Contents

Corporate Profile

Incorporation Information
Company Number 96/592
Date of incorporation 18/04/1996

Market capitalisation
The ordinary share price of RDC Properties Limited ("RDCP" or the "company") at close of business on 31 December 2012 was P6.95, giving a market capitalisation at that date of P245,734,535.

Investor relations – Registered Office
Investors requiring further information on the group are invited to contact:

Mr. J. Pari
RDC Properties Limited,
Plot 5624, Lejara Road, Broadhurst Industrial
Gaborone, Botswana
T: (+267) 3901654
F: (+267) 3973441
E: rdc@rdc.com

Website
Further information on RDCP is available at: www.rdcpbotswana.com

Annual General Meeting
The Annual General Meeting ("AGM") of the company will take place at the RDC Offices - Realestate Office Park, Lejara Road, on Thursday 12 September 2013 at 14.30 hrs. The notice of meeting is set out on pages 45 to 47.

Electronic communications
Unit holders are informed that RDCP has received formal approval by the Botswana Stock Exchange to distribute all shareholder communication electronically except where documents are specifically requested in written form.

Highlights of the Year 2012 & Five Year Overview

Top 10 Unit Holders	Linked Units	%
SCBN (PTY) LTD RE: IAM 030/30	373,858	1.05
FNB NOMINEES (PTY)LTD RE:CFM BPOPF10001011	375,978	1.06
FNB BW NOM (PTY)LTD RE:IAM BPOPFP10001031	563,779	1.59
ASPERA HOLDINGS LIMITED	791,319	2.24
STANBIC NOMINEES RE: BIFM	863,098	2.44
FNB NOMINEES (PTY)LTD RE:SIMS BPOPF ACTIVE 10001025	1,332,165	3.77
FNB NOMINEES (PTY)LTD RE:SIMS BPOPF 10001009	1,365,673	3.86
MOTOR VEHICLE ACCIDENT FUND	1,645,221	4.65
CHOBE FINANCIAL CORPORATION	8,376,588	23.69
REALESTATE FINANCIERE SA	16,475,488	46.60

Linked unit band	Linked Units	%	Holders	%
0-1999	109,983	0.31	286	68.92
2000-4999	139,475	0.39	49	11.81
5000-9999	156,358	0.44	24	5.78
10000-49999	722,522	2.04	28	6.74
50000-99999	650,877	1.84	9	2.17
100000-499999	2,164,941	6.12	11	2.65
500000 and above	31,413,331	88.84	8	1.93
TOTALS	35,357,487	100.00	415	100.00

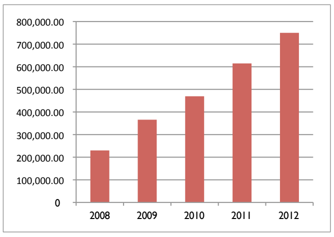
Overview

Masa Centre complete and recognised as an investment property at P402.78 million
Gross income up 44% to P47.20 million (2011: P32.71 million)
Portfolio and investment value up 22% to P750.02 million (2011: P614.78 million)
Net Asset Value (NAV) per share up 18% to P10.02 (2011: P8.49 per share)
At 31 December 2012 Adjusted NAV* per share at P10.69 up by 22% (2011: P8.79)
Return on Equity (ROE) stands at 22%

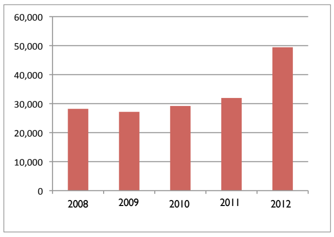
	2012 P'000	2011 P'000 (Restated)	2010 P'000 (Restated)	2009 P'000	2008 P'000
Portfolio value	750,023	614,776	469,513	365,859	230,029
Increase	135,247	145,263	103,654	135,830	45,726
Increase in value %	22.00%	30.94%	28.33%	59.05%	24.81%
Income yield %	6.59%	5.20%	6.22%	7.43%	12.26%
Financial position					
Net asset value (P million)	354,331	293,199	191,018	147,494	125,631
Net asset value (NAV) / linked unit	10.02	8.49	5.70	4.48	3.88
NAV adjusted for deferred taxation	10.69	8.79	5.98	5.27	4.43
Debt-long term	238,167	236,051	187,724	107,733	51,743
Equity	484,194	376,140	261,054	210,039	153,570
Ratio-debt to portfolio value	31.75%	38.40%	39.98%	29.45%	22.49%
Statement of comprehensive income (continuing operations)					
Gross revenue (contractual rental income and hotel revenue)	49,437	31,956	29,196	27,171	28,209
Profit from operations (before exchange differences and fair value)	17,204	18,803	23,584	17,450	16,002
Profit after fair value adjustment from operations	137,825	130,845	45,798	44,817	34,571
Profit before tax	122,227	127,508	42,093	41,353	29,603
Profit -attributable to owners	71,661	116,419	33,282	32,066	24,074
Linked units (average in issue)	34,893,828	34,148,322	33,262,917	32,468,398	32,372,329
Earnings per linked unit	205.37	340.92	100.06	98.76	74.37
Dividend and debenture interest	13,476	15,041	19,453	11,122	10,178
Share price at year-end	6.95	7.24	6.30	4.20	3.50
Market capitalisation at year-end	245,734,535	250,098,770	209,556,377	138,384,708	113,303,152

(*) Adjusted NAV per share at 31 December 2012 includes all investments at current valuations in proportion to the Group's shareholdings but excludes the impact of the deferred tax provision on the net assets of the Company and is considered by the Board to be a more appropriate method of evaluating the performance of the Company than Reported NAV per share.

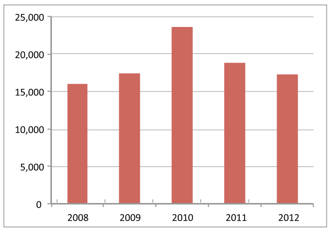
Portfolio Indication



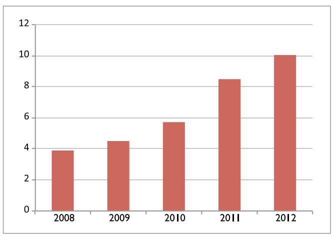
Revenue Indication



Profit from Operations Indication



Net asset value (NAV) / linked unit Indication



Chairman's Statement

We are....
"Investors in prime properties, contributing to the improvement of the quality of life in developing countries."

G. R. Giachetti
Executive Chairman

We continue:
"Creating long term value to linked unit holders through rental income, capital appreciation and development of properties."

Dear Unitholders,

I have the pleasure of presenting to you the Annual Report of the Company to the 31st December 2012.

The situation in the Euro zone economies has continued to create uncertainty at a global level and in particular for the Botswana economic outlook even though headline numbers are that over the year to December 2012, the economy grew by 7.3%, up from 5.1% in the previous year. The gain in confidence in the United States of America's economy, the economic growth in the BRICS countries and the growth in the stock markets worldwide, should slowly create a more positive perception of the future and an increased demand for Botswana diamonds.

The property market in Botswana, on the back of relatively low interest rates, continues to record a steady demand for both good commercial and residential properties that are well located and yielding good returns.

In the last 18 months the public in Gaborone has benefitted from the opening of a number of new centers. These include shopping arcades with similar offering being the Railpark Mall, Sebele Centre and the Airport Junction to mention only the largest. The office and commercial property sectors have seen a significant number of new buildings shaping the horizon of the new CBD and a large new development in the Fairgrounds. Only a few of these new buildings are complete, most notably being the First National Bank Head Office relocating from the Government Enclave to the new CBD. The industrial and residential sectors have not yet caught up and the demand is still very high.

Rentals in prime locations are still stable but prime tenants are starting to place pressure on landlords when new leases are to be negotiated. We are pleased that the portfolio of the Company is underpinned by long leases, few of which are linked to USD and Euro and that the office component has now substantially decreased following the completion of the Masa Centre.

The Lansmore Masa Square Hotel opened on the 11th July 2012, the ceremonial opening of the Masa Centre was on the 30th October 2012 and the opening of the 3D Multiplex Cinema in January 2013, all major highlights on the social calendar of Gaborone. We are pleased that the Masa Centre Square has become the "place to be" and the "reference point" for many real estate developments happening in Gaborone. The development of offices in the new CBD will obviously have an impact on the demand for offices in Masa Centre but the effect will be mitigated by the success of the other components of this first and unique entertainment hub.

Chairman's Statement (continued)

Masa Centre Ceremonial Opening

"Achieving above Botswana's market average returns, by creating partnerships with customers and land owners."

We are pleased to see that the results of the Company reflect a stable return from the original property portfolio. The gross revenue increased by 44% mainly due to renting of a portion of Masa Centre from mid 2012. Unsurprisingly our finance costs have increased as we are at the beginning of the rental cycle of this building.

The portfolio increased substantially by 22% to P750 million from P615 million in 2011, with the valuation of Masa Centre of P403 million.

Our property portfolio continues to perform well, and the overall vacancy is now at 2.3% excluding Masa Centre in operations for 6 months only. The gross lettable area of the portfolio is now at 70,221m^2 from 37,636m^2 which is an increase of 87%.

The Return on Equity (REO) achieved this year is 22% and this is especially pleasing against an average of 18% for all other property counters on the Botswana Stock Exchange.

I am disappointed with the linked unit price, which at the end of the year was P6.95, trading therefore at a substantial discount of 31% to the Net Asset Value of P10,02 per unit. This discount is especially high this year due to the fact that the rental income of Masa Centre has not yet contributed for a full year whilst there has been a substantial increase of the portfolio value due to Masa Centre.

Strategic Intent and Value Creation

I am pleased that we have been consistent with our strategic intent of developing and investing in properties which have changed the life of many of the inhabitants of Gaborone. We have also maintained a very good relationship with our partners and have managed to create the basis for some long term diversification of the portfolio both in terms of the property sector within Botswana and within the rest of Africa.

In a market were it is extremely difficult to increase the "willingness to pay" from tenants, we continue to capture value by reducing our suppliers costs by leveraging our construction and development competencies to create efficiencies. The Masa Centre at a construction cost of P5,150/m^2 is a good example of the value created.

In line with our strategy to continue improving our portfolio, we are pleased to inform you that the sale of Plaza took place end January 2013, and the property was sold for P27, 5 million inclusive of fees. The proceeds of the sale were then used to:

- Purchase the Realestate Office Block, our head office building.
- Proceed with the investigative work for the group restructure which will enable the company to simplify its structure, by amalgamating the minority interest, purchase other properties and increase its administrative efficiencies.
- Invest in 14 new mini-factory units, an expansion of the Gaborone West Warehouses on plot 22017.

Chairman's Statement (continued)

Pictures Of Ngwapa Primary School Children

Corporate Responsibility and Governance

As long-term investors, it is vital that we continue to engage fully with the communities who sustain and support our business.

Our drive to continue contributing to the improvement of the quality of life in Botswana has been enforced by our actions both in the capital city and in the rural areas. We are pleased that the children of the small village of Ngwapa can be proud of having achieved the best results of the Primary School Leaving Examinations out of the 52 schools that are part of the Mahalapye Sub-Region. This is the school our company continues to assist and support.

Another aspect of our community involvement is our resolve to continue exploring developments with local partnerships. This remains a crucial element of our strategy in empowering citizen companies and individuals.

I am pleased to report that the audit and risk committee, under the able Chairmanship of Mr. R. N. Matthews has performed well its duties in improving the efficiency of the board and providing the necessary independent review of management controls.

We are complying with our banking facilities and the directors do not expect this position to alter in the forthcoming twelve months.

The directors have considered our forecast cash flows, the Group's low gearing, significant portfolio of unencumbered properties and the maturity profile of our borrowings and can confirm that the Company has adequate resources to continue for the foreseeable future.

"We continue to leverage our construction and development competencies to create efficiencies in the growth of the portfolio."

Management

I would like to commend the work done by staff and management of Property Asset Management Limited (PAM), in particular, Mr. Jacopo Pari, in completing and controlling effectively the cost of the Masa Centre.

In thanking the board of directors, Botswana Stock Exchange, the Steering Committee of Three Partners Resorts Limited (TPR) and all those who have contributed to the continued growth of the group during the year 2012, I would like to join my fellow directors in expressing all our gratitude to Mr. Gobe Matenge for his guidance and wisdom as he retired from the Board after having served the company from its first listing in 1992. We welcomed to the board Mrs Kate Maphage who joined us in November 2012. Her diversified experiences and contributions as member of the steering committee of the Masa Centre have already assisted us during the last few years.

The board remains focused on seeking to maximise rental income and completing the restructure of the group which will change the composition of your Company's portfolio in the years to come.

G. R. Giachetti
Executive Chairman

Operating and Financial Review

"Being close to our customers needs, listening and understanding and remaining proactive with a joint problem solving attitude remains the key performance indicators for our property managers."

Jacopo Pari
Group General Manager

"Quality tenancies and successful developements are achieved by understanding our tenants needs and aspirations during the planning and building design stages of our developments."

The year 2012 saw few countries experience a double recession which affected mainly Europe and the western countries as compared to the developing economies and Southern Africa. The economic and financial crisis was minimal in Botswana but the effects are slowly starting to become apparent. Developers' confidence is still high in the capital city and the main centres where new and sizeable real estate developments are taking off ground.

Market

The new CBD and its iconic developments have changed the skyline of the city and are now establishing themselves as the heart beat of the business and law community. As a result of this sudden supply of commercial buildings and companies relocating into their own properties, the rentals are likely not to grow in the short term as they were in the past and it will be more and more difficult to lease properties which are not in prime locations. Our flagship development, Masa Centre, perfectly positioned at the heart of the new CBD with its diversified offering of working and leisure space is perfectly tailored to play a pivotal role in the market.

Rail Park Mall, Sebele Centre, and Airport Junction are the new major opened malls in town. It is also of opinion that retail space rentals are suffering from the abundant supply. However, this will not affect the residential market where rentals, especially the low to middle income residential rentals, are continuously on the rise as demand is very high in Gaborone and the surrounding areas.

The Company's portfolio suffered no tangible crisis in 2012. The properties are regularly maintained and revamped to meet tenants' expectations and the new challenges of the market. Masa Centre started its operations in July and, notwithstanding that this can be considered early days, the property is already contributing to the income stream.

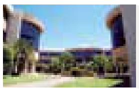
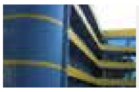
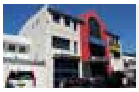
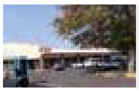
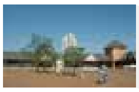
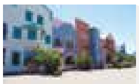
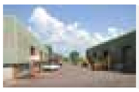
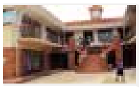
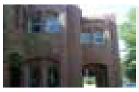
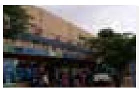
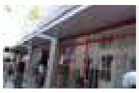
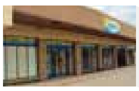
Strategy

The Company's long-term investment strategy remains unchanged in its principles. The management objective is to maintain and grow a balanced portfolio of modern, income producing properties with potential for future rental and capital growth.

Given the recent surplus of office and retail space in Gaborone, it is generally accepted that rentals will be under pressure and the best of opportunities in the medium term will be in the region. The management, conversant with operating outside Botswana for many years, is actively pursuing new avenues of growth for RDCP outside the country and hopefully will report positively on this in 2014.

The focus of selectively disposing of non-strategic properties, jointly with the construction, development and asset management competencies, are the Company's strengths to face the challenges of the ever changing market conditions. These key values are now being enhanced by our new customer centric approach which identifies our tenants as our business partners. A dedicated resource, in its role as Customer Relationship Management, will create and enable the spirit of partnership, cooperation and mutually rewarding agreements and will help in fostering a long term relationship. As a preliminary starting point, the Masa Centre, the new jewel of our portfolio, has a dedicated resident Centre Manager, and an in-house maintenance team. All tenancies are being engaged by the Customer Relationship Manager in order to ensure the best business environment for every stakeholder in the complexity of a mixed use development.

Operating and Financial Review (continued)

	Property Name	Form of Lease	Title Deed Number	Location of Property	Sector	Lettable Area	Valuation
	Masa Centre	50 Year State Leasehold	MA367/2008	Lot 54353, Gaborone	Hospitality, Offices & Retail	42,205	403,782,931
	Standard House	Freehold	133/97	Lots 1124 to 1130 in Gaborone Ext. 3	Offices	6,430	126,425,349
	Tholo A & B and Phase II	50 Year State Leasehold	1695/96/2000	Lots 50668/69 & 50369 Gaborone	Offices	4,612	54,158,163
	European Delegation	Freehold	1841/2003	Lot 758 Gaborone	Offices	1,496	27,844,617
	Plaza I & II	50 Year State Leasehold	177/97	Lot 4787 & 4788 in Gaborone Ext. 6	Offices	3,875	26,400,000
	Mebala House	Freehold	48/70	Lots 1116/17 & 1840 in Gaborone Ext. 3	Retail	1,330	21,242,328
	Gaborone West Warehouses	50 Year State Leasehold	2434/2000	Lots 22017/18 Gaborone	Industrial	4,041	20,565,833
	Diamond Centre	50 Year State Leasehold	514/95 661/95 185/95	Lot 3761 Jwaneng Lot 5422 Jwaneng Lot 5423 Jwaneng	Retail	2,322	12,634,268
	Lotsane Complex	50 Year Tribal Lease	MA 62/95	Lot 1707 Palapye	Retail	3,878	11,538,368
	Broadhurst Business Centre	50 Year State Leasehold	MA 15/97	Lease area 234KO on Lot 10211 in Gaborone	Offices	1, 804	10,980,329
	Phakalane Warehouses	Freehold	1448/99	Lot 21306 Phakalane	Industrial	2,376	9,131,420
	Boswa Centre	50 Year Tribal Lease	75/95	Lot 680 & 692 Serowe Agreement of Lease No. 258/96 of 18/7/96	Retail & Offices	1,441	5,898,140
	Roots Tower	50 Year Tribal Lease	13/97	Lot 208 Maun Notarial Deed of Lease 72/81 of 14/3/96	Retail & Offices	1,069	5,574,908
	Chobe Commercial Centre	50 Year State Leasehold	158/88	Lot 914 Kasane in Chobe Admin District	Retail & Offices	1,144	5,511,652
	Standard Bank Serowe	50 Year Tribal Lease	92/95	Lot 679 Serowe	Retail & Offices	855	4,303,247
	Tsodilo Centre	50 Year State Leasehold	105/95	Lot 194, Maun	Retail	492	3,471,991
	Pep House	50 Year Tribal Lease	MA 75/97	Lot 443 Serowe	Retail	471	2,690,722
	Isalo Rock Lodge	99 Year Leasehold	02/MCT/SG	Lot 480-AU Region d'Ihrombe, Madagascar	Hospitality		21,720,909
	Mole Mall	50 Year Tribal Lease	MA 4/97	Lot 617 Molepolole	Undeveloped		

Operating and Financial Review (continued)

In light of an increasing potential of the residential market, the Company is currently evaluating options of building residential properties. The strategy would be to retain a certain percentage of the development as long term investment and to sell on a sectional title basis the balance in order to reduce the project financing costs.

Investment / Property Portfolio

The investment and property portfolio now stands at P750 milllion up by 22% compared to prior year. Close to 10% of the leases (by rental income) were expiring during 2012 and posed no serious challenges to the property management team, which has positively concluded a large number of renewals and new leases. This is a very important confirmation that RDCP's portfolio is solid and well tenanted. One property, known as Plaza, is excluded from the portfolio and classified as an asset held for sale. The proceeds from the disposal concluded in 2013 have been re-invested to fund other developments and acquisitions.

MASA Centre

The year 2012 saw Masa Centre beginning its operations as it was recognised as an investment property at fair value from 1st of July 2012.

The building, the truly first sizeable mixed use development in Botswana, has already established itself as an ideal venue in town. Offering from first class working space, to fine dining, from art and live entertainment to exclusive shopping opportunities, from conferencing facilities to movies and much more. Masa Centre is becoming the preferred destination not only for the business community but to all the inhabitants of the capital city.

The Lansmore Masa Square Hotel, with its 153 rooms, is receiving extremely positive feedback by the business community and is arguably considered the best business hotel in town. Prestigious and unique brands within the retail gallery and shops complementing the hotel offering are creating the perfect mix to attract and retain patrons. The opening of the first 3D Movie theatres in Botswana, the balanced offering of the food court and live music performances along with special events hosted in the piazza are really contributing to a new vibe in Gaborone. It is our firm belief that the more we see the new CBD developments being completed, the more Masa Centre with its variety of offerings will benefit from the concentration of businesses.

Chobe Marina Lodge

African Hotels & Adventure (AHA) sales, marketing and operations team have translated into action the proposed strategy for the Lodge. Appreciation also goes to the general business conditions which have improved from the past few years and this has reflected in improved business results.

The Lodge commenced its scheduled refurbishment beginning of 2013. The internal layout of the units and chalets will be modified and upgraded to best fit the ever changing and demanding requirements of a 4**** rated Guest Lodge. The addition of 6 honey moon suites specially tailored for this particular niche market is expected, by complementing the product offering, both in quality and numbers, to increase the operations revenues.

The bathrooms, the furniture fittings and equipment and technical appliances of the units and chalets will be upgraded to enhance the guests' experience and to adhere to the adopted Green Policy. Careful planning will ensure that the majority of the disruptive works will be carried out during the low season to limit the negative effect on the results. This refurbishment is expected to be complete within 2013.

Isalo Rock Lodge, Madagascar

The performance of Isalo Rock Lodge in Madagascar continued to be influenced by the political situation in the country but it is anticipated that with the elections in 2013, the outlook will improve. With the quality of the Lodge, the service offered coupled with very attentive and careful management of fixed and variable costs, the Lodge is expected to achieve operational break-even during 2013.

We are still receiving positive and encouraging reports from our clientele via our golden book and via Tripadvisor.com which ranks Isalo with a remarkable 5 full moons, i.e. the maximum rate achievable.

Positive comments range from the sustainability of the Lodge design in terms of it being eco-friendly, the quality of the finishes and furniture, the exceptional position and view on the rock park, the food and the quality of the service, to the live music entertainment and so on. Isalo Rock Lodge is widely recognized as the best Lodge in southern Madagascar and receives an increasing media coverage on the local broadcasts.

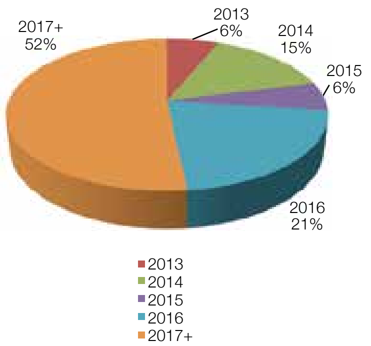
Financing and cash flow

At the end of December 2012, the Group's borrowings and available facilities consisted of:

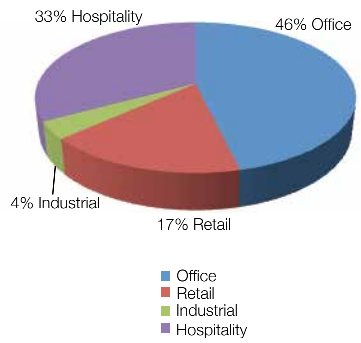
- An overdraft facility of P15 million, guarantees for P16.26 million and forex pre-settlement of P0.5 million from First National Bank of Botswana.
- Bank overdraft of P5 million from Barclays Bank of Botswana Limited (for Three Partners Resorts Limited).
- Bank overdraft totalling P5.12 million (Euro500 000) from Banque Malgache de L'Ocean Indien (BMOI)-Madagascar.
- Long term borrowings amounting to P238.17 million.

As at the date of this annual report the Group had P199 million worth of bonds against a portfolio and investment value of in excess of P750 million providing significant capacity to raise additional finance.

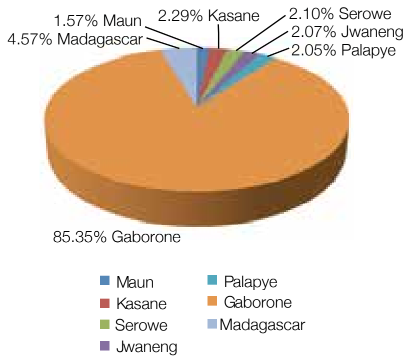
Operating and Financial Review (continued)



Lease Expiry Profile (by Rental Income)



Sectoral Spread (by Rental Income)



Geographical Spread (by Rental Income)

International Financial Reporting Standards

The group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The group adopted IAS 12 (Amended)-Income Taxes in the current year. As required by the amended standard, the amendments have been applied retrospectively and the comparatives have been restated to reflect the effect of the change in accounting policy. The group also early adopted IAS 1 (Amended) Presentation of Financial Statements. The effects of adopting these standards have been fully disclosed in the group annual financial statements on pages 19 to 45.

Financial results and highlights

From 1st July 2012, the property of Masa Centre has been recognised as an investment property which resulted in a significant increase in the revenue, expenses and property portfolio.

Gross income

Gross income increased 44% to P47.203 million (2011: P32.711 million).

Operating expenses

Operating expenses for the period increased by 58% to P16.860 million (2011: P10.646 million). The increase in the operating expenses is mainly driven by the operations of Masa Centre which was recognised as an investment property with effect from 1 July 2012 and incurred once off expenses associated with a new operation of that magnitude.

Net finance expense

Net finance expense was P15.598 million (2011: P3.337 million), comprising interest paid on long terms loans, overdrafts and interest received from related companies and bank. The significant increase in net finance costs was caused by expensing of borrowing costs which were previously capitalised in the Masa Centre development.

Taxation

The tax for the year of P15.792 million (2011: P6.460 million) mainly arises from deferred taxation. This increase in the income tax expense by 144% was as a result of the adoption of IAS 12 (Amended)-Income Taxes by the group. This standard was applied retrospectively and the prior year income tax expense was restated.

Debenture interest/dividends

The total distribution to unit holders, is calculated on the net income received out of the Botswana properties. The distribution ratio between dividends to interest on the linked units is 1:50. The dividend and debenture interest decreased by 10% to P13.476 million (2011: P15.041 million).

Investment and property portfolio

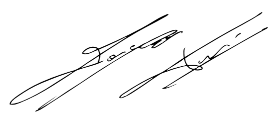
The investment and property portfolio increased by 22% to P750.023 million (2011: P614.776 million) with Masa Centre being recognised as an investment property at fair value. The property known as Plaza has been excluded from the portfolio and classified as an asset held for sale. The sale was concluded at the end of January 2013.

Shareholders' funds

Shareholders' funds at 31 December 2012 amounted to P354.331 million (2011: P293.199 million), resulting in net asset value per linked unit of P10.02 (2011: P8.49), an increase of 18%.

Net borrowings

The Group's net borrowings at 31 December 2012 amounted to P238.167 million (2011: P236.051 million), giving a net debt to gross property and investments assets ratio of 32% (2011: 38%).



Jacopo Pari
Group General Manager

The Board of Directors

G. R. Giachetti
Executive Chairman

Aged 50, Civil Engineer, Masters in Business Management and Transport(EPFL), Alumni of Harvard Business School and INSEAD Alumni Association (business school in Fontainebleau). As Group Managing Director of Realestate Financiere SA, he has been involved in property development and investments for over 23 years. He is the Honorary Consul of Italy and Spain in Botswana and actively involved in community works as a Paul Harris Fellow.

M. A. Giachetti
Non-executive

Aged 79, Civil Engineer (Masters degree). In 1959 was the Founder of Realestate Financière SA, a company registered in Geneva with the specific aim of acquiring interests worldwide in the Construction and Real Estate Development Business. In 1970 started investing in Botswana and developing properties, some of which are now part of the RDC Properties portfolio. In 1992 became Non Executive Chairman of Realestate Development Company Limited, the original listing of the Company. He is a Director of many companies in Botswana and internationally.

J. S. Stewart,
Non-executive

Aged 52. Joined the Realestate Group in 1996 and has been involved in property management and development since then. Jenny was instrumental in the group's diversification into the hospitality industry. She is no longer employed by the Group. Before joining the Group, Jenny Stewart was employed by British Airways for nearly 18 years, where she was responsible for, among other things, general management, staff development and training. She spends much of her free time working for a charitable organization in Botswana.

L. Magang,
Non-executive Independent

Aged 41. Has Law Degree. Managing Director of Phakalane Estates, a major property development company and one of the largest privately-owned township developers in Botswana involved in residential, commercial and industrial developments. He is a director of many other companies in Botswana. Involved in community projects and previous patron of Botswana Scouts Association and University of Botswana Debating Society. A speaker on youth development and entrepreneurship in Botswana.

K. C. Maphage,
Non-executive Independent

Masters in Business Leadership (MBL) and Bachelor of Commerce. An entrepreneur who is involved in investments across a variety of sectors including property, engineering, energy, services and entertainment. She was a key founding member of the consortium which formed the mobile telecommunications company, Mascom Wireless (Pty) Ltd. She has held executive positions in the same company for a number of years. Kate serves on a number of boards including KBL, Sechaba, FSG Limited, where she also serves as Chairman of the Remuneration Committee. She is chairman on the boards of Maemo Cell Insurance (Pty) Ltd, Mobility (Pty) Ltd, Kgalagadi Beverages Trust, which was set up by Breweries group of companies for their corporate social responsibility strategy implementation. She was appointed as director in November 2012.

N. N. Gaolathe,
Non-executive Independent

Aged 40 MBA Finance graduate of the Wharton School of the University of Pennsylvania. He attained BS and BA degrees in Mathematics and Economics respectively, from the George Washington University. He is founder of Delele, a strategy consulting and private equity management company that played a key role in the establishment of a private equity fund in Botswana and later in Namibia. He has consulted widely across many sectors, in South Africa and Internationally, in the areas of general strategy and financial structuring.

G. G. Giachetti,
Non-executive

Aged 69, Civil Engineer (Masters degree). On site experience in construction since 1968. In 1970 started investing in Botswana and developing properties, some of which are now part of the RDC Properties portfolio. He is a Director of many companies in Botswana and internationally.

Audit and Risk Committee

R. N. Matthews

L. Magang

N. N. Ndaba

J. Pari

Robert N. Matthews, Chairman, aged 69, Fellow of the Institute of Chartered Accountants in England and Wales, Certified Public Accountant (USA), Fellow of the Botswana Institute of Chartered Accountants. Retired partner of PWC, Gaborone. Was Partner in Charge of Audit and Business Advisory Services. Now carrying out consulting and advisory work for companies and other clients in Botswana and externally.

Ndaba N. Gaolathe, Lesang Magang,

Co-opted member: Jacopo Pari

The Management Team

The management team comprises employees of Property and Asset Management Limited.

From left to right

Seated

France Mabiletsa Financial Manager, Priscilla Marukutira Group Financial Manager, Jacopo Pari Group General Manager, Amanda Evans Tenant Relationship Manager

Standing Eranse Mooki Property Manager, Ketlareng M Katlareng Property Manager, Neltah Mosimanegape Assistant Centre Manager, Chiseki Chiseki Senior Accountant, Tshiamo Sanane Accountant, Desney Katse Property Manager, Finn Chalashika Property Manager, Keatlaretse Tshenyego Accountant

Professional Advisors

Secretaries /Transfer Secretaries
Pricewaterhouse Coopers (Pty) Ltd
Plot 50371 Fairground Office Park
PO Box 294, Gaborone, Botswana

Independent Auditor
Deloitte & Touche
Plot 64518, Fairground Office Park
PO Box 778, Gaborone, Botswana

Property Managers/Asset Managers
Property and Asset Management Limited
PO Box 405391, Gaborone, Botswana

Stockbrokers
Stockbrokers Botswana Limited
Ground floor, Letshego Place,
Khama Crescent, Gaborone

Bankers
First National Bank of Botswana Limited
Barclays Bank of Botswana Limited

Property Valuers
Stocker Fleetwood-Bird
Plot 140, Unit 1, Kgale Terrace,
Gaborone .International .Finance .Park

Solicitors
Osei-Ofei Swabi & Company
Plot 115, Unit 18, Kgale Mews, Gaborone

Financial Advisors
Capital Management Botswana
First Floor, Block C, Letsema Office Park,
Plot 61920, Gaborone

Legal Advisor
Neill Armstrong
Suite 401, Turnstar House
Main Mall, Gaborone

Directors' Report

The directors present their annual report to the shareholders, together with the audited financial statements, for the year ended 31 December 2012.

Principal activities and business review

RDC Properties Limited ("RDCP") is a variable rate loan stock company publicly quoted, incorporated in Botswana. RDCP is a regional property business focused on deriving its revenue from the rental of investment properties and identifying development opportunities.

A detailed business review and future developments is included in the operating and financial review on pages 5 to 8.

Result for the year

Details of the results for the year ended 31 December 2012 are set out in the statements of comprehensive income in the financial statements on page 18.

Subsidiaries

The details of the company interest in property owning subsidiaries are set out in Note 7 of the financial statements.

Stated Capital

During the year, the 2011 final distribution and the 2012 interim distribution were offered with an option to receive capitalisation shares in lieu of 50% of the net distribution to eligible unit holders. For the 2011 final distribution unit holders representing 74.51% of the linked unit holders eligible to receive capitalisation units, elected to receive as many fully paid units in the Company as possible. Thus unit holders holding 25,559,315 linked units in the Company were allotted 489,100 new linked units listed on the Botswana Stock Exchange on the 30th of May 2012. For the 2012 interim distribution, unit holders representing 81.48% of the linked unit holders eligible to receive capitalisation units, elected to receive as many fully paid units in the Company as possible. Thus unit holders holding 28,250,624 linked units in the Company were allotted 324,358 new linked units listed on the Botswana Stock Exchange on the 24th of October 2012. Following the issue of the new capitalisation units, the total units of the Company in issue as at 31 December 2012 was 35,357,487 units (2011: 34,544,029 units).

Distribution to Unit Holders and Distribution Policy

The interest entitlement on every debenture is fixed at 50 times that of the dividend component of any distribution. The distribution, made bi-annually, varies with the operating performance of the group. Detail on the distribution is included in the operating and financial review on page 8 and Note 15 of the financial statements.

Distribution to Unit holders (thebe)

	Interest	Dividend	Total
2012			
Interim	32.43	0.65	32.08
Final	5.09	0.10	5.19
	37.52	**0.75**	**38.27**
2011			
Interim	15.82	0.32	16.14
Final	26.86	0.54	27.40
	42.68	**0.86**	**43.54**
Change	(12%)	(12%)	(12%)

Directors and secretary

In accordance with the Article 54 of Articles of Association of the company, M.A. Giachetti and L. Magang retire by rotation, and being eligible, offer themselves for re-election at the Annual General Meeting.

Interests of directors and secretary

The directors and secretary who held office at 31 December 2012 had no interests, other than those shown below, in the shares of the company or group companies.

	Held Directly	**Held Indirectly**
G.R.Giachetti	-	96,458
M.A.Giachetti	-	16,475,488
G.Giachetti	-	8,376,588
N.Gaolathe	-	-
L.Magang	6,010	-
J.Stewart	-	-
K. C. Maphage	-	-

Note: For G. R. Giachetti shares held indirectly are held by his daughters.

Directors' Report (continued)

Substantial holdings

The directors have been notified of the following significant interests in the ordinary share capital of the Company at 31 December 2012.

TABLE OF SUBSTANTIAL HOLDINGS		
Major linked unit holders	Number of Linked Units	%
Realestate Financière SA	16,475,488	46.60
Chobe Financial Corporation	8,376,588	23.69
Motor Vehicle Accident Fund	1,645,221	4.65

Directors' interests in contracts

The following directors, G. Giachetti and M. A. Giachetti, have a beneficial interest in a material contract to which the company or a subsidiary was a party during the year. Details of which are disclosed in the Corporate Governance Statement.

The company has a service contract with Property and Asset Management Limited (PAM), details of which are disclosed in the Chairman's Statement and in the Corporate Governance report. G. R. Giachetti, M. A. Giachetti, G. Giachetti, L. Magang and J. S. Stewart are directors of PAM.

One of the directors, G. Giachetti has an indirect interest in the group's investment in a joint venture company, HMS1 Société Anonyme (HMS1).

Key performance indicators (KPI's)

The group considers the following measures as being important indicators of the underlying performance of the business:

Net asset value
The key long-term financial objective for the group is growth in its net asset value per linked unit.

Net debt to gross property assets
A second important financial objective of the group is to establish and maintain an appropriate balance sheet structure that provides it with adequate funding to fulfil its medium to long term objectives while at the same time maintaining a prudent ratio of net debt to gross property assets.

Returns from investment and development properties
A third important financial objective is to optimise returns from the group's property portfolio. For investment properties, this is achieved by concentrated asset management and retention of tenants to maximise rental yields. For development properties, it is accomplished through yielding up potential tenancies for new developments and cost control.

Financial risk management

The group's activities expose it to a variety of financial risks including interest rate, foreign currency, funding and credit risks. These financial risks are managed by the Board and reviewed by the Audit and Risk Committee, as described in note 27 to the financial statements.

Principal risks and uncertainties

The principal risks and uncertainties that the group faces are:

- Property value: The performance of the group is determined principally by the values of its property assets, which, in turn, are dependent on a variety of factors applying in the markets in which RDCP operates, including:
    - local economic conditions, as affected by government policy, legislation, economic growth, interest rates and inflation; and
    - supply of and demand for property, and their impact on rental levels.

The values of individual properties are determined by their specific usage and locations, the quality of their tenants and the rents paid by them and by their potential for alternative usage or redevelopment.

The board mitigates these risks by the employment of an expert professional management team and by adopting appropriate strategic objectives to be pursued (including sectoral and geographic diversification).

- General financing: The current global economic environment has resulted in constraints on the availability of credit. Such financial conditions may affect the group's ability to raise further finance on acceptable terms. However, this will not affect its ability to face future financial obligations, loan repayments and operating expenses when they fall due.

- Expansion and related funding: The group's ability to realise its business strategy is dependent on management's ability to source new profitable property opportunities, to exploit the development opportunities within its property portfolio and to fund these as required. The board has mitigated these risks by the indirect appointment of a suitably qualified management team employed by PAM and by continuing to source appropriate financing arrangements to fund its plans.

Directors' Report (continued)

- Liquidity: Property assets are relatively illiquid. Such illiquidity will not affect the group's ability to vary its portfolio as the location and quality of the portfolio would enable the Company to dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices.

- Currency: The group presents its financial information in Pula. A significant proportion of its property portfolio is located in Botswana and, consequently, a significant part of its rental income and a significant proportion of its property assets are denominated in Pula. The board has mitigated the risk by making sure that there is no mis-match between financing and expected income currency on all new developments.

Going concern

After making inquiries, the directors are confident that the group has adequate resources to continue in operational existence for the foreseeable future. In particular, in making such enquiries, the board has had regard to its current financing arrangements and its planned activities for the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Auditors

In accordance with relevant sections of the Companies Act, the auditors, Deloitte & Touche, will continue in office.

Subsidiaries and Investments

Information on the group's significant subsidiaries and investments is set out in Note 7 to the financial statements.

Responsibility statement

We confirm to the best of our knowledge:

(a) the financial statements, prepared in accordance with the International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group and the undertakings included in the consolidation taken as a whole; and

(b) the Chairman's statement, the Operating and Financial review, the Key risks and uncertainties and the Directors' report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Special business at the Annual General Meeting

Notice of the seventeenth Annual General Meeting (AGM) with details of the ordinary and special business to be considered at the meeting is enclosed with this Annual Report.

A Form of Proxy for use at the AGM is included at the back of this Annual Report.

On behalf of the board

G. R. Giachetti Executive Chairman	M. A. Giachetti Non Executive Director

Corporate Governance Statement

The directors of RDCP are committed to maintaining high standards of corporate governance and remain committed to the principles of transparency, accountability and integrity.

RDCP supports the principles and provisions of the Botswana Stock Exchange Code on Corporate Governance and has undertaken to apply these in so far as appropriate and practical for a company of its size. The following statement describes how RDCP is applying the Code in the governance of its business.

The Board of Directors

The board comprises seven directors, one executive director and six non-executive directors, of which three are independent. Biographical details of the directors are set out on page 9.

The conduct of the Company's operations is delegated to the executive management team, which is employed by Property and Asset Management Limited, within predefined authority limits. The board is ultimately responsible for the leadership and control of the company.

The board agrees a schedule of regular meetings to be held in each calendar year and also meets on other occasions as necessary. There is a schedule of matters specifically reserved for decision at board meetings, as follows:

- approval of strategic plans for the group;
- approval of annual statutory financial statements, annual budgets and interim accounts;
- review of operational and financial performance;
- approval of major property acquisitions and investments;
- review of the group's internal controls and risk management processes; and
- appointments of the companies providing property management, asset management, project management and all major development contracts.

Operation of the Board

The board meets regularly throughout the year. The directors receive quarterly management accounts and full board papers are sent to each member on a timely basis prior to each board meeting to enable them to discharge their duties. These papers include the minutes of meetings of the board.

An induction process is in place to familiarise new board members with the operations of the group and with the procedures of the board.

Effective governance is achieved by the separation of the roles of the Executive Chairman and the management team, as this division of responsibilities ensures a balance of power and authority. The Executive Chairman has overall responsibility for ensuring that the group achieves a satisfactory return on investment for unit holders. He oversees the orderly operation of the board and ensures appropriate interaction between it, executive management and the company's unit holders. PAM Group General Manager is responsible for developing and delivering the group's strategy and is accountable for its overall performance and day to day management.

Attendance at scheduled board and relevant committee meetings during the year ended 31 December 2012

	Number of meetings eligible to attend	Attended	Fees Paid in 2012
G. R. Giachetti	4	4	P 9,000.00
M. A. Gachetti	4	2	P 8,250.00
G. Giachetti	4	2	P6,750.00
G.W. Matenge*	1	1	P6,750.00
N. N. Gaolathe	4	3	P8,250.00
J. S. Stewart	4	4	P9,000.00
L. Magang	4	4	P9,000.00
K. C. Maphage**	1	1	P750.00

*G.W. Matenge retired from the board on the 16th of May 2012 after serving as director since 1992
**K. C. Maphage was appointed as a director with effect from 13 November 2012.

Terms of Appointment

Non-executive directors have been invited to join the board for a three year period, subject to re-election by unit holders as provided for in the company's articles of association.

The board does not believe that the number of years that a person serves as a director should be limited. Directors that have served for an extended period are able to provide valuable knowledge and experience necessary to lead the company and be re-elected.

The appointment and removal of the Company Secretary is a matter for the board. All directors have access to the advice and services of the Company Secretary.

Corporate Governance Statement (continued)

Independence of directors

All the directors bring independent judgement to bear in the course of performance of their duties.

In particular, the board reviewed the position of G. R. Giachetti as Executive Chairman and determined that, despite his executive role, it is confident that the effective separation of duties exists within the Management Team. The Chairman executes his powers in an independent manner throughout the financial year, discharges his duties in a consistently independent manner and constructively and appropriately challenges the executive management team and the board.

Board committees

The board has established a formal sub-committee.

Audit and Risk committee

The purpose of the audit and risk committee is to oversee the financial reporting processes, assurance and finance functions and external audit process of RDCP. The audit and risk committee, is composed of three members and the Chairman, who is not a director of the company, is an independent advisor. He is assisted by two directors, both non-executive, independent members of the board. The co-opted member is the group's General Manager. The committee meets three times a year and reports are issued to the board.

Attendance at scheduled audit committee meetings during the year ended 31 December 2012

	Attended	Fees paid in 2012
R. N. Matthews	2	P20,000.00
L. Magang	3	P2,250.00
N. N. Ndaba	2	P1,500.00
J. Pari	3	-

Remuneration/Nominations committee

The board plans for its own succession. In view of the current size of the company, and the fact that no one is employed by the company, the board has not established these committees. Directorships, and where appropriate, senior management appointments are considered and recommended by the board.

Auditors

The auditors are permitted to provide non-audit services that are not in conflict with auditor independence where they are considered by the board to be the most appropriate to provide the services in the best interests of the company. The external auditors have full and unrestricted access to all information of the company.

Internal controls

The board has overall responsibility for the group's system of internal control and for monitoring its effectiveness. The system of internal control applied by the company is designed to allow reasonable but not absolute assurance against material misstatement or loss.

On a regular basis, the board receives reports on the key issues affecting the business of the company.

The Company's Annual General Meeting affords individual unit holders the opportunity to question the Chairman and members of the board. Notice of the Annual General Meeting is sent to unit holders at least 21 calender days before the meeting. At the meeting, after each resolution has been dealt with, details are given of the number of proxies lodged, together with details of votes cast for and against each resolution.

Fees for non-executive directors are determined by the board on an annual basis.

Service contracts and letters of appointment

The following directors, M. A. Giachetti, and G. Giachetti have a beneficial interest in a material contract to which the company or its subsidiary was a party during the year. The contract is the construction of Masa Centre awarded to Italtswana Construction Company (Pty) Ltd (ICC) by Three Partners Resorts Limited. The contract was awarded following a tender process coordinated by a firm of Independent Professional Quantity Surveyors. The construction of Masa Centre was completed during the year.

The company has a service contract with Property and Asset Management Limited (PAM), details of which are disclosed in the Chairman's Statement and in the Directors reports.

G. R. Giachetti, M. A. Giachetti, G. Giachetti, L. Magang and J. S. Stewart are directors of PAM which is the company providing property management, accounting and secretarial services to RDCP. The appointment of PAM is reviewed by the Board on a regular basis and both competitiveness and quality of the services are openly discussed.

One of the directors, G. Giachetti has an indirect interest in the group's investment in a joint venture company, HMS1 SA.

G. R. Giachetti, M. A. Giachetti, and G. Giachetti are directors of ICC, which is among the civil engineering companies providing construction services to the group. The appointment of ICC, for any construction contracts, is reviewed by the board on a case by case basis and generally after recommendation from an independent Professional Quantity Surveyor in control of the negotiation or a completely transparent tendering process.

Directors' Responsibility Statement and Approval of Annual Financial Statements

31 December 2012

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of RDC Properties Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2012, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS").

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

The directors' responsibility includes: designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the company. 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 have made an assessment of the group's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead. The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently reviewing and reporting on the group's annual financial statements and annual financial statements, which were examined by the external auditors and their unmodified report is presented on page 17.

Approval of the annual financial statements

The group annual financial statements and annual financial statements set out on pages 18 to 44 which have been prepared on the going concern basis, were approved by the board on 20 March 2013 and were signed on its behalf by:

Mr. G. R. Giachetti
Chairman

Mr. M. A. Giachetti
Director

Deloitte.

PO Box 778
Gaborone
Botswana

Deloitte & Touche
Assurance & Advisory Services
Certified Public Accountants
(Botswana)
Deloitte & Touche House
Plot 64518
Fairgrounds Office Park
Gaborone
Botswana

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

Independent Auditor's Report to the Members of RDC Properties Limited

We have audited the accompanying group annual financial statements and annual financial statements of RDC Properties Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2012, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 44.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of RDC Properties Limited as at 31 December 2012, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche

Deloitte & Touche
Certified Auditors
Practicing Member: M Bardopoulos (20090042)

Gaborone
20 March 2013

Statements of Comprehensive Income

for the year ended 31 December 2012

	Notes	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Revenue		47 203	32 711	22 133	25 378
Contractual lease rental revenue	1	48 259	30 954	25 949	24 873
Straight line rental adjustment		(2 234)	755	(3 816)	505
Hotel revenue		1 178	1 002	-	-
Operating expenses		(16 860)	(10 646)	(6 953)	(6 544)
Net foreign exchange (losses)/gains		(55)	1 582	(36)	(23)
Other operating income		225	830	143	431
Profit from operations before fair value adjustments		30 513	24 477	15 287	19 242
Surplus arising on revaluation of properties		107 312	106 368	20 254	89 809
Net valuation		105 078	107 123	16 438	90 314
Adjusted for straight line rental adjustment		2 234	(755)	3 816	(505)
Profit from operations	2	137 825	130 845	35 541	109 051
Investment income	3	3 935	7 692	4 344	9 315
Finance costs	4	(19 533)	(11 029)	(9 790)	(9 393)
Profit before tax		122 227	127 508	30 095	108 973
Income tax expense	5	(15 792)	(6 460)	(2 363)	(3 870)
Profit for the year from continuing operations		106 435	121 048	27 732	105 103
Discontinued operations					
Profit from discontinued operations	28	-	62	-	-
Profit for the year		106 435	121,110	27 732	105 103
Other comprehensive income					
Exchange differences on translation of foreign operations		(243)	(239)	-	-
Total comprehensive income for the year		**106 192**	**120 871**	**27 732**	**105 103**
Profit attributable to:					
Owners of the company		68 754	113 175	27 732	105 103
Non-controlling interests		37 681	7 935	-	-
		106 435	121 110	27 732	105 103
Total comprehensive income attributable to:					
Owners of the company		68 511	112,936	27 732	105 103
Non-controlling interests		37 681	7 935	-	-
		106 192	120 871	27 732	105 103
Interest to dividend ratio		50:1	50:1	50:1	50:1
Number of linked units in issue at year end	13 & 14	35 357 487	34 544 029	35 357 487	34 544 029
Average number of linked units in issue		34 893 828	34 148 322	34 893 828	34 148 322
Earnings per linked unit (thebe)		205.37	340.92		
Earnings per linked unit is calculated based on the average number of linked units in issue and profit for the year attributable to the owners of the company adjusted by the taxation on debenture interest credited to statement of changes in equity of:		71 661	116 419		
Distribution per linked unit (thebe)		38.27	43.54		
Interest per linked unit (thebe)		37.52	42.68		
Dividend per linked unit (thebe)		0.75	0.86		

Distribution per linked unit is calculated on the number of linked units in issue.

Statements of Financial Position

31 December 2012

	Notes	Group 31 December 2012 P'000	Group 31 December 2011 P'000 (Restated)	Group 1 January 2011 P'000 (Restated)	Company 31 December 2012 P'000	Company 31 December 2011 P'000 (Restated)	Company 1 January 2011 P'000 (Restated)
ASSETS							
Non-current Assets							
Property, plant and equipment	6	22 172	311 188	246 877	23	29	12
Investments	7	1 980	2 152	2 323	109 486	94 056	84 912
Investment properties		720 974	294 305	213 937	255 486	235 139	171 330
At fair value	8	724 871	300 436	219 313	256 392	239 861	175 547
Rental receivable - straight line rental adjustment	8	(3 897)	(6 131)	(5 376)	(906)	(4 722)	(4 217)
Intangible asset	9	1 000	1 000	1 000	-	-	-
Rental receivable - straight line rental adjustment	8	3 897	6 131	5 376	906	4 722	4 217
Long term advances	10	-	-	-	-	3 152	3 843
Deferred tax asset	19	2 231	1 583	471	-	-	-
		752 254	616 359	469 984	365 901	337 098	264 314
Current Assets							
Inventories		57	67	32	-	-	-
Trade and other receivables	11	20 715	12 737	15 294	9 017	7 011	6 545
Current portion of long term advances	10	-	-	-	-	768	750
Current tax assets		497	-	109	163	-	33
Cash and cash equivalents	12	2 315	8 717	4 220	163	224	1 428
		23 584	21 521	19 655	9 343	8 003	8 756
Assets classified as held for sale	29	26 400	27 270	2 400	26 400	26 000	-
Total current assets		49 984	48 791	22 055	35 743	34 003	8 756
Total Assets		**802 238**	**665 150**	**492 039**	**401 644**	**371 101**	**273 070**
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated capital	13	8 944	8 845	8 733	8 944	8 845	8 733
Debentures	14	66 750	61 817	56 241	66 750	61 817	56 241
Accumulated profits	15	272 923	214 738	113 360	209 339	192 176	98 870
Debenture interest and dividend reserve	16	7 623	9 465	14 111	7 623	9 465	14 111
Non distributable reserve		41	41	41	-	-	-
Foreign currency translation reserve		(1 950)	(1 707)	(1 468)	-	-	-
Equity attributable to owners of the parent		354 331	293 199	191 018	292 656	272 303	177 955
Non-controlling interests	17	129 863	82,941	70 036	-	-	-
Total equity		484 194	376 140	261 054	292 656	272 303	177 955
Non-current Liabilities							
Long term borrowings	18	238 167	236 051	187 724	79 967	75 000	75 000
Deferred tax liabilities	19	26 011	11 918	10 108	7 820	6 888	7 698
		264 178	247 969	197 832	87 787	81 888	82 698
Current Liabilities							
Trade and other payables	20	24 240	17 769	20 498	8 328	6 618	10 097
Bank overdraft	21	15 219	9 264	2 417	9 661	6 747	-
Current portion of long term borrowings	18	14 400	12 271	9 248	3 212	2 212	2 320
Current tax liabilities		7	1 340	12	-	1 333	
		53 866	40 644	32 175	21 201	16 910	12 417
Liabilities directly associated with assets classified as held for sale	29	-	397	978	-	-	-
Total current liabilities		53 866	41 041	33 153	21 201	16 910	12 417
Total Equity and Liabilities		**802 238**	**665 150**	**492 039**	**401 644**	**371 101**	**273 070**

Statements of Changes in Equity

for the year ended 31 December 2012

GROUP	Notes	Stated capital P'000	Debentures P'000	Accumulated profits P'000	Debenture interest and dividend reserve P'000	Non-distributable reserve P'000	Foreign currency translation reserve P'000	Attributable to owners of the parent P'000	Non-controlling interests P'000	Total P'000
Balance at 1 January 2011		8 733	56 241	93 501	14 111	41	(1 468)	171 159	68 292	239 451
Impact of change in accounting policy (note 30)		-	-	19 859	-	-	-	19 859	1 744	21 603
Balance as at 1 January 2011 (restated)		8 733	56 241	113 360	14 111	41	(1 468)	191 018	70 036	261 054
Capitalisation issue of linked units	13 & 14	112	5 576	-	-	-	-	5 688	-	5 688
		8 845	61 817	113 360	14 111	41	(1 468)	196 706	70 036	266 742
Profit for the year, as restated		-	-	113 175	-	-	-	113 175	7 935	121 110
Other comprehensive income for the year		-	-	-	-	-	(239)	(239)	-	(239)
Total comprehensive income for the year		-	-	113 175	-	-	(239)	112 936	7 935	120 871
Debenture interest declared and proposed	16	-	-	(14 745)	14 745	-	-	-	-	-
Taxation attributable to debenture interest	5	-	-	3 244	-	-	-	3 244	-	3 244
Debenture interest paid		-	-	-	(19 300)	-	-	(19 300)	-	(19 300)
Dividends declared and proposed	16	-	-	(296)	296	-	-	-	-	-
Dividends paid		-	-	-	(387)	-	-	(387)	-	(387)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(760)	(760)
Net loans received from non-controlling interests		-	-	-	-	-	-	-	5 730	5 730
Balance at 31 December 2011 (restated)		8 845	61 817	214 738	9 465	41	(1 707)	293 199	82 941	376 140
Capitalisation issue of linked units	13 & 14	99	4 933	-	-	-	-	5 032	-	5 032
		8 944	66 750	214 738	9 465	41	(1 707)	298 231	82 941	381 172
Profit for the year		-	-	68 754	-	-	-	68 754	37 681	106 435
Other comprehensive income for the year		-	-	-	-	-	(243)	(243)	-	(243)
Total comprehensive income for the year		-	-	68 754	-	-	(243)	68 511	37 681	106 192
Debenture interest declared and proposed	16	-	-	(13 212)	13 212	-	-	-	-	-
Taxation attributable to debenture interest	5	-	-	2 907	-	-	-	2 907	-	2 907
Debenture interest paid		-	-	-	(15 018)	-	-	(15 018)	-	(15 018)
Dividends declared and proposed	16	-	-	(264)	264	-	-	-	-	-
Dividends paid		-	-	-	(300)	-	-	(300)	-	(300)
Net loans received from non-controlling interests		-	-	-	-	-	-	-	9 241	9 241
Balance at 31 December 2012		8 944	66 750	272 923	7 623	41	(1 950)	354 331	129 863	484 194

COMPANY	Notes	Stated capital P'000	Debentures P'000	Accumulated profits P'000	Debenture interest and dividend reserve P'000	Non-distributable reserve P'000	Foreign currency translation reserve P'000	Attributable to owners of the parent P'000	Non-controlling interests P'000	Total P'000
Balance at 1 January 2011		8 733	56 241	80 991	14 111	-	-	160 076	-	160 076
Impact of change in accounting policy (note 30)		-	-	17 879	-	-	-	17 879	-	17 879
Balance as at 1 January 2011 (restated)		8 733	56 241	98 870	14 111	-	-	177 955	-	177 955
Capitalisation issue of linked units	13 & 14	112	5 576	-	-	-	-	5 688	-	5 688
		8 845	61 817	98 870	14 111	-	-	183 643	-	183 643
Profit for the year		-	-	105 103	-	-	-	105 103	-	105 103
Total comprehensive income for the year		-	-	105 103	-	-	-	105 103	-	105 103
Debenture interest declared and proposed	16	-	-	(14 745)	14 745	-	-	-	-	-
Taxation attributable to debenture interest	5	-	-	3 244	-	-	-	3 244	-	3 244
Debenture interest paid		-	-	-	(19 300)	-	-	(19 300)	-	(19 300)
Dividends declared and proposed	16	-	-	(296)	296	-	-	-	-	-
Dividends paid		-	-	-	(387)	-	-	(387)	-	(387)
Balance at 31 December 2011 (restated)		8 845	61 817	192 176	9 465	-	-	272 303	-	272 303
Capitalisation issue of linked units	13 & 14	99	4 933	-	-	-	-	5 032	-	5 032
		8 944	66 750	192 176	9 465	-	-	277 335	-	277 335
Profit for the year		-	-	27 732	-	-	-	27 732	-	27 732
Total comprehensive income for the year		-	-	27 732	-	-	-	27 732	-	27 732
Debenture interest declared and proposed	16	-	-	(13 212)	13 212	-	-	-	-	-
Taxation attributable to debenture interest	5	-	-	2 907	-	-	-	2 907	-	2 907
Debenture interest paid		-	-	-	(15 018)	-	-	(15 018)	-	(15 018)
Dividends declared and proposed	16	-	-	(264)	264	-	-	-	-	-
Dividends paid		-	-	-	(300)	-	-	(300)	-	(300)
Balance at 31 December 2012		8 944	66 750	209 339	7 623	-	-	292 656	-	292 656

Statements of Cash Flows

for the year ended 31 December 2012

	Notes	Group 2012 P'000	Group 2011 P'000	Company 2012 P'000	Company 2011 P'000
Cash flows from operating activities					
Profit from continuing operations		137 825	130 845	35 541	109 051
Profit from discountinued operations	28	-	51	-	-
Adjustment for items not involving the movement of cash:					
Amortisation of other investments		172	172	172	172
Depreciation		1 332	1 420	6	5
Surplus arising on revaluation of investment properties		(105 078)	(107 123)	(16 438)	(90 314)
Operating income before working capital changes		34 251	25 365	19 281	18 914
Changes in working capital:					
- (Increase)/decrease in trade and other receivables		(7 048)	2 590	(2 006)	(444)
- Increase/(decrease) in trade and other payables		6 024	(3 288)	1 710	(3 478)
- Decrease/(increase) in inventories		10	(32)	-	-
Taxation paid		(1 330)	(1 114)	(20)	(93)
Net cash generated from operating activities		31 907	23 521	18 965	14 899
Cash flows used in investing activities					
Purchase of property, plant and equipment		(17 983)	(40 413)	-	(22)
Improvements to investment properties		(493)	-	(493)	-
Interest income received	3	3 130	6 890	3 539	7 613
Interest income received - discontinued activities	3	-	11	-	-
Investment income	3	805	802	805	802
Investment in subsidiaries		-	-	(15 602)	(9 316)
Dividend income		-	-	-	900
Net loan repayments from subsidiaries		-	-	3 920	673
Net cash (used in)/generated from investing activities		(14 541)	(32 710)	(7 831)	650
Cash flows (used in)/from financing activities					
Dividends paid		(300)	(387)	(300)	(387)
Debenture interest paid		(15 018)	(19 300)	(15 018)	(19 300)
Finance costs paid		(32 803)	(36 593)	(9 790)	(9 393)
Long term loans raised		11 000	52 134	6 000	-
Long term loans repaid		(7 137)	(562)	(33)	(108)
Issue of ordinary shares	13	99	112	99	112
Issue of debentures	14	4 933	5 576	4 933	5 576
Amounts received from non-controlling interests	17	11 655	6 673	-	-
Dividends paid to non-controlling interests	17	-	(760)	-	-
Amounts repaid to non-controlling interests	17	(2 414)	(943)	-	-
Net cash (used in)/ generated from financing activities		(29 985)	5 950	(14 109)	(23 500)
Net movement in cash and cash equivalents		(12 619)	(3 239)	(2 975)	(7 951)
Cash and cash equivalents at beginning of year		(318)	2 796	(6 523)	1 428
Effects of exchange rate on the cash held in foreign currencies		33	125	-	-
Cash and cash equivalents at end of year		(12 904)	(318)	(9 498)	(6 523)
Consisting of:					
Cash and bank balances		2 315	8 717	163	224
Cash and bank balances - discontinued operations	29	-	229	-	-
Bank overdraft		(15 219)	(9 264)	(9 661)	(6 747)
		(12 904)	(318)	(9 498)	(6 523)

Significant Accounting Policies
31 December 2012

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

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Adoption of new and revised International Financial Reporting Standards
In the current year, the Group has adopted all of the new and revised Standards and Interpretations of the International Accounting Standards Board (the IASB) and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual reporting beginning on or before 1 January 2012.

There have been no significant changes to the financial results of the Group arising from the adoption of the revised standards and new interpretations except for IAS 12 Income Taxes (revised)-Recovery of Underlying Assets.

Amendment to IAS 12 Income Taxes
The Group has applied the amendments to IAS 12 Income Tax: Recovery of Underlying Assets. Under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes unless the presumption is rebutted.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to IAS 12, the directors reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, but would rather be recovered through sale. Therefore, the directors have determined that the presumption set out in the amendments to IAS 12 is not rebutted. The application of the amendments to IAS 12 has resulted in the restatement of the financial statements and the effect of the restatement in the comparative information is detailed in note 30.

The Group has early adopted the following standard:
IAS1 (Amended) Presentation of Financial Statements -Amendments resulting from May 2012 Annual Improvemnts to IFRSs
IAS1 (Amended) is effective for the periods beginning on or after 1 January 2013. The Group has early adopted and applied the standard in the current year. Its adoption has affected the disclosure of comparative information.

International Financial Reporting Standards in issue but not yet effective
At the date of approval of these financial statements, the following applicable Standards were in issue but not yet effective:

-IFRS 1 First Time Adoption of International Financial Reporting Standards – Amendment resulting from annual improvements 2009-2011 Cycle (repeat application, borrowing costs) (effective for period beginning 1 January 2013);

-IFRS 7 Financial instruments: Diclosures-amendments enhancing disclosures about offsetting of financial assets and financial liabilites (effective for annual periods beginning on or after 1 January 2013 and interim periods within those periods);

-IFRS 7 Financial instruments : Disclosures-amendments requiring disclosures about initial application of IFRS 9 (effective for annual periods beginning on or after 1 January 2015/otherwise when IFRS 9 is first applied);

-IFRS 9 Financial instruments: Classification and measurement of financial assets (effective for periods beginning on or after 1 January 2015);

-IFRS 9 Financial instruments: Accounting for financial liabilities and derecognition (effective for annual period beginning on or after 1 January 2015);

-IFRS 9 Financial instruments: Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective for annual period beginning on or after 1 January 2015);

-IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013);

-IFRS 10 Consolidated Financial Statements Amendments for investment entities (effective for annual periods beginning on or after 1 January 2014);

-IFRS 11 Joint Arrangements (effective for annual periods beginning on or after 1 January 2013);

Significant Accounting Policies (continued)

31 December 2012

Adoption of new and revised International Financial Reporting Standards (continued)

-IFRS 12 Disclosures of Interests in Other Entities (effective for annual periods beginning or after 1 January 2013);

-IFRS 12 Disclosures of Interests in Other Entities - Amendments for investment entities (effective for annual periods beginning or after 1 January 2014);

-IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013);

-IAS 1 Presentation of Financial Statements : Amendments to revise the way other comprehensive income is presented (effective for annual periods beginning on or after 1 July 2012);

-IAS 16 Property, Plant and Equipment - Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment);

-IAS 27 Consolidated and Separate Financial Statements: Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) (effective for annual periods beginning on or after 1 January 2013);

-IAS 27 Consolidated and Separate Financial Statements: Amendments for investment entities (effective for annual periods beginning on or after 1 January 2014);

-IAS 28 Investments in Associates: Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) (effective for annual periods beginning on or after 1 January 2013);

-IAS 32 Financial Instruments: Presentation -amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014);

-IAS 32 Financial Instruments: Presentation -amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014).

The impact, if any, of the new and revised standards and interpretations in issue but not yet effective has not yet been evaluated.

Basis of accounting

The financial statements have been prepared on the historical basis, except for the revaluation of investment properties and certain financial instruments carried at fair value. The principal accounting policies, which have been consistently followed in all material respects, are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the company (its subsidiaries) made up to 31 December each year. Control is achieved where the company has the power to govern financial and operating policies of an investee's enterprise so as to obtain benefits from its activities. On acquisition the assets and liabilities of a subsidiary are measured at their fair values at date of acquisition. The interest of non-controlling interest is stated at the their proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the year are included in the group's statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the group.

All intercompany transactions and balances between group enterprises are eliminated on consolidation.

Revenue recognition

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

Significant Accounting Policies (continued)

31 December 2012

Rental income

Rental income from operating leases is recognised in the statements of comprehensive income on a straight line basis over the term of relevant leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on the straight line basis over the lease term.

The change in fair value of investment properties is offset against the rentals straight line adjustment in the statements of comprehensive income.

Other operating revenue

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

Interest

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

Investment properties

Investment properties, which are held to earn rentals and for capital appreciation, are stated at their fair values at each statement of financial position date. Gains or losses arising in changes to fair value of investment properties are recognised in the statements of comprehensive income in the period in which they arise.

Impairment

At each statement of financial position date, the group and the company review the carrying amounts of their assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts, being the higher of fair value less costs to sell and value in use, of the assets are estimated in order to determine the extent of the impairment. Impairment losses and subsequent reversals are recognised in the statements of comprehensive income.

Interest in joint ventures

A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the group's share output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets for Sale and Discontinued Operations. The group's share of assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the group's interest in a jointly controlled entity is accounted for in terms of IFRS 3. Where the group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

Significant Accounting Policies (continued)

31 December 2012

Non-current assets held for sale (continued)

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the group and the company become party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Loans and receivables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for financial assets.

Cash and cash equivalents

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

Impairment of financial assets

Trade receivables are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's or company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Before accepting any new tenant, the group and company assesses the potential credit quality, and obtains surety as a measure of protection against possible default in future payments.

The management frequently reviews and identifies the receivables where recovery could be doubtful, based on factors such as past track record and possibilities of recovery in future. Additional security is also obtained, and payment plans are put in place for debtors who are identified as untimely payers.

Trade and other receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less impairment losses. Impairment losses are recognised in the statements of comprehensive income when collection of the full amount is no longer probable. Impairment losses are written off as incurred.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Significant Accounting Policies (continued)

31 December 2012

Financial liabilities
The group's and the company's significant financial liabilities include interest bearing loans, related companies balances and trade and other payables which have been classified as other financial liabilities.

Interest bearing loans are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

Trade payables and other accounts payable are stated at their nominal value. Equity and debt instruments, which comprise the stated capital and the variable rate unsecured debentures, are recorded at the proceeds received net of direct issue costs.

Derecognition of financial liabilities
The group and the company derecognise financial liabilities when, and only when, their obligations are discharged, cancelled or they expire.

Gains and losses on subsequent measurement of financial instruments
Gains and losses arising from a change in the fair value of financial instruments are included in the statements of comprehensive income in the period in which the change arises.

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

Investments
All investments are reported at cost less accumulated impairment losses.

The investment in Chobe Marina Lodge (Proprietary) Limited is stated at cost less amortisation. The investment is amortised over the lease period of 25 years on a discounted cash flow basis. The amortisation is charged to the statements of comprehensive income.

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

Property, plant and equipment
Properties in the course of construction are reflected as capital work in progress and are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs are capitalised in accordance with the group's and the company's accounting policies. Completed properties, plant and equipment (excluding investment properties) is stated in the statements of financial position at cost less accumulated depreciation and any impairment losses. The methods of depreciation, useful lives and residual values are reviewed annually.

Depreciation is calculated on the straight line basis to write off the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	20-50 years
Plant and equipment	2 - 10 years
Office equipment	3 - 10 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds, and the carrying amount of the asset and is recognised in the statements of comprehensive income.

Intangible assets
Intangible assets acquired separately are reported at cost less accumulated impairment losses. The intangible asset has been assessed as having an indefinite useful life. As such, the intangible asset is not amortised. The estimated useful life is reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Significant Accounting Policies (continued)
31 December 2012

Related party transactions
Related parties are defined as those parties that:

(a) directly, or indirectly through one or more intermediaries,

(i) control, are controlled by, or are under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
(ii) have an interest in the entity that gives them significant influence over the entity; or

(b) that are members of the key management personnel of the entity, including close members of the family.

All dealings with related parties are transacted on an arm's length basis and accordingly included in statements of comprehensive income for the year.

Taxation
Tax expense comprises current and deferred tax.

Current tax
The charge for current tax is based on the results for the year as adjusted for items which are non assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the statements of financial position date.

Deferred tax
Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax basis used for computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the rates that are expected to apply when the asset is realised or the liability settled. Deferred tax is charged or recognised in the statements of comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model under IAS 40 Investment Property, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in IAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currency
Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognised in the statements of comprehensive income. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates ruling on the statements of financial position date. Gains and losses arising on retranslation are dealt with in the statements of comprehensive income.

On consolidation, the assets and liabilities of the group's overseas operations are translated at exchange rates prevailing at the statements of financial position date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange

Significant Accounting Policies (continued)

31 December 2012

Foreign currency (continued)

differences arising, if any, are classified as equity and transferred to the group's foreign currency translation reserve. Such translation differences are recognised in the group statement of comprehensive income in the period in which the operation is disposed of.

Provisions

Provisions are recognised when the group and the company have a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Leasing

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

The group as lessor

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The group as lessee

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

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

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

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

Significant Accounting Policies (continued)

31 December 2012

Critical accounting judgements and key sources of estimation uncertainty

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

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

Fair value of investment properties

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

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets from investment properties that are measured using the fair value model in IAS 40, the directors have reviewed that the Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption set out in IAS 12 that invetsment properties measured using the fair value model are recovered through sale is not rebutted.

Impairment of investments and assets

The directors have reviewed the investments and assets and considered if any impairment is necessary based on review of net asset value and discounted cash flows.

Provision of doubtful debt

The Group provides, as doubtful debt for past due and impaired trade receivables based on estimated irrecoverable amounts determined by reference to past track records and possibilities of recovery in future.

Useful lives and residual values of property, plant and equipment

The group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. During the financial year the directors determined that the useful lives and estimated residual values of items of property, plant and equipment remained unchanged.

Recoverability of intangible asset

During the year, the directors considered the recoverability of the group's intangible asset arising from a capitalised development, which is included in the consolidated financial position at P1,000,000. The directors are confident that the carrying amount of this asset will be recovered in full although returns are reduced. This situation will be closely monitored and adjustments made in future periods if appropriate.

Notes to the Financial Statements

31 December 2012

	Group 2012 P'000	Group 2011 P'000	Company 2012 P'000	Company 2011 P'000
1. Contractual lease rental revenue				
Revenue comprises rental income and service charges recovered from tenants.				
Rental income	44 567	29 743	24 982	23 835
Service charges recovered	3 692	1 211	967	1 038
	48 259	30 954	25 949	24 873
2. Profit from operations				
Profit from operations is stated after taking into account the following:				
Auditor's remuneration - audit fee	329	345	320	326
Amortisation of other investments	172	172	172	172
Depreciation	1 332	1 420	6	5
Directors' emoluments (note 22) - for services as directors	58	78	58	78
Foreign exchange losses/(gains) - foreign entities	18	(1 605)	-	-
- other	37	23	36	23
Management and administration fee paid to related company (note 22)	2 612	1 952	1 456	1 366
Movement in provision for doubtful debt	607	(2 374)	339	(1 681)
Repairs and maintenance on investment properties	1 165	852	947	717
Service charge paid to related company (note 22)	1 217	1 205	1 217	1 205
3. Investment income				
Interest income:				
- bank	18	64	-	-
- related parties and intercompany (note 22)	308	462	735	1 249
- intercompany capitalised on qualifying assets (note 22)	2 804	6 364	2 804	6 364
	3 130	6 890	3 539	7 613
Share of the net income from Chobe Marina Lodge (Proprietary) Limited	805	802	805	802
Dividends	-	-	-	900
	3 935	7 692	4 344	9 315
Discontinued operations				
Interest income:				
- bank (note 28)	-	11	-	-
4. Finance costs				
Interest payable				
- bank	963	631	897	605
- long term loans	31 785	35 741	8 893	8 788
Total borrowing costs	32 748	36 372	9 790	9 393
Less: amounts capitalised on qualifying assets (note 6)	(13 215)	(25 343)	-	-
	19 533	11 029	9 790	9 393

Notes to the Financial Statements (continued)

31 December 2012

5. Income tax expense

	Group 2012 P'000	Group 2011 P'000	Company 2012 P'000	Company 2011 P'000
Normal taxation	901	2 235	-	1 476
Withholding tax offset on dividends paid	-	(102)	-	(40)
Prior year over provision	(1 408)	-	(1 476)	-
Tax on foreign entity	7	6	-	-
Total normal taxation	(500)	2 139	(1 476)	1 436
Deferred taxation - current year (excluding capital gains tax)	953	(1 277)	932	(697)
- capital gains deferred tax	12 432	2 467	-	-
- adjustment to deferred taxation attributable to change in tax rate	-	(113)	-	(113)
	12 885	3 216	(544)	626
Income tax expense comprises:				
Charged to statement of comprehensive income	15 792	6 460	2 363	3 870
Attributable to debenture interest credited to statement of changes in equity	(2 907)	(3 244)	(2 907)	(3 244)
	12 885	3 216	(544)	626
The charge for the year can be reconciled to the profit per income statement as follows:				
	%	%	%	%
Tax reconciliation:				
Tax at current rate	22.00	22.00	22.00	22.00
Taxation on debenture interest	2.38	2.98	9.66	2.98
Prior year over provision	(1.15)	-	(4.90)	-
Withholding tax offset on dividends paid	-	(0.08)	-	(0.04)
Deferred taxation -change in tax rate	-	(3.00)	-	(3.00)
Fair value adjustment subject to Capital Gains Tax	(10.31)	(16.79)	(18.90)	(18.58)
Non-deductable expenses	-	(0.04)	-	0.19
Effective tax rates	12.92	5.07	7.85	3.55

6. Property, plant and equipment

	Leasehold buildings P'000	Plant and equipment P'000	Capital work in progress P'000	Office equipment P'000	Total P'000
Group					
Cost					
At 1 January 2011	21 457	1 802	224 707	179	248 145
Additions during the year	49	61	38 061	22	38 193
Finance costs capitalised during the year (note 4)	-	-	25 343	-	25 343
Effect of foreign currency exchange differences	1 935	193	-	-	2 128
At 31 December 2011	23 441	2 056	288 111	201	313 809
Additions during the year	-	-	17 938	45	17 983
Finance costs capitalised during the year (note 4)	-	-	13 215	-	13 215
Effect of foreign currency exchange differences	528	41	-	-	569
Transfer to investment properties (note 8)	-	-	(319 264)	-	(319 264)
As at 31 December 2012	23 969	2 097	-	246	26 312
Accumulated depreciation					
At 1 January 2011	789	312	-	167	1 268
Charge for the year	995	420	-	5	1 420
Effect of foreign currency exchange differences	41	(108)	-	-	(67)
At 31 December 2011	1 825	624	-	172	2 621
Charge for the year	1 021	305	-	6	1 332
Effect of foreign currency exchange differences	182	5	-	-	187
At 31 December 2012	3 028	934	-	178	4 140
Net book value at 31 December 2012	20 941	1 163	-	68	22 172
Net book value at 31 December 2011	21 616	1 432	288 111	29	311 188

Leasehold buildings comprise the following:

- A parking lot facility at portion of Lots 1204,1138 and 8897 in Main Mall area in Gaborone, Botswana. The building is constructed on a plot of land leased from Gaborone City Council for a period of 20 years.

-Isalo Rock Lodge situated on Lot 480 AU Region d' Ihorombre, Madagascar. The land is being leased from ICC Madagascar SARL, a related party, for a nominal amount.

Notes to the Financial Statements (continued)

31 December 2012

6. Property, plant and equipment (continued)

Company	Office equipment P'000	Total P'000
Cost		
At 1 January 2011	179	179
Additions during the year	22	22
At 31 December 2011 and 31 December 2012	201	201
Accumulated depreciation		
At 1 January 2011	167	167
Charge for the year	5	5
At 31 December 2011	172	172
Charge for the year	6	6
At 31 December 2012	178	178
Net book value at 31 December 2012	23	23
Net book value at 31 December 2011	29	29

7. Investments

	Country of incorporation	Share Holding	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
At cost:						
Equity investments - Subsidiaries						
RDC Properties International (Proprietary) Limited	Botswana	100%	-	-	1 588	1 588
Lotsane Complex (Proprietary) Limited	Botswana	77%	-	-	1 692	1 692
Three Partners Resorts Limited	Botswana	54%	-	-	82 281	68 612
Tholo (Proprietary) Limited	Botswana	50%	-	-	650	1 884
			-	-	86 211	73 776
Long term loans						
Subsidiaries through RDC Properties International (Pty) Limited						
- Societe Immobiliere D'Ambodivona Sarl (SIA)	Madagascar		-	-	68	68
- HMS1 Société Anonyme (HMS1)	Madagascar		-	-	19 040	15 873
			-	-	19 108	15 941
Other investments						
Propcorp (Proprietary) Limited	Botswana	33%	-	-	2 187	2 187
Chobe Marina Lodge (Proprietary) Limited	Botswana		1 980	2 152	1 980	2 152
			1 980	2 152	4 167	4 339
			1 980	2 152	109 486	94 056

RDC Properties International (Proprietary) Limited is an International Financial Services Centre (IFSC) company registered in Botswana. The company owns 50% of Société Immobilere D'Ambodivona Sarl (SIA) and 50% of HMS1 Société Anonyme (HMS1) registered in Madagascar. SIA and HMS1 are both joint venture companies.

The long term loans to Societe Immobiliere D'ambodivona Sarl (SIA) and HMS1 Société Anonyme (HMS1) have no fixed terms of repayment and are interest free. The directors do not intend to request for repayment within the next twelve months.

Propcorp (Proprietary) Limited is a joint venture between RDC Properties Limited, Botswana Insurance Fund Management Limited (BIFM) and National Development Bank (NDB) for the development of the basement parking, in the area adjoining Standard House, BIFM House and NDB house in the Gaborone Main Mall area.

The investment in Chobe Marina Lodge (Proprietary) Limited represents a prepayment for a 25 year lease expiring in 2026. RDC Properties Limited receives net income distribution as disclosed in note 3.

Notes to the Financial Statements (continued)

31 December 2012

7. Investments (Continued)

The following amounts are included in the group financial statements as a result of the proportionate consolidation of Société Immobilere D'Ambodivona Sarl (SIA), HMS1 Société Anonyme (HMS1) and Propcorp (Proprietary) Limited:

	2012 P'000	2011 P'000 (Restated)
Non-current assets	22 104	23 048
Current assets	6 164	4 845
Non-current liabilities	(6 014)	(7 716)
Current liabilities	(7 828)	(7 312)
Income	1 328	1 170
Expenses	(4 803)	(3 042)

8. Investment properties

	Group		Company	
	2012 P'000	2011 P'000 (Restated)	2012 P'000	2011 P'000 (Restated)
Freehold land and buildings at fair value	184 644	171 128	184 644	171 128
Leasehold land and buildings at fair value	540 227	129 308	71 748	68 733
	724 871	300 436	256 392	239 861
Straight line rental adjustment	(3 897)	(6 131)	(906)	(4 722)
	720 974	294 305	255 486	235 139
Reconciliation of fair value				
Opening value	294 305	213 937	235 139	171 330
At valuation	300 436	219 313	239 861	175 547
Straight line rental adjustment	(6 131)	(5 376)	(4 722)	(4 217)
Additions during the year	493	-	493	-
Transfer from property, plant and equipment (note 6)	319 264	-	-	-
Net increase in fair value	105 078	107 123	16 438	90 314
Transfer to asset held for sale (note 29)	(400)	(26 000)	(400)	(26 000)
Straight line rental adjustment for the year	2 234	(755)	3 816	(505)
Closing balance	720 974	294 305	255 486	235 139

Investment properties are revalued annually by the Board of Directors based on a Discounted Cash Flow model. Each property is revalued by independent valuers at least every five years. In the prior year, the whole portfolio except for Lots 4787 and 4787, Extension 6, Gaborone was valued by Stocker Fleetwood Bird, an independent valuer.

Freehold land and buildings comprise the following:

-Lots 1124 to 1130, Extension 3 , Gaborone , which are encumbered by a fourth and fifth mortgage bond of P23 500 000 in favour of First National Bank of Botswana Limited for banking facilities described in note 21,

-Lot 21306 Phakalane,

-Lots 1116, 1117 and 1840 Extension 3 Gaborone which are encumbered by first mortgage bond to First National Bank of Botswana Limited totalling P8 000 000 for a loan granted to RDC Properties Limited (note 18) and other banking facilities described in note 21,

-Lot 758 Gaborone which is encumbered by a mortgage bond in favour of First National Bank of Botswana Limited totalling P5 000 000 for a loan granted to Tholo (Pty) Limited (note 18).

Leasehold land and buildings comprise the following :

-Lot 54353, Central Business District which is encumbered by a covering mortgage bond in favour of BIFM Capital Investment Fund One (Proprietary) Limited for P60 000 000 and Barclays Bank of Botswana Limited for P90 000 000 (note 18),

-Lots 22017 and 22018 Gaborone,

-Lot 443, Serowe, which is encumbered by a first mortgage bond in favour of Botswana Building Society for P216 800,

-Lot 679 Serowe,

-Lot 914 Kasane which is encumbered by a mortgage bond in favour of First National Bank of Botswana Limited for P1 500 000 (note 21),

-Lot 208 Maun,

-Lot 10211- 234-KO , Gaborone,

-Lot 194, Maun, which is encumbered by a mortgage bond in favour of National Development Bank for P780 000,

Notes to the Financial Statements (continued)

31 December 2012

8. Investment properties (continued)

Leasehold land and buildings comprise the following (continued):
-Lots 680 and 292, Serowe, which are encumbered by a mortgage bond in favour of National Development Bank for P2 460 000,
-Lots 3761, 5422 and 5423, Jwaneng,
-Lot 617, Molepolole,
-Lots 50668 and 50669, Faigrounds Gaborone,
-Lots 50369 which is encumbered by a first mortgage bond in favour of First National Bank of Botswana Limited for P8 000 000 for a loan granted to Shakawe (Pty) Limited,
-Lot 1707, Palapye.

Mortgages with Bankers, against which no obligation existed as at 31 December 2012:
Mortgages on the below mentioned properties where registered as security for loans over the years. As at the 31 December 2012, the loans are fully repaid and thefore the facilities could be cancelled;

Property	Value of Mortgages with no liability
Lot 443, Serowe	P216,800
Lot 194, Maun	P780,000
Lots 680 and 292, Serowe	P2,460,000
	P3,456,800

	Group		Company	
	2012 P'000	2011 P'000 (Restated)	2012 P'000	2011 P'000 (Restated)
9. Intangible assets				
License allowing right of usage	1 000	1 000	-	-

The Group acquired an indefinite license to build and operate a hotel in the Central Business District in Gaborone, Botswana. The hotel was completed and started operations during the year. The directors have reviewed the intangible asset for impairment and have concluded that the asset is not impaired.

10. Long term advances

Tholo (Proprietary) Limited	-	-	-	3 920
Less: current portion	-	-	-	(768)
	-	-	-	3 152

The loan was repaid during the year. This loan was unsecured and interest was at a rate of prime plus 1% per annum, repayable in monthly instalments of P 108 161 including interest.

11. Trade and other receivables

Trade receivables	10 530	3 258	3 301	2 631
Allowance for doubtfull debts	(1 508)	(901)	(1 161)	(822)
	9 022	2 357	2 140	1 809
Value added tax	2 855	4 124	-	-
Prepayment	1 984	2 480	188	201
Other receivables	1 428	687	72	67
Related parties:				
- Tholo (Proprietary) Limited	-	-	1 238	1 778
- Lotsane Complex (Proprietary) Limited	-	-	-	647
Balances carried forward	15 289	9 648	3 638	4 502

Notes to the Financial Statements (continued)

31 December 2012

11. Trade and other receivables (continued)

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Balances brought forward	15 289	9 648	3 638	4 502
- Shakawe (Proprietary) Limited	4 260	1 890	4 260	1 890
- Italtswana Construction Company (Proprietary) Limited	-	462	-	-
- Property and Asset Management Limited	48	119	-	-
- Lot Two One Three Zero Six (Proprietary) Limited	1 118	618	1 119	619
	20 715	12 737	9 017	7 011

The average credit period is 60 days. No interest is charged on overdue trade debtors.The Group has provided for all past due and impaired trade debtors based on estimated irrecoverable amounts determined by reference to past default experience. Included in trade debtors are amounts past due at the reporting date for which the Group has not provided as they are still considered recoverable.

Ageing of past due but not impaired				
60 - 90 days	284	101	263	81
90 - 120 days	427	188	374	-
Total	711	289	637	81

Movement in the allowance for doubtful debts				
Balance at beginning of the year	901	3 275	822	2 503
Movement in provision	607	(2 374)	339	(1 681)
Balance at end of the year	1 508	901	1 161	822

At the reporting date, the Group considers the concentration of credit risk is limited due to the customer base being small and unrelated. Accordingly, the directors, believe that there is no further provision required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivables				
120+ days	1 508	901	1 161	822

12. Cash and bank balances

Bank balances	2 315	8 717	163	224

13. Stated capital

Issued and fully paid				
Opening balance 34 544 029 (2010: 33 541 022) ordinary shares	8 845	8 733	8 845	8 733
Capitalisation issue 813 458 (2011: 1 003 007) ordinary shares	99	112	99	112
Closing balance 35 357 487 (2011: 34 544 029) ordinary shares	8 944	8 845	8 944	8 845

14. Debentures

Opening balance 34 544 029 (2010: 33 541 022) debentures	61 817	56 241	61 817	56 241
Capitalisation issue 813 458 (2011: 1 003 007) debentures	4 933	5 576	4 933	5 576
Closing balance 35 357 487 (2011: 34 544 029) debentures	66 750	61 817	66 750	61 817

15. Accumulated profits

Arising from operations	27 942	51 718	66 833	62 491
Arising from revaluation of investments	244 981	163 020	142 506	129 685
	272 923	214 738	209 339	192 176

Notes to the Financial Statements (continued)

31 December 2012

16. Debenture interest and dividend reserve

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Debenture interest	7 474	9 280	7 474	9 280
Dividends	149	185	149	185
	7 623	9 465	7 623	9 465

The interest entitlement on every debenture is fixed at 50 times that of the dividend component of any distribution.The made bi-annually, varies with the operating performance of the group.

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Debenture interest				
Interim paid - 16.38 (2011:15.82) thebe	5 738	5 465	5 738	5 465
Interim declared - 16.05 thebe	5 675	-	5 675	-
Final proposed - 5.09 (2012: 6.86) thebe	1 799	9 280	1 799	9 280
	13 212	14 745	13 212	14 745
Dividends:				
Interim paid - 0.33 (2011: 0.32) thebe	115	111	115	111
Interim declared - 0.32 thebe	113	-	113	-
Final proposed - 0.10 (2012: 0.54) thebe	36	185	36	185
	264	296	264	296

During 2012, interim debenture interest and dividend per linked unit were declared and paid.The distribution was offered with an option for 50% capitilisation. 324 358 were listed on the Botswana Stock Exchange (BSE) on 24 October 2012.The 2011 final distribution paid during 2012 was also offered with an option for 50% capitalisation. 489 100 units were listed on the BSE on 30 May 2012. On the 21st of December 2012, a second interim distribution was declared with an option for 50% capitalisation.The distribution is payable on the 26th of April 2013.At the year end, the final debenture interest and dividend per linked unit have been proposed and will be submitted for formal approval at the forthcoming Annual General Meeting.The proposed amounts are included in the debenture interest and dividend reserve.

17. Non-controlling interests

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Opening balance	82 941	68 292	-	-
Impact of change in accounting policy (note 30)	-	1 744	-	-
Opening balance (restated)	82 941	70 036		
Share of profit for the year	37 681	7 935	-	-
Amounts received from non-controlling interests	11 655	6 673	-	-
Dividends paid	-	(760)	-	-
Amounts repaid to non-controlling interests	(2 414)	(943)	-	-
Closing balance	129 863	82 941	-	-

18. Long term borrowings

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
First National Bank of Botswana Limited	10 467	-	5 967	-
Less : current portion	(1 873)	-	(1 000)	-
	8 594	-	4 967	-

The amounts represent loans taken by RDC Properties Limited and Tholo (Pty) limited Both loans bear interest at a rate of prime minus 1.50% and are repayable in monthly instalments of P126 981 for RDC Properties Limited and P105 252 for Tholo (Pty) Limited .They are secured as per note 8.

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Barclays Bank of Botswana Limited	91 779	96 717	-	-
Less: current portion	(6 650)	(6 428)	-	-
	85 129	90 289	-	-

Notes to the Financial Statements (continued)

31 December 2012

18. Long term borrowings (continued)

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
The amount represents a loan taken by Three Partners Resorts Limited. The loan bears interest at a rate of prime minus 2.75% and is repayable in 120 monthly instalments of P1 165 200. During the development phase the interest was prime minus 1.5%. The loan is secured as indicated in note 8.				
BIFM Capital Investment Fund One (Proprietary) Limited	142 353	142 103	77 212	77 212
Less : current portion	(3 923)	(4 057)	(2 212)	(2 212)
	138 430	138 046	75 000	75 000
These loans represent subscription of Promissory Notes for RDC Properties Limited as well as Three Partners Resort Limited at a fixed interest rate of 11.7% and 10.2% respectively, compounded semi annually. Due dates of interest payments are the 31 March and 30 September of each year. The redemption dates are 30 September 2021 to 2025 for RDC Properties Limited and 30 Septemeber 2025 to 2034 for Three Partners Resorts Limited. The loan for RDC Properties Limited is unsecured while the one for Three Partners Resorts Limited is secured as per note 8.				
BNI , Madagascar	7 968	9 502	-	-
Less : current portion	(1 954)	(1 786)	-	-
	6 014	7 716	-	-
This loan bears interest at a rate of 9.50% per annum. The loan is repayable in 24 quarterly installments from 31 October 2010 to 31 July 2016. The loan is secured as indicated in note 25.				
Long term portion of loans	238 167	236 051	79 967	75 000
Current portion of loans	14 400	12 271	3 212	2 212

19. Deferred tax balances

The following is the analysis of the deferred tax liabilities/(assets) presented in the consolidated statements of financial position:

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Deferred tax assets	(2 231)	(1 583)	-	-
Deferred tax liabilities	26 011	11 918	7 820	6 888
	23 780	10 335	7 820	6 888

The deferred taxation liabilities/(assets) arising on timing differences on:

		Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Plant and equipment		12	11	12	12
Investment properties	-capital allowances claimed to date	94 996	39 361	35 942	33 316
	-capital gains tax on fair value	71 917	15 407	-	-
Tax losses		(63 119)	(6 860)	(1 217)	-
IAS 17 adjustment		3 897	6 131	906	4 722
Unrealised exchange differences		(94)	(28)	(94)	(28)
Non-resident debenture interest		-	(6 710)	-	(6 710)
		107 609	47 312	35 549	31 312

Notes to the Financial Statements (continued)

31 December 2012

19. Deferred tax balances (continued)

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Tax value	23 780	10 335	7 820	6 888
Reconciliation of movement				
Opening balance (as previously stated)	10 335	31 240	6 888	25 577
Impact of change in accounting policy (note 30)	-	(21 603)	-	(17 879)
Opening balance (restated)	10 335	9 637	6 888	7 698
Charge to profit or loss - current year (excluding capital gains tax)	953	(1 277)	932	(697)
- capital gains tax on fair value of investment property	12 432	2 467	-	-
- adjustment to deferred taxation attributable to change in tax rate	-	(113)	-	(113)
Exchange differences on translation	60	(379)	-	-
Closing balance	23 780	10 335	7 820	6 888

Tax losses

As at 31 December 2012, the tax losses, if unutilised, fall away as follows:

Financial year	Tax year	Group P'000	Company P'000
2012	2013	343	-
2013	2014	3 439	-
2014	2015	3 458	-
2015	2016	3 385	-
2016	2017	-	-
2017	2018	52 494	1 217
		63 119	1 217

20. Trade and other payables

	Group 2012 P'000	Group 2011 P'000 (Restated)	Company 2012 P'000	Company 2011 P'000 (Restated)
Trade payables	16 389	13 142	2 924	1 882
Other payables	1 314	1 251	250	252
Advance rental received	3 815	3 117	3 391	3 117
Related parties:				
- Property and Asset Management Limited	726	244	12	-
- Italtswana Construction Company (Proprietary) Limited	1 996	15	707	15
- RDC Properties International (Proprietary) Limited	-	-	1 015	1 352
- Lotsane Complex (Pty) Limited	-	-	29	-
	24 240	17 769	8 328	6 618

21. Bank facilities

In addition to the loans described in note 18, the group has the following banking facilities:

First National Bank Limited

A bank overdraft totalling P15 000 000, guarantees for P16 256 369 and forex pre-settlement of P500,000.These are secured by a fourth and fifth mortage bond of P23 500 000 over Lots 1124 to 1130, part of the mortage bond of P 8 000 000 over lots 1116, 1117 and 1840 and a first covering mortgage bond of P1 500 000 over Plot 914, Kasane in favour of First National Bank of Botswana Limited.

Barclays Bank of Botswana Limited

A bank overdraft totalling P5 000 000.

Banque Malgache de L'Ocean Indien (BMOI)-Madagascar

A bank overdraft totalling P5 128 205 (Euro500 000) secured as per note 25.

Notes to the Financial Statements (continued)

31 December 2012

22. Related party transactions

All related parties in addition to those listed in note 7 and the directors of the company are companies with common shareholding and control.
Receivables relating to related parties are disclosed in note 11.
Payables relating to related parties are disclosed in note 20.
The following trading transactions were carried out with related parties.

Interest income - related parties (note 3)

	Group		Company	
	2012	2011	2012	2011
	P'000	P'000	P'000	P'000
Related parties and intercompany				
Lotsane Complex (Proprietary) Limited	-	-	(38)	(135)
Tholo (Proprietary) Limited	-	-	(390)	(887)
Italtswana Construction Company (Proprietary) Limited	-	(235)	-	-
Shakawe (Proprietary) Limited	(308)	(227)	(307)	(227)
	(308)	(462)	(735)	(1 249)
Intercompany capitalised on qualifying assets				
Three Partners Resorts Limited	(2 804)	(6 364)	(2 804)	(6 364)
Property and Asset Management Limited				
- management and administration (note 2)	2 612	1 952	1 456	1 366
- lease renewal fees	194	274	172	212
- service charges (note 2)	1 217	1 205	1 217	1 205

Management and administration fees are calculated on a fixed percentage of net rental income after taking bad debts into consideration.

Lease renewal fees are calculated on a commercial basis.

Service charges are calculated as a fixed percentage of the market capitalisation of the group on the last trading day of the month.

	Group 2012	Group 2011	Company 2012	Company 2011
Italtswana Construction Company (Proprietary) Limited				
- repairs and maintenance expenditure	264	263	218	255

The investment property purchase, capital expenditure and repairs are carried out on an arms length basis.

	Group 2012	Group 2011	Company 2012	Company 2011
Shakawe (Proprietary) Limited				
- commission charged	(75)	(75)	(75)	(75)
Directors' emoluments				
- For services as directors (note 2)	58	78	58	78

23. Operating lease arrangements

Property rental income earned during the year is disclosed in note 1.

At the statement of financial position date, the group had contracted with tenants for the following future minimum lease payments:

	Group		Company	
	2012	2011	2012	2011
	P'000	P'000	P'000	P'000
Within one year	44 665	43 235	15 858	20 206
In the second to fifth years inclusive	123 897	147 136	27 967	38 352
After five years	210 536	229 448	14 272	19 201
	379 098	419 819	58 097	77 759

Notes to the Financial Statements (continued)

31 December 2012

24. Capital commitments

	Group 2012 P'000	Group 2011 P'000	Company 2012 P'000	Company 2011 P'000
Approved and contracted:				
Within one year	11 500	18 817	11 500	-
	11 500	18 817	11 500	-

The board approved the purchase of the Realestate Office Park on Lot 5624, Extension 16 Gaborone .The purchase is expected to be concluded in the first quarter of the year.

25. Contingent liabilities

RDC Properties Limited has given bank guarantees for the bank loans availed to HMS1 Société Anonyme (HMS1) by commercial bankers based in Madagascar, as follows:

- An amount equivalent to P7 333 333 (Euro 715 000) by First National Bank of Botswana Limited, in favour of Emprunt CA BNI (BNI) for a 50% loan amount equivalent to P7 968 136 (Ariary 2 259 030 362);

- An amount equivalent to P5 128 205 (Euro 500 000) by First National Bank of Botswana Limited in favour of Banque Malgache de L'Ocean Indien (BMOI) for an overdraft facility.

Further, RDC Properties Limited has given a guarantee for an amount of P7 500 000 in favour of First National Bank of Botswana Limited, for a loan of the same amount granted to Shakawe (Proprietary) Limited.

RDC Properties Limited has also given a corporate guarantee of P47 700 000 in favour of Barclays Bank of Botswana Limited and a Deed of Cession of Rentals dated 03 November 2010 over Plot 54353 Gaborone.

26. Segmental reporting

The group's business activities are concentrated in the segment of property rentals and are provided within the geographical region of Botswana, except for one property, Isalo Rock Lodge in Madagascar. This activity is classified as hotel revenue in the Statement of Comprehensive Income. Isalo Rock Lodge's operations are not material to the group, therefore segmental information based on business activities or geographical locations is not considered necessary.

27. Financial risk management

		Group 2012 P'000	Group 2011 P'000	Company 2012 P'000	Company 2011 P'000
Categories of financial instruments					
Financial assets					
Fair value through profit and loss					
Investments		1 980	2 152	109 486	94 056
Loans and receivables (including receivables held for sale)					
Long term advances		-	-	-	3 920
Trade and other receivables		15 875	7 173	8 829	6 810
		15 875	7 173	8 829	10 730
Cash and cash equivalents		2 315	8 946	163	224
Financial liabilities at amortised cost					
Long term borrowings	- at floating interest rate	110 214	106 219	5 967	-
Long term borrowings	- at fixed interest rate	142 353	142 103	77 212	77 212
Trade and other payables		20 217	14 863	4 799	3 371
Bank overdraft		15 219	9 264	9 661	6 747
		288 003	272 449	97 639	87 330

Notes to the Financial Statements (continued)

31 December 2012

27. Financial risk management (continued)

In the normal course of business the group is exposed to currency, capital, credit, liquidity and interest rate risk. The group manages their exposure by meeting on a regular basis to ensure the treasury activities are carried out in an orderly and efficient manner adhering to management procedures and policies.

Currency risk

The group undertakes transactions denominated in foreign currencies, Euro and US dollar. Consequently, exposures to exchange rate luctuations arise.
The carrying amounts of the foreign currency denominated monetary assets at the end of the reporting period are as follows:

	Group		Company	
	2012 P'000	2011 P'000	2012 P'000	2011 P'000
Related party loans to:				
Societe Immobiliere D'Ambodivona Sarl (SIA)	-	-	68	68
HMS1 Société Anonyme (HMS1)	-	-	19 040	15 873
	-	-	19 108	15 941

There are no foreign currency denominated monetary liabilities at the end of the reporting period.

Capital risk

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the group consists of debt, which includes the long term borrowings disclosed in note 18, cash and cash equivalents and equity attributable to equity holders of the parent company comprising stated capital, debentures and accumulated profits as disclosed in notes 13, 14 and 15 respectively.

Credit risk

The group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the statements of financial position are net of allowances for bad debts estimated by management based on prior experience and the current economic environment.

The group has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management of the group aims to maintain flexibility in funding by keeping committed credit lines available. The parent company provides short term funding to cover working capital shortfalls as appropriate.

Interest rate risk

Interest rate risk is the possible loss in the value resulting from an unexpected and adverse movement in interest rates. Entities in the group are exposed to interest rate risk because they borrow funds at both the fixed and floating interest rates. The group entities manage interest rate risk maintaining an appropriate mix between fixed and floating rate borrowings and by basing the interest rate on financial assets and liabilities around the prime lending rate.

Financial instruments that are sensitive to interest rate risks, comprise bank balances, loans and advances, related party balances and long term borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both financial assets and liabilities at the end of the reporting period. For the floating interest rate financial assets and liabilities, the analysis is prepared assuming the amount of the asset or liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used by the directors when reporting interest rate risk management, as it represents a reasonable possible change in the interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the effect of the profit for the year for the group and company, would have been as follows:

Notes to the Financial Statements (continued)

31 December 2012

27. Financial risk management (continued)

Group 31 December 2012	Amount of asset/(liability) P'000	Change in interest rate %	Increase/ (decrease) in profit before tax P'000
Financial assets			
Cash and cash equivalents	2 315	0.50	12
Financial liabilities			
Long term borrowings- at floating interest rate	(110 214)	0.50	(551)
Bank overdraft	(15 219)	0.50	(76)
			(615)
31 December 2011			
Financial assets			
Cash and cash equivalents	8 946	0.50	45
Financial liabilities			
Long term borrowings - at floating interest rate	(106 219)	0.50	(531)
Bank overdraft	(9 264)	0.50	(46)
			(532)
Company			
31 December 2012			
Financial assets			
Long term loans to related parties	19 108	0.50	96
Cash and bank balances	163	0.50	1
Financial liabilities			
Long term borrowings - at floating interest rate	(5 967)	0.50	(30)
Bank overdraft	(9 661)	0.50	(48)
			19
31 December 2011			
Financial assets			
Long term loans to related parties	15 941	0.50	80
Long term advances	3 920	0.50	20
Cash and bank balances	224	0.50	1
Financial liabilities			
Bank overdraft	(6 747)	0.50	(34)
			67

Fair values of financial instruments

The fair values of financial instruments approximates their carrying values. There are no financial instruments that are measured subsequent to initial recognition at fair value.

28. Discontinued operations

The Group disposed of its investment property, TANA Waterfront, in Societe Immobiliere D'Ambodivona Sarl (SIA) in 2010, which was the entity's only cash generating unit. The results of SIA to disposal date have been classified as discontinued operations. The remaining balances in the current year have been included in the group results.

Notes to the Financial Statements (continued)

31 December 2012

28. Discontinued operations (continued)

Group

Profit for the year from discontinued operations	Notes	2012 P 000	2011 P 000 (Restated)
Expenses		-	(32)
Net foreign exchange gain		-	1
Other operating income		-	82
Profit from operations		-	51
Investment income	3	-	11
Profit for the year from discontinued operations		-	62
Cash flows from discontinued operations			
Net cash out flows from operating activities		-	393
Net cash inflows from investing activities		-	11
Net cash outflows from financing activities		-	(1 168)
Net cash outflows		-	(764)

29. Assets held for sale

Group		
Investment property available for sale (a)	26 400	26 000
Assets related to discontinued operations (b)	-	1 270
Assets classified as held for sale	26 400	27 270
Liabilities associated with assets held for sale (b)	-	(397)
Company		
Investment property available for sale (a)		
Opening	26 000	-
Transfer from investment property (note 8)	400	26 000
	26 400	26 000

(a) The company disposed of the investment property, Lots 4787 and 4788, Extension 6, Gaborone The sale was concluded in January 2013. Proceeds from this sale will be utilised for other projects.
(b) As disclosed in note 28, the Group disposed of the sole cash generating Societe Immobiliere D'Ambodivona Sarl (SIA) unit during the 2010 financial year.

The carrying amounts of the major classes of assets and liabilities comprising the operations classified as held for sale at the statement of financial position date are as follows:

Trade and other receivables	-	1 041
Cash and cash equivalents	-	229
Assets classified as held for sale	-	1 270
Trade and other payables	-	(397)
Liabilities directly associated with assets classified as held for sale	-	(397)
Net assets of discontinued operations classified as held for sale	-	873

30. Adoption of IAS 12 Income Taxes (revised)-Recovery of Underlying Assets

The Group adopted IAS 12 (amended) in the current year. As required by the amended standard, the amendments have been made retrospectively and the comparatives have been restated to reflect the effect of the change in accounting policy.
The following table summaries the adjustments made to the statements of financial position and statements of comprehensive income on adoption of the revised accounting policy.

30. Adoption of IAS 12 Income Taxes (revised)-Recovery of Underlying Assets

Group

	Deferred tax liabilities P'000	Accumulated Profits P'000	Non-controlling interests P'000
Balances at 1 January 2011, as previously reported	31 240	93 501	68 292
Cummulative impact in change in accounting policy	(21 603)	19 859	1 744
Impact of the change in accounting policy on previous years	(16 036)	14 526	1 510
Impact of the change in accounting policy-2010	(5 567)	5 333	234
Restated balances as at 1 January 2011	9 637	113 360	70 036
Balances at at 31 December 2011, as previously reported	53 352	173 888	80 774
Cummulative impact in change in accounting policy	(43 017)	40 850	2 167
Impact of the change in accounting policy on previous years	(16 036)	14 526	1 510
Impact of the change in accounting policy-2010	(5 567)	5 333	234
Impact of the change in accounting policy-2011	(21 414)	20 991	423
Restated balances as at 31 December 2011	10 335	214 738	82 941

The effect on the statement of comprehensive income for the year ended 31 December 2011 was as follows:

	Owners of the company P'000	Non-controlling interests P'000
Profit for the year as previously stated for the year ended 31 December 2011	92 184	7 512
Impact of change in accounting policy	20 991	423
	113 175	7 935

The effect on earnings per linked unit (thebe) for the year ended 31 December 2011 was as follows:

As previously stated for the year ended 31 December 2011	279.45
Impact of change in accounting policy	61.47
	340.92

Company

	Deferred tax liabilities P'000	Accumulated Profits P'000	Non-controlling interests P'000
Balances at 1 January 2011, as previously reported	25 577	80 991	-
Cummulative impact in change in accounting policy	(17 879)	17 879	-
Impact of the change in accounting policy on previous years	(12 792)	12 792	-
Impact of the change in accounting policy-2010	5 087)	5 087	-
Restated balances as at 1 January 2011	7 698	98 870	-
Balances at at 31 December 2011, as previously reported	45 013	154 051	-
Cummulative impact in change in accounting policy	(38 125)	38 125	-
Impact of the change in accounting policy on previous years	(12 792)	12 792	-
Impact of the change in accounting policy-2010	(5 087)	5 087	-
Impact of the change in accounting policy-2011	(20 246)	20 246	-
Restated balances as at 31 December 2011	6 888	192 176	-

The effect on the statement of comprehensive income was as follows:

	For the year ended 31 December 2011 Owners of the company P'000	Non-controlling interests P'000
Profit for the year as previously stated for the year ended 31 December 2011	84 857	-
Impact of change in accounting policy	20 246	-
	105 103	-

31 Events after the reporting period

No adjusting events have occurred between the statement of financial position date and the date of approval of the financial statements, which would materially affect the financial statements.

Notice of Meeting

Notice is hereby given that the seventeenth Annual General Meeting of the Company will be held at the RDC Offices, Realestate Office Park, Plot 5624 Lejara Road Broadhurst Industrial Gaborone on 12 September 2013 at 14:30 hrs for the following business.

Agenda

Ordinary business

1. To read the notice convening the meeting.

Ordinary resolutions

2. To receive, consider and adopt the audited financial statements for the year ended 31 December 2012.

3. To approve the distribution as recommended by the directors.

4. To approve the payment of P57 750 for directors' emoluments (fees and expenses) for the year ended 31 December 2012.

5. To appoint directors in place of those retiring by rotation , Messrs M. A. Giachetti and L. Magang retire by rotation in terms of Article 54 of the Articles of Association and being eligible, offer themselves for re-election.
   Each appointment shall be voted on individually.

6. To confirm the appointment as director of K. C. Maphage who was appointed director by the board on 13 November 2012.

7. To appoint the auditor for the ensuing year and approve the remuneration for the year ended 31 December 2012.

Special Business

Ordinary resolutions

8. To approve the acquisition of the enterprise of Italtswana Construction Company (Pty) Ltd being the letting of the hotel operation known as Chobe Marina Lodge and the letting of chalet accommodation on the land Kasane Lease 4-RO for an amount of P55 656 861 such price to be settled by way of the issue and allotment to Italtswana Construction Company of 6 957 108 linked units at a value of P8 per linked unit, be and is hereby approved it being a condition for the validity of this resolution that it be passed by a simple majority of the votes of shareholders, other than Reale Estate Financiere and Chobe Financial Corporation, as related parties, and their associates.

Special resolutions

To consider and if thought fit, approve without amendment, the following resolutions:

9. To approve that the Company, as amalgamated company amalgamate with Tholo (Pty) Ltd as amalgamating company and that 1 458 618 linked units be placed under the control of the directors of the Company, they being authorised in terms hereof to allot and issue the same to Shakawe (Pty) Ltd and assume the debt of Shakawe (Pty) Ltd to First National Bank of Botswana (FNBB), subject to the consent of FNBB, for a sum of approximately P6 049 339, in consideration of the 50% interest of Shakawe in Tholo (Pty) Ltd.

10. To approve, subject to the passing of the ordinary resolution agenda item 8 and special resolution agenda item 9 the stated capital of the Company be increased by P53 860 645 divided into 8 415 726 ordinary shares and the debenture capital of the Company be increased by P13 465 162 divided into 8 415 726 debentures each share indivisibly linked to one debenture to create 8 415 726 new linked units in order that the consideration units the subject of item 8 and 9 be issued.

11. To approve that each linked unit which is in issue after the implementation of the acquisition and the amalgamation and increases referred to in Agenda Item 8, 9 and 10 in the capital of RDC be sub divided by a factor of 5, i.e. 5 new units be issued for each unit in issue (the share split) as a result of which the nominal value of a debenture will be P0.32.

Special Resolutions of unitholders as shareholders and debenture holders

12. To approve the increase of the stated capital of RDC by P10 177 519 and the decrease of the debenture capital of RDC by P10 177 519 as of date of this resolution in order to regularise the value of debentures.

Notice of Meeting (continued)

13. To ratify the level of borrowings, excluding debentures issued and linked to shares, beyond 25% of the value of fixed assets owned or held by the Company and approving an increase in borrowing power to enable such borrowings up to 40% of the value of such assets.

14. To approve that the directors be and hereby authorised to take such steps and sign all such other documents as are necessary to give effect to the resolutions passed at this meeting in particular to authorise the Transfer Secretary to issue linked unit certificates in respect of new units giving effect to the sub division of units and make application for the listing on the Botswana Stock Exchange of all linked units in issue after the share split.

Other

15. To transact such other business as may be transacted at an Annual General Meeting.

Time will be allowed for questions to the Board and Management.

A member is entitled to nominate a person to be appointed a director. Such nomination, signed by the nominator, and another member as seconder, with the written and signed consent of the nominee should be lodged at the registered office by 14.30 hrs on 4 September 2013.

A member entitled to attend and vote may appoint a proxy to attend and vote for him/her on his/her behalf, and such proxy need not also be a member of the Company. The instrument appointing such a proxy must be deposited at the registered office of the Company not less than 24 hours before the meeting.

By Order of the Board
PricewaterhouseCoopers (Pty) Ltd
Secretaries
5 August 2013
Registered Office, Plot 50371 Fairground Office Park, P O Box 294, Gaborone.

Form of Proxy

The seventeenth Annual General Meeting of members to be held on 12 September 2013 at 14:30 hrs at the RDC Offices, Realestate Office Park, Gaborone.

I/We ....of ....being a member/members of the above named Company do hereby appoint:

....of ....or failing that person the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the seventeenth Annual General Meeting of the Company to be held on 12 September 2013 at 14:30 hrs.

	Number of linked units		
	For	Against	Abstain
Ordinary Resolution No. 1 (Agenda item 2)			
Ordinary Resolution No. 2 (Agenda item 3)			
Ordinary Resolution No. 3 (Agenda item 4)			
Ordinary Resolution No. 4 (Agenda item 5)	The proxy shall vote as he/she deems fit.		
Ordinary Resolution No. 5 (Agenda item 6)			
Ordinary Resolution No. 6 (Agenda item 7)			
Ordinary Resolution No. 7 (Agenda item 8)			
Special Resolution No. 1 (Agenda item 9)			
Special Resolution No. 2 (Agenda item 10)			
Special Resolution No. 3 (Agenda item 11)			
Special Resolution No. 4 (Agenda item 12)			
Special Resolution No. 5 (Agenda item 13)			
Ordinary Resolution No. 8 (Agenda item 14)			

Signed this..day of 2013

Signature...

Unless otherwise instructed, the proxy will vote as he/she deems fit.

A member entitled to attend and vote may appoint a proxy to attend and vote for him/her on his/her, behalf and such proxy need not also be a member of the Company. The instrument appointing such a proxy must be deposited at the registered office of the Company not less than 24 hours (by 14:30 hrs on 11 September 2013) before the meeting.