# DALE CAPITAL GROUP LIMITED

# ANNUAL REPORT 2015

Trusted Partners in a New World

# MANAGEMENT AND ADMINISTRATION

**DIRECTORS:**

**Norman Theodore Noland**
Executive Chairman

**Mark Foulds**
Chief Executive Officer

**Sanjeeven Ramasawmy**
Non-Executive

**Randall Thomas**
Non-Executive

**Nigel McGowan**
Non-Executive

**Patrick O'Neill**
Non-Executive

**COMPANY SECRETARY:**

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

**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

**SPONSOR AND BROKER:**

**Anglo-Mauritius Stockbrokers Ltd**
3rd Floor, Swan Group Centre
10 Intendance Street
Port-Louis Mauritius

**AUDITORS:**

**Crowe Horwath (Mur) Co.**
*Member Crowe Horwath International*
2nd Floor, Ebene Esplanade
24, Cybercity
Ebene Mauritius

2015 | Contents

# CHAIRMAN'S & CEO'S MESSAGE

Dear Shareholders, Directors, and all Service Providers.

It is time to move forward and to forget the difficult experiences of the last few years.

It is my pleasure to welcome Mark Foulds, Randall Thomas, and Patrick O'Neill, to the board of Dale Capital Group Limited. I also use the occasion to thank Nigel McGowan and Sanjeeven Ramasawmy for the support and commitment to Dale over the years and for their commitment to continue into the future.

Mark Foulds has been appointed as the Chief Executive Officer and this experienced executive will lead the team and the company into a new era.

A new strategy has been developed and embraced by the directors and management and provides for investment to take place via a Protected Cell Structure and this will provide enhanced sectoral protection for shareholders as detailed in the recently released listing particulars.

I continue to be committed to the company and have agreed to continue as Chairman

Sincerely,

**NORMAN NOLAND**
Chairman

## INTRODUCING NEW CHIEF EXECUTIVE OFFICER, MARK FOULDS

I am delighted to be joining Norman and the other members of the board, at what is a very exciting time for investors looking for private equity exposure to Africa. I have spent over 25 years in the private equity sector, both in direct investments and in fund of funds, and hope that this experience will contribute to rebuilding a profitable portfolio for Dale investors in the future.

Whilst Dale has gone through a difficult period, it has a long history and has made some excellent investments in the past under Norman's leadership. We will continue to work together to create value from our existing investment, and look to capitalise on the strong network and pipeline of deal opportunities that is open to us.

There are a number of development avenues open to Dale that we are exploring as a Board, and I look forward to giving more detail to you in the coming months as to how they will create value for shareholders.

**MARK FOULDS**
Chief Executive Officer

# DIRECTORS' PROFILE

### NORMAN NOLAND

Born 1948 in South Africa, Norman Noland is a well-known and respected entrepreneur and businessman and has held directorships in public listed entities in South Africa and Mauritius and other directorships in numerous South African and International privately owned companies, covering a broad spectrum of sectors. (Including companies in Isle of Man, Guernsey, Germany, Switzerland, and Luxembourg).

During his career he has gained significant experience whilst employed in senior management positions at large South African and other International Organizations including directorship in a Bank and Insurance Company. He has extensive experience in the International Banking and Financial Services arena, Information Technology, Property and Property Development, Infrastructure, food and food security and Hotels & Leisure Industry sectors. In the mid 90's he was head hunted to take up the role as Deputy CEO of JSE Listed Sekunjalo Investments Limited. He was responsible for development and implementation of the Group's diversification strategy and successfully completed this project and eventually retired as the Group's Deputy Chairman. During his career he has been the recipient of many performance awards.

He is currently the Executive Director of Nolands Advisory Services International Limited and Nolands Advisory Services (Africa) Limited and in this capacity he consults to a number of companies. He specialises in Strategic Planning, "Cross Border Structuring", Private Equity and Corporate Finance. He is also Chairman of Stock Exchange of Mauritius listed, Dale Capital Group limited.

Norman is a committed Christian and devotes a great portion of his business life and personal life reaching out to those in need, both spiritually and materially. He is passionate about Africa.

### MARK FOULDS

Born in 1963, Mark Foulds started his career in corporate finance at NatWest Investment Bank in the UK, but the bulk of his professional experience has been in the private equity sector. He has worked both in direct investments, where he was a partner at two leading European mid-market LBO firms, Duke Street and Bridgepoint, and in the private equity fund-of-funds sector, where he was Deputy Managing Director of Parvilla, a French management company specializing in lower mid-market LBO firms across Western Europe. In addition to making commitments to primary funds, Mark also took secondary fund stakes and managed co-investments for the Parvilla funds. Mark has sat on the Investment Committees of both Duke Street and Parvilla.

He has been involved in making over 25 direct investments across a wide range of industry sectors, and has sat on the boards of all of these companies. He has specific experience of the business services and financial services sectors. Mark has lived and worked in the UK, France, Belgium and South Africa. He is fully bilingual in English and French. He is fully certified both by the FSA in the UK and by the AMF in France.

Mark now lives in South Africa, is married and has three children.

### RANDALL THOMAS

Randall Thomas was born in Staunton, Virginia, USA, in 1960. He is the founding partner of Calice Group, a business development consultancy. Since 2011, Randall has been working on sub-Saharan African ventures. He has managed multiple projects, interfacing with project sponsors for logistics, the vetting of proposed business concepts, financial modelling, and narrative documents for pitch books. To date, he has worked on projects in agribusiness, construction materials, pharmaceutical, supply chain, finance, power, housing, and infrastructure.

# DIRECTORS' PROFILE

Randall grew up working on his family's cattle farm. After graduating from Washington and Lee University with a major in philosophy and a minor in biology, he had a diverse set of professional experiences. For over two years, Randall worked in the wine industry in Napa Valley, California, participating in all aspects of the business – from the working in the cellar with a well-known winemaker to helping put in a 1000-acre vineyard. Following that, Randall moved to France for over two years of study and work. This entailed a year of study at the Sorbonne, two internships in product sales, and working with an export negotiator on various international transactions, including one in Côte d'Ivoire and one in Algeria.

Randall has worked in financial services for over 20 years. He started in financial services at Fidelity Investments in Boston, Massachusetts, before moving to New York City. After 5 years in credit risk and portfolio management at Barclays Bank, he has worked in various aspects of the equity brokerage industry. The last 13 years have been spent as a software entrepreneur within financial services. He co-founded a financial software company in 2001 in the nascent "cloud services" arena and sold it in 2005. Randall continues to support this institutional brokerage software he created, managing its rollout to 12 large broker/dealers and used by over 1000 investment managers and hedge funds. Randall holds an MBA from NYU Stern School of Business and is a candidate for the CFA level 2 exam.

### SANJEEVEN RAMASAWMY

Sanjeeven is a Fellow of the Association of Chartered Certified Accountants and started his career with the Sugar Investment Trust in 2003, a group holding investments in the sugar milling, power generation, Leisure, property development and banking sectors leaving as Finance Accountant in 2006. He then took up the position of Team Leader at Crowe Horwath (Mauritius), a member of Crowe Horwath International, where he became involved with the audit of global business companies and cross-border audits specialising in Financial Services, Information technology , Leisure and Tourism, Shipping amongst others. He was also the Finance Director of Dale International Trust Company Limited between 2009 -2012, and of Dale Capital Group Limited up to June 2013. He is currently the CEO of Rockmills Financials Ltd, a management Company and serves as an Independent Director on behalf of clients under management.

### NIGEL HAMPTON MCGOWAN

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 nonexecutive director and advisor to a number of companies and is a past Chairman of the Isle of Man Society of Chartered Accountants.

### PATRICK O'NEILL

Patrick O'Neill is a partner with Calice Group. For the past six years, Patrick has been a venture capital professional investing in early stage companies in the alternative energy, software, life science and digital media sectors. Mr. O'Neill has worked on or led investments in 15 early stage companies and is currently on the boards of directors of 6 startup companies where he provides managerial assistance and guidance to the companies' leadership teams. In addition to financial acumen, Mr. O'Neill is a licensed mechanical engineer in Connecticut and can bring that additional discipline to bear on projects.

Prior to his venture capital experience, Patrick was a project manager for the Connecticut Clean Energy Fund's On-Site Renewable Distributed Generation Program. In this role he provided project financing analysis for renewable energy projects. Patrick's experience also includes tenures at UTC Power, Duke Engineering and Services (now Areva NP Inc.) and Yankee Atomic Electric Corporation.

Mr. O'Neill holds an MBA from NYU Stern School of Business, a Masters of engineering from Worcester Polytechnic Institute, and a B.S. in nuclear engineering from University of Massachusetts at Lowell.

# STATUTORY AND CORPORATE GOVERNANCE INFORMATION

for the year ended 28 February 2015

### 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:

- Agriculture, aquaculture and food security
- Property development
- Mining and resources
- Information technology
- Tourism and leisure

The approach towards investments will shift into an investment holding Protected Cell Company (PCC) structure, and continue to be non-controlling stakes, in both private businesses and publicly quoted companies.

### 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.

### 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 the following:

- Listing Rule of the Stock Exchange of Mauritius;
- FSC Rules of Mauritius;
- Securities Act 2005 as amended of Mauritius; and
- Companies Act 2004 of the British Virgin Islands

### RESULTS AND DIVIDENDS

The consolidated financial statements of the Company and of the Group for the year ended 28 February 2015 appear on pages 13 to 42.

The directors do not recommend the payment dividend to ordinary shareholders for the year ended 28 February 2015 (2014: NIL).

### 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 2015, has been slow as the Group negotiated for fresh capital and capitalisations of certain balances owing. Major changes were not forthcoming given the customary time lag of due diligences.

### SHARE CAPITAL

The share capital of the Company as at 28 February 2015 consisted of 23,416,696 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 ended 28 February 2015.

# STATUTORY AND CORPORATE GOVERNANCE INFORMATION

for the year ended 28 February 2015

## TREASURY SHARES

There were no transactions involving treasury shares during the year.

## MAJOR INTERESTS IN ORDINARY SHARES

As at 28 February 2015, 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.

| Shareholders | Number of shares | % of issued Share Capital |
|---|---|---|
| Wanaka Property Holdings (Mauritius) Limited | 3,225,855 | 12.5 |
| Matalla Pension Fund | 2,710,511 | 10.5 |
| Shelley Point Investment Holdings Limited | 2,231,873 | 8.7 |
| Woodlands Global Holdings Limited | 3,000,268 | 11.6 |
| Woodlands House Investment Holdings Limited | 2,072,722 | 8.0 |
| Linked to Africa Holdings Limited | 1,781,387 | 6.9 |

## DIRECTORS' INTERESTS

The interests of the directors in the shares of the Company up to 28 February 2015 as stated in the register of directors as shown below:

| Directors | Direct interests (shares) | Indirect interests (shares) | Total number of shares Held | % of issued Share capital |
|---|---|---|---|---|
| Mr. Norman Noland | - | 1,098,582 | 1,098,582 | 4.26% |
| Mr. Nigel McGowan | - | 45,860 | 45,860 | 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 subsidiary during the year.

## DIRECTORS' SERVICE CONTRACTS

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 option was in force as at 28 February 2015.

## DIRECTORS' REMUNERATION AND BENEFITS

No fee was accrued to directors during the year, the latter having waivered same.

# STATUTORY AND CORPORATE GOVERNANCE INFORMATION

for the year ended 28 February 2015

## 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.

### THE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year ended 28 February 2015, the Chairman acted in an executive position as the Chief Executive Officer, as detailed below.

During the financial year 2015, the Chairman 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.

### DIRECTORS

During the financial year ended 28 February 2015, the Board comprised of two Independent Non-Executive Directors. Further appointments will follow on approval of the Company's new issue of shares.

# STATUTORY AND CORPORATE GOVERNANCE INFORMATION

for the year ended 28 February 2015

## DIRECTORS' INDEPENDENCE

Same as detailed on page 6, 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. 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. 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. New committee members will be appointed in June 2015 and the roles and responsibilities of these committees will be reviewed.

## AUDIT AND COMPLIANCE COMMITTEE

During the year ended 28 February 2015, the Audit and Compliance Committee comprised of Nigel McGowan, and Sanjeeven Ramasawmy. 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 annual financial statements. The Audit and Compliance Committee will meet at least 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

The directors having waivered their fees for the year, the remuneration committee did not meet during the year 2015.

## VALUATION COMMITTEE

Due to the Company holding a single investment during the financial year, there was no need to establish a Valuation Committee meeting.

## INVESTMENT COMMITTEE

During the year ended 28 February 2015, the Investment Committee's role was undertaken by the Full Board in line with the reduction in activities.

| Attendance of meetings Directors during year | Director's Meeting # | Audit Committee # | Remuneration Committee | Valuation Committee | Investment Committee ** |
|---|---|---|---|---|---|
| Mr. Norman Noland | 5/5 | 4/4 | - | - | - |
| Mr. Sanjeeven Ramasawmy | 5/5 | 4/4 | - | - | - |
| Mr. Nigel McGowan | 5/5 | 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 2015

## 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

Due to the reduced activities, the Group has not undertaken any Charity or Political activities.

## 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 consolidated financial statements which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the year and of its results of operations 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 Company and the Group and enable them to ensure that the consolidated 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 Company and 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 consolidated financial statements, have been applied consistently and applicable accounting standards have been followed. In addition, these consolidated 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
29 May 2015
Fortenberry Corporate Services Ltd
Secretary to the Company

# DIRECTORS' REPORT

for the year ended 28 February 2015

## 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.

## RESULTS

The results for the year are shown in the consolidated statement of profit or loss and consolidated statement of other comprehensive income set out on pages 14 and 15.

## DIRECTORS

The present membership of the Board is set out on inside front cover.

## 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 of 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 International Financial Reporting 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.

## GOING CONCERN AND REPOSITIONING OF THE GROUP

The Group has filed an application for a new issue of shares for a consideration of USD 750,000. Commitments from a selected group of investors is expected to be successful and meet the Group's working capital needs for the future.

## 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: 29 May 2015

# INDEPENDENT AUDITORS' REPORT
# TO THE SHAREHOLDERS OF DALE CAPITAL GROUP LIMITED

We have carried out an audit on the accompanying consolidated financial statements of **DALE CAPITAL GROUP LIMITED,** (the "Company") which include the financial statements of its subsidiary together referred as the "Group", and which comprise of the consolidated statement of financial position as at 28 February 2015, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended as set out on pages 13 to 18, and a summary of significant accounting policies and other explanatory information as set out on pages 19 to 42.

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.

## 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.

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DALE CAPITAL GROUP LIMITED

## BASIS OF QUALIFIED OPINION

We draw attention to note 3(i) (v) with regard to the valuation of the group's investment in Bella Amigo Company Limited (BACL). The carrying amount of the investment is based on valuation last carried out on July 2013 by an independent valuer and impaired by the directors by a further 15% this year. There has not been any independent valuation carried out as of 28 February 2015. We are therefore unable to rely on the truth and fairness of the carrying amount of the group's investment in BACL and there were no other alternative audit procedures we could apply to verify same.

We also draw attention to note 3(i) (vi) with regard to the loan and interest amounts owed by Bella Amigo Company Limited (BACL) to the group. There have not been any repayments made after the reporting date and there are no alternative audit procedures we could apply to verify whether the group shall be able to recover the said debts.

## QUALIFIED OPINION

Except for the matters in the preceding 'Basis of Qualified Opinion' paragraph and of the effects of any adjustments that might have been deemed necessary had an independent valuation been carried out by the group on the investment in BACL at 28 February 2015 and the recoverability of the debts been determined at that date, in our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group and of the Company as at 28 February 2015 and of their financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards.

## OTHER 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 new commitments from selected group of investors is expected to finance the Group's working capital needs for the future.

## 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.

Crowe Horwath (Mur) Co

**CROWE HORWATH (MUR) CO.**
Public Accountants

**K.S.SEWRAZ, FCCA**
Signing Partner
Licensed by FRC

Date: 29 May 2015
Ebene, Mauritius

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2015

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2015** | 2014 | **2015** | 2014 |
| | Notes | **USD** | USD | **USD** | USD |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investment in subsidiary | 4 | **-** | - | **804,396** | 804,396 |
| Investment in financial asset | 5 | **925,128** | 1,155,600 | **-** | - |
| **Total non-current assets** | | **925,128** | 1,155,600 | **804,396** | 804,396 |
| | | | | | |
| **Current assets** | | | | | |
| Trade and other receivables | 6 | **57,188** | 41,793 | **-** | - |
| Loans receivable | 7 | **206,345** | 535,711 | **18,174** | 350,536 |
| Cash and cash equivalents | | **84** | 1,104 | **51** | 1,063 |
| **Total current assets** | | **263,617** | 578,608 | **18,225** | 351,599 |
| | | | | | |
| **TOTAL ASSETS** | | **1,188,745** | **1,734,208** | **822,621** | **1,155,995** |
| | | | | | |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Stated capital | 8 | **1,318,315** | 1,318,315 | **1,318,315** | 1,318,315 |
| Treasury shares | 9 | **(126,044)** | (460,981) | **(126,044)** | (460,981) |
| Revaluation reserve | | **231,522** | 442,461 | **-** | - |
| Share application monies | | **330,918** | - | **330,918** | - |
| Translation reserve | | **(199,413)** | (172,210) | **-** | - |
| Retained earnings | | **(813,303)** | (529,772) | **(1,136,586)** | (827,098) |
| Total equity | | **741,995** | 597,813 | **386,603** | 30,236 |
| **Equity attributable to equity holders of the parent** | | **741,995** | 597,813 | **386,603** | 30,236 |
| | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 10 | **216,697** | 283,579 | **214,542** | 275,643 |
| Borrowings | 11 | **203,418** | 822,042 | **201,476** | 820,116 |
| Bank overdraft | 12 | **20,000** | 30,000 | **20,000** | 30,000 |
| Taxation | 13 | **6,635** | 774 | **-** | - |
| **Total current liabilities** | | **446,750** | 1,136,395 | **436,018** | 1,125,759 |
| | | | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **1,188,745** | **1,734,208** | **822,621** | **1,155,995** |

Approved by the Board of directors on: 29 May 2015

**Norman Theodore Noland**
Director

**Sanjeeven Ramasawmy**
Director

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 28 February 2015

| | Notes | The Group 2015 USD | The Group 2014 USD | The Company 2015 USD | The Company 2014 USD |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Revenue | | - | 275,440 | - | - |
| Investment income | | **34,810** | 43,453 | - | - |
| Other income | | - | 11,579 | - | - |
| **Total income** | 14 | **34,810** | 330,472 | - | - |
| | | | | | |
| **Expenses** | | | | | |
| Administrative expenses | | **33,855** | 227,072 | **30,742** | 38,247 |
| Operating expenses | | **6,972** | 480,186 | **6,972** | 123,333 |
| **Total expenses** | | **40,827** | 707,258 | **37,714** | 161,580 |
| | | | | | |
| **Loss from operations** | | **(6,017)** | (376,786) | **(37,714)** | (161,580) |
| Finance income/(costs) | 15 | **18,074** | (549,877) | **18,141** | (401,723) |
| Other losses on investments | 16 | - | (778,415) | - | (778,415) |
| Loan written back | | **45,022** | - | **45,022** | - |
| **Profit/(loss) before taxation** | | **57,079** | (1,705,078) | **25,449** | (1,341,718) |
| Income tax expense | | **(5,673)** | (6,995) | - | - |
| **Profit/(loss) for the year from continuing operations** | | **51,406** | (1,712,073) | **25,449** | (1,341,718) |
| | | | | | |
| **Discontinued operations** | | | | | |
| Gain on disposal of subsidiaries | 19 | - | 2,727,259 | - | - |
| | | | | | |
| **PROFIT/(LOSS) FOR THE YEAR** | | **51,406** | 1,015,186 | **25,449** | (1,341,718) |
| | | | | | |
| **Attributable to:** | | | | | |
| Equity holders of the Company | | **51,406** | 1,153,263 | **25,449** | (1,341,718) |
| Non-controlling interests | | - | (138,077) | - | - |
| | | **51,406** | 1,015,186 | **25,449** | (1,341,718) |
| | | | | | |
| **Profit/(loss) per share** | | | | | |
| From continuing and discontinued operations | | **0.002** | 0.05 | **0.001** | (0.06) |
| From continuing operations | | **0.002** | (0.07) | **0.001** | (0.06) |

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2015

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| | **USD** | USD | **USD** | USD |
| **PROFIT/(LOSS) FOR THE YEAR** | **51,406** | **1,015,186** | **25,449** | **(1,341,718)** |
| **Other comprehensive income** | | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | |
| Exchange differences on translating foreign operations | **(27,203)** | (267,740) | - | - |
| (Loss)/gain arising on revaluation of available-for-sale financial assets during the year | **(210,939)** | 12,406 | - | - |
| **TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR** | **(186,736)** | 759,852 | **25,449** | (1,341,718) |
| Total comprehensive (loss)/income attributable to: | | | | |
| Owners of the Company | **(186,736)** | 897,929 | **25,449** | (1,341,718) |
| Non-controlling interests | - | (138,077) | - | - |
| | **(186,736)** | 759,852 | **25,449** | (1,341,718) |

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2015

THE GROUP

| | Stated capital USD | Treasury shares USD | Share application monies USD | Translation reserve USD | Revaluation reserve USD | Retained earnings USD | Equity attributable to equity holders of the parent USD | Non-controlling interest USD | Total equity USD |
|---|---|---|---|---|---|---|---|---|---|
| **At 28 February 2013** | **21,818,315** | **(460,981)** | **-** | **95,530** | **430,055** | **(22,183,035)** | **(300,116)** | **1,986,861** | **1,686,745** |
| Reduction in stated capital | (20,500,000) | - | - | - | - | 20,500,000 | - | (1,848,784) | (1,848,784) |
| Profit for the year | - | - | - | - | - | 1,153,263 | 1,153,263 | (138,077) | 1,015,186 |
| Other comprehensive income for the year | - | - | - | (267,740) | 12,406 | - | (255,334) | - | (255,334) |
| **At 28 February 2014** | **1,318,315** | **(460,981)** | **-** | **(172,210)** | **442,461** | **(529,772)** | **597,813** | **-** | **597,813** |
| Profit for the year | - | - | - | - | - | 51,406 | 51,406 | - | 51,406 |
| Other comprehensive income for the year | - | - | - | (27,203) | (210,939) | - | (238,142) | - | (238,142) |
| Treasury share impairment | - | 334,937 | - | - | - | (334,937) | - | - | - |
| Share applications monies | - | - | 330,918 | - | - | - | 330,918 | - | 330,918 |
| **At 28 February 2015** | **1,318,315** | **(126,044)** | **330,918** | **(199,413)** | **231,522** | **(813,303)** | **741,995** | **-** | **741,995** |

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2015

THE COMPANY

| | Stated capital USD | Share application monies USD | Treasury shares USD | Retained earnings USD | Total equity USD |
|---|---|---|---|---|---|
| **At 28 February 2013** | **21,818,315** | **-** | **(460,981)** | **(19,985,380)** | **1,371,954** |
| Reduction in stated capital | (20,500,000) | - | - | 20,500,000 | - |
| Loss for the year | - | - | - | (1,341,718) | (1,341,718) |
| **At 28 February 2014** | **1,318,315** | **-** | **(460,981)** | **(827,098)** | **30,236** |
| Profit for the year | - | - | - | 25,449 | 25,449 |
| Treasury share impairment | - | - | 334,937 | (334,937) | - |
| Share applications monies | - | 330,918 | - | - | 330,918 |
| **At 28 February 2015** | **1,318,315** | **330,918** | **(126,044)** | **(1,136,586)** | **386,603** |

The notes on pages 19 to 42 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2015

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2015** | 2014 | **2015** | 2014 |
| | | **USD** | USD | **USD** | USD |
| **Cash flows from operating activities** | | | | | |
| **Net cash (used in)/from operating activities** | 18 | **(62,030)** | 949,125 | **(53,793)** | (14,677) |
| **Cash flows from investing activities** | | | | | |
| Proceeds from disposal of investments | | **-** | 38,730 | **-** | 38,730 |
| Net effect of loans with related companies | | **(15,000)** | 35,363 | **(5,423)** | 28,685 |
| Interest received | | **16,218** | - | **-** | - |
| **Net cash from/(used in) investing activities** | | **1,218** | 74,093 | **(5,423)** | 67,415 |
| **Cash flows from financing activities** | | | | | |
| Share application monies | | **30,918** | - | **30,918** | - |
| Repayment of financial liabilities | | **(10,000)** | (20,000) | **(10,000)** | (20,000) |
| Net movement in loans | | **16,429** | 15,273 | **15,000** | - |
| **Net cash from/(used in) financing activities** | | **37,347** | (4,727) | **35,918** | (20,000) |
| Net (decrease)/increase in cash and cash equivalents | | **(23,465)** | 1,018,491 | **(23,298)** | 32,738 |
| Effect of exchange rate difference | | 32,445 | 36,152 | 32,286 | (18,128) |
| Cash and cash equivalents at start of the year | | (28,896) | (1,083,539) | (28,937) | (43,547) |
| **Cash and cash equivalents at end of the year** | 17 | **(19,916)** | (28,896) | **(19,949)** | (28,937) |

The notes on pages 19 to 42 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 subsidiary have been consolidated with the Company:

| Subsidiary Name | % Holding | Country of Incorporation |
|---|---|---|
| Dale Food & Beverages Holdings Ltd | 100 | Mauritius |

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

In the current year, the Company has adopted all of 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 January 2014. Their application has not had any material impact on the amounts reported for the current period or prior years but may affect the accounting for future transactions or arrangements.

The following standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2014.

*IAS 32 Financial Instruments: Presentation*

The amendment clarifies the accounting requirements for offsetting financial instruments. New guidance in IAS 32 clarifies that the right of set-off:

- Must not be contingent on a future event; and
- Must be legally enforceable in all of the following circumstances:
  i. The normal course of business;
  ii. The event of default; and
  iii. The event of insolvency or bankruptcy of the entity and all of the counterparties.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

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

*IAS 36 Impairment of Assets*

Under the amendments, the recoverable amount of an asset or cash generating unit (CGU) is required to be disclosed only where IAS 36.130(e) applies, being periods in which an impairment has been either recorded or reversed in respect of that asset (or CGU).

*Clarification of disclosure requirements – fair value less costs of disposal*

An exemption from a requirement to provide disclosures in accordance with IFRS 13 Fair Value Measurement has been retained. However, the amendments to IAS 36 would require an entity to make disclosures for fair value less costs of disposal that are consistent with those currently required for an asset (or CGU) where the recoverable amount has been determined on the basis of value in use. The amendments also align the IFRS disclosure requirements with US GAAP.

The amended disclosure requirements of IAS 36.130(f) require disclosure of:

- The level of the fair value hierarchy within which the fair value measurement of the asset (cash-generating unit) is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable);
- For fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) used to measure fair value less costs of disposal. If there has been a change in valuation technique, disclosure is required of that change and the reason(s) for making it;
- For fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the asset's (CGU's) recoverable amount is most sensitive; and
- The discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.

*Amendments to IFRS 10, IFRS 12 and IAS 27*

The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. They also introduce disclosure requirements for investment entities into IFRS 12 and amend IAS 27.

The adoption of these amendments to the standards have not had had any impact on these financial statements.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

***(b) Standards and interpretations in issue that are not yet effective and have not been early adopted by the Company***

The new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been early adopted in preparing these financial statements.

***Effective date for accounting periods beginning on or after 1 July 2014***

*IFRS 13 Fair Value Measurement*

Short term receivables and payables

The amendment clarifies that short-term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial.

*Portfolio exemption*

The amendment clarifies that the portfolio exemption applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

*IAS 24 Related Party Disclosures*

The amendment clarifies that an entity that provides key management personnel services ('management entity') to a reporting entity (or to the parent of the reporting entity), is a related party of the reporting entity, and:

- Would require separate disclosure of amounts recognised as an expense for key management personnel services provided by a separate management entity
- Would not require disaggregated disclosures by the categories set out in IAS 24.17.

***Effective date for accounting periods beginning on or after 1 January 2016***

*IFRS 7 Financial Instruments: Disclosures*

*Servicing contracts*

The IASB clarified the circumstances in which an entity has continuing involvement from the servicing of a transferred asset.

The amendment is required to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the amendment need not to be applied for any period beginning before the annual period in which the entity first applies the amendments.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

***(b) Standards and interpretations in issue that are not yet effective and have not been early adopted by the Company (Continued)***

*IFRS 10 Consolidated Financial Statements*

The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method.

In the case of any retained interest in the former subsidiary, gains and losses from the remeasurement are treated as follows:

*The retained interest is accounted for as an associate or joint venture using the equity method:*

The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture

*The retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments:*

The parent recognises the gain or loss in full in profit or loss.

*IAS 27 Separate Financial Statements*

The amendments include the introduction of an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment.

Prior to the amendments, entities either accounted for its investments in subsidiaries, joint ventures or associates at cost or in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for those entities that have yet to adopted IFRS 9). The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in the profit or loss.

***Effective date for accounting periods beginning on or after 1 January 2018***

*IFRS 9 Financial Instruments*

IFRS 9 Financial Instruments (2014) incorporates the final requirements on all three phases of the financial instruments projects – classification and measurement, impairment, and hedge accounting.  IFRS 9 (2014) adds to the existing IFRS 9:

- New impairment requirements for all financial assets that are not measured at fair value through profit or loss; and
- Amendments to the previously finalised classification and measurement requirements for financial assets.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

***(b) Standards and interpretations in issue that are not yet effective and have not been early adopted by the Company (Continued)***

Other standards and IFRIC interpretations that are not yet effective and that would be expected not to have a material impact on the Company have not been analysed.

## 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 5 years of operations. The Company and the Group have faced financing problems to meet their working capital needs.

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 the successful completion of the new share issue of USD 750,000 undertaken by the directors

- To eliminate remaining debt; and
- To conclude the raising of new capital ahead to implement.

These actions will potentially result in the new strategy advised on the Listing Particular to Shareholders for the USD 750,000 being implemented.

***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 consolidated 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.

***(b) Basis of consolidation***

Subsidiary undertakings are those entities in which the Company controls an investee if all three of the following elements are present:

- power over the investee,
- exposure to variable returns from the investee, and
- the ability of the investor to use its power to affect those variable returns.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(b) Basis of consolidation (Continued)***

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights,
- Substantive potential voting rights held by the Company and by other parties,
- Other contractual arrangements, and
- Historic patterns in voting attendance.

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

The Group's consolidated financial statements include the financial statements of the Company and its subsidiary and are made up to 28 February 2015. The results are included in the consolidated financial statements and all intra group transactions and balances have been eliminated.

The financial statements of the subsidiary incorporated in Mauritius referred to in note 1 have been presented in accordance with International Financial Reporting Standards and the Mauritius Companies Act 2001.

***(c) Investment in subsidiary***

Investment in subsidiary is shown at cost less impairment, if any. 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 profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

***(d) Foreign currency translation***

For the purpose of consolidation, the financial position, performance and cash flows of each group entity are translated to US dollar which is the functional and presentation currency in which the Company operates.

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 consolidated statement of profit or loss.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(d) Foreign currency translation (Continued)***

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group 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 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.

***(e) 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.

***(f) 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.

***(g) Taxation***

Current taxation comprises of 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 subsidiary is, however, subject to the tax regulations effective in the jurisdiction in which they operate.

Deferred tax is provided, using the liability method, on 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.

***(h) 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***(h) Financial instruments (Continued)***

*(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 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 profit or loss. 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 profit or loss.

*(ii) 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.

*(iii) Trade receivables*

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

*(iv) Cash and cash equivalents*

Cash and cash equivalents comprise of cash at bank. Cash and 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.

*(v) Trade and other payables*

Trade and other payables are stated at their nominal value.

*(vi) 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(i) Significant management judgements in applying accounting policies**

The following are the most significant management judgements made in applying the accounting policies of the company that have significant effects on the consolidated financial statements. Critical estimation uncertainties are described in note 3(j).

(i) Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. As described in note 1, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar (USD).

(ii) Impairment of financial assets

Management assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. There are no indicators of events having impact on future cash flows of the Company. Therefore no impairment provision is required to be made by the Company.

(iii) Impairment of non-financial assets

In assessing whether a full impairment test is required for the investment in the subsidiary, the Company has considered whether it has recognised a dividend from the investment and evidence is available that:

- the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the subsidiary’s net assets; or
- the dividend exceeds the total comprehensive income of the subsidiary in the period in which the dividend is declared.

The directors have noted that no dividends have been received or declared and that the carrying amount of the investment in the separate financial statements is lower than the carrying amount in the financial statements of the subsidiary’ net assets. Therefore, no impairment provision have been made by the Company.

(iv) Impairment of investment in subsidiary

The directors have considered the continued losses suffered by the underlying investment made by the Company through its subsidiary, Dale Foods, in Bella Amigo Company Limited (BACL), included under the heading of ‘Available for sale investment and loan and receivables’ in their assessment as to whether any provision for impairment is required to be made to the investment in the subsidiary. Management believes that no impairment provision is required to be made to the investment in the subsidiary as losses on revaluation of investment in BACL have been recognised in the book of the subsidiary and they are also confident the recoverability of the debts owed to the subsidiary by BACL.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revaluation of available for sale investment

The directors have considered the continued losses suffered by Bella Amigo Company Limited (BACL), in considering the Company's investment therein which is included under the heading of 'Available for sale investment'. In their assessment as to whether any adjustment is required to adjust the carrying amount of the investment management has prudently made provision for a revaluation loss of USD 230,472 as there are indications of BACL trading profitably in the near future.

(vi) Recoverability of loan and interest receivable from Bella Amigo Company Limited (BACL),

The directors are confident of recovering the loan and the interest from BACL and therefore no impairment provision has been made.

(vii) Debt to equity swaps

The equity instruments issued are measured and recognised at fair value of the issued equity instruments (if fair value can be measured reliably). The equity instruments are required to be measured to reflect the fair value of the financial liability extinguished. The equity instruments issued are initially recognised and measured at the date the financial liability (or part) is extinguished. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished, and the consideration paid, is recognised in profit or loss in accordance with IAS 39.41).

If only part of the financial liability is extinguished, the entity is required to assess whether some of the consideration paid relates to a modification of the terms of the liability that remains outstanding. If part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity allocates the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. The entity considers all relevant facts and circumstances relating to the transaction in making this allocation. If the remaining liability has been substantially modified, the entity is required to (i) Extinguish the original liability and (ii) Recognise a new liability, as required by IAS 39.40. Changes are recognised and disclosed as a separate line item in profit or loss.

**(j) Estimation uncertainty**

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

## 4. INVESTMENT IN SUBSIDIARY

| Name of company and country of incorporation | Activities | % Holding | 2015 COST USD | 2014 COST USD |
|---|---|---|---|---|
| Dale Food & Beverages Holdings Limited- Mauritius | Fine Foods & Beverages | 100 | **804,396** | 804,396 |
| | | | **804,396** | 804,396 |

## 5. INVESTMENT IN FINANCIAL ASSET

| *The Group* | Non-current | |
|---|---|---|
| | **2015 USD** | 2014 USD |
| Available for sale investment carried at fair value | **925,128** | 1,155,600 |
| **Total** | **925,128** | 1,155,600 |

Details of the unquoted available for sale investment for the group are as follows:

| Name of investee company | 2015 COST USD | 2014 COST USD | 2015 FAIR VALUES USD | 2014 FAIR VALUES USD |
|---|---|---|---|---|
| Bella Amigo Company Limited | **695,680** | 695,680 | **925,128** | 1,155,600 |
| **Total available for sale investment** | **695,680** | 695,680 | **925,128** | 1,155,600 |

## 6. TRADE AND OTHER RECEIVABLES

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| Loan interest receivable | **57,188** | 41,793 | - | - |

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

## 7. LOAN RECEIVABLE

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| Amount owed by Group Companies | - | - | **3,174** | 350,536 |
| Amount owed by related Companies | **206,345** | 535,711 | **15,000** | - |
| | **206,345** | 535,711 | **18,174** | 350,536 |
| The repayment terms are as follows: | | | | |
| No fixed terms of repayment | **206,345** | 535,711 | **18,174** | 350,536 |

The remaining loans are to investee companies and are unsecured and interest has been suspended as of 30 November 2014.

## 8. STATED CAPITAL

| | Number of ordinary shares | USD |
|---|---|---|
| **At 1 March 2014** | **23,416,696** | **1,318,315** |
| **At 28 February 2015** | **23,416,696** | **1,318,315** |

* The Company issued all its treasury shares after the year end in March 2015. USD 330,918 was committed to be capitalised at year end.

## 9. TREASURY SHARES

| | Number of shares | | Fair Value | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| Opening balance | **2,360,376** | 2,360,376 | **460,981** | 460,981 |
| Impairment | **-** | - | **(334,937)** | - |
| Closing balance | **2,360,376** | 2,360,376 | **126,044** | 460,981 |

All treasury were issued post year end for a total consideration of USD 126,044

## 10.TRADE AND OTHER PAYABLES

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| Trade payables | **157,535** | 237,431 | **157,535** | 229,493 |
| Accruals | **59,162** | 46,148 | **57,007** | 46,150 |
| | **216,697** | 283,579 | **214,542** | 275,643 |

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

## 11.BORROWINGS (CURRENT)

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| Amount owed to related companies/parties | **203,418** | 822,042 | **201,476** | 820,116 |
| | **203,418** | 822,042 | **201,476** | 820,116 |
| The repayment terms are as follows: | | | | |
| Within one year | **203,418** | 822,042 | **201,476** | 820,116 |
| | **203,418** | 822,042 | **201,476** | 820,116 |

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

## 12.BANK OVERDRAFT

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| Bank overdraft | **20,000** | 30,000 | **20,000** | 30,000 |

The Company's overdraft facility is secured and bears interest at the rate of 4% above 1 Month USD LIBOR per annum.

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

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.

## 13. TAXATION (CONTINUED)

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| | **USD** | USD | **USD** | USD |
| Current tax suffered: | | | | |
| - On taxable income | **5,673** | 6,995 | - | - |
| - Taxes on donation | - | - | - | - |
| Total tax suffered | **5,673** | 6,995 | - | - |
| **Current tax payable** | | | | |
| In Mauritius by the subsidiary | **6,635** | 774 | - | - |
| | **6,635** | 774 | - | - |

## 14. REVENUE

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| | **USD** | USD | **USD** | USD |
| Sale of goods-General and Trading | - | 275,440 | - | - |
| Investment income | **34,810** | 43,453 | - | - |
| Other income | - | 11,579 | - | - |
| | **34,810** | 330,472 | - | - |

Revenue was low this year as the Group had disposed of its operational business last year. It is expected that the company's revenue will be more focused on investment income in the future

## 15.FINANCE COSTS

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| | **USD** | USD | **USD** | USD |
| Interest on bank overdrafts and loans | **20,485** | 359,094 | **20,485** | 210,974 |
| Bank charges | **202** | 341 | **135** | 306 |
| Realised foreign exchange (gain)/loss | **(38,761)** | 190,442 | **(38,761)** | 190,443 |
| | **(18,074)** | 549,887 | **(18,141)** | 401,723 |

## 16. OTHER LOSSES ON INVESTMENTS

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015** | 2014 | **2015** | 2014 |
| | **USD** | USD | **USD** | USD |
| Loss on disposal of investments | - | 778,415 | - | 778,415 |
| | - | 778,415 | - | 778,415 |

## 17. CASH AND CASH EQUIVALENTS

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| Bank balances and cash | **84** | 1,104 | **51** | 1,063 |
| Bank overdraft | **(20,000)** | (30,000) | **(20,000)** | (30,000) |
| | **(19,916)** | (28,896) | **(19,949)** | (28,937) |

## 18. CASH GENERATED FROM OPERATIONS

| | Note | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| **Cash from operating activities** | | | | | |
| Profit/(loss) before tax | | **57,079** | (1,705,079) | **26,449** | (1,341,718) |
| *Adjustments for:* | | | | | |
| Disposal of discontinued operations net of cash disposed | 19 | - | 1,258,874 | - | - |
| Investment income | | **(34,810)** | (43,453) | - | - |
| Finance costs | | **20,620** | 329,889 | **20,620** | 211,280 |
| Loan (written back)/loss on investments | | **(45,022)** | 778,415 | **(45,022)** | 778,415 |
| Net foreign exchange (gain)/loss | | **(38,762)** | 190,444 | **(38,761)** | 190,443 |
| **Operating (loss)/profit before working capital changes** | | **(40,985)** | 809,090 | **(36,714)** | (161,580) |
| Increase in trade and other receivables | | - | (10,617) | - | - |
| (Decrease)/increase in trade and other payables | | **(17,176)** | 152,003 | **(17,079)** | 148,254 |
| **Cash (absorbed by)/generated from operations** | | **(58,071)** | 950,476 | **(53,793)** | (13,326) |
| Income tax paid | | **(3,959)** | - | - | - |
| Net interest paid | | - | (1,351) | - | (1,351) |
| **Net cash (used in) / from operating activities** | | **(62,030)** | **949,125** | **(53,793)** | **(14,677)** |

## 19. DISPOSAL OF STEP-SUBSIDIARIES

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

| | **2015 USD** | 2014 USD |
|---|---|---|
| Consideration received in cash and cash equivalents | - | 38,730 |
| Liabilities assumed | - | 2,596,356 |
| Total sales consideration | - | 2,635,086 |
| Analysis of asset and liabilities over which control was lost | | |
| Non-current assets | | |
| Property, plant and equipment | - | 8,745,156 |
| Current assets | | |
| Trade and other receivables | - | 173,993 |
| Cash and cash equivalents | - | 184 |
| | | 174,177 |
| Current liabilities | | |
| Bank overdraft | - | 542,514 |
| Other liabilities excluding Inter-Group | - | 6,127,127 |
| | - | 6,669,641 |
| Net assets to held for sale | - | **2,249,692** |
| Consideration received | - | 2,635,086 |
| Share of net assets disposed of | - | (1,489,747) |
| Non-controlling interests | - | 1,848,784 |
| Gain on disposal on subsidiaries | - | **2,994,123** |

### 19. DISPOSAL OF STEP-SUBSIDIARIES (CONTINUED)

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

| | 2015 USD | 2014 USD |
|---|---|---|
| Profit for the year from discontinued operations | | |
| Revenue | - | 287,018 |
| Expenses | - | (691,960) |
| Loss before tax | - | (404,942) |
| Attributable income tax expense | - | - |
| | - | (404,942) |
| Share of loss attributable to owners of Company | - | (266,864) |
| Profit on disposal of subsidiary | - | 2,727,259 |
| Profit for the year from discontinued operations (attributable to owners of the Company) | - | 2,727,259 |
| Cash flows from discontinued operations | | |
| Net cash outflows from operating activities | - | (284,083) |
| Net cash inflows from investing activities | - | - |
| Net cash inflows from financing activities | - | 237,337 |
| Net cash outflows for the year | - | (46,746) |
| Consideration received in cash and cash equivalents | - | 38,730 |
| Less: cash and cash equivalent balances disposed of | - | (1,220,144) |
| Net cash inflow (note 18) | - | 1,258,874 |

## 20. BUSINESS SEGMENTS (2015)

| **Principal activities** | Investment USD | Total USD |
|---|---|---|
| Revenue | 34,810 | 34,810 |
| Expenses | (40,827) | (40,827) |
| Finance gain/(costs) | 18,074 | 18,074 |
| Other gains | 45,022 | 45,022 |
| Taxation | (5,673) | (5,673) |
| **Profit for the year** | **51,406** | **51,406** |
| Assets | 1,188,744 | 1,188,744 |
| Liabilities | (446,325) | (446,325) |
| **Net asset value** | **742,419** | **742,419** |

## GEOGRAPHICAL

| **Companies incorporated in** | BVI USD | Mauritius USD | Total USD |
|---|---|---|---|
| Revenue | - | 34,810 | 34,810 |
| Expenses | (37,714) | (3,113) | (40,827) |
| Finance gain /(costs) | 18,141 | (67) | 18,074 |
| Other gains | 45,022 | - | 45,022 |
| Taxation | - | (5,673) | (5,673) |
| **Profit for the year** | **25,449** | **25,957** | **51,406** |
| Assets | 15,051 | 1,173,693 | 1,188,744 |
| Liabilities | (436,018) | (10,310) | (446,328) |
| **Net asset value** | **(420,967)** | **1,163,383** | **742,416** |

## BUSINESS SEGMENTS (2014)

| **Principal activities** | Hotel & Leisure activities USD | Investment USD | Total USD |
|---|---|---|---|
| Revenue | 287,018 | 43,453 | 330,472 |
| Expenses | (543,841) | (163,417) | (707,258) |
| Finance costs | (148,119) | (401,758) | (549,877) |
| Other | - | 1,948,844 | 1,948,844 |
| Taxation | - | (6,995) | (6,995) |
| **(Loss)/profit for the year** | **(404,942)** | **1,420,127** | **1,015,186** |
| Assets | - | 1,734,207 | 1,734,207 |
| Liabilities | - | (1,136,395) | (1,136,395) |
| **Net asset value** | - | **597,812** | **597,812** |

## 20. BUSINESS SEGMENTS (2014)

### GEOGRAPHICAL

| **Companies incorporated in** | Mauritius USD | BVI USD | South Africa USD | Total USD |
|---|---|---|---|---|
| Revenue | 43,453 | - | 287,019 | 330,472 |
| Expenses | (1,837) | (161,580) | (543,841) | (707,258) |
| Finance costs | (29,545) | (401,723) | (118,609) | (549,877) |
| Other | - | 1,948,844 | - | 1,948,844 |
| Taxation | (6,995) | - | - | (6,995) |
| **Profit/(loss) for the year** | **5,076** | **1,385,541** | **(375,431)** | **1,015,186** |
| | | | | |
| Assets | 1,733,144 | 1,063 | - | 1,734,207 |
| Liabilities | (10,638) | (1,125,757) | - | (1,136,395) |
| **Net asset value** | **1,722,506** | **(1,124,694)** | **-** | **597,812** |

## 21. FINANCIAL SUMMARY

| | **2015 USD** | 2014 USD | 2013 USD | 2012 USD |
|---|---|---|---|---|
| **Statement of financial position (Group)** | | | | |
| Stated capital | **1,318,315** | 1,318,315 | 21,818,315 | 21,818,315 |
| Translation reserve | **(199,413)** | (172,210) | 95,530 | 1,209,255 |
| Revaluation reserve | **231,552** | 442,461 | 430,055 | 3,711,509 |
| Retained earnings | **(813,303)** | (529,772) | (22,183,035) | (13,366,199) |
| Non-current assets | **925,128** | 1,155,600 | 11,602,477 | 25,944,908 |
| Current assets | **263,616** | 578,608 | 1,087,222 | 2,159,783 |
| Non-current liabilities | **-** | - | - | 8,608,694 |
| Current liabilities | **446,750** | 1,136,395 | 11,002,954 | 2,898,969 |
| | | | | |
| **Income statement (Group)** | | | | |
| Gross income | **34,810** | 330,472 | 2,746,370 | 2,572,300 |
| Profit/(loss) before taxation | **57,079** | (1,705,078) | (10,508,461) | (4,490,335) |
| Tax | **(5,673)** | (6,995) | (6,644) | (87,026) |
| Discontinued operations | **-** | 2,727,259 | - | (102,770) |
| Profit/loss for the year | **51,406** | 1,015,186 | (10,515,105) | (4,680,131) |
| Dividends paid | **-** | - | - | - |
| | | | | |
| **Performance** | | | | |
| Dividend per share | **-** | - | - | - |
| Net asset value per share | **(0.03)** | (0.03) | (0.01) | 0.49 |
| Number of shares in issue | **23,416,696** | 23,416,696 | 23,416,696 | 23,416,696 |

## 22. FINANCIAL RISKS

The carrying amounts of investment in financial asset, trade and other receivables, loan receivables, cash and cash equivalents, borrowings, bank overdraft and trade and other payables approximate their fair values due to their short term nature. 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. Were 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.

Currency risk

The Group has invested in the current year in company having currency denominated Mauritian rupee (MUR) 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 currency.

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 MUR. The primary risk to which the Group's portfolio is exposed is the depreciation of the MUR relative to the US dollar.

## 22. FINANCIAL RISKS (CONTINUED)

Currency risk (Continued)

Exposures to foreign currencies are as follows:

| **The Group** | | | **2015** | | |
|---|---|---|---|---|---|
| | GBP | MUR | ZAR | USD | Total |
| Non-current financial assets | - | 925,128 | - | - | 925,128 |
| Long term exposure | - | 925,128 | - | - | 925,128 |
| Current financial assets | - | 248,565 | - | 15,051 | 263,616 |
| Current financial liabilities | (154,259) | (4,096) | - | (281,759) | (440,114) |
| Short term exposure | (154,259) | 244,469 | - | (266,708) | (176,498) |
| | | | **2014** | | |
| | GBP | MUR | ZAR | USD | Total |
| Non-current financial assets | - | 1,155,600 | - | - | 1,155,600 |
| Long term exposure | - | 1,155,600 | - | - | 1,155,600 |
| Current financial assets | - | 578,608 | - | - | 578,608 |
| Current financial liabilities | (223,281) | (9,863) | (77,593) | (824,884) | (1,135,621) |
| Short term exposure | (223,281) | 568,745 | (77,593) | (824,884) | (557,013) |

| **The Company** | | | **2015** | | |
|---|---|---|---|---|---|
| | GBP | MUR | ZAR | USD | Total |
| Non-current financial assets | - | 804,396 | - | - | 804,396 |
| Non-current financial Liabilities | - | - | - | - | - |
| Long term exposure | - | 804,396 | - | - | 804,396 |
| Current financial assets | - | 3,225 | - | 15,000 | 18,225 |
| Current financial liabilities | (154,259) | - | | (281,759) | (436,018) |
| Short term exposure | (154,259) | 3,225 | | (266,759) | (417,793) |
| | | | **2014** | | |
| | GBP | MUR | ZAR | USD | Total |
| Non-current financial assets | - | 804,396 | - | - | 804,396 |
| Long term exposure | - | 804,396 | - | - | 804,396 |
| Current financial assets | - | 351,599 | - | - | 351,599 |
| Current financial liabilities | (223,281) | - | (77,593) | (824,884) | (1,125,758) |
| Short term exposure | (223,281) | 351,599 | (77,593) | (824,884) | (774,159) |

## 22. FINANCIAL RISKS (CONTINUED)

Currency risk (Continued)

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

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| **Net loss for the year** | **4,628** | 46,296 | **4,628** | 24,582 |
| **Equity** | **112,332** | 161,856 | **-** | - |
| | **116,960** | 208,152 | **4,628** | 24,582 |

**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 with effect from the beginning of the year with all other variables constant would have had the following impact :

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2015 USD** | 2014 USD | **2015 USD** | 2014 USD |
| **Net loss for the year** | **(100)** | (150) | **(100)** | (150) |
| **Equity** | **-** | - | **-** | - |
| | **(100)** | (150) | **(100)** | (150) |

**(i) Concentration risk**

At 28 February 2015, the Group's net assets consisted of investments in companies incorporated in Mauritius through its subsidiary 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 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 has issued a Listing Particular to the authorities to finalise the first part of its capitalization for future business and plans to re-evaluate its portfolio risk after the new board is set up. The Group's investments are therefore likely to be concentrated in a Protected Cell Company under incorporation in the Future providing sectorial risk and country risk where appropriate.

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's main credit risk is with its loan accounts provided to investee companies and as the loans were provided more as Shareholders support than loan investment. Talks will be undertaken with a view to capitalising these amounts.

## 22. FINANCIAL RISKS (CONTINUED)

**(iii) Liquidity risk**

The group's total gearing continued to be high due to historical debt remaining . As a result the group has had to continue to resort to Shareholders support. At year end the directors had already initiated procedures for a fresh capitalisation of the Company.

**(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.

**(v) Fair value hierarchy**

**The Group**

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the assets or liability.

The following tables set out the fair values of financial instruments that are analysed by the level in the fair value hierarchy into which each fair value measurement is categorised:

| **Financial asset** | Level 1<br>USD | Level 2<br>USD | Level 3<br>USD | Total<br>USD |
|---|---|---|---|---|
| Investment in financial asset | - | - | 925,128 | 925,128 |
| **Total** | **-** | **-** | **925,128** | **925,128** |

The fair values of trade and other receivables, loan receivable, cash and cash equivalents and trade and other payables, borrowings and bank overdraft approximate their carrying values due to their short term nature.

## 23. CONTINGENT LIABILITY

Contingent liability for the Group amounting to USD 55,824 has arisen as a result of guarantees given by the Group under the Debt Settlement Agreements entered into last year.

## 24. EVENTS AFTER REPORTING PERIOD

The Company has filed a Listing Particular with the authorities for a new share issue for a consideration of USD 750,000.

## 25. RELATED PARTY TRANSACTIONS

**The Group** — **2015**

| | Interest received | Interest paid | (Purchase) / Sale of financial assets | Investment Activities | Purchases of services | Amount receivables | Amount payables |
|---|---|---|---|---|---|---|---|
| | USD | USD | USD | USD | USD | USD | USD |
| Shareholders | - | - | - | - | - | - | 154,259 |
| Enterprises with common directors | - | - | - | - | - | 3,174 | - |
| Other related parties | | | | - | | 15,000 | - |
| | **-** | **-** | **-** | **-** | **-** | **18,174** | **154,259** |

**The Group** — **2014**

| | Interest received | Interest paid | (Purchase) / Sale of financial assets | Investment Activities | Purchases of services | Amount receivables | Amount payables |
|---|---|---|---|---|---|---|---|
| | USD | USD | USD | USD | USD | USD | USD |
| Shareholders | - | - | - | - | - | - | 822,042 |
| Other related parties | | | | - | | 577,504 | - |
| | **-** | **-** | **-** | **-** | **-** | **577,504** | **822,042** |

**The Company** — **2015**

| | Interest received | Interest paid | (Purchase) / Sale of financial assets | Investment Activities | Purchases of services | Amount receivables | Amount payables |
|---|---|---|---|---|---|---|---|
| | USD | USD | USD | USD | USD | USD | USD |
| Shareholders | - | - | - | - | - | - | 154,259 |
| Subsidiaries | - | - | - | - | - | 3,174 | - |
| Enterprises with common directors | - | - | - | - | - | 15,000 | - |
| | **-** | **-** | **-** | **-** | **-** | **18,174** | **154,259** |

**The Company** — **2014**

| | Interest received | Interest paid | (Purchase) / Sale of financial assets | Investment Activities | Purchases of services | Amount receivables | Amount payables |
|---|---|---|---|---|---|---|---|
| | USD | USD | USD | USD | USD | USD | USD |
| Shareholders | - | - | - | - | - | - | 820,116 |
| Subsidiaries | - | - | - | - | - | 350,356 | - |
| Enterprises with common directors | - | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **350,356** | **820,116** |

# 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 9.30 am on Friday 21 August 2015 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 2015.
2. To confirm the re-appointment of Crowe Howarth (Mauritius) as independent auditors of the company for the ensuing financial year.
3. 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 then 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
24 July 2015

# FORM OF 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 9.30 am on Friday 21 August 2015 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 2015. | | | |
| **2.** | To confirm the re-appointment of Crowe Howarth (Mauritius) as independent auditors of the company for the ensuing financial year. | | | |

Signed at ______________________________ on ______________________________ 2015

Signature ______________________________

# FORM OF PROXY

### *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

# NOTES

# NOTES

www.dale-capital.com

DALE CAPITAL
GROUP

**C/O Fortenberry Corporate Services Ltd,**
2 River Court, St. Denis Street, Port-Louis, Mauritius
BVI Registration Number: 1443428