DALE CAPITAL GROUP

DALE CAPITAL GROUP LIMITED AND ITS SUBSIDIARIES

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2012

STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	USD	USD	USD	USD
ASSETS				
Non-current assets				
Property, plant and equipment	**20,168,631**	22,072,174	**-**	-
Investment Property	**1,062,400**	1,181,372	**-**	-
Intangible assets	**-**	736,381	**-**	-
Investments in subsidiary	**-**	-	**9,321,928**	12,954,616
Investment in financial assets	**4,713,877**	9,229,542	**231,257**	70,156
Deferred taxation	**-**	92,701	**-**	-
	25,944,908	33,312,170	**9,553,185**	13,024,772
Current assets	**2,159,783**	2,972,195	**2,624,931**	9,825,640
	28,104,691	36,284,365	**12,178,116**	22,850,412
EQUITY AND LIABILITIES				
Stated capital	**21,818,315**	21,818,315	**21,818,315**	21,818,315
Reserves	**(10,425,832)**	(5,850,364)	**(12,638,705)**	(3,323,878)
Shareholders' interest	**11,392,483**	15,967,951	**9,179,610**	18,494,437
Non-controlling interest	**5,204,546**	6,250,008	**-**	-
Total equity	**16,597,029**	22,217,959	**9,179,610**	18,494,437
Non-current liabilities	**8,363,952**	8,849,865	**2,132,661**	2,740,654
Current liabilities	**3,143,710**	5,216,541	**865,845**	1,615,321
	28,104,691	36,284,365	**12,178,116**	22,850,412
Net Asset Value per share :	**0.49**	0.70	**0.39**	0.81
Number of shares in issue*	**23,416,696**	22,800,058	**23,416,696**	22,800,058

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
CONTINUING ACTIVITIES	USD	USD	USD	USD
REVENUE				
Investment Income	**128,325**	74,126	**-**	11,262
Turnover	**2,443,975**	2,351,250	**250,000**	-
	2,572,300	2,425,376	**250,000**	11,262
Administrative expenses	**(623,058)**	(491,079)	**(438,236)**	(257,840)
Operating expenses	**(3,974,116)**	(3,233,036)	**(14,928)**	(46,471)
Loss from operations	**(2,024,874)**	(1,298,739)	**(203,164)**	(293,049)
Finance costs	**(1,482,811)**	(861,276)	**(735,730)**	(251,223)
Net loss on investments	**(982,650)**	(203,623)	**(8,770,933)**	(143,755)
Loss for the year from continued operations	**(4,490,335)**	(2,363,638)	**(9,709,827)**	(688,027)
Income tax income	**(87,026)**	(1,692,639)	**-**	-
Disconinued Operations	**(162,771)**	-	**-**	-
Loss for the period	**(4,740,132)**	(4,056,277)	**(9,709,827)**	(688,027)
Other comprehensive income	**(1,275,798)**	2,115,457	**-**	-
Total comprehensive loss for the period	**(6,015,930)**	(1,940,820)	**(9,709,827)**	(688,027)
Loss attributable to:				
Shareholders of the parent	**(3,694,670)**	(3,403,268)	**(9,709,827)**	(688,027)
Non-controlling interest	**(1,045,462)**	(653,009)	**-**	-
Total comprehensive loss attributable to:				
Shareholders of the parent	**(4,970,468)**	(1,287,811)	**(9,709,827)**	(688,027)
Non-controlling interest	**(1,045,462)**	(653,009)	**-**	-
Loss per share continuing and discontinuing operations	(0.16)	(0.15)	(0.41)	(0.03)
Loss per share continuing operations	(0.16)	(0.15)	(0.41)	(0.03)
Dividend per share	-	-	-	-

STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	USD	USD	USD	USD
Net cash flow from operating activities	**(3,837,201)**	(2,028,831)	**(812,554)**	(611,333)
Net cash flow from investing activities	**3,601,570**	(4,573,183)	**1,258,631**	(10,145,437)
Net cash flow from financing activities	**28,458**	6,380,420	**(549,982)**	11,792,105
Net decrease	**(207,173)**	(221,594)	**(103,905)**	1,035,335
Cash and cash equivalents at beginning	**(1,294,180)**	(1,072,586)	**38,303**	(997,032)
Cash and cash equivalents at end	**(1,501,353)**	(1,294,180)	**(65,602)**	38,303

STATEMENTS OF CHANGES IN EQUITY

	THE GROUP				THE COMPANY		
	Stated Capital	Reserves	Non-Controlling interest	Total	Stated Capital	Reserves	Total
	USD	USD	USD	USD	USD	USD	USD
Balance at 1st March 2011	21,818,315	(5,850,364)	6,250,008	22,217,959	21,818,315	(3,323,878)	18,494,437
Total Comprehensive loss for the period	-	(4,970,468)	(1,045,462)	(6,015,930)	-	(9,709,827)	(9,709,827)
Net movement in Treasury shares	-	395,000	-	395,000		395,000	395,000
Balance at 28 February 2012	21,818,315	(10,425,832)	5,204,546	16,597,029	21,818,315	(12,638,705)	9,179,610
Balance at 1st March 2010	15,888,073	(2,068,289)	4,628,400	18,448,184	15,888,073	(141,587)	15,746,486
Stated Capital Movements	5,930,242	-	-	5,930,242	5,930,242	-	5,930,242
Movement during the period	-	-	2,274,617	2,274,617	-	-	-
Total Comprehensive loss for the period	-	(1,287,811)	(653,009)	(1,940,820)	-	(688,027)	(688,027)
Net movement in Treasury shares	-	(2,494,264)		(2,494,264)	-	(2,494,264)	(2,494,264)
Balance at 28 February 2011	21,818,315	(5,850,364)	6,250,008	22,217,959	21,818,315	(3,323,878)	18,494,437

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DALE CAPITAL GROUP LIMITED

We have carried out a special purpose audit on the accompanying consolidated financial statements of DALE CAPITAL GROUP LIMITED, the "Company" which include the financial statements of its subsidiaries together referred as the "Group, and which comprise the consolidated statement of financial position as at 28 February 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended as set out on pages 7 to 12, and a summary of significant accounting policies and other explanatory information as set out on pages 13 to 39.

Directors' responsibilities for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error. They are also responsible for keeping proper accounting records and also for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 the accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The Company has investment in the subsidiary, Dale Capital Investment Holdings Limited (BVI), which has in turn invested in Dale Capital Holdings SA (Proprietary) Limited which has investment in Shelley Point Hotel Spa and Country Club (Proprietary) Limited ("Shelley") which owns land and buildings which have been accounted for using the revaluation model and which have a carrying amount of ZAR 141,456,310 as at 29 February 2012.

The auditors of Shelley have in their audit report dated 24 May 2012 expressed their opinion under heading "Basis of qualified opinion" of the report that they are of opinion the land and buildings owned by Shelley should possibly be impaired on the basis that the latter is having low levels of revenue, occupancy rates and operating losses and also on the basis that no recent valuation has been carried out on the said land and buildings for them to be able to express an opinion on the value carried on the financial statements and on the tax effects thereof.

Opinion

In view of the significance of the matters referred to in the preceding paragraph and of the effects of any adjustments that might have been deemed necessary to the Company's investment in the subsidiary, in our opinion, the financial statements present fairly, in all material respects, the financial position of Dale Capital Group Limited as at 28 February 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 3 and Note 8 of the consolidated financial statements under the following headings;

(i) Going Concern

As stated in Note 3, The consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The ability of the Company to continue as a going concern is dependent on a number of factors. The most significant of these is the successful implementation and execution of a plan resulting in the commencement of profitable operations and the directors continuing to procure funding for the on-going operations for the Company. The validity of this assumption depends on the continued procurement of medium/long term funding from third parties and also on the presumption that the Company would start receiving dividend income from its underlying investments. The directors are of the opinion that the funding support will be forthcoming over the next twelve months. Hence, they consider that it is appropriate for the consolidated financial statements to be prepared on the going concern basis.

(ii) Valuation of Amara Group of Companies

As stated in Note 8, There has not been any changes in the value of the investment in the Amara Group of Companies, since last year and that the directors have assessed that value for the said investment to approximate its fair value.
This report, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Securities Act 2005 and for no other purpose. In forming the above opinion, we do not, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Crowe Horwath (Mur) Co.
Public Accountants

Commentary in respect of Audit Opinions;

With Reference to the basis for qualification in regard to the valuation of the property ;

The Property was valued as recently as August 2010 for a combined value on a replacement cost basis of ZAR 169 Million. Directors are currently in negotiations for the sale and merger of the hotel with another Property Group and letters of intent have been signed in this respect. Any revision of market value on the property will be established after the completion of negotiations of the sale and merger. Given the substantive conditions that need to be completed prior to the conclusion of the transaction, the transaction value will be more accurately determined during this process. Given the requirement to have the accounts finalised in order for consolidated reporting requirements of the parent, the directors have finalised the accounts with the qualification as is. The Directors are confident that any prospective valuation will not be significantly different form the value being reported.

With Reference to the emphasis of Matter on the investments in the Amara Group;

The valuation of investment in the Amara Group of Companies, have been reported at the same level as last year. The Amara Group & Associates, having already been granted a MasterCard Processors License and are now in the final stages in the approval process for a MasterCard Principal Issuer Licence for the South African Market.
The Group has started to process MasterCard transactions for two banks outside of South Africa. The issuers license, when finally approved, will provide significant revenue for the group, given numerous contracts which have already been contractually signed.The Directors are confident that the issuers license will soon be finally approved. On the assumption of this approval, value add partners have committed to significant investment to expedite strategy implementation. Directors confirm that announcement will be made before the annual report is distributed in this respect and as such have not undertaken any new valuation.

With Reference to Going Concern of the Group;

The Directors have already initiated procedures for the sale of assets in segments being exited and as such expects the Company to be able to recover sufficient receivables to be able to continue as a going concern on the investment operational side. As regards concerns over the hotels operational cash flow, the directors are expecting the finalising the merger prior to the winter months and senior debt restructuring will be complete. Shareholders will be provided with an update to allow for a vote to assess support at the AGM for the continued listing of Dale Capital Group and for the required cash flow in order to see through merger talks and liquidity issues.

Financial Highlights.
Earnings per share for the year ended 28th February 2012 has resulted in a loss per share of (MUR 0.16) per share which was more or less in line with last year. The Group loss for the period was ($3,694,670) after allowing for minority interests.Group Net Asset Value (NAV) per share as at 28th February 2012 reflected significant reduction by 31% from $ 0.70c to $0.49c per share. Group revenue reflected a slight increase from $2.42m to $2.57m as a result of an increase in turnover from the group's major asset, Shelley Point(Turnover of the Hotel increased by 12% from last year, which helped cover the turnover lost from discontinued operations of subsidiaries where a controlling interest was sold,.

Operating expenses, again mainly from the resort, increased by 20%. Group expenses are partially in line with the increased revenue at the resort and significantly higher than the previous year, largely due to cost of finance, and investments in human resources.Group finance costs were up 70% from $861,276 to $$1,482,811.This is mainly due to the charge at year end on related party Loans which had interest charged in February .The group has also had recourse to expensive financing as well during the Last winter season .

Operating environment.

Liquidity has continued to be an issue and we have been focused on sale of assets to reduce debt. The continued Euro Zone troubles and austerity measures continued to cause investor concern over "feed in tariffs" untill the much anticipated IPO with EnerG Capital Limited was aborted. The Group will potentially still benefit any net gain on the sell off of the solar projects, however this is no longer a focus of executives and /or factored in. The Group discontinued as a co-promoter of the Les Ecuries Hotel Project and has nursed remaining investments closer to their cash generation cycle. Executives over the last two quarters commenced negotiations for the co-participation of associated partners into its financial services and hotel investments and conclusion of same will see exit of senior debt.

High Level Group Strategy

The past year has seen the executives continuing with a strategy to reduce debt. This has only been possible via the sale of investments as the groups remaining investments are as yet not in a position to generate any surplus cash. In an earnest effort to protect the Group Nav, in the longer term, the focus has been on debt reduction & executives have been successful in reducing expensive debt. When compared to group position in the early years of the current global recession debt is now minimal.Against the above background the executives are now focussed on a strategy where existing assets will form the basis of a "ring fenced" Private Equity Fund whilst the listed entity is repositioned into a Financial Services Investment Holding Company. In this regard executives are currently involved in preparation of appropriate documentation in order to obtain shareholder and regulatory approval to proceed with a merger involving associated companies.

Prospects.
Trading conditions continue to be extremely difficult and the executives are keenly attempting to pursue new capital and a focus on further consolidation via potential mergers. Due-diligences have commenced to participate in; A merger for the creation of a Financial Services Holdings Group as well; and a potential merger of its Hotel assets. On an admonitory basis, as there are certain conditions precedent and shareholders will be provided with an update to allow for a vote to assess support at the AGM for the continued listing of Dale Capital Group in order to see through these strategies and vote in new members to the Board to assist in taking forward the new strategy.

Appreciation. The Chairman and Board of directors wish to convey a sincere appreciation to all management and staff, shareholders, bankers and advisors for commitment towards assisting in the year.

Notes to the Accounts:
*The number of shares in issue excludes 2,360,376 ordinary shares of no par value held in Treasury. Condensed Financial Statements have been prepared in accordance with International Financial Reporting Standards in accordance with the accounting policies used in the preparation of the financial statements for the year ended 28 February 2012. The Statement of direct and Indirect interests pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge at the registered office of the Company. The Financial Statements are issued pursuant to Listing rules 12.14 and Securities Act 2005. Copies of the Abridged report are available free of charge at the registered office of the Company at the 3rd Floor, Tower A, 1 Cybercity, Ebene,Mauritius.

The Board of Dale Capital Group Limited accepts full responsibility for the accuracy of the information.
Dale International Trust Company Limited- Corporate Secretary 30 May 2012