



DALE CAPITAL GROUP

DALE CAPITAL GROUP LIMITED AND ITS SUBSIDIARIES  
AUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	2011 USD	2010 USD	2011 USD	2010 USD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	22,072,174	17,598,806	-	1,040
Investment Property	1,181,372	-	-	-
Intangible assets	736,381	744,218	-	-
Investments in subsidiary	-	-	12,954,616	2,878,321
Investments in associates	-	30	-	-
Investment in financial assets	9,229,542	7,905,694	70,156	1,015
Deferred taxation	92,701	1,699,751	-	-
	33,312,170	27,948,499	13,024,772	2,880,376
<b>Current assets</b>				
	2,972,195	4,697,199	9,825,640	14,708,214
	36,284,365	32,645,698	22,850,412	17,588,590

**EQUITY AND LIABILITIES**

Stated capital	21,818,315	15,888,073	21,818,315	15,888,073
Reserves	(5,850,364)	(2,068,289)	(3,323,878)	(141,587)
Shareholders' interest	15,967,951	13,819,784	18,494,437	15,746,486
Non-controlling interest	6,250,008	4,628,400	-	-
<b>Total equity</b>	22,217,959	18,448,184	18,494,437	15,746,486
Non-current liabilities	8,849,865	10,050,092	2,740,653	-
Current liabilities	5,216,541	4,147,422	1,615,321	1,842,104
	36,284,365	32,645,698	22,850,412	17,588,590

**Net Asset Value per share :**

NAV on shares post-split	0.70	0.87	0.81	0.99
NAV on shares pre-split	2.10	2.61	2.43	2.98
<b>Number of shares in issue*</b>	22,800,058	5,291,066	22,800,058	5,291,066

STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	2011 USD	2010 USD	2011 USD	2010 USD
<b>CONTINUING ACTIVITIES</b>				
<b>REVENUE</b>				
Investment income	74,126	207,027	11,262	22,247
Turnover	2,351,250	1,084,646	-	-
	2,425,376	1,291,673	11,262	22,247
Administrative expenses	(491,079)	(180,575)	(257,840)	(161,569)
Operating expenses	(3,233,036)	(2,021,838)	(46,471)	(104,847)
Loss from operations	(1,298,739)	(910,740)	(293,049)	(244,169)
Finance costs	(861,276)	(419,230)	(251,233)	(345,928)
Net loss on investments	(203,623)	(3,684,393)	(143,755)	(3,608,799)
Loss for the year from continued operations	(2,363,638)	(5,014,363)	(688,027)	(4,198,896)
Income tax income	(1,692,639)	(46,446)	-	-
Discontinued Operations	-	(3,183,988)	-	-
Loss for the period	(4,056,277)	(8,244,797)	(688,027)	(4,198,896)
Other comprehensive income	2,115,457	6,046,672	-	1,917,286
Total comprehensive loss for the period	(1,940,820)	(2,198,125)	(688,027)	(2,281,610)
<b>Loss attributable to:</b>				
Shareholders of the parent	(3,403,268)	(10,412,966)	(688,027)	(4,198,896)
Non-controlling interest	(653,009)	2,168,169	-	-
<b>Total comprehensive loss attributable to:</b>				
Shareholders of the parent	(1,287,811)	(4,366,294)	(688,027)	(2,281,610)
Non-controlling interest	(653,009)	2,168,169	-	-
Loss per share continuing and discontinuing operations	(0.15)	(1.97)	(0.03)	(0.79)
Loss per share continuing operations	(0.15)	(0.95)	(0.03)	(0.79)
Dividend per share	-	-	-	-

**NOTES TO THE ACCOUNTS**

\*The number of shares in issue excludes 2,977,014 ordinary shares of no par value held in Treasury. Condensed Financial Statements have been prepared in accordance with International Financial Reporting Standards in accordance with the accounting policies used in the preparation of the financial statements for the year ended 28 February 2011. The Statement of direct and Indirect interests pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge at the registered office of the Company. The Financial Statements are issued pursuant to Listing rules 15.36 and Securities Act 2005. Copies of the Abridged report are available free of charge at c/o Dale International Trust Company Limited, 3rd Floor, Tower A, 1 Cybercity, Ebene, Mauritius.

The Board of Dale Capital Group Limited accepts full responsibility for the accuracy of the information.

Dale International Trust Company Limited- Corporate Secretary

27 May 2011

STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2011 USD	2010 USD	2011 USD	2010 USD
Net cash flow from operating activities	(2,028,831)	(8,136,830)	(611,333)	31,365
Net cash flow from investing activities	(4,573,183)	(12,354,588)	(10,145,437)	1,867,708
Net cash flow from financing activities	6,380,420	14,186,193	11,792,105	(1,906,085)
Net decrease	(221,594)	(1,305,225)	1,035,335	(7,012)
Cash and cash equivalents at beginning	(1,072,586)	232,639	(997,032)	(990,020)
Cash and cash equivalents at end	(1,294,180)	(1,072,586)	38,303	(997,032)

STATEMENTS OF CHANGES IN EQUITY

	THE GROUP			THE COMPANY			
	Stated Capital USD	Reserves USD	Non-Controlling Interest USD	Total USD	Stated Capital USD	Reserves USD	Total USD
Balance at 1st March 2010	15,888,073	(2,068,289)	4,628,400	18,448,184	15,888,073	(141,587)	15,746,486
Stated Capital Movements	5,930,242	-	-	5,930,242	5,930,242	-	5,930,242
Movement during the period	-	-	2,274,617	2,274,617	-	-	-
Total Comprehensive loss for the period	-	(1,287,811)	(653,009)	(1,940,820)	-	(688,027)	(688,027)
Net movement in Treasury shares	-	(2,494,264)	-	(2,494,264)	-	(2,494,264)	(2,494,264)
Balance at 28 February 2011	21,818,315	(5,850,364)	6,250,008	22,217,959	21,818,315	(3,323,878)	18,494,437
Balance at 1st March 2009	21,138,073	(4,701,582)	142,223	16,578,714	21,138,073	(4,859,563)	16,278,510
Stated Capital Movements	(5,250,000)	5,250,000	-	-	(5,250,000)	-	(5,250,000)
Movement during the period	-	(2,386,572)	2,318,008	(68,564)	-	2,863,427	2,863,427
Total Comprehensive loss for the period	-	(4,366,294)	2,168,169	(2,198,125)	-	(2,281,610)	(2,281,610)
Net movement in Treasury shares	-	4,136,159	-	4,136,159	-	4,136,159	4,136,159
Balance at 28 February 2010	15,888,073	(2,068,289)	4,628,400	18,448,184	15,888,073	(141,587)	15,746,486

**COMMENTS:**

**High Level Group Strategy**

The past year has seen the executives continuing with the strategy to consolidate, complete major investment projects, reduction of debt and operational overhead and at the same time nurse investments into the forecasted cash generation cycle anticipated to commence in the last quarter of 2011 and during 2012. This strategy has to a large extent been successful in spite of restrictive cash resources and a weak global economy.

**Group profile** -The current financial year has seen stability in the Balance Sheet of the group, as most of its new investments have entered full operations. The high cost of debt continues to impact on earnings and liquidity, with support from major shareholders proving crucial. The group has capitalised most of its loans extended to investee companies to allow them to be better structured against the background of weak economy. All investments are currently under careful scrutiny and appraisal and executives will again commence engagement with new potential investors in an effort to raise fresh capital in Q3 and Q4.

**New Investment and acquisitions**

In line with a focus on consolidation and limited cash resources the group has not made any new investments nor able to participate in the rights offer opportunity presented as a result of it's investment is the fast growing and successful AfrAsia Bank Limited. Focus was on completion of the extension of the Shelley Point Hotel to an 88 room Hotel and the impressive new Bella Amigo facility at Pettit Raftrey. Extended focus is now on ensuring that these and other investments are nurtured into cash generation life-cycle. Executives are confident that this will occur.

**Financial Highlights**- Revenue increased by 88% when compared to previous financial year. This increase was primarily due to the increased capacity at Shelley Point (doubling of room capacity) increased by the last 5 months of the accounting period. Although minimal at this stage the financial services investments are clearly entering a cash generation phase.

Finance costs have continued to be high and most of the expensive borrowings have been incurred for the completion of projects. The Group realised its deferred tax to the income statement this year, in a share of profits deal which resulted in the improvement of the Capital Structure of the South African Holdings Company to its pre-global crash levels. The Group has exited minor investments it had and impaired certain receivables it deemed would take longer to materialise given the current global climate. This has caused a drop in NAV of 17c. Loss per share has improved significantly this year and group is working towards turning same into profit in the New Year.

The Assets of the Group have gone up by 11% to USD 36 Million, mainly due to increase in valuation of the financial services, completion of acquisition of investment properties and the extension of the Hotel. The Working Capital Ratio of the Group is in deficit mainly due to Bank overdrafts in subsidiaries. Negotiations are in an early stage with current partners to explore potential new investment and re-structuring to continue with efforts to reduce current expensive debt. Although the size of the balance sheet has grown 11% to USD32.2m overall debt is marginally down on the previous year (1%). 68% of the Non-Current Liabilities is due to in last quarter of 2012 and relates to the Hotel investment at Shelley Point. This investment is lowly geared to value and a plan is currently being put in place to fund exit of this debt.

The loss for the year is 20% down on the previous year at approx USD4m. It is to be noted that 33% of this loss (approx USD1.4m) is attributable to Shelley Point where significant overhead was carried during the extension / development phase as management deemed it appropriate to staff up ahead of the completion of the project. The benefits are to be realised in the current financial year. Finance cost accounted for 20% loss and this too will be eliminated this year.

**Prospects:**

Trading conditions continue to be difficult and the executives are keenly attempting to pursue new capital and to continue with a focus on consolidation. The Listing of Ener-G Capital Limited in London and entering into operations of its subsidiaries remains a "work in progress" with main investors and Bankers going through their independent due diligence procedures. The Group will update the Market in the next two months when sufficient information will be available to accurately determine progress.

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