DALE CAPITAL GROUP LIMITED

Trusted Partners in a New World

ANNUAL REPORT 2013

MANAGEMENT AND ADMINISTRATION

DIRECTORS:	Norman Theodore Noland	Executive Chairman & Chief Executive Officer
	Sanjeeven Ramasawmy	Financial Director
	Nigel Hampton McGowan	Non-Executive
	Jacobus Cornelis Pauw	Non-Executive

COMPANY SECRETARY:

Fortenberry Corporate Services Ltd.,
2 River Court, St. Denis Street,
Port-Louis, Mauritius

BVI Registration Number: 1443428

REGISTERED AGENT AND OFFICE:

Mossack Fonseca & Co. (B.V.I) Ltd
Akara Building
24 De Castro Street,
Wickhams Cay 1, Road Town, Tortola
British Virgin Islands

MAIN BANKER:

AfrAsia Bank Ltd
Bowen Square
10, Dr. Ferrière Street
Port-Louis
Mauritius

Barclays Bank Limited
1st Floor, Barclays House 68-68A
Cybercity, Ebène
Mauritius

SPONSOR AND BROKER:

CIM Stockbrokers
Les Cascades Building
Edith Cavell Street
Port-Louis
Mauritius

AUDITORS:

Crowe Horwath (Mur) Co.
Member Crowe Horwath International
3rd Floor, C.A Building
19, Poudrière Street
Port-Louis
Mauritius

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CHAIRMAN REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2013

The executive team has continued with the strategy embarked on over the previous two years which was to reduce debt via the sale of assets. Given the huge challenges as a result of illiquidity, marginal success was achieved towards further debt reduction.

The heavy cost of finance and inability to fund cash starved infrastructure and investments resulted in continued reduction in shareholder value. The inability of founding and major shareholders to support the group further inhibited executives in the implementation of any turnaround plans focused on re-engineering the group strategy back to its historically successful private equity roots.

The Chairman and CEO have at all times attempted to keep directors and the majority of shareholders informed about the current and ongoing status of the group. Attempts to raise desperately needed cash to assist with the groups survival, has due to recessionary environment, not been possible. Illiquidity on the one hand and the worst possible time to sell assets on the other hand, and especially property assets, has created a stressful environment within which to operate.

At financial year end most of the remaining debt was related to the Shelley Point Hotel investment. Although the Hotels turnover and operating results have improved the continued weakness in terms of occupancy levels in the South African Hotel sector resulted in continued operational losses, albeit at lower levels than previous years.

During the financial year the directors withdrew from the Les Ecuries Hotel Project in Mauritius and proceeded with the sale of Les Ecuries Beach Club property. Potential cash flow from this investment was gradually eroded due to a 10 month period to obtain required government approval to conclude the sale. Post balance sheet date this was finally approved. And the sale will be finalised in the month of June.

Whilst directors continued to evaluate investment and acquisition opportunities, given the current weakness of the group these opportunities have been difficult to pursue or conclude.

This possible restructure and strategy is to a large extent dependant on the successful sale and exit from the group's current leisure properties. The exit from these assets is imminent.

The Group remains with its main asset being its investment in the Bella Amigo Group. The latter was revalued to a value closer to its Asset base with less reliance in forecast on its future potential earnings. The year has shown slow growth continued downward pressure on the Tourism market and lengthier payment by customers has increased credit risk and finance costs associated with same. Amigo is still seeking strategic investors in order to reduce the concentration risk of its current client base in Mauritius and looking forward to regional expansion.

The inherent risks and required working capital of any new strategy is not the subject of the report but will in the appropriate regulatory manner be communicated with shareholders. Directors will make every effort to obtain the view of a majority of shareholders prior to the Annual Meeting.

In conclusion, I do wish to use the opportunity to thank the directors, management and staff for their continued hard work and commitment to both myself and the group. This is greatly appreciated.

Normand Noland

Date: 31 May 2013

Board of Directors

Norman Theodore Noland
(South African)
Group Chairman & CEO

Norman Noland is a 62 years old entrepreneur and businessman with extensive experience in the international financial services sector and as a leader and an investor in both the public and private markets.

Since leaving Standard Bank in 1995 he has been involved in acquiring and establishing a number of businesses, both locally and internationally in the financial services, IT, property and leisure sectors.

His international experience includes directorships of companies listed and private in South Africa, Mauritius, Switzerland, Germany, Luxembourg, Guernsey, Jersey and Isle of Man.

Norman has an impressive CV and track record and is respected in his church community and business.

Sanjeeven Ramasawmy
(Mauritian)
Finance Director

Sanjeeven Ramasawmy joined the board of Dale in June 2009 as Finance Director bringing his accounting and auditing experience to the Group. Born in 1981 in Mauritius, Sanjeeven started his career in December 2003 as an Accounts Officer with the Sugar Investment Trust in Mauritius. In April 2005, he was promoted to Finance Accountant of the Sugar Investment Trust, a group holding investments in the sugar milling, power generation, leisure, property development and banking sectors.

In June 2006, Sanjeeven took up the position of team Leader at Horwath (Mauritius), a member of Horwath International, where he became involved with the audit of offshore companies and cross-border audits in the following sectors: Investment management and holdings, Fund investment and fund management, Investment advisory services, Insurance brokering services, Information technology, Leisure and tourism, Shipping Derivative trading, Mineral surveying Sanjeeven is fluent in English and French.

Nigel Hampton McGowan
(British)
Non-Executive Director

Nigel McGowan qualified as a Chartered Accountant in 1991 with Deloitte, London before returning to the Isle of Man in 1995. After a further 3 years with Deloitte Nigel held senior finance roles with Isle of Man Assurance and Simcocks Advocates before becoming self-employed in 1995. Nigel currently has a number of business interests, primarily the environmental business, Dry Planet, involved in the manufacture and supply of water saving products. Nigel is a non-executive director and advisor to a number of companies and is a past Chairman of the Isle of Man Society of Chartered Accountants.

Jacobus Cornelis Pauw
(South African)
Non-Executive Director

Jacobus Cornelis Pauw founded the Fintrust Group in 1977 and is its Chairman & CEO. Fintrust was primarily an insurance and investment brokerage firm. During the early 80's Fintrust turned its interest to property investments, which culminated in 1989 in a 50/50% partnership with Syfrets (which later became Nedcor Investment Bank), part of the Old Mutual group, to establish the SYFIN group.

He served as CEO for several years, later as Chairman of the SYFIN Group of Companies. Amongst other, SYFIN initiated the R1, 5 billion + N1 City regional multi-use property project in the Cape Peninsula. SYFIN is still in existence today, however under different ownership and management.

Since the middle 90's, Fintrust also became an angel investor on a private equity basis in a number of ICT companies and Jacques served on various boards, mostly in the S.I.T. (Security, Identification and Tracking) markets. Fintrust sold its property interests in SYFIN in 2000 to explore international project-funding opportunities until 2005 when it began to concentrate its investment participation, in addition to financial services and ICT products, into cleantech opportunities, minerals beneficiation and intellectual property commercialization.

Business Review

The year saw the continued illiquidity, further slowdown in global economy, and a struggling corporate and retail sector. Overall, the capital markets "stuttered" along at best making it difficult to raise capital for operations and projects. Due to low liquidity, the Board proceeded to actively engage in selling off the Group largest asset to allow for the Group to be able to further concluded mergers and acquisitions. Two Groups showed takeover interest at year end subject to conditions precedent.

rescue process is implemented and in terms of the law the practitioner has a period of approximately 5 weeks to table a Business Rescue Plan for approval by creditors and shareholders. It is anticipated that the presentation will take place during the week first week of August 2013.

As a result of the above the full operational responsibility of the hotel and indeed the board of directors are now under the authority of the practitioner.

Shelley Point

At year end there was real interest by parties wishing to acquire the business. In poste year end events the directors of Shelley Point Hotel Spa and Country Club (Pty) Ltd decided that in the interests of protecting shareholder investment it would be practical to place the business in business rescue. As a result directors approached the Companies and Intellectual Properties Commission of South African in terms of the Section 223 of the Companies Act (Act no 71 of 2008) for the company to be placed in Business Rescue and for Mr. Neil Hobbs (Senior Business Rescue Practitioner of Accounting Firm, Hobbs Sinclair) to be appointed as the Business Rescue Practitioner. The approval has been granted and a first meeting of creditors took place on 28 June 2013. Creditors approved that the business

i. The practitioner has taken over negotiations with the current purchasers.
ii. In terms of the law there is a compulsory temporary moratorium on all debt and no legal action may be proceeded with against the company.

Shareholders will be kept informed of further developments via a substantial transaction circular for approval.

The substantial circular will hopefully also provide information and update on:

- Prospects of executive's raising new capital.
- Update on any re-structure or recommended reverse listing/merger.

Fish, fine Food and Beverages

The year saw a stabilisation in business exposed to the Fish Fine Food and Beverages section. Although the demand remained at more or less the same levels, customer credit risk has increased significantly, particularly within the Hotel Industry.

The Company continues to seek strategic investors in order to reduce the concentration risk of its current client base in Mauritius. At year end trial containers were exported to test demand and client Feedback.

Investments in the Amara Group

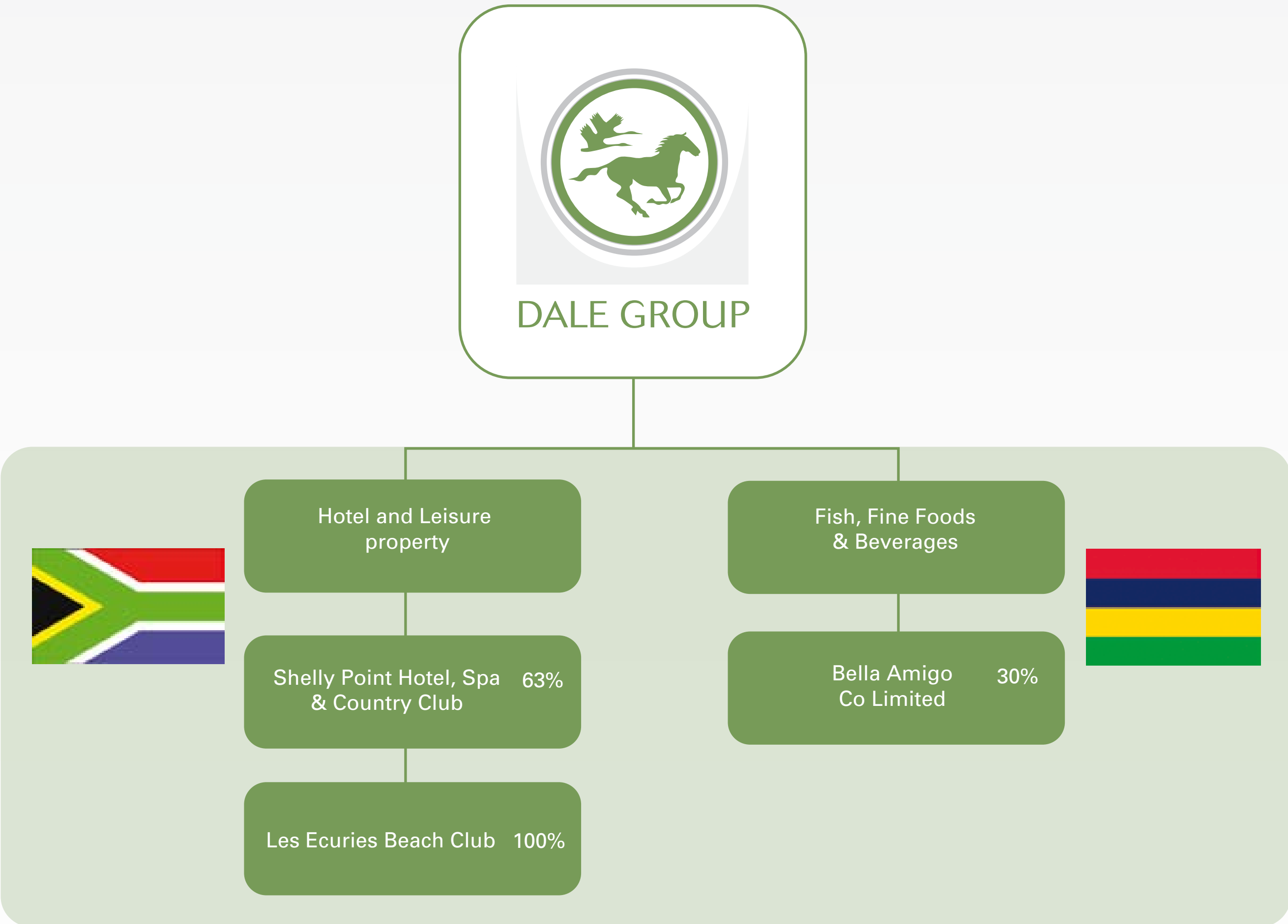
The valuation of investment in the Amara Group of Companies required total impairment. Illiquidity of all of the shareholders in Amara has resulted in a rights offer being taken up by a new group of investors. This action has become necessary due to the fact that The South African Reserve Bank unexpectantly would not support the Group's application for the issuance of a MasterCard Issuers license and thus allow the Amara Group to participate in the South African National Payment System (NPS) Payment Platform, despite legal opinion supporting the application. In spite of the fact that the Amara Group's South operation had been granted a MasterCard Processors License, the required entry into MasterCard Issuers Space appears to have been retained for registered banks only. This controversial decision has cost Dale Group and all of the Amara shareholders dearly and shareholders have found it unfortunate to the extent that they have had to abort the investment and hand the company over to new shareholders who have the banking relationships to pursue a new longer term strategy.

Future Prospects.

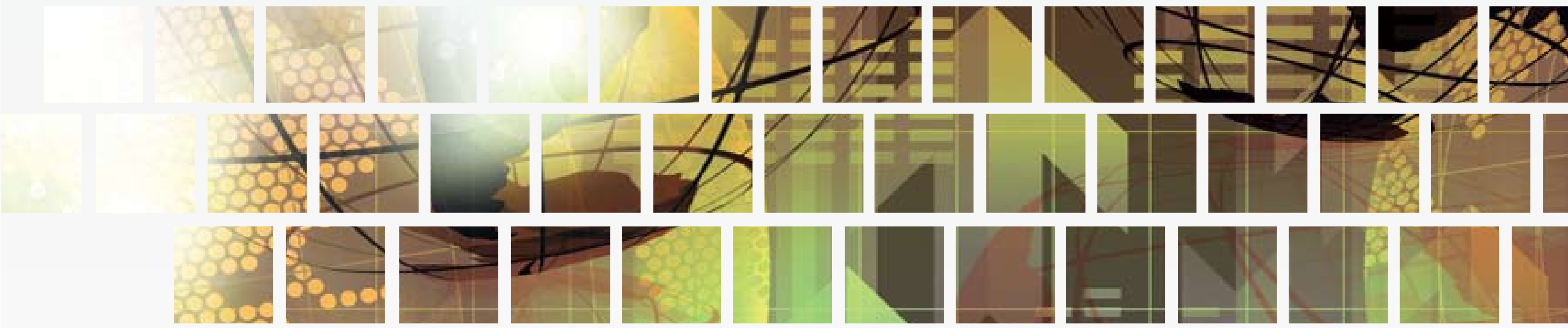
The global recession has again shown that cash is king. The group's illiquidity has resulted in forced sale of assets in an effort to eliminate debt which we have simply struggled to service.

The way forward can only be assessed after sale of Shelley Point is concluded and potential new partners have stated that this is a condition precedent. Executives are working towards finalisation of the sale and recommendations in terms of the future which will be tabled at the AGM.

Group Structure



DALE CAPITAL GROUP LIMITED



CORPORATE REPORT

Statutory and corporate governance information
For the year ended 28 February 2013

Principal activity

Dale Capital Group Limited is a Private Equity Investment Holding company listed on the official market of the Stock Exchange of Mauritius. Investing with its own funds and also with the funds of partners and co-investors, the Company has historically invested in the SADC region, primarily in the following sectors:

- Hotel and Leisure,
- IT,
- Fish, Fine Food and Beverages,
- Financial Services

The approach towards investment has been to invest either in controlling interests or in influential, but non-controlling stakes, in both private businesses and publicly quoted companies. In the later case the Company aims to achieve private equity style returns through rigorous active ownership.

Tax status

Being incorporated in the British Virgin Islands (B.V.I) and under its current Laws, dividends remitted to shareholders resident outside the B.V.I are not subject to withholding tax. The Company itself is not subject to taxes on its profits nor on income derived outside the B.V.I. There are no capital gains taxes, estate duty or inheritance tax applicable to shares held by non-residents of B.V.I. Subsidiaries and step subsidiaries of the Company are subject to taxes of the countries in which they are incorporated. Currently the company holds investments in companies which are taxable in Mauritius, South Africa and Guernsey.

Regulations

Although there is no requirement for the Company to be regulated in the B.V.I to act as an investment holding company, it is subject to compliances with:

- Listing Rule of the Stock Exchange of Mauritius;
- FSC Rules of Mauritius;
- Securities Act of Mauritius; and
- Companies Act of the B.V.I.

Results and dividends

The financial statements of the Company and the Group for the year ended 28 February 2013 appear on pages 24 to 48 . Total recognised income for the year was USD 2,746,370 and expenses of USD 3,160,682.

The directors do not recommend the payment of a dividend to ordinary shareholders for the year ended 28 February 2013.

Operations

The Group operates through offices in Mauritius and South Africa with the South African office accommodating the regional support office.

Management arrangements

The Group outsources a number of services which is provided for on a fee basis for the work done and costs incurred in providing such services.

Business review

The Group's development during the year to 28 February 2013, its position at that date and the Group's likely future development are detailed in the Chairman's statement and the Business review.

Share capital

The share capital of the Company as at 28 February 2013 consisted of 25,777,072 ordinary shares of which 2,360,376 were held in Treasury.

Issue of shares

No additional shares were issued for cash or non-cash considerations during the year.

Treasury shares

There were no transactions involving treasury shares during the year.

Major interests in ordinary shares

As at 30 May 2013, the Company had been notified of the interests of the following substantial shareholders in the Company's ordinary shares in accordance with Rule 11.10 of the Listing Rules and Section 92 of The Securities Act 2005.

Shareholder	Number of Ordinary shares	% of Issued Share Capital
Wanaka Property Holdings Limited	3,225,855	12.51
Woodlands Global Holdings Limited	3,001,968	11.64
Mattala Pension Fund	2,710,511	10.52
Shelley Point Investment Holdings Limited	2,231,873	8.66
Woodlands House Investment Holdings Limited	1,748,909	6.78

Directors' interests

The interests of the directors in the shares of the Company up to 28 February 2013 as stated in the Register of Directors as shown below:

Director	Direct interest (shares)	Indirect interest (shares)	Total number of shares Held	% of issued Share capital
Mr. Norman Noland	-	1,098,582	1,098,582	4.26%
Mr. Jacobus Cornelis Pauw	7,806	-	-	0.03%
Mr. Nigel McGowan	-	30,249	30,249	0.18%
Mr. Sanjeeven Ramasawmy	112,566	-	112,566	0.44%

Other than those disclosed above, the above directors had no other interests in the shares of the Company or in the shares of its subsidiaries during the year.

Directors' service contracts

The Chief Executive Officer (CEO) and Financial Director (FD) hold office under the Company's Articles of Association and their remuneration are decided by the Remuneration Committee. Their appointment letter provides that there is no entitlement to compensation or other benefits on ceasing to be as director.

There are no provisions for compensation of Executive Directors on early termination, save that the Company can elect to give pay in lieu of notice. The Remuneration Committee may consider compensation on early termination of employment on individual basis whilst complying with their duty to mitigate any loss will always be a relevant factor.

Options

No options were in force as at 28 February 2013.

Director's remuneration and benefits

	2013 USD
Executive Directors	Directors Fees
Mr. N Noland	42,900
Mr. S Ramasawmy	42,900
Non-Executive Directors	
Dr. J Blum	10,000
Mr. Jacobus Cornelis Pauw	10,000

The directors' remuneration have been accrued as at year end. No payments have been effected to the directors, and they have resolved to take their fees after the Company has sorted out its debt obligations.

Corporate governance

The Board's Responsibility and Processes

The Board is responsible to shareholders for the overall management of the Group. It determines matters including financial strategy and planning and takes major business decisions. The Board has put in place an organisational structure and is responsible for the Group's system of internal control and reviews its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurances against material misstatement or loss. The Board or its duly authorised committee's aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority.

Procedures have been established for the planning and controlling of expenditure and the making of investments. There are also information and reporting systems for monitoring the Group's businesses and their performance.

The roles of the Chairman and Chief Executive Officer

During the year ended 28 February 2013, the Chairman acted in an executive position as the Chief Executive Officer, as detailed below.

The Chairman during the financial year 2013 was executive and led the Board in the determination of its strategy and in the achievement of its objectives. The Chairman was responsible for organising the Business of the Board, ensuring its effectiveness and setting the agenda. The Chairman had involvement in the day-to-day business of the Group. The Chairman facilitated the effective contribution of the non-executive directors and constructive relations between executive and non-executive directors.

As Chief Executive Officer, he had direct charge for the Group on a day-to-day basis and was accountable to the Board for the financial and operational performance of the Group.

Since 1 March 2011, the Chairman adopted the role of Group Chief Executive officer of the Group and South African operations with the Financial Director assuming an unofficial deputy-CEO role in all subsidiaries and investments outside of South Africa. It was decided in an effort to keep costs down not to recruit another group CEO until the individual subsidiaries have increased in operational cash flows sufficient to require same.

Directors

During the financial year 2013, the Board comprised of two Independent Non-Executive directors. The Board will discuss additional appointments at the next shareholders meeting together with merger talks with Investee Partners. Biographical details of remaining directors are set out in this report.

Directors' Independence

Save as detailed above or disclosed in circulars to shareholders, no director was materially interested in any contract or arrangement subsisting during or at the end of the financial year that was significant in relation to the business of the Company.

Re-election

Subject to the Company's Articles of Association, the B.V.I. Business Companies Act 2004 and satisfactory performance evaluation, directors are appointed to serve indefinitely until resignation or removal.

The Board's Committees

The Board is assisted by various standing committees of the Board. The membership of these committees is regularly reviewed by the Board. When considering committee membership and chairmanship, the Board aims to ensure that undue reliance is not placed on particular directors. These committees all have clearly defined terms of reference. Following the resignation of two non-executives in the previous years, the full Board will take over the functions of the Committees described below until additional directors are approved.

Audit and Compliance Committee

During the year ended 28 February 2013, the Audit and Compliance Committee comprised of Nigel McGowan, and Sanjeeven Ramasawmy by invitation. The Audit and Compliance Committee have primary responsibility for monitoring the quality of internal controls and ensuring that financial performance is properly measured and reported. It receives and review reports from the Groups management and auditors relating to the interim and annual financial statements and the accounting and internal control systems. The Audit and Compliance Committee will meet not less than once in each financial year and will have unrestricted access to the Company's auditors. The audit and compliance committee is also responsible for reviewing the adequacy of the Groups' regulatory and compliance policies.

Remuneration Committee

During the year ended 28 February 2013, the Remuneration Committee comprised of Nigel McGowan and Mr. Noland (by invitation). The Remuneration Committee reviewed the performance of the executive directors and employees and made recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee will also consider and approve the granting of share options and other equity incentives and any other share option scheme or equity incentive scheme in operation from time to time. The Remuneration Committee will meet at least once each year and on other occasions as and when necessary.

Valuation Committee

During the year ended 28 February 2013, the Valuation Committee role was undertaken by the Investment Committee given the reduced investment activity.

Investment Committee

During the year ended 28 February 2013, the Investment Committee comprised Norman Noland (Chairman), Jacobus Cornelis Pauw and Sanjeeven Ramasawmy.

The investment committee made recommendations to the Board concerning investments and reviewed existing investments.

It had the following powers:

- up to USD 1,000,000 without prior approval of the Board of Directors (BOD).
- between USD 3,000,000 and USD 5,000,000, with the Chairman but without prior approval of BOD.
- USD 5,000,000 required prior approval of BOD.

Attendance of meetings Directors during year	Director's Meeting #	Audit Committee #	Remuneration Committee	Valuation Committee	Investment Committee **
Mr. Norman Noland	4/4	4/4*	1/1*	-	4/4
Mr. Sanjeeven Ramasawmy	4/4	4/4*		-	4/4
Mr. Nigel McGowan	4/4	4/4	1/1	-	4/4
Mr. Jacobus Cornelis Pauw	4/4	4/4	-	-	4/4

Notes:
* by invitation, ** Investment Committee members continuously discusses investment on a bi-weekly basis with formal meetings held to approved transactions. # includes approval of the consolidated financial statements.

Statutory and corporate governance information
For the year ended 28 February 2013

Company Secretary

The Company Secretary is Fortenberry Corporate Services Ltd.

Portfolio management and voting policy

In relation to unquoted investments, the Group's approach is to seek to add value to businesses in which the Group invests through the Group's extensive experience, resources and contacts. In relation to quoted investments, the Group's policy is to exercise voting rights on matters affecting the interests of the Group.

Charitable and Political donations

In an effort to be as effective as possible, the Group's philosophy is to take on a small number of projects to which the Group can make ongoing contributions. A few projects, in the local community of St. Helena Bay, have been successfully completed during the year under review.

This strategy will be supported by an approach which will include the sponsoring of specific projects and where appropriate, becoming equity and funding partners of businesses that are focused on the transformation of disadvantaged communities. This year, the Group has continued to support the Dale Buddies initiative in South Africa

Statement of directors' responsibilities

The directors are required by law, the Listing Rules of the Stock Exchange of Mauritius and the Securities Act of Mauritius to prepare financial statements which give a true and fair view of the state of affairs of the Company and the Group as at the end of the year and of the profit for the year. The directors have a responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and enable them to ensure that the financial statements comply with all relevant laws and regulations. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Suitable accounting policies, which follow generally accepted accounting practice and are explained in the notes to the financial statements, have been applied consistently and applicable accounting standards have been followed. In addition, these financial statements comply with International Financial Reporting Standards and reasonable and prudent judgements and estimates have been used in their preparation.

Auditors' independence and objectivity

Subject to annual appointment by shareholders, auditors' performance is monitored on an ongoing basis and formally reviewed on an annual basis. The Audit and Compliance Committee reviewed the auditors' performance during the year and concluded that Crowe Horwath (Mur) Co. should continue to act as auditors.

Appointment of auditors

A resolution proposing the reappointment of Crowe Horwath (Mur) Co. will be put to the members at the forthcoming Annual Meeting.

By order of the Board
30 May 2013
Fortenberry Corporate Services Limited
Secretary to the Company

DALE CAPITAL GROUP LIMITED

FINANCIAL REPORT

Directors' Report
For the year ended 28 February 2013

ACTIVITIES

Dale Capital Group Limited is a Private Equity Investment Holding company listed on the official market of the Stock Exchange of Mauritius. Investing with its own funds and also with the funds of partners and co–investors, the Company invests in the SADC Region primarily in the following sectors:

- Hotel and Leisure,
- Property,
- IT,
- Fine Food and Beverages,
- Financial Services.

Dale Capital Group Limited invests either in controlling interests or in influential, but non-controlling stakes, in both private businesses and publicly quoted companies.

RESULTS

The results for the year are shown in the consolidated income statement and consolidated statement of comprehensive income set out on pages 19 and 20.

DIRECTORS

The present membership of the Board is set out on page 3.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

It is the directors' responsibility to prepare consolidated financial statements for each financial year, which give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company. In preparing those consolidated financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepared the consolidated financial statements on the going concern basis.

The directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

The directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company. They are also responsible for safeguarding the assets of the Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Investments in the Amara Group

The valuation of investment in the Amara Group of Companies required total impairment. Illiquidity of all of the shareholders in Amara has resulted in a rights offer being taken up by a new group of investors. This action has become necessary due to the fact that The South African Reserve Bank unexpectantly would not support the Group's application for the issuance of a MasterCard Issuers license and thus allow the Amara Group to participate in the South African National Payment System (NPS) Payment Platform, despite legal opinion supporting the application. In spite of the fact that the Amara Group's South operation had been granted a MasterCard Processors License, the required entry into MasterCard Issuers Space appears to have been retained for registered banks only. This controversial decision has cost Dale Group and all of the Amara shareholders dearly and shareholders have found it unfortunate to the extent that they have had to abort the investment and hand the company over to new shareholders who have the banking relationships to pursue a new longer term strategy.

Going concern and repositioning of the Group

The extremely difficult operating environment, primarily influenced by extremely limited cash availability overlaid by the problem caused by the global recession, presented executives and directors with no alternative other than to sell assets and withdraw from projects, and investments requiring additional capital.

Senior lenders involved with the Group's largest asset, Shelley Point, presented the South African based directorate with only two options, sell or foreclosure. The executive team have been successful in concluding a sale of Shelley Point and sale agreement, subject to normal conditions precedent, was concluded on 23 May 2013 with fulfilment date being 15 June 2013.

Plans for a carefully structured corporate merger into Botswana and Zimbabwe have been deferred until the sale of hotel property assets and elimination of all debt has been finalized. This has been the major condition precedent of the potential merger. Given the recent cautionary announcement, sale of the Beach-Club and the potential sale of the Groups major asset Shelley Point Resort, the Group will soon be in a position to announce the elimination of all debt.

Commentary in respect of audit opinions

Reference is made to the basis for qualification in respect of the Group's major asset, Shelley Point Hotel, Spa and Country Club and which is as follows:

The Hotel property was formally valued by qualified assessors in August 2010 for a combined value on a depreciated replacement cost basis of ZAR 169 Million. Based on offers tabled last year the directors continued to be of the opinion that the "bricks and mortar" replacement value would be in the region of the last assessment. The financial performance of the investment however, has continued to show improvement but has not improved at a rate where directors are able to have confidence in terms of short to medium term sustainability. Continued downturn in the tourism market would entail the requirement of continuous injection of cash resources to maintain the facility. Given the shareholders decision to exit the investment left directors with any alternative other than to continue in its attempts to sell the investment. Unfortunately the market is not buoyant enough to sell a property such as this at what would be regarded as reasonable values. In post year end events notification of imminent litigation by Bond holders of the property, has forced directors to aggressively pursue potential sales. A number of offers have been received and on 23 May 2013, contracts were signed to sell the group's South African assets. The recoverable amount of the property, plant and equipment was based on fair values less cost of disposal. The fair value of the property was based on potential sales contracts between willing investors ranging from ZAR 101,000,000 to ZAR 105,000,000, before disposal costs of ZAR 20,000,000.

As soon as the elimination of debt has occurred, executives plan to seek shareholders' approval and re-engage with prospective partners in the financial services and information technology operations. Further announcements in this respect will take place after the Annual Meeting.

AUDITORS

The auditors, Messrs. **Crowe Horwath (Mur) Co.**, have indicated their willingness to continue in office until the next Annual Meeting.

On behalf of the Board of Directors
Director

Date: 31 May 2013

Independent Auditors' Report to the shareholders 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 of the consolidated statement of financial position as at 28 February 2013, and the consolidated income statement, 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 18 to 23, and a summary of significant accounting policies and other explanatory information as set out on pages 24 to 48.

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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Dale Capital Group Limited as at 28 February 2013, 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 (a) of the consolidated financial statements under the following headings;

(i) Going Concern

As stated in Note 3(a), 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 valid on the basis that the sale of the underlying assets of the Group will be completed within the next 3 months and that the proceeds from the disposal of those underlying assets shall be sufficient to settle all the Group's indebtedness.

(ii) Impairment – Investment in Amara Group of Companies

The entire investment of the Group in the Amara companies has been fully impaired during the year by the directors based on the fact that the South African Reserve Bank unexpectantly would not support the Group's application for the issuance of a MasterCard ***Issuers*** license and thus allow the Amara Group to participate in the South African National Payment System (NPS) payment platform, despite legal opinion supporting the application.

Report on Other Legal and Regulatory Requirements

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report and making disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius (Code). Our responsibility is to report these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

Other Matter

Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath (Mur) Co.
Public Accountants
K.S. Sewraz, FCCA

K.S. Sewraz, FCCA
Signing Partner
Licensed by FRC

Date: 31 May 2013
Port Louis, Mauritius

Consolidated Statement of Financial Position
As at 28 February 2013

	Notes	The Group 2013 USD	The Group 2012 USD	The Company 2013 USD	The Company 2012 USD
ASSETS					
Non-current assets					
Property, plant and equipment	4	**9,605,677**	20,168,631	-	-
Investment property	5	**873,600**	1,062,400	-	-
Investment in subsidiaries	6	-	-	**2,708,270**	9,321,928
Investment in financial assets	7	**1,123,200**	4,713,877	-	231,257
		11,602,477	25,944,908	**2,708,270**	9,553,185
Current assets					
Inventories and deposits	9	**128,678**	159,956	-	-
Trade and other receivables	10	**101,712**	52,413	-	-
Loans receivable	11	**591,821**	1,890,560	**1,570,160**	2,620,443
Cash and cash equivalents		**265,011**	56,855	**6,453**	4,488
		1,087,222	2,159,784	**1,576,613**	2,624,931
TOTAL ASSETS		**12,689,699**	**28,104,692**	**4,284,883**	**12,178,116**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	12	**21,818,315**	21,818,315	**21,818,315**	21,818,315
Treasury shares	13	**(460,981)**	(1,980,397)	**(460,981)**	(1,980,397)
Revaluation reserve		**430,055**	3,711,509	-	-
Translation reserve		**95,530**	1,209,255	-	-
Retained earnings		**(22,183,035)**	(13,366,199)	**(19,985,380)**	(10,658,308)
Equity attributable to equity holders of the parent		**(300,116)**	11,392,483	**1,371,954**	9,179,610
Non-controlling interest		**1,986,861**	5,204,546	-	-
		1,686,745	16,597,029	**1,371,954**	9,179,610
Non-current liabilities					
Borrowings	14	-	2,609,928	-	2,377,403
Financial liabilities	15	-	5,998,766	-	-
		-	8,608,694	-	2,377,403
Current liabilities					
Trade and other payables	16	**853,250**	811,222	**127,387**	67,460
Borrowings	17	**8,797,843**	526,104	**2,735,542**	483,643
Bank overdraft	18	**1,348,550**	1,558,208	**50,000**	70,000
Taxation	19	**3,311**	3,435	-	-
		11,002,954	2,898,969	**2,912,929**	621,103
TOTAL EQUITY AND LIABILITIES		**12,689,699**	**28,104,692**	**4,284,883**	**12,178,116**

Approved by the Board of Directors on: 31 May 2013

Norman Theodore Noland
Director

Sanjeeven Ramasawmy
Director

The notes on pages 24 to 48 form an integral part of these consolidated financial statements.

Consolidated Statement of Income
For the year ended 28 February 2013

		The Group		The Company	
		2013	2012	**2013**	2012
	Notes	**USD**	USD	**USD**	USD
Continuing Operations					
Revenue		**2,027,746**	2,443,975	-	250,000
Investment income		**54,766**	128,325	-	-
Other income		**663,858**	-	**2,932**	-
	20	**2,746,370**	2,572,300	**2,932**	250,000
Expenses					
Administrative expenses		**(193,150)**	(623,058)	**35,417**	(438,236)
Operating expenses		**(2,967,532)**	(3,974,116)	**120,518**	(14,928)
		(3,160,682)	(4,597,174)	**155,935**	(453,164)
Loss from operations		**(414,312)**	**(2,024,874)**	**(153,003)**	**(203,164)**
Finance costs	21	**(890,166)**	(1,482,811)	**(122,673)**	(735,730)
Other losses on investments	22	**(9,203,983)**	(982,650)	**(7,531,980)**	(8,770,933)
Loss before taxation		**(10,508,461)**	(4,490,335)	**(7,807,656)**	(9,709,827)
Income tax expense		**(6,644)**	(87,026)	-	-
Loss for the year from continuing operations		**(10,515,105)**	**(4,577,361)**	**(7,807,656)**	**(9,709,827)**
Discontinued Operations					
Loss for the year from Discontinued Operations	-	(102,770)	-	-	
LOSS FOR THE YEAR		**(10,515,105)**	**(4,680,131)**	**(7,807,656)**	**(9,709,827)**
Attributable to:					
Equity holders of the Company		(7,297,420)	(3,634,669)	(7,807,656)	(9,709,827)
Non-controlling interests		**(3,217,685)**	(1,045,462)	-	-
		(10,515,105)	**(4, 680,131)**	**(7,807,656)**	**(9,709,827)**
Loss per share					
From Continuing and Discontinued Operations		(0.45)	(0.16)	(0.33)	(0.41)
From Continuing Operations		**(0.45)**	(0.16)	**(0.33)**	(0.41)

The notes on pages 24 to 48 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 28 February 2013

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
LOSS FOR THE YEAR	**(10,515,105)**	**(4, 680,131)**	**(7,807,656)**	**(9,709,827)**
Other comprehensive income				
Exchange differences on translating foreign operations	**(1,113,725)**	280,688	**-**	-
Loss arising on revaluation of available-for-sale financial assets during the year	**(2,200,254)**	-	**-**	-
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year	**(1,081,200)**	(1,616,487)	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(14,910,284)**	**(6,015,930)**	**(7,807,656)**	**(9,709,827)**
Total comprehensive income attributable to:				
Owners of the Company	**(11,692,599)**	(4,970,468)	**(7,807,656)**	(9,709,827)
Non-controlling interests	**(3,217,685)**	(1,045,462)	**-**	-
	(14,910,284)	(6,015,930)	**(7,807,656)**	(9,709,827)

The notes on pages 24 to 48 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 28 February 2013

THE GROUP

	Stated capital USD	Treasury shares USD	Translation reserve USD	Revaluation reserve USD	Retained earnings USD	Non-controlling interest USD	Total equity USD
At 1 March 2011	**21,818,315**	**(1,980,397)**	**928,567**	**5,327,996**	**(9,731,530)**	**6,250,008**	**22,612,959**
Loss for the year	-	-	-	-	(3,634,669)	(1,045,462)	(4,680,131)
Other comprehensive income for the year	-	-	280,688	(1,616,487)	-	-	(1,335,799)
Total comprehensive income for the year	-	-	280,688	(1,616,487)	(3,634,669)	(1,045,462)	(6,015,930)
At 28 February 2012	**21,818,315**	**(1,980,397)**	**1,209,255**	**3,711,509**	**(13,366,199)**	**5,204,546**	**16,597,029**
Impairment during the year	-	1,519,416	-	-	(1,519,416)	-	-
Loss for the year	-	-	-		(7,297,420)	(3,217,685)	(10,515,105)
Other comprehensive income for the year	-	-	(1,113,725)	(3,281,454)	-	-	(4,395,179)
Total comprehensive income for the year	-	1,519,416	(1,113,725)	(3,281,454)	(8,816,836)	(3,217,685)	14,910,284
At 28 February 2013	**21,818,315**	**(460,981)**	**95,530**	**430,055**	**(22,183,035)**	**1,986,861**	**1,686,745**

The notes on pages 24 to 48 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 28 February 2013

THE COMPANY

	Stated capital USD	Treasury shares USD	Retained earnings USD	Total equity USD
At 1 March 2011	**21,818,315**	**(2,494,264)**	**(829,614)**	**18,494,437**
Issued out of treasury shares	-	513,867	(118,867)	395,000
Loss for the year	-	-	(9,709,827)	(9,709,827)
Total comprehensive income for the year	-	513,867	(9,828,694)	(9,314,827)
At 28 February 2012	**21,818,315**	**(1,980,397)**	**(10,658,308)**	**9,179,610**
Impairment during year	-	1,519,416	(1,519,416)	-
Loss for the year	-	-	(7,807,656)	(7,807,656)
Total comprehensive income for the year	21,818,315	(460,981)	(19,985,380)	1,371,954
At 28 February 2013	**21,818,315**	**(460,981)**	**(19,985,380)**	**1,371,954**

The notes on pages 24 to 48 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 28 February 2013

	Notes	The Group 2013 USD	The Group 2012 USD	The Company 2013 USD	The Company 2012 USD
Cash flows from operating activities					
Net cash used in operating activities	24	**(741,832)**	**(3,837,201)**	**(313,628)**	**(812,464)**
Cash flows from investing activities					
Cash flow effect of disposal of subsidiary	25	-	308,032	-	-
Purchase of fixed assets		**(104,993)**	(333,203)	-	-
Purchase of investments		-	-	-	(220,000)
Proceeds from disposal of investments		**194,881**	4,137,590	**25,000**	-
Net effect of loans with related companies		**514,596**	(510,849)	-	1,478,631
Dividends/interest received		**26,114**	-	-	-
Net cash from investing activities		**630,598**	3,601,570	**25,000**	1,258,631
Cash flows from financing activities					
Proceeds from financial liabilities		**657,986**	-	**6,113**	-
Proceeds from group companies		-	-	**5,316**	-
Borrowings from related parties		-	(217,304)	-	(289,348)
Repayment of financial liabilities		**(222,703)**	-	**(20,000)**	-
Net movement in loans		**266,426**	-	**217,290**	-
Net cash from/(used in) financing activities		**701,709**	**(217,304)**	**208,719**	**(289,348)**
Net increase/(decrease) in cash and cash equivalents		**590,475**	(452,935)	**(79,909)**	156,819
Effect of exchange rate difference		(172,281)	245,762	101,784	(260,634)
Cash and cash equivalents at start of year		(1,501,353)	(1,294,180)	(65,512)	38,303
Cash and cash equivalents at end of year	23	**(1,083,539)**	**(1,501,353)**	**(43,547)**	**(65,512)**

The notes on pages 24 to 48 form an integral part of these consolidated financial statements.

1. General information

The Company was originally incorporated in Mauritius under the International Companies Act 1994 as an International Company with limited liability on 9 October 2000. On 25 July 2002, the Company was converted into a Category 1 Global Business License issued by the Financial Services Commission of Mauritius. On 7 November 2007 the Company was registered by way of continuation in the British Virgin Islands (B.V.I) under the name Dale Capital Partners Limited. The Company has subsequently changed its name to DALE CAPITAL GROUP LIMITED on 1 March 2011 and in this respect a certificate of change of name was issued by the B.V.I authorities.

The principal activity of the Company is to act as an investment holding company and is listed on the official market of the Stock Exchange of Mauritius. The Company invests with its own funds and also with the funds of partners and co–investors; the Company invests in the SADC Region.

The consolidated financial statements are expressed in United States dollar ("USD") which is considered to be the Company's functional currency.

The following are subsidiaries and step-subsidiaries that have been consolidated with the Company:

Names	% Holding	Country of Incorporation
Subsidiaries and step-subsidiaries		
Les Ecuries Beach Club Ltd	100	Mauritius
Dale Food & Beverages Ltd	100	Mauritius
Dale Capital Investment Holdings Ltd	100	BVI
Dale Capital Holdings (SA) Ltd	100	South Africa
Shelley Point Hotel, Spa and Country Club (Pty) Ltd	50	South Africa
Shelley Point Fine Foods (Pty) Ltd	100	South Africa
Exclusive Access Trading 704 (Pty) Ltd trading as Shelley Point Country Club (Pty) Ltd	100	South Africa

2. Changes in accounting policies and disclosures

(a) Adoption of new and revised International Financial Reporting Standards (IFRS)

The following are the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting year beginning on and after 1 March 2012.

2.1 Standards and Interpretations adopted with no effect on the consolidated financial statements

The following new and revised Standards and Interpretations have also been adopted in the consolidated financial statements. Their adoption has not had any significant impact on the amounts reported in these consolidated financial statements but may impact the accounting for future transactions or arrangements.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1 issued (effective 1 July 2012)

2.2 Standards and Interpretations in issue not yet adopted

At the date of the authorisation of these consolidated financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

IFRS 7 Financial instruments: Disclosures – Amendments to IFRS 7 related to transition to IFRS 9 (effective 1 January 2015)

IFRS 9 Financial Instruments: Classification and Measurement (effective 1 January 2015)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

2.2 Standards and Interpretations in issue not yet adopted (Continued)

IFRS 10 Consolidated Financial Statements (effective 1 January 2013)

IFRS 11 Joint arrangements (effective 1 January 2013)

IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)

IFRS 13 Fair Value Measurement (effective 1 January 2013)

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

(a) Basis of preparation of consolidated financial statements

The Company and the Group have been loss making for the last four 4 years of operations. The Company and the Group are regularly facing financing problems to meet their operating activities. The Company has on numerous occasions entered in financing arrangements whereby it ceded its rights on shares of its underlying investments to obtain finance from third parties.

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 plans:

- To eliminate all debt.
- To conclude sale of existing major assets.
- To conclude the raising of new capital ahead of plans merger with Kingdom Bank Botswana

These actions will potentially result in a new strategy being implemented.

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 basis that the sale of the underlying assets of the Group will be completed within the next 3 months. We confirm that the proceeds from the disposal of those underlying assets shall be sufficient to settle all the Group's indebtedness. Hence, they consider that it is appropriate for the consolidated financial statements to be prepared on the going concern basis. Your attention is drawn to Note 29.

Basis of presentation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), which includes International Accounting Standards (IAS) and approved SIC Interpretation issued by IASB. The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors to make estimates and assumptions that could affect the reported amounts and disclosures in the consolidated financial statements. Actual results may differ from those estimates.

The consolidated financial statements are prepared under the historical cost convention, except as modified by fair values of financial instruments carried on the reporting date.

3. Significant accounting policies (Continued)

(b) Basis of consolidation

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of the subsidiaries by the Group.

The Group's consolidated financial statements include the financial statements of the Company and its subsidiaries and step subsidiaries and are made up to 28 February 2013. The results are included in the consolidated financial statements and all intra group transactions and balances have been eliminated.

The financial statements of the subsidiaries and step-subsidiaries incorporated in South Africa and Mauritius referred to in note 1 have been presented in accordance with International Financial Reporting Standards and in a manner required by the Companies Act of South Africa and Mauritius as relevant. Those of subsidiaries incorporated in the BVI have been prepared under International Financial Reporting Standards.

(c) Investment in subsidiary

Subsidiary undertakings are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations.

Investment in subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the consolidated statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of comprehensive income.

(d) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight – line basis over the lease term.

(e) Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in US dollar which is the functional currency of the Company and the presentation currency of the consolidated financial statements.

Foreign currency transactions are normally translated into US dollar at the exchange rate ruling on the transaction dates. Monetary assets and liabilities at the reporting date, which are denominated in foreign currencies, are translated into US dollar at the rate of exchange ruling at the reporting date. Gains and losses on exchange are dealt with in the statement of comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in US dollar using exchange rates prevailing at the reporting date. Income and expense items are translated at the average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rate at the dates of the transactions are used. Exchange differences arising

3. Significant accounting policies (Continued)

on consolidation are dealt with and classified as translation reserve under equity. Such exchange differences are recognised as gain or loss in the period in which the foreign operation is disposed of.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost or revalued amounts less accumulated depreciation. Revaluation increments are credited to revaluation and other reserves in shareholders' equity. Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in income statement in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each asset are as follows:

Building	5%
Plant and machinery	10-33%
Vehicles	20%

(g) Revenue recognition

Revenue from services is recognised when the services have been performed and are billable.

Investment income includes interest income and dividend income. Interest income is recognised as it accrues unless collectability is in doubt and dividend income when the shareholders' right to receive payment is established.

Revenue from the sales of goods is recognised on the transfer to the customer of the significant risks and rewards of ownership of the goods, which generally coincides with delivery date.

(h) Related parties

Related parties are individuals and companies where the individuals or companies have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(i) Taxation

Current taxation comprises taxation payable or recoverable, calculated on the basis of the expected taxable profit for the year using the taxation rates enacted at the reporting date, and any adjustments of tax payable for previous years. The Company being registered in the BVI is not subject to any tax. Its subsidiaries are, however, subject to the tax regulations effective in the jurisdiction in which they operate.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

(j) Financial instruments

Financial assets and liabilities are recognised on the Group's consolidated statement of financial position when the Group has become a party to the contractual provisions of the instrument.

(i) Available for sale investments

The Group has classified the investments, other than investments in subsidiary, associate and trading investments, as available for sale. Listed investments are stated at the market price of the securities. Unlisted investments for

3. Significant accounting policies (Continued)

(i) Available for sale investments (Continued)

which a reliable fair value measurement is not available is recorded at cost less impairment, if any. Any permanent diminution in value is recognised by reducing the cost to the realisable value and charging the difference to the consolidated statement of comprehensive income. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of comprehensive income.

(ii) Investment classified as held-for-sale

Investments are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Investments classified as held-for-sale are measured at the lower of the asset's previous carrying amount and the fair value less costs to sell.

(iii) Held for trading financial assets

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are dealt with in equity.

(iv) Impairment of assets

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease to the extent of the corresponding revaluation surplus.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Long-term receivables

Long-term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The amount of loss is recognised in the consolidated statement of income statement. Long term receivables without fixed maturity terms are measured at cost.

(vi) Trade receivables

Trade receivables are stated at nominal value less impairment in value.

(vii) Cash and cash equivalents

Cash comprises of cash at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3. Significant accounting policies (Continued)

(viii) Trade and other payables

Trade and other payables are stated at their nominal value.

(ix) Bank Overdraft and borrowings

Bank overdraft and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

(k) Inventory

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in income statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in income statement in the period of derecognition. Transfers are made to investment property only when there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is its fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

4. Property, plant and equipment

	The Group		The Company	
	Land & Building USD	Plant & equipment USD	Motor-Vehicles USD	Total USD
Cost				
At 1 March 2012	**18,615,650**	**2,385,064**	**69,157**	**21,069,871**
Additions during the year	8,075	25,109	19,707	52,891
Exchange differences	(2,631,534)	(379,738)	-	(3,011,272)
At 28 February 2013	**15,992,191**	**2,030,435**	**88,864**	**18,111,490**
Depreciation				
At 1 March 2012	**-**	**868,745**	**12,141**	**880,886**
Charge for the year	-	382,481	13,461	395,942
Impairment during the year	6,893,323	875,205	38,304	7,806,832
Exchange differences	(431,495)	(140,824)	(5,528)	(577,847)
At 28 February 2013	**6,461,828**	**1,985,607**	**58,378**	**8,505,813**
Net book values				
At 28 February 2013	**9,530,363**	**44,828**	**30,486**	**9,605,677**
At 28 February 2012	18,615,650	1,516,319	57,016	20,168,631

5. Investment Property

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
At 1 March	**1,062,400**	1,181,372	-	-
Impairments	**(188,800)**	(118,972)	-	-
At 28 February	**873,600**	1,062,400	-	-

Investment property relates to a 60 year Industrial lease beachfront Property acquired by the Group in relation to the Les Ecuries Hotel Project. A buyer has been secured for the Company which owns the said property, and approval for the transfer of the entire shareholding was received from the relevant authorities in Mauritius after the reporting date.

6. Investment in subsidiaries

Investee Companies and countries of incorporation	Activities	% Holding	**2013 COST USD**	2012 COST USD
Dale Capital Investment Holdings Limited – BVI	Investment holding	100	**1,703,873**	8,011,207
Dale Food & Beverages Limited-Mauritius	Fine Foods & Beverages	100	**804,397**	804,397
Les Ecuries Beach Club Limited-Mauritius	Property Holding	100	**200,000**	506,324
			2,708,270	**9,321,928**

6. Investment in subsidiaries (Continued)

Following the signature of a letter of intent for the sale of the Shelley Point Hotel and the Les Ecuries BeachClub, the relevant impairment provisions have been carried out to reflect the expected net proceeds.

7. Investment in financial assets

The Group	Non-current	
	2013	2012
	USD	USD
Available for sale investments carried at fair value	**1,123,200**	4,713,877
Total	**1,123,200**	**4,713,877**

Details of the available for sale investments for the group are as follows:

Name of investee Companies	Cost	Cost	Fair values	Fair values
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Bella Amigo Company Limited	**695,680**	695,680	**1,123,200**	2,324,000
Amara Tech (Proprietary) Limited (i)	-	-	-	858,615
Amara Technologies International Limited- BVI (i)	-	33,529	-	1,300,000
Panafra Media Inc- BVI (iii)	-	100,000	-	100,000
Universal Phone Company- South Africa	-	-	-	-
Quoted shares on Johannesburg Stock Exchange	-	121,536	-	1
ILKA Finance Limited	-	5	-	5
Dale International Trust Company Limited (iii)	-	120,000	-	120,000
EnerG Capital Limited	-	11,256	-	11,256
Total available for sale investments	**695,680**	**1,082,006**	**1,123,200**	**4,713,877**

(i) The South African Reserve Bank unexpectantly would not support the Group's application for the issuance of a MasterCard Issuers license. This unexpected action, considering that the process of approval was regarded as a formality, has resulted in Amara Group needing to adopt an entirely new "go to market" strategy. The new strategy required an immediate injection of approximately USD 2 million. Shareholders were approached by management to consider a rights offer and no shareholder has had appetite to follow the offer. As a result the shareholders who have relationship with Citibank have taken over 100% of the company for a value of the current liabilities.

(ii) The year has shown gradual downward pressure on the tourism market and lengthier payment by customers has increased credit risk and finance costs associated with same. The Company is still seeking strategic investors in order to reduce the concentration risk of its current client base in Mauritius and looking forward to regional expansion.

(iii) Panafra Media Inc was wound up as the Quiptel Licence expired and remaining shares in Dale International Trust were sold to the majority shareholders.

7. Investment in financial assets (Continued)

(iv) The Company

Details of the available for sale investments for the Company are as follows:

Investee Companies	Cost	Cost	Fair values	Fair values
	2013	2012	2013	2012
	USD	USD	USD	USD
Quoted shares on Johannesburg Stock Exchange	-	121,536	-	1
EnerG Capital Limited	-	11,256	-	11,256
Dale International Trust Company Limited	-	120,000	-	120,000
Panafra Media Inc	-	100,000	-	100,000
	-	**352,792**	**-**	**231,257**

The Companies available for sale investments were sold where possible and investments in which the Group withdrew from were impaired or written off.

8. Deferred taxation

Deferred tax assets and liabilities have been arrived at as follows:

(a) Deferred tax asset

	The Group	
	2013	2012
	USD	USD
Opening Balance	-	92,702
Charged to Income Statement	-	(80,081)
Exchange differences	-	(12,621)
	-	-

The Group has not recognised deferred tax on unused tax losses relating to the South African operations as the likelihood of the subsidiaries utilising these tax losses was deemed to be low.

9. Inventories & Deposits

	The Group		The Company	
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Goods for resale	**102,286**	128,299	-	-
Other deposits- Hotel	**26,392**	31,657	-	-
	128,678	**159,956**	-	-

10. Trade and other receivables

	The Group		The Company	
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Trade receivables	**77,622**	39,526	-	-
Other receivables	**24,090**	12,887	-	-
	101,712	**52,413**	-	-

The directors consider the carrying amounts of trade and other receivables to approximate their fair values.

11. Loan receivable (Current)

	The Group		The Company	
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Amount owed by Group Companies	-	-	**1,570,160**	1,626,971
Amount owed by related Companies	**591,821**	1,890,560	-	993,472
	591,821	**1,890,560**	**1,570,160**	**2,620,443**
The repayment terms are as follows:				
No fixed terms of repayment	**591,821**	1,890,560	**1,570,160**	2,620,443
Repayable within a year	-	-	-	-
	591,821	**1,890,560**	**1,570,160**	**2,620,443**

The Group carried out impairment on review on loans relating to projects the Group was involved in and which had not yet been operational. The remaining loans are unsecured at fixed interest rates and repayable on demand given to investee companies.

12. Stated capital

	Number of ordinary shares	USD
At 1 March 2011	22,800,058	21,818,315
Issued out of treasury shares*	616,638	-
At 28 February 2012	**23,416,696**	**21,818,315**
Issued out of treasury shares*	-	-
At 28 February 2013	**23,416,696**	**21,818,315**

*No new or treasury shares were issued during the year.

13. Treasury shares

	Number of shares		Fair Value	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Opening balance	**2,360,376**	2,977,014	**1,980,397**	-
Shares buy back	-	-	**(1,519,416)**	2,494,263
Impairment to Market	-	-	-	-
Issued as bonus	-	(616,638)	-	(395,000)
Loss on transfer of share	-	-	-	(118,866)
Closing balance	**2,360,376**	**2,360,376**	**460,981**	**1,980,397**

14. Borrowings (Non-current)

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Amount owed to related companies/parties	-	2,609,928	-	2,377,403
Amount owed to third parties	-	-	-	-
	-	**2,609,928**	-	**2,377,403**
The repayment terms are as follows:				
No fixed terms of repayment	-	2,609,928	-	2,377,403
After two years and before five years	-	-	-	-
	-	**2,609,928**	-	**2,377,403**

The Group has entered into negotiations to settle all loans and creditors within the next six months on materialisation of the sale of the Hotel, as such all loans have been reclassified to current.

15. Financial liabilities

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Britannia Bay Developers (Pty) Ltd	-	5,998,766	-	-
	-	**5,998,766**	-	-

The negotiated sale of the Hotel will see the re-payment of all related financial liabilities including those to Britannia Bay developers (Pty) Ltd. The entire amount owed to the latter company has been reclassified under amount owed to third party in current liability (See notes 17 and 29).

16. Trade and other payables

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Trade payables	**686,753**	740,198	**110,737**	-
Accruals	**37,442**	71,024	**16,650**	67,460
Other payables	**129,055**	-	-	-
	853,250	**811,222**	**127,387**	**67,460**

The directors consider that the carrying amount of other payables to approximate their fair values.

17. Borrowings (Current)

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Amount owed to related companies/parties	**2,750,075**	483,643	**2,735,542**	483,643
Amount owed to third parties	**5,830,378**	42,461	**-**	-
Amount owed to Financial Institutions	**217,390**	-	**-**	-
	8,797,843	**526,104**	**2,735,542**	**483,643**
The repayment terms are as follows:				
No fixed terms of repayment	**-**	526,104	**-**	483,643
Within one year	**8,797,843**	-	**2,735,542**	-
After one year and before two Years	**-**	-	**-**	-
	8,797,843	**526,104**	**2,735,542**	**483,643**

Loans from related parties relate to shareholder funding carrying fixed interest between 8-10% as agreed, with floating charges over relevant assets to which the borrowings were undertaken.

Amount owed to Financial Institutions relate mainly to assets under Lease which will be repaid on the Hotel sale as such have been classified as current.

Amount owed to third parties includes the amount due to Britannia Bay Developers amounting to USD 5,731,273 and which is secured and carries interest at 10% per annum. The remaining balance of USD 99,105 is unsecured and interest free.

18. Bank Overdraft

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Bank overdraft	**1,348,550**	**1,558,208**	**50,000**	**70,000**

The Company's overdraft facility is secured and bears interest at the rate of 4% above 1 Month USD LIBOR per annum. Overdraft facilities of the step-subsidiaries are secured with floating charges and bear interest between 8-16% per annum.

19. Taxation

(i) Under the present laws of B.V.I, dividends remitted to shareholders resident outside B.V.I will not be subject to withholding taxes in the B.V.I. There are no taxes on profits or income, nor any capital gains, estate duty or inheritance tax applicable to shares held by non-residents of the B.V.I. The Company is also not subject to stamp taxes or other similar duties on the issuance, transfer or redemption of the Company's shares.

(ii) The step-subsidiaries in South Africa are taxable at 28% for the year ended 28 February 2013.
(28 February 2012: 28%)

(iii) Under the present laws of Mauritius, Companies having the status of a domestic company are taxable at the rate of 15%.

19. Taxation (Continued)

No capital gain tax is payable on profits from sale of securities in Mauritius and any dividend and redemption proceeds paid by the Company to its shareholders will be exempt from any withholding tax in Mauritius.

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Current tax suffered:				
- On taxable income	-	87,026	-	-
- Taxes on donation	-	-	-	-
Total tax suffered	-	87,026	-	-
Deferred taxation release (Note 9)	-	80,081	-	-
Provision for tax in current year	-	6,945	-	-
STC Asset	-	-	-	-
Total tax income/(expense)	-	**87,026**	-	-
Current tax payable				
In Mauritius by the step-subsidiary	**3,311**	3,435	-	-
In South Africa by the step-subsidiary	-	-	-	-
	3,311	**3,435**	-	-

Current tax suffered on taxable income is made up as follows:

	The Group		The Company	
	2013 USD	2012 USD	2013 USD	2012 USD
Current tax suffered:				
In Mauritius by the step-subsidiary	6,644	6,945	-	-
In South Africa by the step-subsidiary	-	-	-	-
	6,644	**6,945**	-	-

20. Revenue

	The Group		The Company	
	2013 USD	2012 USD	2013 USD	2012 USD
Sale of goods- General and Trading	1,884,103	1,770,698	-	-
Rendering of services	143,643	801,602	-	250,000
Investment income	54,766	-		
Other income	663,858	-	2,932	-
	2,746,370	**2,572,300**	**2,932**	**250,000**

Other Income relate to a grant received from the Industrial Development Corporation of South Africa for investments into the area.

21. Finance Costs

	The Group		The Company	
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Interest on bank overdrafts and loans	**986,066**	1,156,413	**220,368**	409,332
Bank charges	**1,977**	2,771	**182**	2,771
Realised foreign exchange	**(97,877)**	260,544	**(97,877)**	260,544
Loan raising fees	**-**	63,083	**-**	63,083
	890,166	**1,482,811**	**122,673**	**735,730**

22. Other gains and losses on investments

	The Group		The Company	
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Loss on disposal of available-for-sale investments	**513,175**	564,014	**95,000**	58,899
Impairments on investments *	**7,934,032**	95,089	**6,754,376**	3,632,688
Impairment on loan accounts	756,776	323,547	682,604	-
Effect on loan write off/ write back with subsidiaries	-	-	-	5,079,346
	9,203,983	**982,650**	**7,531,980**	**8,770,933**

*The Group has proceeded to impair the holding company of the Shelley Point Hotel Structure following the current negotiations and finalisation of the sale of the Hotel. There has been a significant write off of the investment, but following the decision to exit the hotel and waivering shareholders' support for continuing cash injections for operations, the directors have opted for the exit which will still see sufficient funds flow back for the clearance of all debt.

23. Cash and cash equivalents

	The Group		The Company	
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Bank balances and cash	**265,011**	56,855	**6,453**	4,488
Bank overdraft	**(1,348,550)**	(1,558,208)	**(50,000)**	(70,000)
	(1,083,539)	**(1,501,353)**	**(43,547)**	**(65,512)**

24. Cash generated from Operations

	The Group		The Company	
	2013	2012	**2013**	2012
	USD	USD	**USD**	USD
Cash from operating activities				
Loss before tax	(10,508,461)	(4,490,335)	(7,807,656)	(9,709,827)
Adjustments for:				
Investment income	**(54,677)**	(10,808)	**-**	-
Finance costs	**986,269**	1,222,267	**220,550**	475,186
Loan written back	**(236,086)**	-	**-**	-
Net foreign exchange (gain)/loss	**(97,877)**	260,544	**(97,877)**	260,543
Depreciation	**399,413**	394,112	**-**	-
Impairments and amounts written off	**9,603,933**	982,650	**7,531,980**	8,770,933
Operating profit / (loss) before working capital changes	**92,514**	(1,641,570)	**(153,003)**	(203,165)
(Increase)/decrease in trade and other receivables	**(16,221)**	249,800	-	4,008
Decrease in inventory	**8,339**	31,219	-	-
Increase/(decrease) in trade and other payables	148,050	(1,260,038)	59,927	(138,121)
Cash generated from / (absorbed by) operations	**232,682**	**(2,620,589)**	**(93,076)**	**(337,278)**
Income tax paid	**(5,918)**	(5,153)	-	-
Net interest paid	**(968,596)**	(1,211,459)	(220,550)	(475,186)
Net cash used in operating activities	**(741,832)**	**(3,837,201)**	**(313,628)**	**(812,464)**

25. Disposal of step-subsidiary

Following the disposal of certain subsidiaries of the group the net assets and liabilities deconsolidated were as follows:

	2013	2012
	USD	USD
Consideration received in cash and cash equivalents	-	360,000
Total consideration received	-	360,000

25. Disposal of step-subsidiary (Continued)

Analysis of asset and liabilities over which control was lost

	2013 USD	2012 USD
Non-current assets	-	
Property, plant and equipment	-	89,104
Goodwill	-	736,381
Financial assets	-	3
	-	825,488
Current assets		
Financial assets	-	-
Trade and other receivables	-	185,391
Cash and cash equivalents	-	51,968
	-	237,359
Current liabilities		
Payables and others	-	(268,588)
Non-current liabilities		
Borrowings	-	-
Deferred tax liabilities	-	-
Net assets to held for sale	-	794,259
Consideration received for 60%	-	360,000
Share of net assets disposed of	-	(476,555)
Non-controlling interests	-	-
Loss on disposal	-	(116,555)

25. Disposal of step-subsidiary (continued)

Following the disposal of certain subsidiaries of the group the net assets and liabilities deconsolidated were as follows:

	2013 USD	2012 USD
Profit for the year from discontinued operations		
Revenue	-	474,363
Expenses	-	(457,132)
Other gains	-	-
Loss before tax	-	17,231
Attributable income tax expense	-	-
	-	17,231
Share of profit attributable to owners of Company	-	13,784
Loss on disposal of operation	-	(116,555)
Profit for the year from discontinued operations (attributable to owners of the Company)	-	(102,771)
Cash flows from discontinued operations		
Net cash inflows from operating activities	-	70,275
Net cash inflows from investing activities	-	(3,776)
Net cash outflows from financing activities	-	(41,582)
Net cash flows for the year	-	24,917
Consideration received in cash and cash equivalents	-	360,000
Less: cash and cash equivalent balances disposed of	-	(51,968)
Net cash inflow	-	308,032

26. Business Segments

Principal activities	Hotel & Leisure Property Activities USD	Financial Services USD	Investment USD	Total USD
	2013			
Revenue	2,703,056	-	43,314	2,746,370
Expenses	(2,985,102)	-	(175,580)	(3,160,682)
Finance costs	(701,078)	-	(189,088)	(890,166)
Other	(7,881,003)	-	(1,322,980)	(9,203,983)
Taxation	-	-	(6,644)	(6,644)
Loss for the year	**(8,864,127)**	**-**	**(1,650,978)**	**(10,515,105)**
Assets	10,135,475	-	2,554,224	12,689,699
Liabilities	(7,378,402)	-	(3,624,552)	(11,002,954)
Net asset value	**2,757,073**	**-**	**(1,070,328)**	**1,686,745**

Geographical

Companies incorporated in	Mauritius USD	B.V.I USD	South Africa USD	Total USD
		2013		
Revenue	40,382	2,932	2,703,056	2,746,370
Expenses	(19,645)	(155,935)	(2,985,102)	(3,160,682)
Finance costs	(66,416)	(122,672)	(701,078)	(890,166)
Other	(127,200)	(1,195,780)	(7,881,003)	(9,203,983)
Taxation	(6,644)	-	-	(6,644)
Loss for the year	**(179,523)**	**(1,471,455)**	**(8,864,127)**	**(10,515,105)**
Assets	2,547,770	6,454	10,135,475	12,689,699
Liabilities	(709,980)	(2,914,801)	(7,378,402)	(11,002,954)
Net asset value	**1,837,790**	**(2,908,347)**	**2,757,073**	**1,686,745**

26. Business Segments (Continued)

2012

Principal activities	Hotel & Leisure Property Activities USD	Financial Services USD	Investment USD	Total USD
Revenue	1,948,912	549,416	73,972	2,572,300
Expenses	(3,409,058)	(464,804)	(723,312)	(4,597,174)
Finance costs	(643,648)	(6,949)	(832,214)	(1,482,811)
Other	5,978	(162,771)	(928,627)	(1,085,420)
Taxation	-	-	(87,026)	(87,026)
Loss for the year	**(2,097,816)**	**(85,108)**	**(2,497,207)**	**(4,680,131)**
Assets	20,406,088	120,000	7,578,604	28,104,692
Liabilities	(7,717,267)	-	(3,790,396)	(11,507,663)
Net asset value	**12,688,821**	**120,000**	**3,788,208**	**16,597,029**

Geographical

Companies incorporated in	Mauritius USD	B.V.I USD	South Africa USD	Total USD
Revenue	610,979	6,326	1,954,995	2,572,300
Expenses	(447,874)	(619,688)	(3,529,612)	(4,597,174)
Finance costs	(75,554)	(748,223)	(659,034)	(1,482,811)
Other	(420,631)	(530,799)	(133,990)	(1,085,420)
Taxation	(6,945)	-	(80,081)	(87,026)
Loss for the year	**(340,025)**	**(1,892,384)**	**(2,447,722)**	**(4,680,131)**
Assets	4,081,773	2,409,183	21,613,736	28,104,692
Liabilities	(703,008)	(2,979,563)	(7,825,092)	(11,507,663)
Net asset value	**3,378,765**	**(570,380)**	**13,788,644**	**16,597,029**

27. Financial summary

	2013 USD	2012 USD	2011 USD
Statement of financial position (Group)			
Stated capital	**21,818,315**	21,818,315	21,818,315
Translation reserve	**95,530**	1,209,255	928,566
Revaluation reserve	**430,055**	3,711,509	5,327,996
Retained earnings	**(22,183,035)**	(13,366,199)	(9,612,663)
Non-current assets	**11,602,477**	25,944,908	33,212,170
Current assets	**1,087,222**	2,159,783	3,058,973
Non-current liabilities	-	8,608,694	8,849,865
Current liabilities	**11,002,954**	2,898,969	5,216,540
Income statement (Group)			
Gross income	**2,746,370**	2,572,300	2,425,376
(Loss)/profit before taxation	**(10,508,461)**	(4,490,335)	(2,363,638)
Tax	**(6,644)**	(87,026)	(1,692,639)
Discontinued operations	-	(102,770)	-
(Loss)/profit for the year	**(10,515,105)**	(4,680,131)	(4,056,277)
Dividends paid			-
Performance			
Dividend per share	-	-	-
Net asset value per share	**(0.01)**	0.49	0.70
Number of shares in issue	**23,416,696**	23,416,696	22,800,058

28. Financial risks

Fair values

The carrying amounts of investment in financial asset, trade and other receivables, loan receivables, cash and cash equivalent, borrowings, financial liabilities, bank overdraft and trade and other payables approximate their fair values. Financial assets and liabilities which are accounted for at historical cost are carried at values which may differ materially from their fair values.

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The Directors periodically review & monitor the fair value workings. Where necessary or significant independent advice is sought from professionals in the relevant fields. The face value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair values of those assets and liabilities not presented on the Group's and Company's consolidated statement of financial position at their values are not materially different from their carrying amounts.

Risk management

The Board is ultimately responsible for risk management, which includes the Group's risk governance structure and maintaining an appropriate internal control framework. Management's responsibility is to manage risk on behalf of the Board. Written principles have been established throughout the Group for overall risk management, as well as procedures covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and concentration risk.

28. Financial risks (Continued)

Currency risk

The Group has invested in the current year in companies having currencies denominated in South African rand (ZAR), Mauritian rupee (MUR) and United States dollar for which the Group personally suffers exchange rate movements. Consequently, the Group is exposed to the risk that the exchange rate of the US dollar (USD) relative to these currencies may change in a manner which has a material effect on the reported values of the Group's assets which are denominated in these currencies.

Investments that are denominated in a foreign currency will be subject to the risk that the value of that particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

The Group reports in USD and pays dividends from its profits, while its investments are largely denominated in ZAR and MUR. The primary risk to which the Group's portfolio is exposed is the depreciation of the ZAR and MUR relative to the US dollar. The Group may employ derivatives-based hedging techniques to minimize its risk. During the year under review, the Group has not entered into such contracts.

Exposures to Foreign currencies were as follows:

The Group

			2013		
	GBP	MUR	ZAR	USD	Total
Non-current financial assets	-	1,123,200	-	-	1,123,200
Non-Current Financial Liabilities	-	-	-	-	-
Long-term exposure	-	1,123,200	-	-	1,123,200
Current financial assets	-	550,970	427,513	6,453	984,936
Current financial liabilities	(2,612,332)	(708,313)	(7,378,402)	(300,596)	(10,999,643)
Short-term exposure	(2,612,332)	(157,343)	(6,950,889)	(294,143)	(10,014,707)

			2012		
	GBP	MUR	ZAR	USD	Total
Non-current financial assets	11,256	2,324,000	858,615	2,378,621	5,572,492
Non-current financial liabilities	(2,132,661)	-	(7,055,392)	-	(9,188,053)
Long-term exposure	(2,121,405)	2,324,000	(6,196,777)	2,378,621	(3,615,561)
Current financial assets	-	554,069	554,069	1,017,401	2,125,539
Current financial liabilities	(460,978)	(664,107)	(1,593,800)	(424,826)	(3,143,711)
Short-term exposure	(460,978)	(110,038)	(1,039,731)	592,575	(1,018,172)

28. Financial risks (Continued)

The Company

	2013				
	GBP	MUR	ZAR	USD	Total
Non-current financial assets	-	1,004,397	-	1,703,873	2,708,270
Non-current financial Liabilities	-	-	-	-	-
Long-term exposure	-	1,004,397	-	1,703,873	2,708,270
Current financial assets	-	366.930	-	1,209,683	1,576,613
Current financial liabilities	(2,612,332)	-	(92,127)	(208,468)	(2,912,927)
Short-term exposure	(2,612,332)	366,930	(92,127)	1,001,215	(1,336,314)

	2012				
	GBP	MUR	ZAR	USD	Total
Non-current financial assets	11,256	1,310,720	-	8,231,209	9,553,185
Non-current financial Liabilities	(2,132,661)	-	-	-	(2,132,661)
Long-term exposure	(2,121,405)	1,310,720	-	8,231,209	(7,420,524)
Current financial assets	-	554,069	1,108,118	1,101,377	2,763,564
Current financial liabilities	(460,978)	-	-	(404,867)	(865,845)
Short-term exposure	(460,978)	554,069	1,108,118	696,510	1,897,719

If Dollar had strengthened by 5%/10%/3% against ZAR/MUR/GBP respectively the financial impact will be as follows:

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Net loss for the year	**(329,329)**	(136,976)	**54,156**	(41,276)
Equity	**238,315**	(1,280,649)	**-**	-
	(91,014)	**(1,417,625)**	**54,156**	**(41,276)**

Interest rate risk

The Group's income and operating cash flows are influenced by changing market interest rates. The Companies borrowings and lending's contracted at mainly at fixed rates. Exposure to market variables in the Group relate to long-term borrowings. The sensitivity of the net result for the year and equity to a possible change in interest rates of + or- (0.5% for the USD; 1% for the MUR and 1% for the ZAR with effect from the beginning of the year With all other variables constant would have had the following impact :

	The Group		The Company	
	2013 USD	2012 USD	**2013 USD**	2012 USD
Net loss for the year	**(74,146)**	(43,267)	**(250)**	(5,000)
Equity	**-**	-	**-**	-
	(74,146)	(43,267)	**(250)**	(5,000)

(i) Concentration risk

At 28 February 2013, the Group's net assets consisted of investments in companies incorporated in South Africa & Mauritius through its subsidiaries which involve certain considerations and risks not typically associated with investments in other developed countries. Although the current developments in the developed countries as they battle with the effects of a global recession do have an impact on emerging economies.

Future economic and political developments in South Africa and Mauritius could adversely affect the liquidity or value, or both, of securities in which the Group has invested. The revised strategy of the group is to focus in the SADC region and such exposure will be common.

The Group plans to re-evaluate its portfolio risk after merger negotiations are concluded. The Group's investments are therefore likely to be concentrated in a relatively small number of companies within the Southern African region but will increase as and when the current illiquidity in the market eases.

The portfolio is, however, subject to continuous reviews at both the business line and Group levels to monitor exposure to any one sector or geography and to monitor the exposure to larger investments.

(ii) Credit risk

The Group has policies in place to ensure that credit sales of products and services are made to customers after a credit assessment has been carried out. The Group has no significant concentration of credit risk, with exposure spread over a large number of clients.

(iii) Liquidity risk

The group's total gearing continued to be high given the continuous market illiquidity. As a result the group has had to continue to resort to expensive borrowings to ensure new investments would be nurtured into their growth and cash generation phase. At year end the Directors had already initiated procedures for the sale of assets linked with projects abandoned as well as recovering loan accounts and receivables.

(iv) Capital risk management

The primary objectives of the Group, when managing capital, is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

29. Events after reporting period

The Group received its Approval for the Sale of the Beach Club investment Property holding Company on 27 May 2013. The completion of the transaction will see the exit of USD 698,304 debt with Financial Institutions and USD 55,342 payables disclosed in the accounts.

The Group finalized its agreement for the Sale of the Hotel Project, Shelley Point on 24 May 2013. The completion of the transaction which will require shareholder approval, (83% of whom have already approved the exit of the hotel at the AGM last year). The sale structure and substantial circular will be finalized post signature of the financial statements, and any effect of the final sale will be advised in the Circular. The sale as currently structured will see the exit of USD 9,433,521 of debt disclosed in the financial assets.

30. Related party transactions

The Group

				2013			
	Interest received	Interest paid	(Purchase) / Sale of financial assets	Investment Activities services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Shareholders	-	-	-	-	-	-	-
Enterprises with common directors	-	-	-	-	-	-	
Other related parties				-		591,821	2,750,075
	-	**-**	**-**	**-**	**-**	**591,821**	**2,750,075**

				2012			
	Interest received	Interest paid	(Purchase) / Sale of financial assets	Investment Activities services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Shareholders	-	-	-	-	-	167,002	2,558,238
Enterprises with common directors	-	-	360,000	-	208,398	895,185	535,333
Other related parties			-	-	-	828,372	-
	-	**-**	**360,000**	**-**	**208,398**	**1,890,559**	**3,093,571**

30. Related party transactions (continued)

The Company

2013

	Interest received	Interest paid	(Purchase) / Sale of financial assets	Investment Activities services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Shareholders	-	-	-	-	-	-	2,735,542
Subsidiaries	-	-	-	-	-	1,570,560	-
Enterprises with common directors	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**1,570,560**	**2,735,542**

2012

	Interest received	Interest paid	(Purchase) / Sale of financial assets	Investment Activities services	Purchases of services	Amount receivables	Amount payables
	USD	USD	USD	USD	USD	USD	USD
Shareholders	-	-	-	-	-	167,002	2,558,238
Subsidiaries	-	-	-		-	1,626,971	-
Enterprises with common directors	-	-	-	-	-	1,723,557	-
	-	**-**	**-**	**-**	**-**	**3,517,530**	**2,558,238**

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Dale Capital Group Limited will be held at the office of Fortenberry Corporate Services Ltd, 2 River Court, St Denis St, Port-Louis, Mauritius at 9 am on Friday 30 August 2013 for the following purposes.

1. To receive, consider and adopt the report of the auditors and annual financial statements of the company for the financial year ended 28 February 2013.

2. To confirm the re-appointment of Crowe Howarth (Mauritius) as independent auditors of the company for the ensuing financial year.

3. The Appointment of Directors proposed at the AGM

4. To transact such other business as may be transacted at an annual general meeting.

Voting and Proxies

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is enclosed and is only to be completed by those shareholders who:

- Hold ordinary shares in certificate form

- Have dematerialised their ordinary shares through the Central Depository & Settlement Co. Ltd (CDS) or broker and wish to attend the annual general meeting. Shareholders must instruct the CDS or broker to provide them with the relevant Letter of Representation, or they must provide the CDS or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CDS or broker.

Proxy forms should be forwarded to reach the Company Secretary at least 48 hours before the time of the meeting (Excluding Saturdays, Sundays and public holidays in Mauritius)

By order of the board

Fortenberry Corporate Services Ltd
Company Secretary
1 August 2013

Form Proxy

Dale Capital Group Limited

Share code: DCPL.N000

For use only by ordinary shareholders at the annual general meeting (meeting) of the company to be held at the office of Fortenberry Corporate Services Ltd, 2 River Court, St Denis St, Port-Louis, Mauritius at 9 am on Friday 30 August 2013 for the following purposes.

I / We (full registered name)

Of (full registered address)

Being the holder of Ordinary shares (enter number)

Do hereby appoint

1.____ or failing him/her

2.____ or failing him/her

3. The Chairman of the meeting as my/our proxy to act for me/us at the meeting for the purposes of considering and, if deemed fit, passing, with or without modifications, the resolutions to be proposed at each adjournment thereof, to vote for and/or against the resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

	Resolutions	**Number of shares**		
		For	**Against**	**Abstain**
1.	To receive, consider and adopt the report of the auditors and annual financial statements of the company for the financial year ended 28 February 2013.			
2.	To confirm the re-appointment of Crowe Howarth (Mauritius) as independent auditors of the company for the ensuing financial year.			
3.	For the Appointment of proposed Directors at the meeting,			

Signed at __________________________________ on __________________ 2013

Signature ____

Notes to the form of proxy

1. The form of proxy must only be used by certificated or dematerialised shareholders.

2. Shareholders are reminded that the onus is on them to communicate with the CDS or broker.

3. A shareholder entitled to attend and vote may insert the name of a proxy or the names of an alternative proxy of the shareholder's choice.

4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote as he / she deems fit.

5. Documentary evidence establishing the authority of the person singing the form of proxy in a representative capacity must be attached to this form, unless previously recorded by the company or unless this requirement is waived by the Chairman of the meeting.

6. Where there are joint holders of shares, any one holder may sign the form of proxy.

7. Forms of proxy must be lodged with or mailed to the Company Secretary to be received no later than 48 hours before the time of the meeting (Excluding Saturdays, Sundays and public holidays in Mauritius)

8. Any alterations or corrections made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.

Notes