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A N N U A L R E P O R T



Company Profile

Bonatla Property Holdings Limited ("Bonatla"), is a property company listed on the JSE Securities Exchange SA list in the Real Estate – Property sector. The company listed in October 1997 with a portfolio of R240 million which has subsequently grown to R645 million. The portfolio comprises a spread of commercial, industrial and retail properties.

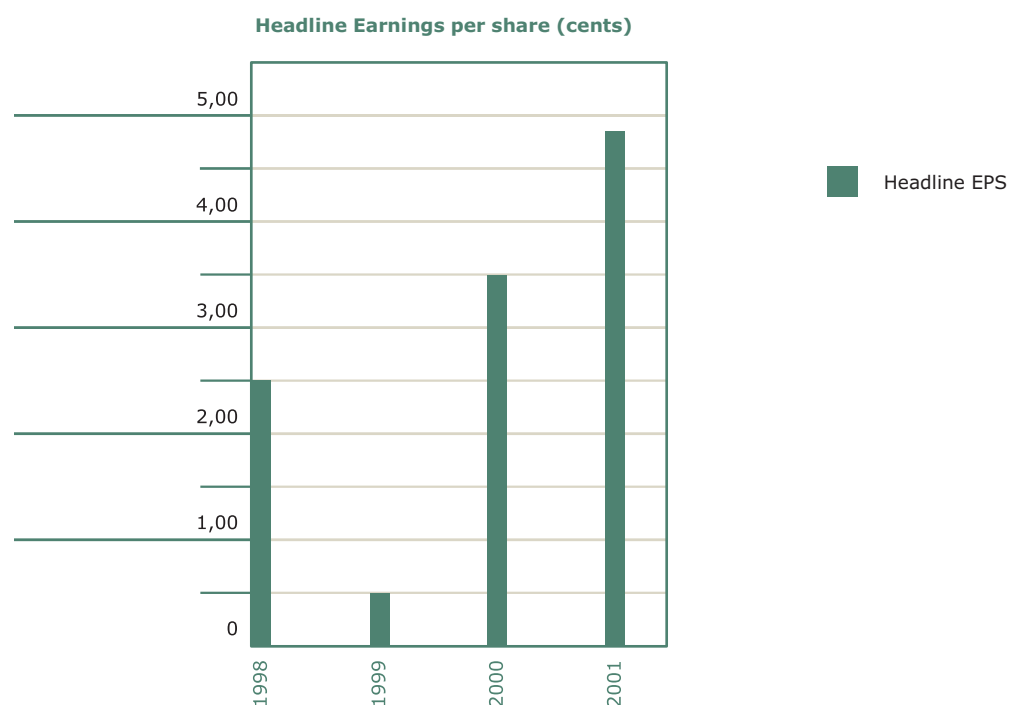
During the review period the company changed its management structure from an in-house team to outsourced management. Catalyst Property Asset Managers (Pty) Ltd ("CPAM") undertakes the asset management of the company whilst the Broll Property Group (Pty) Ltd performs the property management function. CPAM reports to the board of directors, the majority of whom are non-executive.

The company seeks to create value for shareholders by consistently generating a total rate of return in excess of inflation. This is achieved by active asset management of the underlying portfolio thereby maximising the portfolio value.

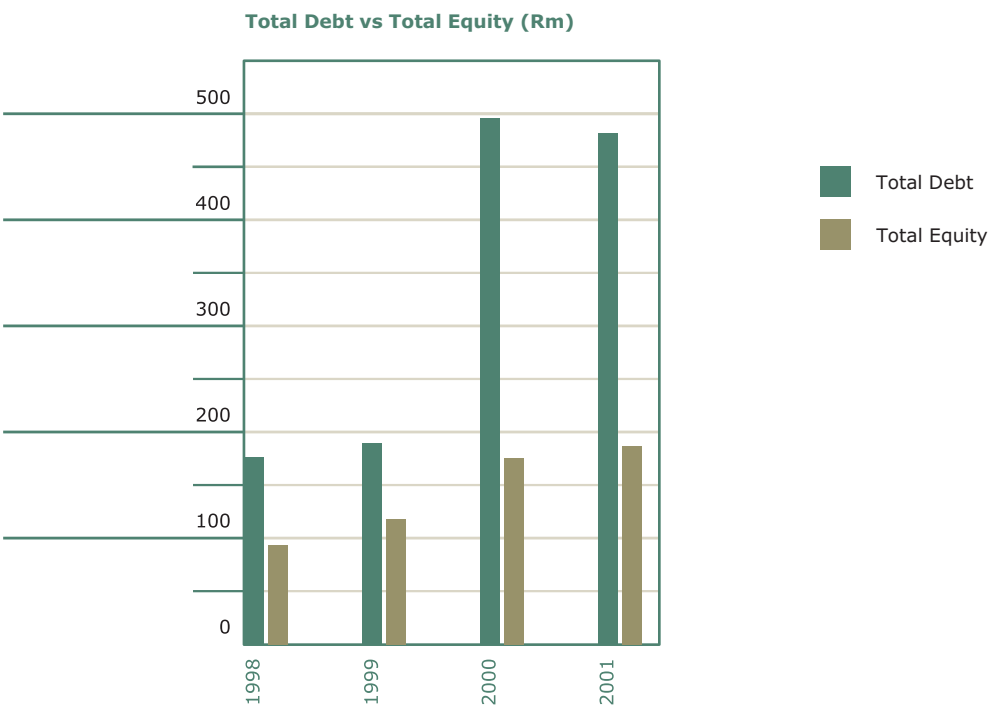
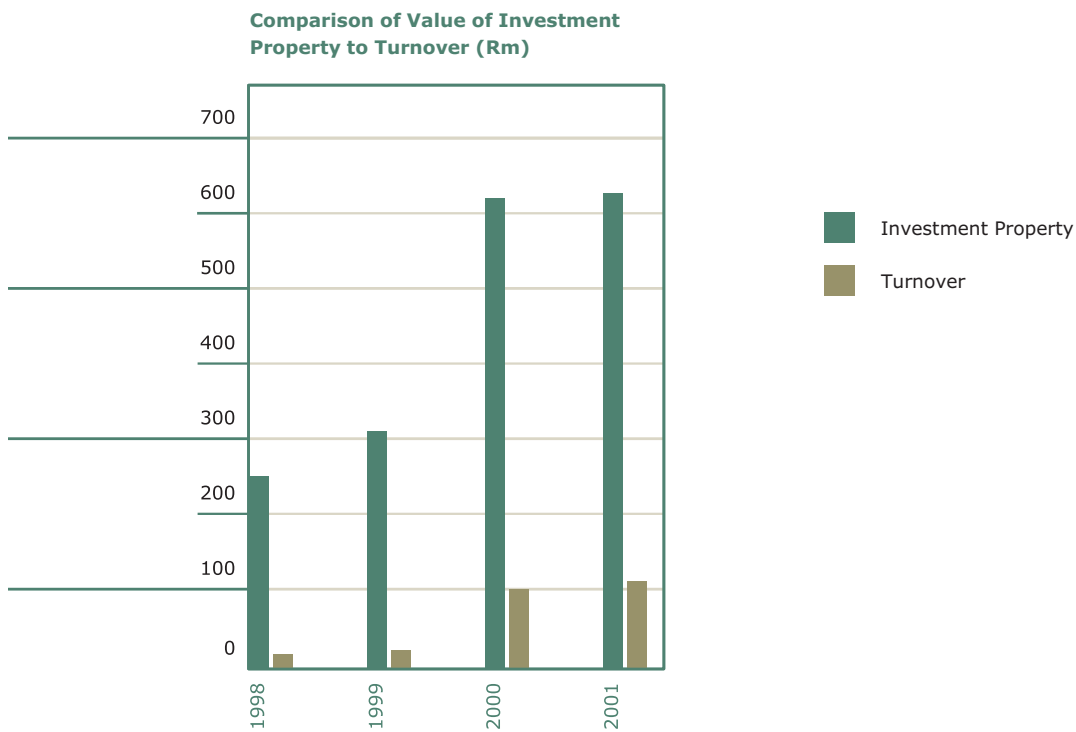
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	Group		
	2001	2000	% Change
Turnover (R000's)	113 050	91 362	23,7%
Operating profit (R000's)	80 011	66 545	20,2%
Operating margin	71%	73%	(2,8%)
Net income before taxation (R000's)	12 743	3 760	238,9%
Fully diluted earnings per share (cents)	5,02	3,11	61,4%
Interest cover	1,15	1,03	11,9%
Debt/equity ratio	2,83	3,01	6,2%
Debt/total assets ratio	0,73	0,74	1,4%
Repayment of long-term interest-bearing debt (R000's)	11 822	-	-
Cashflow from operating activities (R000's) (excluding dividends paid)	11 395	10 279	10,9%



financial highlights (cont.)



"The most significant change during the year was the restructuring of Bonatla's management."



BJ van der Ross – Chairman of Bonatla

The 2001 financial year was one of dramatic and positive change for Bonatla where much progress has been made in achieving the company's strategic objectives.

The most significant change during the year was the restructuring of Bonatla's management. The full management function has been outsourced to the Catalyst group. The property management is undertaken by the Broll Property Group (Pty) Ltd who are the largest property managers in South Africa. The asset management of the group is performed by Catalyst Property Asset Managers (Pty) Ltd who are developing a reputation for their innovative and dynamic approach to property asset management. This decision is in line with international best practise for property owning companies to outsource their management to focused property experts. As an indication of their confidence in the future of Bonatla, the Catalyst group has subscribed for R8 million convertible debentures.

The board has been reconstituted to reflect the change in management, and consists of the following members: Messrs M Brodie, J Broll, R du Plooy, J Styger, M Viljoen, N Vontas and B van der Ross. Messrs J Broll and R du Plooy represent the Catalyst group.

chairman's report [cont.]

The company paid its maiden dividend of 1 cent per share at the half-year stage, and another dividend of 1 cent per share after year-end. This is in line with the group's objective of increasing dividend payments to shareholders. The group successfully restructured a large portion of its debt after year-end which should facilitate the continued payment of dividends.

The above events and progress, as well as potential structural changes designed to further reduce the debt level and increase dividends, bode well for Bonatla in the coming year and beyond.

On behalf of the board I would like to thank Mackie Brodie for his wise counsel as Chairman of Bonatla during the past three years. I would also like to thank my fellow directors and management for their commitment and contributions to the company.



BJ VAN DER ROSS

Chairman



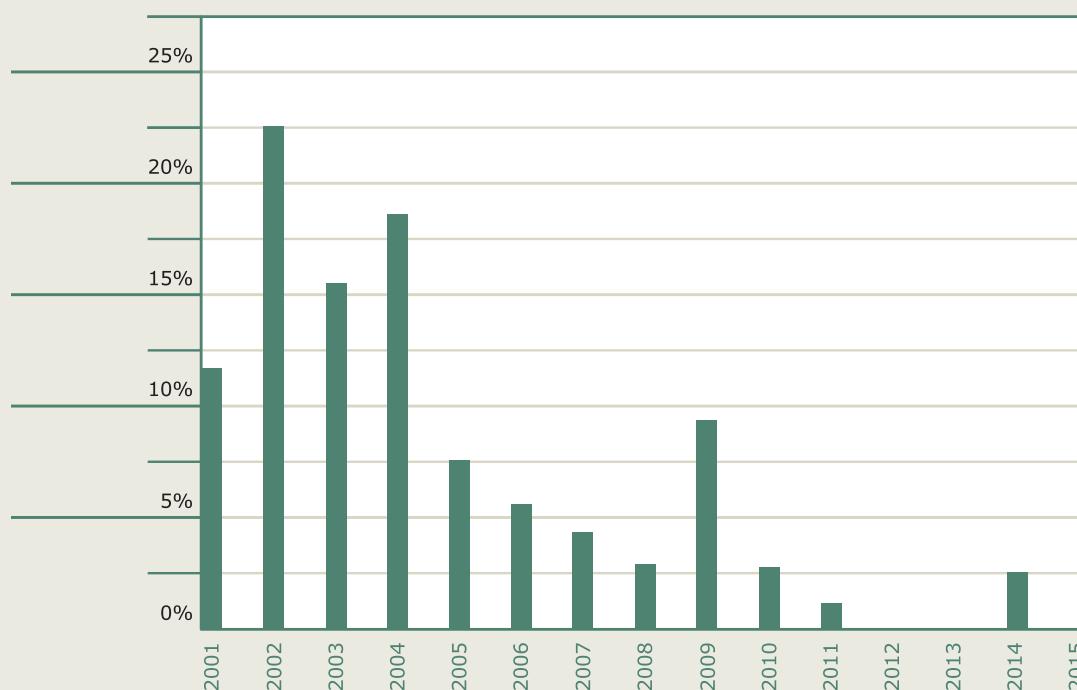
The 2001 financial year reflects on a year of consolidation, as the group focused on management of the underlying portfolio and debt restructuring. The main areas reported on, include:

- Profitability
- Balance sheet
- Risk profile
- Management
- Shareholder relations
- Share price and liquidity

Profitability

Fully diluted earnings per share increased by 61,4% from 3,11 cents to 5,02 cents. The group benefited from the general decline in interest rates, which has an amplified effect due to the group's debt level. The significant increase in operating profit is as a result of a portfolio, which was acquired during 2000, being accounted for a full financial year.

Lease Expiry Profile



review of results & portfolio analysis [cont.]

The operating margin declined from 73% to 71% mainly due to the increase in vacancies from 4,3% to 11,1%. The increase in vacancies reflects the weak underlying property market fundamentals with excess space and low demand. Subsequent to year-end vacancies have reduced to 10,2%.

The group believes operating margins will remain under pressure during the coming year as a result of property fundamentals continuing to weaken. CPAM succeeded in restructuring certain of the group's debt structures after year end which will result in a significant interest saving notwithstanding the increase in the prime overdraft rate to 14%.

Balance Sheet

The balance sheet continues to strengthen with the total debt to total assets ratio improving from 74% to 73%. A total of R11,8m of interest-bearing debt was repaid and convertible debentures of R8m raised as long-term capital. A single property was sold during the period for R4,75m, a profit of R0,677m.

Risk Profile

The group has renewed or let 31 894m² during the last six months, which has improved the lease expiry profile and significantly reduced the risks to the future income stream of the group.

Seventy two percent of borrowings are now fixed for periods between one and eight years. The group will continue its strategy of not speculating with interest rates by at least maintaining the current percentage of fixed rate debt.

Management

As mentioned in the Chairman's review the group has outsourced its management function to the Catalyst group. This decision has proven successful with the Broll Property Group renewing the majority of the group's critical leases subsequent to their appointment. CPAM has focused on shareholder disputes (referred to below), debt restructuring and the underlying portfolio. The focus for 2002 will be the continued restructuring of Bonatla's balance sheet to facilitate a reduction in debt and increased distributions to shareholders.



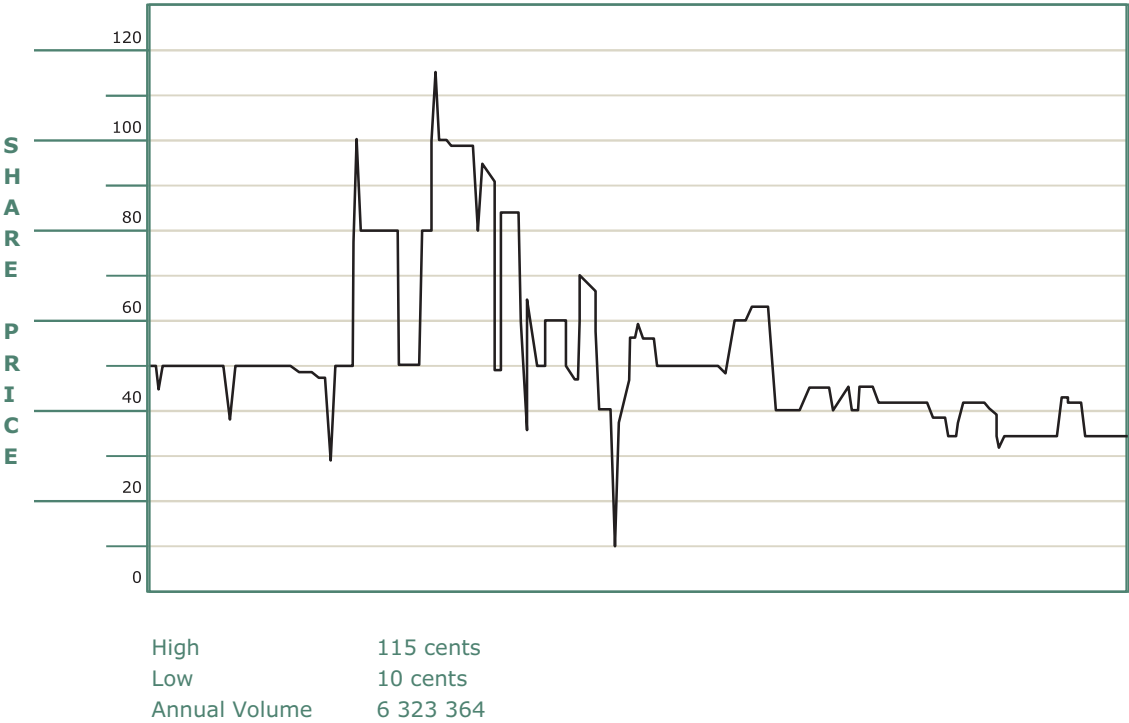
Shareholder Disputes

The group started the year with four significant unresolved shareholder disputes. As at the date of this report all disputes have been amicably resolved with the resultant effect of all parties now focusing positively on Bonatla’s growth.

Share Price and Liquidity

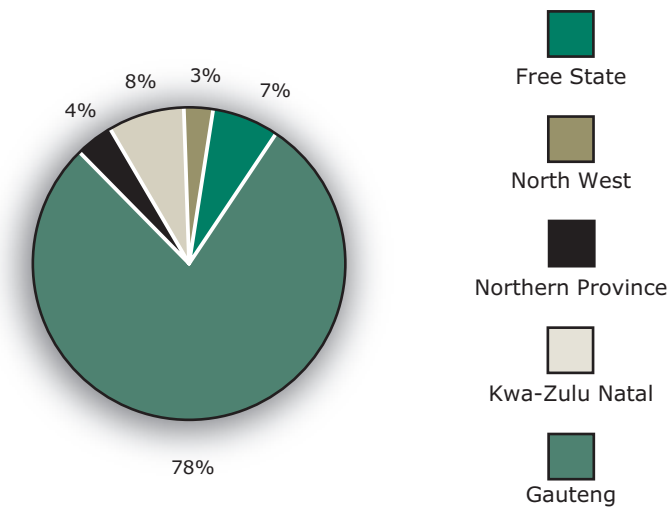
The directors remain focused on improving the liquidity of the share and reducing the discount to net asset value at which the shares currently trade on the JSE. In this regard the proposals to reduce debt and increase dividend flows should have a positive impact.

Bonatla closing price 1 October 2000 to 30 September 2001

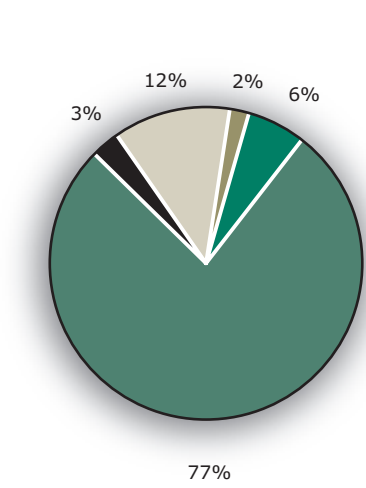


review of results & portfolio analysis [cont.]

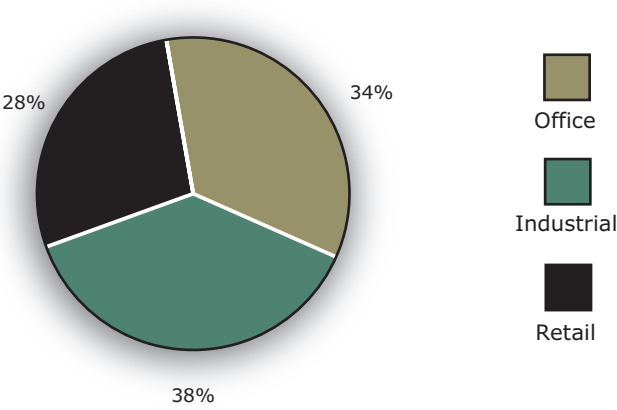
GEOGRAPHIC ANALYSIS BY MARKET VALUE



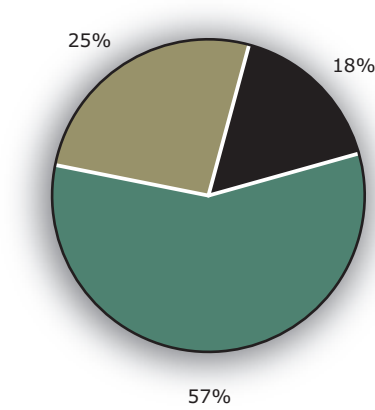
GEOGRAPHIC ANALYSIS BY GLA*



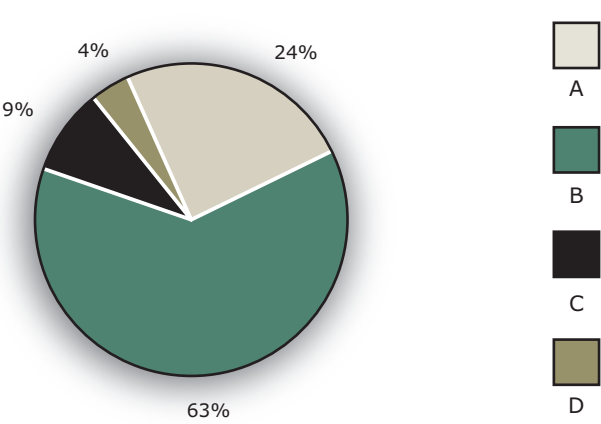
SECTORAL ANALYSIS BY MARKET VALUE



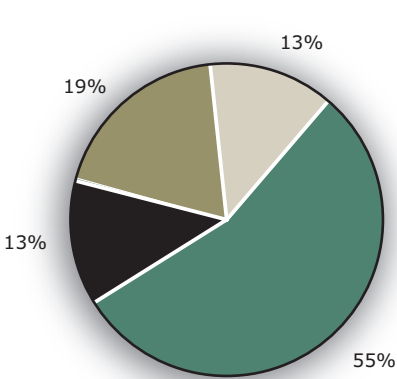
SECTORAL ANALYSIS BY GLA*



GRADE ANALYSIS BY MARKET VALUE



GRADE ANALYSIS BY GLA*



* Gross Lettable Area



No	Property & Street Address	Description	Date Acquired	Valuation R'000	Gross Lettable Area (m ²)	No of Tenants	Vacancy %	Owned by	Erf no.
1	Spoornet House 121 Eloff House Braamfontein Johannesburg	Modern eight-storey building with three levels of basement parking.	Oct 97	10 500	4 764	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 4899/101 Johannesburg
2	Gothic House 67 Seventh Street Linden	Modern two-storey office block with parking. It is situated in a suburban node close to amenities.	Oct 97	400	1 400	7	12,00%	Bonatla Properties (Pty) Ltd	Stand 231/3 Linden
3	Sanrio Fruit Fortune & Merino Street, City Deep, Johannesburg	Warehouse building with cold storage facilities.	Oct 97	4 227	3 296	2	28,67%	Bonatla Properties (Pty) Ltd	Stand105/106 City Deep x4 57/58/1 City Deep x1
4	Delta City 4 Salisbury Street Johannesburg	A multi-level industrial building designed and let to the motor industry providing ample parking, parts warehouse, panel beating shop.	Oct 97	4 000	14 992	3	5,01%	Bonatla Properties (Pty) Ltd	Stand 33 Salisbury Claims
5	Dan Perkins 20 John Street Selby, Johannesburg	Multi-tenanted industrial building, which is let to the motor industry	Oct 97	5 250	6 300	3	0,00%	Bonatla Properties (Pty) Ltd	Stand 325/326/560/ 280/2 Selby
6	Siliconics Cnr Precision & Staal Street, Kya Sands Randburg	A small modern double-storey office building with an adjoining single-storey warehouse.	Oct 97	2 250	1 452	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 45 Kya Sands
7	Electrocomponents Indianapolis Crescent Kyalami Park	Modern warehouse / industrial building with adjoining offices situated in a secure park environment.	Oct 97	6 350	3 856	2	16,16%	M&P Boating (Pty) Ltd	Stand 15/16 Kyalami Park



No	Property & Street Address	Description	Date Acquired	Valuation R'000	Gross Lettable Area (m ²)	No of Tenants	Vacancy %	Owned by	Erf no.
8	Inspectorate House Data Street, Ormonde Johannesburg	A two-storey face brick building with office and laboratory facilities.	Oct 97	6 400	2 704	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 1163 Ormonde x 25 385-002 Ormonde x 8
9	Deloittes Brooklyn 7 Fehrsen Street Cnr Waterkloof Road Pretoria	Modern, prestigious two-storey office building with basement parking situated in the upmarket node of Brooklyn.	Oct 97	20 100	4 000	2	0,00%	Bonatla Properties (Pty) Ltd	Stand 706/R Brooklyn
10	Grinaker Electronics 35 Waterloo Road Samrand, Midrand	Modern two-storey office building with an adjoining warehouse/workshop situated in Samrand Industrial Park.	Oct 97	7 300	2 970	1	0,00%	Samrand 869 (Pty) Ltd	Stand 869 Kosmosdal x 11
11	VLC House 326 Rivonia Boulevard, Rivonia	Two-storey modern office building situated in Rivonia with basement parking.	Oct 97	3 350	1 202	7	22,13%	New Adventures 72 (Pty) Ltd	Stand 19/9 Edenburg
12	Associated Transport Holdings Lepus Road Crown Extension 8 Johannesburg	Modern warehouse property with ancillary offices situated in Crown with easy access to main arterial routes.	Oct 97	3 100	2 343	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 253/4/5 Crown x 8
13	Kensington B Cnr Hendrik Verwoerd Drive & Frere Road Randburg	Modern commercial property with offices, showroom space and covered and open parking bays.	Oct 97	4 500	3 329	4	0,00%	Bonatla Properties (Pty) Ltd	Stand 101 Kensington B
14	Dalefern 284 Oak Avenue Ferndale, Randburg	Constructed of polished granite and glass. Consists of a three-floor "A" grade office building with basement parking.	Oct 97	10 000	3 775	4	3,31%	Dalefern Properties (Pty) Ltd	Stand 1080 Ferndale



No	Property & Street Address	Description	Date Acquired	Valuation R'000	Gross Lettable Area (m ²)	No of Tenants	Vacancy %	Owned by	Erf no.
15	Standard Bank Louis Botha Avenue Cnr Louis Botha Avenue & Forest Road Bramley	Modern two-storey building office building with main frontage in Louis Botha Avenue	Oct 97	4 650	2 977	4	10,07%	Bonatla Properties (Pty) Ltd	Stand 107 Stand 108-699 Bramley
16	Edenvale 98 72 Voortrekker Ave Cnr Hendrik Potgieter Street, Edenvale	Three-storey office building situated in central Edenvale.	Oct 97	2 150	1 976	3	5,97%	Bonatla Properties (Pty) Ltd	Stand 98/3 Edenvale
17	Evapco Cnr Quality & Barlow Roads, Isando	Modern eight-metre high warehouse situated in Isando.	Oct 97	8 500	5 294	1	0,00%	Hail Investments (Pty) Ltd	Stand 506 Isando x 4
18	SAB Complex Cnr Monteer & Foundry Roads Isando	Multi-tenanted refurbished warehouse complex offering large premises for prime industrial users.	Oct 97/ Nov 99	12 000	29 170	7	49,83%	Bonatla Properties (Pty) Ltd	Stand 632/1 Isando
19	Sanlam Gables 1209 Schoeman Street, Hatfield, Pretoria	Upmarket three-storey office building with basement parking situated in the decentralised node of Hatfield.	Oct 97	14 650	2 868	4	21,89%	EG Chapman Syndication Hatfield No 2 (Pty) Ltd	Stand 700 Hatfield
20	Vanderbijl Centre Frikkie Meyer Boulevard Vanderbijlpark	A prominent corner retail property close to the town's CBD let to restaurants and the motor industry.	Oct 97	5 300	2 449	7	0,00%	Stand 206 Vanderbijlpark (Pty) Ltd	Stand 206 Vanderbijlpark
21	Oracle House Oracle Close Off Smuts Drive Halfway Gardens Midrand	Corporate two-storey office building overlooking the N1 freeway with good parking facilities and a provision for a third floor of offices.	Oct 97	26 627	5 202	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 566 Halfway Gardens x 64



No	Property & Street Address	Description	Date Acquired	Valuation R'000	Gross Lettable Area (m ²)	No of Tenants	Vacancy %	Owned by	Erf no.
22	Bradenham Hall Mellis Avenue Rivonia	Two identical modern three-storey office buildings with basement parking in a secure office park.	Oct 97	22 414	4 775	11	0,00%	Bonatla Properties (Pty) Ltd	Stand 331 Rivonia x 20
23	Lone Creek Waterfall Park Vorna Valley Extension 21 Midrand	Four individual "A" grade facebrick office buildings along the N1 freeway in a secure office park.	Feb 99	25 500	5 490	18	14,21%	Bonatla Properties (Pty) Ltd	Stand 1994 Vorna Valley x 21
24	Podium Building Cnr Atterbury & Ingersol Roads Menlyn	Facebrick office park overlooking Menlyn Regional Shopping Centre.	Jun 99	12 750	4 679	15	10,69%	Bonatla Properties (Pty) Ltd	Stand 66 Menlyn
25	One Highveld Cnr Bellingham & John Vorster Roads Centurion	Modern office and warehouse complex.	Jun 99	12 300	6 012	7	3,53%	Bonatla Properties (Pty) Ltd	Stand 2119 Highveld x 1
26	Rooihuiskraal 143 Sarel Baard Crescent Rooihuiskraal	Two modern office and warehouse units.	Sep 98	1 900	2 471	1	52,61%	Bonatla Properties (Pty) Ltd	Stand 2819 Rooihuiskraal x 26
27	QD House 91-94 Silverstone Crescent Kyalami Business Park, Kyalami	Double-storey office complex with a single storey hi-tech industrial/warehouse facility.	Nov 99	8 700	3 470	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 165 Kyalami Park
28	Flexitainer 59 Lechwe Street Corporate Park Midrand	Modern warehouse/light industrial premises with a separate two-storey office block.	Feb 00	3 150	1 841	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 230/3 Randjespark x 74



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No	Property & Street Address	Description	Date Acquired	Valuation R'000	Gross Lettable Area (m ²)	No of Tenants	Vacancy %	Owned by	Erf no.
29	Motorola 410 Janedel Ave Halfway Gardens Ext 4, Midrand	Double-storey office building facing the N1 freeway.	Feb 00	3 900	719	1	0,00%	Bonatla Properties (Pty) Ltd	Stand 164 Halfways Gardens x 4
30	Admiral 151 Lechwe Street, Corporate Park Midrand	Modern warehouse/light industrial premises with ancillary offices facing the N1 freeway.	Feb 00	12 200	5 308	3	10,44%	Bonatla Properties (Pty) Ltd	Stand 208/2 Randjespark x 70
31	Electron Place 52 Electron Avenue, Isando Ext 1 Kempton Park	Modern three-storey facebrick office block plus hi-tech/pharmacy space and conventional warehousing.	Feb 00	8 770	9 221	3	76,13%	Codify Investments (Pty) Ltd	Stand 024/336 Isando
32	Cambridge Park Witkoppen Road, Paulshof	Modern light industrial buildings facing the N1 freeway.	Feb 00	41 300	12 251	7	0,00%	Stand 972 Cambridge Park (Pty) Ltd	Stand 972 Paulshof x 45
33	Xpanda 918 Morkels Close, Halfway House Midrand	One large commercial/light industrial building with a large component of offices which has been split into two (adjoining) sections.	Feb 00	5 600	2 453	2	0,00%	Cambridge Park Mall (Pty) Ltd	Stand 514 Halfway House x 41
34	Baracuda Lechwe Street, Corporate Park Midrand	Modern warehouse/light industrial premises with ancillary offices facing the N1 freeway.	Feb 00	11 250	6 696	4	17,08%	Stand 11 Corporate Park (Pty) Ltd	Stand 231/1 Randjespark x 76
35	Protrans 8 Jansen Street Jet Park Ext 14 Boksburg	Large modern warehouse with double-storey office components.	Oct 99	28 700	22 774	1	0,00%	Rara Avis Property Investments (Pty) Ltd	Stand 40045 Jet Park Ext



No	Property & Street Address	Description	Date Acquired	Valuation R'000	Gross Lettable Area (m ²)	No of Tenants	Vacancy %	Owned by	Erf no.
36	Cresta Corner Cnr DF Malan Drive and Pendering Street, Cresta	Modern multi-use office, retail, motor and gymnasium complex at major intersection in Northcliff area.	Nov 99	32 238	7 623	13	17,08%	Bonatla Properties (Pty) Ltd	Stand 259 Crest X 7 64 Cresta Corner
37	Profurn House 66 De Korte Street Braamfontein	Fifteen-storey office building which was renovated in 1997.	Dec 99	12 000	7 238	5	0,00%	Makeover Investments (Pty) Ltd	Stand 4444/30 Johannesburg Stand 4444/100 Johannesburg
38	Menlyn Square 116 Louis Avenue Menlyn, Pretoria	Four two-storey office buildings built around a parking courtyard and let primarily to the banking sector.	Dec 99	43 700	9 970	14	15,44%	VLC Commercial & Industrial (Pty) Ltd	Stand 445 Waterkloof Glen x 2 Stand 67 Menlyn x 10
39	Pretoria Gateway Cnr Schoeman and Pretorius Streets Hatfield, Pretoria	Convenience retail centre located at the junction of major arterial routes in the eastern suburbs of Pretoria.	Dec 99	8 400	1 750	9	0,00%	VLC Commercial & Industrial (Pty) Ltd	Stand 675 Hatfield+L12
40	Fourways Game Centre Short Street, Fourways, Sandton	Retail centre anchored by Game adjacent to Fourways Mall.	Nov 99	39 300	7 999	16	0,00%	Sunrise Estate Development (Pty) Ltd	Stand 12-000 Palmlands A.H.
41	Mafikeng Game Centre Cnr Nelson Mandela Drive and Victoria Streets, Mafikeng	Retail shopping centre anchored by Game situated on the main arterial road in Mafikeng.	Nov 99	17 200	5 218	9	0,00%	Bogare Properties (Pty) Ltd	Stand 6038/6040
42	Klerksdorp Game Centre Margaretha Prinsloo Street Klerksdorp	Retail centre anchored by Game in a growth location in Klerksdorp.	Nov 99	28 200	10 453	21	0,00%	Enaplan Developers (Pty) Ltd	Stand 535 Townlands



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No	Property & Street Address	Description	Date Acquired	Valuation R'000	Gross Lettable Area (m ²)	No of Tenants	Vacancy %	Owned by	Erf no.
43	Welkom Game Centre Cnr Long and Toronto Streets, Welkom	Retail centre anchored by Game with numerous line shops, a gymnasium, petrol station and a Fruit and Veg hyper.	Nov 99	47 700	18 009	33	1,19%	Welkom Square Properties (Pty) Ltd	01/00/00165/00
44	Avoca Industrial Park 4 Old Main Road Hillcrest	Centre leased to the motor trade.	Mar 00	3 600	1 820	4	0,00%	Avoca Industrial Park (Pty) Ltd	Portion 994 of the Farm Albinia
45	Fosa Park 570 Inanda Road, Durban	Modern warehouse and double-storey offices with long-term lease.	Mar 00	5 704	4 200	1	0,00%	Bonatla Properties (Pty) Ltd	188 Fosa Park
46	Greenfields Business Centre 1455 North Coast Road, Durban North	Double level building complex consisting of 22 commercial and light industrial units.	Mar 00	8 500	9 399	18	10,96%	Bonatla Properties (Pty) Ltd	Ptn 22 of Erf 3256/remainder of ptn 1 of Erf 3256/remainder of ptn 5 of Erf 3257 Durban North
47	Lot 202, The Wolds Umgeni Business Park	Two factory/warehouses and office buildings.	Mar 00	4 550	2 540	5	0,00%	Bonatla Properties (Pty) Ltd	Erf 434/435/442 Springfield
48	Manchester Park Section 5, Manchester Park, Manchester Road, Pinetown	Warehouse building complex.	Mar 00	2 700	5 054	1	0,00%	Bonatla Properties (Pty) Ltd	663 Manchester Park



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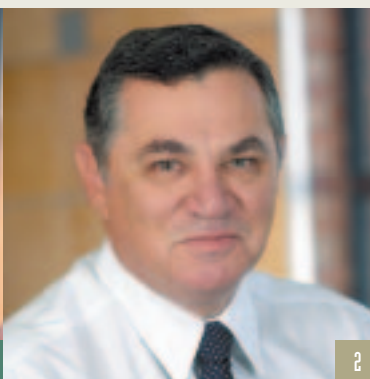
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49	Morgan Creek 38 Mahogany Road, Pinetown	Modern distribution warehouse with double-storey offices on long lease.	Mar 00	9 400	4 644	1	0,00%	Morgan Creek Properties Ten (Pty) Ltd	27950 Pinetown
50	Rinaldo Park Red Hill Industrial Park, Durban North	Modern warehouse building in industrial complex.	Mar 00	2 000	1 650	7	0,00%	Bonatla Properties (Pty) Ltd	158 Rinaldo Industrial Park
51	909 Umgeni Road	Modern warehouse/industrial buildings with double-storey offices.	Mar 00	15 000	7 907	7	0,00%	909 Umgeni Road (Pty) Ltd	Erf 430/431/466 Springfield
	Sundry other assets			4 379					
				644 609	289 976	301	11,1%		



1. bj van der ross
2. jd broll
3. rd du plooy
4. j styger
5. ng vontas
6. m viljoen
7. m brodie



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1. BJ van der Ross (54)

Dip Law

Non-executive Chairman

Acting Chief Executive Officer
of the South African Rail
Commuter Corporation

Director:
FirstRand Ltd
Nationale Pers Bpk
Momentum Group Ltd
Pick 'n Pay Holdings Ltd
Intersite Property Management
Services (Pty) Ltd

2. JD Broll (53)

CA (SA)

Executive Director

Chairman:
Audit Committee

Founder and Chief Executive
of Broll Property Group

Chairman:
Catalyst Holdings (Pty) Ltd

3. RD du Plooy (43) *

BA LLB

Executive Director

Chairman:
Investment Committee

Director:
Catalyst Holdings (Pty) Ltd
South African Investments Ltd

REGISTERED OFFICE

2nd Floor Broll Place, Sunnyside Drive,
Parktown, 2193
PO Box 1287, Houghton, 2041

REGISTRATION NUMBER

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LISTING DETAILS

Listed in the Real Estate Property Sector of the
JSE Securities Exchange South Africa List

COMPANY SECRETARY

Corporate Governance cc,
Chartered Secretaries

directorate and administration [cont.]



4. J Styger (46) #*

BSc Eng

Non-executive Director

Managing Director:

Triplan Property

Developers (Pty) Ltd

MDC Consultants (Pty) Ltd

5. NG Vontas (47) #*

BA Econ, BA Public
Administration, MBA

Non-executive Director

Founder and first Chief

Executive of Bonatla

6. M Viljoen (43)

Non-executive Director

Managing Director:

Acme Property

Developments (Pty) Ltd

M.H.Viljoen Investments

(Pty) Ltd

Viljoen Family Holdings

(Pty) Ltd

7. M Brodie (76)

Non-executive Director

Director:

Rebserve Holdings Ltd

= Member of Audit Committee

* = Member of Investment Committee

PROPERTY MANAGERS

Broll Property Group (Pty) Ltd

TRANSFER SECRETARIES

Mercantile Registrars Ltd

COMMERCIAL BANKERS

ABSA Bank Ltd, Nedcor Bank Ltd

ASSET MANAGERS

Catalyst Property Asset Managers (Pty) Ltd

AUDITORS

Grant Thornton Kessel Feinstein



Bonatla Property Holdings Limited is committed to exercise the principles of transparency, integrity and accountability as advocated in the King Report on Corporate Governance, as well as the proposals as set out in the draft 2001 report.

The directors endorse and have addressed and, where possible, have applied the Code of Corporate Practices and Conduct ("the Code") as set out in the King Report, with all variances being disclosed.

In supporting the Code, the directors recognise the need to conduct the business of the group with integrity and in accordance with generally accepted corporate practices.

Board of Directors

The Bonatla Board meets regularly, retains full and effective control over the affairs of the group and monitors the asset management process. The Board reserves to itself a range of key decisions to ensure that it retains proper direction and control of the group.

During the current year the Board met fourteen times indicating the level of involvement in the company's overall strategy and general operations. The Board's main responsibilities include: strategy, acquisition and disinvestment policy, risk management, financing and corporate governance.

Company Secretary and Professional Advice

The company secretarial function has been outsourced to Corporate Governance cc. Clive Kneale represents Corporate Governance cc as the Company Secretary and has extensive experience in this field.

All directors have access to the advice and services of the Company Secretary, whose responsibilities are, by agreement, set out in Section 268G of the Companies Act, including (but not restricted to) providing guidance to directors as to their duties, responsibilities and powers, liaising with the JSE Securities Exchange SA, STRATE and the Registrar of Companies and ensuring that minutes are kept of meetings of directors and shareholders and making directors aware of relevant changes in law.

Directors are entitled, in consultation with the Company Secretary, to seek independent professional advice about the affairs of the group, at the group's expense.

Board Committees

To assist the Board in discharging its collective responsibility for corporate governance, two committees have been established, to which certain of the Board's responsibilities have been delegated.

These committees are composed of directors who have a mix of skills, experience and other qualities appropriate to their roles. A sufficient number of non-executive Board members capable of exercising independent judgement to tasks, where there is a potential conflict of interest, have been assigned to these committees.



Audit Committee

The Audit Committee has been delegated powers by the Board. These powers clearly set out the responsibilities and authorities together with the structures and processes of the committee. During the financial year under review, the Audit Committee has addressed its responsibilities in terms of the delegated powers.

The primary objective of the Audit Committee is to promote the overall effectiveness of corporate governance in the group. Its objectives include:

- ensuring the integrity of the group's accounting and financial reporting systems;
- ensuring that appropriate systems are in place for monitoring risk, financial control and compliance with the law and codes of conduct;
- evaluating the effectiveness of the risk and compliance management function in the group;
- maintaining transparent appropriate relationships with the external auditors; and
- reviewing the scope and quality of the statutory audit and the independence and objectivity of the auditors.

The Audit Committee meets at least twice a year. Staff of CPAM and the external auditors attend these meetings to assist the committee in effectively carrying out its mandate.

The members of the Audit Committee are: J D Broll (Chairman), J Styger and N Vontas.

Investment Committee

The committee has been appointed to review all proposed property acquisitions and disposals, and other matters which may be specifically delegated to it. The committee operates within a clearly defined mandate and authority levels.

The members of the investment committee are: RD du Plooy, (Chairman), J Styger and NG Vontas.

The following departures from Code should be noted:

As the group has no employees it does not have an affirmative action policy nor a remuneration committee.

Directors' Contracts of Employment

No director has a contract of employment.

approval of financial statements

Directors' approval of annual financial statements

The directors of Bonatla Property Holdings Limited are responsible for the preparation, integrity and fair presentation of the annual financial statements of Bonatla Property Holdings Limited and its subsidiaries. The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and include amounts based on reasonable and prudent judgements and estimates made by management.

The directors believe that the group will be a going concern in the foreseeable future, and for this reason the going concern basis has been adopted in preparing the financial statements.

The financial statements have been audited by the independent accounting firm Grant Thornton Kessel Feinstein, which was given unrestricted access to all financial records and related data. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate.

These financial statements were approved by the Board of Directors on 20 December 2001 and signed on its behalf by:



BJ VAN DER ROSS
Chairman



RD DU PLOOY
Director



declaration by company secretary



I certify, in terms of Section 268 G(d) of the Companies Act 1973 (Act No. 61 of 1973), as amended, that to the best of my knowledge the company has lodged with the Registrar of Companies all such returns as are required of the company in terms of the Companies Act 1973 (Act No. 61 of 1973) as amended, and that all such returns are true, correct and up to date.

A handwritten signature in dark green ink, appearing to read "C. K. K.", with a long, sweeping horizontal stroke underneath.

CORPORATE GOVERNANCE CC
Company Secretary

20 December 2001

report of the independent auditors

Report of the independent auditors to the members of Bonatla Property Holdings Limited:

We have audited the annual financial statements and group annual financial statements of Bonatla Property Holdings Limited, set out on pages 26 to 45, for the year ended 30 September 2001. These annual financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements, based on our audit.

Scope

We conducted our audit in accordance with Statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 30 September 2001, and the results of their operations and cash flows for the year then ended in accordance with Statements of South African Generally Accepted Accounting Practice, and in the manner required by the South African Companies Act.



GRANT THORNTON KESSEL FEINSTEIN

Registered Accountants and Auditors

Chartered Accountants (SA)

Cape Town

20 December 2001

The directors have pleasure in submitting the financial statements of the company and the group for the year ended 30 September 2001.

Nature of Business

Bonatla Property Holdings Limited is a property investment company with investments in industrial, commercial and retail properties throughout South Africa.

Financial Reports

The results of the company and the group are set out in the financial statements.

Share Capital

The following shares were issued/(cancelled) during the year

Date Issued	Number of shares	Par value (R)	Net premium (R'000)
1 October 2000	10 459 759	104 597	20 740
1 October 2000	(2 500 000)	(25 000)	25
1 June 2001	300 000	3 000	597
31 July 2001	1 300 000	13 000	2 849
	9 559 759	95 597	24 211

Events Subsequent to the Balance Sheet Date

There were no material facts or circumstances which have occurred in the group between the balance sheet date and the date of this report.

Secretary

The company secretary is Corporate Governance CC, Chartered Secretaries, 6 Dale Lace Glades, Eastwood Street, Randpark.

Subsidiary Companies

Details of the company's principal subsidiaries are set out on page 46 to the financial statements. The attributable interest of the holding company in the aggregate profits and losses after taxation of its subsidiaries are as follows:

	R000's	R000's
	2001	2000
Aggregate profits	9 528	7 281
Aggregate losses	1 986	3 075

directors' report [cont.]

Directorate

The names of the current directors appear on pages 18 and 19.

The following directors were not re-elected at the Annual General Meeting held on 20 March 2001.

- BP Botha
- MJ Dyke
- PJ Otten

The following new directors were elected at the Annual General Meeting.

- JD Broll
- RD du Plooy

In terms of the Articles of Association Messrs Brodie, Vontas and Styger retire by rotation at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

Directors' Shareholding

Name	Beneficial holdings		Non-beneficial holdings		% of all ordinary shares
	Direct R'000	Indirect R'000	Direct R'000	Indirect R'000	
BJ van der Ross	-	-	-	-	0%
RD du Plooy	-	-	-	-	0%
J Broll	-	-	-	-	0%
NG Vontas	31 548	8 602	-	-	21,69%
J Styger	80	5 670	-	-	3,10%
M Brodie	-	-	-	-	0%
M Viljoen	-	19 555	-	-	10,56%

There have been changes in the directors' shareholdings between the year-end and the date of this report. They are reflected as follows:

Name	Beneficial holdings		Non-beneficial holdings		% of all ordinary shares
	Direct R'000	Indirect R'000	Direct R'000	Indirect R'000	
NG Vontas	36 257	16 395	-	-	28,45%
M Viljoen	-	14 427	-	-	7,79%

Dividend

The directors declared one dividend during the financial year and another subsequent to the year-end. The details are as follows:

Date of payment	Dividend per share
21 August 2001	1 cent
21 January 2002	1 cent

Special Resolutions

A full list of special resolutions passed by the group during the financial year will be made available to shareholders on request during business hours at the company's registered office.

balance sheets at 30 september 2001

		Group		Company	
	Notes	2001 R'000	2000 R'000	2001 R'000	2000 R'000
ASSETS					
Non-current assets		656 760	660 524	166 321	160 537
Tangible assets	2	644 609	646 951	–	–
Financial assets	3	–	–	166 321	160 537
Deferred taxation	4	8 461	10 767	–	–
Debt-redemption scheme		3 690	2 806	–	–
Current assets		5 689	3 403	–	–
Trade and other receivables		1 398	3 005	–	–
Cash and cash equivalents		4 291	398	–	–
Total assets		662 449	663 927	166 321	160 537
EQUITY AND LIABILITIES					
Equity capital and reserves		170 606	162 539	150 223	149 698
Share capital	5	1 851	1 755	1 851	1 755
Share premium	6	145 219	121 008	145 219	121 008
Shares to be issued	7	3 178	26 960	3 178	26 960
Distributable reserve		20 358	12 816	(25)	(25)
Non-current liabilities		472 937	483 581	14 967	7 876
Debentures	8	14 967	7 876	14 967	7 876
Long-term liabilities	9	457 970	475 705	–	–
Current liabilities		18 906	17 807	1 131	2 963
Current portion of debentures	8	–	2 963	–	2 963
Current portion of long-term liabilities	9	9 275	3 362	–	–
Taxation		1 144	118	231	–
Trade and other payables		8 487	11 364	900	–
Total equity and liabilities		662 449	663 927	166 321	160 537

income statements for the year ended 30 September 2001

	Notes	Group		Company	
		2001 R'000	2000 R'000	2001 R'000	2000 R'000
Turnover		113 050	91 362	-	-
Other operating costs		(33 039)	(24 817)	(100)	-
Operating profit (loss)	10	80 011	66 545	(100)	-
Interest received		2 008	1 711	-	-
Dividends received		-	-	2 297	-
Finance charges	11	(69 276)	(64 496)	(115)	-
Profit before taxation		12 743	3 760	2 082	-
Taxation	13	(3 350)	446	(231)	-
Profit after taxation		9 393	4 206	1 851	-
		cents	cents		
Earnings per share	14	5.11	3.57		
Headline earnings per share	15	4.74	3.57		
Fully diluted earnings per share	16	5.02	3.11		
Fully diluted headline earnings per share	17	4.66	3.11		



statements of changes in equity for the year ended 30 september 2001

	Share capital R'000	Share premium R'000	Shares to be issued R'000	Distributable reserve R'000	Total R'000
GROUP					
Balance at 30 September 1999	579	116 392	3 483	(396)	120 058
Change in accounting policy*	-	-	-	(840)	(840)
Restated balance at 30 September 1999	579	116 392	3 483	(1 236)	119 218
Issue of shares net of expenses	1 176	175 310	(3 483)	-	173 003
Liability in respect of shares to be issued	-	-	26 960	-	26 960
Adjustment to the value of properties***	-	(170 694)	-	-	(170 694)
Net profit for the year	-	-	-	4 206	4 206
Opening deferred tax adjustment**	-	-	-	9 846	9 846
Balance at 30 September 2000	1 755	121 008	26 960	12 816	162 539
Issue of shares net of expenses	96	24 211	(23 782)	-	525
Net profit for the year	-	-	-	9 393	9 393
Dividend paid	-	-	-	(1 851)	(1 851)
Balance at 30 September 2001	1 851	145 219	3 178	20 358	170 606
COMPANY					
Balance at 30 September 1999	579	116 392	3 483	(25)	120 429
Issue of shares net of expenses	1 176	175 310	(3 483)	-	173 003
Liability in respect of shares to be issued	-	-	26 960	-	26 960
Adjustment to the value of properties***	-	(170 694)	-	-	(170 694)
Balance at 30 September 2000	1 755	121 008	26 960	(25)	149 698
Issue of shares net of expenses	96	24 211	(23 782)	-	525
Net profit for the year	-	-	-	1 851	1 851
Dividend paid	-	-	-	(1 851)	(1 851)
Balance at 30 September 2001	1 851	145 219	3 178	(25)	150 223

* During the year the group changed its accounting policy with respect to the treatment of intangible assets in terms of AC 129.

** Deferred tax assets, not previously raised, are now brought into account in terms of the revisions to AC 102.

*** The adjustment to the value of the properties has been set off against share premium as approved by shareholders at the previous Annual General Meeting.

cash flow statements for the year ended 30 september 2001

		Group			
	Notes	2001 R'000	2000 R'000		
CASH FLOWS FROM OPERATING ACTIVITIES		9 544	10 279		
Cash generated from operations	23.1	78 681	73 064		
Interest received		2 008	1 711		
Finance charges		(69 276)	(64 496)		
Dividends paid		(1 851)	-		
Taxation paid	23.2	(18)	-		
CASH FLOWS FROM INVESTING ACTIVITIES		1 618	(514 245)		
Proceeds on disposal of tangible assets		4 802	-		
Purchase of tangible assets		(2 300)	(512 284)		
Debt-redemption scheme		(884)	(1 961)		
CASH FLOWS FROM FINANCING ACTIVITIES		(7 269)	504 910		
Proceeds from issue of share capital		-	199 963		
Decrease in share premium		(75)	-		
Net proceeds from issue of debentures		8 000	1 928		
Redemption of debentures		(3 372)	(2 403)		
Payment of long-term borrowings		(11 822)	-		
Proceeds from long-term borrowings		-	305 422		
NET INCREASE IN CASH AND CASH EQUIVALENTS		3 893	944		
Cash and cash equivalents at the beginning of the year		398	(546)		
Cash and cash equivalents at the end of the year		4 291	398		

Note: No cashflow statement has been prepared for the company as the company does not operate its own bank accounts.

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the principal accounting policies, set out below, which are consistent with the prior year with the exception of the changes as noted in note 19.

These policies comply with South African Statements of Generally Accepted Accounting Practice. The financial statements are prepared on a going concern basis.

1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiaries. All inter-company balances and transactions are eliminated. The results of the subsidiaries are included from the effective dates of acquisition.

1.2 Tangible assets

Investment properties are carried at fair value. Fair value of an asset is the amount for which that asset could be exchanged between knowledgeable willing parties in an arms length transaction. Fair value is initially measured at cost including transaction costs. Subsequently such fair value is determined by the directors on an annual basis. Any gain or loss arising out of changes in fair value is included in the net profit or loss for the year.

Subsequent expenditure relating to investment properties is added to the fair value thereof when it is probable that the future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the group. Expenditure that will not result in excess future benefits is included in the profit or loss for the year.

Investment properties are de-recognised on disposal or when the property is permanently withdrawn from use.

Gains or losses arising from the retirement or disposal of investment properties (being the difference between the net disposal proceeds and the carrying amount) are recognised in the net profit or loss for the year.

Tenant installations are capitalised to the cost of the investment properties when incurred. Depreciation is provided on all tenant installations to write down the cost over the term of the lease, or three years, whichever is the shorter.

1.3 Capitalisation of borrowing costs

The capitalisation of borrowing costs commences when:

- expenditure for the asset has occurred;
- borrowing costs specific to a qualifying asset have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Taxation

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

- a transaction or event which is recognised, in the same or different period, directly in equity; or
- a business combination that is an acquisition.

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

Deferred taxation liabilities are the amounts of income taxes payable in future periods in respect of temporary differences.

Deferred taxation assets are the amounts of income taxes recoverable in future periods in respect of:

- deductible temporary differences; or
- the carry forward of unused tax losses.

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

1.5 Revenue

Turnover comprises rental income and recoveries from tenants and excludes value-added tax. Rentals are recognised on the first of the month in which they are due.

1.6 Financial assets

Investments

Non-trading investments are classified as financial assets and stated at fair value (cost, except where there is a decline in value that is other than temporary, in which case they are written down to fair value).

1.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and other financial institutions and investments in money market instruments.



notes to the financial statements at 30 september 2001 (cont.)

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
2. TANGIBLE ASSETS				
Investment properties				
Fair value	645 126	646 951	-	-
Accumulated depreciation	(517)	-	-	-
Net book value	644 609	646 951	-	-
Movement for the year				
Fair value at the beginning of the year	646 951	305 361	-	-
Additions at cost	2 300	512 284	-	-
Disposals	(4 125)	-	-	-
Depreciation of tenant installations	(517)	-	-	-
Fair value adjustment	-	(170 694)	-	-
	644 609	646 951	-	-
Finance charges amounting to R975 000 (2000: R5 741 000) have been capitalised to investment properties during the year.				
The directors carried out a valuation of the group's properties at 30 September 2001 and are considered to be fairly valued.	644 609	646 951	-	-
Certain properties are encumbered as security for liabilities (refer note 9)				
Full details of investment properties belonging to the group are contained in the register of land and buildings which is open for inspection at the registered office of the company.				
3. FINANCIAL ASSETS				
Investment in subsidiaries	-	-	1 000	1 000
Amounts owing	-	-	165 321	159 537
	-	-	166 321	160 537
Fair value	-	-	166 321	160 537
Full details of the subsidiaries are set out on page 46.				
4. DEFERRED TAXATION				
Accumulated capital allowances for tax purposes	(6 201)	(4 895)	-	-
Doubtful debt provision	495	410	-	-
Prepaid expenses	-	(34)	-	-
Tax losses available for set off against future taxable income	14 167	15 286	-	-
	8 461	10 767	-	-

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
5. SHARE CAPITAL				
Authorised 500 000 000 (2000: 500 000 000) ordinary shares of 1 cent each	5 000	5 000	5 000	5 000
Issued 185 096 954 (2000: 175 537 195) ordinary shares of 1 cent each	1 851	1 755	1 851	1 755
The unissued shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
6. SHARE PREMIUM				
At the beginning of the year	121 008	116 392	121 008	116 392
Payment for restraint of trade written off	–	(25 000)	–	(25 000)
Payment for acquisition of management contract written off	–	(22 000)	–	(22 000)
Promoter's fee written off	–	(5 000)	–	(5 000)
Arising on shares issued during the year	24 286	233 913	24 286	233 913
Share issue and listing expenses written off	(75)	(6 603)	(75)	(6 603)
Fair value adjustment to investment properties setoff	–	(170 694)	–	(170 694)
	145 219	121 008	145 219	121 008
7. SHARES TO BE ISSUED				
1 589 192 (2000: 13 480 110) ordinary shares of 1 cent each at a premium of 199 cents (2000: 199 cents)	3 178	26 960	3 178	26 960
These are shares to be issued in terms of acquisitions published in a circular to shareholders dated 22 August 2000 at 200 cents per share.				
8. DEBENTURES				
3 483 276 (2000: 5 419 680) variable rate secured convertible redeemable debentures of R2 each	6 967	10 839	6 967	10 839
8 000 000 (2000: nil) variable rate unsecured convertible debentures of R1 each	8 000	–	8 000	–
	14 967	10 839	14 967	10 839
Less: Debentures with a maturity of less than one year disclosed under current liabilities.	–	(2 963)	–	(2 963)
	14 967	7 876	14 967	7 876

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
8. DEBENTURES (continued)				
Movement for the year				
Balance at 30 September 2000 – 5 419 680 debentures of R2 each	10 839	11 314	10 839	11 314
Converted to shares – 250 000 debentures of R2 each	(500)	(903)	(500)	(903)
Repaid – 1 686 403 debentures of R2 each	(3 372)	(1 600)	(3 372)	(1 600)
New debentures issued – 8 000 000 debentures of R1 each	8 000	2 028	8 000	2 028
Balance at 30 September 2001 – 11 483 276 debentures	14 967	10 839	14 967	10 839
Interest on the debentures is payable simultaneously with the payment of dividends and is an amount equal to that paid as a dividend in respect of any shares issued, on the basis that should no dividend be declared to any shareholder, then no interest will be payable to a debenture holder within that period.				
The debentures are redeemable at par or convertible into ordinary shares at the option of the debenture holder.				
The 8 000 000 variable rate, unsecured, convertible debentures may be converted, or part thereof, into shares at the election of the debenture holder, on any date after the issue date but prior to the fifth anniversary. Any debentures not converted by the fifth anniversary shall be automatically converted into shares.				
A summary of the relevant due dates recorded on the debenture certificates is as follows:				
Due date				
1 October 2000	–	1 028	–	1 028
22 October 2000	–	344	–	344
31 January 2001	–	1 500	–	1 500
31 January 2002	–	1 000	–	1 000
22 October 2002	6 967	6 967	6 967	6 967
30 June 2006	8 000	–	8 000	–
	14 967	10 839	14 967	10 839

Election has already been made in respect of the debentures maturing on 22 October 2002 that they are to be redeemed.

The debenture trust deed is available for inspection by members, or their duly authorised agents, at the registered office of the company.

notes to the financial statements at 30 september 2001 (cont.)

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
9. LONG-TERM LIABILITIES				
Loans secured by mortgages over investment properties	467 245	479 067	-	-
Less: Current portion disclosed under current liabilities	(9 275)	(3 362)	-	-
	457 970	475 705	-	-
Loans secured by first mortgage bonds over investment properties with a book value of R644,609 million (2000: R646,951 million)				
The loans bear interest as follows :				
Interest-free loan	37 395			
Participation bonds – between 13% and 14,5%	24 074			
Floating – prime less 1,5%	103 232			
Floating – prime less 1,25%	6 382			
Floating – prime less 1%	30 945			
Fixed – 6.75% to 30 November 2003	969			
Fixed – 12% to 31 August 2009	3 573			
Fixed – 12,5 to 7 May 2009	3 599			
Fixed – 13,81% to 28 June 2002	39 991			
Fixed – 14,25% to 31 December 2001	2 800			
Fixed – 14,68% to 4 January 2002	20 931			
Fixed – 16,23% to 12 July 2002	9 227			
Fixed – 17% to 7 May 2009	6 905			
Fixed – 17,5% to 11 September 2002	8 270			
Fixed – 17,96% to 28 March 2002	14 250			
Fixed – 18,75% to 31 January 2009	50 393			
Fixed – 18,85% to 4 January 2004	20 332			
Fixed – 18,85% to 8 June 2006	7 560			
Fixed – 18,9% to 29 February 2004	15 086			
Fixed – 18,95% to 8 January 2002	31 574			
Fixed – 18,95% to 8 May 2002	29 757			
	467 245			



	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
10. OPERATING PROFIT				
Operating profit for the year is stated after accounting for the following:				
Income				
Profit on disposal of tangible assets	677	-	-	-
Expenditure				
Audit fees – current year	167	165	-	-
Management fees – secretarial and administration	114	150	-	-
Management fees – asset and property management	2 963	667	-	-
Depreciation on tenant installations	517	-	-	-
Loss on redemption of debentures	-	-	100	-
11. FINANCE CHARGES				
Interest paid				
- Debentures	115	-	115	-
- Long-term liabilities	67 943	69 731	-	-
- Bank overdraft	2 193	236	-	-
	70 251	69 967	-	-
Less: Capitalised interest	(975)	(5 471)	-	-
	69 276	64 496	115	-
12. DIRECTORS' EMOLUMENTS				
Emoluments received by non-executive directors				
- For services as directors	158	82	-	-
- For managerial services	338	450	-	-
- Commission on property acquisition	-	1 000	-	-
- For professional services	-	133	-	-
	496	1665	-	-
Specific issue of shares for cash				
- Commission on property acquisition (67 850 ordinary shares at R2.40)	-	163	-	-
- Restraint of trade agreement (10 000 000 ordinary shares of R2.00)	-	20 000	-	-
	-	20 163	-	-

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
13. TAXATION				
SA normal taxation				
- current year	(813)	(115)	-	-
Deferred taxation				
- current year	(2 306)	561	-	-
Secondary taxation on companies	(231)	-	(231)	-
	(3 350)	446	(231)	-
Reconciliation between applicable tax rate and average effective tax rate				
Applicable tax rate	30%	30%	30%	-
Exempt income	-	-	(33,1%)	-
Disallowable charges	0,6%	-	3,1%	-
Capitalised interest	(6,1%)	(41,9%)	-	-
Secondary tax on companies	1,8%	-	11,1%	-
Average effective tax rate	26.3%	(11.9%)	11,1%	-
14. BASIC EARNINGS PER SHARE				
The calculation of earnings per ordinary share is based on a profit for the year of R9 393 000 (2000: R4 206 000) and a weighted average of 183 818 050 (2000: 117 775 000) ordinary shares in issue during the year.				
15. HEADLINE EARNINGS PER SHARE				
The calculation of headline earnings per share is based on earnings of R8 716 000 (2000: R4 206 000) and a weighted average of 183 818 050 (2000: 117 775 000) ordinary shares in issue during the year.				
Reconciliation between net earnings and headline earnings:				
Net profit per income statement	9 393	4 206	-	-
Adjusted for				
- Profit on sale of investment properties	(677)	-	-	-
Headline earnings	8 716	4 206	-	-

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
16. FULLY-DILUTED EARNINGS PER SHARE				
The calculation of fully-diluted earnings per share is based on earnings of R9 449 000 (2000: R4 251 000) and a weighted average of 188 151 786 (2000: 136 675 000) ordinary shares in issue during the year.				
The dilution of 0,45 cents per share is the result of:				
- 2 317 298 weighted shares to be issued;				
- 8 000 000 debentures of R1 each issued during the year giving rise to a weighted average of 2 016 438 ordinary shares. These debentures are convertible into ordinary shares at any date after the issue date but prior to 30 June 2006 on the basis of 1 ordinary share for each R1 debenture; and				
- Adjustments to net earnings as detailed below:				
Reconciliation between net earnings and diluted earnings:				
Net profit as per income statement	9 393	4 206	-	-
Adjusted for				
- Debenture interest (after taxation)	56	45	-	-
Diluted headline earnings	9 449	4 251	-	-
17. FULLY-DILUTED HEADLINE EARNINGS PER SHARE				
The calculation of fully-diluted headline earnings per share is based on earnings of R8 772 000 (2000: R4 251 000) and a weighted average of 188 151 786 (2000: 136 675 000) ordinary shares in issue during the year.				
Reconciliation between net earnings and fully-diluted headline earnings:				
Net profit as per income statement	9 393	4 206	-	-
Adjusted for				
- Profit on sale of investment properties	(677)	-	-	-
- Debenture interest (after taxation)	56	45	-	-
Diluted headline earnings	8 772	4 251	-	-
18. DIVIDENDS PER SHARE				
Ordinary dividends per share				
- Interim (1 cent per share)	1 851	1 851	-	-

The dividend has been paid in full to shareholders registered on 21 August 2001.

19. CHANGE IN ACCOUNTING POLICY

During the year the group changed its accounting policy with respect to the treatment of intangible assets in terms of AC129. In order to conform to the transitional provisions in the statement the group now expenses rather than capitalises such items.

The effect of these changes are as follows:

		Gross R'000	Taxation R'000	Net R'000
Adjustment to opening retained income	1999	(1 200)	(360)	(840)
Portion amortised	2000	240	72	168

20. RELATED PARTY TRANSACTIONS

20.1 Related parties with whom the group transacted during the current year are as follows:

20.1.1 **Broll Real Estate (Gauteng) (Pty) Ltd**

During the year Broll Real Estate (Gauteng) (Pty) Ltd provided property management services to the group. JD Broll is a director of Broll Real Estate (Gauteng) (Pty) Ltd. Broll Real Estate (Gauteng) (Pty) Ltd received fees to the value of R1 830 643 (2000: nil) for services provided.

20.1.2 **Catalyst Property Asset Managers (Pty) Ltd**

In April 2001, Catalyst Property Asset Managers (Pty) Limited were appointed to provide property asset management services to the group. Messrs R du Plooy and JD Broll are directors of Catalyst Property Asset Managers (Pty) Limited. Fees amounting to R1 132 164 (2000: nil) were paid.

20.2 Related parties with whom the group transacted during the previous year were as follows:

20.2.1 **Makeover Investments (Pty) Ltd – acquisition of Profurn House**

NG Vontas, director of Bonatla Property Holdings Ltd and of Makeover Investments (Pty) Ltd held 50% of the share capital at the date that Bonatla acquired Makeover Investments (Pty) Ltd. NG Vontas received 2 912 500 ordinary shares of R2 each in Bonatla in settlement of this acquisition.

20.2.2 **VLC Commercial & Industrial Properties (Pty) Ltd – acquisition of Menlyn Square and Pretoria Gateway**

NG Vontas, director of Bonatla Property Holdings Ltd and of VLC Commercial & Industrial Investments (Pty) Ltd held 72,5% of the share capital at the date that Bonatla acquired VLC Commercial & Industrial Properties (Pty) Ltd. NG Vontas received 6 126 173 ordinary shares of R2 each in Bonatla in settlement of this acquisition.



20. RELATED PARTY TRANSACTIONS (continued)

20.2.3 **Management Contract – acquisition of the entire management of Bonatla from VLC Properties (Pty) Ltd**

The entire issued share capital of VLC Properties (Pty) Ltd was held by NG Vontas. Mr Vontas received 11 000 000 million ordinary shares of R2 each in Bonatla in settlement of this acquisition.

20.2.4 **MDC Consultants (Pty) Ltd**

J Styger is the managing director of MDC Consultants (Pty) Ltd who were involved in the construction of the development carried out at the Welkom Game Centre during the year. He received a consultancy fee of R366 515.

20.2.5 **Mongmotse Capital (Pty) Ltd**

NG Vontas, director of Bonatla Property Holdings, was a shareholder and a director of Mongmotse Capital (Pty) Ltd. He received R700 000 in cash and 350 000 ordinary shares of R2 each in Bonatla in settlement for advisory fees relating to the circular issued on 15 December 1999.

21. FINANCIAL INSTRUMENTS

Interest rate risk

Hedging instruments are linked to specific financial debts. Each instrument has a due date on, or before, maturity of the corresponding debt.

Credit risk

The group maintains cash, cash equivalents and short-term investments with various financial institutions. The company's policy is designed to limit exposure with any one financial institution and a high credit standing if necessary for the financial institutions with which the transactions are executed.

Credit risk with respect to trade accounts receivable is dispersed due to the large number of tenants and the diversity of the properties in which the group invests. The group performs credit evaluations of its tenants and adequate provision has been made for all identified risks.

22. EMPLOYEE BENEFITS

In April 2001 the restructuring of the group was implemented resulting in there no longer being employees. Accordingly the group does not provide for employee benefits. Prior to this date, the group made provision for a provident scheme. The scheme was a defined contribution fund. Contributions were fully expensed during the period in which they were funded.

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
23. CASH FLOW STATEMENT				
The following convention applies to figures other than adjustments: Outflows of cash are represented by figures in brackets. Inflows are represented by figures without brackets.				
23.1 Reconciliation of profit before taxation to cash generated from operations				
Profit on ordinary activities before taxation	12 743	3 760	-	-
Adjustments	67 208	62 785	-	-
- Loss on redemption of debentures	100	-	-	-
- Profit on disposal of tangible assets	(677)	-	-	-
- Depreciation	517	-	-	-
- Interest received	(2 008)	(1 711)	-	-
- Finance charges	69 276	64 496	-	-
Operating profit before working capital changes	79 951	66 545	-	-
(Increase)decrease in working capital	(1 270)	6 519	-	-
Decrease(increase) in trade and other receivables	1 607	(920)	-	-
(Decrease)increase in trade and other payables	(2 877)	7 439	-	-
Cash generated from operations	78 681	73 064	-	-
23.2 Taxation paid				
Taxation at beginning of year	(118)	(3)	-	-
Taxation for the current year	(813)	(115)	-	-
Secondary taxation on companies	(231)	-	-	-
Taxation at end of year	1 144	118	-	-
	(18)	-	-	-
23.3 No cash flow statement has been prepared for the company as the company does not operate its own bank accounts.				

24. SEGMENT INFORMATION

Geographical Segments

The group owns buildings across several provinces in South Africa. The majority of these buildings are located in Gauteng.

Nature of Building Usage

For management purposes, the group is organised into three main sectors, in accordance with the primary use of each building. These sectors, namely industrial, office and retail buildings, form the basis on which the group reports its primary segment information.

Financial information about business segments is presented in the following report:

Segment Report for the year ended 30 September 2001

Sector	Tangible assets R'000	Total interest bearing borrowings R'000	Revenue R'000	Net property income after bond interest paid, and before tax R 000	Interest paid – long term liabilities R 000
Industrial	244 701	189 381	48 023	3 009	31 574
Offices	217 191	160 102	32 014	5 315	17 261
Retail	178 338	117 762	33 013	2 904	18 133
Other	4 379	–	–	–	–
	644 609	467 245	113 050	11 228	66 968

Location	Tangible assets R'000	Total interest bearing borrowings R'000	Revenue R'000	Net property income after bond interest paid, and before tax R 000	Interest paid – long term liabilities R 000
Free State	75 900	46 873	14 939	685	8 247
Gauteng	499 276	365 413	84 791	10 844	50 466
Kwa-Zulu Natal	47 854	46 896	9 783	(1 220)	7 013
Northern and North West provinces	17 200	8 063	3 537	919	1 242
Other	4 379	–	–	–	–
	644 609	467 245	113 050	11 228	66 968

24. SEGMENT INFORMATION (continued)

Capital Expenditure and Depreciation:

There were no capital acquisitions during year. Depreciation is not charged on tangible assets allocated to the segments.

Net Property Income after bond interest paid, before taxation is reconciled to net profit per the income statement as follows:

Net property income after bond interest paid	11 228
Interest received	2 008
Non-property specific expenses	(493)
	12 743

Interest paid - long term liabilities, is reconciled to interest paid per the income statement, as follows:

Interest paid - long-term liabilities	66 968
Interest paid - overdraft	2 308
	69 276

details of subsidiary companies at 30 september 2001

Name of Company	Issued share capital 2001/2000 R'000	% Held	Shares at cost R'000	Loans to Investment properties owned by subsidiaries		Name of Building
				2001 R'000	2000 R'000	
Subsidiary of Bonatla Property Holdings Ltd						
Bonatla Properties (Pty) Ltd	4	100	1 000	165 321	159 537	See pages 10 to 17
Subsidiaries of Bonatla Properties (Pty) Ltd						
Dalefern Properties (Pty) Ltd	1 000	100				Dalefern
EG Chapman Syndication Hatfield No 2 (Pty) Ltd	1 235 000	100				Sanlam Gables
Hail Investments (Pty) Ltd	100	100				Evapco
M & P Boating (Pty) Ltd	120	100				Electrocomponents
New Adventure Investments 72 (Pty) Ltd	100	100				VLC House
Samrand 869 Investments (Pty) Ltd	100	100				Grinaker Electronics
Stand 206 Vanderbijlpark (Pty) Ltd	200	100				Vanderbijl Centre
Stand 508 Isando (Pty) Ltd	100	100				SAB
Codify Investments (Pty) Ltd	100	100				Imation
Cambridge Park Mall (Pty) Ltd	100	100				Xpanda
Stand 972 Cambridge Park (Pty) Ltd	100	100				Cambridge Park Mall
Stand 11 Corporate Park (Pty) Ltd	100	100				Baracuda
Rara Avis Properties (Pty) Ltd	100	100				Protrans
VLC Commercial & Industrial Properties (Pty) Ltd	2 000	100				Menlyn Square Pretoria Gateway
Makeover Investments (Pty) Ltd	100	100				Profurn House
Avoca Industrial Park (Pty) Ltd	100	100				Avoca Industrial Park
Morgan Creek Properties (Pty) Ltd	198	100				Morgan Creek
909 Umgeni Road (Pty) Ltd	1	100				909 Umgeni Road
Enaplan Developers (Pty) Ltd	100	100				Klerksdorp Game Centre
Subsidiaries of Enaplan Developers (Pty) Ltd						
Sunrise Estate Development (Randburg) (Pty) Ltd	100	100				Fourways Game Centre
Bogare Properties (Pty) Ltd	100	100				Mafikeng Game Centre
Welkom Square Properties (Pty) Ltd	100	100				Welkom Game Centre

analysis of shareholders

SHAREHOLDERS' PROFILE

Number of shareholders	Shareholding	Number of shares owned	At 31 December 2001
			% of total issued shares
425	1 - 5 000	104 340	0,06%
24	5 001 - 25 000	349 656	0,19%
14	25 001 - 50 000	528 464	0,29%
28	50 001 - 250 000	3 499 574	1,89%
18	250 001 - 500 000	6 114 192	3,30%
35	500 001 +	174 500 728	94,27%
544		185 096 954	100,00%

Number of shareholders	Type of shareholder	Number of shares owned	% of total issued shares
220	Individuals	89 463 696	48,33%
278	Other corporate bodies	41 728 896	22,54%
22	Nominees	3 369 300	1,82%
18	Trusts	24 888 426	13,45%
6	Investment companies	25 646 636	13,86%
544		185 096 954	100,00%

Details of shareholdings in excess of 5% are as follows:

NG Vontas	28,45%
Michael Viljoen Trust	7,79%
Yabeng Investment Holding Co Ltd	8,19%
N, F & J Toich Homes	5,67%

There are no known shareholdings by nominees which exceed 5%

shareholders' calendar

4th Annual General Meeting	26 March 2002
Interim Results (for the half year to 31 March 2002)	May 2002
Preliminary Announcement (for the year ending 30 September 2002)	December 2002
Annual Report	February 2003

notice of annual general meeting

Notice is hereby given that the fourth Annual General Meeting of Shareholders of Bonatla Property Holdings Limited will be held in the Boardroom, 2nd Floor, Broll Place, Sunnyside Drive, Parktown, Johannesburg on 26 March 2002 at 14h00 for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions set out below:

1. Ordinary Resolution number one (Approval of Annual Financial Statements)

"Resolved that the annual financial statements of the company and the group for the year ended 30 September 2001, together with the reports of the directors and auditors, be and are hereby approved".

2. Ordinary Resolution number two (Re-election of Directors)

"Resolved that Messrs MH Brodie, J Styger and NG Vontas who retire as directors in terms of the company's articles of association but, being eligible, offer themselves for re-election, be and are hereby re-elected as directors of the company."

3. Ordinary Resolution number three (Unissued shares under the control of Directors)

"Resolved that the authorised but un-issued shares in the capital of the company be placed under the control of the directors of the company to allot or issue such shares at their discretion, subject to the provisions of the Companies Act No. 61 of 1973, as amended, and the Listings Requirements of the JSE Securities Exchange South Africa."

4. Ordinary Resolution number four (Cash issue)

"Resolved that the directors of the company be and they are hereby authorised by way of a general authority to issue all or any of the authorised but un-issued shares in the capital of the company for cash, as and when they in their discretion deem fit subject to the Listings Requirements of the JSE Securities Exchange South Africa, which currently provide, inter alia:

- that this authority shall be valid until the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date that this authority is given;
- that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue of shares representing, on a cumulative basis within one year, 5% or more of the number of the company's shares in issue prior to any such issue;
- that issues in the aggregate in any one year shall not exceed 15% of the number of shares in the company's issued share capital;
- that, in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors. Issues at a discount greater than 10% may be undertaken subject to specific shareholder consent; and
- that any such issue will only be made to public shareholders as defined by the JSE Securities Exchange South Africa."

notice of annual general meeting (cont.)

The approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting is required for the authority in five below to become effective.

5. Ordinary Resolution number five (Directors' authority to negotiate and sign)

"Resolved that any of the directors of the company be and hereby authorised to negotiate on behalf of the company and sign all such documents and do all such things as maybe necessary for or incidental to registration or implementation of the resolutions set out in the notice."

A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a member of the company.

Forms of proxy must be lodged with the company at its registered office not less than 48 hours before the time appointed for the holding of the meeting.

By Order of the Board
CORPORATE GOVERNANCE CC
Company Secretary



Bonatla Property Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration No. 1996/014533/06)

("Bonatla" or "the Company")

Share code: BNT ISIN: ZAE000013694

For the 4th annual general meeting

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

Being a member/members of Bonatla and entitled to _____ votes do hereby appoint

_____ or failing him/her
_____ or failing him/her

The chairman of the annual general as my/our proxy to act for me/us at the annual general meeting of the company to be held at 14h00 on Tuesday, 26 March 2002, and at any adjournment thereof, in the boardroom at Broll Place, Sunnyside Drive, Parktown and to vote for me/us on my/our behalf in respect of the undermentioned resolutions in accordance with the following instructions (see note 2).

	Number of votes (one vote per share)		
	For	Against	Abstain
1. Adoption of annual financial statements			
2. Election of directors			
MH Brodie			
J Styger			
NG Vontas			
3. Place un-issued shares under directors' control			
4. Authorise directors to issues shares for cash			
5. Authorise directors to give effect to resolutions			

Signed at _____ on _____ 2002

Signature _____ Assisted by me _____
(where applicable – see note 7)

Please read the notes overleaf

form of proxy – notes

1. A member may insert the name of a proxy of the member's choice in the space provided. Should the name of a proxy not be inserted it will be deemed to be a proxy in favour of the chairman of the meeting. A proxy need not be a member of the company.
2. A member is entitled to one vote on a show of hands and, on a poll, to one vote in respect of each share held. A member's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the member in the appropriate box(es).
3. A member or his proxy is not obliged to use all the votes exercisable by the member, or to cast all those votes exercisable in the same way, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member.
4. If a member does not indicate on the form that his proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he deems fit.
5. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to the form of proxy, unless previously recorded by the company or waived by the chairman of an annual general meeting.
6. Any alteration or correction made to this form (including the deletion of alternatives other than those indicating singular or plural) must be installed by the signatory.
7. A minor must be assisted by his/her natural parent or legal guardian.
8. The completion and lodging of this form or proxy will not preclude the member from attending the annual general meeting and speaking and voting in person at such a meeting to the exclusion of the proxy appointed in terms thereof, should he/she wish to do so.
9. This form of proxy should be completed and returned to the company's transfer secretaries (physical address: 11 Diagonal Street, Johannesburg 2001; postal address: PO Box 1053, Johannesburg 2000) to be received by not later than 11h00 on 25 March 2002.
10. The chairman of the annual general meeting may reject or accept any proxy form which is completed and/or received other than in compliance with the Articles of Association of the company or these notes.