

ANNUAL REPORT 2012



*'Our Basket of Wealth'*



*'Our Basket of Wealth'*





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# Our Mission

## MISSION

To grow wealth for  
Botswana

## VISION

To become the  
property investment  
choice for Botswana  
through considering  
the interests of our  
shareholders and  
delivering returns

## VALUES

Humility  
Strength  
Innovation  
Integrity





# Letlole La Rona

## Company Profile

The company is a variable rate loan stock company listed on the Botswana Stock Exchange on the 15<sup>th</sup> June 2011. The core business of the company is to invest in real estate and real estate instruments for a maximized return for the shareholder.

Letlole La Rona in direct translation means “Our basket of wealth”. To the company and its management, wealth translates to investment, education, culture and people.

The mission of the company being to grow the wealth of Botswana, it encompasses all these components of wealth to drive its investment principles and guidelines, ensuring that it is indeed an all encompassing basket of wealth for the shareholders, giving long term sustainable returns.



## Executive Management

“The management of Letlole la Rona is pleased to be part of Letlole La Rona’s success in it’s first year and looks forward to sustained growth in the portfolio and returns for the Letlole La Rona Shareholders.”

In picture from left to right:

Dimitri Kokinos

CEO

Sethebe Manake  
Asset Manager

Maranyane Makhondo  
Financial Accountant

Letsweletse Ramokate  
Property Manager

Magdeline Tsiane  
Financial Manager

Linda Keloneilwe  
Company Secretary





## Board Members



James Kamyuka  
Board Chairman



Jane Tsel ayakgosi  
Board Member



Marina Mookodi  
Board Member



Peter Stevenson  
Board Member



Roderick Boyd  
Board Member



Sametsi Ditshupo  
Board Member



# Board of Directors' Profile



**James Kamyuka**  
Chairman

Kamyuka has been the General Manager of Botswana Development Corporation's Management (BDC) Services Division since February 2001. In this capacity, he sits on the Management Committee of BDC and assists the Managing Director in decision-making on all strategic and operational issues. He currently has particular oversight of the following BDC divisions: Financial Accounting, Management Accounting and Corporate Treasury, Risk Management, and Information Technology, while, in the past, he has been responsible also for the Company Secretarial and Legal Division, and the Invoice Discounting Division, which he set up.

Prior to working for BDC, Mr Kamyuka was employed for 10 years by the Pepkor Group. During this time, his experience was augmented by assuming responsibility for the operational and general management of the business in Botswana and Namibia, and establishing the Pep operations in Ghana. He also worked as General Manager and Financial Manager for Pep Botswana Holdings during this period.

Mr Kamyuka completed his Bachelor of Commerce (Accounting and Management) at the National University of Lesotho in 1981, following which he started his career as a Commercial Officer for the Department of Trade and Industry in Lesotho. After a 2-year stint as an Accounting and Economics Lecturer at Ezibeleni Tech-Skill Center in South Africa, Mr Kamyuka joined De Beers Botswana Diamond Mine, where he worked as a training officer and, later, as an internal auditor. Mr Kamyuka sits on the boards of a number of Botswana companies.



**Jane Tselayakgosi**  
Board Member

Since June 2005, Tselayakgosi has been Managing Director of Hollard Insurance Company of Botswana (Pty) Ltd, a company she set up. Her key responsibilities include the day-to-day running of the company and overseeing the financial, business development, compliance and human resources areas of the business.

Prior to this, she worked for Botswana Insurance Company from the start of her career, working her way up from trainee of their graduate programme to the Assistant General Manager of Finance.

Ms Tselayakgosi has a Bachelor of Commerce in Accounting and Business from the University of Botswana, as well as qualifying with the Association of Chartered Certified Accountants (ACCA) in the UK.



**Sametsi Ditshupo**  
Board Member

Ditshupo completed a BA in Economics & Accounting at the University of Botswana with an MSc in Economics at the University of Illinois (USA).

She is currently General Manager for the Business Development division of Botswana Development Corporation, where her responsibilities include leading portfolio growth initiatives, ensuring achievement of the corporate strategy, ensuring achievement of revenue and profit targets, and leading an arrears management programme. Prior to this role, Ms Ditshupo worked for BDC as a Research & Marketing Manager.

Prior to her employment with BDC, Ms Ditshupo worked for Botswana Export Development & Investment Authority for 8 and half years, both as an Investment Promotion Manager and a Marketing Officer. She has also worked as a National Economist for the United Nations Development Programme and started her career as an economist for the Ministry of Finance & Development Planning. She sits on the boards of a number of Botswana companies





**Marina Bathuleng Mookodi**  
Board Member

Mookodi holds an MSc in Construction Law (University of Wolverhampton, UK), which she obtained through a Chevening Scholarship from the British Council. She also holds a BSc (Hons) in Quantity Surveying (University of Central England (Birmingham, UK) for which she was awarded a certificate of Distinction.

Prior to co-founding BWR, she worked for Peter Richards & Partner as a Quantity Surveyor and for DABS as a Quantity Surveyor Technician. She is the former President and Vice President of the Botswana Institute of Development Professions (BDIP). She is also a former chairperson for the BOCCIM Construction Sector. During her tenure as chairperson of the BOCCIM Construction Sector she project managed the "Cause of Poor Performance on Public Construction Projects in Botswana" study undertaken by the University of Botswana.

She is a graduate member of the Royal Institute of Chartered Surveyors, a corporate member of the Association of South African Quantity Surveyors, an associate member of the Botswana Institute of Arbitrators and a fellow of the Botswana Institute of Arbitrators. She was appointed to the BHC board in August 2010.



**Peter Stevenson**  
Board Member

Stevenson is a Chartered Accountant and fellow member of the Botswana Institute of Accountants with over 30 years extensive management, leadership, business and financial experience gained in Botswana, Namibia and Zimbabwe. He was the Group Managing Director of the Barloworld Botswana Group for 20 years until 2007 and was responsible for its growth into one of the larger commercial operations in Botswana. Peter is currently an independent business consultant. He is a non-executive director of First National Bank Botswana where he is chairperson of the Audit and Risk Committees.

Peter is also a non-executive director / trustee of a number of private companies and charitable trusts.



**Roderick Boyd**  
Board Member

Boyd is an experienced corporate financier with more than 30 years banking and business management experience across the SADC region and the United Kingdom.

Prior to this he was Special Projects Manager for Botswana Development Corporation, in which role he took responsibility for the successful conclusion of projects assigned to him by the Board and executive management. He joined Botswana Development Corporation in 2006 to set up the Invoice Discounting Division.

Before joining Botswana Development Corporation, Roderick was an executive director of Challenge Finance Limited, a UK invoice finance company, having been recruited from Royal Bank of Scotland Invoice Finance where he was Head of Sales for the London region.

His extensive experience in finance and banking in Africa and the UK includes all aspects of investment and risk management, project finance, asset finance, invoice finance as well as banking at general management level.

Mr Boyd sits on the boards of several Botswana companies.



# Chairman's Report



It is with satisfaction and delight that I report on Letlole La Rona's operations during the 2011/12 financial year. Letlole La Rona has really done well in its first year and we are very excited about its future.

The performance of the Company has beat expectations at all levels.

The property portfolio's capital growth was 10%. There continue to be no tenant vacancies in the portfolio and the total distribution of 15 thebe was 10% ahead of forecast.

“The property portfolio's capital growth was 10%, there continue to be no vacancies in the portfolio and the total distribution of 15 thebe was 10% ahead of forecast”.

The Company strategy and investment strategy will be implemented and rolled out in the next financial year. We are very eager to see the impact of these milestones on the performance of the Company. We anticipate improved distributions and a better performing company as a whole.

Corporate Governance remains a very important pillar to the operations of this Company, with commitment to accountability, integrity and transparency. The Board of Directors remain accountable for the performance of the Company as well as the affairs of the Company.

**James Kamyuka**  
Board Chairman



In its first year the Board has developed and adopted charters for itself and the Audit and Risk Committee, both based on the King III report, the Botswana Stock Exchange Code of Best Practice on corporate governance.

The Board has further approved a corporate strategy and controls to ensure that its service providers both in asset management, financial management and property management act in the best interest of the Company and its stakeholders.

There are six members on the Board of Directors, bringing a wealth of expertise and knowledge from different fields of their professional expertise. Of the six members, four are independent directors. The Chairman of the Board is a non-executive director.

All directors are subject to retirement by rotation and only a third qualify for re-election by shareholders in accordance with the Constitution of the Company.

In the year 2011/12 the Board appointed Dimitri Kokinos as the Company CEO, who has brought his extensive experience in fund management and real estate investment to Letlole La Rona. We welcome him and look forward to his expertise translating to performance for shareholders.

I wish to pay tribute to the management of Letlole La Rona. It is through their hard work and commitment that these results have been achieved. The Board extends its gratitude for a year's work well done.

We look forward to match and exceed the 2012 financial results in 2013.

James Kamyuka  
Chairman



# Chief Executive Officer's Report



**Dimitri Kokinos**  
Chief Executive Officer

We look forward to the rolling out of the company's new investment strategy, a strategy that we believe will keep Letlole La Rona ahead and will ensure that each unitholder moves ahead with us.

Letlole La Rona is one of the most recently listed property variable rate loan stock companies in Botswana. A company brought to being by the need to empower Botswana and give them a platform to invest in real estate and grow their real wealth.

Though the Company joins a collection of four other listed companies it prides itself in having the sole goal of growing the wealth of Botswana.

Within its first year of operation Letlole La Rona has developed and strengthened its internal foundations, allowing it to move forward with the confidence and stride that provides for great performance.

The Company recognises the unit-holder as the most important stake holder, after all it is the growth of the wealth of the stakeholders that determines whether or not it has achieved success.

We look forward to the rolling out of the Company's new investment strategy, a strategy that we believe will keep Letlole La Rona ahead and will ensure that each unitholder moves ahead with us.

So in its second year Letlole La Rona intends on being visible, accountable and efficient, to drive the performance of the portfolio for the benefit of its own unitholders.

Letlole La Rona listed on 15 June 2011, with a property portfolio valued at P 407 Million, and Price of 150 thebe per linked unit. In its first year the company has experienced a price dip to 100 thebe per linked unit and has since been rising steadily and stands at 131 thebe per linked unit and a market capitalisation of P 366 800 000 as at 30 June 2012. We believe that this movement is a sign of confidence in the management and the performance of the Company.

As a variable rate loan stock company, Letlole La Rona distributes at least 75% of rental income



received by the Company less operating expenses, semi annually. As at 30 June 2012, distribution per linked unit amounted to 15 thebe. Capital profits are not distributed.

The portfolio is a diversified portfolio, constituting of Commercial, Retail, Hotel and Industrial, currently with a high weighting towards industrial and hotels. Opportunities to diversify further for optimal performance are recognised and through the investment strategy will be explored.

In the short to medium term, the Botswana market is bound to experience an interesting turn specifically around the commercial property in Gaborone. The expected reaction is that the up- coming approximately 120 000sqm of office space will create an oversupply and therefore dampen rental prices in certain areas and possibly a number of empty building pockets.

Outside of Gaborone however there are some developing opportunities along the A1, particularly in Mahalapye and Palapye, Francistown is a growing property market. Maun and Kasane also present a few tourism property investment opportunities.

Outside of Botswana, there is a shift into the rest of Africa. As more and more property investors go into East and West Africa, more readily available information for those markets will become available, therefore making the risks associated with venturing into those markets easier to determine. The market has seen in the past year retailers and corporate's moving into Africa, this is an indication of a growing demand for property in those particular markets.

It is of utmost importance that as a property investment company, Letlole La Rona remains aware of these trends and prepares to take the right opportunities that will position it in a path of growing yields and good performance for the shareholders in the long term.

The Company is pleased to present;

Results that are ahead of the prospectus forecast by	9%
Growth in property portfolio value by	10%
A total distribution payment of 15 thebe above forecast by	9%
Occupancy rate throughout the portfolio	100%

We look ahead in creating and growing this basket of wealth, Our Basket of Wealth, for this year and every year going forward.

**Dimitri Kokinos**  
Chief Executive Officer



# Asset Manager's Report



Sethebe Manake  
Asset Manager  
(STANLIB)

“The strategy of the company is to achieve the best total return for the linked unit offering a well diversified portfolio from a nodal and sectoral aspect”.

The year under review has been characterized by a continuation of challenges specifically related to the global financial crisis and the uncertainty around the impact thereof on the underlying investments. The year under review was also the first year of trading for Letlole le Rona (LLR), which listed on the 15 June 2011 and was therefore trying to establish itself in the Botswana market.

The Asset Managers are pleased to present a report which indicates the company is well established and will exceed returns as noted per the prospectus.

It had been envisaged that the company would require at least 2-3 years to stabilize, however in the first year a lot of operational strides have been made, as well as establishing the next five year strategy, which should deliver continued growth for the Company and outperformance of risk adjusted investments.

#### High level numbers

For the year ended 30 June 2012 the net asset value increased per share by 12% from P 1.45 to P 1.62 per unit. The asset value of the company is P 443 Million, with no gearing at present, which leaves opportunities to grow the company as opportunities are presented in future.

#### Portfolio composition

The Company currently consists of 19 properties situated in Botswana, predominantly in Gaborone.

The sector exposure is mainly leisure and industrial, with very little exposure to the commercial sector and retail sector.

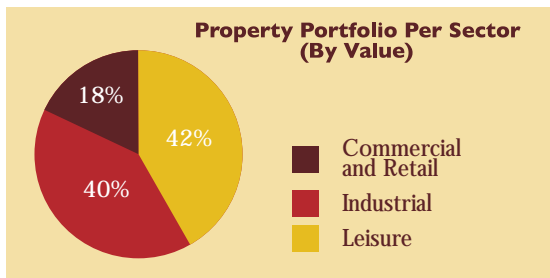
The strategy of the Company is to achieve the best total return for the shareholders offering a well diversified portfolio from a nodal and sectoral aspect. The Board has set an exposure benchmark and the Asset Manager is in the process of implementing the strategy in order to broaden the current portfolio and in order to position the Company for the next 5 years to maximize growth.

The strategy includes acquiring retail properties, as well as investing outside of the Botswana borders. Initially acquisitions will be funded through leverage, in order for the Company to take advantage of its equity base and maximize returns based on the current historically



low cost of capital.

The portfolio comprises nineteen properties, four leisure properties, thirteen industrial properties, one commercial and one retail property. The independent market value of the properties is P 449 Million as at 30 June 2012 (2011: P 410 Million). There have been no additions to the portfolio during the year under review.



The portfolio's first full year return exceeded the forecasts as per the prospectus. The total return achieved was 11%. Earnings per share for the period were 27.10 thebe. (2011: only traded for 14 days).

The portfolio comprises 131,038 m<sup>2</sup>. As at 30 June 2012, the portfolio was fully let. The weighted average lease term is 5 years. In total, 4.95% (6486 m<sup>2</sup>) of leases are expected to expire within the next 12 months. Indications at present are that most tenants will renew their leases, and uplift in the lease values are anticipated on these specific leases.

#### Growth strategy

The growth strategy has been approved by the Board and will be implemented in the new financial year. This strategy will strategically position LLR to improve the portfolio and the associated returns. The LLR management will concentrate on adding value to the existing portfolio, through active management whereby rental levels are maximized, properties are strategically redeveloped and operating ratios are reduced. In addition, the management team will focus on growing the portfolio through acquisitions and developments.

Presently within the Botswana investment market, there is an abundance of cash that is chasing real estate and as a result is driving down the yields. Another factor which will affect the real estate market is the excess commercial space that will come on stream in

Gaborone by 2014 as the new Central Business District continues to develop.

As a result of the above factors, the management team continues to search for value to be purchased within the Botswana borders, but will focus on diversifying and acquiring outside of the Botswana borders, where better value and growth prospects present themselves. There is a drive for real estate investors to focus on growing economies within Africa and this is growth strategy which LLR will also focus on in the next 3 - 5 years.

#### Marketing and brand awareness

LLR represents an opportunity for Botswana to invest and be empowered through real estate investment. The name of the company directly translates to 'our basket of wealth', a basket of property, wealth, culture, education and investment.

The branding of the company has been freshened and we have now adopted a half basket as our logo in keeping with the theme of the basket. All official documentation will now include the logo and all the properties now carry the logo, representing their affiliation to the portfolio and encouraging all shareholders to be associated with their investment.

The website has also been upgraded and all investors are encouraged to frequently visit the website for Company and industry updates.

#### Road ahead

The Asset Manager is proud of what has been achieved in the last year and is very excited about the prospects of LLR for the coming year. We would like to position LLR as a brand and a company that all Motswana are proud to be associated with and where we continue to serve our most important stakeholders- Our unitholders.

Sethebe Manake  
Asset Manager  
(STANLIB)

# Pr o p e r t i e s



Moedi House Plot 50380. Value: BWP 55,000,000.00



Shoppers Plot: 4738. Value: BWP 28,000,000.00



Plot: 9787. Value: BWP 5,700,000.00



Plot: 54233. Value: BWP 57,000,000.00



Plot: 14454. Value: BWP 4,600,000.00



Plot: 28911. Value: BWP 41,500,000.00



President Hotel Plot: 1168. Value BWP 58,000,000.00



Thapama Hotel Plot 6384. Value BWP 46,000,000.00



Bosele Hotel Plot 276. Value: BWP 20,500,000.00



Plot: 14457. Value: BWP 3,500,000.00





# Pr o p e r t i e s



Plot 14460. Value: BWP 3,900,000.00



Plot 14455. Value: BWP 4,200,000.00



Plot 14458. Value: BWP 3,400,000.00



Plot 14453. Value: BWP 4,700,000.00



Plot 32084. Value: BWP 22,000,000.00



Plot 22058. Value: BWP 15,500,000.00



Plot 14398. Value: BWP 11,000,000.00



Cresta Lodge Plot 50719. Value: BWP 61,000,000.00



Plot 14459. Value: BWP 3,700,000.00

Properties

# FINANCIAL STATEMENTS

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## LETLOLE LA RONA LIMITED Corporate Information

### BOARD OF DIRECTORS

J Kamyuka (Chairman)  
M Bathuleng-Mookodi  
R Boyd\*  
S Ditsshupo  
P Stevenson  
JTselayakgosi

\*South African

### INCORPORATED IN THE REPUBLIC OF BOTSWANA

Registration number: C02010/6316  
Date of Incorporation: 8 July 2010

### NATURE OF BUSINESS

The company is a Variable Loan Stock company engaged in property investment and deriving revenue primarily from property rentals and trade in property and property instruments.

### REGISTERED OFFICE

Moedi House  
Plot 50380, Fairgrounds Office Park  
Private Bag 0183  
Gaborone

### PHYSICAL ADDRESS

Stanlib Investment Management Services (Proprietary) Limited  
Ground Floor, Time Square  
Plot 134, Independence Avenue  
Private Bag 00168  
Gaborone

### DEBENTURE TRUST TRUSTEE

Desert Secretarial Services (Proprietary) Limited (t/a Stevens, Fricker & Associates)  
Plot 64518, Fairgrounds Office Park  
P O Box 211008, Bontleng  
Gaborone

## LETLOLE LA RONA LIMITED Corporate Information (Continued)

### COMPANY SECRETARY

Botswana Development Corporation Limited  
Moedi House  
Plot 50380, Fairgrounds Office Park  
P O Box 160  
Gaborone

### INDEPENDENT AUDITORS

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

### TRANSFER SECRETARIES

DPS Consulting Services (Proprietary) Limited  
Plot 50371, Fairgrounds Office Park  
P O Box 1453  
Gaborone

### LEGAL ADVISORS

Armstrongs Attorneys  
Acacia House  
Plot 54358, New CBD  
P O Box 1368  
Gaborone

### ASSET MANAGERS

Stanlib Investment Management Services (Proprietary) Limited in conjunction with  
Liberty Group Properties (Proprietary) Limited  
Plot 50676, Fairgrounds Office Park  
Private Bag 00168  
Gaborone

### PROPERTY MANAGERS

Botswana Development Corporation Limited  
Property Development and Management Division  
Moedi House  
Plot 50380, Fairgrounds Office Park  
P O Box 160  
Gaborone

## LETLOLE LA RONA LIMITED

### Directors' Report

#### 30 June 2012

The directors have pleasure in submitting to the linked unitholders their report and the audited financial statements of the Company for the year ended 30 June 2012.

#### Nature of Business

The Company is a variable rate loan stock public company and derives its revenue primarily from the rental of investment properties.

#### Stated Capital and Debentures

The Company was incorporated, as a public company, according to the Laws of Botswana on 8 July 2010, under company number CO2010/6316, with the stated capital of P100 divided into 100 ordinary shares. Through the initial public offer, the Company issued 279 999 900 new linked units, each comprising one ordinary share and one variable debenture indivisibly linked and increased the stated capital to P420 000 000 made up of 280 000 000 linked units.

Each linked unit comprises an ordinary share issued at P0.01 and one variable rate unsecured debenture issued at P1.49. The yield on the unit comprises a dividend on the share component and interest on the debenture component of the linked unit.

Of the amount subscribed for in respect of a linked unit, 1/150 of such subscription was allocated to stated capital and 149/150 was allocated to debenture capital.

There were no changes in the stated capital and debentures during the year.

#### Linked Units Distribution Policy

Distributions to linked unit holders is primarily in the form of debenture interest. The Company has adopted the policy of distributing profits to linked unit holders by means of debenture interest payments with a nominal amount being dividends. The directors intend to ensure that rolling over any period of three consecutive financial years the Company will distribute at least 75% of available cash after prudent retention and provision for foreseeable capital expenditure and cash flow requirements as per the Trust Deed of the Company.

#### Administration and Property Management

The management of the properties in the property portfolio is undertaken by Botswana Development Corporation Limited (BDC), pursuant to a property management services agreement.

#### Asset Management

The administration of the properties is undertaken by Stanlib Investment Management Services (Proprietary) Limited.

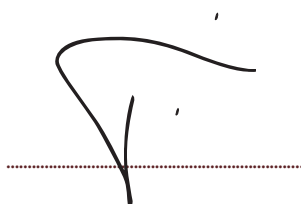
#### Interests of Directors and Secretary

None of the Directors or Secretary who held office at 30 June 2012 had any interest in the Company.



**JAMES KAMYUKA**  
CHAIRMAN

18 September 2012



**PETER STEVENSON**  
DIRECTOR

## LETLOLE LA RONA LIMITED

# Directors' Statement Of Responsibility And Approval Of Financial Statements - 30 June 2012

### Directors' Statement Of Responsibility

The directors are responsible for the preparation and fair presentation of the financial statements of Letlole la Rona Limited, comprising the statement of financial position at 30 June 2012, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards ("IFRS").

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

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

The annual financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The directors' responsibilities also include maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

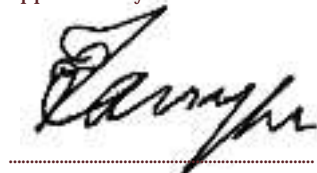
The directors have made an assessment of the Company's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead.

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

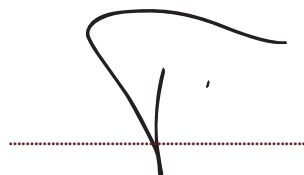
The external auditors are responsible for independently reviewing and reporting on the Company's financial statements, and their unmodified report is presented on page 24.

### Approval of annual financial statements

The financial statements set out on pages 25 to 45, which have been prepared on the going concern basis, were approved by the Board of Directors on 18 September 2012 and were signed on its behalf by:



**JAMES KAMYUKA**  
CHAIRMAN



**PETER STEVENSON**  
DIRECTOR

## LETLOLE LA RONA LIMITED

### Independent Auditor's Report To The Combined Unit Holders Of Letlole La Rona Limited



P.O. Box 778  
Gaborone  
Botswana

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

Tel: +267 - 395 1611  
Fax: +267 - 397 3137  
www.deloitte.com

#### Report on the Financial Statements

We have audited the accompanying annual financial statement of Letlole La Rona Limited, which comprise the statement of financial position as at 30 June 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 27.

#### Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

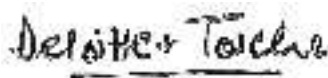
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Letlole La Rona Limited as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Deloitte & Touche  
Certified Auditors  
Practicing Member: P. Naik (19900296.14)

18 September 2012  
Gaborone



LETLOLE LA RONA LIMITED  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2012

	Notes	12 Months to 30 June 2012 BWP	2 Weeks to 30 June 2011 BWP
Rental income		59 903 212	2 975 536
- Contractual revenue		50 150 427	2 113 498
- Straight line lease rental adjustment	6	9 752 785	862 038
Investment income	3	1 028 996	-
Other income		30 120	-
Finance costs	2	(1 964 030)	(468 463)
Property related expenses	1	(3 803 378)	(278 343)
Administration expenses	1	(7 340 956)	(424 733)
Profit before fair value adjustment		47 853 964	1 803 997
Fair value adjustment of investment properties		32 177 215	(862 038)
- As per valuation	6	41 930 000	-
- Straight line lease adjustment	6	(9 752 785)	(862 038)
Profit before tax		80 031 179	941 959
Income tax expense	4	(13 338 015)	-
Total comprehensive income for the year		66 693 164	941 959
Number of linked units in issue at end of the year		280 000 000	280 000 000
Weighted average number of linked units in issue		280 000 000	280 000 000
Earnings per linked unit (thebe)		27.10	0.34
Earnings per linked unit is calculated based on the average number of linked units in issue and total comprehensive income for the year, adjusted by the taxation on debenture interest credited to the statement of changes in equity of:		75 871 564	941 959
Distribution per linked unit (thebe)	14	15.00	-
Dividends per linked unit (thebe)		0.10	-
Debenture interest per linked unit (thebe)		14.90	-
Distribution per linked unit is calculated on the number of linked units in issue during the period.			

LETLOLE LA RONA LIMITED  
STATEMENT OF FINANCIAL POSITION  
30 June 2012

	Notes	2012 BWP	2011 BWP
<b>ASSETS</b>			
Non-current assets			
Investment properties	6	438 585 177	406 662 962
Straight-line rental adjustment	6	10 614 823	862 038
Deferred taxation recoverable - related party	7	6 604 705	7 664 080
		455 804 705	415 189 080
Current assets			
Taxation refundable		1 590 655	-
Trade and other receivables	8	7 080 622	21 040 746
Cash and cash equivalents	9	12 755 343	85 808 064
		21 426 620	106 848 810
<b>Total assets</b>		<b>477 231 325</b>	<b>522 037 890</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves			
Stated capital	10	2 718 884	2 718 884
Debentures	11	405 113 547	405 113 547
Accumulated profits	12	34 813 523	941 959
		442 645 954	408 774 390
Non-current liabilities			
Deferred taxation	13	10 764 320	7 664 080
Current liabilities			
Debenture interest and dividend payable	14	20 440 000	-
Trade and other payables	15	3 221 586	6 006 986
Amount due to related party	16	159 465	99 592 434
		23 821 051	105 599 420
<b>Total equity and liabilities</b>		<b>477 231 325</b>	<b>522 037 890</b>

LETLOLE LA RONA LIMITED  
**STATEMENT OF CHANGES IN EQUITY**  
 for the year ended 30 June 2012

	Notes	Stated Capital BWP	Debentures BWP	Accumulated Profits BWP	Total BWP
Issue of linked units during the period	10 & 11	2 800 000	417 200 000	-	420 000 000
Share issue costs	10 & 11	(81 116)	(12 086 453)	-	(12 167 569)
Total comprehensive income for the period		-	-	941 959	941 959
Balance at 30 June 2011		2 718 884	405 113 547	941 959	408 774 390
Total comprehensive income for the year		-	-	66 693 164	66 693 164
Dividends declared	14	-	-	(280 000)	(280 000)
Debenture interest declared	14	-	-	(41 720 000)	(41 720 000)
Taxation attributable to debenture interest	4	-	-	9 178 400	9 178 400
Balance at 30 June 2012		2 718 884	405 113 547	34 813 523	442 645 954

LETLOLE LA RONA LIMITED  
STATEMENT OF CASH FLOWS  
for the year ended 30 June 2012

	Notes	12 Months to 30 June 2012 BWP	2 Weeks to 30 June 2011 BWP
<b>Cash flows from/(to) operating activities</b>			
Profit before taxation		80 031 179	941 959
Adjustments for:			
Fair value adjustment of investment properties	6	(41 930 000)	-
Investment income	3	(1 028 996)	-
Finance costs	2	1 964 030	468 463
Profit on disposal of investment property		(30 120)	-
Operating income before working capital changes		39 006 093	1 410 422
Working capital changes			
Decrease/(increase) in trade and other receivables		13 960 124	(21 040 746)
(Decrease)/increase in trade and other payables		(2 785 400)	6 006 986
Taxation paid		(1 590 655)	-
Cash generated from/(used in) operating activities		48 590 162	(13 623 338)
<b>Cash flows from/(used in) investing activities</b>			
Acquisition of investment properties	6	-	(407 525 000)
Finance income	3	1 028 996	-
Proceeds from disposal of investment property		285 120	-
Net cash from/(used in) investing activities		1 314 116	(407 525 000)
<b>Cash flows (to)/from financing activities</b>			
Net proceeds from issue of linked units		-	420 000 000
Share and debenture issue costs		-	(12 167 569)
Finance costs	2	(1 964 030)	(468 463)
(Decrease)/increase in amount due to related party		(99 432 969)	99 592 434
Dividends paid	14	(140 000)	-
Debenture interest paid	14	(21 420 000)	-
Net cash (applied to)/generated from financing activities		(122 956 999)	506 956 402
Net (decrease)/increase in cash and cash equivalents		(73 052 721)	85 808 064
Cash and cash equivalents at beginning of the year		85 808 064	-
Cash and cash equivalents at end of the year	9	12 755 343	85 808 064

# LETLOLE LA RONA LIMITED

## SIGNIFICANT ACCOUNTING POLICIES

### 30 June 2012

#### GENERAL INFORMATION

Letlole la Rona Limited is a limited liability company incorporated in the Republic of Botswana. The company is listed on the Botswana Stock Exchange. The address of its Registered Office, principal place of business and principal activities are disclosed under the Corporate Information on page 20 - 21.

#### PRESENTATION OF FINANCIAL STATEMENTS

These financial statements are presented in Pula (P) as that is the currency of Botswana and the functional currency of the Company's operations.

#### ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

##### *Standards and interpretations affecting amounts reported in the current period*

In the current period, the Company has adopted the following new and revised Standards and Interpretations of the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2011. The adoption of these standards has not resulted in changes to the company's accounting policies.

- IFRS 3 - Business Combinations - Amendments resulting from May 2010 Improvements to IFRS
- IFRS 5 - Non Current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Improvements
- IFRS 7 - Financial Instruments: Disclosures (Annual improvements) (effective from 1 January 2011)
- IAS 1 - Presentation of Financial Instruments (Annual improvements) (effective from 1 January 2011)
- IAS 17 - Leases - Amendments Resulting from April 2009 Improvements (effective from 1 January 2011)
- IAS 24 - Related Party Disclosures (revised definition of related party) (effective from 1 January 2011)
- IAS 34 - Interim Financial Reporting (Annual improvements) (effective from 1 January 2011)
- IFRIC 14 - IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction (effective from 1 January 2011)

New and revised Standards and Interpretations in issue but not yet effective

At the date of approval of these financial statements, the following Standards and Interpretations were issued but were not yet effective.

	New/Revised International Financial Reporting Standards	Effective Date
IFRS 7	Financial Instruments: Disclosures - Amendments to offsetting financial assets with financial liabilities	Annual periods beginning on or after 1 January 2013
IFRS 9	Financial Instruments: Classification and Measurement	Annual periods beginning on or after 1 January 2015
IFRS 10	Consolidated Financial Statements	Annual periods beginning on or after 1 January 2013
IFRS 11	Joint Arrangements	Annual periods beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	Annual periods beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement	Annual periods beginning on or after 1 January 2013
IAS 19	Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	Annual periods beginning on or after 1 January 2013
IAS 27	Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements (as amended in 2011)	Annual periods beginning on or after 1 January 2013
IAS 28	Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011)	Annual periods beginning on or after 1 January 2013
IAS 32	Financial Instruments: Disclosures - Amendments to offsetting financial assets with financial liabilities	Annual periods beginning on or after 1 January 2014

## LETLOLE LA RONA LIMITED SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 30 June 2012

### ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

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

	IFRIC Interpretation	Effective Date
IFRIC 20	Stripping costs in the Production Phase of a Surface Mine - Clarifies the requirements for accounting for stripping costs	Annual periods beginning on or after 1 January 2013

Management has not yet evaluated the effect of all the new standards, amendments and interpretations in issue but not yet effective.

### STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Botswana (Companies Act, 2003).

### BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis as modified by the revaluation of investment properties. The financial statements are based on the following principal accounting policies which have been consistently applied in all material aspects:

#### REVENUE RECOGNITION

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

#### Rental Income

Rental income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the relevant leases.

#### Other Operating Revenue

Other operating revenue comprises utility expenses, service levies and other costs recovered from tenants.

#### Interest Revenue

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

### TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

LETLOLE LA RONA LIMITED  
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)  
30 June 2012

**TAXATION (CONTINUED)**

**Deferred tax**

The Company has early adopted IAS 12 - Income Taxes - Limited scope amendment (recovery of underlying assets) which is effective for annual periods beginning on or after 1 January 2012. The amendment introduces a rebuttable presumption that the carrying amount of fair valued investment property will be recovered entirely through sale.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

**Current and deferred tax for the period**

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

**FOREIGN CURRENCY TRANSACTIONS**

Transactions in currencies other than Botswana Pula are recognised at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling on the reporting date.

Profits and losses arising on foreign exchange differences are recognised in profit or loss in the period in which they arise.

**BORROWING COSTS**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

## LETLOLE LA RONA LIMITED SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 30 June 2012

### INVESTMENT PROPERTIES

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

The change in fair value of investment properties is offset against the rental straight-line adjustment in the statement of comprehensive income.

### WORK IN PROGRESS

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

### IMPAIRMENT

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset is impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the expected future cash flows from the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised in prior years.

### FINANCIAL INSTRUMENTS

#### Financial Assets

##### *Loans and receivables*

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

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

##### *Impairment of financial assets*

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



LETLOLE LA RONA LIMITED  
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)  
30 June 2012

FINANCIAL INSTRUMENTS (CONTINUED)

*Derecognition of financial assets*

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity Instruments

*Classification as debt or equity*

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

*Equity instruments*

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

*Financial liabilities*

The company's significant financial liabilities include related party balances and trade payables which have been classified as other financial liabilities.

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

*Derecognition of financial liabilities*

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Gains and Losses on Subsequent Measurement of Financial Instruments

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

Offsetting of Financial Instruments

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

DEBENTURE INTEREST AND DIVIDENDS

Debenture interest and dividends proposed after the reporting date are shown as a component of equity.

## LETLOLE LA RONA LIMITED SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 30 June 2012

### LEASING

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

#### The Company as Lessor

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### The Company as Lessee

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

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

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

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

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and funds held in bank accounts. The carrying amounts of these approximate to their fair value.

### PROVISIONS

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### RELATED PARTY TRANSACTIONS

Related parties are defined as those parties:

- (a) directly, or indirectly through one or more intermediaries, if the party:
  - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - (ii) has an interest in the entity that gives it significant influence over the entity; or
- (b) that are members of the key management personnel of the entity, including close members of the family.

All dealings with related parties are transacted on an arm's length basis and accordingly included in profit or loss for the year.

LETLOLE LA RONA LIMITED  
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)  
30 June 2012

SEGMENTAL REPORTING

A segment is a distinguishable component of a company that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The company's primary segment is based on business segments. There are no secondary segments. The business segments are determined based on the company's management and internal reporting structure.

On a primary basis, the company operates in the following segments:

- Leisure
- Industrial
- Commercial & retail

The company will from time to time invest in/divest from certain primary segments, in which case segmental reporting will be adjusted to reflect only the relevant operating segments.

Segmental results include revenue and expenses directly attributable to a segment and the relevant portion of revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts within the next financial year.

Fair value of investment properties

The directors use their judgment in selecting an appropriate valuation technique for the investment properties. Investment properties are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices.

Trade and receivables

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

LETLOLE LA RONA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
30 June 2012

	12 Months to 30 June 2012 BWP	2 Weeks to 30 June 2011 BWP
<b>1 PROPERTY RELATED AND ADMINISTRATION EXPENSES</b>		
Included in property related and administration expenses are the following costs:		
Asset management fees - related party (note 18)	2 741 660	-
Auditor's remuneration - audit fees	220 000	87 500
- other services	25 000	-
Bad debts	540 542	-
Directors' emoluments - for fees as directors (note 18)	624 000	304 000
Management and administration fees - related party (note 18)	3 486 610	90 540
Profit on disposal of investment property	30 120	-
Rates	879 802	39 279
Repairs and maintenance	441 287	5 213
<b>2 FINANCE COSTS</b>		
Botswana Development Corporation Limited - related party (note 18)	1 964 030	468 463
<b>3 INVESTMENT INCOME</b>		
Bank interest	1 028 996	-
<b>4 TAXATION</b>		
<b>4.1 Company taxation</b>		
Normal taxation	-	-
Deferred tax charge	4 159 615	-
Charge to statement of comprehensive income	4 159 615	-
Income tax expense comprises:		
Charged to statement of comprehensive income	13 338 015	-
Attributable to debenture interest credited to statement of changes in equity	(9 178 400)	-
	4 159 615	-
<b>4.2 Estimated Tax Losses</b>		
The company has estimated tax losses amounting to P 19 791 337 available to be set off against future taxable income.		
<b>4.3 Reconciliation of income tax expense</b>		
Profit before taxation (2012 and 2011)	80 973 138	-
Taxation at 22%	17 814 089	-
Allowable deductions - debenture interest	(9 178 400)	-
Allowable deductions - capital allowances	(1 129 110)	-
Exempt income - fair value adjustment	(9 224 600)	-
BSE listing costs	(2 659 020)	-
Loss to be assessed	4 354 095	-
	-	-
The first tax return of the Company will include prior year trading activities.		

LETLOLE LA RONA LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 30 June 2012

	2012 BWP	2011 BWP
<b>5 EARNINGS PER LINKED UNIT</b>		
The earnings and weighted average number of linked units used in the calculation of earnings per linked unit are as follows:		
Earnings for the period distributable to linked unit holders	75 871 564	941 959
Weighted average number of linked units in issue for the year	280 000 000	280 000 000
<b>6 INVESTMENT PROPERTIES</b>		
At fair value		
Freehold properties	141 000 000	121 170 000
Leasehold properties	308 200 000	286 355 000
	449 200 000	407 525 000
Straight line rental adjustment	(10 614 823)	(862 038)
Total investment properties	438 585 177	406 662 962
Reconciliation of fair value:		
Opening fair value	406 662 962	-
At valuation	407 525 000	-
Straight line lease rental adjustment	(862 038)	-
Additions during the year	-	407 525 000
Disposals during the year	(255 000)	-
Increase in fair value during the year	41 930 000	-
Straight-line rental adjustment	(9 752 785)	(862 038)
	438 585 177	406 662 962

The fair value of the company's investment properties at 30 June 2012 has been arrived at on the basis of the open market value of the properties as at year end. The valuation was carried out by Riberry Botswana (Proprietary) Limited, independent valuers. Riberry Botswana (Proprietary) Limited are members of the Real Estate Institute of Botswana and are registered in terms of the Real Estate Professionals Act 2003. The valuations, which conform to International Valuation Standards, were determined by reference to commercial rental streams and market evidence of transaction prices for similar properties.

Freehold properties comprise:

- Plots 1169, 50380, 4738 Gaborone

Leasehold properties comprise:

- Plot 22038 Gaborone 50 year State Grant from 28 June 2002
- Plot 28911 Gaborone 50 year State Grant from 27 August 1989
- Plot 14453 Gaborone 50 year State Grant from 16 November 1984
- Plot 14454 Gaborone 50 year State Grant from 16 November 1984
- Plot 14455 Gaborone 50 year State Grant from 16 November 1984
- Plot 14457 Gaborone 50 year State Grant from 28 August 1989
- Plot 14458 Gaborone 50 year State Grant from 22 August 1986
- Plot 14459 Gaborone 50 year State Grant from 22 August 1986
- Plot 14460 Gaborone 50 year State Grant from 22 August 1986
- Plot 54233 Gaborone 50 year State Grant from 10 October 1997
- Plot 32084 Gaborone 50 year State Grant from 10 July 1995
- Plot 14398 Gaborone 50 year State Grant from 3 February 1984
- Plot 9787 Francistown 50 year State Grant from 23 August 1991
- Plot 6384 Francistown 50 year State Grant from 6 December 1984
- Plot 276 Selebi Phikwe 50 year State Grant from 28 June 1973
- Plot 50719 Gaborone 50 year State Grant from 6 December 1990

LETLOLE LA RONA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
30 June 2012

	2012 BWP	2011 BWP
<b>7 DEFERRED TAXATION RECOVERABLE</b>		
Amount of capital gains tax recoverable from Botswana Development Corporation Limited ("the Vendors") on disposal of investment properties acquired as part of listing (note 13).	6 604 705	7 664 080
As part of the Initial Public Offer, exemption was obtained from Botswana Unified Revenue Services for the payment of capital gains tax on transfer of properties from the subsidiaries of Botswana Development Corporation Limited ("the Vendors"), until such time as the properties are disposed of by the Company.		
The actual liability arising on the disposal of any of the properties will be settled on disposal of the properties by the Company. This amount represents the potential deferred capital gains tax liability at 30 June 2012, calculated on the purchase price of the properties paid by the Company which is recoverable from the Vendors.		
<b>8 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	1 218 908	96 481
Less: Provision for doubtful debts	(540 542)	-
	678 366	96 481
Amount due from related party (note 18)	5 561 839	-
Reimbursable transfer duty	-	20 226 950
Other receivables	840 417	717 315
	7 080 622	21 040 746
The average credit period is 30 days. No interest is charged on overdue trade receivables. The Company has provided for all past due and impaired trade receivables based on estimated irrecoverable amounts determined by reference to past default experience. There are no past due amounts in trade receivables at the reporting date for which the Company has not provided.		
Movement in the allowance for doubtful debts		
Provision raised during the period	540 542	-
The Company considers the concentration of credit risk to be limited due to the customer base being small and unrelated. There are no other impaired receivables. Accordingly, the directors believe that no further provision is required in excess of the allowance for doubtful debts.		

LETLOLE LA RONA LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 30 June 2012

	2012 BWP	2011 BWP
<b>9 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents comprise:		
Bank balances and deposits	12 755 343	85 808 064
<b>10 STATED CAPITAL</b>		
Fully paid ordinary shares		
Opening balance 280 000 000 (2011: Nil) ordinary shares	2 718 884	-
Issue of 100 subscriber ordinary shares	-	1
Issue of shares under the Initial Public Offer - 279 999 900 ordinary shares	-	2 799 999
Share issue costs for the Initial Public Offer	-	(81 116)
Closing balance 280 000 000 (2011: 280 000 000) ordinary shares	2 718 884	2 718 884

Each Linked Unit in the Company comprises one ordinary share and one variable rate unsecured debenture as per Note 11, which are indivisibly linked. It is not possible to trade with the shares or the variable rate unsecured debentures separately from one another.

The linked units are listed on the Botswana Stock Exchange.

All of the issued shares are of the same class and rank pari passu in every respect.

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

**11 DEBENTURES**

Variable rate unsecured debentures

Opening balance 280 000 000 (2011: Nil) debentures	405 113 547	-
Issue of 100 subscriber debentures	-	149
Issue of debentures under the Initial Public Offer - 279 999 900 debentures	-	417 199 851
Debenture issue costs for the Initial Public Offer	-	(12 086 453)
Closing balance 280 000 000 (2011: 280 000 000) debentures	405 113 547	405 113 547

Each Linked Unit in the Company comprises one ordinary share as per note 10, and one variable rate unsecured debenture, which are indivisibly linked. It is not possible to trade with the shares or the variable rate unsecured debentures separately from one another.

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

The debentures are governed in terms of a Trust Deed entered into between the Company and the Trustee for the debenture holders.

LETLOLE LA RONA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
30 June 2012

	2012	2011
	BWP	BWP
<b>12 ACCUMULATED PROFITS</b>		
Arising from normal operations	3 498 346	1 803 997
Arising from revaluation of investments	31 315 177	(862 038)
	<b>34 813 523</b>	<b>941 959</b>
<p>The Company has adopted the policy of distributing profits to linked unit holders by means of debenture interest payments with a nominal amount being dividends. The directors intend to ensure that rolling over any period of three consecutive financial years the company distributes at least 75% of available cash after prudent retention and provision for foreseeable capital expenditure and cash flow requirements as per the Trust Deed of the Company.</p>		
<b>13 DEFERRED TAXATION</b>		
Balance at beginning of the period	7 664 080	-
Capital gains tax deferred - related parties (note 7)	(1 059 375)	7 664 080
Capital gains tax charged to statement of comprehensive income	4 159 615	-
Balance at end of the period	<b>10 764 320</b>	<b>7 664 080</b>
<p>Deferred taxation arises as follows:</p>		
Deferred taxation- capital gains tax on revaluation of the investment properties	4 159 615	-
Amount of capital gains tax recoverable from Botswana Development Corporation Limited ("the Vendors") on disposal of investment properties acquired as part of listing (note 7).	6 604 705	7 664 080
	<b>10 764 320</b>	<b>7 664 080</b>
<b>14 DEBENTURE INTEREST AND DIVIDENDS DECLARED</b>		
Debenture interest		
Interim paid	7.65 (2011: Nil) thebe	21 420 000
Final declared	7.25 (2011: Nil) thebe	20 300 000
	14.90	41 720 000
Dividends		
Interim paid	0.05 (2011: Nil) thebe	140 000
Final declared	0.05 (2011: Nil) thebe	140 000
	0.10	280 000
		42 000 000
Debenture interest and dividend payable		
Debenture interest	20 300 000	-
Dividend payable	140 000	-
	<b>20 440 000</b>	<b>-</b>

The interim debenture interest and dividend per linked unit was paid on 20 April 2012. A final debenture interest and dividend per linked unit was declared by the Board of Directors on 26 June 2012 and was paid to unitholders registered on 13 July 2012.



LETLOLE LA RONA LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 30 June 2012

	2012	2011
	BWP	BWP
<b>15 TRADE AND OTHER PAYABLES</b>		
Refundable deposits held for tenants	1 449 066	1 074 706
Directors' fees	-	304 000
Listing cost accruals	149 021	4 477 924
Value Added Tax	28 250	-
Other payables and accruals	915 040	150 356
Related parties:		
Botswana Development Corporation Limited (note 18)	452 541	-
Stanlib Investment Management Services (Proprietary) Limited (note 18)	227 668	-
	<b>3 221 586</b>	<b>6 006 986</b>
<b>16 AMOUNT DUE TO RELATED PARTY</b>		
Botswana Development Corporation Limited	159 465	99 592 434
The amount is unsecured, bears interest at prime and no terms of repayment have been set.		
<b>17 FINANCIAL RISK MANAGEMENT</b>		
Categories of Financial Instruments		
<i>Financial assets</i>		
Receivables (including cash and cash equivalents)	18 995 548	106 131 495
<i>Financial liabilities</i>		
Payables (including related party balances)	23 821 051	105 599 420

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

**Capital Risk Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Company consists of cash and cash equivalents and equity, comprising the stated capital, the variable rate unsecured debentures and accumulated profits as disclosed in the statement of financial position. At 30 June 2012, the Company had interest bearing borrowings of P159 465 (2011: P99 592 434), (note 16).

**Financial Risk Management Objectives**

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

**Market Risk**

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

**Foreign Currency Risk**

In the normal course of business, the Company enters into transactions denominated in foreign currencies. At 30 June 2012, Company had no liabilities in foreign currencies, which would expose it to fluctuations in foreign currency exchange rates.

**Credit Risk**

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

## LETLOLE LA RONA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 June 2012

#### 17 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### Interest Rate Risk

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

Financial instruments that are sensitive to interest rate risk are bank balances on call and long term borrowings, whose interest rates are linked to the prime lending rate. If interest rates were 1% higher while all other variables were held constant the profit for the year would decrease by P99 847 (2011: P52 600). An exact and opposite effect would occur if the interest rates were 1% lower.

#### 18 RELATED PARTY TRANSACTIONS

The Company has entered into a Property Management Agreement with Botswana Development Corporation Limited (BDC). BDC owned 79.56% of the issued linked units of the Company at 30 June 2012. Other companies listed below are fellow subsidiaries of BDC and the asset management company, Stanlib Investment Management Services (Proprietary) Limited. During the year, the Company entered into the following trading transactions with related parties and had the following balances with related parties:

	2012	2011
	BWP	BWP
Receivable due from a related party (note 8)		
Botswana Development Corporation Limited	5 561 839	-
Payables due to related parties (note 15)		
Botswana Development Corporation Limited	452 541	-
Stanlib Investment Management Services (Proprietary) Limited	227 668	-
	680 209	-
Amount due to related party (note 16) - Interest bearing loan		
Botswana Development Corporation Limited	159 465	99 592 434
The following trading transactions were carried out with related parties.		
Botswana Development Corporation Limited		
Rental Income	7 896 128	331 075
Finance Costs	1 964 030	468 463
Purchase of investment property		
Botswana Hotel Development Company (Proprietary) Limited	-	174 990 000
Commercial Holdings (Proprietary) Limited	-	78 700 000
Western Industrial Estates (Proprietary) Limited	-	153 835 000
	-	407 525 000
Management and administration fees		
Management fees	2 006 017	90 540
Lease renewal fees	280 593	-
Administration fees	1 200 000	-
	3 486 610	90 540

Management fees are calculated on a fixed percentage of net rental income.  
Administration and lease renewal fees are calculated on a commercial basis.

LETLOLE LA RONA LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 30 June 2012

	2012	2011
	BWP	BWP
<b>18 RELATED PARTY TRANSACTIONS (CONTINUED)</b>		
Re-imbursables paid on behalf of the company		
Botswana Development Corporation Limited	-	28 016 595
Directors' fees		
J Kamyuka	74 000	54 000
JTselayakgosi	114 000	44 000
M Bathuleng-Mookodi	94 000	44 000
P Stevenson	114 000	54 000
R Boyd	144 000	54 000
S Ditshupo	84 000	54 000
	624 000	304 000
Stanlib Investment Management Services (Proprietary) Limited		
Asset management fees	2 741 660	-
The asset management fees are calculated in terms of an agreement based on market capitalisation.		
Purchases were made at market price and were all in the ordinary course of business. The purchases of services from BDC includes property management and administration fees.		
The Company purchased its first properties from the wholly owned subsidiaries of Botswana Development Corporation Limited in the prior year, as disclosed above.		
The amounts owed by or owed to related parties are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of any amounts owed by related parties.		
Expenses paid on behalf of the Company in the prior year relate to the linked units Initial Public Offer issue costs and investment property transfer duty paid by BDC on behalf of the Company.		
<b>19 OPERATING LEASE ARRANGEMENTS</b>		
The Company as a lessor		
Operating leases by the Company as a lessor relate to the investment properties owned by the Company with lease terms of between 1 and 10 years. The lessees do not have an option to purchase the properties at the expiry of the lease period.		
The property rental income earned by the Company from its investment properties, all of which are leased out under operating leases, before the rentals straight-line adjustment amounts to P50 150 427 as reflected in the statement of comprehensive income. Direct operating expenses arising on the investment property for the year amounted to P3 803 378 (2011: P278 343).		
At the end of the reporting period the Company had contracted with tenants for the following future minimum lease payments:		
	2012	2012
	BWP	BWP
Not longer than 1 year	54 479 867	50 247 702
Longer than 1 year and not longer than 5 years	208 406 547	184 176 477
Longer than 5 years	64 062 916	112 493 972
	326 949 330	346 918 151
<b>20 CAPITAL COMMITMENTS</b>		
There were no capital commitments at the end of the reporting period.		
<b>21 EVENTS AFTER THE REPORTING PERIOD</b>		
There were no material events after the reporting period that may require adjustment or disclosure in the financial statements.		

## LETLOLE LA RONA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 30 June 2012

#### 22 SEGMENTAL REPORTING

The Company's business activities are concentrated in the segment of property rentals and are carried out within the geographical region of Botswana.

	Corporate	Commercial & Retail	Leisure	Industrial	Total
	BWP	BWP	BWP	BWP	BWP
Segmental Statement of Financial Position at 30 June 2012					
Investment property including straight-lining of rental income	-	83 000 000	185 500 000	180 700 000	449 200 000
Deferred tax recoverable from Vendors	-	3 668 143	-	2 936 561	6 604 705
Taxation refundable	1 590 655	-	-	-	1 590 655
Amount due from related party	5 561 839	-	-	-	5 561 839
Trade and other receivables	77 800	257 169	605 487	578 327	1 518 783
Cash and cash equivalents	12 755 343	-	-	-	12 755 343
<b>Total assets</b>	<b>19 985 637</b>	<b>86 925 312</b>	<b>186 105 487</b>	<b>184 214 888</b>	<b>477 231 325</b>
Due to the pooling of funds, disclosure of segmental liabilities has all been included under Corporate.					
Segmental Statement of Comprehensive Income for the year ended 30 June 2012					
Contractual rental revenue	-	11 234 570	17 972 450	20 943 407	50 150 427
Straight-lining of rental income	-	1 507 415	6 249 953	1 995 417	9 752 785
Segment revenue	-	12 741 985	24 222 403	22 938 824	59 903 212
Property operating expenses	-	(784 041)	(1 071 692)	(1 947 645)	(3 803 378)
Net rental and related revenue	-	11 957 944	23 150 711	20 991 179	56 099 834
Finance income	1 028 996	-	-	-	1 028 996
Other income	-	-	30 120	-	30 120
Fair value gain on investment property net of adjustment resulting from straight-lining of rental revenue	-	2 792 585	4 515 047	24 869 583	32 177 215
Finance costs	(1 964 030)	-	-	-	(1 964 030)
Administration expenses	(7 340 956)	-	-	-	(7 340 956)
<b>Total segmental result</b>	<b>(8 275 990)</b>	<b>14 750 529</b>	<b>27 695 878</b>	<b>45 860 762</b>	<b>80 031 179</b>

LETLOLE LA RONA LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 30 June 2012

22 SEGMENTAL REPORTING (CONTINUED)	Corporate	Commercial & Retail	Leisure	Industrial	Total
	BWP	BWP	BWP	BWP	BWP
Segmental Statement of Financial Position at 30 June 2012					
Investment property including straight-lining of rental income	-	78 700 000	174 990 000	153 835 000	407 525 000
Deferred tax recoverable from Vendors	-	4 391 448	-	3 272 632	7 664 080
Trade and other receivables	20 281 439	177 854	288 105	293 348	21 040 746
Cash and cash equivalents	85 808 064	-	-	-	85 808 064
<b>Total assets</b>	<b>106 089 503</b>	<b>83 269 302</b>	<b>175 278 105</b>	<b>157 400 980</b>	<b>522 037 890</b>
Due to the pooling of funds, disclosure of segmental liabilities has all been included under Corporate.					
Segmental Statement of Comprehensive Income for the two week period ended 30 June 2011					
Contractual rental revenue	-	476 880	741 910	894 708	2 113 498
Straight-lining of rental income	-	102 702	345 359	413 977	862 038
Segment revenue	-	579 582	1 087 269	1 308 685	2 975 536
Property operating expenses	-	(56 435)	(103 642)	(118 266)	(278 343)
Net rental and related revenue	-	523 147	983 627	1 190 419	2 697 193
Fair value gain on investment property net of adjustment resulting from straight-lining of rental revenue		(102 702)	(345 359)	(413 977)	(862 038)
Finance costs	(468 463)	-	-	-	(468 463)
Administration expenses	(424 733)	-	-	-	(424 733)
<b>Total segmental result</b>	<b>(893 196)</b>	<b>420 445</b>	<b>638 268</b>	<b>776 442</b>	<b>941 959</b>

# Notice to Members

## THE ANNUAL GENERAL MEETING OF THE COMPANY

To be held at President Hotel, Main Mall, Gaborone on Wednesday  
28<sup>th</sup> November, 2012, at 1400 Hrs

### AGENDA

- 1 To read the notice convening the meeting
- 2 Apologies
- 3 Confirmation of minutes of the previous meeting
- 4 Report by the Chairman
- 5 To receive, consider and adopt the Audited Annual Financial Statements of the Company and the reports of the auditors and the Directors for the year ended 30 June 2012
- 6 Re-election and appointment of Directors in terms of the Constitution of the Company
- 7 To approve the Directors fees for the period ended 30 June 2012
- 8 To approve the remuneration of Auditors for the year ended 30 June 2012
- 9 To appointment of Auditors for ensuing year
- 10 Any Other Matters



-----  
L Keloneilwe  
Company Secretary  
By Order of the Board

18 September 2012  
Gaborone

A member entitled to attend and vote may appoint a proxy to attend and vote for him, on his behalf, and such proxy need not also be a member of the company.

The Proxy Form must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.



# Form Of Proxy

I/We \_\_\_\_\_ of  
(Name/s in block letters)  
(Address) \_\_\_\_\_, \_\_\_\_\_ (town)

Being the registered holder/s of \_\_\_\_\_ units in the above-named company, hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_ or  
failing him \_\_\_\_\_ of \_\_\_\_\_

As my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Extraordinary  
General Meeting of Letlole La Rona Limited to be held on the 28 November 2012 and at any  
adjournment thereof and to vote for or against the resolutions in respect of the units registered in  
my/our name/s.

Signature \_\_\_\_\_

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2012

*A member entitled to vote is entitled to appoint a proxy to attend, speak, vote and on a poll, vote in his stead,  
and such Proxy need not also be a member of Letlole La Rona Limited. Proxies should be delivered to the  
Company Secretary no later than 1500hrs on the 26<sup>th</sup> November 2012.*

SL NO: \_\_\_\_\_ TOTAL NUMBER OF SHARES \_\_\_\_\_

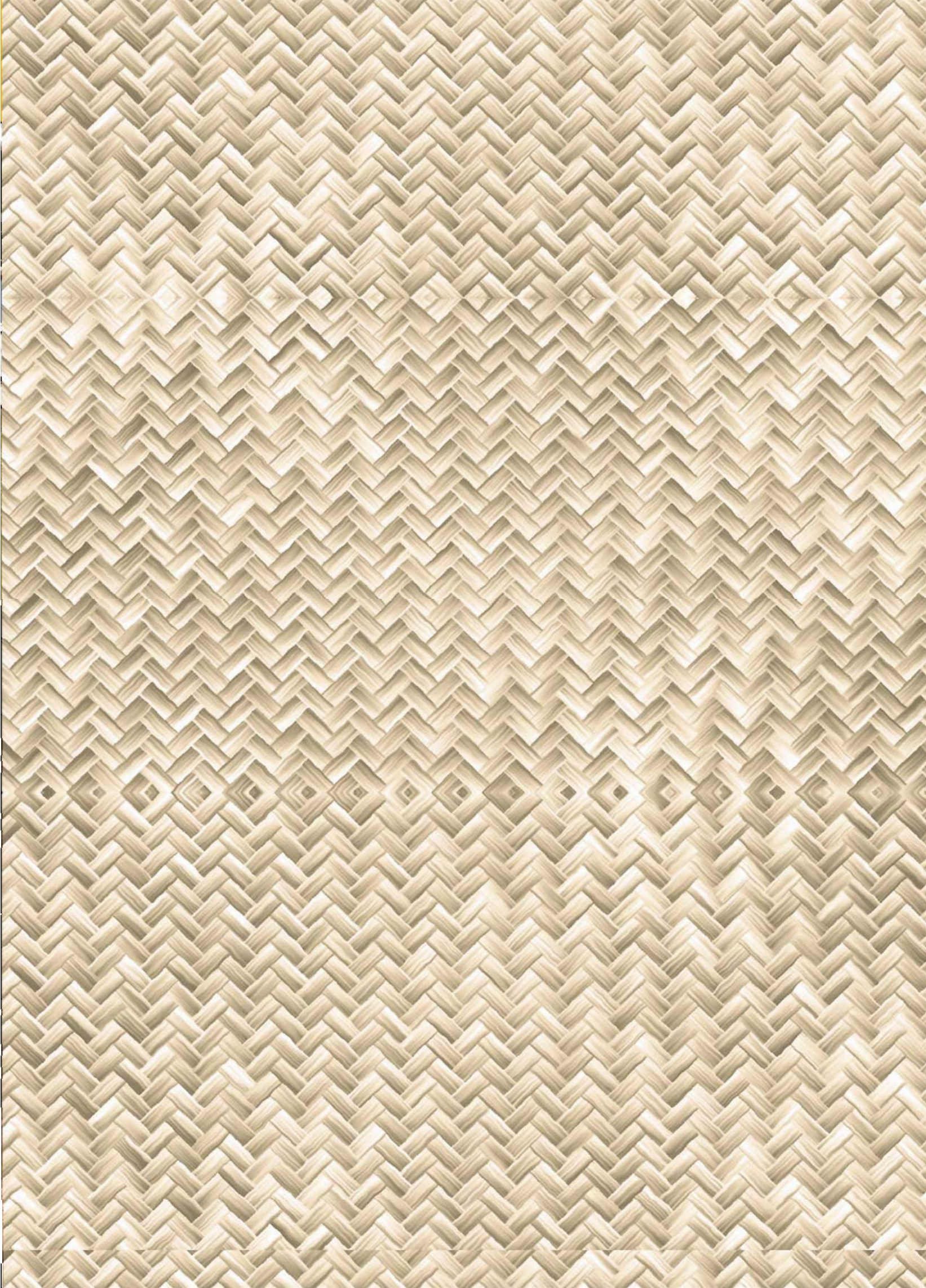
	FOR	AGAINST	ABSTAIN
ORDINARY RESOLUTION 1			
ORDINARY RESOLUTION 2			
ORDINARY RESOLUTION 3			
ORDINARY RESOLUTION 4			
ORDINARY RESOLUTION 5			

## REGISTERED OFFICE

Moedi House  
Plot 50380  
Showgrounds, Gaborone  
Private Bag 0183, Gaborone









[www.letlole.co.bw](http://www.letlole.co.bw)



*'Our Basket of Wealth'*

## CONTACT DETAILS:

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