



INTEGRATED ANNUAL REPORT 2024

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INTRODUCTION

ABOUT OUR REPORT

FAR Property Company Limited (“FPC”) is a Botswana Stock Exchange (“BSE”) listed property investment company with an internally managed, diversified portfolio of retail, commercial, industrial and residential properties in Botswana, South Africa and Zambia.

This integrated report outlines how FPC creates and delivers sustainable value. It is our primary report to our investors and includes an overview of our strategy and progress on delivering our objectives, investment proposition, material risks, performance and governance.

Scope and boundary

This integrated annual report presents the performance and activities of FPC for the financial year 1 July 2023 to 30 June 2024, from a financial, economic and governance perspective. It aims to demonstrate how FPC will create and sustain value for stakeholders over the short, medium and long term. The report is primarily aimed at linked unitholders and providers of capital. The scope and boundary of the information contained in this integrated annual report encompass the Group's business activities and property portfolios in Botswana, South Africa and Zambia.

Reporting frameworks

This integrated annual report is prepared in accordance with IFRS, the BSE Listings Requirements, the Botswana Companies Act, and the International Integrated Reporting Framework. FPC complies in all material respects with the principles contained in the BSE Code of Best Practice on Corporate Governance as well as King IV* as encapsulated in the applicable regulations.

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Assurance

The company's external auditor, Grant Thornton, has independently audited the annual financial statements for the year ended 30 June 2024. They have provided assurance on the financial statements and expressed an unqualified audit opinion. The integrated annual report of the Group has been prepared under the supervision Shinu Joy BCom, ACA, ACMA (US), the acting Chief Executive Officer of FPC. The remaining content of the integrated annual report has been reviewed by the Board but has not been externally assured.

Business process	Nature of assurance	Assurance provider
Consolidated annual financial statements	External audit	Grant Thornton
Health, safety, environmental and community audits	Compliance reviews	Board of Directors
BSE Listings Requirements	Compliance reviews	Management
Lender due diligence	Legal and compliance reviews	Board of Directors and management
Insurance due diligence	Independent risk reviews	Board of Directors

Forward-looking statements

This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the Group's expectations as at year-end. Actual results may differ materially from the Group's expectations. The Group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these. The Group disclaims any intention and assumes no obligation to revise any forward-looking statement even if new information becomes available, other than as required by the BSE Listings Requirements or any other applicable regulations.

Six capitals and materiality

FPC applies the six capitals as described by the International Integrated Reporting Council's International <IR> Framework, to produce long-term sustainable value for stakeholders. Our balanced use of these capitals is outlined in our business model on pages 18 and 19.

While this report is primarily aimed at our present and potential shareholders, it also takes into account the information needs of our vast and diverse range of stakeholders who are critical to the Group's long-term value development.

Our identified stakeholders

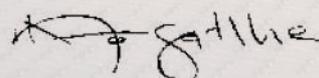
-  Investors and funders
-  Regulators, government and authorities
-  Employees
-  Media
-  Tenants
-  Suppliers
-  Communities

For further information, please see pages 26 and 27.

Board responsibility statement

The Board acknowledges its responsibility to ensure the integrity of this integrated annual report. The Directors can be contacted at the registered office of the Company. Details of the Directors are contained on pages 38 and 39.

The Board believes that the integrated annual report was prepared in accordance with the <IR> framework. The report, which remains the ultimate responsibility of the Board, is prepared under the supervision of senior management and subject to external assurance. The report is submitted to the Audit, Risk and Compliance Committee, which reviews and recommends it to the Board for approval having reviewed the contents, as well as the collation process, and with reliance on the assurance provided on the various reporting elements. The committee has applied its mind to the report and believes that it appropriately and sufficiently addresses FPC's performance for the year within the scope and boundary outlined above. The Audit, Risk and Compliance Committee recommended this integrated annual report to the Board for approval which then approved it.



Reetsang Willie Mokgathe
Chairman

12 September 2024

FY2024 HIGHLIGHTS

REVENUE UP BY

↑ 10%

NET INCOME FROM OPERATIONS UP BY

↑ 8%

RENT YIELD OF

10%

PROFIT BEFORE INCOME TAX UP BY

↑ 27%

LOAN-TO-ASSET RATIO OF

20%

GLA OF

287 802M²

DISTRIBUTION

12.40 THEBE

IN THIS SECTION

ABOUT OUR REPORT

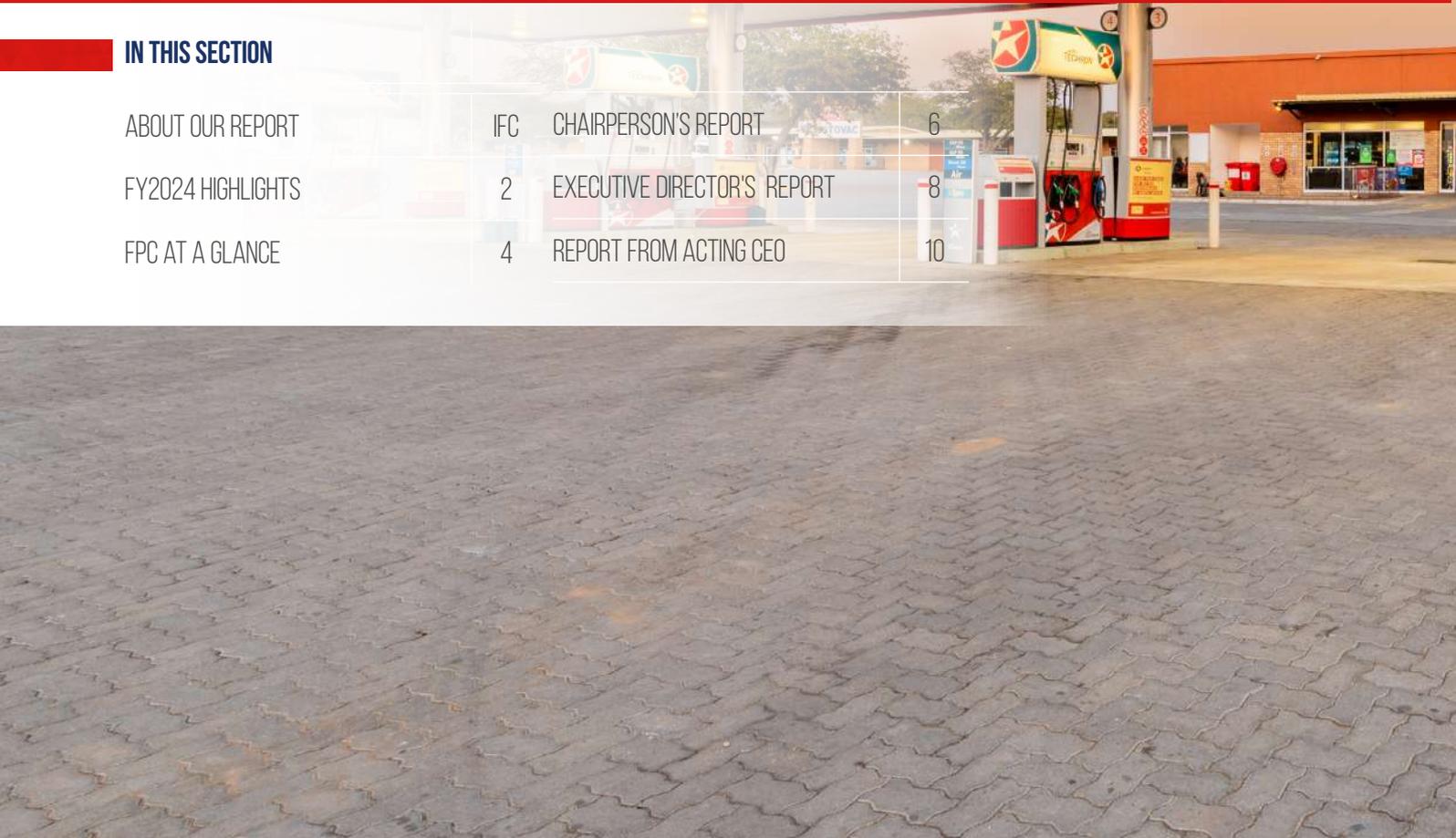
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FPC AT A GLANCE

FPC IS A BSE-LISTED PROPERTY INVESTMENT COMPANY WITH A DIVERSIFIED BWP 1.62 BILLION PORTFOLIO LOCATED IN BOTSWANA, ZAMBIA AND SOUTH AFRICA. THE PROPERTIES SPAN THE INDUSTRIAL AND RETAIL SECTORS WITH A SMALL NON-CORE RESIDENTIAL PORTFOLIO.

We are committed to creating long-term value for our stakeholders by providing first-rate services to our tenants, thereby fostering customer loyalty. People remain central to how we do business and we seek to create spaces that enable people to connect and businesses to thrive.

Our objective is to be the infrastructure company of choice in Southern Africa and we are already one of the largest property companies in Botswana.

Our portfolio is internally managed by our highly skilled internal team which is focused on delivering sustainable value creation for all our stakeholders.





MISSION

- To develop and maintain a balanced and sustainable portfolio for the future



VISION

- To develop a property portfolio fund with sustainable growth
- To create favourable environments for tenants
- To strategically develop properties to meet current and future market demand
- To accelerate local economic growth by developing properties that enhance economic activity
- To provide good standard properties and nurture strong relationships with tenants to maintain high-occupancy levels



VALUES

Knowledge – We strive to understand our markets and our clients’ needs

Connections – Relationships are everything to us; we connect people to their communities and livelihoods

Passion – We believe that working with “all heart” can change the world

Fun – We love what we do and it shows

Integrity – Our clients’ needs and best interests are at the heart of everything we do

Effectiveness – We set a high bar and move mountains to exceed expectations

OUR VALUES TRANSLATE INTO:

- Professionalism above all
- Making our tenants happy
- Strong stakeholder engagement
- A positive approach
- Unwavering focus on growth and sustainability
- Adding value for the benefit of all our stakeholders
- Giving back to communities

CHAIRPERSON'S REPORT



Reetsang Willie Mokgathe
Independent non-executive chairman

Reflections from our chairman

The Group delivered another set of impressive results, reporting profit before tax 27% higher than the prior year. This was due to rental revenue increasing by 10% and the vacancy rate of the portfolio remaining below 6%.

A strong and steady rental revenue from Grade A tenants contributed a significant change in the open market value of the portfolio.

We were pleased to declare a distribution of 12.40 thebe per linked unit comprising a gross dividend of 0.11 thebe per share and gross interest of 12.29 thebe per debenture in respect of the period ended 30 June 2024. Rewarding unitholders remains a priority for us as we aim to deliver on our long-term strategy.

In line with our strategy to grow the portfolio and ensure the right balance of cash available to the business, unitholders will receive 50% of the net distribution amount as scrip distribution in the form of linked units (credited as fully paid), and the balance of 50% as cash.

WE CONTINUE TO BE COMPETITIVE WHEN COMPARED TO OUR PEERS, AND WITH OUR CURRENT LAND BANK, WE WILL CONTINUE TO BE COMPETITIVE WELL INTO THE FORESEEABLE FUTURE WHILE SUSTAINABLY GROWING OUR PORTFOLIO.

The property portfolio increased 10% due to acquisitions, ending the year with an overall open market value of the investment property of BWP 1.62 billion compared to BWP 1.47 billion at 30 June 2023.

The Group has a well-balanced and diversified portfolio comprising 53% commercial/retail, 40% industrial and warehousing and 7% residential properties. We boast an impressive tenant mix with 78% Grade A tenants consisting of premium tenants and 19% medium sized businesses with well-established business operations as well as 3% new start-up companies. The Group operates in three countries with 84% of GLA in Botswana, 15% in South Africa and 1% in Zambia.

There are currently four major projects ongoing, including the distribution centre project in the Lusaka Economic Freezone, which indicates our commitment to expanding in these new markets.

Our loans-to-equity ratio is in a healthy state and we continue to prudently manage our cash to ensure that debt payments are made as they fall due.

We continue to be competitive when compared to our peers, and with our current land bank, we will continue to be competitive well into the foreseeable future while sustainably growing our portfolio.



Macroeconomic outlook

Botswana's economic growth decelerated from 5.5% in 2022 to 2.7% in 2023, below the long-run potential growth of 4%. A sharp decline in diamond trading and mining activities was the main contributor to the slowdown, as global demand for rough diamonds decreased.

Real GDP growth shrank to 2.7% in 2023 as water and electricity production declined and the diamond trade slowed. The declines reflected drought conditions and weak global diamond demand. The 2023/24 fiscal deficit widened to 2.5% of GDP, driven by lower than expected mineral earnings and higher than planned recurrent spending.

Average inflation fell to 5.3% in 2023 which is within Bank of Botswana's 3%–6% acceptable range, reflecting downward domestic fuel price adjustments and lower imported inflation. This bodes well for our business as we hope that interest rates will continue to decrease.

Governance

During the year we continued with our Board development, supported by the Institute of Directors of South Africa. In the year under review, Directors attended training on ESG Overview for Directors – Director's roles and responsibilities programme. In this programme, we explored the shifting context in which businesses find themselves today and the need to transition our economy and business models, including core strategy and organisational decision-making.

We currently have one female Board member and the Board continues to look at ways in which these numbers can be increased. We are striving to reach a balance in terms of gender diversity and during the year, the Board passed a diversity policy.

We also demonstrated our commitment to combating money laundering with the implementation of our anti-money laundering ("AML") policy and procedures.

We have continued to play our role in sustainability and advancing ESG principles. In doing so as a Board we are cognisant of the UN Sustainable Development Goals. We have implemented two roof top solar systems, one fully operational and the second to be commissioned in 2025. Further, the Board, in partnership with solar energy companies, has approved the implementation of a sizeable roof top solar system in our industrial and commercial properties which is expected to generate about 15 MW, providing significant power savings.

It is the Board's aim to continue implementing similar projects to achieve both energy and cost savings for the Company.

As a Group, we believe we can combine the pursuit of value with contributing to a better world. I am immensely proud of how our people are responding to this challenge. As one of the largest property developers in the country, we can help our customers reduce their emissions by providing clean energy through the implementation of solar based projects.

The Board has further set aside funding to support social projects to ensure we continue to play our role as a responsible corporate entity. It is the Board's intention to ensure the funding also aligns with our sustainability objectives. We also continue to engage stakeholders, including regulators, to ensure regulatory requirements are met, as it is important for us as a listed entity.

Outlook

Moving forward, we will look to continue implementing our five-year strategy. The year under review was the second year of this strategy. The Group is planning expansion in Zambia with a mix of industrial and commercial centres with the intention of optimising returns and addressing single country dependencies. We will continue to review as and when there are activities, particularly external activities, around us that warrant review. It is our intention to implement more of the solar projects in order to play our part in sustainable development.

We have a sizable land bank that we will develop as and when we identify opportunities not only locally but also within the region. We do not intend to develop shopping malls everywhere but to ensure that the development of these malls and properties are consumer driven and that there are tenants that would support such developments. Our growth strategy is managed growth. We intend to continue with our strategy to ensure creation of value for our unitholders.

Appreciation

I would like to thank the Board for their exceptional devotion throughout the year and I genuinely appreciate their knowledge and understanding. My compliments also go to management and the employees for their hard work and dedication, as well as to our tenants, suppliers, and shareholders for their support.

Reetsang Willie Mokgathe

Independent non-executive chairman

12 September 2024

EXECUTIVE DIRECTOR'S REPORT



Vidya Sanooj
Executive Director

DESPITE ONGOING MACROECONOMIC CHALLENGES, FPC CONTINUED TO SHOW RESILIENCE WITH A SOLID PERFORMANCE THROUGHOUT THE YEAR. THE COMPANY DEMONSTRATED AGILITY IN RAPIDLY ADAPTING ITS THINKING AND OPERATIONS IN RESPONSE TO CHANGES IN CONSUMER BEHAVIOUR.

FINANCIAL HIGHLIGHTS

REVENUE UP

↑ 10%

PROFIT BEFORE
INCOME TAX UP

↑ 27%

RENTAL YIELDS AT A
STABLE RATE OF

10%

VACANCIES
LOW AT

6%

LOAN-TO-ASSET RATIO OF

20%

Operations

FPC continued to demonstrate a preference for development over acquisitions during the year. Six developments are currently being built in Botswana and Zambia.

The occupancy rate in Botswana is currently at about 96%, whereas South Africa is in the recovery stage, and we are in advanced negotiations to relet the space.

Our strategic direction

Our vision is to have the best balanced portfolio in the region (excluding Zimbabwe).

We believe that in Botswana we already have a land bank to deliver this, while in Zambia we have already embarked on a journey to establish a sufficient land bank.

Our focus is on smaller business centres where there is minimal risk of a single tenant and we continue to seek to diversify.

Residential remains a non-core sector and we intend exiting from the market as soon as the opportunity arises.

All of our leases are triple net leases, which limit our landlord responsibilities to only structural maintenance. In order to provide long-term stability, lease renewals are typically for five years with a further five-year option. Supported by our strong NAV we plan to develop our land bank over the next few years which will position us for our next growth phase. The land bank is currently between 5% and 10% of the total portfolio.

Our internal asset management and low debt levels continue to position us strongly compared to our peers.

Proposed and planned developments Zambia

- 10 000 m² new warehouse development in Lusaka in construction and completion stage
- Shopping complex and supermarket project in Sirenje in planning stage

Botswana

- Warehouse and filling station project in Serowe under construction and in completion stage
- Shopping complex and filling station projects in Mathengwane in planning stage
- Shopping complex and filling station projects in Hukuntsi in construction stage
- Warehouse projects in Gabane in construction stage

Distribution

The Board is pleased to declare a distribution amounting to 12.40 thebe, comprising 12.29 thebe interest and 0.11 thebe dividend per linked unit for the year ended 30 June 2024.

Looking ahead

We are progressing well with our five-year strategic plan and are well positioned for future growth. We are focused on growing and developing our current land bank by maintaining the current level of gearing.

FPC will keep the South African portfolio in place for the foreseeable future and seek to engage in discussions to develop a strategy for debt repayment.

The greywater trial project and the solar pilot project remain crucial in lowering our energy and water usage. In the medium term, we aim to replicate our present Botswana model in Namibia and Zambia.

We aim to be Southern Africa's go-to commercial infrastructure property company. Our goal is not to be speculative but instead put the demands of our clients first.

Appreciation

I want to thank our team for their commitment and dedication during these challenging times. I also want to express my gratitude to the Board for their wise counsel. Additionally, I want to thank our tenants and service providers for their ongoing support.



Vidya Sanoj
Executive Director

12 September 2024

REPORT FROM ACTING CEO



Shinu Joy
Acting CEO

I AM PLEASED TO PRESENT THE YEAR-END RESULTS FOR FPC, WHICH HAVE BEEN POSITIVE NOTWITHSTANDING A TOUGH ECONOMIC ENVIRONMENT OWING TO HIGH INTEREST RATES, SLOW ECONOMIC GROWTH, AND AN EVER-ESCALATING COST OF LIVING.

OUR AIM IS TO REMAIN AGILE AND LOOK TO POSITION THE BUSINESS FOR FUTURE GROWTH AS AND WHEN THE ECONOMY RECOVERS AND MARKET CONDITIONS IMPROVE.

HIGHLIGHTS

REVENUE

BWP 168
MILLION

DISTRIBUTION

12.40
THEBE

NET INCOME FROM OPERATIONS

↑ 8%

BASIC EARNINGS PER SHARE

33.63
THEBE

HEADLINE EARNINGS PER SHARE

33.73
THEBE

VALUE OF PORTFOLIO

↑ BWP 1.62
BILLION

Financial performance

Revenue increased by 10% to BWP 168 million from BWP 153 million in 2023, while profit before tax increased 27% to BWP 173 million (2023: BWP 136 million). Operating profit increased 8% to BWP 151 million (2023: BWP 139 million). Vacancies across the portfolio remain below 6%, which is encouraging given the tough trading environment. The rent yield remained stable at 10% while the loan-to-asset ratio is at a healthy 20%.

Distributable income

Profit for the year attributable to linked unitholders increased to BWP 159 million (2023: BWP 125 million). FPC also generated basic earnings per share of 33.63 thebe (2023: 26.76 thebe) while headline earnings per linked unit increased to 33.73 thebe (2023: 26.92 thebe).

Borrowings

Though tight cost control measures were implemented, debt facilities increased to BWP 308 million (2023: BWP 258 million). Operating expenses also increased to BWP 38 million (2023: BWP 33 million) due to higher inflation and interest rates. On a positive note, we contributed to the national GDP by paying income tax of BWP 14 million (2023: BWP 11 million).

Cash management

Through the dedicated efforts of our property management team, we achieved an impressive average rental collection rate of 98% across our portfolio for the year ended 30 June 2024.

We also had capital commitments of BWP 42.96 million (2023: BWP 40.50 million) for the new development projects in Botswana.

Net asset value

The portfolio consisted of 194 properties with a GLA of 287 802 m² (2023: 274 876 m²). Our property portfolio value increased by 9.7% to R1.62 billion (2023: R1.47 billion). This was due to the new development and acquisitions and a 3% (2023: 2%) increase in valuations relative to the prior year.

The increase in valuations was mainly driven by the market-driven rentals and well-maintained conditions of the portfolio.

Looking ahead

We have projects in the pipeline that are aimed at improving our rental yields. We also have plans to develop the existing land bank to add more properties with high-quality tenants and better rental yields to the portfolio. Our management team will continue with its focus on better and stable yields by entering new markets for the diversification of the portfolio.

Appreciation

A special thanks to the FPC team, whose professionalism and positive attitude have been instrumental in achieving our results.



Shinu Joy
Acting CEO

12 September 2024

OUR BUSINESS OPERATIONS

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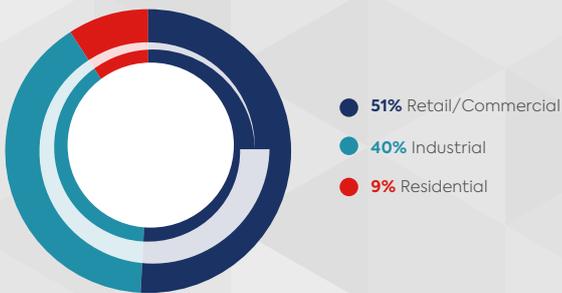


OUR BUSINESS

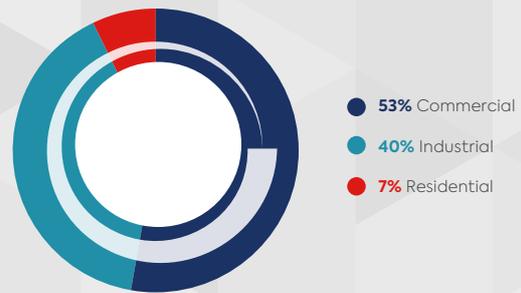
FPC MANAGES A BWP 1.62 BILLION PORTFOLIO CONSISTING OF 194 DIVERSE PROPERTIES WHICH IS WELL-BALANCED AND RISK DEFENSIVE. WE ARE FOCUSED ON DIFFERENT PROPERTY SEGMENTS, NAMELY RETAIL/COMMERCIAL, INDUSTRIAL AND A SMALL NON-CORE RESIDENTIAL PORTFOLIO.

Our properties are supported by long-term leases with a majority of Grade A tenants and strong ongoing demand that results in consistently low vacancies. We further own a considerable land bank for future development.

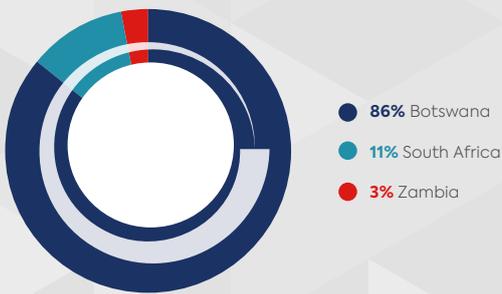
Portfolio value by business segment



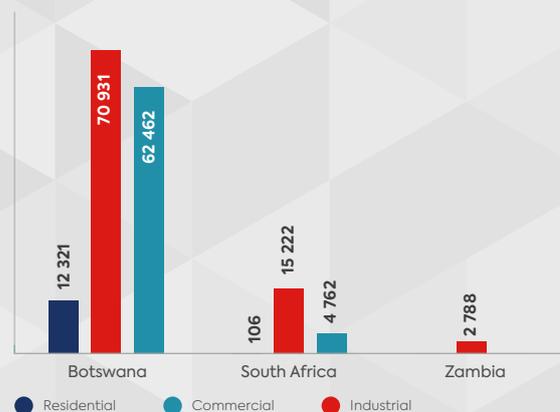
Portfolio segment by GLA



Geographical location by portfolio value



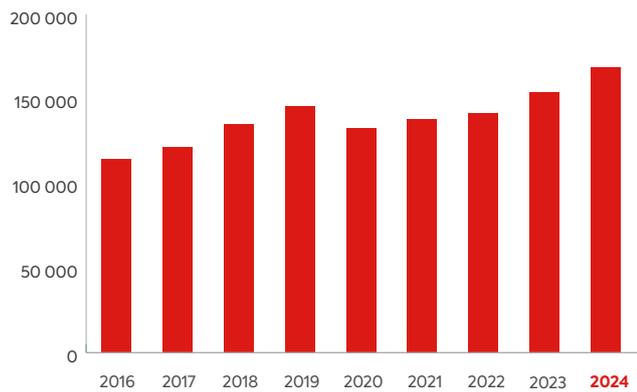
Geographical and sector profile by revenue BWP ('000)



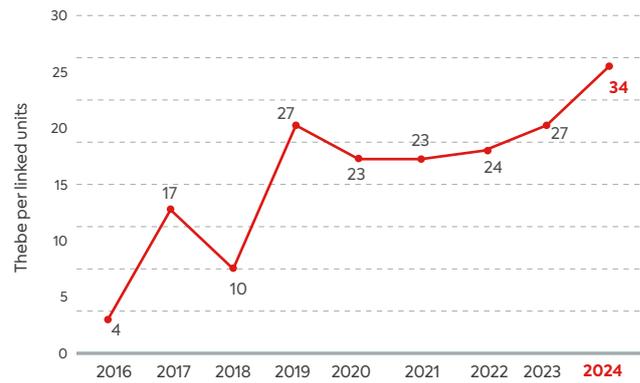
Our portfolio differentiators

- Developing a property portfolio fund with sustainable growth
- Creating favourable environments for tenants
- Strategically developing properties to meet current and future market demand
- Accelerating local economic growth by developing properties that enhance economic activity in the area
- Providing good standard properties and nurturing strong relationships with tenants to maintain high-occupancy levels
- Partnering with communities for development of the centres surrounding that community.

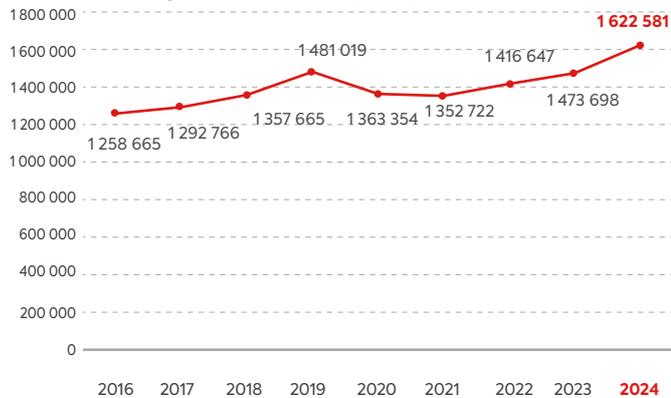
Revenue growth since 2016 BWP ('000)



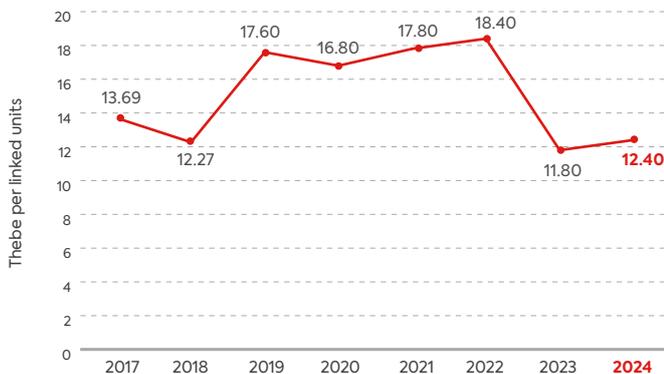
Basic earnings per linked unit



Value of the portfolio BWP ('000)



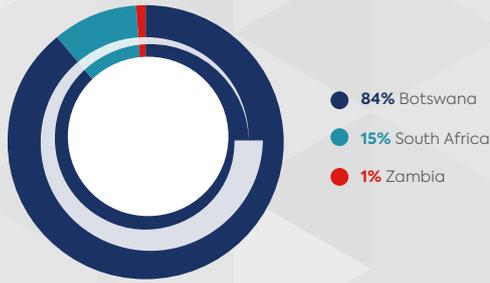
Distribution per linked unit



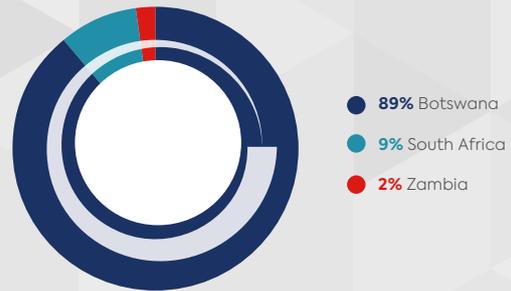
OUR BUSINESS CONTINUED

Our portfolio footprint

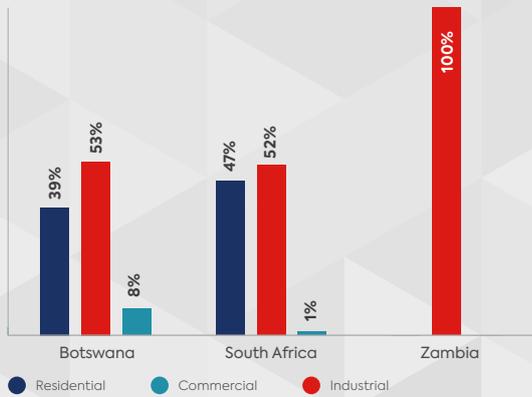
Geographical split by gross lettable area ("GLA") (%)



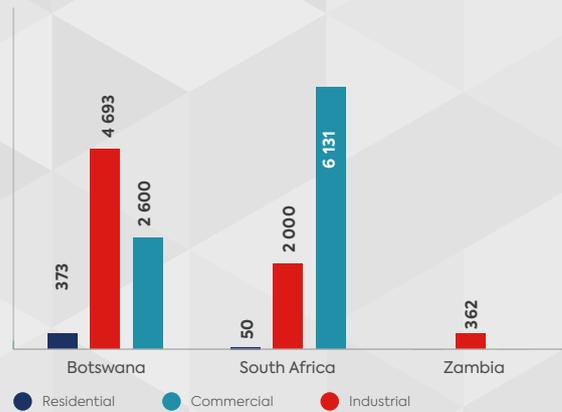
Geographical location by number of properties



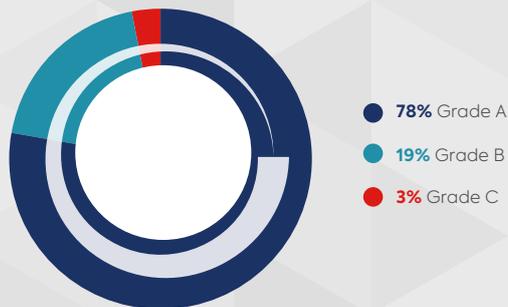
Sector split GLA based on geographical location



Vacancy profile by m²



Tenant profile by grade (%)



Grade A

Premium tenants including retail tenants with national and international brands

Grade B

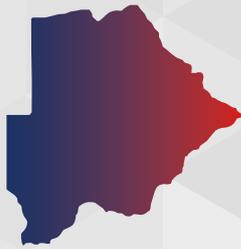
Local tenants and medium sized business with well-established network

Grade C

New start-up companies and small business operations

Total number of tenants: 770

BOTSWANA



NUMBER OF PROPERTIES

173

TOTAL VALUE OF PROPERTIES

BWP 1.40 BILLION

GLA

241 167 M²

SECTORAL SPLIT BY GLA

RETAIL/COMMERCIAL

127 800 M² 53%

INDUSTRIAL

92 867 M² 39%

RESIDENTIAL

20 500 M² 8%

SOUTH AFRICA



NUMBER OF PROPERTIES

18

TOTAL VALUE OF PROPERTIES

BWP 0.18 BILLION

GLA

43 649 M²

SECTORAL SPLIT BY GLA

RETAIL/COMMERCIAL

22 516 M² 52%

INDUSTRIAL

20 697 M² 47%

RESIDENTIAL

436 M² 1%

ZAMBIA



NUMBER OF PROPERTIES

3

TOTAL VALUE OF PROPERTIES

BWP 0.04 BILLION

GLA

2 986 M²

SECTORAL SPLIT BY GLA

COMMERCIAL

2 986 M² 100%

BUSINESS MODEL

OUR BUSINESS MODEL SETS OUT HOW WE PRODUCE, MAINTAIN, AND DIMINISH VALUE. WE ACTIVELY MANAGE OUR BUSINESS OPERATIONS AND ASSESS THEIR CONSEQUENCES TO MAKE SURE WE MAXIMISE THE POSITIVE BENEFITS OF OUR BUSINESS ACTIVITIES, MINIMISE ANY UNFAVOURABLE EFFECTS, AND RETAIN VALUE FOR ALL OF OUR STAKEHOLDERS.

Our aim is to use our business model to deliver sustainable capital and income growth for long-term value creation. The outcomes demonstrate how we create and preserve value for our stakeholders.

OUR INPUTS



OUR BUSINESS ACTIVITIES

Financial capital

- Debt and equity
- Capital recycling
- Third-party capital

Social, relationship capital

Expand our communication and collaboration to reinforce relationships with our key stakeholders

- Investors
- Funders
- Suppliers
- Tenants
- Shoppers
- Employees
- Communities
- Regulators, government and authorities
- Media

Natural capital

Use of resources (electricity and water)

Human capital

15 employees (2023: 14 employees)

Manufactured capital

- 194 properties
- 94% occupancy rate (2023: 94%)
- BWP 1.62 billion portfolio value (2023: BWP 1.47 billion)
- 287 802 m² GLA
- IT systems

Intellectual capital

- Skills knowledge and experience in our quality teams
- Innovative thinking and ability to adapt to change
- Robust governance structures centred on ethical conduct

FPC's objectives:

- To invest and develop property
- To lease and maintain property
- To optimise capital and income returns over time for shareholders and
- To deliver sustainable outcomes for communities

Focus areas:



Retail



Industrial

- Invest in property
- Lease property
- Develop property
- Maintain property

Capital management

Our strategy for managing capital is flexible. We assess the potential returns of each capital deployment opportunity in a situation where capital is expensive and scarce before allocating cash. The decisions we make regarding the procurement, deployment, management, and occasionally recycling of our manufactured capital in accordance with our investment strategy to provide consistent cash flow, support our company activities.



OUR OUTCOMES



OUTPUTS



CAPITAL AFFECTED



- Delivering sustainable earnings and distribution growth
- 12.40 thebe per linked unit in distributions to linked unitholders



- Properties that provide access to retail for communities
- Dedicated resources to manage stakeholder relations
- Support local businesses with high quality commercial and industrial space
- The company is committed to CSI projects with BWP 841 780 spent during the year



- Adherence to environmental regulations



- Skills development
- Ensure the health and safety of our employees



- Increase in portfolio assets and value
- Accessible, well-maintained properties



- Well-managed properties
- Five-year strategy to enhance growth well on track

Financial accounting team

- Implementing acceptable accounting practices and standards
- Reporting in accordance with IFRS
- Preparing annual budgets in respect of the portfolio for presentation to the Board
- Considering the investment strategies and appraisals for future investments
- Reviewing and approving the annual budget



Property management

- Letting
- Rental collection
- Administration of leases and other contracts
- Day-to-day management of property assets



Asset management

- Analysing, considering and predicting future industry trends
- Determining and recommending acquisition and disposal strategy based on income and cost
- Determining and recommending strategy for development, refurbishment and/or maintenance of properties
- Ensuring minimum disruption and losses during maintenance, repair and refurbishment



Information systems

- Using the MDA Property System for managing the portfolio. MDA is a recognised global information technology system for real-time property management and is interactive and adaptive
- Accurately managing and accessing instant data on tenancies, leases, occupancies, rental income and expenses



Key



Financial capital



Human capital



Social and relationship capital



Manufactured capital



Natural capital



Intellectual capital

OUR STRATEGIC OVERVIEW

Our five-year strategy was approved by the Board in 2022 and focuses on developing and maintaining a balanced and sustainable portfolio for the future. This strategy will help position FPC as a well-managed property company while providing great value for tenants.

Our strategic objectives

The following objectives guide us in building a future ready business:

- To **develop** the existing land bank in the medium term with mainly small and medium scale properties
- **Reduce** debt to an acceptable stable level to fund the new projects for sustainable development
- **Strategic movement** with exits using available resources when South African markets turn around
- **Secure** more land bank for future development in Zambia and developing existing land in Zambia for geographical diversification of the portfolio
- **Consistent** management

The guidance provided by these objectives is essential for mapping out a pathway that will help us build a well-diversified portfolio that is well positioned to take full advantage of the best market opportunities and improve yields in the short, medium and long term.

FPC manages over 194 properties across three countries. The end goal is to develop a property portfolio fund with sustainable growth, create favourable environments for tenants and develop properties to meet current and future market demand.

Our approach to real estate management

Our business planning includes a comprehensive strategic plan for real estate and facilities. In doing so, we ensure it incorporates the latest tenets of FPC's mission. The focus remains on contributing to sustained profitability and boosting the balance sheet.

This strategic review is conducted by senior management and those directly responsible for the properties. The internal planning analysis team provides our differentiating internal and marketplace insight which supports company growth.

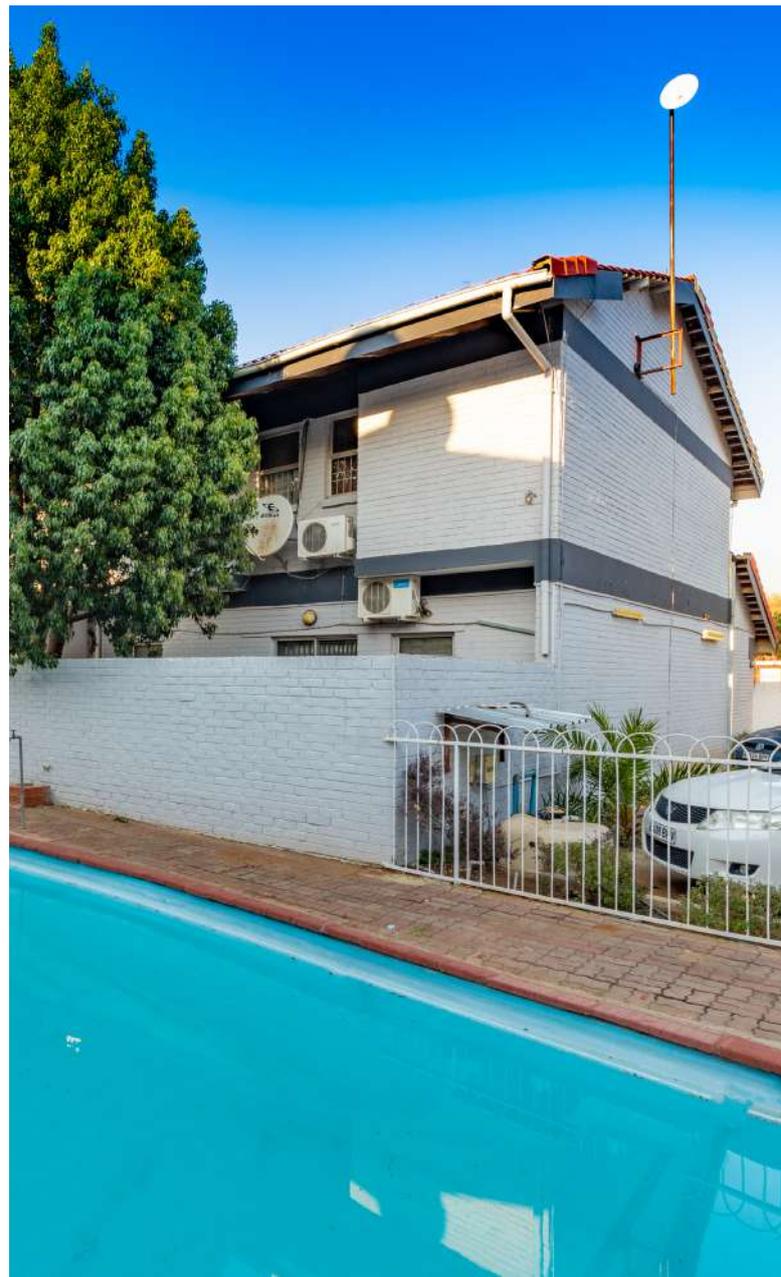
A 10-year horizon

Considering the time required for planning, design and occupancy of new constructions as well as the length of leases or probable periods of ownership, a 10-year horizon is the benchmark for our strategic planning and implementation objectives. Although predictions for this long period can be inaccurate the lengthy nature of real estate acquisitions dictates a distant horizon.

Internal asset management

Our internal asset and property management team ensures efficient service and better returns. Our tenants are responsible for all maintenance work allowing FPC to focus on longer-term maintenance and new tenant maintenance.

Third-party contractors are engaged if it is deemed to be more cost-effective or specialist skills are required. If more cost-effective, staff are trained in the required specialist skills.



Our maintenance system

Priority system

- Prioritises critical work
- Scheduled and preventative maintenance ensures the decreased need for on-demand work
- Improved cost-efficiencies.

Priorities:

- Emergencies
- Vacant properties
- Scheduled operations and services
- Resident on-demand request.

Long-term planning

Long-term maintenance plan including property-specific long-term plans.

Training

Training provided to refine, update and expand skills.

Develop procedures

Clear procedures are in place.

Develop performance standards and goals to ensure effectiveness in line with local housing codes, housing quality standards and job descriptions.

Work order system to track the source of request, priority, location, completion date, etc.

How we maintain the properties

Emergencies

- Highest priority an emergency response
- System is in place.

Resident on-demand service

All tenant-generated work requests.

Scheduled routine maintenance

- Pest control
- Landscaping
- Building exteriors and interior common areas.

Preparing vacant units for re-occupancy

- Ensure re-occupancy as soon as possible
- Prompt notification from management to ensure fast and accurate inspection of unit
- Special teams created for vacancy turnaround.

Preventative maintenance programme

Anticipate maintenance requirements and ensure they are addressed cost-effectively.

Areas of focus:

- Roofs
- Vehicles and equipment
- Lead-based paint (control of hazard)
- Life-safety systems (e.g. fire alarms, generators and smoke detectors).

Inspection programme

Maintenance staff follow a unit inspection programme and perform specific preventative and routine maintenance tasks.

Regular inspections are conducted of:

- Dwelling units
- Buildings and grounds.

OUR OPERATING CONTEXT

FPC'S PRIMARY BUSINESS IS PROPERTY OWNERSHIP, MANAGEMENT AND DEVELOPMENT OF A PORTFOLIO SPREAD ACROSS BOTSWANA, SOUTH AFRICA AND ZAMBIA. OUR OPERATING CONTEXT TAKES A LOOK AT VARIOUS MACROECONOMIC AND GEOPOLITICAL FACTORS THAT HAVE THE ABILITY TO INFLUENCE OUR OPERATIONS IN THE COUNTRIES WHERE WE OPERATE AND HAVE INVESTMENTS IN.

Botswana

Real GDP growth in Botswana is expected to increase 1% by the end of 2024 according to the latest International Monetary Fund ("IMF") data, from an estimated 2.7% in 2023. At present, a stability in energy prices has positively contributed to headline inflation dropping from 3% in May 2024 to 2.8% by June 2024, breaching the medium-term objective range of 3%–6%. This is expected to boost private consumption although at a much slower rate compared to 2023.

The diamond industry remains a strong economic driver, bolstered by significant investments which include the deal with De Beers that will look to diversify diamond mining and increase rough diamond production.

This is seen as a positive as it will prompt the Bank of Botswana to maintain a loose monetary policy stance to stimulate economic growth which would help reduce household exposure to elevated debt-servicing costs over 2024 and support stronger purchasing power. Additionally, economists anticipate improvements in output from sectors such as finance, professional and administrative activities, retail, accommodation, transport and communications with an expected growth output of 3.4% from these sectors which would be significantly higher than the 1% growth forecast made by the IMF. However, the growth trajectory remains uncertain due to downside risks owing to geopolitical tensions and prolonged drought conditions in the region.

Household spending is expected to grow by 4.7% in 2024 which is substantially above pre-Covid levels. Adequate water and electricity supply, a stable political climate, an effective regulatory framework and adequate government spending are also considered as supportive components for growth. In addition, government led initiatives are also expected to boost growth in the exports and imports of goods and services particularly in the mining and farming sectors which will also lead to a rise in job creation.

South Africa

The South African economy grew by a marginal 0.6% in 2023. The transport, storage and communication industry made the biggest positive impact, expanding by 2.9% and contributing 0.2 of a percentage point to the GDP growth. The lower than anticipated growth was due to constant electricity supply shortages, high inflation and interest rates and a stagnant economy with investors being cautious building up to the 2024 elections.

In the second quarter of 2024, the economy strengthened by a further 0.4%. The finance, manufacturing, trade, and electricity, gas and water supply industries drove most of the economy's momentum on the production side. On the expenditure side, household consumption, government consumption and a build-up in inventories contributed favourably to growth.

The annual inflation rate fell to 5.1% in June 2024, edging closer to the central bank's preferred target of 4.5%. The decline was driven by lower annual rates in several categories such as food and non-alcoholic beverages, transport and housing and utilities. In addition, the South African rand firmed up as markets expected imminent interest rate cuts by the Federal Reserve Bank. This will also prompt the South African Reserve Bank to consider a rate cut which would provide a major boost to the economy with business confidence already on a high owing to the newly formed coalition government.



Zambia

Real GDP growth in Zambia is expected to decelerate to 4.7% in 2024 due to persistently low rainfall, which has led to widespread crop failures and the imposition of load shedding by ZESCO, the state-owned power company. This could be potentially offset by a rebound in copper export receipts in H2 of 2024 as production volumes recover and prices remain elevated. International mining companies will continue to invest in expansions at key copper mines and the Lusaka-Ndola dual carriageway project has made significant progress and is expected to support growth in the construction sector.

Inflation continues to trend above the Bank of Zambia's 6.0–8.0% preferred target range. The upward trend in inflation is largely due to the El Niño-induced drought, which has pushed food prices up and led to increased import costs, which in turn has weakened the kwacha.

The Bank of Zambia will be looking to restrict the use of foreign exchange in domestic transactions in an effort to stabilise the currency. President Hakainde Hichilema's administration will continue its reform agenda with key initiatives such as attracting investment to the mining sector and improving fiscal transparency. This will improve the business environment, particularly in the dominant copper mining sector, supporting the country's external dynamics and improving its long-term growth outlook.

Beyond the mining sector, economic diversification efforts could catalyse growth, while also enhancing the economy's resilience to commodity price swings. Improved perceptions of fiscal health and debt management would also reduce long-term borrowing costs, increasing demand for credit.

Source: FitchSolutions and Reuters

OUR PERFORMANCE

IN THIS SECTION

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STAKEHOLDER ENGAGEMENT

WE ARE COMMITTED TO ENSURING CONSISTENT, TIMEOUS AND OPEN COMMUNICATION WITH ALL STAKEHOLDERS AND SEEK TO BUILD AND MAINTAIN SUSTAINABLE RELATIONSHIPS BASED ON MUTUAL TRUST, RESPECT AND TRANSPARENCY. FPC EMBRACES A PEOPLE-CENTRIC AND STAKEHOLDER-INCLUSIVE APPROACH TO CREATING VALUE. WE BELIEVE THAT THE WAY WE ENGAGE WITH OUR STAKEHOLDERS AND ADDRESS THE ISSUES THEY RAISE DIRECTLY IMPACTS THE QUALITY OF OUR RELATIONSHIPS WE HAVE WITH THEM.

Our engagements focus on the stakeholder groups most likely to have an impact on our ability to deliver on our strategic priorities and our aim is to strengthen these relationships by understanding and addressing a range of social, economic and environment-related issues to align stakeholders with our purpose-led journey. These engagements are critical to our long-term sustainability and business plan.

Set out below are our stakeholders and the topics that affect them:



Stakeholder	Methods of engagement	Impact on capitals
Investors and funders	<ul style="list-style-type: none"> • One-on-one discussions • Stakeholder sessions • Press releases • Property tours • Annual and interim presentations • Integrated annual report • Annual general meetings ("AGM") • Website • Brochures, leaflets, advertisements 	  
Expectations and needs	<ul style="list-style-type: none"> • Distributions • Geopolitical tensions • Capital appreciation • Market confidence and share price • Governance and sustainability • Compliance with debt • Accessibility to management 	
Our strategic response	<ul style="list-style-type: none"> • Transparent communication and engagement with investors • Improvement in vacancy levels • Continued focus on yield-enhancing assets 	
Regulators, government and authorities	<ul style="list-style-type: none"> • Knowledge sharing sessions/seminars • Site visits • Website • Newsletter • Media and market reports • Brochures and leaflets • Integrated annual report • Presentations 	 
Expectations and needs	<ul style="list-style-type: none"> • Compliance • Tax revenue • Meeting public disclosure obligations through the company secretary • Monitoring and responding to developments in the BSE Listings Requirements and the Botswana Companies Act 	
Our strategic response	<ul style="list-style-type: none"> • Active participation and engagement on various industry bodies to ensure key issues are being addressed 	

Stakeholder	Methods of engagement	Impact on capitals
Employees	<ul style="list-style-type: none"> • Emails • Debriefings and information sessions • Staff meetings • Website • Letters 	 
Expectations and needs	<ul style="list-style-type: none"> • Job security • Remote working • Health and wellness • Remuneration • Career development 	
Our strategic response	<ul style="list-style-type: none"> • Training and upskilling employees • Wellbeing discussions with all staff 	
Media	<ul style="list-style-type: none"> • Press releases • Interviews and speeches • Workshops and seminars • Website 	
Expectations and needs	<ul style="list-style-type: none"> • Communications • Accessibility of the management team 	
Our strategic response	<ul style="list-style-type: none"> • Ensuring information is readily available • Open and transparent engagements with management when requested 	
Tenants	<ul style="list-style-type: none"> • One-on-one discussions • Stakeholder sessions • Website 	 
Expectations and needs	<ul style="list-style-type: none"> • Communication • Increased cost of occupations • Security maintenance 	
Our strategic response	<ul style="list-style-type: none"> • Improved level of service delivery • Client-centric focus and consistency in service delivery 	
Suppliers	<ul style="list-style-type: none"> • Potential/new supplier introduction • Tenants feedback • Service level agreement management and service delivery feedback meetings 	  
Expectations and needs	<ul style="list-style-type: none"> • Ongoing interaction • Alignment with agreed-upon payment terms • Contract management 	
Our strategic response	<ul style="list-style-type: none"> • Enhanced efficiencies • Procurement opportunities on regular basis to ensure competitive pricing and improved service delivery • Use of analytics to identify areas in need of improvement • Quick decision-making and simple deal structuring 	
Communities	<ul style="list-style-type: none"> • Direct engagement about community concerns • Encourage SMME suppliers • Contributions made to disadvantaged communities • Website 	 
Expectations and needs	<ul style="list-style-type: none"> • Job creation • Business opportunities • Corporate social investment • A responsible corporate citizen 	
Our strategic response	<ul style="list-style-type: none"> • Environmentally friendly business practices • Employment opportunities 	

OUR APPROACH TO ESG

Sustainable ESG practices are embedded into every aspect of the way we conduct business. This helps us ensure we maintain our status as a good corporate citizen while carrying out strategic decisions and operations that are geared towards the long-term sustainability not only of the business but of the communities in which we operate.

The environment

We respect the environment and encourage our stakeholders to use natural resources prudently and take steps to prevent pollution. In addition, we also promote the sustainable use of raw materials and natural resources.

Solar power system

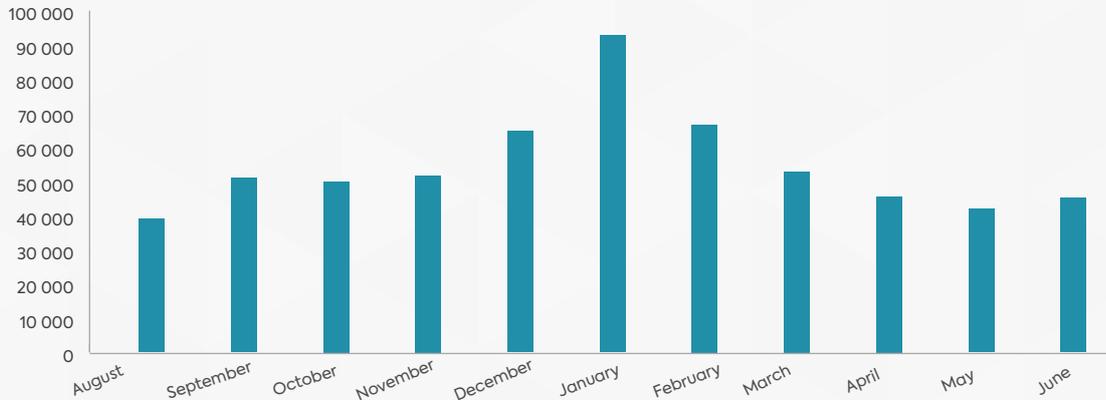
Our commitment to ESG is evident in our roof top solar projects which form part of our efforts to reduce our carbon footprint. Our roof top solar system at plot 888 in

Gaborone International Commerce Park was completed and started generating solar energy from August 2023. For FY2024, the project generated 601 554 kWh of electricity.

Solar power allows for the generation of emissions-free renewable energy. The electricity generated by the solar power satisfies a significant portion of the property's onsite power demand, thus limiting the amount of energy pulled from non-solar sources, which most often is generated via pollution-causing fossil fuels.

Solar energy provides a buffer against unexpected market shifts in utility prices which will hedge the Company against rising electricity prices and volatility in electricity supplies in the future. Owing to the success of our first solar project, we will be looking to extend solar to various other sites.

Solar energy production in 2024 kWh



Waste water treatment system

The Group has installed a waste water treatment system at its Thamaga site. The treated processed water can be used for toilet flushing and irrigation. The treatment system has a total power consumption of 4.5 Kw (less than an average microwave) which is perfect for running on solar or a generator. This project is for the treatment of wastewater, which is converted into green water and has started supplying green water for re-use in farming and domestic gardening. FPC believes this is a small step in the right direction in the conservation of natural resources and is committed to making greater strides in the future.



Monitoring consumption of water and electricity

FPC has installed sub-metres at various properties for obtaining accurate tenant consumption for billing purposes. A by-product of this installation is the monitoring of usage which can lead to early detection of water leaks to avoid unnecessary wastage.

Social Corporate social investment

As a part of the Group’s CSI programme we donated to various organisations including Mmokolodi Primary School, orphanages, municipal wards, community support organisations, religious organisations as well as providing rent free space to charity organisations.

CSI spend for the year totalled BWP 841 780.

Skills for the future

During the year, FPC donated one 7x6.8 metre open plan mobile classroom unit to enhance learning requirements in the rural areas. FPC believes that the betterment of the quality of life begins with educating children which helps to break the vicious cycle of poverty in homes by supporting self-sustaining individuals who are better equipped with the knowledge to earn a livelihood and lead a crime-free life.

Supply chain

At FPC, we recognise that social factors play a role in the selection of contractors that we work with in the management of our properties. FPC does not support under-age contractors or forced labour. In addition, we support diverse businesses to create a more inclusive community.

Our people

- Operations in **three** countries
- Employees **15**
- Six men
 - Three under the age of 30 years
 - Three over the age of 30 years
- Nine women
 - One under the age of 30 years
 - Eight over the age of 30 years

Our team though small is a diverse and impactful one which consists of 15 employees spread across three countries.



OUR APPROACH TO ESG CONTINUED

Skills development

FPC is committed to ensuring employees are suitably skilled and provided with the opportunity to grow. As part of our ongoing commitment to skills development to ensure employees are adequately skilled, FPC constantly encourages and supports its managerial employees with updating their skills through continuous professional development ("CPDs") provided by professional institutes such as BICA.

Employee safety

FPC is committed to creating a safe working space for its employees. On-the-ground staff are equipped with protective wear and FPC ensures motor vehicles and machinery are serviced regularly to ensure the safety of our employees. Zero work accidents were reported to date.

Governance

Corporate governance code

While the minimum requirement for listed entities is King III, FPC takes pride in the early adoption of the King IV code. Our compliance checklist is set out on pages 53 to 57 of this report.

Board composition

FPC's Board of Directors come from a diverse set of backgrounds bringing a unique mix of skills and are equipped to direct the Group towards doing business responsibly and ensuring today's decisions shape a better world tomorrow. A detailed view of the Board composition in terms of diversity, competence and independence is set out on pages 44 to 47 of this report.

Ethical trading

FPC has a securities dealings policy which prohibits Directors and executive management from trading shares during closed periods. FPC's code of conduct policy sets out zero tolerance for bribery and corruption and all employees at all levels within the Group are bound by this code.

Tax transparency

FPC recognises that tax payments are essential to support governmental functions in the provision of public benefits. FPC has a transfer pricing policy in place, ensuring all related party disclosures are adequately disclosed. FPC regularly engages its outsourced expert tax consultants to ensure compliance.

Further details of our corporate governance are set out in the corporate governance report on pages 44 to 47.



TOP PROPERTIES

Botswana

PLOT 903, FRANCISTOWN



GLA (m²)
6 797

Value at 30 June 2024
BWP 69 150 000

Anchor tenants

Choppies Distribution Centre (Pty) Ltd
OK Furniture Botswana (Pty) Ltd

Other key tenants

ZCX Investments (Pty) Ltd
JB Sports (Pty) Ltd
Letshego Financial Services (Pty) Ltd
Timeless Moments (Pty) Ltd

Type of property

Retail

Location

Francistown, Botswana

This property comprises a modern retail complex which commenced trading in 2016. Choppies Hyper is a food anchor and there are 17-line shops from Block A to Block B totalling 10 shops. The two-storey portion overlooking the Tati River was disposed of and is excluded from FPC ownership.

PLOT 1301 BOROGO MALL



GLA (m²)
7 374

Value at 30 June 2024
BWP 80 230 000

Anchor tenants

Choppies Distribution Centre (Pty) Ltd
Motovac Serowe (Pty) Ltd
Bahumi Trading-Kasane (Pty) Ltd

Other key tenants

Diagnofirm (Pty) Ltd
JB Sports (Pty) Ltd
Carnival Furnishers (Pty) Ltd
Chobe Cell World (Pty) Ltd
Auto World (Pty) Ltd
ZCX Investments (Pty) Ltd

Type of property

Retail

Location

Kazungula, Botswana

The property is located on the prominent A33 main road close to the Kazungula ferry crossing. The new road bridge opened in 2020 which opened up ferry traffic into Kasane at the border post from Zambia and central Africa further north. The present ferry replaces the Kazungula Bridge that is less than 2 km in distance.

TOP PROPERTIES CONTINUED

Botswana (continued)

PLOT 880-9 KO



GLA (m²)
17 595

Value at 30 June 2024
BWP 118 960 000

Anchor tenants

Choppies Distribution Centre (Pty) Ltd
Metrofile Records & Information
Management Botswana (Pty) Ltd
DCS Tropicana (Pty) Ltd
Vet Agric Suppliers (Pty) Ltd

Type of property
Industrial

Location
Gaborone, Botswana

The property is located in Gaborone's newest industrial estate in the south of the city close to the bypass and Gaborone west industrial areas which is less than 500 metres away from the A1 highway.

PLOT 888-9 KO



GLA (m²)
11 949

Value at 30 June 2024
BWP 71 190 000

Anchor tenants

Choppies Distribution Centre (Pty) Ltd
NBL Botswana (Pty) Ltd
Senn Food Botswana (Pty) Ltd

Type of property
Industrial

Location
Gaborone, Botswana

The property is located in Gaborone's newest industrial estate south of the city close to the bypass and the Gaborone west industrial areas. It is less than 750 metres away from the A1 highway.

PLOT 212 9-K0



GLA (m²)
11 706

Value at 30 June 2024
BWP 69 760 000

Anchor tenants
Choppies Distribution Centre (Pty) Ltd

Type of property
Industrial

Location
Gaborone, Botswana

The property is located in Gaborone’s newest industrial estate south of the city and is close to the bypass and the Gaborone west industrial areas. It is less than 750 metres away from the A1 highway.

PORTION 196, FARM FOREST HILL NO 9



GLA (m²)
4 992

Value at 30 June 2024
BWP 33 470 000

Anchor tenants
Clover Botswana (Pty) Ltd

Type of property
Commercial

Location
Gaborone, Botswana

The property is located in Gaborone’s newest industrial estate south of the city close to the bypass and the Gaborone west industrial areas. It is less than 750 metres from the A1 highway.

TOP PROPERTIES CONTINUED

Botswana (continued)

LOT 43517 FRANCISTOWN



GLA (m²)
4 928

Value at 30 June 2024
BWP 26 930 000

Anchor tenants

Choppies Distribution Centre (Pty) Ltd
RBV Consultant (Pty) Ltd
Feasible Investment (Pty) Ltd)

Type of property
Industrial

Location
Francistown, Botswana

The property is located south of the city in a new industrial area, north of the BMC circle. It is less than 1 km from the dual carriageway connecting Tonota and Francistown.

PORTION 1666, FARM FOREST HILL



GLA (m²)
3 545

Value at 30 June 2024
BWP 34 070 000

Anchor tenants

Ovis Investment (Pty) Ltd

Type of property
Industrial

Location
Gaborone, Botswana

The property is located in Gaborone's newest industrial estate established some 10 years ago near the A1 highway. The property is south of the city, close to the bypass at Gaborone International Commerce Park.

South Africa

ERF 6162 MAFIKENG



GLA (m²)
5 176

Value at 30 June 2024
R54 400 000

Anchor tenants

Business Ventures Investment (Pty) Ltd
Azbo Trading (Pty) Ltd
Clicks Retailers (Pty) Ltd
First Rand Bank Ltd
Shahzaib Gondal Trading (Pty) Ltd
Skywalker Trading (Pty) Ltd

Type of property
Retail

Location
Mafikeng, North West province,
South Africa

The property comprises two single-storey retail buildings with customer parking, providing an average quality retail accommodation within a level commercial plot of approximately 1.285 hectares.

ERF 7185 RUSTENBURG EXTENSION 9



GLA (m²)
5 974

Value at 30 June 2024
R46 600 000

Anchor tenants

Fair Discounters (Pty) Ltd

Type of property
Commercial

Location
Rustenburg, North West province,
South Africa

ERF 7185 Rustenburg extension 9 is a consolidation of ERF 2288 and the remaining extent and portion 6 of ERF 2289 Rustenburg extension 9. The consolidated ERF measures approximately 29 949 m². The property includes two warehouses, one constructed in 2017/2018 and an older one. There is also a truck wash bay which was constructed in 2018.

The old warehouse comprises a large warehouse with a double-storey office block at the front and visitor parking providing good quality warehouse accommodation. The newer warehouse comprises two sections, one of which is temperature controlled.

TOP PROPERTIES CONTINUED

ERF 2282 RUSTENBURG EXTENSION 9



GLA (m²)
10 304

Value at 30 June 2024
R43 300 000

Anchor tenants
Rustenburg Platinum Mines (Pty) Ltd

Type of property
Commercial

Location
Rustenburg, North West province,
South Africa

The property comprises a large modern warehouse with a double-storey office block and visitors parking. It provides a good quality warehouse accommodation on a commercial plot measuring approximately 22 138 m².

GOVERNANCE

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DIRECTORATE



Reetsang Willie Mokgatlhe
(62)
Botswana

Independent Non-executive chairman

Appointed: December 2015
MSc, BCom

Willie has held senior positions in large private and parastatal organisations in Botswana, Namibia, South Africa and the Netherlands over the past 25 years including chairman of the National Development Bank, Director Botswana Tourism Organisation, Director Botswana Postal Services, Director Botswana Development Corporation and Director Botswana Stock Exchange. He has held the position of Chief Executive Officer at Air Botswana Corporation and Shell Botswana/ Namibia and Botswana Oil Limited, of which he was also the founding CEO. Willie has a wealth of experience in strategy development and business planning, finance, marketing and stakeholder management.

Skills brought to FPC:

Leadership, management, finance, board and committee experience, strategy development, marketing, stakeholder management.



RANJITH PRIYALAL DE SILVA
(69)
Sri Lanka

Independent Non-executive Director

Appointed: June 2019
FCA (Bots), FCA (Sri Lanka), ACMA(UK)

Priyalal is a well-known Chartered Accountant with over 45 years of experience in the professional accounting field mainly at PricewaterhouseCoopers (PwC) Botswana where he was an Audit Partner for 19 years. He also held the position of Chief Operating Officer of PwC Botswana from 1 July 2007 until his retirement on 30 June 2016. He sits on the board of Old Mutual.

Skills brought to FPC:

Leadership, accounting, auditing, taxation, financial management and corporate governance.



RAJESHKUMAR JAYRAJH
(53)
South Africa

Independent Non-executive Director

Appointed: October 2020
Bachelor of Law (UNISA) Certified Risk Specialist (INTERFIRMA)

As an experienced Chief Risk Officer Rajesh has a strong track record in the banking and financial services sector. His career in business and risk spans more than 22 years with senior executive experience in retail, SME, commercial and corporate banking across Africa, Asia, Eastern Europe, South America and the United Kingdom.

Skills brought to FPC:

Accounting, compliance, risk management, mergers and acquisitions and real estate.

Key

GN Governance and Nomination Committee

ARC Audit, Risk and Compliance Committee



**GOBUSAMANG
DEMPSEY KEEBINE**
(65)

Botswana

**Independent Non-
executive Director**

Appointed: December
2022

MSc, BA

Gobusamang has over 10 years leadership experience at Business Botswana providing national representation as head of the private sector. He has held positions including that of Chairperson of the Transport Sector and Chairperson of the Trading Across Border, Vice President and current President spearheading fundraising, advocacy/lobby and driving leadership engagement both at Government and international level and lead sectors such as construction and real estate development.

Skills brought to FPC:

Sales and marketing, leadership, strategy development.



**RAMACHANDRAN
"RAM" OTTAPATHU**
(60)

Botswana

Non-executive Director

Appointed: July 2010
BCom, CA (ICAI), FBICA

Ram has more than 30 years' experience in the retail industry in both finance and operations, and further experience in other industries such as manufacturing, packaging, milling and medical distribution. He combines entrepreneurial and commercial acumen with excellent management skills. Ram is a Fellow Member of the Institute of Chartered Accountants of India and Associate Member of the Botswana Institute of Chartered Accountants.

Skills brought to FPC:

Retail, finance, operations management, entrepreneurial, accounting, management, leadership.



FAIZEL ISMAIL (42)

Botswana

Non-executive Director

Appointed: June 2016
IMM diploma

Faizel is the Managing Director of Chicken Licken Botswana. He previously worked as a purchasing manager for many years and brings a wealth of business and marketing experience to the Group.

Skills brought to FPC:

Management, marketing, technical.



VIDYA SANOOJ (41)

Botswana

Executive Director

Appointed: June 2015
BCom, CA (ICAI), FBICA

Vidya serves on a number of Boards, for both listed and unlisted companies. She is a fellow of the Institute of Chartered Accountants of India and of the Botswana Institute of Chartered Accountants. She has worked in a number of divisions at Choppies Group from management of accounts, advising on the listing-road map and investor relations. She has over 18 years' experience in retail accounting, finance, corporate restructuring and merger and acquisitions.

Skills brought to FPC:

Accounting, finance, corporate restructuring, retail.

ETHICAL LEADERSHIP

As a business, we aim to always act with the highest standard of ethical behaviour. In addition, our actions and operations are driven by values that ensure transparency and accountability. In the best interests of all its stakeholders, FPC maintains its commitment to sustaining the highest levels of ethics, transparency, and good governance and implements stringent compliance protocols.

The Board is solely responsible for FPC's governance, ethics, and values, and management assists the Board in ensuring that these are upheld throughout the organisation. The Board has a duty to exercise ethical leadership and to do so within a system of sensible and efficient governance, ensuring that ethics are handled, and that the organisation is a good corporate citizen.

While the minimum requirement for listed entities is King III, FPC takes pride in the early adoption of the King IV code and the Board embraces the principles of King IV and draws its rights and obligations from the Board charter. To guarantee complete adherence to King IV's guiding principles, FPC reviews the Board charter every two years. FPC adheres with the guidelines of King IV as stated on pages 53 to 57.

Code of conduct, HR policies and procedures and compliance framework policies, to which all employees are required to adhere to, are in place. FPC's employees are expected to disclose any conflicts of interest and vetting is undertaken at the point of appointment.

No contraventions of the codes and policies were reported during the year.



RISK MANAGEMENT

Risk management is essential to the sustainability, viability and growth of the business. Through the careful balancing of risks and value creation, risk management further ensures the achievement of our strategic objectives.

The risk management policy aligns with industry standards and prohibits FPC from participating in derivative transactions that deviate from the organisation's regular business operations.

The internal risk management and control systems were evaluated by the Board, and the results of this evaluation were discussed with the Audit, Risk and Compliance Committee.

Risk appetite

The Board is responsible for setting risk appetite and tolerance. FPC's growth strategy within a well-defined asset class as well as the acquisition criteria and geographic targets are clearly defined and outlined. Within this defined strategy FPC is prepared to take risks in a responsible and sustainable way that is in line with the interests of all stakeholders.

In assessing risk appetite FPC considers its key values which include performance excellence. By embedding this into our culture on a day-to-day basis ensures that we are able to deliver expected returns and meet the expectations of our stakeholders. Any risk deemed medium to low is considered within tolerance levels.

FPC ensures that it abides by the rules and regulations in each of the jurisdictions where it conducts business, which is supported by its core principle of openness. The Group's risk appetite is further defined by this. FPC

believes it is essential to correctly apply the pertinent tax laws and industry-specific standards while also fully complying with these laws as to their object and purpose. To reduce the risk of non-compliance, FPC consults with specialist teams (internal and external) for complex topics.

FPC adopts a conservative financial policy ensuring proper equity and debt management and maintenance of a strong financial profile. The Company's appetite for any finance related risk is low and actively mitigates the risk factors involved.

The Group's policy is to hedge the interest rate risk to the extent where the hedging costs do not exceed the forecasted risk exposure for each particular borrowing. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

FPC is exposed to foreign currency risk on receivables and payables denominated in a currency other than Pula, being the functional and the presentation currency. The Group's policy is to hedge expected significant transactions in currencies other than Pula, such as dividend payments, in order to minimise the impact of exchange rate fluctuations to the extent where the hedging cost does not exceed the forecasted risk exposure for each particular transaction.

RISK MANAGEMENT CONTINUED

Key risks

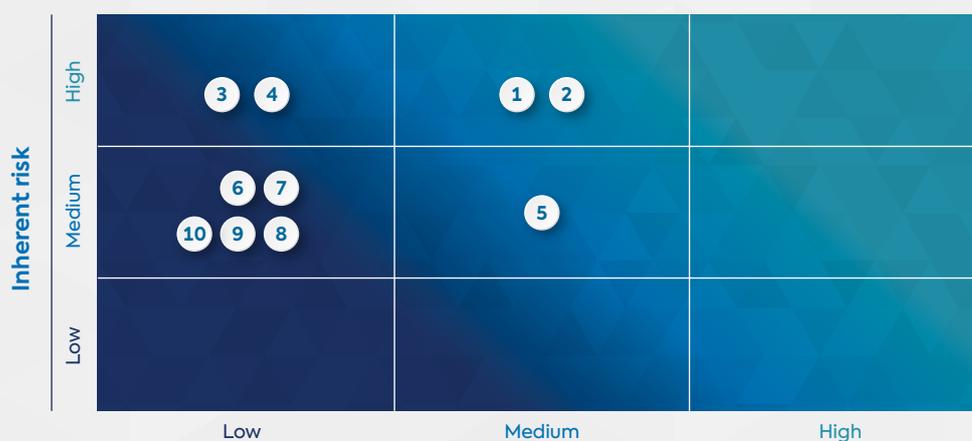
The key risks and steps we take to mitigate these are set out below. None of these risks had significant impact during the year.

Strategic risk dashboard

	Risk description	Level of risk	Effect on FPC group	Mitigation
1	<p>General market risk</p> <p>With the constantly shifting economic conditions, the real estate market is renowned for its ups and downs. The value of an investment property in real estate is significantly influenced by the state of the economy.</p>	High	Medium	The Group is planning to dispose of some of its investment properties in South Africa to reduce exposure in this market.
2	<p>Bad locations</p> <p>Location determines supply and demand. While a certain location may be lower priced, it could be located in an area with too many investment properties available, and no growing population or a good job market, resulting in greater risk for the investor.</p> <p>Location determines appreciation. Low appreciation means negative return on investment when the property investor decides to sell an investment property.</p>	High	Medium	The locational advantage of the Group portfolio is well maintained to minimise the risk of bad location. Any new location is closely analysed.
3	<p>Negative cash flow</p> <p>A negative cash flow means that expenses, taxes, and mortgage payments are all higher than the rental income, which results in losing money.</p>	High	Low	The Group has a considerable positive cash flow to meet its day-to-day obligations and mortgage payments. Ensuring rental property is located in a prime location that yields positive cash flow.
4	<p>Vacancy risk</p> <p>The possibility of high vacancy is a major risk to real estate investors' rental income as it can yield negative cash flow.</p>	High	Low	The vacancy level of the Group is at an acceptable level of below 6% across the entire portfolio.
5	<p>Bad tenants</p> <p>Finding tenants is a requirement for profiting from real estate investing. However, having a bad tenant that has a hard time meeting rental obligations is a higher risk.</p>	Medium	Medium	The Group has a few bad tenants who fail to pay continuously. Management takes timely action for eviction and recovery with legal experts and debt collectors.
6	<p>Hidden structural problems</p> <p>Investment properties may have a serious structural problem or a structural problem exists after development, which increases the chances of facing unexpected repairs and maintenance costs.</p>	Medium	Low	The Group develops most of the properties on its own with value addition as per the pre-requirements of the anchor tenants or other group of tenants. The Group sources high levels of professional expertise for property development.

Risk description	Level of risk	Effect on FPC group	Mitigation
<p>7 Lack of liquidity Investment properties can be illiquid and not easily converted into cash. Selling a property is neither a quick nor a simple process.</p> <p>This lack of liquidity forces real estate investors to hold their investments for longer than other types of investments.</p>	Medium	Low	The Group acquires or develops properties for long-term purpose and most of the rental units are supported by long-term leases.
<p>8 Foreclosure Inability to service mortgage payments can put rental property at the risk of foreclosure.</p>	Medium	Low	The Group meets its mortgage obligations on a timely basis and currently has no risk of foreclosure.
<p>9 Fair value movements Not all properties are guaranteed to grow in value. Therefore, a major risk of real estate investing is investing in a rental property whose value drops in the future, meaning the property investor will end up with a loss.</p>	Medium	Low	The Group has a location advantage for more than 95% of the properties providing a fair value gain every year.
<p>10 Asset-level risk Demand for industrial warehouse and commercial properties is generally high. Currently in Botswana residential property is very volatile and the return on investment is very low when compared to industrial and commercial properties.</p> <p>Industrial warehouse and commercial shopping outlets are considered low-risk and often yield higher returns. Office buildings are less sensitive to consumer demand than shopping malls.</p>	Medium	Low	The Group has a stable portfolio consisting of a 38% industrial, 52% commercial and 10% residential tenant mix.

Risk heat map



Residual risk/Impact

Key risks

- 1 General market risk
- 2 Bad locations
- 3 Negative cash flow
- 4 Vacancy risk
- 5 Bad tenants
- 6 Hidden structural problems
- 7 Lack of liquidity
- 8 Foreclosure
- 9 Fair value movements
- 10 Asset-level risk

CORPORATE GOVERNANCE REPORT

Governance structure

Board

Reetsang Willie Mokgatlhe* (Chairman)
Ranjith Priyalal De Silva*
Gobusamang Dempsey Keebine*
Rajeshkumar Jayrajh*
Faizel Ismail*
Ramachandran Ottapathu*
Vidya Sanooj#

* Independent non-executive

* Non-executive

Executive

Audit, Risk and Compliance Committee

- Ranjith Priyalal De Silva (Chairman)
- Gobusamang Dempsey Keebine
- Rajeshkumar Jayrajh

For more information see page 51

Responsibilities

- Compliance with good corporate governance
- Determining distributions to linked unitholders
- Assurance procedures and policies
- Evaluating management's actions in ensuring the integrity and reliability of the Group's financial systems
- Reviewing financial reporting
- Reviewing and approving the annual budget
- Considering the investment strategies and appraisals for future investments

Governance and Nomination Committee

- Reetsang Willie Mokgatlhe (Chairman)
- Vidya Sanooj
- Ranjith Priyalal De Silva

For more information see page 48

Responsibilities

- Organisational policies
- Organisational development
- Succession planning
- Selecting, remunerating and evaluating executive management

The Board is the main custodian of good corporate governance and plays a prominent role in the strategic development, risk management and sustainability processes of the Group. The Board understands that adhering to the highest standards of corporate governance is fundamental to sustaining the FPC business and all business practices are conducted in good faith and in the best interests of the Company and all its stakeholders.

We are committed to maintaining the highest standards of governance and adopt stringent compliance practices. Our disclosure standards are regulated by the Botswana Companies Act, BSE Listings Requirements, BSE Code of Best Practice on Corporate Governance and King IV. The Board appreciates that effective governance is a key driver of sustainability and acknowledges its responsibility in this regard. This includes reporting on its operations and results to stakeholders in a timely manner.

The Group's application of the King IV report compliance can be found on pages 53 to 57.

The Board has established standing committees, as set out in the governance framework to promote independent judgement, assist with the balance of powers and assist the Board with effectively fulfilling its responsibilities in accordance with the provisions of its Board charter.

Board and committee meeting attendance

Attendance register	Board	Audit, Risk and Compliance Committee	Governance and Nomination Committee	Annual General Meeting
Reetsang Willie Mokgatlhe (Chairman)	5	–	1	1
Ramachandran Ottapathu	5	–	–	1
Vidya Sanooj	5	–	1	1
Faizel Ismail	5	–	–	1
Ranjith Priyalal De Silva	5	4	1	1
Rajeshkumar Jayrajh	5	4	–	–
Gobusamang Dempsey Keebine	5	4	–	1

Board composition

The Board consists of seven Directors, one Executive Director and six Non-executive Directors, with four of these being independent. In addition, Farouk Ismail serves as an Alternative Director to Faizel Ismail who is a Non-executive Director.

The Board values independent judgement and requires that each Board member prepare, participate and contribute at each meeting. Board members are provided with relevant information, including information on the Group's strategies, plans, and performance and are required to devote sufficient time and effort in preparation for meetings. Agendas of meetings are prepared by the company secretary in accordance with approved annual work plans and in consultation with the respective chairman.

The Board is ultimately responsible and accountable for the performance of the Group. The chairman and acting CEO's responsibilities are explicitly segregated from those of other Non-executive Directors and Executive Directors in order to maintain a balance of power and prevent any one person from exerting unrestricted decision-making authority.

The independent Non-executive Directors are highly qualified professionals who bring to the Board's decision-making process a diverse set of industry skills, knowledge and experience from different sectors of business including law, real estate, investment management and human resources management. These Directors are not involved in the Company's day-to-day activities. To examine any changes, an informal examination of these Directors' independence is conducted on a regular basis based on a formal annual statement of interests. All independent Non-executive Directors were confirmed to be independent during the year's inspection.

The Board charter was reviewed at a Board meeting held in November 2023 and the Board will continue to review its charter every two years.

CORPORATE GOVERNANCE REPORT CONTINUED

Executive management

The role and responsibilities of both the Board and executive management have been clearly defined and are distinct. The independent chairman is responsible for ensuring proper governance of the Board and its committees, ensuring that the interests of all stakeholders are protected and facilitating constructive relations between the executive and the Board.

Shinu Joy (head of finance and operations) our acting CEO is responsible for the overall finance management and operations of the Group and implementation of the strategy and objectives as adopted by the Board. He has over 16 years' experience in finance and operations in India, the Middle East and Africa within various industries and groups. He holds a BCom, ACA, and ACMA (US). He is well versed in the property market and joined FPC in December 2017.

Afifa Patel (Finance Manager) is responsible for the management of accounts and finance and has experience in various service industries in Botswana. She holds a Bachelor's degree in Accounting and Finance and is a member of ACCA and BICA. She joined FPC in August 2018.

Devon Symons (Property Manager) is responsible for the General Property Management in South Africa.

Board evaluation

The Board has adopted the principles of King IV and agreed to conduct its assessment biannually to allow sufficient time to implement remedial action.

The self-evaluation covers the size and composition of the Board, the Directors' induction and development effectiveness, Board meetings, the relationship between the Board and management, the flow of information, skills needed by the Board and its committees, as well as stakeholder relations.

The self-evaluation of Board members and the evaluation of the chairman's performance by the individual Board members as well as the assessment of the performance of individual members by the chairman was conducted in June 2024. The Audit, Risk and Compliance Committee is working with the Board in terms of the composition of the committee.

The Group is registered with the Institute of Directors South Africa ("IoDSA") and has conducted a formal induction and ongoing training programme for all Board members and executive management.

Succession planning

The Board is responsible for ensuring that there is a proper succession plan for Directors and management and that all committees are appropriately constituted and chaired. The Board is responsible for identifying future business challenges and key roles, evaluating, and

selecting employees based on critical competencies, and preparing those employees to fill future positions.

The Board is satisfied that the depth of skills of current Directors meets succession requirements which include reviewing skills development, career path and succession planning, policies and procedures and recommendations regarding the essential and desired criteria, experiences and skills for potential new Directors, taking into consideration the Board's short-term needs and long-term succession plans.

Appointment and rotation of Directors

Directors are appointed in accordance with a formal and transparent appointment policy which involves all Board members. Board members are formally appointed for a period of three years and retire on a rotation basis. Retiring Directors may make themselves available for re-election provided they remain eligible. Reetsang Willie Mokgathe will be retiring by rotation and will not be offering himself for re-election. Ranjith Priyalal De Silva and Faizel Ismail will be retiring by rotation and standing for re-election at the upcoming annual general meeting.

A formal induction programme for new Directors is in place whereby all new Directors are welcomed by management and provided with copies of company statutory documents including Board charters, the Companies Act, King reports and Corporate Governance principles.

All Board members are subject to ongoing training and development and are encouraged to pursue CPD training from outside sources. The Company has a formal training and development programme in place which is registered with the Institute of Directors of South Africa ("IoDSA").

Stakeholder relations

The Board and management proactively engage with material stakeholders and address their concerns in the best way possible. Collaboration is important to the Group's approach and strategic partnerships are driven with like-minded stakeholders. In addition, personal meetings with analysts and fund managers or trustees are arranged when appropriate. FPC publishes its interim and annual results in the media when finalised and in addition, mails its integrated annual report to all shareholders. See stakeholder engagement on page 26 for further detail.

Internal control

The financial and operational systems of internal control are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that transactions are properly authorised and recorded.

Management monitors the operation of the internal control systems in order to determine if there are deficiencies. Corrective actions are taken where appropriate. The head of finance and operations and chief internal audit executive play a key role in this regard. The Board, operating through the Audit, Risk and Compliance Committee, oversees the internal control environment and financial reporting process. An effective internal control system provides reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

The Board reviews the policies regularly and updates when required.

Internal audit function

Internal audit is governed by a Board-approved charter that enshrines the independence of the function which mainly focuses on operational activities. As a cost-effective measure, the Company continues to outsource this function and engages with an independent firm of accountants to provide this service.

Focus areas during the year included:

- Review of controls over revenue cycle
- Review of controls over payments cycle
- Anti-money laundering
- Cybersecurity and information technology general controls
- Review of controls over maintenance work
- Controls over property, plant and equipment, investment property and capital projects
- Compliance with CIPA, BSE, BAOA and the Financial Intelligence Agency ("FIA")
- Compliance with VAT and income tax

The risk register, which was prepared by internal audit, was reviewed and approved by the Audit, Risk and Compliance Committee, remains in place.

During the year, the Board reviewed all recommendations that were made and remained implemented.

Company secretary

The company secretary is BP Consulting Services (Proprietary) Limited, and the Board is satisfied that they are a suitably qualified, competent and experienced professional firm. The company secretary representative is not a director of the Company. The Board has considered the individuals at BP Consulting Services (Proprietary) Limited who perform the Company secretarial functions and is satisfied that there is an arm's length relationship between the company secretary and the Board. The Board also reviews the competence, qualifications and experience of the company secretary annually.

The company secretary provides the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers and ensures that the Directors are aware of all laws and relevant legislations.

Independent advice

All Non-executive Directors have unrestricted access to management at any time as well as to the Group's external auditor. Further, all Directors are entitled to seek independent professional advice on any matters pertaining to the Group as they deem necessary at the Group's expense.

IT governance

IT requirements are currently outsourced to an external IT company in view of the size of the Company and as a cost-effective measure. An IT policy is in place. In addition, the Board approved a new IT strategy and Data Protection Policy on 21 February 2024.

Our IT governance ensures that information in all its forms – written, spoken, recorded electronically or printed – will be protected from accidental or intentional unauthorised modification, destruction or disclosure throughout its lifecycle. This protection includes an appropriate level of security over the equipment and software used to process, store and transmit that information.

An IT governance function is in place and is regularly monitored by management in terms of the efficiency of IT controls, policies and processes. The Board approved the Company's IT security policy which remains in place. All policies and procedures are documented and provided to the relevant employees.

All the documentation is retained for at least six years after initial creation, or pertaining to policies and procedures, after changes are made. All documentation is periodically reviewed for appropriateness and currency.

All departmental policies must be consistent with this policy. All systems implemented after the effective date of these policies are expected to comply with the provisions of this policy where possible. Existing systems are expected to be brought into compliance where possible and as soon as practical.

A business continuity plan and disaster recovery plan are in place.

The Board received an independent assurance from internal auditors and independent IT service providers regarding the effectiveness of the IT internal control and IT governance.

Compliance

Due to the size and limited activities of the Company, compliance functions are overseen by the acting CEO. A compliance framework policy approved by the Board remains in place.

GOVERNANCE AND NOMINATION COMMITTEE REPORT

THE GOVERNANCE AND NOMINATION COMMITTEE IS RESPONSIBLE FOR ASSISTING THE BOARD IN SETTING THE REMUNERATION POLICY FOR THE GROUP AND ENSURING THAT THIS AND RECRUITMENT ALIGN WITH THE OVERALL BUSINESS STRATEGY. ATTRACTING AND RETAINING SKILLED EMPLOYEES IS A KEY FACTOR IN THE DEVELOPMENT OF THE GROUP.

The Governance and Nomination Committee comprises independent Non-executive chairman Reetsang Willie Mokgatlhe, independent Non-executive Director Ranjith Priyalal De Silva, and Executive Director Vidya Sanooj. Other Directors attend by invitation. Full attendance registers are set out on page 45.

The committee's terms of reference are reviewed biannually. The committee chair reports to the Board at each scheduled Board meeting, providing feedback and recommendations. The members of the committee have full access to all financially relevant information relating to any employee in respect of whom the committee will be making its remuneration recommendations.

A succession plan and organisational structure is in place to ensure the Group has adequate human capital and a structure that best positions it for achieving its strategic objectives. The committee reviewed and recommended the plan which was approved by the Board of Directors. The acting Chief Executive Officer is responsible for ensuring depth of capability for business continuity planning.

Out of the seven Board members, the Board currently has one female executive Director. In order to ensure compliance with BSE Listings Requirements, the Board of Directors has adopted a policy on the promotion of gender diversity in the nomination and appointment of Directors. In addition, the Board approved a Gender Diversity Policy to further enhance gender diversity within the Company.

As part of our Board development initiatives, members of the Board participated in an ESG overview training programme for Directors, conducted by the Institute of Directors South Africa.

As part of strengthening governance, the contract of employment for each employee refers to the code of conduct and obligation of each employee to abide by the code.

Performance appraisals of staff are carried out in June every year. Increases in remuneration levels are based on these appraisals. The committee considers the proposed annual increases as part of its mandate.

Remuneration policy

The Directors' remuneration policy (the policy) is to set an appropriate level of remuneration that allows FPC to attract and retain the services of a suitable number of talented and well-qualified Directors in line with the Company's long-term business strategy. The remuneration of Executive Directors is set by the Board based on the recommendation from the Governance and Nomination Committee, whereas the remuneration of Non-executive Directors also operates on the same basis, except it requires shareholders' approval and ratification.

The committee is empowered to make quantitative and qualitative assessments of performance in reaching its recommendations and is also responsible for providing appropriate disclosure, if required, so that shareholders can understand the basis of its recommendation.

The policy provides guidance as follows:

Executive Directors and executives

- To provide fixed remuneration to reflect the scale and complexity of both the business and the role, and to be competitive with the external market
- Salary levels take into account the nature of the role, performance of the business and the individual, market positioning and pay conditions in FPC
- When recommending salaries, the Governance and Nomination Committee considers best practice in other comparable property development companies as well as other companies of a similar size, geographic spread and business dynamic to FPC
- Executive Directors are entitled to receive those benefits available to all employees of FPC. These benefits include group insurance coverage, medical benefits, motor vehicle-related benefits and annual leave
- Executive Directors may receive other benefits that are considered to be appropriate in terms of the individual's role.

Annual bonus

- To provide variable remuneration dependent on performance against annual financial, operational and employee engagement measures
- Based on performance against annual measures and targets set at the start of the year, evaluated at the end of the financial year
- The level of bonus payable may vary depending on the job performance.

Non-executive Directors

- Remuneration is in the form of fees, payable for each sitting of a board or committee meeting. In addition to the sitting allowance, the Board Chairman is paid a monthly retainer fee

- Remuneration practice is consistent with recognised best practice standards for Non-Executive Directors' remuneration and, as a Botswana Stock Exchange listed company, the level and structure of Non-Executive Directors' remuneration will primarily be compared against Botswana best practice
- Level and structure of Non-Executive Directors' remuneration is reviewed by the Governance and Nomination Committee who will make recommendations to the Board
- Non-executive Directors do not vote on their own remuneration
- Non-executive Directors receive a sitting fee for the purpose of attending Board or committee meetings
- The Governance and Nomination Committee reviews and assesses the effectiveness and continued relevance of this policy periodically. Any recommended revisions regarding the policy are submitted to the Board for consideration and approval.

Directors' and key management remuneration

Independent Non-Executive Directors are paid a sitting fee of BWP 33 333 (gross) for resident directors and BWP 29 412 (gross) for non-resident directors for each and every meeting attended, including Board, Audit, Risk and Compliance Committee, Governance and Nomination Committee and linked unitholders' meetings. Any increase in Directors' remuneration must be submitted to linked unit holders at an annual general meeting for consideration and approval or ratification.

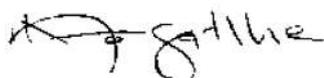
GOVERNANCE AND NOMINATION COMMITTEE REPORT CONTINUED

Directors' fees FY2024 (BWP)

Directors	Retainer fee	Sitting fee	Total BWP
Reetsang Willie Mokgatlhe	150 000	233 333	383 333
Ramachandran Ottapathu	–	–	–
Ranjith Priyalal De Silva	–	366 667	366 667
Vidya Sanooj	–	–	–
Faizel Ismail	–	–	–
Rajeshkumar Jayrajh	–	264 706	264 706
Gobusamang Dempsey Keebine	–	333 333	333 333
Total	150 000	1 198 039	1 348 039

Key management personnel remuneration FY2024 (BWP)

Directors	Salaries and short-term employee benefits	Other long-term (severance)	Total
Shinu Joy	930 468	183 761	1 114 229
Vidya Sanooj	422 400	–	422 400
Afifa Patel	448 941	82 823	531 764
Total	1 801 809	266 583	2 068 392


Reetsang Willie Mokgatlhe

Governance and Nomination Committee Chairman

12 September 2024

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

The Audit, Risk and Compliance Committee ("ARCC") is appointed by the Board of Directors and operates within the terms of reference as defined in its charter, that is approved by the Board. The committee consists of three independent Non-executive Directors. Senior management and the internal auditors and external auditors also attend ARCC meetings by invitation. Other Directors may also be requested to attend sections of meetings as required.

The composition of the ARCC complies with generally accepted corporate governance norms and all members of the ARCC have the expected levels of expertise and experience. To ensure compliance with corporate governance principles, all members of ARCC are required to be independent Non-executive Directors and Executive Directors attend ARCC meetings by invitation only.

Based on our regular interactions with the acting CEO and Finance Manager, the ARCC is satisfied with their expertise, experience and competence.

The responsibilities of the committee are as follows:

Finance function

- Exercise an oversight responsibility over the finance function
- Ensure the expertise, experience and resources of the Group's finance function.

Internal audit

- Approve the appointment of the internal auditors, approve the annual internal audit plan
- Oversee the functioning of the internal auditor and performance assessment of the internal auditor
- Ensure the internal audit function is subject to independent quality review as appropriate.

Risk management

- Ensure the Group has an effective policy and plan for risk management
- Oversee the development and annual review of the risk management policy and plan
- Make recommendations to the Board on levels of risk tolerance and risk appetite
- Ensure risk management is integrated into business operations
- Ensure risk management assessments are conducted continuously
- Ensure frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Ensure that management considers and implements appropriate risk responses
- Express the committee's opinion on the effectiveness of the system and process of risk management
- Ensure risk management reporting in the integrated annual report is comprehensive and relevant.

External audit

- Nominate the external auditor for appointment by the shareholders
- Approve the terms of engagement and remuneration of the auditor
- Ensure the appointment of the auditor complies with relevant legislation
- Monitor and report on the independence of the external auditor
- Define a policy for non-audit services which the auditor may provide and approve non-audit service contracts
- Review the quality and effectiveness of the external audit process
- Ensure a process is in place for the committee to be informed of any reportable irregularities identified by the external auditor

The Audit and Risk Compliance Committee is satisfied with the independence of the external auditors.

IT governance

- Ensure that the Company's governance and management system provides the means to institutionalise the enablers of good corporate governance through the integration of people, process, technology and information, and management systems to enable the creation of value and support the achievement of the business and organisation's strategic goals
- Ensure that there are adequate mechanisms to safeguard the Company's information and that the Group has measures in place to recover from any technological disruptions.

Meetings and activities of the committee

Four meetings of the committee were held during the year. Attendance is set out on page 45.

The main tasks dealt with by the committee were:

- Review of the Audit, Risk and Compliance Committee Charter
- Planning for the external audit process, including discussions on key issues related to the external audit, the proposed fee for the audit and other related matters
- Year-end planning for clearance of the audited annual financial statements and review of the external audit reports on issues related to the external audit process
- Consideration of the distribution to linked unitholders, including solvency test in relation thereto, for recommendation to the Board
- Consideration of the offer to unitholders of the capitalisation of distribution related to the year ended 30 June 2024
- Review of the integrity of the integrated annual report

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT CONTINUED

- Review of press releases related to trading updates, half yearly and annual financial results reporting
- Consideration of budget forecasts and related investment strategy
- Review of management accounts and related activity reports
- Consideration of key risks related to the Group's strategic and operational risks and updating of the risk register
- Oversight over the governance of information technology
- Consideration of the adequacy and effectiveness of internal controls
- Compliance with the BSE Code of Best Practice on Corporate Governance, specifically about the adoption of King III and King IV requirements
- Compliance with regulatory issues relating to the Botswana Securities Exchange, the Companies Act, EIA regulations and the Income Tax Act.

Reporting to the Board

The committee also meets at least once a year with the external and internal auditors, without members of executive management being present.

Reports of the meetings of the committee, except those recording private meetings with the external and internal auditors, are circulated among all Directors and supplemented by an update from the committee chairman at each Board meeting.

Matters requiring action or improvement are identified and appropriate recommendations are made to the Board. The chairman of the committee attends all statutory shareholder meetings to answer any questions on the committee's activities.

Reporting to the Board is on all relevant key issues and making recommendations on topics that require Board approval. Such topics include external audit recommendations, clearance of non-audit work and the approval of fees paid to the external auditor internal controls; progress of the corporate governance model; information technology governance issues; key risks related to strategic and operational risks; budgets and their relationship with investment strategy; recommendation for adoption of the annual report; proposed press releases; application of the solvency test and the declaration of the distributions payable to linked unitholders including proposed capitalisation, and other matters considered to be of relevance to the deliberations of the Board.

Chief financial officer and finance function

The committee is satisfied that the acting CEO, Shinu Joy and Finance Manager, Afifa Patel, possess the appropriate expertise and relevant experience to meet the responsibilities of their positions. The committee is also satisfied with the appropriateness, expertise and adequacy of skilled resources available within the finance function.

Conclusion

Given the above, the committee is of the view that it has appropriately addressed its key responsibilities in respect of the Company's internal controls, risk management, and statutory and regulatory requirements.



Ranjith Priyalal De Silva

Audit, Risk and Compliance Committee Chairman

12 September 2024

KING IV COMPLIANCE CHECKLIST

THE VARIOUS PRINCIPLES OF KING IV ARE EMBODIED IN THE DIFFERENT SECTIONS OF THE INTEGRATED REPORT. THE LISTINGS REQUIREMENTS OF THE BSE REQUIRE A FULL DISCLOSURE AS AN ANNEXURE IN THE ANNUAL REPORT AND FOR THAT REASON THE BELOW HAS BEEN PREPARED FOR INCLUSION IN THE INTEGRATED REPORT.

Governance outcome one: Ethical culture

<p>1. The Board should lead ethically and effectively.</p>	<p>In terms of the Board charter, the Board demonstrates ethical and effective leadership, integrity and judgement, based on fairness, accountability, responsibility and transparency. The Board ensures that procedures are in place to monitor and evaluate the implementation of its strategies, policies, business plans, senior management performance criteria and corporate governance processes.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
<p>2. The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>In terms of the Board charter, the Board ensures that the Company complies with all relevant laws, regulations and codes of best business practice, and that it communicates with its shareholders and relevant stakeholders (internal and external) openly and promptly, with substance prevailing over form. The Board supported by management ensures:</p> <ul style="list-style-type: none"> • The Company's ethics are managed effectively; • Leadership demonstrates support for ethics throughout the Company; • Ethical standards are articulated in a code of ethics and supporting ethics policies; • Structures, systems, and processes are in place to ensure that the various Boards, employee, and supply chains are familiar with and adhere to the Company's ethical standards; • Ethics are imbedded in the corporate culture of the Company. 	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
<p>3. The Board should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<p>The Board is the custodian of the values and ethics of the Group and ensures that it is seen as a responsible corporate citizen.</p> <p>The Board approves the strategy and priorities of the business as set out in its integrated report. Through stakeholder engagement and collaboration, FPC is committed to understanding and being responsive to the interests and expectations of stakeholders and to collaborating with them in finding lasting solutions to sustainability challenges.</p> <p>The Board, with the support of the Audit, Risk and Compliance Committee and the management team, oversees and monitors how the operations and activities of the Company affect its status as a responsible corporate citizen and reports annually on the Group's sustainability activities.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>

KING IV COMPLIANCE CHECKLIST CONTINUED

Governance outcome two: Performance and value operations		
<p>4. The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<p>In accordance with the Board charter, the Board is responsible for approving the Company's strategy and aligning strategic objectives, purpose, vision and values with risk and performance. The Audit, Risk and Compliance Committee report to the Board, which retains ultimate responsibility for the control and management of risk. The strategy is kept under review and is considered at each quarterly Board meeting.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
<p>5. The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.</p>	<p>The Group understands that transparent and constructive engagement with all stakeholders is critical to the sustainability of the business. The Audit, Risk and Compliance Committee is responsible for recommending controls to enable it to verify and safeguard the integrity of the Company's integrated annual report and annual financial statements.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
Governance outcome three: Adequate and effective control		
<p>6. The Board should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>The Board has an approved charter, which it reviews annually. The charter sets out its governance responsibilities, including its role, responsibilities, membership requirements and procedural conduct.</p> <p>The Audit, Risk and Compliance Committee ensures that the required attention is given by management to successfully accomplish compliance with King IV™, ensure continued compliance with required legislation and the BSE Listings Requirements; and ensure that the Audit, Risk and Compliance Committee reports on compliance to the Board at least biannually.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>

Governance outcome three: Adequate and effective control

<p>7. The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>The composition of the Board complies with the recommendations of Companies Act requirements, King IV™ and the BSE Listings Requirements. The Directors represent diversity in expertise, skills and experience to effectively contribute to the requirements of the Board and its committees.</p> <p>The Board currently has one executive Director, Vidya Sanooj.</p> <p>For details of Directors' full names, their dates of appointment and other listed directorships as well as a brief curriculum vitae, refer to pages 38 and 39 of the integrated report.</p> <p>The succession plan of Directors is reviewed on an ongoing basis.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
<p>8. The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.</p>	<p>Board committees</p> <p>Committees have been established to assist the Board in discharging its responsibilities. The committees of the Board comprise of the following:</p> <ul style="list-style-type: none"> • Audit, Risk and Compliance Committee • Governance and Nomination Committee <p>A delegation by the Board of its responsibilities to a committee does not constitute a discharge of the Board's responsibilities or accountability. The Board applies its collective mind to consider the information, opinions, recommendations, reports and statements presented by the committees.</p> <p>Each of these committees has a formal charter approved by the Board and reviewed annually.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>

KING IV COMPLIANCE CHECKLIST CONTINUED

Governance outcome three: Adequate and effective control continued		
9. The Board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	<p>The effectiveness of the performance of the Board, its committees, individual Directors and the chairman is assessed every second year.</p> <p>Priority recommendations for the year ahead are reported in the integrated report.</p> <p>The Board is satisfied that evaluation processes improve its performance and effectiveness.</p> <p>The role and responsibilities of the Board, its committees, the chairman and the Directors are outlined in the Board charter, available on the FPC website.</p>	<i>The Board is of the opinion that the principle was applied satisfactorily.</i>
10. The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	<p>In terms of the Board charter, the Board's responsibilities include the appointment of members of group management and ensuring that succession plans are in place.</p>	<i>The Board is of the opinion that the principle was applied satisfactorily.</i>
11. The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	<p>The Audit, Risk and Compliance Committee is responsible for overseeing the Group's risk management policy and programme. The committee reports to the Board, which retains ultimate responsibility for the control and management of risk. The committee ensures that the risk management disclosure is comprehensive, timely and relevant and that an effective policy and plan is in place to achieve strategic objectives. The risk management policy is widely distributed throughout the Company. The risk matrix on page 43 of the integrated annual report is monitored by the Board. At least once a year, the committee reviews the implementation of the risk management policy and programme.</p>	<i>The Board is of the opinion that the principle was applied satisfactorily.</i>
12. The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	<p>The Board assumes responsibility for the governance of technology and information, and it is supported in this role by the Audit, Risk and Compliance Committee. It sets the direction of how technology and information should be approached. The Board recognises the importance as it is interrelated to the strategy, performance and sustainability of the Group.</p>	<i>The Board is of the opinion that the principle was applied satisfactorily.</i>

Governance outcome three: Adequate and effective control continued

<p>13. The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>The Board charter demands that the Board complies with applicable laws and considers adherence to non-binding rules and standards, with the assistance of Audit, Risk and Compliance Committee together with the Company secretary. The Board monitors the Company's compliance with applicable laws, rules, codes and standards.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
<p>14. The Board should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>The Board charter places the responsibility for ensuring an appropriate remuneration strategy with the Governance and Nomination Committee. The committee makes recommendations to the Board for final approval, ensuring that the Group remunerates Non-executive Directors and executives fairly and responsibly. The committee ensures that the disclosure of Directors' remuneration is accurate, complete and transparent. The Company's remuneration policy is put to shareholders for approval annually by way of a non-binding advisory vote. The remuneration implementation report will also be put to shareholders for approval by way of a non-binding advisory vote at the annual general meeting of the Company shareholders to be held on Tuesday, 10 December 2024. In addition, fees for Non-executive Directors are approved annually, in advance, at the annual general meeting.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
<p>15. The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	<p>An effective and independent Audit, Risk and Compliance Committee is in place and meets as often as is necessary to fulfil its functions (but no less than twice a year). The committee ensures that combined assurance is achieved without management and meets with internal and external auditors at least once a year.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>
<p>16. In the execution of its governance role and responsibilities, the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>	<p>The Group understands that fully functional interaction with all relevant/legitimate stakeholders is critical to the sustainability of the business. Regular engagements are held with all stakeholders as outlined on page 26 of the integrated annual report.</p>	<p><i>The Board is of the opinion that the principle was applied satisfactorily.</i></p>

ANNUAL FINANCIAL STATEMENTS

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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 external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

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 Directors set 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 30 June 2025 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 external 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 external auditors and their report is presented on pages 63 to 66.

The consolidated and separate annual financial statements set out on pages 67 to 121, which have been prepared on the going concern basis, were approved by the Directors on 12 September 2024 and were signed on their behalf by:

Approval of financial statements



Ranjith Priyalal De Silva
Director



Vidya Sanoj
Director

DECLARATION BY THE COMPANY SECRETARY

We declare that to the best of our knowledge, the Company has lodged with the Companies and Intellectual Property Authority, all such returns as are required of a public company in terms of the Companies Act, and that all returns are true, correct and up-to-date.



BP Consulting Services (Pty) Limited

Company Secretaries

12 September 2024

DIRECTORS' REPORT

for the year ended 30 June 2024

The Directors have pleasure in presenting their report and the Group and company annual financial statements of The FAR Property Company Limited for the year ended 30 June 2024.

General information

The Company was incorporated on 29 June 2010 under registration number UIN BW 00000942235 and remains domiciled in the Republic of Botswana. It was listed on the Botswana Stock Exchange ("BSE") on 4 May 2016 as a variable rate loan stock company with 474 million issued linked units.

Nature of business

The primary business of the Group is property owning, management and development, currently active in Botswana, South Africa and Zambia. It has investments in commercial, industrial, retail and residential properties.

Financial position and results

The financial position and results for the year are reflected in these financial statements set out on pages 67 to 121.

Stated capital

In total, 474 million weighted average linked units, comprising ordinary shares that are indivisibly linked to variable rate debentures.

Distribution

Distribution number 9, amounting to 12.40 thebe, comprising 12.29 thebe interest and 0.11 thebe dividend, per linked unit for year ended 30 June 2024. This distribution was declared as payable on 11 November 2024.

Events after reporting date

The Directors are not aware of any matters or circumstances arising since the close of the financial year to the date of this report, not already dealt with in the annual financial statements, which would have a material effect on the financial results, position or operations of the Group and Company.

Directors

The Directors at 30 June 2024 are Reetsang Willie Mokgatlhe (Chair); Ramachandran Ottapathu; Ranjith Priyalal de Silva; Faizel Ismail, Vidya Sanooj, Rajeshkumar Jayrajh and Gobusamang Dempsey Keebine. Details of Directors are shown on pages 38 and 39.

INDEPENDENT AUDITOR'S REPORT



Chartered Accountants

Grant Thornton

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To the shareholders of The FAR Property Company Limited

Opinion

We have audited the consolidated and separate annual financial statements of The FAR Property Company Limited set out on pages 67 to 121, which comprise the consolidated and separate statement of Financial Position as at 30 June 2024, 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 financial statements, including material accounting policy information.

In our opinion, the consolidated and separate annual financial Statements give a true and fair view of, the consolidated and separate financial position of The FAR Property Company Limited as at 30 June 2024, 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 company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts 1, 3 and 4A) ("IESBA Code") and other independence requirements applicable to performing audits of 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. Key audit matters



Botswana Accountancy Oversight Authority registration number: FAP005 2024
(Audit Firm of Public Interest Entity) Botswana Institute of Chartered Accountants
membership number: MeFBW411013 (Non-Audit)

Partners

Kalyanaraman Vijay {Managing}, Aswin Vaidyanathan*, Madhavan Venkatachary\ Anthony Quashie, Sunny K Mulakulam*, Aparna Vijay* (*Indian)

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INDEPENDENT AUDITOR'S REPORT CONTINUED

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate 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 the report below is not intended to constitute separate opinions on those key audit matters.

Key audit matter	How the matter was addressed in our audit
<p>Valuation of the investment property</p> <p>The holding company and subsidiaries own a portfolio of retail, industrial, commercial and residential property valued at BWP 1 385 823 099 for the holding company and BWP 236 757 777 for the subsidiaries as disclosed under note 3 of the annual financial statements.</p> <p>The valuation of the property portfolio is a significant judgment area and is underpinned by assumptions including estimated future rental 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 3 to the financials.</p>	<p>We met with the external valuers to discuss the valuation process, performance of the portfolio and evaluate significant assumptions and critical judgement areas, including estimated rental values, yields, future net operating income and capitalization rates.</p> <p>We assessed the competence, independence and integrity of the external valuers.</p> <p>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. We also compared the capitalization rates utilized in the valuation to rates in historical valuations and general market factors (such as comparable property capitalization rates and rental rates). These inputs were found to be within a reasonable range.</p> <p>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.</p>

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 annual financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the 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 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 on the other information we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the Consolidated and Separate Annual Financial Statements

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

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

Those charged with governance are responsible for overseeing the company'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 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 consolidated and separate 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 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT CONTINUED

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the subsidiaries or business activities within the group to express an opinion on the consolidated and separate 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 consolidated and separate 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.

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Grant Thornton

Firm of Certified Auditors

Practicing Member: Sunny Mulakulam (CAP 0034 2024)

12 SEPTEMBER 2024

Gaborone



CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
Assets					
Non-current assets					
Investment property	3	1 622 580 876	1 473 967 837	1 385 823 099	1 253 252 296
Property, plant and equipment	4	5 303 800	5 448 572	5 204 815	5 325 386
Investments in subsidiaries	5	–	–	25 416 533	25 416 533
Trade and other receivables*	9	3 279 255	3 179 663	–	–
Operating lease asset	3	45 120 251	37 448 050	43 292 857	36 798 730
Deferred tax	6	11 267 857	10 305 493	1 512 955	1 471 963
		1 687 552 039	1 530 349 615	1 461 250 259	1 322 264 908
Current assets					
Related party receivables	7	3 692 089	8 758 359	141 714 514	132 983 624
Trade and other receivables*	9	16 964 756	8 901 259	9 874 378	6 603 720
Operating lease asset	3	4 509 145	4 025 206	4 256 496	3 884 012
Advance towards asset purchase*	8	29 802 191	5 283 365	29 718 059	4 849 434
Cash and cash equivalents	10	19 825 432	22 528 701	16 507 590	13 365 348
		74 793 613	49 496 890	202 071 037	161 686 138
Total assets		1 762 345 652	1 579 846 505	1 663 321 296	1 483 951 046
Equity and liabilities					
Equity					
Stated capital	12	570 145 818	570 145 818	570 145 818	570 145 818
Reserves		(33 700 349)	(29 877 887)	–	–
Retained income		703 381 981	602 733 799	626 809 729	532 912 158
		1 239 827 450	1 143 001 730	1 196 955 547	1 103 057 976
Liabilities					
Non-current liabilities					
Borrowings	13	308 021 532	258 579 256	287 074 498	229 641 984
Lease liabilities	14	5 572 069	5 785 995	4 911 285	4 835 325
Deferred tax	6	69 732 789	60 813 519	50 008 391	42 808 199
		383 326 390	325 178 770	341 994 174	277 285 508
Current liabilities					
Trade and other payables	15	35 208 513	21 680 180	28 771 856	17 855 804
Related party payables	16	–	–	445 413	331 968
Borrowings	13	44 282 332	26 733 767	35 538 970	22 339 575
Lease liabilities	14	120 200	147 379	62 137	64 367
Current tax payable		791 933	7 160 466	764 365	7 071 635
Distribution payable	18	58 788 834	55 944 213	58 788 834	55 944 213
		139 191 812	111 666 005	124 371 575	103 607 562
Total liabilities		522 518 202	436 844 775	466 365 749	380 893 070
Total equity and liabilities		1 762 345 652	1 579 846 505	1 663 321 296	1 483 951 046

* Restatement – refer note 30.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2024

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
Revenue	19	168 591 560	153 792 385	145 594 540	133 018 333
Other operating income	20	21 459 426	19 365 592	14 952 773	13 399 901
Other operating expenses		(38 668 476)	(33 761 305)	(29 147 048)	(24 156 656)
Operating profit	24	151 382 510	139 396 672	131 400 265	122 261 578
Finance income	21	1 476 350	951 938	13 085 789	12 300 871
Finance costs	22	(29 971 953)	(26 645 738)	(26 303 288)	(23 221 733)
Foreign exchange gain/(loss)		3 731 530	(8 066 832)	110 585	290 024
Fair value adjustments	23	47 001 496	30 751 793	47 630 454	22 411 805
Profit before taxation		173 619 933	136 387 833	165 923 805	134 042 545
Taxation	25	(14 182 917)	(11 002 487)	(13 237 400)	(11 748 274)
Profit for the year		159 437 016	125 385 346	152 686 405	122 294 271
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(3 822 462)	(52 922)	–	–
Other comprehensive income for the year net of taxation		(3 822 462)	(52 922)	–	–
Total comprehensive income for the year		155 614 554	125 332 424	152 686 405	122 294 271
Earnings per share					
Weighted average linked units in issue at the end of the year		474 103 503	468 596 584	474 103 503	468 596 584
Basic earnings per linked unit attributable to linked unitholders (thebe)		33.63	26.76	32.21	26.10
Headline earnings per linked unit attributable to linked unitholders (thebe)		33.73	26.92	32.22	26.11
Distribution per linked unit (thebe)		12.40	11.80	12.40	11.80

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

Figures in Pula	Stated capital	Foreign currency translation reserve	Retained earnings	Total equity
Group				
Balance at 1 July 2022	537 104 305	(29 824 965)	533 292 666	1 040 572 006
Profit for the year	–	–	125 385 346	125 385 346
Other comprehensive income	–	(52 922)	–	(52 922)
Total comprehensive income for the year	–	(52 922)	125 385 346	125 332 424
Issue of shares	33 041 513	–	–	33 041 513
Dividends	–	–	(55 944 213)	(55 944 213)
Total contributions by and distributions to owners of company recognised directly in equity	33 041 513	–	(55 944 213)	(22 902 700)
Balance at 1 July 2023	570 145 818	(29 877 887)	602 733 799	1 143 001 730
Profit for the year	–	–	159 437 016	159 437 016
Other comprehensive income	–	(3 822 462)	–	(3 822 462)
Total comprehensive income for the year	–	(3 822 462)	159 437 016	155 614 554
Dividends	–	–	(58 788 834)	(58 788 834)
Total contributions by and distributions to owners of company recognised directly in equity	–	–	(58 788 834)	(58 788 834)
Balance at 30 June 2024	570 145 818	(33 700 349)	703 381 981	1 239 827 450
Note(s)	12			
Company				
Balance at 1 July 2022	537 104 305	–	466 562 100	1 003 666 405
Profit for the year	–	–	122 294 271	122 294 271
Total comprehensive income for the year	–	–	122 294 271	122 294 271
Issue of shares	33 041 513	–	–	33 041 513
Dividends	–	–	(55 944 213)	(55 944 213)
Total contributions by and distributions to owners of company recognised directly in equity	33 041 513	–	(55 944 213)	(22 902 700)
Balance at 1 July 2023	570 145 818	–	532 912 158	1 103 057 976
Profit for the year	–	–	152 686 405	152 686 405
Total comprehensive income for the year	–	–	152 686 405	152 686 405
Dividends	–	–	(58 788 834)	(58 788 834)
Total contributions by and distributions to owners of company recognised directly in equity	–	–	(58 788 834)	(58 788 834)
Balance at 30 June 2024	570 145 818	–	626 809 729	1 196 955 547
Note(s)	12			

STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
Cash flows from operating activities					
Cash generated from operations	26	129 614 069	136 335 142	99 135 147	112 366 712
Tax paid	27	(12 746 131)	(2 000 025)	(12 385 471)	(1 408 203)
Net cash from operating activities		116 867 938	134 335 117	86 749 676	110 958 509
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(321 597)	(4 667 178)	(321 597)	(4 667 178)
Proceeds from sale of property, plant and equipment	4	–	260 000	–	260 000
Purchases of investment property	3	(101 984 780)	(41 941 138)	(84 940 349)	(39 348 771)
Proceeds from sales of investment property	3	–	6 774 326	–	–
Interest income	21	1 476 350	432 053	13 085 789	12 300 871
Net cash from investing activities		(100 830 027)	(39 141 937)	(72 176 157)	(31 455 078)
Cash flows from financing activities					
Repayments of borrowings	13	(33 497 065)	(66 674 423)	(29 368 091)	(61 848 364)
Proceeds on borrowings	13	100 000 000	40 000 000	100 000 000	40 000 000
Cash repayments on lease liabilities		(241 105)	(229 527)	(259 836)	(244 567)
Finance costs on lease liabilities		(406 024)	(421 837)	–	–
Finance costs	22	(29 565 929)	(26 223 901)	(25 969 722)	(22 891 518)
Dividends paid	17	(55 944 213)	(51 660 349)	(55 944 213)	(51 660 349)
Net cash from financing activities		(19 654 336)	(105 210 037)	(11 541 862)	(96 644 798)
Total cash movement for the year		(3 616 425)	(10 016 857)	3 031 657	(17 141 367)
Cash and cash equivalents at the beginning of the year		22 528 701	32 713 877	13 365 348	30 216 691
Effects of translating foreign entities		(1 107 922)	(385 091)	–	–
Effects of exchange rate on foreign exchange on cash and cash equivalents		2 021 078	216 772	110 585	290 024
Cash and cash equivalents at the end of the year	10	19 825 432	22 528 701	16 507 590	13 365 348

ACCOUNTING POLICIES

for the year ended 30 June 2024

GENERAL INFORMATION

The FAR Property Company Limited (“the Company”) engages in the business of property rental and asset management. The Company is a limited liability company incorporated and domiciled in Botswana. The physical address of the Company’s registered office is Plot 28892, Twin Towers, West Wing First Floor, Gaborone, Botswana.

The financial statements set have been approved by the Board of Directors on 12 September 2024.

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated and separate annual financial statements.

1.1 Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the consolidated and separate annual financial statements of the Company and all subsidiaries. Subsidiaries are entities which are controlled by the Group. All subsidiaries have a reporting date of 30 June. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the Group’s interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

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.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS’s. Contingent consideration that is classified as equity is not remeasured.

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.

Goodwill

The excess of the cost of acquisition over the fair value of the Group’s share of identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The carrying amount of goodwill is assessed annually for impairment. An impairment loss recognised on goodwill is not reversed in a subsequent period.

ACCOUNTING POLICIES CONTINUED

for the year ended 30 June 2024

1. Material accounting policies (continued)

1.1 Consolidation (continued)

Common control transactions

Business combinations which result from transactions between the holding company and its subsidiaries or between subsidiaries of the Company are defined as common control transactions and are accounted for using the predecessor method of accounting.

Under the predecessor method of accounting, the results of the entities or business under common control are presented as if the business combination had been affected from the effective date. The assets and liabilities combined are accounted for prospectively, based on the carrying amounts applying the Company's accounting policies at the date of transfer. On consolidation, the cost of the business combination is cancelled with the values of the net assets received. Any resulting differences are classified as equity.

1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or Board that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Board of Directors of the Company.

1.3 Significant judgements and sources of estimation uncertainty

In preparing consolidated and separate annual financial statements, management is 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 are 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:

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 and Company 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 and Company 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 Company 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 in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Fair value estimation

In calculating the fair value, valuers have adopted various valuation techniques generally used by independent valuers. The key assumptions underlying the valuation techniques are based on unobservable inputs and accordingly result in the valuations being classed as level 3 in terms of the fair value hierarchy. Sensitivity of fair value measurements using significant unobservable inputs are disclosed in note 3.

The carrying value less impairment provision of trade 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.

Useful lives of property, plant and equipment

The Group and Company review the estimated useful lives and residual values of property plant and equipment at the end of each annual reporting period.

1. Material accounting policies (continued)

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

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, net of rental straight-line adjustment, within change in the fair value of the investment property.

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

Subsequent to initial measurement, investment property is measured at fair value, with changes in fair value recognised in profit or loss in the period in which it arises.

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.

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

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 – 7 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	10 years
IT equipment	Straight line	3 years
Solar panels (included in plant and machinery)	Straight line	25 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting. No material changes were made.

The depreciation charge for each period is recognised in profit or profit unless it is included in the carrying amount of another asset. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

ACCOUNTING POLICIES CONTINUED

for the year ended 30 June 2024

1. Material accounting policies (continued)

1.7 Financial instruments

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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the Group are presented below:

Loans receivable at amortised cost

Management have assessed and classified related party receivables, loans to shareholders, loans to directors, managers and employees, and loans receivable as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Refer to the loss allowances and write offs accounting policy for impairment of loans receivable.

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, 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.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Impairment – Expected credit losses and write offs

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 which do not contain a significant financing component at an amount equal to lifetime expected credit losses ("lifetime ECL"), when there has been a significant increase in credit risk.

A provision matrix is used as a practical expedient when determining expected credit losses. 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 conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The Group writes off an instrument 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. Instruments written off may still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made are recognised in profit or loss.

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.

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.

1. Material accounting policies (continued)

1.7 Financial instruments (continued)

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.

Definition of default

For purposes of internal credit risk management purposes, the Group considers 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 (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a loan installment 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.

Borrowings and loans from related parties

Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Interest expense on borrowings is calculated on the effective interest method, and is included in profit or loss.

Borrowings include loans denominated in foreign currency. Foreign exchange gains or losses arising on these loans are recognised in profit or loss.

Trade and other payables

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

Trade and other payables include amounts which have been denominated in foreign currency. Foreign exchange gains or losses are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

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

Derecognition

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.

The Group derecognises financial liabilities when its 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.

ACCOUNTING POLICIES CONTINUED

for the year ended 30 June 2024

1. Material accounting policies (continued)

1.7 Financial instruments (continued)

Reclassification

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 are not reclassified.

1.8 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

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 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 they 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1. Material accounting policies (continued)

1.9 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense (note 24) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the consolidated and separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 22).

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ACCOUNTING POLICIES CONTINUED

for the year ended 30 June 2024

1. Material accounting policies (continued)

1.9 Leases (continued)

Right-of-use assets

Right-of-use assets are presented within Investment properties on the consolidated and separate statement of financial position.

Right-of-use assets are subsequently measured at fair value and revalued annually with the resulting gains or losses recognised in the profit and loss account.

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

Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in revenue (note 19).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.10 Impairment of non-financial assets

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

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss.

1.11 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.

- Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into Pula (see note 1.15 investment in subsidiaries).

Retained earnings includes all current and prior period retained profits.

1. Material accounting policies (continued)

1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of paid annual leave and sick leave, bonuses, and 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.

Defined contribution plans

The Group contributes to Alexander Forbes Financial Services Botswana Proprietary Limited which is a defined contribution pension plan.

Payments are charged as an expense as they fall due.

1.13 Revenue

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 transfers control of a product or service to a customer.

Rental income from the investment property and recoveries as per the terms of contract are earned from letting out properties in the normal course of business. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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

Dividend income is recognised when the shareholders' right to receive payment has been established and is measured gross of withholding tax.

Revenue also includes fuel rebates received from one of the client based on the lease agreement.

Other operating income

Operating income includes operating cost recoveries from rental properties. Operating costs recoveries include providing utilities, maintenance and other services charges are considered separate performance obligations. The transactions price is determined based on the amount the landlord expects to receive in exchange for providing the services. These include fixed and variable considerations. Fixed operating recoveries from operating leases are recognised in profit or loss over time as the services are provided to the tenant on a straight-line basis over the lease term. Variable operating cost recoveries are recognised in the period in which the services are rendered based on individual lease terms.

1.14 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; and
- 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.

ACCOUNTING POLICIES CONTINUED

for the year ended 30 June 2024

1. Material accounting policies (continued)

1.15 Translation of foreign currencies

Foreign currency transactions

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

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 consolidated and separate statement of financial position presented are translated at the closing rate at the date of that consolidated and separate statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of 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 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.

1.16 Related party

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.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

International tax reform – Pillar two model rules – Amendments to IAS 12

The amendments incorporate into IAS 12, taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. As an exception, deferred tax assets and liabilities shall not be recognised, nor information about them disclosed related to Pillar Two income taxes. Disclosures about applying this exception to deferred tax are required. Any current tax income or expense related to Pillar Two income taxes is required to be disclosed separately. In addition, where the legislation is enacted or substantively enacted, but not yet in effect, management are required to disclose known or reasonably estimable information of the entity's exposure to Pillar Two taxes arising from that legislation.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The Group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Initial application of IFRS 17 and IFRS 9 – Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The Group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The Group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated and separate annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The Group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated and separate annual financial statements that are subject to measurement uncertainty".

The effective date of the amendment is for years beginning on or after 1 January 2023.

The Group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

ACCOUNTING POLICIES CONTINUED

for the year ended 30 June 2024

2. New standards and interpretations (continued)

2.2 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 1 July 2024 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Lack of exchangeability – Amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 1 January 2025.

The Group expects to adopt the amendment for the first time in the 2026 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

2. New standards and interpretations (continued)

2.2 Standards and interpretations not yet effective (continued)

The effective date of the amendment is for years beginning on or after 1 January 2024.

The Group expects to adopt the amendment for the first time in the 2025 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Non-current liabilities with covenants – Amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The Group expects to adopt the amendment for the first time in the 2025 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The Group expects to adopt the amendment for the first time in the 2025 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures).

The effective date of the standard is for years beginning on or after 1 January 2027.

It is unlikely that they will have a material impact on the Company's consolidated and separate annual financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

3. Investment property

Group	2024		2023	
	Valuation	Carrying value	Valuation	Carrying value
Investment property	1 622 580 876	1 622 580 876	1 473 967 837	1 473 967 837
Total	1 622 580 876	1 622 580 876	1 473 967 837	1 473 967 837

Company	2024		2023	
	Valuation	Carrying value	Valuation	Carrying value
Investment property	1 385 823 099	1 385 823 099	1 253 252 296	1 253 252 296

Reconciliation of investment property – Group – 2024

	Opening balance	Additions	Disposals
Investment property	1 467 611 397	101 984 780	–
Right-of-use asset	6 356 440	–	–
	1 473 967 837	101 984 780	–

Reconciliation of investment property – Group – 2023

	Opening balance	Additions	Disposals
Investment property	1 414 391 419	41 941 138	(6 979 609)
Right-of-use asset	2 255 551	–	–
	1 416 646 970	41 941 138	(6 979 609)

The addition to the investment property includes direct acquisitions amounting to P42 668 973 (2023: P9 869 048) and subsequent developments to the properties amounting to P59 315 807 (2023: P32 072 090).

Reconciliation of investment property – Company – 2024

	Opening balance	Additions
Investment property	1 252 172 296	84 940 349
Right-of-use asset	1 080 000	–
	1 253 252 296	84 940 349

Reconciliation of investment property – Company – 2023

	Opening balance	Additions	Right-of-use asset adjustments
Investment property	1 187 604 926	39 348 771	–
Right-of-use asset	1 219 290	–	2 667 504
	1 188 824 216	39 348 771	2 667 504

Foreign exchange movements	Right-of-use asset adjustments	Fair value adjustments	Total
1 309 715	–	46 628 637	1 617 534 529
(1 682 952)	–	372 859	5 046 347
(373 237)	–	47 001 496	1 622 580 876

Foreign exchange movements	Right-of-use asset adjustments	Fair value adjustments	Total
(11 368 432)	–	29 626 881	1 467 611 397
308 473	2 667 504	1 124 912	6 356 440
(11 059 959)	2 667 504	30 751 793	1 473 967 837

Fair value adjustments	Total
47 680 454	1 384 793 099
(50 000)	1 030 000
47 630 454	1 385 823 099

Fair value adjustments	Total
25 218 599	1 252 172 296
(2 806 794)	1 080 000
22 411 805	1 253 252 296

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

3. Investment property (continued)

The addition to the investment property includes direct acquisitions amounting to P42 434 639 (2023: P9 869 048) and subsequent developments to the properties amounting to P42 505 710 (2023: P29 479 723).

The Group has leases for four properties, included above as right-of-use assets. The remaining terms of these leases range from 10 to 40 years.

Pledged as security

The investment property of the Group has been pledged as security, towards various facilities availed by the Group. The Company's and Group's carrying value of the properties pledged as at year end are P997.4 million and P1 123.9 million respectively.

Borrowing costs capitalised

The borrowing cost capitalised into the investment property during the year was P730 406 (2023: P588 933).

Carrying values of the properties of which the titles have not been transferred

The following properties have been taken under the investment property, but the title deeds have not been transferred to the Group. However, the Group has occupancy, and has been maintaining the properties for the full period of ownership, with no disputes or claims being raised on this.

Name of the property	Type of property	2024 Carrying value (P)	2023 Carrying value (P)
6384 Lobatse	Land for development	1 800 000	1 800 000

Details of valuation

In view of the fact that the fair value of the investment property was arrived at taking into account the present value of future revenue, the fair value gain was reduced by the operating lease asset amount in order to avoid over valuation.

The properties were valued in accordance with guidance notes prepared by RICS and International Valuation Standards for open market basis using sales comparable, depreciable replacement cost, discounted cash flow and income capitalisation approaches. The effective date of the revaluation is 30 June 2024.

Valuers have assumed that the properties have been maintained at a reasonable state of repair and condition as noted on their inspection notes. None of the accredited valuers is connected to the Company. They have adequate experience in location and category of the investment property being valued.

The Group has engaged independent professional valuers in determining the fair value of investments properties of the Group. Independent professional valuers perform comprehensive valuation for one-third of the properties on a rotation basis.

Investment property portfolio in Botswana

The independent valuation was performed by Mr. Eranse Mooki of Knight Frank Botswana (Proprietary) Limited ("Knight Frank"). He holds recognised relevant professional qualifications and he is a member of the Real Estate Institute of Botswana ("MREIB") and Royal Institute of Chartered Surveyors UK ("RICS"). The valuer has relevant experience for the investment property valued.

The Botswana Property Portfolio was valued by Knight Frank based on information supplied by the Company in June 2024 for P1 395 273 600. Included in this amount is P2 370 000 from the subsidiary Eminent (Proprietary) Limited and fair value of the right-of-use assets at P1 030 000.

Investment property portfolio in South Africa

Properties owned by the subsidiary Q-Tique 79 (Proprietary) Limited in South Africa was valued by Ms. Susan Turner of Knight Frank Western Cape (Proprietary) Limited ("Knight Frank WC"). She holds recognised relevant professional qualifications and she is a member of the Council for Valuers Profession in South Africa and Institute of Valuers in South Africa. The valuer has relevant experience for the investment property valued. These properties were valued by Knight Frank WC for P191 424 175 at 30 June 2024.

3. Investment property (continued)

Investment property portfolio in Zambia

Property owned by the subsidiary, The FAR Property Company Zambia (Proprietary) Limited in Zambia was valued by Mr. Jonas Chilonga of Classic Property Consultant Limited for P27 393 610 at 30 June 2024. The fair value of the right-of-use assets at P4 016 347.

Amounts recognised in profit and loss for the year

	Group		Company	
	2024	2023	2024	2023
Rental income from investment property	168 591 560	153 792 385	145 594 540	133 018 333
Recoveries	20 872 692	19 115 793	13 956 386	12 314 763
Cleaning	(797 306)	(789 266)	(620 608)	(626 586)
Insurance	(1 597 359)	(1 436 302)	(1 146 873)	(1 071 350)
Repairs and maintenance	(2 628 501)	(1 785 933)	(2 538 635)	(1 597 548)
Security	(2 119 055)	(1 728 599)	(1 322 952)	(997 629)
Utilities	(2 473 972)	(13 502 857)	(1 514 320)	(8 877 847)

Adjusted valuations

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

Valuation as per financial statements				
Valuation obtained	1 614 091 385	1 503 026 055	1 392 903 600	1 281 520 000
Recognised lease smoothing adjustment	(49 629 396)	(41 473 256)	(47 549 353)	(40 682 742)
work-in-progress valued at cost	58 118 887	12 415 038	40 468 852	12 415 038
	1 622 580 876	1 473 967 837	1 385 823 099	1 253 252 296
Operating lease asset				
Current asset	4 509 145	4 025 206	4 256 496	3 884 012
Non-current asset	45 120 251	37 448 050	43 292 857	36 798 730
	49 629 396	41 473 256	47 549 353	40 682 742

The total operating expenses incurred for the unoccupied properties amounting to P551 081 (2023: P243 089).

Information about fair value measurements using significant unobservable inputs (Level 3) for 2024 – Group

Valuation technique	Valuation	Input	Estimate	Impact lower	Impact higher
Sales comparison	296 141 483	Sales price per square metre of the property	Market value per square metre 10%	(29 614 148)	29 614 148
Depreciated replacement cost	65 133 600	Construction cost per square metre	Build rate per square metre 10%	(6 513 360)	6 513 360
Income capitalisation	1 252 816 302	Capitalisation rate	Capitalisation rate 1%	(121 195 167)	146 251 493
	1 614 091 385				

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

3. Investment property (continued)

Information about fair value measurements using significant unobservable inputs (Level 3) for 2024 – Company

Valuation technique	Valuation	Input	Estimate	Impact lower	Impact higher
Sales comparison	261 450 000	Sales price per square metre of the property	Market value per square metre 10%	(26 145 000)	26 145 000
Depreciated replacement cost	65 133 600	Construction cost per square metre	Build rate per square metre 10%	(6 513 360)	6 513 360
Income capitalisation	1 066 320 000	Capitalisation rate	Capitalisation rate 1%	(102 899 880)	124 226 280
	1 392 903 600				

Information about fair value measurements using significant unobservable inputs (Level 3) for 2023 – Group

Valuation technique	Valuation	Input	Estimate	Impact lower	Impact higher
Sales comparison	276 018 919	Sales price per square metre of the property	Market value per square metre 10%	(27 601 891)	27 601 891
Depreciated replacement cost	55 480 000	Construction cost per square metre	Build rate per square metre 10%	(5 548 000)	5 548 000
Income capitalisation	1 171 527 136	Capitalisation rate	Capitalisation rate 1%	(108 588 708)	131 236 272
	1 503 026 055				

Information about fair value measurements using significant unobservable inputs (Level 3) for 2023 – Company

Valuation technique	Valuation	Input	Estimate	Impact lower	Impact higher
Sales comparison	269 110 000	Sales price per square metre of the property	Market value per square metre 10%	(26 911 000)	26 911 000
Depreciated replacement cost	55 480 000	Construction cost per square metre	Build rate per square metre 10%	(5 548 000)	5 548 000
Income capitalisation	956 930 000	Capitalisation rate	Capitalisation rate 1%	(91 482 508)	110 621 108
	1 281 520 000				

3. Investment property (continued)

Valuation techniques underlying estimation of fair value

For all properties in Botswana, South Africa and Zambia with a total carrying amount of P1 621 646 266 (2023: P1 473 967 837), the valuation was determined using depreciated replacement cost ("DRC"), sales comparison and income capitalisation based on significant unobservable inputs.

Key unobservable inputs

Future rental cash inflows

Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;

Capitalisation rates

Based on actual location, size and quality of the properties and taking into account market data at the valuation date;

Direct comparable sales

Based on the data on recently transacted properties duly adjusted to reject the subject asset's uniqueness;

Build rate

The current market cost of reproduction or replacement of an asset specific to the nature of the property, components and structure of the property; and

Rent escalation rates

Based on the actual rent escalations as to the location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rent escalation for similar properties.

4. Property, plant and equipment

Group

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	5 871 492	(945 137)	4 926 355	5 807 237	(555 500)	5 251 737
Furniture and fixtures	437 249	(434 287)	2 962	436 449	(434 013)	2 436
Motor vehicles	895 371	(570 077)	325 294	573 277	(402 379)	170 898
Office equipment	361 368	(350 463)	10 905	360 217	(346 877)	13 340
IT equipment	547 720	(509 436)	38 284	480 270	(470 109)	10 161
Total	8 113 200	(2 809 400)	5 303 800	7 657 450	(2 208 878)	5 448 572

Company

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	5 871 492	(945 137)	4 926 355	5 807 237	(555 500)	5 251 737
Furniture and fixtures	437 249	(434 287)	2 962	436 449	(434 013)	2 436
Motor vehicles	571 388	(345 079)	226 309	249 294	(201 582)	47 712
Office equipment	361 368	(350 463)	10 905	360 217	(346 877)	13 340
IT equipment	547 720	(509 436)	38 284	480 270	(470 109)	10 161
Total	7 789 217	(2 584 402)	5 204 815	7 333 467	(2 008 081)	5 325 386

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Group – 2024

	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Total
Opening balance						
Cost	5 807 237	436 449	573 277	360 217	480 270	7 657 450
Accumulated depreciation and impairment	(555 500)	(434 013)	(402 379)	(346 877)	(470 109)	(2 208 878)
Net book value at 1 July 2023	5 251 737	2 436	170 898	13 340	10 161	5 448 572
Additions	64 255	800	213 433	1 150	41 959	321 597
Foreign exchange movements	–	–	8 642	–	–	8 642
Depreciation	(389 637)	(274)	(67 679)	(3 585)	(13 836)	(475 011)
Net book value at 30 June 2024	4 926 355	2 962	325 294	10 905	38 284	5 303 800
Made up as follows:						
Cost or revaluation	5 871 492	437 249	895 371	361 368	547 720	8 113 200
Accumulated depreciation and impairment	(945 137)	(434 287)	(570 077)	(350 463)	(509 436)	(2 809 400)
	4 926 355	2 962	325 294	10 905	38 284	5 303 800

4. Property, plant and equipment (continued)**Reconciliation of property, plant and equipment – Group – 2023**

	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Total
Opening balance						
Cost	1 157 049	433 906	952 670	358 224	467 816	3 369 665
Accumulated depreciation and impairment	(395 379)	(426 258)	(417 830)	(343 778)	(465 907)	(2 049 152)
Net book value at 1 July 2022	761 670	7 648	534 840	14 446	1 909	1 320 513
Additions	4 650 188	2 543	–	1 993	12 454	4 667 178
Disposals and scrappings – cost	–	–	(380 055)	–	–	(380 055)
Disposals and scrappings – accumulated depreciation and impairment	–	–	176 918	–	–	176 918
Foreign exchange movements	–	–	(74 886)	–	–	(74 886)
Depreciation	(160 121)	(7 755)	(85 919)	(3 099)	(4 202)	(261 096)
Net book value at 30 June 2023	5 251 737	2 436	170 898	13 340	10 161	5 448 572
Made up as follows:						
Cost or revaluation	5 807 237	436 449	573 277	360 217	480 270	7 657 450
Accumulated depreciation and impairment	(555 500)	(434 013)	(402 379)	(346 877)	(470 109)	(2 208 878)
	5 251 737	2 436	170 898	13 340	10 161	5 448 572

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Company – 2024

	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Total
Opening balance						
Cost	5 807 237	436 449	249 294	360 217	480 270	7 333 467
Accumulated depreciation and impairment	(555 500)	(434 013)	(201 582)	(346 877)	(470 109)	(2 008 081)
Net book value at 1 July 2023	5 251 737	2 436	47 712	13 340	10 161	5 251 737
Additions	64 255	800	213 433	1 150	41 959	321 597
Depreciation	(389 637)	(274)	(34 836)	(3 585)	(13 836)	(442 168)
Net book value at 30 June 2024	4 926 355	2 962	226 309	10 905	38 284	5 204 815
Made up as follows:						
Cost or revaluation	5 871 492	437 249	571 388	361 368	547 720	7 789 217
Accumulated depreciation and impairment	(945 137)	(434 287)	(345 079)	(350 463)	(509 436)	(2 584 402)
	4 926 355	2 962	226 309	10 905	38 284	5 204 815

Reconciliation of property, plant and equipment – Company – 2023

	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Total
Opening balance						
Cost	1 157 049	433 906	629 349	358 224	467 816	3 046 344
Accumulated depreciation and impairment	(395 379)	(426 258)	(258 237)	(343 778)	(465 907)	(1 889 559)
Net book value at 1 July 2022	761 670	7 648	371 112	14 446	1 909	1 156 785
Additions	4 650 188	2 543	–	1 993	12 454	4 667 178
Disposals and scrapings – cost	–	–	(380 055)	–	–	(380 055)
Disposals and scrapings – accumulated depreciation and impairment	–	–	108 660	–	–	108 660
Depreciation	(160 121)	(7 755)	(52 005)	(3 099)	(4 202)	(227 182)
Net book value at 30 June 2023	5 251 737	2 436	47 712	13 340	10 161	5 325 386
Made up as follows:						
Cost or revaluation	5 807 237	436 449	249 294	360 217	480 270	7 333 467
Accumulated depreciation and impairment	(555 500)	(434 013)	(201 582)	(346 877)	(470 109)	(2 008 081)
	5 251 737	2 436	47 712	13 340	10 161	5 325 386

5. Investment in subsidiaries

Name of company	Incorporation country	Group		Company	
		2024 Holding	2023 Holding	2024 Carrying amount	2023 Carrying amount
Q Tique 79 (Proprietary) Limited	South Africa	100 %	100 %	93	93
Eminent (Proprietary) Limited	Botswana	100 %	100 %	2 400 000	2 400 000
The FAR Property Company Zambia (Proprietary) Limited	Zambia	100 %	100 %	23 016 440	23 016 440
				25 416 533	25 416 533

The carrying amounts of subsidiaries are shown net of impairment losses, if any.

Restrictions relating to subsidiaries

There are no restrictions on subsidiaries declaring dividends or repaying loans to the Company, as these subsidiaries are incorporated in countries without exchange controls that prohibit foreign currency transactions.

6. Deferred tax

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Deferred tax liability				
Accelerated capital allowances for tax purposes	(55 196 647)	(49 246 523)	(39 309 934)	(33 620 396)
Operating lease adjustment	(10 924 043)	(9 039 648)	(10 460 857)	(8 950 203)
Prepaid expenses	(7 816)	(8 002)	–	–
Unrealised foreign exchange losses	(3 366 683)	(2 281 746)	–	–
Right-of-use asset	(237 600)	(237 600)	(237 600)	(237 600)
Total deferred tax liability	(69 732 789)	(60 813 519)	(50 008 391)	(42 808 199)
Deferred tax asset				
Unrealised foreign exchange gains	601	592	–	–
Allowance for doubtful accounts	645 519	546 670	418 802	394 031
Tax losses available for set off against future tax liabilities	9 527 584	8 680 299	–	–
Lease liabilities	1 094 153	1 077 932	1 094 153	1 077 932
Total net deferred tax asset	11 267 857	10 305 493	1 512 955	1 471 963
Deferred tax liability	(69 732 789)	(60 813 519)	(50 008 391)	(42 808 199)
Deferred tax asset	11 267 857	10 305 493	1 512 955	1 471 963
Total net deferred tax liability	(58 464 932)	(50 508 026)	(48 495 436)	(41 336 236)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Reconciliation of deferred tax asset/(liability)				
At beginning of year	(50 508 026)	(48 800 448)	(41 336 236)	(37 812 686)
Originating temporary difference on carried forward losses	729 456	1 832 900	–	–
Origination of deferred tax on foreign exchange differences	(1 050 694)	522 582	–	66 856
Originating temporary difference on operating lease	(1 883 052)	(256 434)	(1 510 654)	(417 324)
Originating temporary difference on capital allowance	(5 727 872)	(4 441 223)	(5 689 538)	(3 720 928)
Originating temporary difference on allowance for doubtful	96 558	(5 728)	24 771	(88 050)
Originating temporary difference on prepaid expenses	306	4 468	–	–
Origination of deferred tax on foreign exchange differences	–	(39)	–	–
Originating and temporary difference on right-of-use assets	–	30 643	–	30 643
Effect of translation of foreign subsidiary deferred tax	(137 829)	–	–	–
Originating and temporary difference on lease liabilities	16 221	605 253	16 221	605 253
	(58 464 932)	(50 508 026)	(48 495 436)	(41 336 236)

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

7. Related party receivables

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Q Tique 79 (Proprietary) Limited	–	–	126 973 194	124 225 265
The FAR Property Company Zambia (Proprietary) Limited	–	–	11 049 231	–
Exelligent (Proprietary) Limited	1 630 586	513 816	1 630 586	513 816
Strides of Success (Proprietary) Limited	1 461 065	7 653 085	1 461 065	7 653 085
Rootlet (Proprietary) Limited	600 438	591 458	600 438	591 458
	3 692 089	8 758 359	141 714 514	132 983 624

The loans to group companies do not carry any specific terms. These balances are repayable on demand and are not secured. The loan to Q Tique 79 (Proprietary) Limited and The FAR Property Company Zambia Limited carries interest at market interest rate of 10% (June 2023: 10%) per annum.

The Group has assessed the recoverability of these balances and noted that these companies either have sufficient cash to settle the balances if demanded or recovery of these balances could be possible by realising the properties within a shorter period. Therefore, there is no impairment on these balances.

8. Advance towards asset purchase

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Advance towards asset purchase	29 802 191	5 283 365	29 718 059	4 849 434

Advance towards asset purchase relates to advance given towards purchase of properties in Botswana (Mmamashia, Sese, Bokaa, Morwa, Kang and Gabane).

9. Trade and other receivables

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Financial instruments:				
Trade receivables	11 108 840	8 323 959	7 543 568	5 957 623
Loss allowance	(5 961 238)	(5 450 165)	(4 303 963)	(4 216 600)
Trade receivables at amortised cost	5 147 602	2 873 794	3 239 605	1 741 023
Deposits	591 661	538 985	253 473	221 675
Other receivables	10 918 119	7 416 537	5 637 745	3 903 954
Non-financial instruments:				
Refundable taxes	2 501 116	329 922	148 407	148 407
Prepayments	1 085 513	921 684	595 148	588 661
Total trade and other receivables	20 244 011	12 080 922	9 874 378	6 603 720
Split between non-current and current portions				
Non-current assets	3 279 255	3 179 663	–	–
Current assets	16 964 756	8 901 259	9 874 378	6 603 720
	20 244 011	12 080 922	9 874 378	6 603 720

Other receivables include an amount of P109 622 (2023: P89 711) relating to the amount receivable on sale of ERF 264 Farm Vaalkop. The Company has entered into an agreement of the sale of property on installments. R1 000 000 has been paid by the purchaser. The balance of purchase price R4 800 000 together with interest (prime plus 2%) will be paid by the purchaser in monthly instalments of R65 000.

Non-current portion of Farm Vaalkop receivable	3 279 255	3 179 663	–	–
Current portion of Farm Vaalkop receivable	109 622	89 711	–	–
Total amounts included other receivable from Farm Vaalkop	3 388 877	3 269 374	–	–

9. Trade and other receivables (continued)

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for loan facilities of the Group as disclosed under note 13.

Exposure to credit risk

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:

Figures in Pula	Group		2023 Gross carrying amount	2023 Loss allowance
	2024 Gross carrying amount	2024 Loss allowance		
Expected credit loss rate:				
Less than 30 days	3 948 307	(90 805)	1 755 299	(148 704)
Between 31 and 60 days	602 847	(61 288)	725 864	(68 350)
Between 61 and 90 days	461 172	(107 856)	432 909	(99 637)
Between 91 and 120 days	444 081	(165 328)	193 909	(45 397)
More than 120 days	5 652 433	(5 535 961)	5 215 977	(5 088 077)
Total	11 108 840	(5 961 238)	8 323 958	(5 450 165)

Figures in Pula	Company		2023 Gross carrying amount	2023 Loss allowance
	2024 Gross carrying amount	2024 Loss allowance		
Expected credit loss rate:				
Less than 30 days	2 136 531	(30 600)	784 250	(25 039)
Between 31 and 60 days	410 126	(32 441)	514 122	(37 810)
Between 61 and 90 days	205 256	(36 341)	299 428	(39 907)
Between 91 and 120 days	166 988	(43 006)	172 908	(36 072)
More than 120 days	4 624 667	(4 161 575)	4 186 915	(4 077 772)
Total	7 543 568	(4 303 963)	5 957 623	(4 216 600)

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Movement in loss allowances

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

Balance at beginning of year	(5 450 165)	(5 311 610)	(4 216 600)	(4 616 824)
Net movement for the year	(511 073)	(138 555)	(87 363)	400 224
Closing balance	(5 961 238)	(5 450 165)	(4 303 963)	(4 216 600)

Fair value of trade and other receivables

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

* Restatement – refer note 30.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

10. Cash and cash equivalents

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Cash and cash equivalents consist of:				
Bank balances	19 815 850	22 522 158	16 501 235	13 362 655
Cash in hand	9 582	6 543	6 355	2 693
	19 825 432	22 528 701	16 507 590	13 365 348

For the purpose of the statement of cash flows, cash, cash equivalents and bank overdrafts include total cash assets less short-term borrowings.

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 (if available) or historical information about counterparty default rates. Credit risk of the Group's cash and cash equivalents is minimised by investing cash resources only with reputable financial institutions.

Cash at bank

First Capital Bank Botswana Limited	12 053 888	12 631 245	12 053 888	12 631 245
Standard Bank South Africa Limited	2 803 382	3 790 339	–	–
Absa Bank Zambia Limited	511 233	5 369 164	–	–
First National Bank of Botswana Limited	655 370	140 288	655 370	140 288
Absa Bank Botswana Limited	1 517 357	464 567	1 517 357	464 567
Bank Gaborone Limited	2 274 620	126 555	2 274 620	126 555
	19 815 850	22 522 158	16 501 235	13 362 655

There are no credit ratings available in Botswana for financial institutions. The above banks are reputed banks and have reported sound financial results and continued compliance with minimum capital adequacy requirements. They are also subsidiaries of reputable financial institutions situated in South Africa.

Standard Bank South Africa Limited is listed on the Johannesburg Stock Exchange and has a credit rating of BB- (Fitch rating).

11. Financial assets by category

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Financial assets at amortised cost				
Related-party receivables	3 692 089	8 758 359	141 714 514	132 983 624
Trade and other receivables	16 657 382	10 829 316	9 130 823	5 866 652
Cash and cash equivalents	19 815 850	22 522 158	16 501 235	13 362 655
	40 165 321	42 109 833	167 346 572	152 212 931

12. Stated capital

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Linked units – issued and fully paid				
Linked units	474 103 503	474 103 503	474 103 503	474 103 503
Reconciliation of number of shares issued:				
Reported as at 1 July	474 103 503	460 336 206	474 103 503	460 336 206
Issued during the year	–	13 767 297	–	13 767 297
	474 103 503	474 103 503	474 103 503	474 103 503
Movement in stated capital				
Balance at beginning of year	570 145 818	537 104 305	570 145 818	537 104 305
Issued during the year	–	33 041 513	–	33 041 513
	570 145 818	570 145 818	570 145 818	570 145 818

The shares have no par value.

13. Borrowings

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Held at amortised cost				
First National Bank Botswana Limited	516 750	6 154 748	516 750	6 154 748

The Company has acquired a loan facility to the value of P50 million signed on 4 December 2015. This loan is repayable in 120 monthly installments. The interest rates are equal to bank's prime lending rate 6.26% plus 1% as at 30 June 2024.

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Investec Bank Limited	29 690 396	33 331 464	–	–

The Group has acquired a loan facility to the value of Rand 82 million. This loan is repayable in 75 monthly installments commencing from 30 September 2014.* Installments representing interest and capital to be paid monthly in arrears, amortising to a 76% residual amount of Rand 32.9 million, payable on expiry of the facility. The interest rate is equal to 0.35% below Investec's prime rate. The loan has been restructured during the year.

* The loan was restructured in 2023.

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Absa Bank Botswana Limited	169 840 702	179 743 200	169 840 702	179 743 200

The Company has a loan facility with Absa Bank Botswana to the value of P189.38 million. This loan is repayable in 60 months with accrued interest payable monthly, the repayment of principal commences on 1 November 2022. The interest rate is equal to prime rate plus 1.75%.

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Bank Gaborone Limited	19 980 455	26 083 611	19 980 455	26 083 611

The Company has facility with Bank Gaborone to the value of P33 million. The loan is repayable in 60 monthly instalments. The interest is prime lending rate plus 2.5%.

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13. Borrowings (continued)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Absa Bank Botswana Limited	40 000 000	40 000 000	40 000 000	40 000 000

The Company has a loan facility with Absa Bank Botswana to the value of P40 million. This loan is repayable in 60 months with accrued interest payable monthly. The interest rate is equal to prime rate plus 2.34%. Interest shall be serviced monthly with effect from the date of falling one month after first draw down (30 November 2022) of the facility. The facility shall be repaid in full on the maturity date.

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Bank Gaborone Limited	47 491 920	–	47 491 920	–

The Company has entered into a new loan facility with Bank Gaborone to the value of P50 million. The loan is repayable in 60 monthly instalments. The interest is prime lending rate plus 3%.

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Bank Gaborone Limited	44 783 641	–	44 783 641	–

The Company has entered into a new loan facility with Bank Gaborone to the value of P50 million. The loan is repayable in 60 monthly instalments. The interest is prime lending rate plus 3%.

	352 303 864	285 313 023	322 613 468	251 981 559
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The loan from First National Bank Botswana Limited is secured as follows:

- First covering mortgage bond by the borrower over the properties Plot 2610 Lobatse, Tribal Lot 79 & 80 Thamaga, Tribal Lot 2162 Thamaga, Tribal Lot 649 Gumare, Tribal Lot 29 Shashe, Tribal lot 2086, Tribal Lot 7722 Tlokweng, Tribal Lot 33086 Mogoditshane in favour of First National Bank Botswana Limited.
- Cession of all current and future rental streams and collection accounts held by the borrower.

The loan from Investec Bank Limited is secured as follows:

- Cession of both comprehensive insurance and lease rentals over the mortgaged properties.
- Covering mortgage bond over Erf 934 Koster, Erf 676 Rodeon, Erf 2282 Rustenburg Ext 9, Erf 7185 Rustenburg Ext 9, Erf 16914 Boitekong, Erf 2973 Nylstroom and Portion 12 of Farm Leeuwkopje 415, ERF 2913 Odendaalsrus.
- Covering mortgage bond over remaining extent of ERF 41 Magaliesburg for an amount of Rand 13.9 million.
- A first covering mortgage bond over Erven 2858 and 1341 Odendaalsrus Ext 2 for an amount of Rand 10 million.
- A first covering mortgage bond over Erf 6162 Mafikeng.
- Execution of a joint and several continuing guarantee by Mr. Farouk Ismail and Mr. Ottapathu Ramachandran and The FAR Property Company Limited to Rand 50 million plus interest and costs, in favour of Investec.
- Cession in security of proceeds of Building Insurance Policy and SASRIA extension for the full asset value of the properties mortgaged.
- Execution of a cession of all present and future rights, title, benefit and interest in, to and under the agreements in respect of the mortgaged properties.
- Execution of a cession in security by Q-Tique 79 (Proprietary) Limited of all present and future right, title, benefit and interest in, to and under any agreement/s in respect of the property, concluded between this cedent and any third party, including without limitation, all right in, to and under any and all rentals received or receivable thereunder, in favour of Investec, in a form acceptable to Investec.

13. Borrowings (continued)

The loan from Absa Bank Botswana Limited is secured as follows:

- i. A first cover mortgage bond over Portion 196 of the farm forest hill no 9 KO, Lots 296 and 297 Lobatse, Lot 1246 Gaborone, Tribal Lot 213 Maun, Lot 471 Lobatse, Tribal lot 292 and 16825 Maun, Lot 5690 Pitsane, Lot 4 and 9 Ghanzi, Plot 43517 (Portion of Lot 43544) Francistown, Plot 17981 Gaborone.
- ii. First mortgage bond over Plot 1275 Gaborone, Tribal Lot 1760 Pitsane, Portion 888 a Portion of Portion 3 (KO GICP Gaborone, Portion 212 (Portion of Rem Extent Farm Portion 3) farm No. 9 KO Gaborone, Plot 20602, Broadhurst, Block 3, Gaborone, Portion 46-No. 9 KO GICP Gaborone, Tribal Lot 5481 & 5482, Mogoditshane, Portion 880 of Farm Forest Hill, 9 Ko GICP Gaborone.
- iii. Security cession of leases and rentals, proceeds in respect of a sale or transfer of the property, including, without limitation any sale proceeds, bank accounts in which rentals are paid, revenues and proceeds in respect of insurance claims.
- iv. Subordination of all shareholder loans accounts in the borrower in favour of the Bank and any other documents designated as a security document by the Bank and borrower.

The loan from Bank Gaborone Limited was secured as follows:

- i. First continuing covering mortgage bond over Tribal Lot 51 Pandamatenga, Tribal Lot 4774, Metsimotlhabe, Tribal Lot 135, Modipane, Tribal Lot 6978, Kopong, Lot 70661, Gaborone and Tribal Lot 103, Tlokweng.
- ii. Registered cession of fire policy for the properties noted in (i).

The loan from Absa Bank Botswana Limited is secured as follows:

- i. First mortgage bond over Plot 3031, Ghanzi, Plot 38 Ghanzi, Plot 42796 Phakalane, Plot 1381 Pitsane, Plot 2676 Selibe Phikwe, Plot 2177 Thamaga, Plot 53836 Naledi, Plot 7588 Lobatse, Plot 7589 Lobatse, Tribal Lot 1571 Nata, Plot 5461,2,3 Gaborone, Plot 36142 (5017), Block 8 Gaborone, Plot 350 Lobatse, Plot 1366 Mogoditshane, Tribal Lot 7598 Tsabong, Plot 2085, Serowe, 196 Portion, Farm Forest Hill No 9 KO Cadbury and an additional amount to secure interest and costs, charges and disbursements due to the Bank if it exercises any right under the Mortgage Bond (limited to 20% of the aforesaid amount).

The Loan from Bank Gaborone Limited is secured as follows:

- i. First continuing covering mortgage bond over Lot 1301 Kazungula and Lot 903 Francistown.
- ii. Registered cession of fire policy for the properties noted in (i).

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Split between non-current and current portions				
Non-current liabilities				
Non-current liabilities	308 021 532	258 579 256	287 074 498	229 641 984
Current liabilities				
Current liabilities	44 282 332	26 733 767	35 538 970	22 339 575
	352 303 864	285 313 023	322 613 468	251 981 559

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14. Lease liabilities

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Minimum lease payments due				
- within one year	334 127	342 849	276 064	259 837
- in second to fifth year inclusive	1 531 984	1 561 117	1 287 885	1 212 130
- later than five years	11 627 302	13 370 119	8 792 072	9 143 890
	13 493 413	15 274 085	10 356 021	10 615 857
Less: future finance charges	(7 801 144)	(9 340 711)	(5 382 599)	(5 716 165)
Present value of minimum lease payments	5 692 269	5 933 374	4 973 422	4 899 692
Non-current liabilities				
At amortised cost	5 572 069	5 785 995	4 911 285	4 835 325
Current liabilities				
At amortised cost	120 200	147 379	62 137	64 367
	5 692 269	5 933 374	4 973 422	4 899 692
Total cash flow related to leases	(647 129)	(651 364)	(259 835)	(244 567)

The Group entered into four lease agreements to sublet land. The lease agreement details are summarised below:

- The lease terms between 10 to 40 years.
- There is an option to renew leases for further five years.
- Rentals escalate between 2% to 7%.

During the year the Company earned an amount of P3 319 651 (2023: P3 101 682) from sub-letting its right-of-use assets.

Lease commitments

The lease commitment for the year ended, 30 June 2024 were as follows; amount due within one year is P120 200 (2023: P147 379) and amount due after one year is P5 572 070 (2023: P5 785 995).

Interest on lease liability recognised in the income statement for the year ended 30 June 2024 was P406 024 (2023: P421 837) and P333 566 (2023: P330 215) for Group and Company, respectively.

15. Trade and other payables

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Trade payables	6 956 551	3 851 005	5 077 866	2 928 235
Other payables	16 004 255	8 270 532	14 001 459	6 227 095
Non-financial instruments:				
Retention payable	3 679 101	2 312 510	2 849 508	2 312 510
Value added tax	687 182	995 054	368 785	801 816
Security deposits received	7 881 424	6 251 079	6 474 238	5 586 148
	35 208 513	21 680 180	28 771 856	17 855 804

The fair value of trade and other payables closely approximates the carrying value.

16. Related party payables

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Subsidiaries				
Eminent (Proprietary) Limited	–	–	445 413	331 968

The loan does not carry any specific terms. It is repayable on demand does not carry any interest.

17. Distribution payable

Balance at beginning of the year	55 944 213	84 701 862	55 944 213	84 701 862
Amount declared during year	58 788 834	55 944 213	58 788 834	55 944 213
Amount paid during year	–	(51 660 349)	–	(51 660 349)
Scrip in lieu of distribution on linked units	(55 944 213)	(33 041 513)	(55 944 213)	(33 041 513)
	58 788 834	55 944 213	58 788 834	55 944 213

Linked unit distribution per linked unit in thebe – declared	12.40	11.80	12.40	11.80
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18. Financial liabilities by category

Financial liabilities at amortised cost				
Borrowings	352 303 864	285 313 023	322 613 468	251 981 559
Related party payables	–	–	445 413	331 968
Trade and other payables	22 960 806	12 121 537	19 079 325	9 155 330
	375 264 670	297 434 560	342 138 206	261 468 857

19. Revenue

Rental income	154 267 500	146 548 981	132 720 833	125 227 249
Fuel rebates	6 007 096	5 894 151	6 007 096	5 894 151
Deferred lease adjustment	8 316 964	1 349 253	6 866 611	1 896 933
	168 591 560	153 792 385	145 594 540	133 018 333

20. Other operating income

Recoveries from tenants	20 872 692	19 115 793	13 956 386	12 314 763
Management fee	–	–	936 960	918 878
Sundry income	586 734	234 397	59 427	150 858
Gains on disposal of property, plant and equipment	–	15 402	–	15 402
	21 459 426	19 365 592	14 952 773	13 399 901

21. Finance income

Interest income				
Investments in financial assets:				
Interest income – Banks	1 476 350	951 938	865 350	770 010
Interest income – Subsidiaries	–	–	12 220 439	11 530 861
Total interest income	1 476 350	951 938	13 085 789	12 300 871

22. Finance costs

Bank borrowings	29 565 929	26 223 901	25 969 722	22 638 272
Lease liabilities	406 024	421 837	333 566	330 215
Interest cost – Subsidiaries	–	–	–	253 246
Total finance costs	29 971 953	26 645 738	26 303 288	23 221 733

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for the year ended 30 June 2024

23. Fair value adjustments

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
Fair value gains (losses)					
Investment property	3	47 001 496	30 751 793	47 630 454	22 411 805

24. Operating profit

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

Auditor's remuneration – external					
Audit fees		1 062 907	859 797	680 264	562 950
Employee costs					
Salaries and other benefits		4 765 698	4 343 168	4 538 830	4 108 901
Severance and leave pay		112 165	73 500	112 165	73 500
Retirement benefit plans: defined contribution expense		34 403	31 671	32 827	28 482
Total employee costs		4 912 266	4 448 339	4 683 822	4 210 883
Depreciation					
Depreciation of property, plant and equipment		475 011	261 096	442 168	227 182
Legal expenses		1 221 845	445 689	1 134 716	384 335
Utilities		14 255 228	13 502 857	9 986 803	8 877 847

25. Taxation

Major components of the tax expense (income)

Current					
Local income tax – current period		6 377 598	8 643 617	6 078 201	8 224 721
Deferred					
Originating and reversing temporary differences		7 805 319	2 358 870	7 159 199	3 523 553
		14 182 917	11 002 487	13 237 400	11 748 274

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.					
Accounting profit		173 619 933	136 387 833	165 923 805	134 042 545
Tax at the applicable tax rate of 22% (2023: 22%)		37 990 026	30 005 323	36 342 548	29 489 360
Tax effect of adjustments on taxable income					
Income not subject to tax		(11 826 781)	(5 809 407)	(10 478 700)	(5 548 092)
Donations		192 363	–	192 363	–
Effect of changes in country tax rates		–	(1 023 448)	–	–
Effect of interest on linked units to related companies		(12 172 691)	(12 192 994)	(12 818 811)	(12 192 994)
Expenses not allowed for tax purposes		–	23 013	–	–
		14 182 917	11 002 487	13 237 400	11 748 274

26. Cash generated from operations

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Profit before taxation	173 619 933	136 387 833	165 923 805	134 042 545
Adjustments for non-cash items:				
Depreciation	475 011	261 096	442 168	227 182
Gains on sale of assets and liabilities	–	(15 402)	–	(15 402)
(Gains) losses on exchange differences	(3 731 530)	8 356 856	(110 585)	(290 024)
Fair value adjustments	(47 001 496)	(30 751 793)	(47 630 454)	(22 411 805)
Movements in operating lease assets	(8 156 140)	(1 374 620)	(6 866 611)	(1 896 933)
Loss/(gain) on disposal of investment property	–	229 674	–	–
Loss on disposal of property, plant and equipment	–	26 797	–	26 797
Adjust for items which are presented separately:				
Finance income	(1 476 350)	(951 938)	(13 085 789)	(12 300 871)
Finance costs	29 971 953	26 645 738	26 303 288	23 221 733
Changes in working capital:				
Related party receivable	5 066 270	(2 833 672)	(8 730 890)	(9 187 732)
Trade and other receivables	(8 163 089)	(2 407 674)	(3 270 658)	1 289 525
Advance towards asset purchase	(24 518 826)	(509 067)	(24 868 625)	(75 136)
Related party payable	–	–	113 445	(3 890 866)
Trade and other payables	13 528 333	3 271 314	10 916 053	3 627 699
	129 614 069	136 335 142	99 135 147	112 366 712
27. Tax paid				
Balance at the beginning of the year	(7 160 466)	(516 874)	(7 071 635)	(255 117)
Current tax recognised in profit or loss	(6 377 598)	(8 643 617)	(6 078 201)	(8 224 721)
Balance at the end of the year	791 933	7 160 466	764 365	7 071 635
	(12 746 131)	(2 000 025)	(12 385 471)	(1 408 203)
28. Commitments				
Authorised capital expenditure				
Investment property – contracted and not provided for	42 963 819	40 577 782	37 251 245	18 999 809
This committed expenditure relates to investment properties and will be financed by available bank facilities or available cash resources.				
Operating leases – as lessor (income)				
Minimum lease payments due				
– First year	148 568 736	125 852 504	128 954 667	113 990 346
– Second year	135 024 870	107 114 530	118 039 828	98 461 983
– Third year	112 933 814	89 243 975	97 880 350	84 361 411
– Fourth year	89 856 984	69 737 918	76 133 531	67 407 465
– Fifth year	60 842 914	48 609 131	59 617 249	48 091 133
– Sixth year and onwards	203 361 250	226 226 317	203 361 250	226 226 317
	750 588 568	666 784 375	683 986 875	638 538 655

The Group's investment property is held to generate rental income. Lease agreements are as per the terms and conditions of the lease and have terms from two to 20 years. There are no contingent rents receivable.

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29. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities – Group – 2024

Figures in Pula	Opening balance	Additional borrowings	Foreign exchange movements	Total movements	Total repayments including interest	Closing balance
Borrowings	285 313 023	100 000 000	487 906	100 487 906	(33 497 065)	352 303 864
Finance lease liabilities	5 933 374	–	–	–	(241 105)	5 692 269
Total liabilities from financing activities	291 246 397	100 000 000	487 906	100 487 906	(33 738 170)	357 996 133

Reconciliation of liabilities arising from financing activities – Group – 2023

Figures in Pula	Opening balance	Additional borrowings	Foreign exchange movements	New leases	Total movements	Total repayments including interest	Closing balance
Borrowings	314 505 974	40 000 000	(2 518 528)	–	37 481 472	(66 674 423)	285 313 023
Finance lease liabilities	3 126 316	–	–	3 036 585	3 036 585	(229 527)	5 933 374
Total liabilities from financing activities	317 632 290	40 000 000	(2 518 528)	3 036 585	40 518 057	(66 903 950)	291 246 397

Reconciliation of liabilities arising from financing activities – Company – 2024

Figures in Pula	Opening balance	Additional borrowings	Total movements	Total repayments including interest	Closing balance
Borrowings	251 981 559	100 000 000	100 000 000	(29 368 091)	322 613 468
Finance lease liabilities	4 899 692	–	–	73 730	4 973 422
Total liabilities from financing activities	256 881 251	100 000 000	100 000 000	(29 294 361)	327 586 890

Reconciliation of liabilities arising from financing activities – Company – 2023

Figures in Pula	Opening balance	Additional borrowings	New leases	Total movements	Total repayments including interest	Closing balance
Borrowings	273 829 923	40 000 000	–	40 000 000	(61 848 364)	251 981 559
Finance lease liabilities	2 148 546	–	2 995 713	2 995 713	(244 567)	4 899 692
Total liabilities from financing activities	275 978 469	80 000 000	2 995 713	82 995 713	(123 941 295)	256 881 251

30. Related parties

Mr. Ramachandran Ottapathu and Mr. Farouk Ismail were Directors and shareholders of the companies in the Group.

Related parties comprise entities sharing common shareholders and directors with the Company. Mr. Ottapathu Ramachandran is a Director and a shareholder of the following companies. The following transactions were carried out with the related parties:

Related party balances

Investment in subsidiaries – Terms and conditions (refer note 5)

Related party receivables – Terms and conditions (refer note 7)

Related party payables – Terms and conditions (refer note 16)

Amount due from related parties included in trade receivables

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Aleris (Proprietary) Limited	27 234	–	27 234	–
Arcee (Proprietary) Limited	–	16 593	–	16 593
Auto World (Proprietary) Limited	5 813	800	5 813	800
Bagpiper (Proprietary) Limited	–	278 598	–	278 598
Choppies enterprises Limited	861 844	–	861 844	–
Holario Investments (Proprietary) Limited	–	174 942	–	174 942
Strides of Success (Proprietary) Limited	–	82 230	–	82 230
ILO Industries	165 393	–	165 393	–
Lubsoga (Proprietary) Limited	8 003	–	8 003	–
Prosperous People (Proprietary) Limited	52 260	–	52 260	–
JB Sports (Proprietary) Limited	14 692	–	14 692	–
Pennywise Investments (Proprietary) Limited	106 030	–	106 030	–
ZCX Investments (Proprietary) Limited	39 183	–	39 183	–
	1 280 452	553 163	1 280 452	553 163
Related party transactions				
Interest received from related parties				
Q Tique 79 (Proprietary) Limited	–	–	11 974 398	11 530 861
The FAR Property Company Zambia (Proprietary) Limited	–	–	246 041	–
	–	–	12 220 439	11 530 861
Interest paid to related parties				
The FAR Property Company Zambia (Proprietary) Limited	–	–	–	253 246
Management fees received from related parties				
Q Tique 79 (Proprietary) Limited	–	–	936 960	918 878
Loans given to/(repaid by) related parties				
Q Tique 79 (Proprietary) Limited	–	–	(10 681 258)	(5 462 479)
Advances given to related parties				
Rootlet (Proprietary) Limited	–	582 000	–	582 000

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30. Related parties (continued)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Rental income received from related parties				
Aleris (Proprietary) Limited	586 119	554 707	586 119	554 707
Arcee (Proprietary) Limited	201 391	169 014	201 391	169 014
Auto World (Proprietary) Limited	3 162 693	2 908 805	3 162 693	2 908 805
Afriroc Mining and Infrastructure Machinery (Proprietary) Limited	239 325	88 500	239 325	88 500
Bagpiper (Proprietary) Limited	1 544 508	1 430 100	1 544 508	1 430 100
Balanced Fortune (Proprietary) Limited	132 707	303 495	132 707	303 495
Choppies Distribution Centre (Proprietary) Limited	53 520 683	45 135 991	53 520 683	45 135 991
Choppies Supermarkets Limited (Zambia)	1 582 416	1 523 481	–	–
Cottonvale (Proprietary) Limited	56 232	52 554	56 232	52 554
Exelligent (Proprietary) Limited	35 975	22 500	35 975	22 500
Distron Botswana (Proprietary) Limited	159 611	193 589	159 611	193 589
Electrometic Enterprises (Proprietary) Limited	183 363	170 570	183 363	170 570
Feasible Investments (Proprietary) Limited	294 057	273 455	294 057	273 455
Honey Guide (Proprietary) Limited	1 248 572	1 756 183	1 248 572	1 756 183
Holario Investments (Proprietary) Limited	660 000	647 581	660 000	647 581
ILO Industries (Proprietary) Limited	1 999 971	1 895 405	1 999 971	1 895 405
Industrial Filling station (Proprietary) Limited	2 563 712	2 285 258	2 563 712	2 285 258
JB Sports (Proprietary) Limited	1 437 740	1 468 954	1 437 740	1 468 954
Lubsoga (Proprietary) Limited	1 617 027	1 501 166	1 617 027	1 501 166
Peacock Blue (Proprietary) Limited	1 295 524	1 199 559	1 295 524	1 199 559
Pennywise Investments (Proprietary) Limited	517 589	429 077	517 589	429 077
Princieton (Proprietary) Limited	–	23 220	–	23 220
Prosperous People (Proprietary) Limited	1 148 895	1 082 924	1 148 895	1 082 924
RBV Consultants (Proprietary) Limited	47 250	16 511	47 250	16 511
Real Plastic (Proprietary) Limited	80 919	78 610	80 919	78 610
Shaysons Investments (Proprietary) Limited	3 643 066	3 464 358	3 643 066	3 464 358
Strides of success (Proprietary) Limited	346 843	148 292	346 843	148 292
Tim Tam (Proprietary) Limited	305 302	290 763	305 302	290 763
Vet Agric Suppliers (Proprietary) Limited	448 081	366 382	448 081	366 382
Weal (Proprietary) Limited	300 000	–	300 000	–
Mackinnon Holdings (Proprietary) Limited	830 397	772 463	830 397	772 463
Marvelous Hope (Proprietary) Limited	12 000	1 401	12 000	1 401
Ovais Investments (Proprietary) Limited	2 661 227	168 744	2 661 227	168 744
Reddy's Group (Proprietary) Limited	83 981	81 389	83 981	81 389
Waterman Tiles (Proprietary) Limited	359 286	231 449	359 286	231 449
Yarona Energy (Proprietary) Limited	217 241	–	217 241	–
ZCX Investments (Proprietary) Limited	1 089 196	877 648	1 089 196	877 648
Total*	84 612 899	71 614 098	83 030 483	70 090 617

* The balances for 2023 are restated.

30. Related parties (continued)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Goods and services purchased from related parties				
Alpha Direct Insurance Company (Proprietary) Limited	1 191 980	976 812	1 191 980	976 812
Balanced Fortune (Proprietary) Limited	183 897	95 486	183 897	95 486
Choppies Distribution Centre (Proprietary) Limited	247 568	330 405	247 568	330 405
Cottonvale (Proprietary) Limited	55 069	32 563	55 069	32 563
Electrometric Enterprises (Proprietary) Limited	110 386	92 736	110 386	92 736
Feasible Investments (Proprietary) Limited	96 232	31 551	96 232	31 551
Pennywise Investments (Proprietary) Limited	1 627 816	2 167 871	1 627 816	2 167 871
	3 512 948	3 727 424	3 512 948	3 727 424
Amount due to related parties included in trade payables				
Balanced Fortune (Proprietary) Limited	–	741	–	741
Choppies Distribution Centre (Proprietary) Limited	20 743	28 332	20 743	28 332
Electrometric Enterprises (Proprietary) Limited	8 924	8 810	8 924	8 810
Feasible Investments (Proprietary) Limited	13 570	570	13 570	570
Cottonvale (Proprietary) Limited	7 299	–	7 299	–
Pennywise Investments (Proprietary) Limited	–	645 333	–	645 333
Shaysons Investments (Proprietary) Limited	2 209	–	2 209	–
	52 745	683 786	52 745	683 786
Key management compensation				
Key management includes Directors (executive and non-executive) and members of the Executive Committee. The resident Directors are paid P33 333 (2023: P33 333) and non-resident directors are paid P29 412 (2023: P29 412) gross fees, per sitting. The compensation paid or payable to key management for employee services is shown below:				
Directors fee	1 348 039	1 348 039	1 348 039	1 348 039
Salaries and short-term employee benefits	1 801 809	1 661 172	1 801 809	1 661 172
Other long-term benefits	266 583	203 739	266 583	203 739
	3 416 431	3 212 950	3 416 431	3 212 950

31. Restatement: Reclassification of advance towards asset purchase

Reclassification of advance towards asset purchase.

During the year ended 30 June 2024, the Group and Company reclassified a prepayment towards asset purchases balance amounting to P29 802 191 (Company P29 718 059) from trade and other receivables to a separate line item advances towards asset purchase on the statement of financial position. This reclassification was made to provide a clearer presentation of the Company's financial position and to comply with the materiality requirements under IFRS.

Nature and reason for reclassification: The advance towards asset purchase balance, previously included under trade and other receivables, has been reclassified to advances towards asset purchase due to its material amount and to enhance the transparency of the financial statements and for better presentation.

Impact on financial statements: The reclassification has no impact on the current assets, total assets, liabilities, or equity of the Group and Company. However, it provides a more accurate representation of the Group and Company's current assets.

The reclassification results in adjustments as follows:

Figures in Pula	Group 2023			Company 2023		
	Initial balance	Reclassification	Restated balance	Initial balance	Reclassification	Restated balance
Trade and other receivables	17 364 287	(5 283 365)	12 080 922	11 453 154	(4 849 434)	6 603 720
Advance towards asset purchase	–	5 283 365	5 283 365	–	4 849 434	4 849 434

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32. Financial instruments and risk management

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 shareholders 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 13 and related party payable 7, cash and cash equivalents disclosed in note 10 and equity as disclosed in the consolidated statement of financial position.

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

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 capital structure and gearing ratio of the Group at the reporting date was as follows:

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
Related party payable	30	–	–	445 413	331 968
Borrowings	13	352 303 864	285 313 023	322 613 468	251 981 559
Total debt		352 303 864	285 313 023	323 058 881	252 313 527
Cash and cash equivalents	10	(19 825 432)	(22 528 701)	(16 507 590)	(13 365 348)
Net debt		332 478 432	262 784 322	306 551 291	238 948 179
Equity		1 239 827 450	1 143 001 730	1 196 955 547	1 103 057 976
Total capital		1 572 305 882	1 405 786 052	1 503 506 838	1 342 006 155
Gearing ratio		21%	19%	20%	22%

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (currency risk, interest rate risk and price risk).

The Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk that a counterparty may cause financial loss to the Group by failing to discharge an obligation.

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 counterparty.

32. Financial instruments and risk management (continued)

Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

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

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
Financial instruments					
Related party receivables	7	3 692 089	8 758 359	141 714 514	132 983 624
Trade and other receivables	9	16 657 382	10 829 316	9 130 823	5 866 652
Cash and cash equivalents	10	19 815 850	22 522 158	16 501 235	13 362 655
		40 165 321	42 109 833	167 346 572	152 212 931

Credit risk with respect to trade receivables is minimised by the diverse tenant base. Credit checks are performed prior to concluding leases and arrear rentals are actively managed.

Credit risk attached to the Group's cash and cash equivalents is minimised by only investing cash resources with reputable financial institutions.

Credit quality of financial assets are disclosed in notes 9 and 10.

Liquidity risk

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held cash and cash equivalents of P19 825 432 (2023: P22 528 701) that are expected to readily generate cash inflows for managing liquidity risk. The Group maintains flexibility in funding by maintaining availability under committed credit lines. As at 30 June 2024, the Group's current liabilities exceed its current assets by P64.40 million. The liquidity gap is managed with the cash flow generated from the contractual rental income.

Management monitors rolling forecasts of the Group's liquidity reserve comprising the undrawn borrowing facilities and cash and cash equivalents (note 9) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

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32. Financial instruments and risk management (continued)

Group – 2024

	Note(s)	Less than 1 year	2 to 5 years	Over 5 years	Contractual amount	Carrying amount
Non-current liabilities						
Borrowings	13	–	192 931 930	115 089 602	308 021 532	308 021 532
Lease liabilities	14	–	1 531 984	11 627 303	13 159 287	5 572 069
Current liabilities						
Trade and other payables	15	22 960 807	–	–	22 960 807	22 960 807
Borrowings	13	44 282 332	–	–	44 282 332	44 282 332
Lease liabilities	14	334 127	–	–	334 127	120 200
Distribution payable	18	58 788 834	–	–	58 788 834	58 788 834
		126 366 100	194 463 914	126 716 905	447 546 919	439 745 774

Group – 2023

	Note(s)	Less than 1 year	2 to 5 years	Over 5 years	Contractual amount	Carrying amount
Non-current liabilities						
Borrowings	13	–	110 933 885	147 645 371	258 579 256	258 579 256
Lease liabilities	14	–	1 561 117	13 370 119	14 931 236	5 785 995
Current liabilities						
Trade and other payables	14	12 121 536	–	–	12 121 536	12 121 536
Borrowings	13	26 733 767	–	–	26 733 767	26 733 767
Lease liabilities	14	147 379	–	–	147 379	147 379
Distribution payable	18	55 944 213	–	–	55 944 213	55 944 213
		94 946 895	112 495 002	161 015 490	368 457 387	359 312 146

Company – 2024

	Note(s)	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	13	–	171 984 896	115 089 602	287 074 498	287 074 498
Lease liabilities	14	–	1 287 885	8 792 072	10 079 957	4 911 285
Current liabilities						
Trade and other payables	15	19 079 324	–	–	19 079 324	19 079 324
Borrowings	13	35 538 970	–	–	35 538 970	35 538 970
Lease liabilities	14	26 064	–	–	26 064	62 137
Distribution payable	18	58 788 834	–	–	58 788 834	58 788 834
Related party payables		445 413	–	–	445 413	445 413
		113 878 605	173 272 781	123 881 674	411 033 060	405 900 461

Company – 2023

	Note(s)	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	13	–	104 336 188	147 645 370	251 981 558	229 641 984
Lease liabilities	14	–	1 212 130	9 143 890	10 356 020	4 835 325
Current liabilities						
Trade and other payables	15	9 155 325	–	–	9 155 325	9 155 325
Borrowings	13	22 339 575	–	–	22 339 575	22 339 575
Lease liabilities	14	259 837	–	–	259 837	259 837
Distribution payable	18	55 944 213	–	–	55 944 213	55 944 213
Related party payables		331 968	–	–	331 968	331 968
		88 030 918	105 548 318	156 789 260	350 368 496	322 508 227

32. Financial instruments and risk management (continued)

Foreign currency risk

Foreign exchange rate risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. The potential for loss arises from the process of revaluing foreign currency positions on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

The Group owns subsidiaries which hold investment properties in South Africa and Zambia. The Group 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 manage the Group's exposure to foreign exchange risk, management tries to balance the exposure between the assets and liabilities from the subsidiaries with similar currencies.

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
US Dollar exposure:					
Current assets:					
Cash and cash equivalents	10	455 616	5 296 149	–	–
Rand exposure:					
Current assets:					
Cash and cash equivalents	10	287 468	269 721	287 468	269 721
Net exposure to foreign currency in Pula		743 084	5 565 870	287 468	269 721

Exposure in foreign currency amounts

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

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
US Dollar exposure:					
Current assets:					
Cash and cash equivalents	10	33 573	395 208	–	–
Rand exposure:					
Current assets:					
Cash and cash equivalents	10	394 176	394 170	394 176	394 170

Foreign currency sensitivity analysis

As at 30 June 2024, if the South African Rand that the Group is exposed to had weakened or strengthened by 5% against the respective functional currencies with all other variables held constant, Group profit for the year would have been P76 342 (2023: P26 371) higher/lower and the Company profit for the year would have been P76 342 (2023: P26 371) higher/lower, mainly as a result of foreign exchange gains and losses on translation of foreign currency denominated assets and liabilities.

As at 30 June 2024, if the US Dollar that the Group is exposed to had weakened or strengthened by 5% against the respective functional currencies with all other variables held constant, Group profit for the year would have been P103 395 (2023: P328 785) higher/lower and the Company profit for the year would have been nil (2023: nil) higher/lower, mainly as a result of foreign exchange gains and losses on translation of foreign currency denominated assets and liabilities.

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32. Financial instruments and risk management (continued)

Interest rate risk

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. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at variable rate were denominated in Pula and Rand. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift.

The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulations done do not have an impact on the current period's reported figures due to the relatively short duration. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by management. If interest rates on Pula denominated and Rand denominated borrowings had been 1% higher/lower with all other variables held constant, the impact on profit before tax for the year was as follows:

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	Impact lower		Impact higher	
Group				
Pula denominated borrowings	3 890 448	2 822 001	(2 238 832)	(1 938 933)
South African Rand denominated borrowings	355 739	317 182	(275 883)	(317 182)
Company				
Pula denominated borrowings	3 890 448	2 822 001	(2 238 832)	(1 938 933)

33. Financial instruments – Fair value hierarchy

This analysis categorises the financial instruments carried at fair value into different levels based on the level of subjectivity applied in determining the inputs used in the determination of fair value. This assessment is determined based on the lowest level of input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input into the fair value measurement in its entirety requires judgement, considering the factors specific to the asset or liability. If a fair value uses observable inputs that require significant adjustment based on unobservable inputs or any other significant unobservable inputs, that measurement is a level 3 measurement.

The fair value hierarchy is measured as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

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: inputs for the asset or liability that are not based on observable market data, which is unobservable inputs.

The Group's financial assets and liabilities carried at fair value as at the year-end were classified as follows:

	Group			Company		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
2024						
Cash and cash equivalents	19 825 432	–	–	16 507 590	–	–
2023						
Cash and cash equivalents	22 528 701	–	–	13 365 348	–	–

There have been no transfers between any of the hierarchy levels during the year (2023: nil).

Level 1 financial assets include only cash and cash equivalents and bank overdrafts that are based on actual values invested at the relevant financial institutions.

33. Financial instruments – fair value hierarchy (continued)

While not carried at fair value, the fair value of the following financial instruments were disclosed, and the analysis below reflects the fair value hierarchy relative to these instruments:

2024	Group			Company		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Related party receivables	–	–	3 692 089	–	–	141 714 514
Trade and other receivables	–	–	17 154 640	–	–	91 308 124
Liabilities						
Borrowings	–	–	352 303 864	–	–	322 613 468
Related party payables	–	–	–	–	–	445 413
Trade and other payables	–	–	22 960 806	–	–	19 079 325

2023	Group			Company		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Related party receivables	–	–	8 758 359	–	–	132 983 624
Trade and other receivables	–	–	10 829 316	–	–	5 866 652
Liabilities						
Borrowings	–	–	285 313 023	–	–	251 981 559
Related party payables	–	–	–	–	–	331 968
Trade and other payables	–	–	12 121 537	–	–	9 155 330

34. Non – financial instruments- fair value hierarchy

This analysis categorises the non-financial instruments carried at fair value into different levels based on the level of subjectivity applied in determining the inputs used in the determination of fair value. This assessment is determined based on the lowest level of input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input into the fair value measurement in its entirety requires judgement, considering the factors specific to the asset or liability. If a fair value uses observable inputs that require significant adjustment based on unobservable inputs or any other significant unobservable inputs, that measurement is a level 3 measurement.

The fair value hierarchy is measured as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

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: inputs for the asset or liability that are not based on observable market data, which is unobservable inputs.

The Group's financial assets and liabilities carried at fair value as at the year-end were classified as follows:

2024	Group			Company		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment property	–	–	1 622 580 876	–	–	1 385 823 099
2023						
Investment property	–	–	1 473 967 837	–	–	1 253 252 296

There have been no transfers between any of the hierarchy levels during the year (2023: nil).

No non-financial assets carried at fair value are classified as level 1 or 2.

Level 3 financial assets comprise the investment property portfolio more fully described in note 3. The significant inputs used in determining this value are set out in note 1.2 and note 3.

The fair value for the Company's investment in its subsidiary companies are similarly disclosed and are classified as a level 3 hierarchy in view that, it is being based on the net underlying asset values which include level 3 inputs for the investment property as set out above.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

35. Earnings per linked unit

Basic earnings per linked unit is calculated by dividing the net profit attributable to linked unit holders by the weighted average number of linked units outstanding during the year.

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Net profit for the year from continuing operations attributable to linked unitholders	159 437 016	125 385 346	152 686 405	122 294 271
Weighted average number of linked units in issue	474 103 503	468 596 584	474 103 503	468 596 584
Basic earnings per linked unit (thebe)	33.63	26.76	32.21	26.10
Basic headline earnings per linked unit (thebe)	33.73	26.92	32.22	26.11

The Company has no dilutive potential linked units, the diluted earnings per linked unit are the same as the basic earnings per linked unit.

Reconciliation between earnings and headline earnings

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Net profit for the year from continuing operations attributable to linked unitholders	159 437 016	125 385 346	152 686 405	122 294 271
Re-measurement:				
Loss on disposal of investment property	–	229 674	–	–
Loss on disposal of property, plant and equipment	–	26 797	–	–
Impairment losses	604 393	649 560	114 965	56 298
(Profit)/loss on disposal of plant and equipment	–	(15 402)	–	11 395
Tax effect on re-measurement	(140 871)	(128 148)	(25 292)	(12 386)
	159 900 538	126 147 827	152 776 078	122 349 578

36. Events after the reporting period

There were no material events identified after reporting period.

37. Operating segments

The Company and the Group adopted IFRS 8, Operating Segments. This has resulted in a number of reportable segments presented. In addition, segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The Company and group's business activities are concentrated in the segment of property rentals and are carried out within the geographical region of Botswana, South Africa and Zambia.

The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief decision maker is the Board of Directors of the Group.

Information about major customers

The revenue of the following customer amounts to more than 10% of the Company's total revenue for the year ended 30 June 2024.

This customer belongs to the "industrial properties" operating segment.

	2024	2023
Choppies Distribution Centre (Proprietary) Limited	53 520 683	45 135 991

Management has determined the operating segments based on the reports reviewed by the Board in making strategic decisions and the Board considers the business on the following operating decisions:

"Residential properties" – Properties occupied for the residential purposes.

"Commercial properties" – Properties occupied for the commercial purposes.

"Industrial properties" – Properties occupied for the industrial purposes.

"Other" – Includes other activities not included in other segments.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

37. Operating segments (continued)

The segment information provided to the Board for the reportable segments for the year ended 30 June 2024 is as follows:

Company	Residential	Commercial	Industrial	Others	Total
Revenue	11 622 176	67 588 086	59 517 667	6 866 611	145 594 540
Other income	1 053 986	7 746 946	5 204 227	947 614	14 952 773
Depreciation	–	–	–	(442 168)	(442 168)
Operating expenses	(2 117 560)	(9 500 330)	(5 482 252)	(11 604 738)	(28 704 880)
Finance income	–	–	–	13 085 789	13 085 789
Finance cost	–	–	–	(26 303 288)	(26 303 288)
Foreign exchange gain/(loss)	–	–	–	110 585	110 585
Investment property fair value adjustment	9 791 169	15 341 623	22 497 662	–	47 630 454
Income tax	–	–	–	(13 237 400)	(13 237 400)
	20 349 771	81 176 325	81 737 304	(30 576 995)	152 686 405
Segment assets	160 670 000	710 165 984	592 254 527	200 230 785	1 663 321 296

Reconciliation to total assets as reported in the statement of financial position.

	Residential	Commercial	Industrial	Others	Total
Property, plant and equipment	–	–	–	5 204 815	5 204 815
Investment property	160 264 293	654 898 432	570 660 374	–	1 385 823 099
Investments in subsidiaries	–	–	–	25 416 533	25 416 533
Related party receivables	–	–	–	141 714 514	141 714 514
Operating lease asset	405 707	30 777 942	16 365 704	–	47 549 353
Trade and other receivables	–	–	–	9 874 378	9 874 378
Advance towards asset purchase	–	24 489 610	5 228 449	–	29 718 059
Cash and cash equivalents	–	–	–	16 507 590	16 507 590
Deferred income tax assets	–	–	–	1 512 955	1 512 955
Total assets as reported in the statement of financial position	160 670 000	710 165 984	592 254 527	200 230 785	1 663 321 296
Total liabilities	–	–	–	466 365 749	466 365 749

37. Operating segments (continued)

The segment information provided to the Board for the reportable segments for the year ended 30 June 2023 is as follows:

Company	Residential	Commercial	Industrial	Others	Total
Revenue	11 127 312	60 825 077	59 169 011	1 896 933	133 018 333
Other income	932 842	7 269 021	4 222 320	975 718	13 399 901
Operating expenses	(1 729 343)	(7 627 361)	(4 502 479)	(10 070 291)	(23 929 474)
Depreciation	–	–	–	(227 182)	(227 182)
Finance income	–	–	–	12 300 871	12 300 871
Finance cost	–	–	–	(23 221 733)	(23 221 733)
Foreign exchange gain/(loss)	–	–	–	290 024	290 024
Investment property fair value adjustment	1 379 361	14 622 188	6 410 256	–	22 411 805
Income tax	–	–	–	(11 748 274)	(11 748 274)
	11 710 172	75 088 925	65 299 108	(29 803 934)	122 294 271
Segment assets	148 360 000	640 406 558	505 168 480	190 016 011	1 483 951 049

Reconciliation to total assets as reported in the statement of financial position.

	Residential	Commercial	Industrial	Others	Total
Property, plant and equipment	–	–	–	5 325 386	5 325 386
Investment property	147 859 361	612 957 888	492 435 047	–	1 253 252 296
Investments in subsidiaries	–	–	–	25 416 533	25 416 533
Related party receivables	–	–	–	132 983 624	132 983 624
Operating lease asset	500 639	27 448 670	12 733 433	–	40 682 742
Trade and other receivables	–	–	–	6 603 720	6 603 720
Advance towards asset purchase	–	4 849 434	–	–	4 849 434
Cash and cash equivalents	–	–	–	13 365 348	13 365 348
Deferred income tax assets	–	–	–	1 471 963	1 471 963
Total assets as reported in the statement of financial position	148 360 000	645 255 992	505 168 480	185 166 574	1 483 951 046
Total liabilities	–	–	–	380 893 070	380 893 070

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

37. Operating segments (continued)

The segment information provided to the Board for the reportable segments for the year ended 30 June 2024 is as follows:

Group	Botswana			
	Residential	Commercial	Industrial	Other
Revenue	11 741 436	67 588 086	59 517 667	6 866 611
Other Income	1 053 986	7 746 946	5 204 227	947 614
Operating expenses	(2 124 068)	(9 500 330)	(5 482 252)	(11 604 737)
Depreciation	-	-	-	(442 171)
Finance income	-	-	-	13 085 789
Finance cost	-	-	-	(26 303 288)
Foreign exchange gain/(loss)	-	-	-	110 585
Investment property fair value adjustment	9 951 169	15 341 623	22 497 662	-
Income tax	-	-	-	(13 237 400)
	20 622 523	81 176 325	81 737 304	(30 609 837)
Segment assets	163 040 000	710 165 984	592 254 527	36 873 221
Property, plant and equipment	-	-	-	5 204 815
Investment property	162 634 293	654 898 432	570 660 374	-
Related party receivables	-	-	-	3 692 089
Operating lease asset	405 707	30 777 942	16 365 704	-
Trade and other receivables	-	-	-	9 955 772
Advance towards asset purchase	-	24 489 610	5 228 449	-
Cash and cash equivalents	-	-	-	16 507 590
Deferred income tax assets	-	-	-	1 512 955
Total assets as reported in the statement of financial position	163 040 000	710 165 984	592 254 527	36 957 353
Total liabilities	-	-	-	466 365 749

South Africa				Zambia				Total
Residential	Commercial	Industrial	Other	Residential	Commercial	Industrial	Other	
105 284	14 197 554	4 436 356	1 350 498	–	2 688 213	–	99 855	168 591 560
–	5 923 671	1 514 018	(936 961)	–	5 925	–	–	21 459 426
(82 064)	(5 113 386)	(1 372 991)	(2 429 015)	–	(207 300)	–	(277 322)	(38 193 465)
–	–	–	(32 840)	–	–	–	–	(475 011)
–	–	–	(11 363 398)	–	–	–	(246 041)	1 476 350
–	–	–	(3 596 207)	–	–	–	(72 458)	(29 971 953)
–	–	–	1 710 452	–	–	–	1 910 493	3 731 530
(81 554)	1 019 258	(3 361 626)	–	–	1 634 964	–	–	47 001 496
–	–	–	(646 120)	–	–	–	(299 397)	(14 182 917)
(58 334)	16 027 097	1 215 757	(15 910 751)	–	4 121 802	–	1 115 130	159 437 016
1 670 094	116 663 749	73 090 330	20 192 882	–	48 394 865	–	–	1 762 345 652
–	–	–	98 985	–	–	–	–	5 303 800
1 670 094	115 094 737	73 007 021	–	–	44 615 925	–	–	1 622 580 876
–	–	–	–	–	–	–	–	3 692 089
–	1 569 013	83 309	–	–	427 721	–	–	49 629 396
–	–	–	7 534 936	–	2 753 303	–	–	20 244 011
–	–	–	–	–	84 132	–	–	29 802 191
–	–	–	2 804 059	–	513 783	–	–	19 825 432
–	–	–	9 754 902	–	–	–	–	11 267 857
1 670 094	116 663 750	73 090 330	20 192 882	–	48 394 864	–	–	1 762 345 652
–	–	–	55 084 555	–	–	–	1 067 898	522 518 202

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2024

37. Operating segments (continued)

The segment information provided to the Board for the reportable segments for the year ended 30 June 2023 is as follows:

Group	Botswana			
	Residential	Commercial	Industrial	Other
Revenue	11 238 252	60 825 077	59 169 011	1 896 933
Other income	932 842	7 269 021	4 222 320	975 719
Operating expenses	(1 736 409)	(7 627 361)	(4 502 479)	(10 070 289)
Depreciation	–	–	–	(227 183)
Finance income	–	–	–	12 300 871
Finance cost	–	–	–	(23 221 733)
Foreign exchange gain/(loss)	–	–	–	290 024
Investment property fair value adjustment	1 769 361	14 622 188	6 410 256	–
Income tax	–	–	–	(11 748 274)
	12 204 046	75 088 925	65 299 108	(29 837 845)
Segment assets	150 570 000	640 406 558	505 168 480	40 456 297
Property, plant and equipment	–	–	–	5 325 386
Investment property	150 069 361	612 957 888	492 435 047	–
Related party receivables	–	–	–	8 758 359
Operating lease asset	500 639	27 448 670	12 733 433	–
Trade and other receivables	–	–	–	6 251 872
Cash and cash equivalents	–	–	–	13 365 348
Advance towards asset purchase	–	4 849 434	–	–
Deferred income tax assets	–	–	–	1 471 963
Total assets as reported in the statement of financial position	150 570 000	645 255 992	505 168 480	35 172 928
Total liabilities excluding disposal group	–	–	–	380 893 070

South Africa				Zambia				Total
Residential	Commercial	Industrial	Other	Residential	Commercial	Industrial	Other	
95 621	14 898 768	3 383 170	(552 620)	–	2 833 233	–	4 940	153 792 385
–	6 535 229	341 000	(918 877)	–	8 338	–	–	19 365 592
(95 429)	(5 914 734)	(1 255 430)	(1 750 538)	–	(547 540)	–	–	(33 500 209)
–	–	–	(33 913)	–	–	–	–	(261 096)
–	–	–	(11 348 933)	–	–	–	–	951 938
–	–	–	(3 585 628)	–	–	–	161 623	(26 645 738)
–	–	–	(7 971 765)	–	–	–	(385 091)	(8 066 832)
76 558	3 327 081	1 339 764	–	–	3 206 585	–	–	30 751 793
–	–	–	1 164 683	–	–	–	(418 896)	(11 002 487)
76 750	18 846 344	3 808 504	(24 963 678)	–	5 500 616	–	(637 424)	125 385 346
1 642 261	106 929 656	71 575 202	18 176 968	–	44 921 083	–	–	1 579 846 505
–	–	–	123 186	–	–	–	–	5 448 572
1 642 261	106 735 316	71 465 670	–	–	38 662 294	–	–	1 473 967 837
–	–	–	–	–	–	–	–	8 758 359
–	194 340	109 532	–	–	486 642	–	–	41 473 256
–	–	–	5 429 282	–	399 768	–	–	12 080 922
–	–	–	3 790 974	–	5 372 379	–	–	22 528 701
–	–	–	–	–	433 931	–	–	5 283 365
–	–	–	8 833 530	–	–	–	–	10 305 493
1 642 261	106 929 656	71 575 202	18 176 972	–	45 355 014	–	–	1 579 846 505
–	–	–	54 332 210	–	–	–	1 619 495	436 844 775

ANALYSIS OF LINKED UNITHOLDERS

Shareholder analysis 2024

	Number of shareholders 2024	Number of shares held 2024	Number of shareholders 2023	Number of shares held 2023
1 – 1 000	372	119 042	374	122 073
1 001 – 10 000	130	488 874	127	488 945
10 001 – 100 000	52	1 939 009	56	2 108 608
100 001 – 1000 000	22	7 629 960	21	7 158 412
1000 001 and above	10	463 926 618	9	464 225 465
Total	586	474 103 503	587	474 103 503

Top five shareholders

Name of top five shareholders	Number of shares held 2024	Percentage of holdings 2024	Number of shares held 2023	Percentage of holdings 2023
Ramachandran Ottapathu	141 970 876	29.95	141 970 876	29.95
Farouk Ismail	137 296 722	28.96	137 296 722	28.96
Platinum Compass (Proprietary) Limited	104 045 430	21.95	104 045 430	21.95
Botswana public officers pension fund	53 209 774	11.22	53 209 774	11.22
Botswana insurance fund management	27 314 729	5.76	19 670 723	4.15
Total	463 837 531	97.83	456 193 525	96.22

List of shareholders holding above 5% – 2024

Name of top five shareholders	Number of shares held 2024	Percentage of holdings 2024	Number of shares held 2023	Percentage of holdings 2023
Ramachandran Ottapathu	141 970 876	29.95	141 970 876	29.95
Farouk Ismail	137 296 722	28.96	137 296 722	28.96
Platinum Compass (Proprietary) Limited	104 045 430	21.95	104 045 430	21.95
Botswana public officers pension fund	53 209 774	11.22	53 209 774	11.22
Botswana insurance fund management	27 314 729	5.76	–	–
Total	463 837 531	92.07	436 522 802	92.07

Details	Number of shareholders 2024	Number of shares held 2024	Percentage of holdings 2024	Number of shareholders 2023	Number of shares held 2023	Percentage of holdings 2023
Public	580	194 488 312	41.02	581	194 493 720	41.02
Non-public	3	279 615 191	58.98	3	279 609 783	58.98
Total	583	474 103 503	100	584	474 103 503	100

Shareholders classifications

Details	Number of shareholders 2024	Number of shares held 2024	Number of shareholders 2023	Number of shares held 2023
Individual	541	3 707 946	540	3 348 560
Companies	9	104 641 679	13	104 750 906
Institutional investors	30	86 138 687	28	86 394 254
Directors	3	279 615 191	3	279 609 783
Total	583	474 103 503	584	474 103 503

Directors holdings

	Number of shares held 2024	Percentage of holdings 2024	Number of shares held 2023	Percentage of holdings 2023
Ramachandran Ottapathu	142 004 525	29.95	141 970 876	29.95
Vidya Sanooj	313 944	0.07	342 185	0.07
Faizel Ismail (through his family)	137 296 722	28.96	137 296 722	28.96
Reetsang Willie Mokgathe	-	-	-	-
Ranjith Priyalal De Silva	-	-	-	-
Gobusamang Dempsey Keebine	-	-	-	-
Rajesh Jayrajh	-	-	-	-
Total	279 615 191	58.98	279 609 783	58.98

NOTICE OF ANNUAL GENERAL MEETING

The FAR Property Company Limited

Notice is hereby given that the 2024 Annual General Meeting of unitholders of The FAR Property Company Limited will be held by electronic means via Zoom on Tuesday, 10 December 2024 at 10.30 AM for the purpose of transacting the following business and considering and if thought fit to adopt with or without amendment the resolutions proposed:

Agenda

1. To read the notice convening the meeting.
2. To receive, consider and adopt the audited annual financial statements for the year ended 30 June 2024 together with the directors' and auditor's reports thereon.
3. To confirm distribution of 12.40 thebe to unitholders, comprising 12.29 thebe interest and 0.11 thebe dividend for the year ended 30 June 2024 as recommended by the Board of Directors. It should be noted that an additional 14 994 390 linked units were issued to unitholders, as declared by the Board of Directors as 50% scrip distribution number 9 in terms of the notice to unitholders dated 27 September 2024.
4. To re-elect Mr Ranjith Priyalal De Silva as a Director of the Company, who retires by rotation in accordance with clause 20.9.1 of the constitution and, being eligible, offers himself for re-election. A brief CV of Mr De Silva is included in the integrated annual report. The Board recommends the re-election of Mr De Silva as a director of the Company.
5. To re-elect Mr Faizel Ismail as a Director of the Company, who retires by rotation in accordance with clause 20.9.1 of the constitution and, being eligible, offers himself for re-election. A brief CV of Mr Ismail is included in the integrated annual report. The Board recommends the re-election of Mr Ismail as a Director of the Company.
6. Retirement of the independent Board chairman, to note the retirement of Mr Reetsang Willie Mokgathe from the Company in terms of clause 20.9 of the constitution of the Company.
7. To consider and ratify the remuneration paid to independent Directors for the year ended 30 June 2024 as set out on page 50 of the integrated annual report.
8. To approve the remuneration paid to the auditor Grant Thornton, for the year ended 30 June 2024.
9. To re-appoint Grant Thornton as the auditor for the ensuing financial year and authorise directors to fix their remuneration.
10. To approve the remuneration policy of the Company as set out on page 48 of the integrated annual report.
11. To place linked units equal to an aggregate of 15% of the number of linked units in issue at any time under the control of the Directors for allotment and issue for cash or for the acquisition of immovable property until the next Annual General Meeting, subject to limitations in terms of BSE Listings Requirements.
12. To take and respond to questions put by unitholders in respect of the affairs and the business of the Company.
13. To close the meeting.

Proxies

A member entitled to attend and vote may appoint a proxy to attend and vote for him/her on his/her behalf and such a proxy need not also be a member of the Company. The instrument appointing such a proxy must be deposited at the office of the Company Secretaries BP Consulting Services Proprietary Limited, Plot 28892 Twin Towers, West Wing First Floor Fairground, Gaborone, Botswana not less than 48 hours before the meeting.

By order of the board
Company Secretaries

Plot 28892 Twin Towers
West Wing First Floor Fairground
Gaborone Botswana

11 November 2024

Important information regarding attendance, participation and voting at the AGM

Persons who are registered as shareholders, in the registers of the Company at the Central Securities Depository Participant (“CSDP”) or transfer secretaries, as of 12 noon on 3rd December 2024, shall be entitled to attend, participate, and vote in person or by proxy, at the AGM.

Participation

The AGM will be held through electronic communication being audio communication by which all shareholders participating in the meeting simultaneously hear each other throughout the meeting, as provided for in section 109 of the Companies Act and section 3(b) of the Second Schedule to the Companies Act. The Company’s Constitution also permits such electronic communication at a meeting of shareholders.

Shareholders which choose not to attend in person but seek to appoint a proxy to attend the meeting, on their behalf can still submit their proxy forms. Proxy forms are to be delivered or sent by email to the Company Secretary, BP Consulting Services (Pty) Limited as provided for on the proxy form. Where a Shareholder has submitted a proxy form, the person attending an AGM on the Shareholder’s behalf shall be presumed to vote in accordance with the instructions of voting set out in the proxy form.

Shareholders and the proxy of any Shareholder who wish to participate in the AGM by electronic means, will be required to submit the relevant duly completed electronic participation form which is annexed to the Circular together with the relevant documents to BP Consulting Services, as provided for on the form. Shareholders are strongly encouraged to complete their verification well ahead of time.

Once the identity of a Shareholder seeking to attend the meeting and the authority of any person representing such a Shareholder (if the shareholder is not an individual) or the proxy appointed by a Shareholder and the person seeking to attend an AGM has been verified by BP Consulting Services, the person seeking to attend the AGM will be provided with details on how to join the AGM via Zoom.

Shareholders who have not appointed a proxy, hence not set forth instructions of voting, and who intend to participate in the meeting, once the identity of the Shareholder has been verified the Shareholder will be provided with a voting form together with instructions on how to join the AGM via Zoom. Shareholders or proxies for shareholders attending a meeting are urged to send their duly completed voting forms to BP Consulting Services by delivery, or by email before the meeting.

Pursuant to article 13.3 of the Constitution of the Company, the Chairman has regulated the procedure to be adopted at the meeting:

- voting will be by poll; and
- as a result, in terms of article 15.2 of the Constitution, voting will be by way of submission of voting papers by shareholders or proxies attending the meeting before the meeting or during but before the end of the meeting.

The Company shall publish the results of each meeting within 48 hours of the conclusion of the meeting.

Voting instruction

Nominee accounts

Shareholders whose shares are held in a nominee account must not complete the attached form of proxy.

If shares are held in a nominee account, then the nominee, CSDP or stockbroker should contact the shareholder to ascertain how to cast votes at the AGM and thereafter cast the shareholder’s vote in accordance with its instruction.

If you have shares in the Company held in a nominee account and have not been contacted it would be advisable for you to contact your nominee or CSDP or broker and furnish them with your instruction. If your nominee or CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them, if the mandate is silent in this regard, to abstain from voting.

Unless you advise your nominee, CSDP or broker timeously in terms of your agreement by the cut-off time advised by them that you wish to attend the AGM or send a proxy to represent you, your nominee, CSDP or broker will assume you do not wish to attend the AGM or send a proxy.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

The FAR Property Company Limited

If a nominee, CSDP or broker is a company it may appoint a proxy provided that the proxy form is accompanied by a resolution of the nominee, CSDP or broker empowering the person acting on behalf of the nominee, CSDP or broker to appoint the proxy. Alternatively, such nominee, CSDP or broker may appoint by resolution, a person to represent it at a meeting; in such event, the resolution should be delivered to BP Consulting Services 48 hours prior to the holding of the meeting. The proxy or representative appointed by the nominee, CSDP or broker should complete the electronic participation form and deliver that to BP Consulting Services.

If you wish to participate in the AGM, request the necessary letter of representation from your nominee or CSDP or broker and submit this letter together with the electronic participation form.

Own name shareholders

“Own name” shareholders who wish to participate at the AGM themselves, should submit their duly completed electronic participation form together with an acceptable form of identification. Own name shareholders attending and participating the AGM in person shall be provided with a voting form upon registration at the meeting.

Own name shareholders may also appoint a proxy to represent them at the 2024 AGM by completing the attached proxy form and returning it to BP Consulting Services at least 48 hours prior to the time and date of the meeting. If a shareholder appoints someone other than the Chairman of the meeting as their proxy and wants the proxy to participate in the AGM, the proxy must complete and submit an electronic participation form.

By order of the Board

Company Secretaries

Plot 28892 Twin Towers
West Wing First Floor Fairground
Gaborone Botswana

PROXY FORM

For completion by the holders of linked units

For use at the Annual General Meeting of unitholders of the Company to held by electronic means via Zoom on Tuesday, 10 December 2024 at 10.30 AM. Please read the notes overleaf before completing this form

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

 of (address) _____

Hereby appoint:

1. _____ or failing him/her, appoint _____
2. _____ or failing him/her appoint _____
3. The chairman of the meeting as my/our proxy to act for me/us at the 2024 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 instructions:

Number of linked units		For	Against	Abstain
Ordinary resolution 1	Agenda Item Number 2			
Ordinary resolution 2	Agenda Item Number 3			
Ordinary resolution 3	Agenda Item Number 4			
Ordinary resolution 4	Agenda Item Number 5			
Ordinary resolution 5	Agenda Item Number 6			
Ordinary resolution 6	Agenda Item Number 7			
Ordinary resolution 7	Agenda Item Number 8			
Ordinary resolution 8	Agenda Item Number 9			
Ordinary resolution 9	Agenda Item Number 10			
Ordinary resolution 10	Agenda Item Number 11			

Signed at: _____ Date: _____

Signature: _____

Assisted by (where applicable): _____

Each unitholder 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 unitholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1 to 9 on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. A unitholder must insert the names of two alternative proxies of the unitholder's choice in the space provided with or without deleting "Chairman of the 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. If the unitholder does not have a proxy, the Chairman shall be deemed appointed the proxy. A unitholder must indicate the linked units/votes exercisable by the unitholder in the appropriate space provided.
3. A unitholder must indicate how the proxy is to vote on a resolution in the 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 Unitholder's votes exercisable thereat. A unitholder or his/her proxy is obliged to use all the votes exercisable by the unitholder or by his/her proxy.
4. The completion and lodging of this form will not preclude the relevant unitholder from attending the General Meeting.
5. 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 unitholder concerned wishes to vote.
6. 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.
7. 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.
8. Where linked units are held jointly, all unitholders must sign.
9. A minor must be assisted by his/her guardian, unless relevant documents establishing his/her legal capacity are produced or have been registered by the Company.

ELECTRONIC PARTICIPATION FORM

The FAR Property Company Limited

(Incorporated in the Republic of Botswana)
(Registration number: UIN BW00000942235)
(share code: FPC)
(ISIN: BW0000001551)

Shareholders or their proxies who wish to participate in the Annual General Meeting to be held by way of electronic communication at 10:30 on Tuesday, 10 December 2024 (“the AGM” or “meeting”) via electronic communication (“AGM participant”) must notify the Company by delivering this form and supporting documents to the office of the Company Secretary BP Consulting Services (Proprietary) Limited, Plot 28892 (Portion of plot 50370), Twin Towers, West Wing–First Floor Fairground, Gaborone, PO Box 1453, Gaborone, or by email to Fadhili Kiravu <fadhili@dpsconsultancy.com> as soon as possible but no later than 17:00 on 6 December 2024.

Shareholders are strongly encouraged to complete their verification well ahead of time.

Each AGM participant who has successfully been verified by BP Consulting Services (Proprietary) Limited will be provided with the details on how to join the AGM via Zoom. AGM participants who are a proxy for a shareholder will be provided with a voting form and be presumed to vote at the meeting in accordance with the instructions for voting set out on the proxy form. AGM participants who are not proxies will be provided with a voting form. AGM participants who are not proxies are strongly encouraged to send their completed voting forms to BP Consulting Services (Proprietary) Limited before the meeting. AGM participants who have not sent completed voting forms to BP Consulting Services (Proprietary) Limited prior to the meeting will be able to complete the voting forms and submit the same to BP Consulting Services (Proprietary) Limited by email to Fadhili Kiravu <fadhili@dpsconsultancy.com> during but no later than the close of the meeting.

Reference is made to the Notice of the AGM for important information regarding participation and voting at the AGM.

Name of registered shareholder

Omang/ID/Passport number/Registration number of registered shareholder

Name and contact details of CSDP or broker (if shares are held in dematerialised form)

Shareholder CSD account number/broker account number or own name account number or custodian account number

Number of ordinary shares held

Full name of AGM participant

Omang/ID/Passport number of AGM participant

Email address of AGM participant

Cellphone number of AGM participant

By signing this form, I/we agree and consent to the processing of my/our personal information above for the purposes of participation in the AGM and acknowledge the following:

1. The cost of joining the AGM is for the expense of the AGM participant and will be billed separately by the AGM participant's own internet service provider. The AGM participant is not permitted to share the link with a third party.
2. The Company, its agents and third-party service providers cannot be held accountable and will not be obliged to make alternative arrangements in the event of a loss or interruption of network activity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth, power outages or any other circumstances which prevents any AGM participant or proxy holder from participating in the AGM or voting.

Signed on this: _____ day of _____ 2024

Signature of shareholder(s): _____

Assisted by me (where applicable): _____

SHAREHOLDERS' DIARY

Financial year-end**30 June**

Integrated annual report posted	11 November 2024
2024 Annual General Meeting	10 December 2024
Next interim results announcement	31 March 2025
FY2025 annual results announcement	30 September 2025

DEFINITIONS

“Act” or “Companies Act”	Companies Act 2003 (No 32 of 2004) of Botswana, as amended or replaced from time to time
“AGM”	Annual general meeting
“the board”	Board of Directors of FPC or FAR
“BAOA”	Botswana Accountancy Oversight Authority
“BSE”	Botswana Stock Exchange
“BWP”	Botswana Pula, the legal tender in Botswana
“CEO”	Chief executive officer of FAR Property Company Limited
“CFO”	Chief financial officer of FAR Property Company Limited
“Choppies”	Choppies Enterprises Limited, listed on the BSE and JSE
“the Choppies Group”	Choppies Enterprises Limited and its subsidiaries
“Covid-19, the pandemic”	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
“Constitution”	Constitution of FPC as registered by CIPA on 17 December 2015
“Dividends per share (cents)”	Total dividends paid to ordinary shareholders divided by the number of ordinary shares issued calculated in cents
“EBITDA”	Earnings before interest, tax depreciation and amortisation
“FMCG”	Fast moving consumer goods
“FPC” or “FAR”	The FAR Property Company Limited, listed on the BSE
FY2022	Financial year ended 30 June 2022
FY2023	Financial year ending 30 June 2023
FY2024	Financial year ending 30 June 2024
“GDP”	Gross domestic product
“GLA”	Gross lettable area, measured in square metres
“Headline earnings per share” (“HEPS”) (cents)	Headline earnings divided by the weighted number of ordinary shares calculated in cents
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board
“IT”	Information Technology
“JSE”	The JSE Limited, a licensed securities exchange
“King III Report”	King Report on Corporate Governance for South Africa 2009
“King IV Report”	King Report on Corporate Governance for South Africa 2016
“KPI”	Key performance indicator
“Last year”	The year ended 30 June 2022
“Linked unit”	One ordinary share indivisibly linked to one debenture of the Company
“Linked unitholders”	Holders of linked units in FPC
“Listing date”	4 May 2016
“Listing”	The listing of FPC’s linked units on the BSE
“Listings Requirements”	The BSE Listings Requirements
“NAV”	Net asset value
“Net asset value per share (cents)”	Equity attributable to equity holders of FAR property group divided by the total shares in issue, including treasury shares calculated in cents
“NOI”	Net operating income
“PAT/PBT”	Profit after tax/Profit before tax
“Pula Code”	Corporate governance code for Botswana
Return on assets	Return on assets refers to a financial ratio that indicates how profitable a company is in relation to its total assets
“Return on equity (%)”	Return on equity is the measure of a company’s annual return divided by the value of its total shareholder’s equity, expressed as a percentage
“Return on investment (%)”	Return on investment (“ROI”) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments
The board	The Board of Directors of FAR Property Company Limited
The group	The FAR Property Company Limited and its subsidiaries
“This year”	The year ended 30 June 2023
“Q Tique”	Q Tique 79 Proprietary Limited, a company incorporated with limited liability according to the laws of South Africa under Company No 2006/012884/07, a wholly owned subsidiary of FPC
“Variable rate loan stock company”	A company where the share capital of a company is divided into “linked units” (which are listed on the BSE) each comprising an ordinary share that is indivisibly linked to a variable rate debenture
“ZAR”	South African Rand, the legal tender in South Africa

COMPANY INFORMATION

for the year ended 30 June 2024

Country of incorporation and domicile

Botswana

Nature of business and principal activities

Property and asset management

Directors

Reetsang Willie Mokgatlhe (Chairman)
Ranjith Priyalal De Silva
Gobusamang Dempsey Keebine
Rajeshkumar Jayrajh
Ramachandran "Ram" Ottapathu
Faizel Ismail
Vidya Sanooj
Farouk Ismail (alternative to Faizel Ismail)

Registered office

Plot 28892
Twin Towers
West Wing First Floor
Gaborone, Botswana

Business address

Plot 880
Gaborone International Commerce Park
East Gate Kgale View
Gaborone
Botswana

Company secretary

BP Consulting Services (Proprietary) Limited
Plot 28892 Twin Towers West Wing
First Floor Fairground, Gaborone
PO Box 1453
Gaborone, Botswana

Independent auditor

Grant Thornton
Chartered Accountants
Gaborone, Botswana

Postal address

PO Box AD65 AEG, Station
Gaborone
Botswana

Bankers

Absa Bank Botswana Limited
Bank Gaborone Limited
First Capital Bank Botswana Limited
First National Bank of Botswana Limited
Investec Bank Limited
Standard Bank South Africa Limited
Absa Bank Zambia Limited

Registration number

UIN BW 00000942235

Functional currency

Botswana Pula "BWP"

Corporate data

The FAR Property Company Limited
Company number: UIN BW00000942235
Incorporated in the Republic of Botswana on
29 June 2010
Listed on BSE: 4 May 2016
Share code: FPC
ISIN: BW0000001551
Linked units (at June 2024): 474 103 503



The FAR Property Company Limited
Incorporated in the Republic of Botswana on 29 June 2010
Listed on BSE: 4 May 2016
Share code: FPC
ISIN: BW0000001551
Linked units (at June 2024): 474 103 503
<https://www.farproperties.co.bw>