PROPERTY | INVESTMENTS | SUSTAINABILITY

TURNSTAR HOLDINGS LIMITED

2020 ANNUAL REPORT

Highlights of the Year

Gross assets

P2.4billion

An increase of 2% in property asset value

Average lease term

5 years

Standard lease terms are 5 year contracts

Gross revenue

P269million

An increase of 4.2%

Earning per linked unit

20t

Net asset value

P2.89

An increase of 2.5% in net asset value

Tenant retention

100%

There has been a high percentage of lease renewals excluding tenants in arrears

IN THIS REPORT



Patrick K Balopi
CHAIRMAN
Appointed 10 August 2016

Mr Balopi is one of the founding members of Turnstar Holdings Limited and previously served as a Director of the Company. Mr Balopi has been a Member of Parliament for 20 years and has held a number of Cabinet and Ministerial positions during the period 1984-1998. He was elected to the position of the Speaker of Parliament of the Republic of Botswana and served simultaneously as the Chairperson of the SADC Parliament Forum. A recipient of the Presidential Order of Honour (PH) and the Melvin Jones Fellow Lions Club International, he has recently been appointed by His Excellency the President of the Republic of Botswana, as Botswana's eminent representative to the Queen Elizabeth 11 Diamond Jubilee Board of Trustees, headed by the former British Prime Minister, the Right Honourable John Major. Mr Balopi also serves as a Director in several other Companies in Botswana.

Gulaam Husain Abdoola
MANAGING DIRECTOR

Gulaam Abdoola is a founding member of Turnstar Holdings Limited and was the Managing Director at the inception of the Company. He is the Executive Chairman of GH Group, a group of companies with businesses interests in property, retail, wholesale, restaurants, boutiques, tyres, spare parts, and petroleum retail. He has served as a Non-Executive Director on various company Boards and as Chairman of Stanbic Bank Botswana, McCarthy Retail Botswana (which comprises Game Discount World, Bee Gee, Savelles, Happy Homes, Bears, Guys & Girls and Bonus Building Supplies) and Prefsure Insurance. Mr Abdoola is also the trustee and secretary general of the World Memon Organization (an international charity organization), and Chairman of the Botswana Muslim Association.

Peo Pillar
DIRECTOR
Appointed 27 January 2011

Peo Pillar graduated from the University of Botswana with a Bachelor of Commerce (Accounting) in 1995 and attained ACCA qualifications in 1998. In 2010 she completed an MBA in Financial Services through the University of East London (UK). Ms Pillar holds various professional memberships and is a Fellow Member of ACCA, Associate Member of the Botswana Institute of Chartered Accountants (BICA) and Alumni of UNISA. She is a qualified Chartered Accountant with extensive experience in risk management, internal auditing, external auditing and financial accounting. She is currently the Chief Business Risk Management Officer at Mascom Wireless. Peo sits in various boards; BPOMAS Investment Sub Committee and property board, Quantity Surveyors Registration Council and she was BICA Council member and Treasurer from April 2015-2016.

Shiran Puvimanasinghe
DIRECTOR
Appointed 11 December 2014

Shiran Puvimanasinghe is a Chartered Accountant. He commenced his career in Botswana in 1987 as a Senior Manager at Coopers and Lybrand (now PwC). He served the Botswana Housing Corporation, as a Chief Accountant during the period 1990-1993. He was the Financial Director of Zurich Insurance Company Botswana for 15 years and was subsequently appointed as Chief Executive Officer in 2009. Shiran joined Turnstar Holdings as the Chief Financial Officer, in June 2013.

Mokgadi K Nteta
DIRECTOR
Appointed 27 November 2012

Mokgadi K Nteta has a BSc (Honours) degree in Applied Psychology from the University Of Wales Institute Of Science and Technology, an MBA in Human Resource Management from City University Business School in London, and is a Fellow of the CIPD and member of Business Botswana. Her experience in Human Resources spans over 3 decades and she has worked for blue-chip private sector companies such as Debswana, Absa Bank of Botswana, Sefalana sa Botswana and Kgalagadi Breweries, holding a number of senior HR positions, culminating in the post of Human Resources Director before forming her own consultancy business and then assisting a company in care and maintenance to manage its human resources. She has a number of business interests and corporate directorships, serving on Boards and sub-Committees in the public, NGO and the private sector; as well as serving society through various charitable avenues, including the charity she founded, the Dignity Foundation Trust, which benefits the girl-child. She has also been an Assessor with the Industrial Court of Botswana almost since inception.

Pierre Bezuidenhout
DIRECTOR
Appointed 2 April 2013

Pierre Bezuidenhout has a BCom Hons and a BCom (Law) from Rand Afrikaans University in South Africa. He has 22 years' experience in investment banking and is currently the Managing Director of Collectus (Pty) Ltd. Mr Bezuidenhout was appointed as a Director of the Company on the 2nd April 2013.


Mlimani City
Mall
NMB
Mlimani City
S.H.AMON
DANUBE
HOME
TECNO
BANK


NZANO
CENTRE

Dear Shareholders,
When we started work this year, we hit the ground running. We are very optimistic about moving forward. My mission for 2020 was to make Turnstar the largest and most profitable property company on the Botswana Stock Exchange.

We have done a lot of work on our growth strategy in the countries we operate in, and identified new opportunities in other countries.

The past few months has changed the world totally with the spread of the Coronavirus.

The world is in a state of panic, as we are dealing with an unknown virus that is spreading wildly. This virus will affect our lives in every form, until it is brought under control.

This Coronavirus has brought with it, lessons that will change our way of thinking, permanently.

The crisis must not make us panic and helpless. It must make us strong and focused. Each business needs to do the best it can in these circumstances, and rise to the challenge. We as Turnstar, will continue to strive to achieve our goal to be the largest listed property company, by the end of 2020.

I wanted to explain our plan with regards to growth in Botswana, Tanzania, Dubai and Europe, specifically Portugal. At present, this year, I will focus on Botswana until the Corona Virus pandemic has been brought under control. Only then can we make informed decisions on our future plans. I will keep updating the public and our partners of our plans.

It is important for each and every one of us to be responsible and play our part in combating this pandemic. Let us take all the precautions and safety guidelines as recommended by Government, seriously. Let's stay strong as a nation and pray to God to protect us and our country.

During these unprecedented times, Companies have to plan to stay resilient and strong. There are various approaches and instruments to cushion the revenue drop in our businesses.

The first being "self-help" what Companies are doing to "help themselves".

The second being restructuring of finances and loans with Banks to suit the revised cash flows.

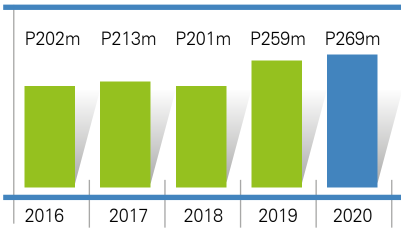
The third being accessing any Government stimulus relief that is being offered.

Turnstar is implementing all the self-help steps that are available to keep the Company liquid and strong. We paid an interim dividend of 9t per linked unit, for the first half of the financial year 31 January 2020. The Company will not pay a final dividend, as has been traditionally done since the inception of the Company. We have prepared cash flow projections based on best case and worst case scenarios, and are very comfortable that the Group has the financial strength to survive even the worst case scenario. However, we need to be prudent and retain cash within the Company, to tide over these difficult times, when trading conditions are almost impossible to forecast.

Our tenants are our partners in our business. The success and strength of their businesses are important to our business. We will assess the market and economy in order to provide possible relief to the tenants during this difficult trading period.

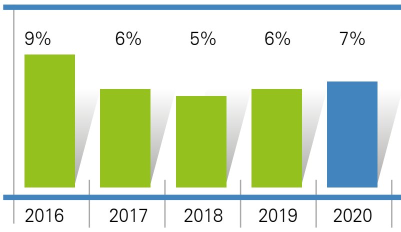
The Company is looking into all areas to try and save costs wherever possible.

Rental Income



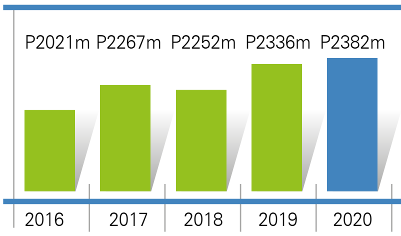
- Consistent rental income over the past 5 years
- Escalations realised across the various jurisdictions' property portfolios in FY20
- 7.4% compound annual growth rate (CAGR) over the past 5 year period

Property Income Yield



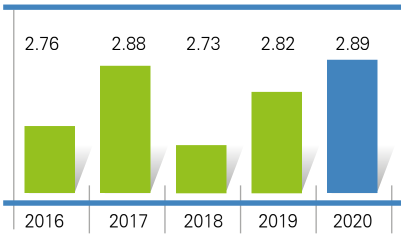
- Average property income yield c.17% over the past 5 years
- Slight increase in FY20 due to rental income growth

Property Asset Value



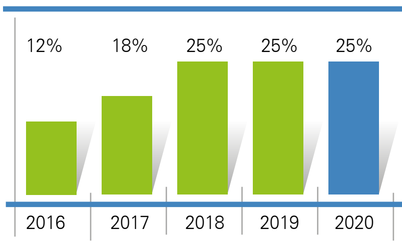
- Consistent growth in property asset value over the past 5 years
- 4.2% CAGR over the 5 year period

Net Asset Value Per Share



- CAGR of 0.92% over the 5 year period
- Reduction in FY18 due to fair value adjustments
- Property values have continued to increase relative to consistent gearing levels

Loan to Value (LTV)



- Turnstar's gearing has remained conservative at less than 30% LTV over the past 5 years

The Group has posted pleasing results, for the financial year under review. The operating profit before fair value and goodwill impairment was P134 million.

The Group rental revenue increased by P 10.7 million (4%) whilst operational expenses were contained.

The Group's property assets were valued at P 2.4 billion, as at Balance Sheet date. The Group earnings per linked unit was 20.32 thebe.

Currency Fluctuations
The US Dollar appreciated against the Botswana Pula, during the year under review. Approx 43% of the Group's rental income is in US Dollars, resulting in an exchange gain for Turnstar.

P2.4bn
Group Property Assets

25%
Loan to value ratio

2.89t
NAV per share

Translation Gains
The translation gain reported for the year, occurred when translating the US $ denominated investments and assets of the group subsidiaries in Tanzania and Dubai.

Capital Management
Interest and loan repayments on the US Dollar loan facility are made from US Dollar rentals earned from the Group's Tanzanian property. Hence, there is no foreign currency exposure on the loan and interest repayments.

Loan to Value Ratio (LTV)
The loan to value ratio (borrowing as a percentage of investment property) is a very conservative 25%.

Fair Value
Due to the vacancies in the commercial office space, Mlimani Holdings reported a fair value loss for the year. It should be noted that fair values are calculated on current rentals, projected into the future on a DCF basis. It does not reflect the actual cost nor the condition of the buildings, and may change from year to year, depending on occupancy levels. The Botswana properties recorded fair value gains. However, due to the Mlimani fair value loss, the group recorded an overall value loss for the year.

Goodwill Impairment
In terms of IAS 36, an assessment of Goodwill was carried out. Goodwill impairment of P14.8m has been recorded in the results under review.

ABRIDGED INCOME STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2020	GROUP		COMPANY	
	31-Jan-20 Pula	31-Jan-19 Pula	31-Jan-20 Pula	31-Jan-19 Pula
Revenue				
Rental income	269,308,758	258,562,138	151,330,229	148,036,224
Other income	4,305,310	3,275,071	2,605,739	1,883,998
Operating expenses	(116,946,306)	(116,396,806)	(68,974,340)	(66,765,544)
Dividend income from subsidiary	-	-	8,019,161	4,307,369
Operating profit	**156,667,762**	**145,440,403**	**92,980,789**	**87,462,047**
Finance income	439,093	540,452	44,295,131	44,396,489
Finance cost	(33,338,910)	(34,124,007)	(33,338,910)	(34,124,007)
Profit before exchange difference and FV	**123,767,945**	**111,856,848**	**103,937,010**	**97,734,529**
Exchange gain	27,692,506	41,463,643	27,692,506	41,462,828
Exchange loss	(17,246,696)	(24,743,443)	(17,246,696)	(24,743,443)
Profit before fair value and impairment	**134,213,755**	**128,577,048**	**114,382,820**	**114,453,914**
Good will impairment	(14,803,307)	(11,534,289)	-	-
Fair value adjustments	(25,280,910)	6,869,297	12,450,533	36,011,579
Profit before tax	**94,129,538**	**123,912,056**	**126,833,353**	**150,465,493**
Taxation	22,113,234	(2,568,241)	17,833,005	(8,345,268)
Profit after tax from continuing operations	**116,242,772**	**121,343,815**	**144,666,358**	**142,120,225**
Non-current asset held for sale				
Profit from non-current asset held for sale	**-**	**1,011,988**	**-**	**1,011,988**
Profit for the year	**116,242,772**	**122,355,803**	**144,666,358**	**143,132,213**
Other comprehensive income				
Exchange difference on translating foreign operations	31,207,559	36,064,823	-	-
Total comprehensive income for the year	**147,450,331**	**158,420,626**	**144,666,358**	**143,132,213**
Total comprehensive income attributable to:				
Owners of the parent company	147,450,331	158,420,626	144,666,358	143,132,213
	-	-	-	-
	147,450,331	**158,420,626**	**144,666,358**	**143,132,213**
Profit for the year attributable to linked Unit holders				
Owners of the parent company	116,242,772	122,355,803	144,666,358	143,132,213
Non controlling interest	-	-	-	-
	116,242,772	**122,355,803**	**144,666,358**	**143,132,213**
Basic earnings per linked unit (in thebe)	20.32	21.21	25.28	24.84
Diluted earnings per linked unit (in thebe)	20.32	21.21	25.28	24.84
Distribution per linked unit (in thebe)	9.00	18.50	-	18.50
Debenture interest per linked unit (in thebe)	8.25	17.75	(0.75)	17.75
Dividend per linked unit (in thebe)	0.75	0.75	0.75	0.75
NAV per unit (thebe)	2.89	2.82	2.54	2.47
Number of linked units	572,153,603	572,153,603	572,153,603	572,153,603

ABRIDGED BALANCE SHEET

AS AT 31 JANUARY 2020	GROUP		COMPANY	
	31-Jan-20 Pula	31-Jan-19 Pula	31-Jan-20 Pula	31-Jan-19 Pula
ASSETS				
Non-Current Assets	**2,474,364,188**	**2,430,222,798**	**2,164,573,857**	**1,928,176,303**
Investment property	2,382,205,593	2,336,165,032	1,274,735,971	1,250,274,363
Plant and equipment	3,313,425	3,666,657	2,213,511	2,596,825
Goodwill	38,354,182	49,743,561	-	-
Investment in subsidiaries	-	-	606,613,011	283,298,585
Loan to related company	-	-	233,084,802	231,380,550
Other financial assets	-	-	-	122,659,760
Deferred tax	22,422,372	10,563,533	22,422,372	10,563,533
Operating lease asset	28,068,616	30,084,015	25,504,190	27,402,687
Current Assets	**54,482,048**	**54,695,519**	**33,687,380**	**227,595,639**
Other financial assets	-	-	-	194,213,858
Current tax receivable	-	382,017	-	382,017
Operating lease asset	3,269,840	522,950	3,269,840	522,950
Cash and cash equivalent	13,092,960	32,115,739	6,305,413	22,530,615
Trade and other receivables	38,119,248	21,674,813	24,112,127	9,946,199
Non current assets held for sale and assets of disposal groups	-	12,000,000	-	12,000,000
Total Assets	**2,528,846,236**	**2,496,918,317**	**2,198,261,237**	**2,167,771,942**
EQUITY AND LIABILITIES				
Stated Capital and Reserves	**1,656,221,853**	**1,614,619,925**	**1,452,301,162**	**1,413,483,213**
Stated capital	346,420,555	346,420,555	346,420,555	346,420,555
Linked unit debentures	286,076,802	286,076,802	286,076,802	286,076,802
Fair value surplus	564,032,325	568,074,083	633,203,088	621,564,817
Retained earnings	339,012,836	270,222,117	186,600,717	105,066,447
Debenture interest and dividend reserves	-	54,354,592	-	54,354,592
Foreign currency translation reserve	120,679,335	89,471,776	-	-
Non- Current Liabilities	**769,098,790**	**799,976,326**	**670,546,535**	**701,802,772**
Borrowings	562,393,610	587,288,912	562,393,610	587,288,912
Deferred taxation	206,705,180	212,687,414	108,152,925	114,513,860
Current Liabilities	**103,525,593**	**81,378,764**	**75,413,540**	**51,542,655**
Trade and other payables	49,460,268	53,513,671	21,348,215	23,677,562
Borrowings	34,091,716	26,625,387	34,091,716	26,625,387
Unclaimed debenture interest and dividend	1,403,665	1,239,706	1,403,665	1,239,706
Current tax payable	1,191,260	-	1,191,260	-
Bank overdraft	17,378,684	-	17,378,684	-
Liabilities for non-current asset held for sale	-	943,302	-	943,302
Total Equity and Liabilities	**2,528,846,236**	**2,496,918,317**	**2,198,261,237**	**2,167,771,942**



SAMSUNG
SAMSUNG
Galaxy S10
HUAWEI
Edgars

As Botswana's leading property outfit listed on the Botswana Stock Exchange (BSE), Turnstar continuously aspires to maintain its market leadership position.

Through our market dominance, we intend to attract and augment investor confidence. It is our intention to also enhance and further develop sustainable, innovative, environmentally friendly practices as well as good corporate governance. Such practices will cement our market pre-eminence and further attract investors to Turnstar.

As a publicly listed firm, it is important that Turnstar continues to innovate and transform to take the lead when it comes to property investment. This can be achieved through the introduction of cutting edge integrated property management systems which should help our assets perform optimally.

> One of our asset management goals is to proffer Turnstar a good property mix as well as spread our footprint nationally, regionally and internationally.

> As a publicly listed firm, it is important that Turnstar continues to innovate and transform to take the lead when it comes to property investment.

Asset Management Market report

Through asset management, Turnstar ensures that each portfolio is efficiently managed on behalf of the unit holder, to optimize appreciation of the unit holder's asset over time while mitigating risks at the same time.

The idea here is to ensure that the daily participation of the asset positively influences it's overall performance. To achieve this we are committed to ushering in the best corporate practice and strategy around safer and healthier property investment reform.

One of our asset management goals is to proffer Turnstar a good property mix as well as spread our footprint nationally, regionally and internationally.

In the next fiscal year, our goal is to enhance our internal controls and policy. This speaks entirely to the formulation of ethics, adherence to top-class procedures and methodologies as well as maintenance planning regimes.

Botswana Retail Market Overview
7 Properties
265 Active tenants
96,730sqm Total Gross Lettable Area
1167sqm Country Vacancy Area

From the beginning of 2020, the asset management side has been trying to deal with the COVID-19 pandemic, the idea being to formulate a strategy geared at protecting the Landlord and the tenants. The health and safety of all asset portfolios, the retail, commercial and residential spaces, was prioritized for the past few months.

During such trying times, maximum efficiency is being implemented to ensure that investment remains sustainable.

We believe as soon as opportunities present themselves internationally, we will be ready to explore them and make Turnstar the property investor of choice internationally.

Turnstar Retail Portfolio
This is one of our most performing sector in our portfolio, our retail outfits continue to be trend setting in all locations. We are proud to say that over the past year we have performed well.

Game City
Through Game City, we take pride in having the largest shopping centre, which also attracts the largest footfall in Botswana.

In Game City, our flagship retail asset in the entire portfolio, we have enjoyed a good occupancy rate of over 95% percent for the longest time.
As noted from our previous financial year, our vacancy is constant, which challenges our property team to look for more innovative ways of attracting more tenants.

During the first quarter of 2020, Game City performed well and maintained its flagship status as compared to other properties.

Currently, Game City is dealing with the ever changing regulations aimed at promoting health and safety as well as protecting shoppers and those working in the mall.

Game City has people placed at all mall entrances tasked with inspecting shoppers and ensuring adherence to COVID-19 requirements, specially the wearing of face masks and temperature monitoring.

Nzano Mall
Occupancy: 100%
Based in Francistown, Nzano Mall is situated on a plot size of 4.0468ha with gross area of 12.863sqm and a lettable area of 12.591sqm. Nzano is and has been the core shopping centre of Botswana's second capital city's landscape. It offers the best tenancy mix with mostly blue chip tenants. Nzano continues to achieve good occupancy levels and footfall because of its dominance in the city of Francistown.

Mogoditshane Supa Save
Occupancy : 100%
This retail asset is situated right at the intersection between the road to Mogoditshane –Gabane and the one to Mogoditshane-Molepolole which is very busy.

This shopping centre currently provides convenience primarily for the immediate and surrounding neighbourhood. Mogoditshane Supa Save as it is commonly known is part of Mogoditshane commercial precinct which was developed in the past 10-20 years.

95%
Game City occupancy rate

Health and safety of all asset portfolios

Prioritized

From the month of April after the State of Emergency regulations were introduced, our retail centres were operating at about

10%

This 3400sqm centre continues to offer excellent rental yields with a continual 100 percent occupancy since inception.

Commercial Office Market
Our commercial property office space accounts for 18% by value and 13% by GLA of the group. We have always appreciated reasonable demand for our office space due to the its prime location in city Centre. The revenue we continue to accumulate from the building is positive.

Turnstar House
Occupancy: 80 %
This is our only commercial office space which is located in the heart of Gaborone being main mall , for a long time its enjoyed good tenancy without a struggle. This four storey building which used to host Turnstar head office. The office lot offers a GLA of 3117sqm.

Industrial Property
Plot 63 GICP
Occupancy:94%
This light industrial Warehouse/mini office space is situated in a sought-after location of Gaborone international Commerce Park. This prime hi-tech property boasts of a good location, good frontage and roads proximity to amenities.

Residential Properties
Tapologo Estate and Mogoditshane town houses have over the years enjoyed good rental income primarily because of their proximity to amenities. The properties are currently in a satisfactory state.Further, Mogoditshane Town Houses are sought after due to their convenient location.

Mogoditshane Townhouses
Occupancy :93%
These houses benefit from loyal tenants who have been in occupation for years now.

This property which comprises of 3 blocks of duplex townhouse buildings benefits from a total of 14 units which have a communal swimming pool and a gated security wall.

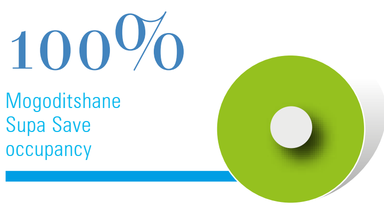
This secured estate generally enjoys rental growth of about 2.5 percent annually.

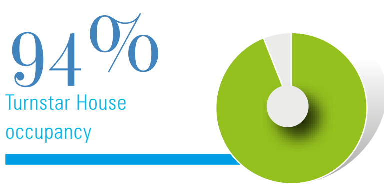
Tapologo Estate
Occupancy :96%
It is a very attractive asset which is always in high demand. Because of its proximity to malls and other services, it offers convenience to tenants.

Tanzania
4 Property Types
165 Active tenants
56,370 sqm Total Gross Lettable Area
$960,000,000 USD Market value
Mlimani City – Dar Es Salaam

The Property in Tanzania comprises of four distinct Components being Mlimani City Retail Centre which has a Total Rentable Area of 27,465sqm. There is also the Office park of a total Rentable Area of 15,017sqm, the conference Centre which benefits from rental Space of 4,903sqm and lastly the residential complex benefits from 50 free-standing residential units.

The Mall has always enjoyed good occupancy with a large contribution being from the expatriates' community. As a result, Mlimani enjoys a large market share in Dar Es Salaam.





The COVID pandemic affected our Conference Centre immensely. The recent refurbishments of the conference facility had however spiked appetite to the conference Centre to about 75 percent.

The mushrooming of commercial properties in the City has affected our commercial office blocks, coupled with the movement of Government offices to Dodoma which left behind offices which are now being occupied at lower rentals.

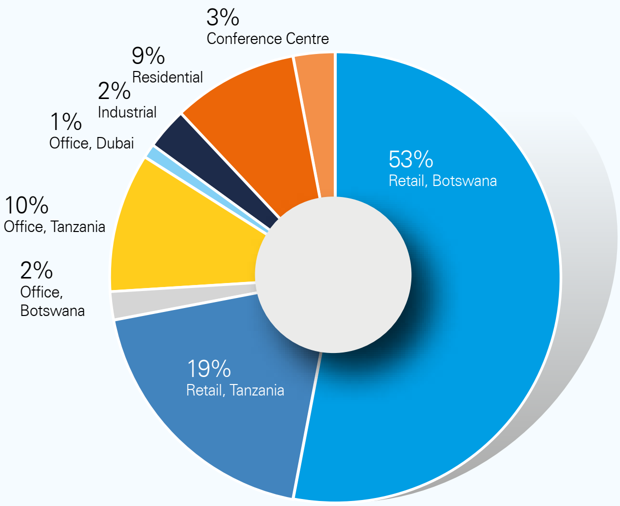
A renowned local Foundation has signed a 5-year term lease and will occupy 768 square meters of the office Block 6. This signing will attract more investors to Mlimani City Offices. Competition in the City's residential market is challenging and has been further aggravated by mushrooming of alternative accommodation. However we intend to continue looking for more innovative marketing tools to compete.

United Arab Emirates
Dubai- Palazzo venezia
1 Properties
1 Active tenants
1,245sqm Total Gross Lettable Area
8,200,000 USD Market value
NIL vacancy

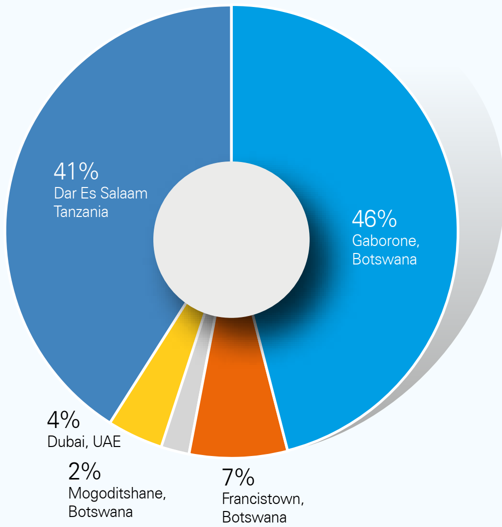
We continue gain and return out of our investment which seems to be income generating as compared to other stock. Amid this global slowdown of social movements and it's resulting economic effects our Dubai property seems to be performing very well. We have a healthy relationship and lease with our tenant who is occupying the four storey of Ground floor, three retail units, and four floors with 8 commercial units and basement parking.

Overall
Our Groups Asset has continued to grow in worth and this is primarily because of our lease management skills and practices that maintains lowest vacancies. Our team remains committed to unlocking value in Real estate across the region for our stakeholders though best practices that yield optimum returns. To further strengthen our foundation our group will continue to seek premium grade properties.

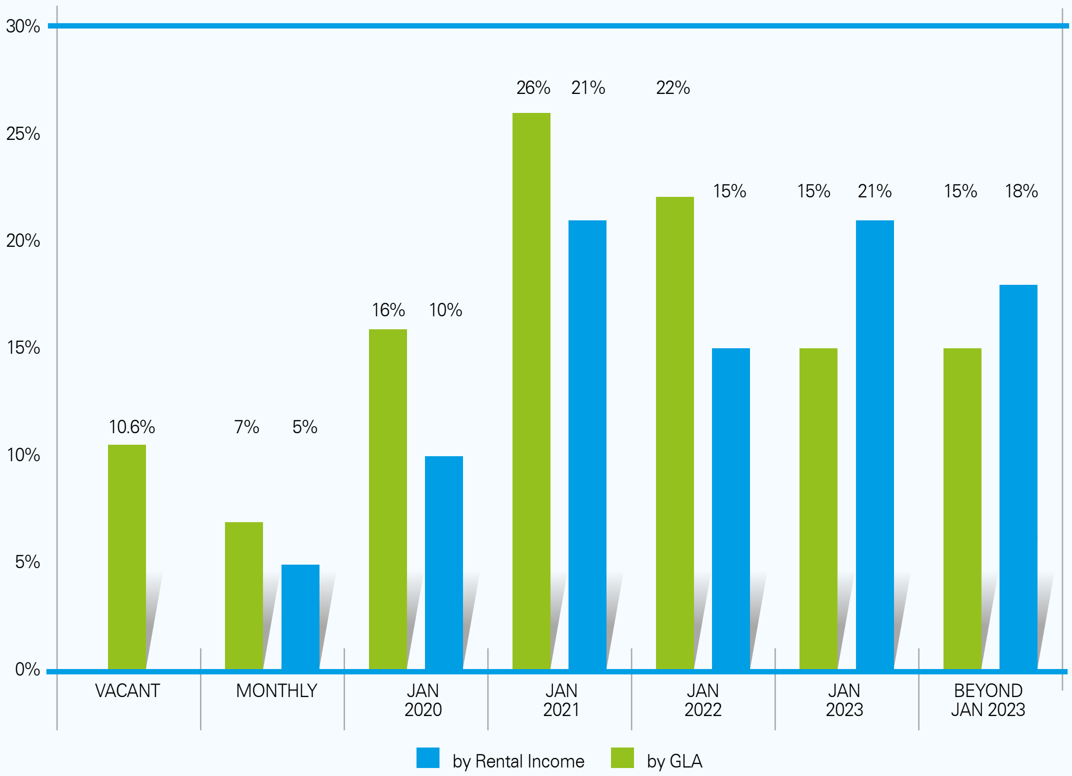
Sectoral Spread by GLA



Sectoral Spread by Value



Lease Expiry




SHOPRITE


MegaSave

Turnstar Holdings Limited maintains a high standard of Corporate Governance and is committed to the principles of transparency, accountability and integrity.

The Board has adopted charters for itself, the Audit and Risk Committee and the Nominations and Remuneration Committee (REMCO) by adopting the Botswana Stock Exchange Listings Requirements, Companies Act, King Code on Corporate Governance, and other applicable legislations and Best practice. The Board's responsibilities encompass compliance with principles of good governance, accountability, arms' length dealings and the applicable laws.

BOARD OF DIRECTORS

During the year under review, the Board of Directors was adequately constituted with seven Directors, five of whom were independent non-executive Directors. Mr. Ishmael Nshakazhokwe, an independent non-executive Director, retired from the Board on the 29th July 2019. The Chairman of the Board is a non-executive Director. The non-executive Directors bring a wealth of expertise and experience from their varied fields of operation and ensure that debates on matters of strategy, policy, business development and performance are robust, informed and constructive.

The Board meets at least

4

times a year and is responsible for reviewing and guiding corporate strategy, acquisitions and performance.

All non- executive Directors are subject to retirement by rotation and re-election by shareholders periodically, in accordance with the constitution of the company.

The Board meets at least four times a year and is responsible for, inter alia, reviewing and guiding corporate strategy, acquisitions and performance. All non- executive Directors are subject to retirement by rotation and re-election by shareholders periodically, in accordance with the constitution of the company.

The number of Board Meetings held and the gross fees paid to the non-executive Directors are as follows:

BOARD MEETINGS

	Fees	No:
P K Balopi	141 411	4
P Pillar	124 634	4
I Nshakazhongwe	62 317	2
M Nteta	124 634	4
P Bezuidenhout	124 634	4
	577 630	

AUDIT & RISK COMMITTEE REPORT

The Board has established an Audit and Risk Committee, which consists of three non-executive Directors. The Committee meets independently at least twice a year. The external auditors and the Executive Directors attend by invitation.

The Committee is tasked with the review of the audit plan for the statutory annual audit and the mid - year review. The Committee reviews the Annual Financial Statements and recommends approval to the Board, before publication and also receives a direct report from the external auditors on the results and findings of the audit process.

Attendance by the Audit Committee members at meetings held during this financial year is summarised below.

	Fees	No:
P Pillar	23 968	2
M Nteta	23 968	2
P K Balopi (by invitation)	11 984	1
I Nshakazhongwe	11 984	1
P Bezuidenhout	11 984	1
	83 888	

The main responsibilities of the Audit Committee are to provide the Board with the following:

- additional assurance regarding the accuracy and reliability of the Annual Financial statements,
- satisfaction that appropriate financial and operating controls are in place,
- monitor the Corporate Risk assessment process, assess managements design, implementation, responses and monitoring of risks. An external consultant has been appointed to evaluate and report on the risk management process, and provide assurance that significant operating and financial risks have been identified, evaluated and mitigated
- confirmation of compliance by the company with legal and regulatory requirements, including BSE listing requirements, Companies Act, King Code on Corporate Governance and other applicable legislation.
- review of the independence and performance of the company's external auditors.

The internal audit function has been outsourced to a competent, qualified and registered auditor.

Going Concern
The Audit & Risk committee has concluded that the Group will be able to continue as a going concern for the ensuing year by:

- A review of the cash flow projections and budgets for the year ending January 2021 to ensure the adequacy of cash
- Analysing the effects of COVID-19 on the Group, and management's responses thereto. Management has prepared cash flow projections based on worst case scenario, and we are comfortable that the Group has the financial ability to operate based thereon.
- There are no other circumstances that we are aware of, that will materially change the cash flow projection or budgets.
- There are no capital commitments that require additional financing at this stage. Any decision to incur capital expenditure will be approved together with the relevant funding.
- There are no legal issues pending which would impact the groups ability to continue as a going concern.
- All provisions considered necessary have been made for potentially unrecoverable debts and assets.

Assessments
- The committee has reviewed the reporting to Board, the Audit & Risk committee and shareholders. The committee has also reviewed the external Auditors report to the unitholders and have obtained their comments post the Annual Audit. The committee is satisfied with the expertise and experience of the Managing Director, the Chief Financial Officer, the Finance Manager and the finance function.
- The Company Secretaries act as the Secretary of the Board and attends all meetings for the year. The committee has considered their competence, qualifications and experience. The committee is also satisfied that they operate on an arms – length basis. All Directors have unlimited access to the services of the Company Secretaries, who also ensure compliance with applicable procedures and legislation.
- All Directors are entitled to seek independent professional advice concerning the affairs of the company, at the company's expense.

Annual Report
Following the committee's review of the Annual Financial Statements for the year ended 31 January 2020, we are of the view that the Financial Statements comply with the requirements of IFRS and fairly present the financial position of Turnstar Holdings and the Group, and the results of the operations and cash flows for the year then ended.

P Pillar
Chairperson – Audit and Risk Committee

Nominations and Remuneration Committee (REMCO)
The Board revived the Nominations and Remuneration committee during the year. The committee comprises of two Non-executive Directors. The Committee meets at least twice a year. The Executive Directors and senior management including the Human Resources Manager, attend by invitation.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The Group is exposed to diverse risks in its day to day operations. These risks include, finance risk, strategic & business risk, regulatory and compliance risk and risk associated with the COVID-19 pandemic. The group manages risks to minimum acceptable levels, whilst maintaining a balance with the costs of achieving same.

A risk consultant is assisting the Group to perform a risk review & analysis, and plan action to be taken to mitigate risks.

COVID-19
The pandemic has impacted the global economy, and the Turnstar Group. The impact includes financial and liquidity risks, and property performance including tenant retention risks. Cash flows have been prepared and the Board is satisfied that the group has the financial strength to withstand a "worst case" scenario. The cash flow projections are being monitored against actual, on a monthly basis.

Financial Risk
The Group's Activities expose it to a variety of financial risks: market risk including currency risk and cash flow, interest rate risk, credit risk and liquidity risk.

Note 38 to the Annual Financial Statements disclose and elaborate on the major financial risks to which the Group was exposed to, during the financial reporting period.

Capital Risk Management
The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

This risk is detailed in note 38 to the Annual Financial Statements.

Information Technology
The group utilises the MDA system, a reputed and reliable property management system. This system has been in operation with the Group for several years and has gone through upgrades from time to time. The system generates real time reports on revenue, tenancy information, and leases and expenses. Necessary protections such as a firewall, backups and disaster recovery systems are in place.

The Audit and Risk committee review the IT Risks & strategy, and report on compliance to the Board.

Regulatory & Compliance Risk
The group compliance officer monitors adherence to the Regulatory and Compliance requirements of the group. He is assisted by several competent & skilled service providers.

The Botswana Accountancy Oversight Authority, carried out Corporate Governance review of Turnstar Holdings limited. BAOA was satisfied with the Financial Reporting & Annual Financial Statements compliance to IFRS. BAOA also made several recommendations regarding compliance with King III code of Corporate Governance. The recommendations are being implemented at present.

The Audit & Risk committee review compliance with the Regulatory & Compliance Risks and report to the Board.

✔	= Compliant	U	= Under review	P	= Partially compliant
		N	= Non-compliant	N/A	= Not applicable

	CHAPTER 1: ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP	Comments	Key
1.1	The board should provide effective leadership based on an ethical foundation.	The Board has adopted the requirements of King III and considers best Corporate Governance Practices to be critical in delivering sustainable growth.	✔
1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen.	The Board ensures that the Company complies with the requirements of the BSEL, BAOA, the Companies Act, IFRS and the applicable law	✔
1.3	The board should ensure that the company's ethics are managed effectively.	A formal policy regarding the effective management of ethics is being finalised.	U
	CHAPTER 2 : BOARDS AND DIRECTORS		
2.1	The board should act as the focal point for and custodian of corporate governance	Refer to 1.1 & 1.2 above	✔
2.2	The board should appreciate that the strategy , risk performance and sustainability are inseparable	A strategic plan, risk analysis and sustainability policy is being finalised for approval and implementation by the Board.	U
2.3	The board should provide effective leadership based on ethical foundation	Refer to 1.1 above	✔
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	Refer to 1.2 above	✔
2.5	The board should ensure that the company s ethics are managed effectively	Refer to 1.3 above	U
2.6	The board should ensure that the company has an effective and independent audit committee	The Audit & Risk Committee comprises of 3 independent Directors, one of whom is the Chairman. The executive Directors attend by invitation. The external auditors also attend by invitation. The Audit & Risk Committee meet at least twice a year.	✔
2.7	The board should be responsible for the governance risk	The Audit and Risk Committee monitors the adequacy and effectiveness of the Risk Management process, and reports to the Board.	✔
2.8	The board should be responsible for information technology (IT) governance	The Audit and Risk Committee monitors the adequacy and effectiveness of IT governance, and reports to the Board.	✔
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	The Company has a compliance officer who manages the compliance aspects to applicable laws and legislations. The company has codes of conducts and standards which are applicable to all stakeholders and compliance to the same is ensured.	✔
2.10	The board should ensure that there is an effective risk –based internal audit	The internal audit function has been outsourced and the company has appointed qualified Internal Auditors.	✔
2.11	The board should appreciate that stakeholders perceptions affect the company's reputation	Please refer to principles 1.1, 1.2 and 1.3 above.	✔
2.12	The board should ensure the integrity of the company's integrated annual report	This is the first year the company is preparing an integrated annual report and hence the processes to ensure the integrity are being put into place and shall be enhanced as the process continues.	U
2.13	The board should report on the effectiveness of the company's system of internal controls	The Internal and External Auditors together with the executive Directors report on the adequacy and effectiveness of the internal controls to the Audit & Risk Committee. The Audit & Risk Committee in turn, briefs the Board.	✔

✔	= Compliant	U	= Under review	P	= Partially compliant
		N	= Non-compliant	N/A	= Not applicable

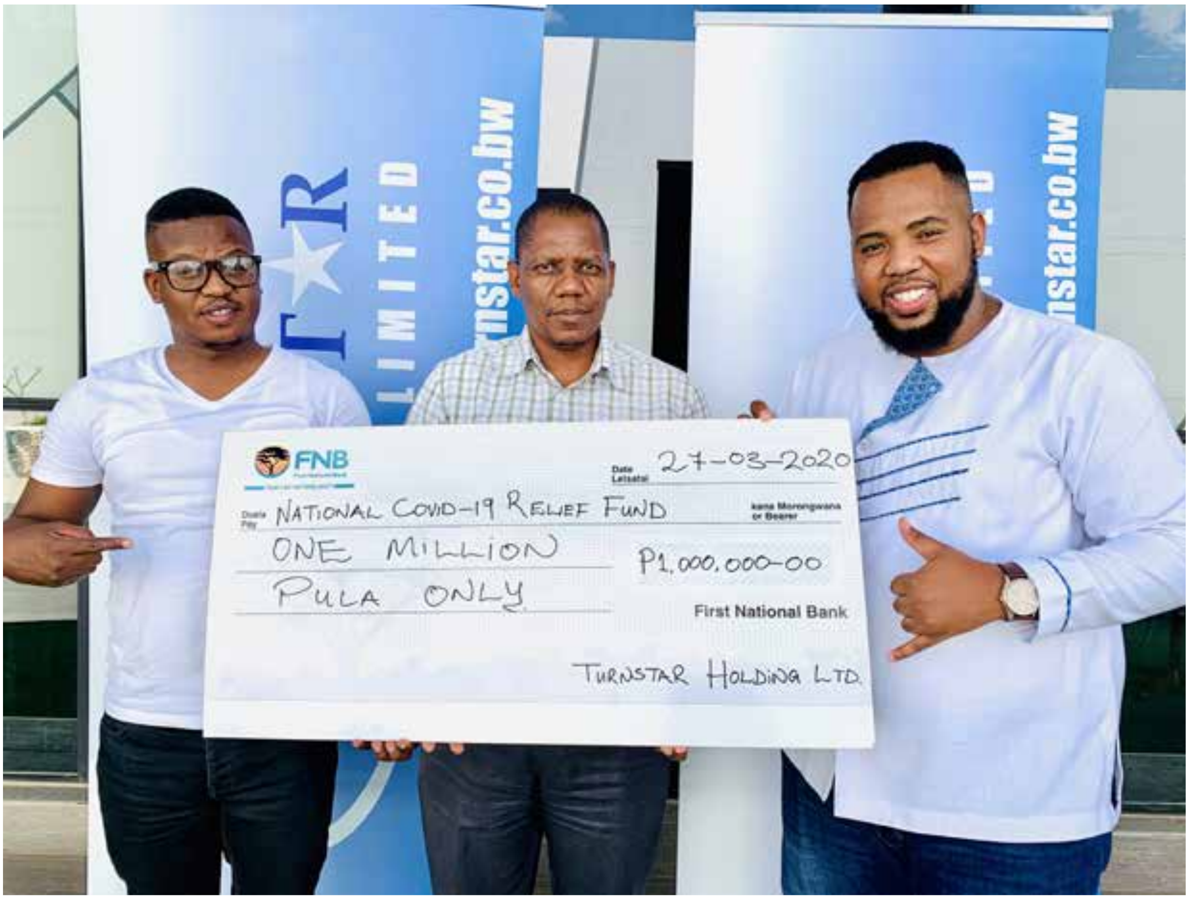
2.14	The board and its directors should act in the best interest of the company	The Board individually and collectively understand their fiduciary responsibility to act in the best interest of the Company. Disclosure of Interests and dealings are declared at every Board and Committee meeting.	✔
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	The Board is aware of the requirement.	✔
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of chairman of the board	The Chairman of the Board is a non-executive director. The CEO is an executive director and is not the Chairman.	✔
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority	The Board has appointed a CEO whose delegated authority in place.	✔
2.18	The board should compromise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	The Board comprises of six Directors, four of who are non-executives.	✔
2.19	Directors should be appointed through a formal process	The process is stipulated in the Board Charter	✔
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	Induction and ongoing training and development of Directors, is stipulated in the Board charter.	✔
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	A competent, suitably qualified and experienced Company Secretary has been appointed by the Board.	✔
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	A formal evaluation process shall be undertaken during the year.	U
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	The Audit & Risk committee and Remunerations and Nominations Committee report directly to the Board and work within their stipulated framework as detailed in the respective Charters.	✔
2.24	A governance framework should be agreed between the group and its subsidiary boards	Covered in the Board Charter	✔
2.25	Companies should remunerate directors and executives fairly and responsibly	The Remunerations and Nominations Committee advises the Board	✔
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	Disclosed in the Annual Report.	✔
2.27	Shareholders should approve the company's remuneration policy	The Company remuneration policy is being prepared by the Remunerations and Nominations committee and will be presented to the Shareholders at the AGM.	U
CHAPTER 3: AUDIT COMMITTEES			
3.1	The board should ensure that the company has an effective and independent audit committee	An Audit & Risk committee is in place and operational.	✔
3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors	The committee comprises of 3 non-executive directors.	✔
3.3	The audit committee should be chaired by an independent non-executive director	The Chair is an independent non-executive director.	✔
3.4	The audit committee should oversee integrated reporting	The Audit & Risk committee overseas integrated reporting.	✔
3.5	The audit committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities	The Internal and External auditors report directly to the Audit & Risk committee	✔
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	In addition to principle 3.5 above the senior management also attend the Audit & Risk committee meetings by invitation.	✔
3.7	The audit committee should be responsible for overseeing of internal audit	The Audit & Risk committee oversee the Internal Audit process.	✔

✔	= Compliant	U	= Under review	P	= Partially compliant
		N	= Non-compliant	N/A	= Not applicable

3.8	The audit committee should be an integral component of the risk management process	The Audit & Risk committee oversee the risk management process.	✔
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	The Audit and Risk Committee recommend the appointment of the external auditors, to the Board. The external auditors attend and report to the Audit & Risk Committee.	✔
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties	The Audit & Risk Committee reports to the Board. It also reports to the shareholders through the Annual Report and at the AGM.	✔
CHAPTER 4: THE GOVERNANCE OF RISK			
4.1	The board should be responsible for the governance risk	Please refer principle 2.7 and 3.8 above	✔
4.2	The board should determine the levels of risk tolerance	Please refer principle 2.7 and 3.8 above	✔
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	Please refer principle 2.7 and 3.8 above	✔
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	Management designs, implements and monitors the risk management plan. The Audit & Risk committee evaluates the risk analysis performed and advice the Board.	✔
4.5	The board should ensure that risk assessments are performed on a continual basis. Board and audit committee are responsible for risks	Please refer principle 4.4 above.	✔
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating risks	Please refer principle 4.5 above	✔
4.7	The board should ensure that management considers and implements appropriate risk responses	Please refer principle 4.5 above	✔
4.8	The board should ensure continual risk monitoring by management	Please refer principle 4.5 above	✔
4.9	The board should receive assurance regarding the effectiveness of the risk management process	Please refer principle 4.5 above	✔
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	The Annual Report contains a brief review of the Company's risks	✔
CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY			
5.1	The board should be responsible for IT governance	Please refer principle 2.8 above	✔
5.2	IT should be aligned with the performance and sustainability objectives of the company	IT policy in place	✔
5.3	The board should delegate to management the responsibility for the implementation	IT policy in place	✔
5.4	The board should monitor and evaluate significant IT investments and expenditure	IT policy in place	✔
5.5	IT should form an integral part of the company's risk management	IT policy in place	✔
5.6	The board should ensure that information assets are managed effectively	IT policy in place	✔
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities	The Audit & Risk committee oversees the IT governance and reports to Board	✔

✔ = Compliant | U = Under review | P = Partially compliant
N = Non-compliant | N/A = Not applicable

CHAPTER 6: COMPLIANCE WITH LAWS , RULES, CODES AND STANDARDS			
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Please refer principle 1.2 and 2.9	✔
6.2	The board and its individual directors should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	The Board comprises of suitably qualified and experienced individuals. The Board also consults with the Company Secretary, legal and other independent consultants where needed.	✔
6.3	Compliance risk should form an integral part of the company's risk management process	Please refer to principle 3.5	✔
6.4	The board should delegate to management the implementation of an effective compliance framework and processes	Please refer principle 4.6 & 4.7	✔
CHAPTER 7: INTERNAL AUDIT			
7.1	The board should ensure that there is an effective risk-based internal audit	Please refer to principle 2.10.	✔
7.2	The board should follow a risk-based approach to its plan	Please refer to principle 2.10	✔
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of control and risk management	The Internal Audit will provide a written assessment to the Audit Committee. Please see principle 3.7	U
7.4	The audit committee should be responsible for overseeing internal audit	Please see principle 3.7	✔
7.5	Internal audit should be strategically positioned to achieve its objectives	Please see principle 3.7	✔
CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS			
8.1	The board should appreciate that stakeholders perceptions affect a company's reputation	Please refer to principle 1.2, 2.1, 2.2, 2.3 and 2.4	✔
8.2	The board should delegate to management to proactively deal with stakeholder relationships, stakeholders and the outcomes of these dealings	Please refer to principle 1.1 & 1.3	✔
8.3	The board should strive to achieve the appropriate balance between its various stakeholders groupings, in the interests of the company (Fund)	Please refer to principle 2.11 & 2.14	✔
8.4	Companies should ensure the equitable treatment of shareholders	Please refer to principle 2.1, 2.3, 2.4 and 2.5.	✔
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	Please refer to principle 1.2,	✔
8.6	The board should ensure that disputes are resolved as efficiently and expeditiously as possible	The Board is kept informed of any disputes and ensure expeditious resolution.	✔
CHAPTER 9: INTEGRATED REPORTING AND DISCLOSURE			
9.1	The board should ensure the integrity of the company's integrated annual report	The Board, through the Audit & Risk Committee ensures the integrity of the Integrated Annual Report	✔
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	In place	✔
9.3	Sustainability reporting and disclosure should be independently assured	In place	✔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It is without a doubt that the global Corona Virus pandemic will be what the year 2020 is sombrely remembered for. All around the world, national health services appealed to government and private sector economies for unity and support in combating this invisible enemy.

National Covid-19 Relief Fund Contribution

In Botswana, Turnstar Holdings was one of the first to answer the call with a donation of One Million Pula (1,000,000), made within 24 hours of the formal announcement of the National Covid-19 Task Force & the Covid-19 National Relief Fund. We are pleased to have aided in such a manner and even moreso to have seen other organizations come to the fore, contribute and aid in relief.

Youth Empowerment

Above and beyond a contribution to the National Covid-19 Relief Fund, our social responsibility also lies in ensuring the publics health and safety when visiting any of our properties. At Gamecity (Gaborone), Turnstar House (Gaborone) and Nzano (Francistown) to name a few, we have added casual staff to our team, who have been mandated to take temperature readings, sanitize and educate all visitors to our properties on the health risks associated with Covid-19. They ensure World Health Organization protocols such as the wearing of masks and social distancing are always being observed. These ten (10) additional staff members are all young Batswana from our communities whom have also been impacted negatively by Corona Virus. They will serve with us from.

Tenant Rental Relief

As landlords, we have not ignored the adverse effects this pandemic has had on our tenants. Botswana went into a state of National lockdown for a two (2) month period starting Friday March 3rd 2020. A period, which saw all companies suffer an alarming financial blow. In an act of good faith and understanding, Turnstar Holdings offered all its commercial site tenants rent relief for the two months in which we were in lockdown. We would also like to thank our tenants for acting responsible themselves and adhering to national contact tracing and screening requirements for all members of the public who enter their premises. This too goes a long way in ensuring that we stay vigilant and overcome the corona virus.

Tree Lighting & SOS Children's Village Donation

Having been plagued by this virus right at the turn of the year, one would be forgiven not to be mindful of life before it. However as far distant as it may seem now, also in this reporting year, we were able to partner with Limkokwing University of Creative Technology in hosting our annual December Tree Lighting Ceremony. A truly auspicious occasion graced by the first citizen himself, His Excellency the President of Botswana, Dr. Mokgwetsi E. K. Masisi and the first lady.

The event saw us not only indulge in the spirit of Christmas with carolling and tree lighting, but also in that of giving, as we made a donation to the SOS Children's Village. A donation in the form of funds for the organization, as well as treats for the children in attendance, gift bags and movie tickets in conjunction with New Capitol Cinemas.

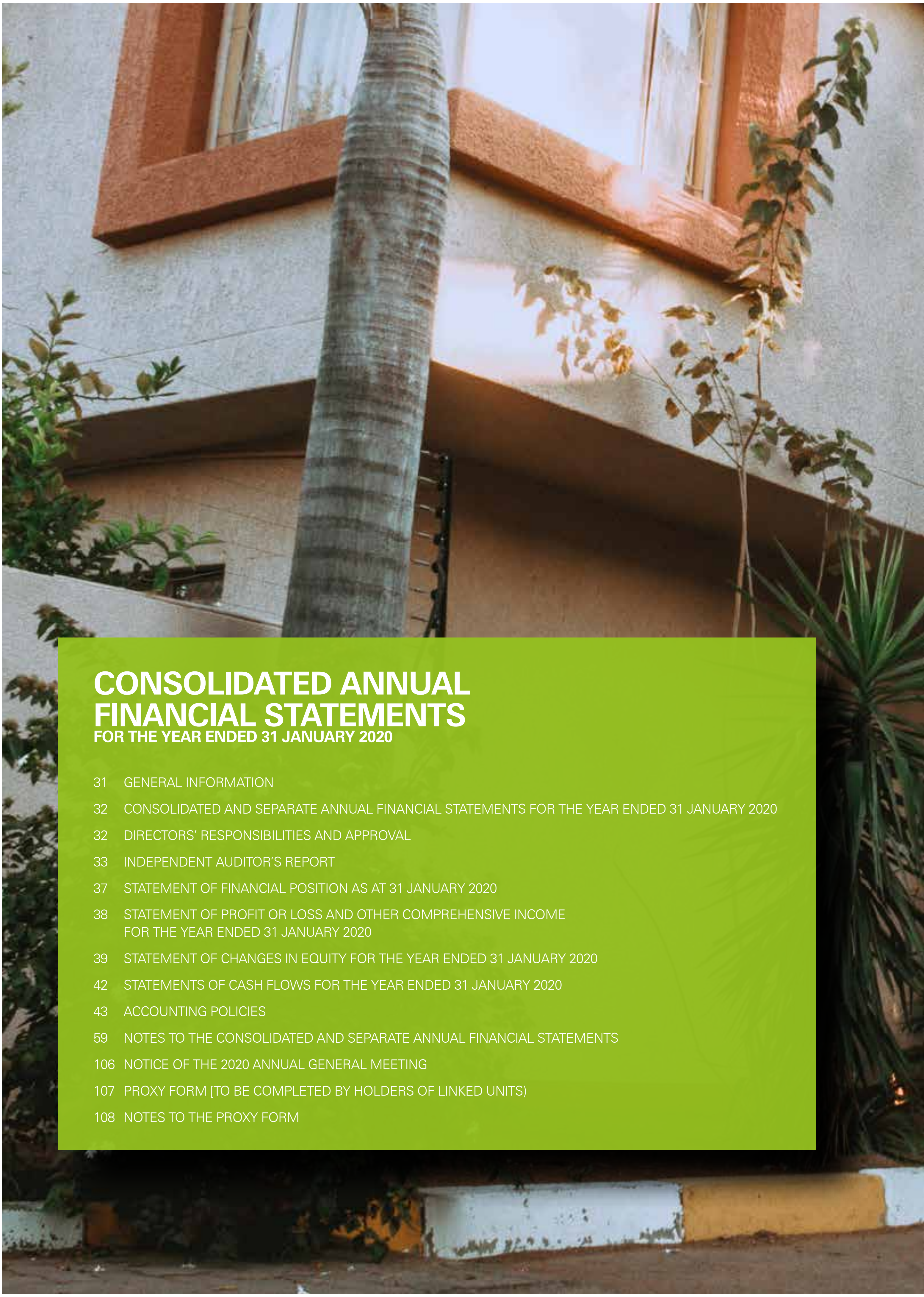
SMME Support

Throughout the year we have continually showed support to the Nation's youth & SMMEs. Within each quarter, we have been able to offer our facilities for free to such entities to aid in the development of small business. Helping them successfully launch or introduce their products or indeed host events as a means to a livelihood for them and their families. SMME & youth development will remain a part of our policy going into the 2021 year.

UNITED ARAB EMIRATES	
Properties	1
Active tenants	1
Total Gross Lettable Area	1,245m2
Market value	USD8,2million

TANZANIA	
Properties	4
Active tenants	165
Total Gross Lettable Area	56,370m2
Market value	USD960million

BOTSWANA	
Properties	7
Active tenants	265
Total Gross Lettable Area	96,730m2
Market value	BWP1.3billion



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

GENERAL INFORMATION

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Property Investment
Directors	P Balopi(Chairman) G H Abdoola G H Abdoola (Managing Director) I Nshakazhogwe (Resigned 29 July 2019) P Pillar P Bezuidenhout M Nteta S Puvimanasinghe
Registered office	Plot 50370 Fairgrounds Gaborone Botswana
Business address	Center Management Offices Game City Management Offices Game City Retail Center Kgale, Gaborone
Postal address	P O Box 26012 Game City Gaborone Botswana
Bankers	ABSA Bank of Botswana Limited Barclays Bank Tanzania Limited Exim Bank Tanzania Limited First National Bank of Botswana Limited
Auditors	Grant Thornton Chartered Accountants
Secretary	Leo Business Services (Proprietary) Limited
Company registration number	BW00000973397
Investment Bankers	Stanlib Money Market Fund African Alliance Botswana
Functional currency	Botswana Pula
Transfer secretaries	Grant Thorton Business Services (Proprietary) Limited

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act (Cap 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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 consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 January, 2021 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The independent auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's independent auditors and their report is presented on pages 33 to 36.

The consolidated and separate annual financial statements set out on pages 37 to 105, which have been prepared on the going concern basis, were approved by the board of directors on 02 MAY 2020 and were signed on their behalf by:

Director

Director

Grant Thornton

Chartered Accountants

Grant Thornton
Acumen Park, Plot 50370
Fairgrounds, Gaborone
P O Box 1157
Gaborone, Botswana

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twitter.com/GrantThorntonBW

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Turnstar Holdings Limited

Opinion

We have audited the consolidated and separate annual financial statements of Turnstar Holdings Limited (the "company") and its subsidiaries (together the "Group") set out on pages 37 to 105, which comprise the consolidated and separate statement of financial position as at 31 January, 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements give a true and fair view of, the consolidated and separate financial position of Turnstar Holdings Limited as at 31 January, 2020, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated and separate annual financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

GRANT THORNTON CHARTERED ACCOUNTANTS GABORONE

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Key audit matters

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

Key audit matter	How the matter was addressed in our audit
Valuation of the investment property The holding company and subsidiaries owns a portfolio of retail and commercial property valued at BWP 1 274 735 971 for the holding company and BWP 1 107 469 622 for the subsidiaries as disclosed under note 4 of the annual financial statements. The valuation of the property portfolio is a significant judgment area and is underpinned by assumptions including estimated future rentals, vacancy rates and yields. The group uses professionally qualified external valuers to perform the fair value of the properties. Disclosures on the investment properties are under note 4 to the financials.	We met with the valuers to discuss the valuation process, performance of the portfolio and evaluate significant assumptions and critical judgement areas, including estimated rental values, yields, vacancy rates, future net operating income and discount rates. We assessed the competence, independence and integrity of the external valuers. We performed audit procedures to assess the integrity of information provided to the external valuers including rental schedules on a sample basis to underlying lease agreement. As per group instructions provided, the component auditors assessed the integrity of the information provided to the external valuers and through audit procedures evaluated the assumptions used in the valuations.
Recognition of revenue During the year the holding company has revenue from continuing operations of BWP 151 330 229 and subsidiaries of BWP 117 978 529 as disclosed under note 18 of the annual financial statements. The holding company's main source of revenue is rental income from retail and commercial property located in Botswana. The subsidiaries' main source of income is from retail and commercial properties located in Tanzania and Dubai. The rental amount is agreed on the terms of the lease agreement signed between the respective company and the tenant. Any variations to the lease agreement during the lease term is done through an addendum to the lease agreement. The recognition of revenue is done in accordance with the principles outlined in IFRS 16: Leases.	We have performed walkthroughs and test of controls on the revenue cycle to gain an understanding of when the revenue is recognised. This testing includes the verification of the lease agreement details, their approvals and changes to the lease terms and upload of this information to the Group's management system. We have assessed the design effectiveness of the controls and performed controls testing on the billings done through operating system. We have obtained the rental income schedule from the operating system and determined that rental income has been appropriately recorded in the general ledger. We selected a sample of lease agreements to verify that the rental has been appropriately recognised in the operating system and the operating lease asset has been computed appropriately. We have obtained the monthly schedule of rental income for each property and reviewed the variations of rental income to the budgets to identify any unusual trends. We have reviewed the group's credit policy on trade debtors and assessed that appropriate provision is made on overdue accounts where the recoverability of the balances was doubtful, in line with requirements of IFRS 9.

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Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this report, and the annual report which is expected to be made available to us after that date. Other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial Statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 annual 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 the 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 annual 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.

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- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the consolidated and separate annual 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 subsidiaries or business activities within the group to express an opinion on the consolidated and separate annual 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 directors 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 directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the annual financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public 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 public interest benefits of such communication.

GRANT THORNTON
Chartered Accountants
Certified Auditor: Mr. Dinesh Mallan (Memb No:19990074)
Certified Auditor of Public Interest Entity
Certificate Number: CAP 0015 2020

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STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2020

		Group		Company	
Figures in Pula	Note	2020	2019	2020	2019
Assets					
Non-Current Assets					
Investment property	4	2 382 205 593	2 336 165 032	1 274 735 971	1 250 274 363
Property, plant and equipment	5	3 313 425	3 666 657	2 213 511	2 596 825
Goodwill	6	38 354 182	49 743 561	-	-
Investments in subsidiaries	7	-	-	606 613 011	283 298 585
Loans to group companies	8	-	-	233 084 802	231 380 550
Other financial assets	9	-	-	-	122 659 760
Operating lease asset	11	28 068 616	30 084 015	25 504 190	27 402 687
Deferred tax	10	22 422 372	10 563 533	22 422 372	10 563 533
		2 474 364 188	**2 430 222 798**	**2 164 573 857**	**1 928 176 303**
Current Assets					
Other financial assets	9	-	-	-	194 213 858
Current tax receivable		-	382 017	-	382 017
Operating lease asset	11	3 269 840	522 950	3 269 840	522 950
Trade and other receivables	12	38 119 248	21 674 813	24 112 127	9 946 199
Cash and cash equivalents	13	13 092 960	32 115 739	6 305 413	22 530 615
		54 482 048	**54 695 519**	**33 687 380**	**227 595 639**
Non-current assets held for sale and assets of disposal group	14	-	12 000 000	-	12 000 000
Total Assets		**2 528 846 236**	**2 496 918 317**	**2 198 261 237**	**2 167 771 942**
Equity and Liabilities					
Equity					
Stated capital and linked unit debentures	15	632 497 357	632 497 357	632 497 357	632 497 357
Foreign currency translation reserves		120 679 335	89 471 776	-	-
Retained income		903 045 148	892 650 792	819 803 793	780 985 851
		1 656 221 840	**1 614 619 925**	**1 452 301 150**	**1 413 483 208**
Liabilities					
Non-Current Liabilities					
Borrowings	16	562 393 610	587 288 912	562 393 610	587 288 912
Deferred tax	10	206 705 180	212 687 414	108 152 925	114 513 860
		769 098 790	**799 976 326**	**670 546 535**	**701 802 772**
Current Liabilities					
Trade and other payables	17	49 460 281	53 513 671	21 348 227	23 677 567
Borrowings	16	34 091 716	26 625 387	34 091 716	26 625 387
Current tax payable		1 191 260	-	1 191 260	-
Unclaimed debeture interest and dividend payable	40	1 403 665	1 239 706	1 403 665	1 239 706
Bank overdraft	13	17 378 684	-	17 378 684	-
		103 525 606	**81 378 764**	**75 413 552**	**51 542 660**
Liabilities of disposal groups	14	-	943 302	-	943 302
Total Liabilities		**872 624 396**	**882 298 392**	**745 960 087**	**754 288 734**
Total Equity and Liabilities		**2 528 846 236**	**2 496 918 317**	**2 198 261 237**	**2 167 771 942**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2020

		Group		Company	
Figures in Pula	Note	2020	2019	2020	2019
Continuing operations					
Revenue	18	269 308 758	258 562 138	151 330 229	148 036 224
Other operating income	19	4 305 310	3 275 071	2 605 739	1 883 998
Other operating gains (losses)	20	10 445 810	16 720 200	10 445 810	16 719 385
Goodwill impairement	6	(14 803 307)	(11 534 289)	-	-
Other operating expenses		(116 946 306)	(116 396 806)	(68 974 340)	(66 765 544)
Dividend income	19	-	-	8 019 161	4 307 369
Operating profit	21	**152 310 265**	**150 626 314**	**103 426 599**	**104 181 432**
Finance income	22	439 093	540 452	44 295 131	44 396 489
Finance costs	24	(33 338 910)	(34 124 007)	(33 338 910)	(34 124 007)
Fair value adjustments	23	(25 280 910)	6 869 297	12 450 533	36 011 579
Profit before taxation		**94 129 538**	**123 912 056**	**126 833 353**	**150 465 493**
Taxation	25	22 113 234	(2 568 241)	17 833 005	(8 345 268)
Profit from continuing operations		**116 242 772**	**121 343 815**	**144 666 358**	**142 120 225**
Discontinued operations					
Profit from discontinued operations		-	1 011 988	-	1 011 988
Profit for the year		**116 242 772**	**122 355 803**	**144 666 358**	**143 132 213**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		31 207 559	36 064 823	-	-
Other comprehensive income for the year net of taxation	26	**31 207 559**	**36 064 823**	**-**	**-**
Total comprehensive income for the year		**147 450 331**	**158 420 626**	**144 666 358**	**143 132 213**
Profit attributable to:					
Owners of the parent		116 242 772	122 355 803	144 666 358	143 132 213
Profit attributable to:					
Owners of the parent:					
From continuing operations		116 242 772	121 343 815	144 666 358	142 120 225
From discontinued operations		-	1 011 988	-	1 011 988
		116 242 772	**122 355 803**	**144 666 358**	**143 132 213**
Total comprehensive income attributable to:					
Owners of the parent		147 450 331	158 420 626	144 666 358	143 132 213
Earnings per share					
From continuing and discontinued operations					
Basic earnings per share (c)	31	0.20	0.21	0.25	0.25
Diluted earnings per share (c)	31	0.20	0.21	0.25	0.25

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2020

Figures in Pula	Stated capital	Linked unit debentures	Total stated capital and linked unit debentures	Foreign currency translation reserve	Dividened and debenture interest reserve	Fair value surplus	Retained income	Total equity
Group								
Balance at 01 February 2018	**346 420 555**	**286 076 802**	**632 497 357**	**53 406 953**	**51 493 824**	**556 038 253**	**265 750 560**	**1 559 186 947**
Profit for the year	-	-	-	-	-	-	122 355 803	122 355 803
Other comprehensive income	-	-	-	36 064 823	-	-	-	36 064 823
Total comprehensive income for the year	**-**	**-**	**-**	**36 064 823**	**-**	**-**	**122 355 803**	**158 420 626**
Fair value surplus	-	-	-	-	-	12 035 830	(12 035 830)	-
Final debenture interest and dividends paid 31 January 2018	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Interim dividends and debenture interest transfered to dividends and debenture interest reserve	-	-	-	-	51 493 824	-	(51 493 824)	-
Proposed dividends and debenture interest transfered to dividends and debenture interest reserve	-	-	-	-	54 354 592	-	(54 354 592)	-
Interim debenture interest and dividends paid 31 July 2018	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Transactions with unit holders recognised in statement of changes in equity	**-**	**-**	**-**	**-**	**2 860 768**	**12 035 830**	**(117 884 246)**	**(102 987 648)**
Balance at 31 January 2019	**346 420 555**	**286 076 802**	**632 497 357**	**89 471 776**	**54 354 592**	**568 074 083**	**270 222 117**	**1 614 619 925**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2020 [CONTINUED]

Figures in Pula	Stated capital	Linked unit debentures	Total stated capital and linked unit debentures	Foreign currency translation reserve	Dividened and debenture interest reserve	Fair value surplus	Retained income	Total equity
Balance at 01 February 2019	**346 420 555**	**286 076 802**	**632 497 357**	**89 471 776**	**54 354 592**	**568 074 083**	**270 222 117**	**1 614 619 925**
Profit for the year	-	-	-	-	-	-	116 242 772	116 242 772
Other comprehensive income	-	-	-	31 207 559	-	-	-	31 207 559
Total comprehensive income for the year	**-**	**-**	**-**	**31 207 559**	**-**	**-**	**116 242 772**	**147 450 331**
Fair value surplus transferred (Mlimani Properties) net of tax	-	-	-	-	-	(15 680 029)	15 680 029	-
Fair value surplus transferred (Turnstar Properties) net of tax	-	-	-	-	-	11 638 271	(11 638 271)	-
Final debenture interest and dividends paid 31 January 2019	-	-	-	-	(54 354 592)	-	-	(54 354 592)
Interim debenture interest and dividends paid 31 July 2019	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Proposed interim dividend and debenture interest	-	-	-	-	51 493 824	-	(51 493 824)	-
Transactions with unit holders recognised in statement of changes in equity	**-**	**-**	**-**	**-**	**(54 354 592)**	**(4 041 758)**	**(47 452 066)**	**(105 848 416)**
Balance at 31 January 2020	**346 420 555**	**286 076 802**	**632 497 357**	**120 679 335**	**-**	**564 032 325**	**339 012 823**	**1 656 221 840**
Note	15	15	15	26	26		26	

Company

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2020 [CONTINUED]

Figures in Pula	Stated capital	Linked unit debentures	Total stated capital and linked unit debentures	Foreign currency translation reserve	Dividened and debenture interest reserve	Fair value surplus	Retained income	Total equity
Balance at 01 February 2018	**346 420 555**	**286 076 802**	**632 497 357**	**-**	**51 493 824**	**587 780 860**	**101 566 602**	**1 373 338 643**
Profit for the year	-	-	-	-	-	-	143 132 213	143 132 213
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**143 132 213**	**143 132 213**
Fair value surplus	-	-	-	-	-	33 783 957	(33 783 957)	-
Final debenture interest and dividends paid 31 January 2018	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Interim dividends and debenture interest transfered to dividends and debenture interest reserve	-	-	-	-	51 493 824	-	(51 493 824)	-
Proposed dividends and debenture interest transfered to dividends and debenture interest reserve	-	-	-	-	54 354 592	-	(54 354 592)	-
Interim debenture interest and dividends paid 31 July 2018	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Transactions with unit holders recognised in statement of changes in equity	**-**	**-**	**-**	**-**	**2 860 768**	**33 783 957**	**(139 632 373)**	**(102 987 648)**
Balance at 31 January 2019	**346 420 555**	**286 076 802**	**632 497 357**	**-**	**54 354 592**	**621 564 817**	**105 066 442**	**1 413 483 208**
Balance at 01 February 2019	**346 420 555**	**286 076 802**	**632 497 357**	**-**	**54 354 592**	**621 564 817**	**105 066 442**	**1 413 483 208**
Profit for the year	-	-	-	-	-	-	144 666 358	144 666 358
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**144 666 358**	**144 666 358**
Fair value surplus transferred net of tax	-	-	-	-	-	11 638 271	(11 638 271)	-
Final debenture interest and dividends paid 31 January 2019	-	-	-	-	(54 354 592)	-	-	(54 354 592)
Interim debenture interest and dividends paid 31 July 2019	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Proposed interim dividend and debenture interest	-	-	-	-	51 493 824	-	(51 493 824)	-
Transactions with unit holders recognised in statement of changes in equity	**-**	**-**	**-**	**-**	**(54 354 592)**	**11 638 271**	**(63 132 095)**	**(105 848 416)**
Balance at 31 January 2020	**346 420 555**	**286 076 802**	**632 497 357**	**-**	**-**	**633 203 088**	**186 600 705**	**1 452 301 150**
Note	15	15	15	26	26		26	

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2020

		Group		Company	
Figures in Pula	Note	2020	2019	2020	2019
Cash flows from operating activities					
Cash generated from operations	28	137 594 147	147 318 582	61 328 235	82 374 999
Finance income		439 093	540 452	44 295 131	44 396 489
Tax received (paid)	29	742 080	860 462	1 186 508	(646 948)
Cash flows of held for sale / discontinued operations		-	511 988	-	511 988
Net cash from operating activities		**138 775 320**	**149 231 484**	**106 809 874**	**126 636 528**
Cash flows from investing activities					
Purchase/improvements of property, plant and equipment	5	(1 352 835)	(82 994)	(1 016 897)	(5 999)
Sale of property, plant and equipment	5	598 214	53 815	598 214	53 000
Purchase/improvements of investment property	4	(13 251 212)	(8 160 839)	(12 011 074)	(4 363 427)
Sale of investment property		12 000 000	-	12 000 000	-
Loans advanced to group companies		-	-	(1 704 252)	(15 592 324)
Movement in other financial assets net of foreign exchange		-	-	26 872 038	29 481 433
Dividend income		-	-	8 019 161	4 307 369
Net cash from investing activities		**(2 005 833)**	**(8 190 018)**	**32 757 190**	**13 880 052**
Cash flows from financing activities					
Repayment of borrowings		(34 675 649)	(21 404 425)	(34 675 649)	(21 404 425)
Dividends paid	30	(105 848 416)	(102 987 644)	(105 848 416)	(102 987 644)
Finance costs		(33 338 910)	(34 124 007)	(33 338 910)	(34 124 007)
Net cash from financing activities		**(173 862 975)**	**(158 516 076)**	**(173 862 975)**	**(158 516 076)**
Total cash and cash equivalents movement for the year		**(37 093 488)**	**(17 474 610)**	**(34 295 911)**	**(17 999 496)**
Cash and cash equivalents at the beginning of the year		32 115 739	49 567 336	22 530 615	40 507 098
Effect of exchange rate movement on cash balances		692 025	23 013	692 025	23 013
Total cash and cash equivalents at end of the year	13	**(4 285 724)**	**32 115 739**	**(11 073 271)**	**22 530 615**

ACCOUNTING POLICIES

1. Significant accounting policies

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards. The consolidated and separate annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in the groups functional currency, Botswana Pula.

These accounting policies are consistent with the previous period, except for the new standards and interpretations effective and adopted in the current year as set out in note 2&3.

1.1 Nature of operations

The principal activities of the company and its subsidiaries include property investment spread across retail, commercial, residential and industrial sectors. The company is a Variable Loans Stock company listed on the Botswana Stock Exchange.

1.2 Consolidation

Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 January 2020. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 January.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests,if any, presented as part of equity, represent the portion of a subsidiary’s profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not adjusted against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

1.2 Consolidation (continued)

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the consolidated and separate annual financial statements, directors are required to make estimates and assumptions that affect the amounts represented in the consolidated and separate annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated and separate annual financial statements. Significant judgements include:

Trade receivables and other receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

The Group assesses its Trade receivables and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for Trade receivables and other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Fair value estimation

The carrying value less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of investment property is determined using discounted cash flow valuation and/or capitalisation approach (mainly on residential properties), using assumptions that are based on market conditions existing at the balance sheet date. The property's current retail rental rates are considered to be market related and it is assumed that the existing tenants will renew their leases on termination of the existing period. Key valuation parameters such as capitalisation rate, growth in market rental and discount rate are used to arrive at the fair value.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-inuse calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption by management may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and the assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and the assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including estimates, supply demand, together with economic factors such as exchange rates, inflation and interest rates.

Provisions

Provisions were raised and directors determine an estimate based on the information available.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Contingent liabilities

Directors apply their judgement to facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Useful life and residual value of plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in plant and equipment policy on the annual financial statements. These rates and residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the industry.

1.4 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Rental income and expenses from investment property are reported within revenue and operating expenses respectively, and are recognised in the statement of comprehensive income.

1.4 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Investment property is a property held to earn rentals and/or for capital appreciation, and are subsequently accounted for using the fair value model.

Investment property is valued annually and are included in the statement of financial position at their open market values. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

Any gain or loss resulting from either a change in the fair value or the sale of investment property is immediately recognised in profit or loss within change in the fair value of the investment property.

Fair value surplus

Fair value surplus recognised in the profit or loss statement are transferred from the retained income to the fair value surplus account, net of tax, within the equity, in order to monitor the fair value of each investment property. Any fair value deficit arising during the year which offsets previously recognised fair value surplus, is transferred from the fair value surplus account to retained income, net of relevant tax.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	6-8 years
Furniture and fixtures	Straight line	8-10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	8-10 years
IT equipment	Straight line	3-4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.5 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Goodwill

Goodwill is initially measured at cost, being the excess of the cost of the business combination over Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill, acquired in a business combination is carried at cost less any accumulated impairment.

Goodwill is assessed at each statements of financial position date for impairment.

The excess of the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in the statements of comprehensive income.

Internally generated goodwill is not recognised as an asset.

1.7 Investments in subsidiaries

Company consolidated and separate annual financial statements

In the company’s separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.8 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost.

Note 38 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

Financial instruments (continued)

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 8), are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 22).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

Financial instruments (continued)

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full.

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Financial instruments (continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 21).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 38).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 12).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses) (note 20).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 38).

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 12.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 21).

Financial instruments (continued)

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 12) and the financial instruments and risk management note (note 38).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Borrowings and loans from related parties

Classification

Loans from group companies (note 8), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 24.)

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 38 for details of risk exposure and management thereof.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 20).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 38).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

ACCOUNTING POLICIES [CONTINUED]

Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 24).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 38 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 20).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 38).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposit and other short-term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently measured at amortised cost.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net transaction cost) and settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with accounting policy for borrowing costs.

Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group 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 group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates that have been enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted by the end of the reporting period.

1.9 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as an income and the contractual receipts are recognised as an operating lease asset. This asset is not discounted.

Any contingent rent are recognised as and when it is determined and recognised on profit or loss.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Any contingent rents are expensed in the period they are incurred.

1.11 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

1.11 Impairment of assets (continued)

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.12 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.14 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

1.15 Revenue from agreements with customers

The group recognises revenue from the following major sources:

- Rental income from the investment properties and recoveries as per the terms of lease agreement.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it provides a service to a customer.

Revenue from agreements with customers (continued)

Interest income is recognised, in profit or loss, using the effective interest rate method. Services and recoveries are recognised in accounting period in which services are rendered.

1.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Translation of foreign currencies

Functional and presentation currency

Items included in the consolidated and separate annual financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated consolidated and separate annual financial statements are presented in Pula which is the group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pulas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pulas by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

1.17 Translation of foreign currencies (continued)

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates preveling on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of the statement of changes in equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the foreign currency translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

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 of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.18 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided by management.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

2. Changes in accounting policy

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the group has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 01 February 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the group's consolidated and separate annual financial statements is described below.

The group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 01 February 2019.

Leases where group is lessor

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in the leased assets. These additional disclosures have been made by the group.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). Because of this change, the group has reclassified certain of its sublease agreements as finance leases. As required by IFRS 9, an allowance for expected credit loss has been recognised on the finance lease receivables.

3. New Standards and Interpretations

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after 01 January 2019.

The group expects to adopt the interpretation for the first time in the 2020 consolidated and separate annual financial statements.

The impact of the interpretation is not material.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

3. New Standards and Interpretations (continued)

Group as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Group as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16

3. New Standards and Interpretations (continued)

- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 01 January 2019.

The group has adopted the standard for the first time in the 2020 consolidated and separate annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

3.1 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 February 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• CF Conceptual Framework for Financial Reporting	01 January 2020	Unlikely there will be a material impact
• IAS 8 and IAS 8 Definition of Material (Ammendments to IAS 1 and IAS 8)	01 January 2020	Unlikely there will be a material impact
• IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform	01 January 2020	Unlikely there will be a material impact

	Group		Company	
Figures in Pula	2020	2019	2020	2019

4. Investment property

Group

	Valuation	Valuation
Investment property	2 382 205 593	2 336 165 032

Company

	Valuation	Valuation
Investment property	1 274 735 971	1 250 274 363

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

4. New Standards and Interpretations (continued)

Reconciliation of investment property - Group - 2020

	Opening balance	Additions	Foreign exchange movements	Fair value adjustments	Total
Investment property	2 336 165 032	13 251 212	58 070 259	(25 280 910)	2 382 205 593

Reconciliation of investment property - Group - 2019

	Opening balance	Additions	Classified as held for sale	Foreign exchange movements	Fair value adjustments	Total
Investment property	2 251 628 531	8 160 839	(11 500 000)	81 006 365	6 869 297	2 336 165 032

Reconciliation of investment property - Company - 2020

	Opening balance	Additions	Fair value adjustments	Total
Investment property	1 250 274 363	12 011 074	12 450 534	1 274 735 971

Reconciliation of investment property - Company - 2019

	Opening balance	Additions	Classified as held for sale	Fair value adjustments	Total
Investment property	1 221 399 358	4 363 427	(11 500 000)	36 011 578	1 250 274 363

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

4. New Standards and Interpretations (continued)

Pledged as security

Carrying value of assets pledged as security:

Game City Shopping Centre, Portion 3 of Forest	969 011 423	960 416 301	969 011 423	960 416 301
Nzano Shopping Centre, Lot 904 Francistown	169 738 888	162 781 372	169 738 888	162 781 372
Lot 6670, Mogoditshane, Supa Save Mall,Gaborone	39 361 315	36 566 868	39 361 315	36 566 868
Lot 1131 - 1137, Turnstar House, Main Mall,Gaborone	34 683 714	33 917 315	34 683 714	33 917 315
Lots 16398 & 13093 Tapologo Estates, Gaborone	34 056 290	29 984 034	34 056 290	29 984 034
Lot 63 Commerce Park, Gaborone	16 788 269	15 919 475	16 788 269	15 919 475
Lot 1203 Mogoditshane Flats, Gaborone	11 096 072	10 688 998	11 096 072	10 688 998
	1 274 735 971	**1 250 274 363**	**1 274 735 971**	**1 250 274 363**

The property is pledged as security towards bank facilities as detailed in Note 16.

Capital work in progress

Details of property

Game City Shopping Centre
Forest Farm Hill LA 975 KO,
Notarial Lease with Roman Catholic Church
Lease from 1 April 2001 for 75 Years

- Cost of property	447 511 512	447 511 512	447 511 512	447 511 512
- Additions during the year	12 011 074	-	12 011 074	-
- Fair Value surplus (Net of straight lining adjustment)	509 488 837	512 904 789	509 488 837	512 904 789
	969 011 423	**960 416 301**	**969 011 423**	**960 416 301**

Nzano Shopping Centre
Lot 904, Francistown
Freehold

- Cost of property	42 509 893	42 509 893	42 509 893	42 509 893
- Fair Value surplus (Net of straight lining adjustment)	127 228 995	120 271 479	127 228 995	120 271 479
	169 738 888	**162 781 372**	**169 738 888**	**162 781 372**

Supa Save Mall
Lot 6670, Mogoditshane
Leasehold
Lease from 12 January 1982 for 50 Years

- Cost of property	13 001 621	13 001 621	13 001 621	13 001 621
- Fair Value surplus (Net of straight lining adjustment)	26 359 694	23 565 247	26 359 694	23 565 247
	39 361 315	**36 566 868**	**39 361 315**	**36 566 868**

Commerce Park
Portion 63 Forest Hill, No. 9 KO
Leasehold under a Notarial Deed of Cession and Delegation Lease from 04 February 1994 for 99 Years

- Cost of property	6 218 956	6 218 956	6 218 956	6 218 956
- Fair Value surplus (Net of straight lining adjustment)	10 569 313	9 700 519	10 569 313	9 700 519
	16 788 269	**15 919 475**	**16 788 269**	**15 919 475**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019
4. New Standards and Interpretations (continued)				
Investment property (continued) Turnstar House, Main Mall Offices				
Lot 1131-1137, Gaborone				
Fixed year state grant				
Lease from 15 December 1979 for 99 Years				
- Cost of the property	36 006 666	36 006 666	36 006 666	36 006 666
- Fair Value adjustment (Net of straight lining adjustment)	(1 322 952)	(2 089 351)	(1 322 952)	(2 089 351)
	34 683 714	**33 917 315**	**34 683 714**	**33 917 315**
Lot 14444, Hyundai				
Fixed year state grant				
Lease from 03 September 1985 for 50 years				
- Cost of the property	-	3 559 404	-	3 559 404
- Fair Value surplus (Net of straight lining adjustment)	-	7 940 596	-	7 940 596
- Classified as held for sale	-	(11 500 000)	-	(11 500 000)
	-	**-**	**-**	**-**
	-	-	-	-
Tapologo Estates				
Lot 13093 and 16398, Gaborone Ext 40				
Fixed year state grant				
- Cost of the property	9 466 456	9 466 456	9 466 456	9 466 456
- Fair Value surplus (Net of straight lining adjustment)	24 589 834	20 517 578	24 589 834	20 517 578
	34 056 290	**29 984 034**	**34 056 290**	**29 984 034**
Mogoditshane Town Houses				
Tribal Lot 1203, Mogoditshane				
- Cost of the property	3 912 365	3 912 365	3 912 365	3 912 365
- Fair Value surplus (Net of straight lining adjustment)	7 183 707	6 776 633	7 183 707	6 776 633
	11 096 072	**10 688 998**	**11 096 072**	**10 688 998**
Mlimani City				
Plot 2, Block L, situated in Ubungo, Dar es Salaam, Tanzania				
- Cost of the property	903 148 848	852 042 366	-	-
- Additions during the year	1 240 138	3 637 779	-	-
- Fair Value surplus (Net of straight lining adjustment)	116 351 638	146 663 539	-	-
	1 020 740 624	**1 002 343 684**	**-**	**-**
Palazzo Venezia Office Block				
Plot 8297, Suite 409, city tower . Al Majan, Wadi Al Safa 3 Dubai				
-Cost of property	86 728 996	83 415 756	-	-
- Additions during the year	-	131 229	-	-
	86 728 996	**83 546 985**	**-**	**-**

	Group		Company	
Figures in Pula	2020	2019	2020	2019

4. New Standards and Interpretations (continued)

Turnstar Holdings Limited have occupied 650 sqm out of 63 670.74 sqm in Game City shopping complex, one of the properties for the purposes of centre management office and towards their administrative purposes. The owner occupied portion is not significant to the individual property or the portfolio of investments held by the Group and thus no transfer of the owner occupied portion has been made to property, plant and equipment.

Details of valuation

Turnstar Holdings Limited
The investment properties registered in the name of Turnstar Holdings Limited were valued by an external valuer on 31 January 2020. The valuation was performed by valuer, Benedict Kgosilentswe of Riberry (Proprietary) Limited, [Benedict Kgosilentswe is a Registered member of Real Estate Institute of Botswana, Royal Institute of Chartered Surveyors and holds a BSc (Hons) in Estate Management] and has over 10 years of valuation experience. The management has assessed that these properties have been maintained in a reasonable state of repair and condition. The open market value of the properties has been arrived using discounted cash flow method which involved projecting income and expenditure for the future years and discounting at a long term investment rate to arrive at net present value. The capitalisation rate used for the purposes of valuation varies from 8% to 9.5% for retail, commercial and residential properties. In view of the fact that the fair value of the asset was arrived at taking into account the present value of future revenues, the fair value gain was reduced by the operating lease asset amount in order to avoid over valuation.

Mlimani Holdings Limited
The property registered in the name of Mlimani Holdings Limited, subsidiary company, was valued on 01 February 2020. The valuation was performed by valuer, Ms. Claire Everatt MRICS MIVSA Chartered Valuation Surveyor Eris Property Group, Claire Everatt is Registered member of Royal Institute of Chartered Surveyors and holds the appropriate qualifications and has more than 15 years of experience in the real estate sector. The management has assessed that these properties have been maintained in a reasonable state of repair and condition. The open market value of the properties has been arrived using discounted cash flow method which involved projecting income and expenditure for a period of 5 years and discounting at a long term investment rate to arrive at net present value. The capitalisation rate used for the purpose of valuation varies from 8.25% to 8.75% for retail, office park and conference centre.

Secured lease income was reflected with the underlying assumption that on expiry, a renewal would occur. However, on a vacancy occurring, there would be an interruption in the cash flow for that period to secure a new tenant. In view of the fact that the fair value of the asset was arrived at taking into account the present value of future revenues, the fair value was reduced by the operating lease asset amount in order to avoid over valuation.

Palazzo Venezia Holding Limited
The directors performed a desktop valuation of the investment property for the current year ,since there has not been any change in the structure of the property or economic conditions surrounding the property. The open market value of the properties has been arrived using discounted cash flow method which involved projecting income and expenditure for a period of 5 years and discounting at a long term investment rate to arrive at net present value. The capitalisation rate used for the purposes of valuation is 9% for the commercial property. In view of the fact that the fair value of the asset was arrived at taking into account the present value of future revenues, the fair value gain was reduced by the operating lease asset amount in order to avoid over valuation.

Valuations Assumptions:
The assumptions were based on current market conditions.

A gain or loss arising from a change in fair value is included in the profit or loss for the period in which it arises.

Refer to note 39 for IFRS 13 disclosure for investment properties valued at fair value.

Amounts recognised in profit and loss for the year

Contractual rental received	268 727 335	253 456 957	150 481 836	142 811 230
Direct operating expenses from rental generating property	(69 719 212)	(64 466 615)	(50 299 400)	(46 416 017)
	199 008 123	**188 990 342**	**100 182 436**	**96 395 213**

	Group		Company	
Figures in Pula	2020	2019	2020	2019

4. New Standards and Interpretations (continued)

Adjusted valuations

The following valuations were adjusted for consolidated and separate annual financial statements purposes to avoid double counting:

Valuation as per financial statements				
Fair value of investment property	2 413 544 049	2 366 771 997	1 303 510 001	1 278 200 000
Less: operating lease receivable	(31 338 456)	(30 606 965)	(28 774 030)	(27 925 637)
	2 382 205 593	**2 336 165 032**	**1 274 735 971**	**1 250 274 363**

5. Property, plant and equipment

Group	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	6 015 950	(5 660 883)	355 067	5 746 747	(5 243 981)	502 766
Furniture and fixtures	4 735 170	(3 805 927)	929 243	4 259 487	(3 370 097)	889 390
Motor vehicles	1 218 217	(474 612)	743 605	1 280 717	(802 889)	477 828
Office equipment	187 387	(166 273)	21 114	181 785	(153 140)	28 645
IT equipment	4 595 059	(3 330 663)	1 264 396	4 474 827	(2 706 799)	1 768 028
Total	**16 751 783**	**(13 438 358)**	**3 313 425**	**15 943 563**	**(12 276 906)**	**3 666 657**

Company	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	763 867	(731 511)	32 356	763 867	(695 896)	67 971
Furniture and fixtures	1 318 725	(1 063 935)	254 790	1 318 725	(950 588)	368 137
Motor vehicles	1 218 217	(474 612)	743 605	1 280 717	(802 889)	477 828
Office equipment	78 090	(71 440)	6 650	78 090	(68 917)	9 173
IT equipment	3 665 105	(2 488 995)	1 176 110	3 610 707	(1 936 991)	1 673 716
Total	**7 044 004**	**(4 830 493)**	**2 213 511**	**7 052 106**	**(4 455 281)**	**2 596 825**

5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Total
Plant and machinery	502 766	-	-	23 490	(171 189)	355 067
Furniture and fixtures	889 390	316 807	-	35 398	(312 352)	929 243
Motor vehicles	477 828	962 500	(469 791)	-	(226 932)	743 605
Office equipment	28 645	-	-	1 052	(8 583)	21 114
IT equipment	1 768 028	73 528	-	5 112	(582 272)	1 264 396
	3 666 657	**1 352 835**	**(469 791)**	**65 052**	**(1 301 328)**	**3 313 425**

Reconciliation of property, plant and equipment - Group - 2019

	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Total
Plant and machinery	676 517	-	-	47 500	(221 251)	502 766
Furniture and fixtures	1 080 323	52 844	-	49 409	(293 186)	889 390
Motor vehicles	757 927	-	-	-	(280 099)	477 828
Office equipment	75 522	5 999	(46 667)	1 910	(8 119)	28 645
IT equipment	2 391 826	24 151	-	7 813	(655 762)	1 768 028
	4 982 115	**82 994**	**(46 667)**	**106 632**	**(1 458 417)**	**3 666 657**

Reconciliation of property, plant and equipment - Company - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	67 971	-	-	(35 615)	32 356
Furniture and fixtures	368 137	-	-	(113 347)	254 790
Motor vehicles	477 828	962 500	(469 791)	(226 932)	743 605
Office equipment	9 173	-	-	(2 523)	6 650
IT equipment	1 673 716	54 397	-	(552 003)	1 176 110
	2 596 825	**1 016 897**	**(469 791)**	**(930 420)**	**2 213 511**

Reconciliation of property, plant and equipment - Company - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	103 587	-	-	(35 616)	67 971
Furniture and fixtures	481 525	-	-	(113 388)	368 137
Motor vehicles	757 927	-	-	(280 099)	477 828
Office equipment	52 112	5 999	(46 667)	(2 271)	9 173
IT equipment	2 297 670	-	-	(623 954)	1 673 716
	3 692 821	**5 999**	**(46 667)**	**(1 055 328)**	**2 596 825**

Other information

Fully depreciated property, plant and equipment still in use	2 397 813	2 199 742	2 397 813	2 199 742

6. Goodwill

Group	2020			2019		
	Cost	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Goodwill	64 691 778	(26 337 596)	38 354 182	61 277 850	(11 534 289)	49 743 561

Reconciliation of goodwill - Group - 2020

	Opening balance	**Foreign exchange movements**	**Impairment loss**	**Total**
Goodwill	49 743 561	3 413 928	(14 803 307)	38 354 182

Reconciliation of goodwill - Group - 2019

	Opening balance	**Foreign exchange movements**	**Impairment loss**	**Total**
Goodwill	57 333 674	3 944 176	(11 534 289)	49 743 561

The goodwill of USD 6 146 170 (P 64 691 778) (2019: USD USD 6 146 170(P 61 227 850) arising from acquisition of subsidiary, is attributable to acquired investment property from combining the operations of the company with Island View (Proprietary) Limited and Mlimani Holdings Limited. Goodwill recognised is not expected to be deductible for income tax purposes. Goodwill has been converted to functional currency of the group at closing exchange rate prevailing at the end of reporting period, as per IAS 21.47.

Impairment assessment on carrying value of goodwill
The group has allocated the carrying value of goodwill reported at P 38 354 182 (USD 3 539 658) (2019: P 49 743 561 (USD 5 018 067)) to the subsidiary, Mlimani Holdings Limited. This subsidiary is the cash generating unit. For purposes of testing impairment on the carrying value of goodwill, the group has considered 5 year budgeted cash flow projections of the subsidiary's operations to determine the value in use. These future cash flow projections are prepared in functional currency of the subsidiary (United States Dollar).

The following are the key assumptions used in determining the value in use:
a) Rental income has been assumed to grow at a rate of 2% per annum, based on the contracted lease agreements with the tenants.
b) Operating expenses has been assumed to grow at 3-4%, based on the inflation rate
c) The management has considered a pre-tax cost of capital rate of 7.92%. This discount rate is based on cost of capital for borrowings obtained by the company from its shareholders.

Based on such cash flow projections, estimated recoverable amount from the value in use workings are lower than the carrying value of goodwill, thus, goodwill is impaired in the current year by 14 803 307 (USD 1 478 409) (2019: 11 534 289 (USD 1 128 103)).

The estimate of recoverable amount for the subsidiary is particularly sensitive to the discount rate. If the discount rate used is increased by 1%, a further impairment loss of P 3 488 483 (2019: P 2 451 304) would have to be recognised, and if the discount rate is decreased by 1%, impairment loss recognised would be reduced by P 3 488 483 (2019: P 807 337). Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit’s carrying amount to exceed its recoverable amount.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

7. Investments in subsidiaries

Group

Name of the subsidiary	Country of incorporation and principal of business	Principal activity	Proportion of ownership interests held by the Group at year end 2020	Proportion of ownership interests held by the Group at year end 2019
Mlimani Holdings Limited	Tanzania	Property Investment	99.99%	99.99%
Palazzo Venezia Holdings Limited	Dubai	Property Investment	100%	100%

Company

Set out below are the details of the subsidiaries held directly by the company:

Name of company	Held by	% voting power 2020	% voting power 2019	% holding 2020	% holding 2019	Carrying amount 2020	Carrying amount 2019
Island View (Proprietary) Limited incorporated in Botswana with 323 316 426 shares of no par value. (During the current year company issued additional 323 314 426 shares at value of P 323 314 426.)		100.00 %	100.00 %	100.00 %	100.00 %	521 713 939	198 399 513
Mlimani Holdings Limited - (a company incorporated in Tanzania) The company subscribed on 22 February 2012, 1 ordinary share of 1000 Tanzanian Shilling balance shares held by Island View (Proprietary) Limited		100.00 %	100.00 %	0.01 %	0.01 %	5	5
Turnstar Investment Limited (a company incorporated in Dubai with 30 000 shares of 1000 Utd.Arb Emir.Dirham		100.00 %	100.00 %	100.00 %	100.00 %	84 899 067	84 899 067
						606 613 011	283 298 585

8. Loans to group companies

Subsidiaries

	Group 2020	Group 2019	Company 2020	Company 2019
Mlimani Holdings Limited	-	-	233 084 802	231 380 550

The company has signed a loan agreement with Mlimani to finance construction of phase II. The loan is unsecured, repayable by the subsidiary 12 months subsequent to the year end, in 60 equal monthly installments. Interest is payable each month at 5.5% per annum (and the benchmark is 3 months USD LIBOR) will be charged on loan outstanding balance. During the current year, the directors have confirmed waiver of the capital repayment by Mlimani Holdings limited for next 12 months and they do not expect any impairment on this loan receivable.

	Group		Company	
Figures in Pula	2020	2019	2020	2019

9. Other financial assets

Other financial assets are presented at amortised cost, which is net of loss allowance, as follows:

Investment in debentures - Mlimani Holdings Limited These debentures are unsecured, repayable within 10 years from the date of acquisition and carries interest at a rate equal to 6 months LIBOR plus a margin of not less than 5.5%. The principal value of debentures outstanding at (2019 USD 30 705 054). The holding company's rights and interests in the debentures is assigned against its borrowings as disclosed in Note 17. in the current year debentures were capitalised in exchange of shares as disclosed in note 6.	-	-	-	316 873 618

Split between non-current and current portions

Non-current assets	-	-	-	122 659 760
Current assets	-	-	-	194 213 858
	-	**-**	**-**	**316 873 618**

Exposure to currency risk

Refer to note 38 Financial instruments and financial risk management for details of currency risk management for other financial assets.

Exposure to interest rate risk

Refer to note 38 for details of interest rate risk management for investments in other financial assets.

10. Deferred tax

Deferred tax liability

Accelerated capital allowances for tax purposes	(28 320 378)	(26 597 610)	(28 320 378)	(26 597 610)
On fair value surplus on investment properties	(172 054 516)	(170 863 553)	(73 502 261)	(72 689 999)
On operating lease receivables	(6 330 286)	(6 143 640)	(6 330 286)	(6 143 640)
On unrealised foreign exchange gain/loss	-	(9 082 611)	-	(9 082 611)
Total deferred tax liability	**(206 705 180)**	**(212 687 414)**	**(108 152 925)**	**(114 513 860)**

Deferred tax asset

On provision for bad and doubtful debts	706 299	706 299	706 299	706 299
On unrealised foreign exchange gain/loss	20 438 571	-	20 438 571	-
Deferred tax balance from temporary differences other than unused tax losses	21 144 870	706 299	21 144 870	706 299
Tax losses available for set off against future taxable income	1 277 502	9 857 234	1 277 502	9 857 234
	22 422 372	10 563 533	22 422 372	10 563 533
Total deferred tax asset	**22 422 372**	**10 563 533**	**22 422 372**	**10 563 533**

Deferred tax liability	(206 705 180)	(212 687 414)	(108 152 925)	(114 513 860)
Deferred tax asset	22 422 372	10 563 533	22 422 372	10 563 533
Total net deferred tax liability	**(184 282 808)**	**(202 123 881)**	**(85 730 553)**	**(103 950 327)**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019
10. Deferred tax (continued)				
Reconciliation of deferred tax asset / (liability)				
At beginning of year	(202 123 881)	(193 592 509)	(103 950 327)	(97 194 464)
Accelerated capital allowances for tax purposes	(1 722 768)	(2 979 323)	(1 722 768)	(2 979 323)
Tax losses availables for set off against future taxable income	(8 579 732)	3 541 065	(8 579 732)	3 541 065
On fair value surplus on investment properties	3 820 217	3 639 035	(812 262)	(2 735 269)
On provision for bad and doubtful debts	-	(347 852)	-	347 852
On operating lease receivables	(186 646)	(1 149 499)	(186 646)	(1 149 499)
On unrealised foreign exchange gain/loss	29 521 182	(3 780 689)	29 521 182	(3 780 689)
Exchange fluctuations on year end translation of deferred tax (on subsidiary)	(5 011 180)	(7 454 109)	-	-
	(184 282 808)	**(202 123 881)**	**(85 730 553)**	**(103 950 327)**

Carry forward tax losses

No provision for current taxation has been made, as the company has assessed carry forward tax losses. The estimated tax loss available for set off against future taxable income as at 31st January 2020 was P 5 806 828 (2019: P 44 805 609).

Deferred tax on investment property held by Mlimani Holdings Limited is calculated based on the fair value of investment property at the year end, less the cost of investment property and the profits earned up to the year end as required by the Income Tax Act of Tanzania.

11. Operating lease asset

	Group 2020	Group 2019	Company 2020	Company 2019
Non-current assets	28 068 616	30 084 015	25 504 190	27 402 687
Current assets	3 269 840	522 950	3 269 840	522 950
	31 338 456	**30 606 965**	**28 774 030**	**27 925 637**

Operating lease assets relate to the impact on straight lining of leases as required by IAS 17. This relates to the difference between the contractual rentals over the period of lease against the actual rentals charged during the year. The group leases investment properties, with average lease years between 1 to 5 years with exception of a few leases, which are between 10 to 25 years. Average annual escalation on these leases is 5%-10%.

12. Trade and other receivables

	Group 2020	Group 2019	Company 2020	Company 2019
Financial instruments:				
Trade receivables	31 340 258	25 737 080	6 448 576	7 214 229
Accrued income	3 620 807	3 897 888	3 620 807	3 897 888
Loss allowance	(12 436 940)	(12 180 999)	(3 409 626)	(3 210 447)
Trade receivables at amortised cost	22 524 125	17 453 969	6 659 757	7 901 670
Deposits	1 559 652	1 752 389	-	-
Other receivables	1 982 948	1 757 812	1 545 345	1 581 679
Dividend receivable	-	-	5 440 699	-
Non-financial instruments:				
Advance payment	11 292 754	-	9 993 856	-
Prepayments	759 769	710 643	472 470	462 850
Total trade and other receivables	**38 119 248**	**21 674 813**	**24 112 127**	**9 946 199**

	Group		Company	
Figures in Pula	2020	2019	2020	2019

12. Trade and other receivables (continued)

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	Group 2020	Group 2019	Company 2020	Company 2019
At amortised cost	26 066 725	20 964 170	13 645 801	9 483 349
Non-financial instruments	12 052 523	710 643	10 466 326	462 850
	38 119 248	**21 674 813**	**24 112 127**	**9 946 199**

Trade and other receivables pledged as security

Included under trade and other receivables are dues from tenants relating to Mlimani Holdings Limited and Game City Shopping Centre which have been pledged as security for borrowings from Barclays Bank Botswana Limited, refer to note 16.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Trade receivables comprise of tenants from retail, commercial and residential properties. The tenants are spread across different properties with no specific significant concentration of credit risk to a group of tenants.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

12. Trade and other receivables (continued)

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2020	2020	2019	2019
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due:	13 117 419	465 593	6 412 871	1 063 366
31 - 60 days past due	3 612 782	235 000	5 658 639	520 594
61 - 90 days past due	1 529 657	198 609	2 869 375	520 594
91 - 120 days past due	918 840	224 702	1 061 651	341 901
More than 120 days past due	12 161 560	11 313 036	9 734 544	9 734 544
Total	**31 340 258**	**12 436 940**	**25 737 080**	**12 180 999**

Company	2020	2020	2019	2019
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due:	2 076 941	47 333	2 433 369	103 843
31 - 60 days past due:	750 924	50 877	1 146 870	100 691
61 - 90 days past due	240 750	36 955	483 946	92 628
91 - 120 days past due	139 261	33 761	371 216	134 457
More than 120 days past due	3 240 700	3 240 700	2 778 828	2 778 828
Total	**6 448 576**	**3 409 626**	**7 214 229**	**3 210 447**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance in accordance with IFRS 9	**(12 180 999)**	**(6 428 504)**	**(3 210 447)**	**(1 629 303)**
Provision raised on new trade receivables	(255 941)	(5 752 495)	(199 179)	(1 581 144)
Closing balance	**(12 436 940)**	**(12 180 999)**	**(3 409 626)**	**(3 210 447)**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	24 941	15 305	3 403	3 403
Bank balances	12 330 130	25 915 990	5 564 121	16 342 768
Short-term deposits	737 889	6 184 444	737 889	6 184 444
Bank overdraft	(17 378 684)	-	(17 378 684)	-
	(4 285 724)	**32 115 739**	**(11 073 271)**	**22 530 615**
Current assets	13 092 960	32 115 739	6 305 413	22 530 615
Current liabilities	(17 378 684)	-	(17 378 684)	-
	(4 285 724)	**32 115 739**	**(11 073 271)**	**22 530 615**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recognised at fair value and subsequently measured at amortised cost.

Overdraft

The group has available overdraft facility of P 25 million at interest rate equal to bank's prime lending rate (currently at 6.25% per annum minus 0.25%)

The above facility is secured by:

1) First covering mortgage bond of P250 million (Two Hundred and Fifty Million Pula) (plus 20% contingency costs) Lease Area 975-KO on Portion 3 of Farm Forest Hill No. 9-KO (Game City Mall) over the notarial executed land lease agreement with respect to Notarial Deed of Lease No. MA 225/03 dated 10th October 2003.

2) Second covering mortgage bond of P40million (Forty Million Pula) (plus 20% contingency costs) over the notarially registered Lease Area 975-KO on Portion 3 of Farm Forest Hill No. 9-KO (Game City Mall) over the notarial executed land lease agreement with respect to Notarial Deed of Lease No. MA 225/03 dated I Oth October 2003.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates: The banks in Botswana, Dubai and Tanzania are not rated, but are subsidiaries of rated banks in South Africa and the United Kingdom.

	Group		Company	
Figures in Pula	2020	2019	2020	2019

14. Non-current assets held for sale

In the prior year the group has decided to sell one of the investment properties being Lot 14444, Hyundai Gaborone which was sold in the current year.

Profit and loss

Figures in Pula	Group 2020	Group 2019	Company 2020	Company 2019
Revenue	-	511 988	-	511 988
Expenses	-	500 000	-	500 000
	-	**1 011 988**	**-**	**1 011 988**

Assets and liabilities

Figures in Pula	Group 2020	Group 2019	Company 2020	Company 2019
Non-current assets held for sale				
Investment property	-	12 000 000	-	12 000 000
Liabilities of disposal groups				
Other liabilities	-	943 302	-	943 302
Cash flow of non current assets held for sale				
Cash flow of held for sale non current asset	-	511 988	-	511 988

15. Stated capital and linked unit debentures

Figures in Pula	Group 2020	Group 2019	Company 2020	Company 2019
Reconciliation of number of shares issued:				
At the beggining of the period	572 153 603	572 153 603	572 153 603	572 153 603
Issued				
Stated Capital - 572 153 603 (2019: 572 153 603) Ordinary shares of no par value	349 185 538	349 185 538	349 185 538	349 185 538
Share issue costs written off against stated capital	(2 764 983)	(2 764 983)	(2 764 983)	(2 764 983)
Linked unit debentures - 572 153 603 (2019: 572 153 603) Linked unit debentures of 50 thebe each	286 076 802	286 076 802	286 076 802	286 076 802
	632 497 357	**632 497 357**	**632 497 357**	**632 497 357**

The debentures carry interest at a rate which is linked to the dividend declared on the ordinary shares, and it becomes payable upon declaration of dividends on shares.

Linked unit debentures are redeemable subject to approval of shareholders by a special resolution and with written consent of the creditors of the company.

	Group		Company	
Figures in Pula	2020	2019	2020	2019
16. Borrowings				
Held at amortised cost				
Secured				
First National Bank of Botswana Limited The loan is approved for P 300 million, P 100 million towards refinancing the property, Game City Mall, and P 200 million for the redevelopment of Game City Mall, known as Phase 4 redevelopment.In the current year there was an amendment and restatement agreement and the restated facility agreement in respect of the secured term loan facility with First National Bank of Botswana Limited increasing the loan amount to P 290 million. The loan is repayable in 120 months; 1 to 60 months interest only, 61 to 120 months interest plus principal and a final bullet payment of P 185 million. The Interest rate is set at prime less 1.8% per annum. The lender will review the bullet payment at the time in order to refinance the facility through an amortising debt facility for a further term .	287 286 683	291 899 736	287 286 683	291 899 736
ABSA Bank Botswana Limited Term loan with sactioned amount of USD 35 million was restructured during the year ended 31 January 2019 and new loan agreement was entered for USD 31.5 million with interest set at 3 months USD LIBOR plus 3.75% calculated on a 365 day basis. The loan is repayable in 24 equal monthly capital installments of USD 125 000 with first payment schedule 31 October 2018 . Thereafter, 24 equal monthly capital payments of USD 155 000, once off capital payment of USD 2 million on 30 September 2021. Thereafter, 24 equal monthly capital payments of USD 175 000, and the final bullet payment of USD 18.7 million on 30 September 2024.	309 198 643	322 014 563	309 198 643	322 014 563
	596 485 326	**613 914 299**	**596 485 326**	**613 914 299**

First National Bank Botswana Limited

Financial covenants that shall be maintained in accordance with the agreement with First National Bank Botswana Limited Loan facility for P 300 million

- Minimum interest cover ratio of 2 times for company
- A minimum debt Service ratio of 6 times for company
- A minimum loan to value ratio of 50% will apply to the secured property
- A maximum group borrowing gearing ratio of 55%
- Minimum group borrowings interest cover ratio of 3 times
- A minimum group borrower net asset value of P 600 million.

Security held by First National Bank Botswana Limited

- A first covering mortgage bond in favour of RMB over secured property (Game City) for a total of P 250 million plus an additional 20% towards the costs and contingencies
- Second covering mortgage bond in favour of RMB for P40m over the notarially registered land leases for a total of P250m plus an additional 20% provided thereon as a provision for costs and contingencies
- Noting of the interest of First National Bank Limited as mortgage on the building insurance policy.
- Subordination of any shareholder loans and claims in the borrower.
- Subordination of debentures of Turnstar Holdings Limited.

16. Borrowings (continued)

- Cession of all leases, insurance policies and proceeds in respect of the secured property. The secured property is to be insured for its full replacement value (agreed by the Bank) and loss of rental insurance. The bank's interest to be noted in the insurance policy.
- A guarantee from Turnstar Holdings Limited and a guarantee from other subsidiaries of Turnstar Holdings Limited, for the obligations of the borrower, and
- Cession of bank accounts to be opened with First National Bank Botswana Limited

ABSA Bank Botswana Limited (Formely was Barclays Bank of Botswana Limited)

Loan from ABSA Bank Botswana Limited

Financial Covenants:

The financial covenants that shall be maintained in accordance with the agreement are

- EBITDA of the borrower for each measurement period must exceed 1.2 times aggregate of capital repayments and net of financing costs for such measurement period on a rolling basis (Corporate Debt Service Cover Ratio)
- EBITDA of the borrower for each measurement period must exceed net financing costs for such measurement period on a rolling basis (Corporate Interest Cover Ratio) as follows;
  Years 1 to 2 (31 January 2019 to 31January 2020): 2.5X
  Years 3 to 4 (31 January 2021 to 31January 2022): 2.7X
  Years 5 to 6 (31 January 2023 to 31 January 2024): 3.0X
- Net Interest bearing borrowings of the borrower at the end of each measurement period shall not at any time exceed 50% of the aggregate value of Investment Properties(Corporate Loan to Loan Value).
- EBITDA of the guarantor for each measurement period must exceed 2.5 times net financing costs of the facility for such measurement period on a rolling basis (transactional interest cover ratio) as follows;
  Years 1 (31 January 2019) : 2.7X
  Years 2 to 6 (31January 2020 to 31 January 2024) :3.00X
- Net Asset Value of the borrower must exceed BWP 500 000 000 (Five Hundred Million Pula) for each measurement period (Corporate Minimum Net Asset Value).
- At any time, vacancies at Plot No. 2, Block L, Ubungu Area, Kinondoni Municipality, Dar Es Salaam Tanzania, otherwise known as Mlimani City will not exceed the following:
  Retail Mall: 5% of the gross lettable area
  Office Blocks: 69% of the gross lettable area
  Residential Units: 17 Units
  Conference Centre: Minimum Gross Annual Income of USD 500,000 (Five Hundred Thousand United States Dollars) (transactional vacancy cover ratio).
- Net interest bearing borrowings of the Borrower at the end of the measurement period shall not at any time exceed 50% of the aggregate value of Investment Properties.
- Net interest bearing borrowings of the Borrower in respect of the Facility at the end of each measurement period shall not exceed the aggregate values of the mortgaged properties by the following margins for such measurement periods.
  - 31st January 2019: 140%
  - 31st January 2020: 130%
  - 31st January 2021: 125%
  - 31st January 2022: 110%
  - 31st January 2023: 100%
  - 31st January 2024: 90%
  - 30th September 2024: 80%

Special Conditions

Payment to the Bank of Rental income
The Borrower shall continue to maintain accounts with the Bank for the sole and dedicated purpose of receiving all rental income which may accrue to it in respect of Plot No. 2, Block L, Ubungu Area Kinondoni Municipality, Dar Es Salaam, Tanzania, otherwise known as Mlimani City.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

16. Borrowings (continued)

Additional Capital Repayment
The outstanding capital balance is to reduce by an additional once off capital reduction of USD2,000,000 (Two Million United States Dollars) on 30 September 2021 failing which the Bank reserves the right to sell the property known as Turnstar House, situated on Lot numbers 1131 to 1137 Gaborone and to apply a maximum amount of USD2,000,000 (Two Million United States Dollars) from the sales proceeds to the outstanding capital balance.

Security held

Part A - Existing Security
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 1 514 285 (One Million Five Hundred and Fourteen Thousand and Two Hundred and Eighty Five United States Dollars) over portion 63, a portion of portion 35 (a portion of portion 3) of the Farm Forest Hill No 9-KO.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 2 171 428 (Two Million One Hundred and Seventy One Thousand Four Hundred and Twenty Eight United States Dollars) over Lot 13093 and 16398 Gaborone.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 971 428 (Nine Hundred and Seventy One Four Hundred and Twenty Eight United States Dollars) over Lot 1203 Mogoditshane.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 2 351 428 (Two Million. Three Hundred and Fifty One Thousand Four Hundred and Twenty Eight United States Dollars) over Lot 6670 Mogoditshane.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 9 628 571 (Nine Million Six Hundred and Twenty Eight Thousand Five Hundred and Seventy One United States Dollars) over Lot 904 Francistown.
- Deed of Cession over Rentals in the AN Unlimited amount of Rentals of Plot 2 Block L Ubungu Area, Kinondini Municipality Dar Es Salaam Tanzania
- Corporate Guarantees from Mlimani Holdings Limited and Island View (Pty) Ltd for an Unlimited Amount in favour of the bank.
- Pledge of shares held in Mlimani Holdings Limited and Island View (Pty) Ltd in the name of the Borrower in an Unlimited Amount.
- Assignment of the Borrower's rights and interests under the debenture agreement dated 26 Aug 2011 (As amended, varied and restated from time to time) between the borrower and the Mlimani Holdings Limited.
- 2nd covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 3 460 937 (Three Million Four Hundred and Sixty Thousand Nine Hundred and Thirty Seven United States Dollars) over Plot Number 904 Francistown.
- 2nd covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 824 702 (Eight Hundred and Twenty Four Thousand Seven Hundred and Two United States Dollars) over Plot Number 6670 Mogoditshane.

Part B - New Security
- First covering mortgage bond in the amount of USD 3 500 000 (Three million five hundred thousand United States Dollars) over Lot number 1131 to 1137 Gaborone

Exposure to currency risk

Pula amount				
Borrowings USD 28 500 000 (USD 31 125 000)	309 198 643	322 014 563	309 198 643	322 014 563

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

		Group		Company	
Figures in Pula		2020	2019	2020	2019

17. Trade and other payables

Financial instruments:				
Trade payables	5 115 910	4 792 623	3 249 876	3 453 194
Withholding tax payable	547 183	849 186	529 948	817 856
Retention payable	8 567 297	11 813 228	510 636	4 166 232
Accrued leave pay	834 474	944 674	834 474	944 674
Other accrued expenses	5 337 443	6 352 178	4 508 575	4 328 905
Deposits received	13 311 238	14 523 158	4 274 834	4 211 018
Other payables	3 892 947	1 903 943	4 263 855	1 752 634
Non-financial instruments:				
Amounts received in advance	10 710 515	11 145 303	2 325 462	3 150 012
Value added tax	1 143 274	1 189 378	850 567	853 042
	49 460 281	**53 513 671**	**21 348 227**	**23 677 567**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

18. Revenue

Revenue from leases with customers				
Rental income	219 417 470	203 860 299	121 983 387	113 820 091
Turnover rent	1 163 386	1 455 515	1 163 386	1 455 515
Straight line adjustments	581 423	5 105 181	848 393	5 224 994
Recoveries	48 146 479	48 141 143	27 335 063	27 535 624
	269 308 758	**258 562 138**	**151 330 229**	**148 036 224**

Rental income ceded as security for loan availed from Absa Bank of Botswana Limited and First National Bank of Botswana Limited as stated in note 16.

The security is a deed of cession over rentals for an unlimited amount of all rentals which may accrue from any and all tenants of plot No. 2, Block I, Ubungo Area, Kinondoni Municipality, Dar es Salaam, Tanzania otherwise know as Mlimani City.

19. Other operating income

Other rental income	567 385	283 800	-	-
Other recoveries	2 605 089	1 806 097	2 605 089	1 848 978
Professional fees income	650	35 020	650	35 020
Dividend income	-	-	8 019 161	4 307 369
Advertising & Promotions	1 132 186	1 150 154	-	-
	4 305 310	**3 275 071**	**10 624 900**	**6 191 367**

20. Other operating gains (losses)

Gains on disposals					
Property, plant and equipment	5	128 423	7 148	128 423	6 333
Foreign exchange gains (losses)					
Net foreign exchange gains		10 317 387	16 713 052	10 317 387	16 713 052
Total other operating gains (losses)		**10 445 810**	**16 720 200**	**10 445 810**	**16 719 385**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

		Group		Company	
Figures in Pula		2020	2019	2020	2019

21. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external					
Audit fees		697 652	599 685	480 000	407 600
Leases					
Contingent rentals on operating leases					
Contingent amounts		23 258 939	20 952 510	14 571 206	12 733 761
Impairment losses					
Goodwill		14 803 307	11 534 289	-	-
Other					
Bad debts		774 746	7 896 483	551 089	1 689 507
Consulting expenses		2 566 011	1 421 595	1 188 271	783 443
Cleaning		6 088 509	6 063 512	2 397 841	2 205 113
Depreciation on property, plant and equipment		1 301 328	1 458 417	930 420	1 055 328
Employee costs		8 746 583	8 638 121	5 936 418	5 891 084
Insurance		1 069 169	1 754 673	911 068	819 889
Repairs and maintenance		11 047 455	7 589 862	3 597 045	2 789 404
Security expenses		5 667 994	5 553 974	2 545 347	2 393 056
Utilities		36 838 914	35 035 331	25 104 132	24 321 007

22. Finance income

Interest income					
Investments in financial assets:					
Bank and other cash		2 576	397	2 576	397
Debentures		1 612	-	43 857 650	43 856 037
Interest on money market placements		434 905	540 055	434 905	540 055
Total interest income		**439 093**	**540 452**	**44 295 131**	**44 396 489**

23. Fair value adjustment

Fair value gains (losses)					
Investment property	4	12 450 533	36 011 579	12 450 533	36 011 579
Impairment		(37 731 443)	(29 142 282)	-	-
		(25 280 910)	**6 869 297**	**12 450 533**	**36 011 579**

Impairment to investment property represents the reduction in fair value of certain properties as valued by an independent valuer, based on current market conditions.

24. Finance costs

Interest paid to Barclays Bank of Botswana Limited		19 912 122	20 315 037	19 912 122	20 315 037
Interest paid to First National Bank Botswana		13 426 788	13 808 970	13 426 788	13 808 970
Total finance costs		**33 338 910**	**34 124 007**	**33 338 910**	**34 124 007**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

25. Taxation

Major components of the tax (income) expense

Current				
Foreign withholding tax - current period	444 428	-	-	-
Withholding tax - current period	386 769	646 105	386 769	646 105
	831 197	**646 105**	**386 769**	**646 105**
Deferred				
Originating and reversing temporary differences	(22 944 431)	1 922 136	(18 219 774)	7 699 163
	(22 113 234)	**2 568 241**	**(17 833 005)**	**8 345 268**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	22.00 %	22.00 %	22.00 %	22.00 %
Items exempt for income tax	(37.68)%	(21.94)%	(37.68)%	(24.18)%
Capital gains tax	0.67 %	1.47 %	0.67 %	(0.02)%
Tax on foreign dividends	0.32 %	0.52 %	0.32 %	- %
	(14.69)%	**2.05 %**	**(14.69)%**	**(2.20)%**

No provision for tax had been made as the group has no taxable income due to tax losses available for set off in Botswana as well as tax incentives that is available in Tanzania for Mlimani Holdings Limited, as stated below. The estimated tax losses available for the company in Botswana available for set off against future taxable income is P 5 806 828 (2019: P44 805 609).

Mlimani holdings Limited has been granted strategic investors' status by the Government of Tanzania under which, Mlimani Holdings Limited will start paying corporation tax after recovery of its investment. The tax incentives granted by the Government of Tanzania to the subsidiary has remained in force through the reporting period.

Turnstar Investments Limited based in Jebel Ali Free Zone, Dubai- United Arab Emirates was incorporated as an Offshore Company and is registered with Jebel Ali Free Zone Authority (JAFZA), Government of Dubai, Dubai - United Arab Emirates. The company is not subject to any corporate income taxes during its reporting period.

26. Other comprehensive income

Components of other comprehensive income - Group - 2020

	Gross	**Tax**	**Net**
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	31 207 559	-	31 207 559

26. Other comprehensive income (continued)

Components of other comprehensive income - Group - 2019

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	36 064 823	-	36 064 823

	Group		Company	
Figures in Pula	2020	2019	2020	2019

27. Operating lease arrangements

Operating leases as lessor

Property rental income earned during the year is set out in note 18. At the balance sheet date, the group had contracted with its tenants for the following future minimum contractual lease payments:-

Rental income				
Not more than one year	184 575 547	192 151 264	118 493 706	114 015 649
Later than one year and not later than five years	392 376 639	448 307 342	243 077 915	299 395 055
Later than five years	13 552 993	32 961 205	13 552 993	24 954 342
	590 505 179	**673 419 811**	**375 124 614**	**438 365 046**

Operating leases relate to various investment properties owned by the Group, average lease years between 1 to 5 years with the exception of a few leases, which are between 10 to 25 years. Average annual escalation on these leases are between 3 - 8%. Some of these leases have an option to renew for further years, at market related rates, at the time of such renewal. The lessees do not have an option to purchase the property at the expiry of the lease year.

Two of the leases have contingent rent option and accordingly an amount of P 1 163 586 (2019: P 1 455 515) is recognised in the income statement as contingent rent income.

Operating leases as lessee

Turnstar Holdings Limited

One of the leases for a land is held under a 75 year lease commencing from 1 April 2001 expiring on 31 March 2076. Upon expiry of the lease period the property will revert to the Lessor with the development thereon. Consideration for this lease is payable at the rate of 10% of the gross rentals received from the property built on this land, net of operating expenses for the first 10 years. Thereafter, the rental increases by 2.5% of the gross rental (net of recoveries) every five years up to 40th year of lease. The lease rentals are held at 20% for 40th year to 50th year and thereafter at 25% from 51st year to the 75th year. These rental payments are recognised as contingent rent expenses.

With effect from 1 February 2013, the company's management has renegotiated the lease with the lessor (Roman Catholic Church). As per the addendum, rent will be calculated at an agreed percentage as mentioned above on gross rental income billed. This change in the rental calculation is prospective. During the year the company accounted for rental expenses of P 14 571 206 (2019: P 12 733 761).

Future leasing charges for the land are based at 15% of the gross rentals received, net of recoveries, which cannot be estimated reliably beyond one year. Estimated charges for the immediate following year would be P 14 241 882 (2019: P 17 102 347.

Mlimani Holdings Limited

The lease of land is held under a 50 years ground lease from the University of Dar es Salaam commencing from 01 October 2004 expiring on 30 September 2054, subject to a further 35 years renewal. Consideration for the lease is payable at the rate of 10% of the gross rentals received from the property built on this land net of operating costs. These rental payments are recognised as contingent rent expenses during the year amounting to P 8 687 733 (2019: P 8 078 682).

Future leasing charges for the land are based at 10% of the gross rentals received, net of recoveries, which cannot be estimated reliably beyond one year. Estimated charges for the immediate following year would be P 6 608 184 (2019: P 7 072 120).

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019
28. Cash generated from operations				
Profit before taxation	94 129 538	123 912 056	126 833 353	150 465 493
Adjustments for:				
Depreciation and amortisation	1 301 328	1 458 417	930 420	1 055 328
Gains on disposals of assets and liabilities	(128 423)	(7 148)	(128 423)	(6 333)
Gains on foreign exchange	(10 317 387)	(16 713 052)	(10 317 387)	(16 713 052)
Finance income	(439 093)	(540 452)	(44 295 131)	(44 396 489)
Finance costs	33 338 910	34 124 007	33 338 910	34 124 007
Fair value losses (gains)	25 280 910	(6 869 297)	(12 450 533)	(36 011 579)
Net impairments and movements in credit loss allowances	14 803 307	11 534 289	-	-
Movements in operating lease assets and accruals	(731 491)	(5 308 277)	(848 393)	(5 224 995)
Dividend income	-	-	(8 019 161)	(4 307 369)
Changes in working capital:				
Trade and other receivables	(11 344 867)	2 574 008	(14 613 948)	1 083 335
Trade and other payables	(8 462 544)	3 008 942	(9 265 431)	2 161 564
Unclaimed debeture interest and dividend payable	163 959	145 089	163 959	145 089
	137 594 147	**147 318 582**	**61 328 235**	**82 374 999**
29. Tax refunded (paid)				
Balance at beginning of the year	382 017	1 888 584	382 017	381 174
Current tax for the year recognised in profit or loss	(831 197)	(646 105)	(386 769)	(646 105)
Balance at end of the year	1 191 260	(382 017)	1 191 260	(382 017)
	742 080	**860 462**	**1 186 508**	**(646 948)**
30. Dividends and debenture interest paid				
Final distribution of prior year	(54 354 592)	(51 493 824)	(54 354 592)	(51 493 824)
Interim distribution paid	(51 493 824)	(51 493 824)	(51 493 824)	(51 493 824)
	(105 848 416)	**(102 987 648)**	**(105 848 416)**	**(102 987 648)**
31. Basic and diluted earnings per linked unit				
Basic and diluted earnings per linked unit is calculated by dividing the earnings attributable to the Linked unit holders by the weighted average number of Linked unit holders in issue during the year.				
Basic and diluted earnings attributable to linked unit holders				
- from continued operations	116 242 772	121 343 815	144 666 358	142 120 225
- from discontinued operations	-	1 011 988	-	1 011 988
	116 242 772	**122 355 803**	**144 666 358**	**143 132 213**
Basic earnings per linked unit (in Pula)	0.20	0.21	0.25	0.25
Diluted earnings per linked unit (in Pula)	0.20	0.21	0.25	0.25
Weighted average number of linked units (as at year end)	572 153 603	572 153 603	572 153 603	572 153 603
Weighted average number of linked units (including issues after year end)	572 153 603	572 153 603	572 153 603	572 153 603

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

32. Directors linked unit holdings

G.H Abdoola - Beneficial	80 000 000	80 000 000	80 000 000	80 000 000
M K Nteta	3 500	3 500	3 500	3 500
S N Puvimanasinghe	10 000	10 000	10 000	10 000
I. Nshakazhogwe - Beneficial (resigned)	-	2 179 340	-	2 179 340
	80 013 500	**82 192 840**	**80 013 500**	**82 192 840**

The Directors had the beneficial interest in Turnstar Holdings Limited as at year end.

33. Linked unitholders information

FNB Nominees (Proprietary) Limited RE: AGRAY BPOPF 10001010	105 909 729	105 909 729	105 909 729	105 909 729
G H Group (Proprietary) Limited	80 000 000	80 000 000	80 000 000	80 000 000
Associated Investment and Development Corporation (Proprietary) Limited	58 583 407	58 583 407	58 583 407	58 583 407
FNB Nominees Re: AA-BPOPFEquity	55 520 450	56 120 450	55 520 450	56 120 450
FNB Nominees (Pty) Ltd RE: BIFM BPOPF EQUITY	49 707 352	49 707 352	49 707 352	49 707 352
ALLAN GRAY RE: Debswana Pension Fund	34 494 230	40 149 902	34 494 230	40 149 902
Stanbic Nominees Botswana Insurance Fund Management (Proprietary) Limited RE: BIFM	28 924 029	28 924 029	28 924 029	28 924 029
FNB NOMINEES KGORI CAPITAL- BPOPF EQUITY	27 865 546	24 678 246	27 865 546	24 678 246
STANBIC NOMINEES BOTSWANA RE BIFM PLEF	13 348 695	-	13 348 695	-
STANBIC NOMINEES BOTSWANA RE BIFM MLF	12 551 027	-	12 551 027	-
MOTOR VEHICLE ACCIDENT FUND	-	15 610 968	-	15 610 968
MOTOR VEHICLE ACCIDENT FUND	-	11 838 895	-	11 838 895
	466 904 465	**471 522 978**	**466 904 465**	**471 522 978**

Public	75 %	75 %	75 %	75 %
Non-public	25 %	25 %	25 %	25 %
	100 %	**100 %**	**100 %**	**100 %**

	Group		Company	
Figures in Pula	2020	2019	2020	2019

34. Contingencies

Litigation is in the process against the group by applicant relating to two claims in respect of works carried out in Game City in Botswana and Mlimani City in Tanzania for P 1 348 976 and P 5 164 324 respectively, with interest at prime lending rate plus 2% per annum calculated from the due date to the final repayment date. However the group has instituted counterclaim for P 17 895 063 with interest calculated at prime lending rate from date of service to final date of payment in respect of Game City and P 3 818 750 with interest calculated at prime lending rate from date of service to final date of payment in respect of Mlimani City. The case is still ongoing.

The Group issued a guarantee in favour of Botswana Power Corporation for P 584 000 (2019: P 584 145).

The Group's subsidiary Mlimani Holdings Limited was issued with a demand notice dated 4 January 2016 from USDM for payment of rent to the tune of USD 309 458 (P 3 164 058) (2018: USD 309 458 (P 3 033 901)) being the difference between the amount actually paid to UDSM against the amount claimed by USDM for the period from 01 May 2006 to 30 June 2014. The said difference arises from bad debts and recoveries from conference rental, both of which were not included in calculating rent payable to UDSM. The matter is currently under negotiating and the directors believe that the amount will either significantly reduce or be completely waived.

Mlimani Holdings Limited was issued with a demand notice dated 04 January 2016 from UDSM for payment of rent to the tune of USD 309 458 being the difference between the amount actually paid to UDSM vs the amount claimed by UDSM for the period 01 May 2006 -30 June 2014. The said difference arises from bad debts and recoveries from conference rental, both of which were not included in calculating rent payable to UDSM. The matter is currently under negotiation and the directors believe that the amount will either significantly reduce or be completely waived.

Following submission of notice of objections against the WHT, VAT and employment taxes (P.AY.E & SDL) for the tax periods 2013-2016 in the year 2017, the company received determination letters from TRA during the year 2018. The WHT and VAT assessment were further appealed in the Tax Revenue Appeals Board. Appeal on VAT assessment was withdrawn during 2019 following ammendments to the assessment in line with company's grounds of appeal and has since been cleared. A possible liability amount of TZS 2 706 925 505 might arise out of the appealed WHT assessments which is equivalent to USD 1 176 924 at the year end rate. Currently, receipt of appeals has been acknowledged by Tax Revenue Appeals Board with pending response on the matter. Accordingly no provision has been made in the financal statements.

Apart from the above, the directors are of the opinion that there are no other contingent liabilities as at the year end.

35. Commitments

Investment properties

Bare land for a development of a hotel.

Investment property includes 17800m2 of unutilised bare land on the Mlimani City premises. This unutilised land is valued at US $ 4.2 million as at 31 January 2020. Of this unutilised bulk, 4500 m2 pertains to bare land earmarked for the construction of a hotel. This portion of the unutilised land is valued at US $ 1 062 000.

In terms of the contract signed with the Tanzania Investment Center, and the University of Dar es Salaam, the construction of the hotel should commence prior 31 December 2019. In terms of the Ground Lease Agreement with the University of Dar es Salaam, the land can be returned to the University, if Mlimani is of the opinion that the hotel is not feasible.

This matter, together with several other issues pertaining to the Performance Contract and Ground Lease Agreement, are being discussed by Mlimani Holdings, with Tanzanian Government Negotiating Team, with the intention of possible changes and amendments. Discussions are ongoing.

Meanwhile the bare land pertaining to the Hotel project, valued at US $ 1 062 000, has been included under Investment Property, in the statement of the Financial Position.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019

36. Related parties

Relationships

Subsidiaries	Refer to note 7
Related parties (directors who have significant influence or shareholding)	A1 Filling Station (Proprietary) Limited
	Accite Era Re (Proprietary) Limited
	Accite Era Selemi (Proprietary) Limited
	Accite Holdings (Proprietary) Limited
	AC Smart (Proprietary) Limited
	Azzurro (Proprietary) Limited
	Cascadelle (Proprietary) Limited
	CBD Filling Station (Proprietary) Limited
	Collectus (Proprietary) Limited
	Collectus South Africa (Proprietary) Limited
	Damstock (Proprietary) Limited
	Exponential Investments Limited
	FFND People Solutions (Proprietary) Limited
	G H Investments (Proprietary) Limited
	GH Group (Proprietary) Limited
	House of Giam (Proprietary) Limited
	Langdon Organic (Proprietary) Limited
	Oxford Holdings (Proprietary) Limited
	Parano (Proprietary) Limited
	The Square Mart (Proprietary) Limited
	Track Holdings (Proprietary) Limited
	Yodder Solutions (Proprietary) Limited
	Zebuidenthout (Proprietary) Limited
Members of key management	P Balopi (Chairman)
	G H Abdoola (Managing Director)
	M K Nteta
	P J Bezuidenhout
	P Pillar
	S Puvimanasinghe

Related party balances

	Group 2020	Group 2019	Company 2020	Company 2019
Loan accounts - Owing (to) by related parties				
Mlimani Holdings Limited	-	-	233 084 802	231 380 550
Debenture Asset Investments				
Mlimani Holdings Limited	-	-	-	316 873 617
Investment in shares				
Mlimani Holdings Limited	-	-	5	5
Island View (Proprietary) Limited	-	-	521 713 939	198 399 513
Turnstar Investments Limited	-	-	84 899 067	84 899 067
	-	-	**606 613 011**	**283 298 585**

Related party transactions

	Group 2020	Group 2019	Company 2020	Company 2019
Directors fees				
P Balopi	193 381	241 438	153 395	156 800
I Nshakazhogwe	74 301	141 120	74 301	141 120
P Pillar	148 602	163 520	148 602	163 520
M K Nteta	148 602	152 320	148 602	152 320
P J Bezuidenhout	190 930	238 907	136 618	141 120

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

	Group		Company	
Figures in Pula	2020	2019	2020	2019
36. Related parties (continued)				
	755 816	**937 305**	**661 518**	**754 880**
Dividend income and debenture interest received from related parties				
Mlimani Holdings Limited (dividend received)	-	-	(5 440 699)	-
Turnstar Investment Limited (dividend received)	-	-	(2 578 462)	(4 307 369)
Mlimani Holdings Limited (debenture interest received)	-	-	(43 857 650)	(43 856 037)
	-	**-**	**(51 876 811)**	**(48 163 406)**
Compensation to directors and other key management				
G H Abdoola	2 806 850	2 569 400	2 806 850	2 569 400
S Puvimanasinghe	1 753 218	1 624 003	1 753 218	1 624 003
	4 560 068	**4 193 403**	**4 560 068**	**4 193 403**

As permitted by the sale agreement dated 27 June 2011 entered with the sellers of Island View (Proprietary) Limited and Mlimani Holdings Limited, being GH Group (Proprietary) Limited and Associated Investment Development Corporation (Proprietary) Limited, the Company waived some of the conditions precedent after the sellers executed a deed of guarantee on 24 December 2011 in favour of the Company binding themselves jointly and severally irrevocably and unconditionally to Turnstar Holdings Limited, to pay to Turnstar Holdings Limited any shortfall that occurs during the guarantee period ending 31 January 2023. The following are conditions precedent which were waived:

- Confirmation of the existence in terms of law and duration, to the satisfaction of the Company, of the tax incentives and exemptions granted to Mlimani Holdings Limited by the Government of Tanzania including
  i. any amendments to the performance contract necessary to give effect to the tax incentives and exemptions and
  ii. the registration of the performance contract as required by law.
- Proof of publication, to the satisfaction of the Company, of the Government Notices confirming the existence in terms of law of the tax incentives and exemptions granted to Mlimani Holdings Limited and the duration thereof; and
- the written consent of the Minister of Finance and Development Planning for Botswana to the sale of the shares in Island View (Proprietary) Limited by GH Group (Proprietary) Limited and Associated International Development Corporation to the Company.

As per the deed of guarantee in the event of default the sellers, being GH Group (Proprietary) Limited and Associated Investment Development Corporation (Proprietary) Limited, have agreed to pay the Company any shortfall which occurs in relation to amount receivable by the Company in respect of the debentures, where such shortfall is caused by the imposition through obligation to withhold tax on any interest which is payable by Mlimani Holdings Limited to Turnstar Holdings Limited for the debentures and any such withholding tax towards the distribution of the profit of Mlimani Holdings Limited otherwise available by way of dividend. Any such shortfall as aforementioned is the result of the imposition of tax on Mlimani Holdings Limited, the sellers have guaranteed such payment to the company, provided that any such payment does not exceed the sum of USD 6 million being the maximum guarantee amount.

As security for due performance by GH Group (Proprietary) Limited and Associated Investment Development Corporation (Proprietary) Limited of the obligations, as per the guarantee both sellers, GH Group (Proprietary) Limited and Associated Investment Development Corporation (Proprietary) Limited have each pledged 10 million linked units in favour of Turnstar Holdings Limited.

There are no changes to the conditions relating to P 10 million linked units pledged each by G H Group (Proprietary) Limited and Associated Investment Development Corporation (Proprietary) Limited in favour of the company. The pledge remained in force during the reporting period.

37. Directors' emoluments

Executive

2020

	Emoluments	Total
G H Abdoola (Managing Director)	2 806 850	2 806 850
S Puvimanasinghe (Finance Director)	1 753 218	1 753 218
	4 560 068	**4 560 068**

2019

	Emoluments	Total
G H Abdoola (Managing Director)	2 569 400	2 569 400
S Puvimanasinghe (Finance Director)	1 624 003	1 624 003
	4 193 403	**4 193 403**

Non-executive

2020

	Directors' fees	Directors' fees for services as directors' of subsidiaries	Total
P Balopi (Chairman)	153 395	39 986	193 381
I Nshakazhogwe (Resigned 29 July 2019)	74 301	-	74 301
P Pillar	148 602	-	148 602
P Bezuidenhout	136 618	54 312	190 930
M Nteta	148 602	-	148 602
	661 518	**94 298**	**755 816**

2019

	Directors' fees	Directors' fees for services as directors' of subsidiaries	Total
P Balopi (Chairman)	156 800	84 638	241 438
I Nshakazhogwe (Resigned 29 July 2019)	141 120	-	141 120
P Pillar	163 520	-	163 520
P Bezuidenhout	141 120	97 787	238 907
M Nteta	152 320	-	152 320
	754 880	**182 425**	**937 305**

38. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2020

	Note	Amortised cost	Total	Fair value
Trade and other receivables	12	26 066 725	26 066 725	26 066 725
Cash and cash equivalents	13	13 092 960	13 092 960	13 092 960
		39 159 685	**39 159 685**	**39 159 685**

Group - 2019

	Note	Amortised cost	Total	Fair value
Trade and other receivables	12	20 964 170	20 964 170	20 964 170
Cash and cash equivalents	13	32 115 739	32 115 739	32 115 739
		53 079 909	**53 079 909**	**53 079 909**

Company - 2020

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	8	233 084 802	233 084 802	233 084 802
Trade and other receivables	12	13 645 801	13 645 801	13 645 801
Cash and cash equivalents	13	6 305 413	6 305 413	6 305 413
		253 036 016	**253 036 016**	**253 036 016**

Company - 2019

	Note	Amortised cost	Total	Fair value
Loans to group companies	8	231 380 550	231 380 550	231 380 550
Other financial assets	9	316 873 618	316 873 618	316 873 618
Trade and other receivables	12	9 483 349	9 483 349	9 483 349
Cash and cash equivalents	13	22 530 615	22 530 615	22 530 615
		580 268 132	**580 268 132**	**580 268 132**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

38. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2020

	Note	Amortised cost	Total	Fair value
Trade and other payables	17	37 606 479	37 606 479	37 606 479
Borrowings	16	596 485 326	596 485 326	596 485 326
Bank overdraft	13	17 378 684	17 378 684	17 378 684
		651 470 489	**651 470 489**	**651 470 489**

Group - 2019

	Note	Amortised cost	Total	Fair value
Trade and other payables	17	41 178 995	41 178 995	41 178 995
Borrowings	16	613 914 299	613 914 299	613 914 299
		655 093 294	**655 093 294**	**655 093 294**

Company - 2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	17	18 172 188	18 172 188	18 172 188
Borrowings	16	596 485 326	596 485 326	596 485 326
Bank overdraft	13	17 378 684	17 378 684	17 378 684
		632 036 198	**632 036 198**	**632 036 198**

Company - 2019

	Note	Amortised cost	Total	Fair value
Trade and other payables	17	19 674 501	19 674 501	19 674 501
Borrowings	16	613 914 299	613 914 299	613 914 299
		633 588 800	**633 588 800**	**633 588 800**

		Group		Company	
Figures in Pula		2020	2019	2020	2019

38. Financial instruments and risk management (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 16, cash and cash equivalents disclosed in note 13, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, issue new shares or sell assets to reduce debt.

The group management maintains the threshold of borrowing powers in line with the limits specified by the board of directors.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The Group's strategy is to maintain a gearing ratio of between 0% to 40%.

The group has availed credit facilities from Barclays Bank Botswana Limited, these credit facilities are attached with financial covenants as referred in note 16. The Group during the year has not breached any of the covenants referred to in that note.

There have been no changes to what the group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2020 and 2019 respectively were as follows:

Borrowings	16	596 485 326	613 914 299	596 485 326	613 914 299
Bank overdraft (cash and cash equivalents)	13	4 285 724	(32 115 739)	11 073 271	(22 530 615)
Net borrowings		**600 771 050**	**581 798 560**	**607 558 597**	**591 383 684**
Equity		1 656 221 853	1 614 619 925	1 452 301 162	1 413 483 208
Gearing ratio		26 %	26 %	29 %	29 %

38. Financial instruments and risk management (continued)

Financial risk management

Overview

The Group's activities expose it to a variety of financial risks: market risk including currency risk and cash flow interest rate risk, credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a Group finance department under policies approved by the board of directors. Group finance department identifies and evaluates financial risks in close co-operation with the Group's operating management. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risk is the risk of financial loss to the Group if a tenant or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the lease of office space to tenants. The Group has addressed this risk by developing a credit policy, which guides on what steps to take when faced with such risk.

Financial assets exposed to credit risk at year end were as follows:

Group		2020			2019		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Trade and other receivables	12	38 503 665	(12 436 940)	26 066 725	33 145 169	(12 180 999)	20 964 170
Cash and cash equivalents	13	13 092 960	-	13 092 960	32 115 739	-	32 115 739
		51 596 625	**(12 436 940)**	**39 159 685**	**65 260 908**	**(12 180 999)**	**53 079 909**

Company		2020			2019		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Loans to group companies	8	233 084 802	-	233 084 802	231 380 550	-	231 380 550
Other financial assets	9	-	-	-	316 873 618	-	316 873 618
Trade and other receivables	12	17 055 427	(3 409 626)	13 645 801	12 693 796	(3 210 447)	9 483 349
Cash and cash equivalents	13	6 305 413	-	6 305 413	22 530 615	-	22 530 615
		256 445 642	**(3 409 626)**	**253 036 016**	**583 478 579**	**(3 210 447)**	**580 268 132**

Liquidity risk

Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timeously and cost effectively. The risk arises from both the difference between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk management deals with the overall profile of the statement of financial position, the funding requirements of the company and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated and necessary arrangements are put in place in order to ensure that all future cash flow commitments are met from the working capital generated by the company and also from available financial institutions' facilities.

38. Financial instruments and risk management (continued)

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group - 2020

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	16	-	562 393 610	562 393 610	562 393 610
Current liabilities					
Trade and other payables	17	37 606 479	-	37 606 479	37 606 479
Borrowings	16	34 091 716	-	34 091 716	34 091 716
Bank overdraft	13	17 378 684	-	17 378 684	17 378 684
		89 076 879	**562 393 610**	**651 470 489**	**651 470 489**

Group - 2019

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	16	-	587 288 912	587 288 912	587 288 912
Current liabilities					
Trade and other payables		41 178 995	-	41 178 995	41 178 995
Borrowings	16	26 625 387	-	26 625 387	26 625 387
		67 804 382	**587 288 912**	**655 093 294**	**655 093 294**

Company - 2020

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	16	-	562 393 610	562 393 610	562 393 610
Current liabilities					
Trade and other payables		18 172 188	-	18 172 188	18 172 188
Borrowings	16	34 091 716	-	34 091 716	34 091 716
Bank overdraft	13	17 378 684	-	17 378 684	17 378 684
		69 642 588	**562 393 610**	**632 036 198**	**632 036 198**

38. Financial instruments and risk management (continued)

Company - 2019

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	16	-	587 288 912	587 288 912	587 288 912
Current liabilities					
Trade and other payables	17	19 674 501	-	19 674 501	19 674 501
Borrowings	16	26 625 387	-	26 625 387	26 625 387
		46 299 888	**587 288 912**	**633 588 800**	**633 588 800**

Foreign currency risk

The Group operates within Africa and Dubai region with exposure to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group owns subsidiary companies which holds investment properties in Tanzania and Dubai and is accordingly exposed to foreign exchange risk in respect of financial assets and liabilities that are not in the Group's functional currency which is the Botswana Pula. To mitigate the group's exposure to foreign currency risk, the management tries to balance the exposure between the long term borrowings and the loans receivable from the subsidiaries with similar currency.

Group
At 31 January 2020, if the currency had strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been P 22 542 984 (2019: P 22 564 146) higher, mainly as a result of foreign exchange gains on translation of US dollar denominated financial assets and borrowings.

At 31 January 2020, if the currency had weakened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been P 34 885 869 (2019: P 27 198 509) lower, mainly as a result of foreign exchange gains on translation of US dollar denominated financial assets and borrowings.

Company
At 31 January 2020, if the currency had strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been P 6 653 364 (2019: P 21 783 578) higher, mainly as a result of foreign exchange gains on translation of US dollar denominated financial assets and borrowings.

At 31 January 2020, if the currency had weakened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been P 8 131 889 (2019: P 26 624 372) lower, mainly as a result of foreign exchange gains on translation of US dollar denominated financial assets and borrowings.

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

Non-current assets:					
Loans receivable USD 21 420 243 (2019:USD 22 436 063)	9	-	-	233 084 802	231 380 550
Other financial assets USD Nil (2019:USD 30 720 085)	12	-	-	-	316 873 617

		Group		Company	
Figures in Pula		2020	2019	2020	2019
Current assets:					
38. Financial instruments and risk management (continued)					
Trade and other receivables USD 2 154 507 (2019: USD 1 445 258)	12	19 990 201	14 525 204	-	-
Cash and cash equivalents USD 918 496 (2019: USD 2 088 218) (2020: USD 353 621) (2019: USD 1 218 286)	13	9 729 830	20 987 111	3 739 730	12 244 087
Non-current liabilities:					
Borrowings USD 28 500 000 (2019: USD 31 125 000)	16	309 198 643	322 014 563	309 198 643	322 014 563
Current liabilities:					
Trade and other payables USD 3 452 240 (2019: USD 3 056 366)	17	36 083 315	30 717 242	-	-
Net US Dollar exposure		**375 001 989**	**388 244 120**	**546 023 175**	**882 512 817**

Interest rate risk

The Group has significant interest-bearing assets and significant interest-bearing borrowings. The group's income and operating cash flows are substantially affected by the changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. During 2020 and 2019, the group's borrowings at variable rate were denominated in Pula and US Dollar.

At 31 January 2019, if interest rates on Pula-denominated borrowings and interest bearing assets had been 10% higher/lower with all other variables held constant, Group pre-tax profit for the year would have been P 3 189 047 (2019: P3 412 397) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
Group		2020	2019	2020	2019
Variable rate instruments:					
Assets					
Short term deposit	13	4.18 %	4.18 %	737 889	6 184 444
Cash in current banking institutions call account	13	0.25 %	0.25 %	77 059	16 205 521
				814 948	**22 389 965**
Liabilities					
Bank overdarft	13	6.00 %	- %	17 378 684	-
Borrowings in Botswana Pula at local rate	16	4.70 %	4.70 %	287 286 683	291 899 736
Borrowings in USD LIBOR	16	6.53 %	6.53 %	309 198 643	322 014 562
				613 864 010	**613 914 298**
Net variable rate financial instruments				**614 678 958**	**636 304 263**

	Note	Average effective interest rate		Carrying amount	
Company		2020	2019	2020	2019
Variable rate instruments:					
Assets					
Loans to group companies	8	- %	- %	233 084 802	231 380 550
Short term deposit		4.18 %	4.18 %	737 889	6 184 444

		Group		Company	
Figures in Pula		2020	2019	2020	2019
38. Financial instruments and risk management (continued)					
Cash in current banking institutions call account		0.25 %	0.25 %	77 059	16 205 521
Other financial asset		- %	- %	-	316 873 618
				233 899 750	**570 644 133**
Liabilities					
Bank overdraft	13	6.00 %	- %	17 378 684	-
Borrowings in Botswana Pula at local rate	16	4.70 %	4.70 %	287 286 683	291 899 736
Borrowings in USD LIBOR	16	6.54 %	6.53 %	309 198 643	322 014 562
				613 864 010	**613 914 298**
Net variable rate financial instruments				**847 763 760**	**184 558 431**

39. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

	Note	Group 2020	Group 2019	Company 2020	Company 2019
Assets					
Investment property	4				
Investment property		2 382 205 593	2 336 165 032	1 274 735 971	1 250 274 363
Total		**2 382 205 593**	**2 336 165 032**	**1 274 735 971**	**1 250 274 363**

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Additions	Classified as held for sale	Foreign exchange movement	Closing balance
Group - 2020							
Assets							
Investment property							
Investment property		2 336 165 032	(25 280 910)	13 251 212	-	58 030 259	2 382 165 593
Total		**2 336 165 032**	**(25 280 910)**	**13 251 212**	**-**	**58 030 259**	**2 382 165 593**

39. Fair value information (continued)

Group - 2019

Assets							
Investment property	4						
Investment property		2 251 628 531	6 869 297	8 160 839	(11 500 000)	81 006 365	2 336 165 032
Total		**2 251 628 531**	**6 869 297**	**8 160 839**	**(11 500 000)**	**81 006 365**	**2 336 165 032**

Company - 2020

Assets							
Investment property	4						
Investment property		1 250 274 363	12 450 534	12 011 074	-	-	1 274 735 971
Total		**1 250 274 363**	**12 450 534**	**12 011 074**	**-**	**-**	**1 274 735 971**

Company - 2019

Assets							
Investment property	4						
Investment property		1 221 399 358	36 011 578	4 363 427	(11 500 000)	-	1 250 274 363
Total		**1 221 399 358**	**36 011 578**	**4 363 427**	**(11 500 000)**	**-**	**1 250 274 363**

Information about valuation techniques and inputs used to derive level 3 fair values

Investment property - Retail segment

Retail segment comprises of the following properties Game City Shopping Centre, Nzano Shopping Centre and Super Save Mall. The fair values of these properties determined by independent valuers is P 1 206 500 000. The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the Company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants.

Investment property - Commercial segment

Commercial segment comprises of the following properties Turnstar House and Plot 63 in Commerce Park. There fair values of these properties determined by independent valuers is P 51 850 000. The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants.

Investment property - Residential segment

Residential segment comprises of the following properties Mogoditshane Flats and Tapologo Apartments. There fair values of these properties determined by independent valuers is P 45 160 000. The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants.

39. Fair value information (continued)

The most significant inputs, all of which are unobservable, are the discount rate, long term revenue growth rate, long term expenditure growth rate, estimated rental value, reversionary capitalisation rate and assumptions about vacancy levels. The estimated fair value increases if the estimated rental increases, long term revenue growth rate increases, long term expenditure rate reduces, rental escalation increases, discount rate and reversionary discount rate declines The overall valuations are sensitive to all these assumptions. The valuation was done on 31 January 2010 and the inputs used in the valuations for the year ended 31 January 2020 were:

Assumptions used for valuation of properties in Botswana	Retail	Commercial	Residential
Average discount rate	8-9%	8.74- 9.5%	8%
Average occupancy rate	99%	87%	100%
Long-term revenue Growth Rate - As per valuation	6%	5%	6%
Long-term expenditure Growth Rate - As per Valuation	8%	8%	8%
Average lease period	2 - 25 Yrs	3 - 5 Yrs	1 - 2 Yrs
Average Escalation/ Rental- From MDA	5-8%	5-10%	6-10%

Palazzo Venezia Dubai property

Turnstar Investments Limited. a subsidiary company owns, Palazzo Venezia Holding property a commercial property with their fair value determined by Directors at Pula 86 728 996 (USD 30 047 040), respectively. The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the Director in the projected cash flows are within the range of future contractual rent agreed by the company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants.

39. Fair value information (continued)

Mlimani Holdings Limited properties consist of Retail, Office Park, Conference centre and Housing units

Mlimani Holdings Limited properties comprises of the following properties Retail, Office Park, Conference centre, Housing units and unutilised bulk land with their fair values determined by independent valuers at P 644 046 698 (USD 60 800 000), P 247 122 540 (USD 23 400 000), P 52 966 100 (USD 5 000 000), P 33 898 304 (USD 3 200 000) and P 44 491 524 (USD 4 200 000) respectively. The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the subsidiary with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants. However for property where there is no income earned during the year, a comparable market approach was considered taking into account the location of the property.

Assumptions for the properties located in Tanzania and Dubai	Retail	Office Park
Income capitalisation rate	8.25%	8.75%
Discount rate	12.76%	13.36%
Average occupancy rate	90-100%	90-100%
Long-term revenue Growth Rate - As per valuation	6%	6%
Long-term expenditure Growth Rate - As per Valuation	7%	7%
Discounted cash flow period	5 years	5 years
Average lease period	3 -5 years	3 - 5 years
Average Escalation/ Rental- From MDA	3 - 5%	3 - 5%

Valuation processes applied by the Group

The fair value of investment properties is determined by qualified property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being values. The valuation company provides the fair value of the Group's investment portfolio basis.

39. Fair value information (continued)

Sensitivity analysis for investment property carried at fair value

The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information the company and group determines the estimated fair value internally.

The key assumptions underlying the investment method is capitalisation rate used.

The capitalisation rate has been determined based on a relevant long bond yield adjusted for the relevant risks applicable to each property including asset class, sector, location, building, leasehold / freehold and tenancy. The weighted average capitalisation rate is 8.46% for group and 8.28% for company (2019: 8.31% for the group and 7.96% for company)and a 1% upward shift in this rate would have an estimated P 254.5 million for Group and P 140 million for company (2019: P 255.6 million for group and P 141 million for company) adverse impact on the aggregate for Group's independent gross valuation of the investment properties, while a 1% downward shift in capitalisation rate would have an estimated P 322.5 million for group and P 179 million for company (2019: P 325.6 million for group and P 181 million for company) favourable impact for company on the valuations.

Fair value of financial instruments measured at amortised cost

Following types of financial instruments which are measured at amortised cost for which the fair value is disclosed in the respective notes are considered a reasonable approximation of fair value:

- trade and other receivables
- cash and cash equivalents
- trade and other payables
- borrowings

40. Events after the reporting period

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The group has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 January 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the group for future periods. However management having prepared for various scenarios, believes that the group has the financial strength to survive even the worst case scenario through implementing self help steps that are available to keep the group liquid and healthy,

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

41. SEGMENT REPORT

Primary segment - Geographical segment	2020	2019	2020	2019
	Botswana	Botswana	Tanzania	Tanzania
Revenues from external customers	151 330 229	148 548 212	108 852 520	101 870 373
Inter segment revenues	-			
Total segment revenues	**151 330 229**	**148 548 212**	**108 852 520**	**101 870 373**
Segment property direct and indirect expenses	51 001 779	49 374 400	41 602 293	41 949 719
Segment operating profit	**100 328 450**	**99 173 811**	**67 250 227**	**59 920 654**
Segment Assets	**1 353 122 726**	**1 336 219 189**	**1 086 388 887**	**1 076 090 508**
Segment assets include the following:				
Investment property	1 274 735 971	1 262 274 363	1 020 740 626	1 002 343 672
Property plant and equipment	2 213 511	2 596 825	1 099 914	1 069 832
Goodwill			38 354 182	49 743 561
Current tax receivable		382 017	-	-
Operating lease asset	28 774 030	27 925 637	2 564 426	2 681 328
Trade and other receivables	18 671 429	9 946 199	17 645 892	11 509 092
Deferred tax	22 422 372	10 563 533	-	-
Cash and cash equivalents	6 305 413	22 530 615	5 983 846	8 743 024
Segment Liabilities	**745 960 075**	**754 288 734**	**126 098 505**	**127 961 920**
Segment liabilities include the following:				
Borrowings	596 485 326	613 914 299	-	-
Deferred tax	108 152 925	115 457 162	98 552 255	98 173 554
Trade and other paybles	21 348 215	23 677 567	27 546 250	29 788 366
Current tax payable	1 191 260	-	-	-
Unclaimed debenture interest and dividend payable	1 403 665	1 239 706	-	-
Bank overdraft	17 378 684			

Secondary segment- Operating segment Revenues	2020	2019 Retail	2020	2019
	Botswana	Botswana	Tanzania	Tanzania
Rental income from external customers	**140 632 161**	**137 277 290**	**86 564 836**	**80 713 990**
Inter segmental revenues				
Total segment revenues	**140 632 161**	**137 277 290**	**86 564 836**	**80 713 990**
Segment expenses	48 340 863	47 991 574	33 930 091	38 169 904
Segment operating profit	**92 291 297**	**95 140 653**	**52 634 745**	**42 544 086**

	Figures in Pula 2020	Figures in Pula 2019
Reconciliation of group net profit before tax		
Total reporting segment operating profit	172 507 673	164 517 639
Salaries and wages	(13 968 169)	(12 831 524)
Loss on exchange difference	(17 246 696)	(24 743 443)
Profit on exchange differences	27 692 506	41 463 643
Fair value adjustments	(25 280 910)	7 369 297
Finance income	439 093	540 452
Sundry income	4 305 310	3 275 071
Corporate expenses	(6 177 051)	(9 008 795)
Operating profit	**142 271 755**	**170 582 340**
Finance costs	(33 338 910)	(34 124 007)
Goodwill impairment	(14 803 307)	(11 534 289)
Group profit before tax	**94 129 538**	**124 924 044**

Segment information is organised into two, geographical and into operating segments which comprises retail and commercial. The segments are the basis on which the company reports its primary segment information. Retail segment comprises Game City, Nzano, Supa Save and Mlimani shopping centres. The commercial segment incorporates office, residential, industrial properties in Botswana, Tanzania and Dubai.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS [CONTINUED]

2020 Dubai	2019 Dubai	Figures in Pula 2020 Consolidated	Figures in Pula 2019 Consolidated
9 126 009	8 655 541	**269 308 758**	**259 074 126**
-	-	-	-
9 126 009	**8 655 541**	**269 308 758**	**259 074 126**
4 197 013	3 232 367	96 801 085	94 556 486
4 928 996	**5 423 174**	**172 507 673**	**164 517 639**
89 334 623	**84 608 620**	**2 528 846 236**	**2 496 918 317**
86 728 996	83 546 997	2 382 205 593	2 348 165 032
		3 313 425	3 666 657
		38 354 182	49 743 561
		-	382 017
		31 338 456	30 606 965
1 801 927	219 522	38 119 248	21 674 813
		22 422 372	10 563 533
803 701	842 100	13 092 960	32 115 739
565 803	**47 738**	**872 624 383**	**882 298 392**
		596 485 326	613 914 299
		206 705 180	213 630 716
565 803	47 738	49 460 268	53 513 671
		1 191 260	-
		1 403 665	1 239 706
		17 378 684	-
			-

2020 Botswana	2019 Commercial Botswana	2020 Tanzania	2019 Tanzania	2020 Dubai	2019 Dubai	Figures in Pula 2020 Consolidated	Figures in Pula 2019 Consolidated
10 698 068	**11 270 922**	**22 287 684**	**21 156 383**	**9 126 009**	**8 655 541**	269 308 758	259 074 126
10 698 068	**11 270 922**	**22 287 684**	**21 156 383**	**9 126 009**	**8 655 541**	**269 308 758**	**259 074 126**
2 660 916	1 382 827	7 672 202	3 779 815	4 197 013	3 232 367	96 801 085	94 556 486
8 037 152	**8 718 228**	**14 615 482**	**17 376 568**	**4 928 996**	**5 423 174**	**172 507 673**	**164 517 639**

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

Notice is hereby given that the 2020 Annual General Meeting of TURNSTAR HOLDINGS LIMITED will be held at 1130 hours on Thursday, 20 August 2020 at the Centre Management Offices, 1st Floor, Game City Retail Mall, Gaborone, Botswana for transacting the following business:

Agenda:

1. Adoption of Agenda.
2. To receive, consider and adopt the Audited Financial Statements for the year ended 31 January 2020 together with the Report of the Auditors to the Board of Directors.
3. To approve the distribution of dividend and payment of interest as recommended by directors.
4. To re-elect the following directors who retire by rotation in terms of Article 63 of the Articles of Association of the Company and, being eligible, offer themselves for re-election:
    - Patrick Kediretswe Balopi
    - Mokgadi Khonziwe Nteta
5. To approve the remuneration of directors for the year ended 31 January 2020.
6. To appoint Ernst & Young as Auditors for the ensuing year and authorize the directors to fix their remuneration.
7. To consider and approve, publishing and circulating the 2021 and future annual reports in electronic format only.
8. Answering of questions raised by linked unit holders in relation to the affairs and the business of the Company by Directors and Management.

A member entitled to attend and vote may appoint a proxy (who need not be a member of the company) to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy must be lodged at or posted to the registered office of the company not less than 48 hours before the meeting.

By order of the Board

LEO BUSINESS SERVICES (PROPRIETARY) LIMITED
Company Secretaries

Date: 22nd July 2020

REGISTERED OFFICE:
Plot 50370, Acumen Park
Fairgrounds
P O Box 1172
Gaborone

PROXY FORM [TO BE COMPLETED BY HOLDERS OF LINKED UNITS)

Please read the notes overleaf before completing this form

For use at the Annual General Meeting of Unit Holders of the company to be held at 1130 hours on Thursday 20 August 2020 at the Centre Management Offices, 1st Floor, Game City Retail Mall, Gaborone, Botswana

I/We ______________________________

(Name in block letters)

Of (address) ______________________________

Hereby appoint ______________________________

Or failing him/her ______________________________

Or failing him/her, the Chairman of the meeting as my/our proxy to act for me/us at the 2020 Annual General Meeting, 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 instruction.

NUMBER OF LINKED UNITS				
		For	Against	Abstain
Ordinary resolution 1	Agenda No 1	☐	☐	☐
Ordinary resolution 2	Agenda No 2	☐	☐	☐
Ordinary resolution 3	Agenda No 3	☐	☐	☐
Ordinary resolution 4	Agenda No 4	☐	☐	☐
Ordinary resolution 5	Agenda No 5	☐	☐	☐
Ordinary resolution 6	Agenda No 6	☐	☐	☐
Ordinary resolution 7	Agenda No 7	☐	☐	☐

Signed at ______________________________ Date: ______________________________

Signature: ______________________________ Assisted by (where applicable): ______________________________

Each Unit Holder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the Unit Holder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1 -7 on the reverse side hereof

NOTES TO THE PROXY FORM

1. A Shareholder must insert the names of two alternative proxies of the Shareholders 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 shall be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholders instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.

3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting.

4. The Chairman of the Annual 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/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.

5. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

6. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.

7. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/her guardian.

Unitholder Analysis

Unitholders by size of holdings:	Number of unitholders	Number of units held	% of units held
1-500	507	120907	0.02
500-1000	209	157478	0.03
1 001-5 000	329	801942	0.14
5 001-10 000	106	804135	0.14
10 001-100 000	311	10328730	1.81
Over 100 000	112	559940411	97.87
TOTAL	**1574**	**572153603**	**100.00**
Unitholders by classification:			
Body corporates/trust	62	246796104	43.13
Insurance companies, pension/equity funds	85	304443391	53.21
Individuals	1427	20914108	3.66
Total	**1574**	**572153603**	**100.00**
Public	1571	492140103	86.02
Non-public			
Directors interest(including associates)	3	80013500	13.98
Total	**1574**	**572153603**	**100.00**
Registered unitholders holding more than 5% at the respective year end:			
FNB BOTSWANA NOMINEES (PTY) LTD RE:AG BPOPF EQUITY	1	105909729	18.51
G. H. GROUP (PROPRIETARY) LTD	1	80000000	13.98
ASSOCIATED INVESTMENT AND DEVELOPMENT CORPORATION (PTY) LTD	1	58583407	10.24
FNB BOTSWANA NOMINEES (PTY) LTD RE:AA BPOPF EQUITY	1	55520450	9.70
FNB BOTSWANA NOMINEES (PTY) LTD RE:BIFM BPOPF-EQUITY	1	49707352	8.69
ALLAN GRAY RE DEBSWANA PENSION FUND	1	34494230	61.12
Total			
Top 10 Unitholders			
FNB BOTSWANA NOMINEES (PTY) LTD RE:AG BPOPF EQUITY	1	105909729	18.51
G. H. GROUP (PROPRIETARY) LTD		80000000	13.98
ASSOCIATED INVESTMENT AND DEVELOPMENT CORPORATION (PTY) LTD	1	58583407	10.24
FNB BOTSWANA NOMINEES (PTY) LTD RE:AA BPOPF EQUITY	1	55520450	9.70
FNB BOTSWANA NOMINEES (PTY) LTD RE:BIFM BPOPF-EQUITY	1	49707352	8.69
ALLAN GRAY RE DEBSWANA PENSION FUND	1	34494230	6.03
FNB BOTSWANA NOMINEES (PTY) LTD RE: ALLANGRAY BPOPF EQUITY PORTFOLIO B	1	27865546	4.87
MOTOR VEHICLE ACCIDENT FUND	2	27449863	4.80
STANBIC NOMINEES BOTSWANA RE BIFM PLEF	1	13348695	2.33
STANBIC NOMINEES BOTSWANA RE BIFM MLF	1	12551027	2.19
Total		**465430299**	**81.35**

TURNSTAR
HOLDINGS LIMITED

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