)	572 236	1 867	1 433 196
<b>Transactions with owners</b>	-	-	-	-	-	(175 336)	(175 336)
Distributions declared	-	-	-	-	-	(175 336)	(175 336)
<b>Total comprehensive income</b>	-	-	-	35	50 236	175 263	225 534
Profit for the year	-	-	-	-	-	225 499	225 499
Transfer of revaluation gains net of related taxes	-	-	-	-	50 236	(50 236)	-
Other comprehensive income	-	-	-	35	-	-	35
<b>Balance at 31 July 2022</b>	8 719	863 105	871 824	(12 696)	622 472	1 794	1 483 394
<b>Transactions with owners</b>	-	-	-	-	-	(187 423)	(187 423)
Distributions declared	-	-	-	-	-	(187 423)	(187 423)
<b>Total comprehensive income</b>	-	-	-	(979)	38 722	187 298	225 041
Profit for the year	-	-	-	-	-	226 020	226 020
Transfer of revaluation gains net of related taxes	-	-	-	-	38 722	(38 722)	-
Other comprehensive income	-	-	-	(979)	-	-	(979)
<b>Balance at 31 July 2023</b>	8 719	863 105	871 824	(13 675)	661 194	1 669	1 521 012

### ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	2023 P000's	2022 P000's
<b>Net cash flows from operating activities</b>	<b>8 153</b>	3 047
Cash generated from operations	189 174	175 128
Net finance income	3 304	2 408
Distributions paid to linked unitholders	(180 587)	(170 704)
Taxation paid	(3 738)	(3 785)
<b>Net cash flows from investing activities</b>	<b>1 602</b>	(21 015)
Net investment in property	-	(63 022)
Withdrawal from / (deposit in) related party receivable	22 789	63 241
Withdrawal from / (deposit in) money market funds	(21 187)	(21 234)
<b>Net cash flows from financing activities</b>	<b>(3 797)</b>	(3 678)
<b>Net change in cash and cash equivalents</b>	<b>5 958</b>	(21 646)
Cash and cash at beginning of the year	12 227	33 873
<b>Cash and cash equivalents at end of year</b>	<b>18 185</b>	12 227

### NOTES

A. The abridged financial results have been extracted from the audited consolidated annual financial statements, which have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the measurement of investment properties and certain financial assets at fair value. This extract has not been reviewed by the auditors. The accounting policies followed in preparation of the consolidated annual financial statements are consistent with those applied in the prior year.

### NOTES (continued)

B. The Company's auditors, Grant Thornton, have issued an unqualified audit opinion on the annual financial statements on which these abridged consolidated annual financial results are based. A copy of their opinion and the full set of annual financial statements are available for inspection at the registered office of the Company. The Annual Report will be made available on the Company's website during the course of 2023. Any investment decisions by investors and/or unitholders should be based on consideration of this complete set of consolidated financial statements.

C. The Group's business activities are concentrated in the retail property rental segment and are primarily carried out within Botswana.

D. Distribution attributable to linked unitholders is reconciled to comprehensive income as follows:

	2023 P000's		2022 P000's	
		tpu		tpu
Total comprehensive income	225 041	37.23	225 534	37.32
Add back/(deduct):				
Foreign currency translation difference	979	0.16	(35)	(0.01)
Net profit	226 020	37.40	225 499	37.31
Adjust for non-distributable items:				
Fair value adjustments net of tax	(33 114)	(5.48)	(46 106)	(7.63)
Amortisation adjustments	881	0.14	881	0.14
Share of associate's profit net of tax	(6 131)	(1.01)	(6 370)	(1.05)
Rental straight line adjustment net of tax	(1 037)	(0.17)	1 102	0.18
Lease accounting adjustment net of tax	205	0.03	249	0.04
Other non-distributable tax charges	474	0.08	8	-
Distributable income	187 298	30.99	175 263	29.00
Distributions	(187 423)	(31.01)	(175 336)	(29.01)
	(125)	(0.02)	(73)	(0.01)

### COMMENTARY

#### RESULTS

NAP's focus is on maximising unitholder value, it does so by focusing on distributions. It ultimately collects rentals from tenants, incurs both property and portfolio related expenses, and then distributes the net to investors. Distributions exclude all fair value and other accounting adjustments and related taxes (which are non-cash items).

Distributions declared to unitholders during the current year totalled 31.01 thebe per linked unit and amounted to P187.4 million. This represents a 6.9% increase on the comparable 29.01 thebe and P175.3 million (in 2022).

The growth in distributable net rental income was in line with historic levels. It was enhanced by the net rental income related to the three acquisitions from the prior year which is now included, for the first time, for a full twelve months.

Property costs, excluding impairments, have increased marginally year on year with an added increase in expenses of a more variable nature such as letting commission, which will have longer term benefits for NAP. Impairments have however decreased by 22%. Notably 80% of the current year impairment charge relates to one tenant. The net unimpaired arrears excluding VAT amounts to P1.2 million at year end (2022: P1.4 million).

Profit for the year at P226.0 million was 0.2% up on last year's P225.5 million as a result of tax charges.

#### PROPERTY PORTFOLIO

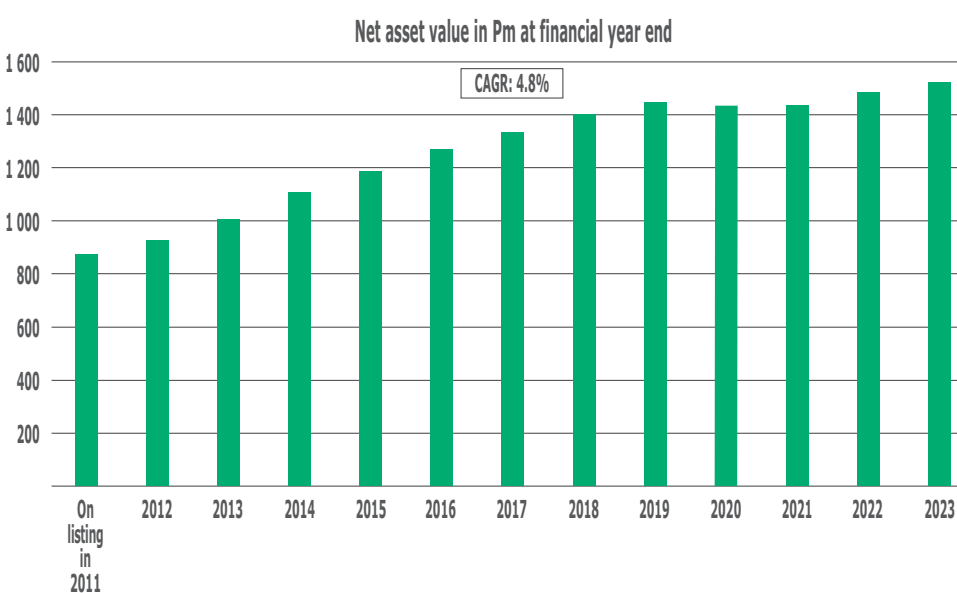
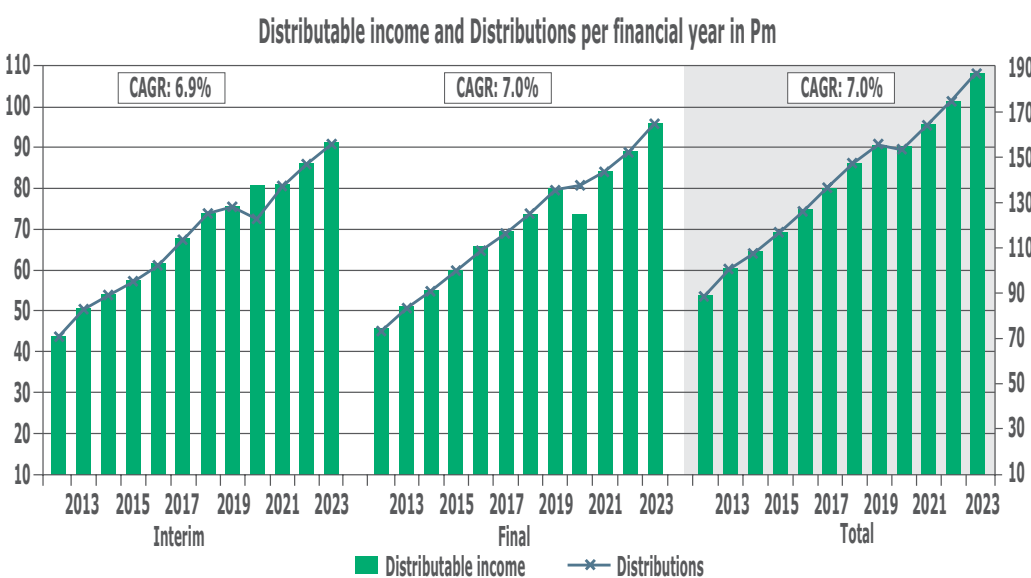
There have been no changes to the portfolio during the year and it remains weighted towards the Botswana retail sector, with some exposure to the Namibia retail sector (3%) and Botswana industrial sector (1%). The total portfolio comprises 60 properties in Botswana and 7 properties in Namibia. Subsequent to year end, a fire damaged about a third of the Kasane Mall, three units being damaged. There were no injuries and the three affected units are expected to be fully restored by the second quarter of 2024.

At year end 93.1% of the gross lettable area was let. The inherent diversity within a quality tenant base is a major component underpinning NAP's performance, this is reflected in the fact 65% of rental income is attributable to listed and multinational tenants.

Retaining and improving a secure and performing tenant base is paramount to NAP, and as such both tenant composition and their offerings are considered holistically within the property portfolio.

#### PERFORMANCE TRENDS

The Group has been able to generate consistent distributable income growth through a sound, diversified property portfolio.



CAGR = compound annual growth rate

NAP with P4.3m in debt, remains effectively ungeared, and is well placed to acquire further assets as and when quality assets become available.

For New African Properties Limited

**T.L.J. Mynhardt**  
Chairman

19 October 2023

**L.J. Mynhardt**  
Managing Director

#### Company Secretary

DPS Consulting Services Pty Ltd  
Plot 28892 (Portion of Plot 50370), Twin Towers, West Wing - First Floor  
Fairgrounds, Gaborone  
(PO Box 1453, Gaborone, Botswana)

**Directors:** T.L.J. Mynhardt (Chairman), L.J. Mynhardt (Managing Director),  
J.P. McLoughlin# (Lead Independent Director),  
S. Venkatakrisnan\*, C.F. van Wyk# (Financial Director)  
# South African, \* Indian