Inqo Investments Limited and its subsidiaries

Consolidated financial statements for the year ended
28 February 2014

Prepared under the supervision of B Jones CA (SA) from Green Bean Financial Management CC

Inqo Investments Limited and its subsidiaries
(Reg No 1998/024741/06)

Consolidated Annual Financial Statements

for the year ended 28 February 2014

Contents

Preparation of consolidated annual financial statements

The financial statements were audited in terms of section 30 of the Companies Act.
B Jones CA(SA) supervised the preparation of the consolidated annual financial statements.
These financial statements for the year ended 28 February 2014 were published on 14 October 2014.

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Inqo Investments Limited, comprising the statements of financial position at 28 February 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and there is no reason to believe the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of consolidated and separate annual financial statements

The consolidated and separate annual financial statements of Inqo Investments Limited, as identified in the first paragraph, were approved by the directors on 14 October 2014 and signed on their behalf by

Chris Bortie
Authorised Director

Kim Tan
Authorised Director

Inqo Investments Limited and its subsidiaries

Directors' report

for the year ended 28 February 2014

Nature of business

The directors have pleasure in presenting their report for the year ended 28 February 2014.

Business activities

The company acts as a principal for the investment in movable and immovable property. The company has developed a game lodge in the Eastern Cape Province of South Africa and this development is set out in the statements of financial position on page 7 and the notes thereto.

Segment reporting

No segment report has been prepared as the group is operating in one location and is subject to the same risks and returns in considering whether products or services are related.

Subsequent event

The company has amended its Memorandum of Incorporation and lodged this with CIPC on 22 April 2014. The company will be listing its securities on a public market in the future.

Subsidiaries

The group has a majority interest in the following operating company's:

	2014	2013	**2014**	2013
	%	%	**R**	R
Kuzuko Lodge Proprietary Limited				
Investment – cost	-	-	**68**	68
Holding company interest	**68**	68	-	-
Spekboom Trading (Pty) Ltd				
Investment - cost	-	-	501	-
Holding company interest	**50,1**	-	-	-

Going concern

The company incurred a net loss before tax for the year ended 28 February 2014 of R9 470 512 (2013: R9 309 464).

The company impaired its loan to Kuzuko Lodge (Pty) Ltd as at 28 February 2014 by R1 836 393 (2013: R1 914 085). The reason for the impairment is due to Kuzuko Lodge (Pty) Ltd being insolvent as at 28 February 2014 and full recoverability of the loan was not considered probable.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and there is no reason to believe the businesses will not be going concerns in the year ahead.

Inqo Investments Limited and its subsidiaries

Directors' report (continued)

for the year ended 28 February 2014

Directors

The directors in office at the date of this report are –

Mr Andrew Bruce Carruthers †
Mr David Andrew Louw
Dr Kim Tan †

†Foreign

Change of name

The company amended its Memorandum of Incorporation and was converted to a public company after year end. The amended Memorandum of Incorporation was lodged on 22 April 2014. As a result of this, the company's new name is Inqo Investments Limited.

Subsequent event

The company has amended its Memorandum of Incorporation and lodged this with CIPC on 22 April 2014. The company will be listing its securities on a public market in the future.

Subsequent to year end, the company finalised negotiations with the Development Bank of South Africa (DBSA). The impact of these negotiations is that an amount of R7 million of the outstanding debt will be immediately paid to DBSA. DBSA will write off 50% of the interest that has accrued to date and remained unpaid. DBSA will capitalise and consolidate the remaining 50% interest accrued to date and R14 million capital outstanding with the resultant remaining balance of approximately R29 million becoming a three year zero rated interest rate loan. DBSA has given the company a further option to repay an outstanding amount of R15 million in cash within 18 months from September 2014 in full and final settlement of the total loan outstanding.

Secretary

A secretary has not been appointed.

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Independent Auditor's Report

To the Shareholders of Inqo Investments Limited

We have audited the consolidated and separate financial statements of Inqo Investments Limited, which comprise the statements of financial position at 28 February 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 34.

Directors' Responsibility for the Financial Statements
The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

KPMG

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Inqo Investments Limited at 28 February 2014, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 28 February 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparer. Based on reading this report, we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

KPMG Inc.

Per C Batchelor
Chartered Accountant (SA)
Registered Auditor
Director
14 October 2014

Inqo Investments Limited and its subsidiaries

Statements of comprehensive income

for the year ended 28 February 2014

		Group		Company	
		2014	2013	**2014**	2013
	Note	**R**	R	**R**	R
Revenue	*1.11*	**10 225 959**	7 290 803	**1 209 027**	384 389
Cost of Sales		**(1 571 391)**	(1 019 067)	**-**	-
Gross profit		**8 654 568**	6 271 736	**1 209 027**	384 389
Selling and administrative expenses		**(11 319 343)**	(10 952 785)	**(4 455 841)**	(4 894 418)
Operating loss	*2*	**(2 664 775)**	(4 681 049)	**(3 246 814)**	(4 510 029)
Net financing costs	*3*	**(6 465 015)**	(5 012 019)	**(6 223 698)**	(4 799 435)
Finance income		**473**	1 675	**21**	1 146
Finance expense		**(6 465 488)**	(5 013 694)	**(6 223 719)**	(4 800 581)
Loss before taxation		**(9 129 790)**	(9 693 068)	**(9 470 512)**	(9 309 464)
Taxation	*4*	**-**	-	**-**	-
Loss for the period		**(9 129 790)**	(9 693 068)	**(9 470 512)**	(9 309 464)
Other comprehensive income					
Revaluation of land and buildings		**-**	58 468 607	**-**	58 468 607
Total comprehensive income for the year		**(9 129 790)**	48 775 539	**(9 470 512)**	49 159 143
Total comprehensive income attributable to:					
Owners of company		**(6 023 191)**	32 178 656		
Non-controlling owner's interest		**(3 106 599)**	16 596 883		
Total comprehensive income for the year		**(9 129 790)**	48 775 539		

Inqo Investments Limited and its subsidiaries

Statements of financial position

at 28 February 2014

	Note	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Assets					
Non-current assets		**114 107 073**	115 585 340	**113 525 838**	115 496 229
Property, plant and equipment	*5*	**114 107 073**	115 585 143	**113 525 269**	115 496 161
Intangible assets	*6*	-	197	-	-
Loan to subsidiary	*7*	-	-	-	-
Investments in subsidiaries	*8*	-	-	**569**	68
Current assets		**37 707 912**	2 812 323	**35 067 977**	740 944
Trade and other receivables	*10*	**3 201 741**	1 659 413	**1 186 146**	305 306
Biological assets	*24*	**2 576 000**	-	**2 576 000**	-
Cash and cash equivalents	*11*	**31 265 811**	439 198	**30 964 335**	94 142
Inventories	*12*	**664 360**	713 712	**341 496**	341 496
Total assets		**151 814 985**	118 397 663	**148 593 815**	116 237 173
Equity and liabilities					
Capital and reserves					
Ordinary share capital	*13*	**28 813 042**	28 813 042	**28 813 042**	28 813 042
Share premium		**13 265 727**	13 265 727	**13 265 727**	13 265 727
Revaluation reserve	*14*	**72 725 994**	72 725 994	**72 725 994**	72 725 994
Accumulated loss		**(85 000 526)**	(75 859 608)	**(83 120 427)**	(73 649 915)
Non-controlling interest		**531**	32	**-**	-
Capital and reserves		**29 804 768**	38 945 187	**31 684 336**	41 154 848
Non-current liabilities		**70 186 581**	70 191 294	**69 214 569**	69 338 665
Loans from related parties	*15*	**30 891 236**	29 677 512	**30 840 736**	29 677 512
Other long term loans	*21*	**32 733 318**	-	**32 733 318**	-
Interest bearing loans and borrowings	*16*	**6 368 570**	40 320 325	**5 447 058**	39 467 696
Debentures	*17*	**193 457**	193 457	**193 457**	193 457
Current liabilities		**51 823 636**	9 261 182	**47 694 910**	5 743 660
Trade and other payables	*18*	**5 042 866**	2 909 392	**1 835 650**	183 597
Provision	*19*	**352 543**	297 703	**352 543**	297 703
Interest bearing loans and borrowings – current portion	*16*	**46 428 227**	6 054 087	**45 506 717**	5 262 360
Total equity and liabilities		**151 814 985**	118 397 663	**148 593 815**	116 237 173

Inqo Investments Limited and its subsidiaries

Statements of changes in equity

for the year ended 28 February 2014

Group	Share capital	Share premium	Revaluation reserve	Accumulated loss	Non-controlling interest	Total
	R	R	R	R	R	R
Balance at 1 March 2013	28 813 042	13 265 727	72 725 994	(75 859 608)	32	38 945 187
Acquisition of minority interest	-	-	-	(11 128)	499	(10 629)
Loss for the year	-	-	-	(9 129 790)	-	(9 129 790)
Balance at 28 February 2014	28 813 042	13 265 727	72 725 994	(85 000 526)	531	29 804 768
Balance at 1 March 2012	28 813 042	13 265 727	14 257 387	(66 166 540)	32	(9 830 352)
Loss for the year	-	-	-	(9 693 068)	-	(9 693 068)
Other comprehensive income	-	-	58 468 607	-	-	58 468 607
Balance at 28 February 2013	28 813 042	13 265 727	72 725 994	(75 859 608)	32	38 945 187

Company	Share capital	Share premium	Revaluation reserve	Accumulated loss	Total
	R	R	R	R	R
Balance at 1 March 2013	28 813 042	13 265 727	72 725 994	(73 649 915)	41 154 848
Loss for the year	-	-	-	(9 470 512)	(9 470 512)
Balance at 28 February 2014	28 813 042	13 265 727	72 725 994	(83 120 427)	31 684 336
Balance at 1 March 2012	28 813 042	13 265 727	14 257 387	(64 340 451)	(8 004 295)
Loss for the year	-	-	-	(9 309 464)	(9 309 464)
Other comprehensive income	-	-	58 468 607	-	58 468 607
Balance at 28 February 2013	28 813 042	13 265 727	72 725 994	(73 649 915)	41 154 848

Inqo Investments Limited and its subsidiaries

Statements of cash flows

for the year ended 28 February 2014

	Note	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Cash generated/(utilised) by operations	*23.1*	**88 415**	(2 334 942)	**1 386 524**	(499 096)
Interest income		**473**	1 675	**21**	1 146
Interest expenses		**(6 465 488)**	(5 013 694)	**(6 223 719)**	(4 800 581)
Net cash outflow from operating activities		**(6 376 600)**	(7 346 961)	**(4 837 174)**	(5 298 531)
Cash flows from investing activities					
Increase in loans to subsidiary		-	-	**(1 836 393)**	(1 914 085)
Proceeds on disposal of vehicle		-	87 510	-	87 510
Acquisition of biological assets		**(2 576 000)**	-	**(2 576 000)**	-
Acquisition of property, plant and equipment	*23.2*	**(579 585)**	(12 119)	-	-
Net cash (outflow)/inflow from investing activities		**(3 155 585)**	75 391	**(4 412 393)**	(1 826 575)
Cash flows from financing activities					
Loans and borrowings raised		**39 155 703**	4 980 172	**38 957 037**	4 800 581
Loans from related parties raised		**1 213 724**	1 669 019	**1 163 224**	1 669 019
Acquisition of subsidiary		**(10 629)**	-	**(501)**	-
Net cash inflow from financing activities		**40 358 798**	6 649 191	**40 119 760**	6 469 600
Net movement in cash and cash equivalents		**30 826 613**	(622 379)	**30 870 193**	(655 506)
Cash and cash equivalents at beginning of year		**439 198**	1 061 577	**94 142**	749 648
Cash and cash equivalents at end of year	*11*	**31 265 811**	439 198	**30 964 335**	94 142

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2014

1. Accounting policies

Inqo Investments Limited (the "company") is a company domiciled in South Africa. The consolidated financial statements of the company for the year ended 28 February 2014 comprise the company and its subsidiaries (together referred to as the "group").

1.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa. The group financial statements comprise the consolidated financial statements.

1.2 Basis of preparation

The financial statements are presented in Rands, rounded to the nearest rand. They are prepared on the historical cost basis except for certain financial instruments recognised at fair value as stated below.

The preparation of financial statements in conformity with IFRS requires management to make certain judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, and associated assumptions, are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.3 Accounting policies

The following are the principal accounting policies of the group, which are consistent in all material respects with those applied in the previous year.

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases.

Transactions eliminated on consolidation

Intergroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land which is carried at valuation.

Revaluations of land is done with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date. Revaluations are performed every two years, unless significant and volatile changes occur in the fair value of land.

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases.

The group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Revaluations are credited directly to equity. Land is not depreciated. The estimated useful lives are as follows:

Motor vehicles	8 years
Computer equipment	3 years
Equipment	4 – 6 years
Furniture and fittings	10 years
Musical instruments	5 years
Lodge site	30 years

Where appropriate, and if significant, expected residual values are taken into account in determining the depreciable values of assets.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Residual values, methods of depreciation and useful lives of all assets are reassessed annually. Depreciation of an item of property, plant and equipment begins when it is available for use and ceases at the earlier of the date it is classified as held for sale or the date that it is derecognised.

Derecognition occurs when an item of property, plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item.

1.6 Intangible assets

Intangible assets that are acquired by the company are stated at cost less accumulated amortisation and impairment losses.

1.7 Leases

Finance leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the group are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Initial direct costs incurred are capitalised to the asset.

1.8 Impairment

The carrying amounts of the group's assets, other than inventories, trade receivables and deferred tax assets, which are separately assessed and provided against where necessary, are reviewed at each financial year end reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. The recoverable amount is the higher of the asset's fair value less expenses to sell the asset, or the asset's value in use. Value in use is estimated taking into account future cash flows, forecast market conditions and the expected lives of the assets.

Such cash flows are discounted using a pre-tax rate that reflects current market value of money and the risks associated with the specific asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss except for assets carried at revalued amounts which are recognised in equity to the extent it decreases the equity where after any excess impairment is recognised in profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9 Financial instruments

Financial instruments that are recognised on the statement of financial position include cash and cash equivalents, trade receivables, trade payables and interest bearing loans. Fair value adjustments to the financial instruments are recognised in the statement of comprehensive income in the period in which they occurred.

Financial instruments are recognised initially at fair value. Subsequent to initial recognition these instruments are measured as detailed below:

Financial assets

Financial assets are recognised when the entity becomes a party to the contractual provisions of the financial asset. Such assets consist of cash and cash equivalents, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset.

Trade and other receivables are stated at their cost less impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial liabilities

Financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Financial liabilities consist of obligations to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities, other than derivative instruments, are measured at amortised cost.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Trade and other payables are stated at cost.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when the Group has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.10 Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any differences between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

1.11 Revenue

Revenue from the sale of goods is recognised in profit and loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of or continuing management involvement with the goods.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue comprises net invoiced sales to customers excluding VAT, investment income and other non-operating income.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit and loss except to the extent that it relates to items recognised directly in equity.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates applicable for that year, and any adjustments of tax payable for previous years.

Deferred tax is provided on taxable temporary differences. Temporary differences are differences between carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the year end reporting date. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The effect on deferred tax of any changes in tax rates is recognised in profit and loss, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.13 Provisions

A provision is recognised on the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each financial year end reporting date and adjusted to reflect the current best estimate.

1.14 Employee benefits

Short term employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

Accruals for employee entitlements to salaries, wages, performance bonuses, annual and sick leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The accruals have been calculated at undiscounted amounts based on current salary and wage rates.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

The group's policy is to provide retirement benefits for its employees. The group's contributions to defined contribution plans in respect of services during a particular period are charged against income as incurred.

Defined contribution plans

Obligations for contributions to defined contribution provident plans are recognised as an expense in the statement of comprehensive income as incurred.

1.15 Expenses

Finance lease payments

Minimum lease payments are apportioned between the finance charge and a reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Financing costs comprise interest payable on borrowings calculated on a principal outstanding using the effective interest rate. Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

1.16 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

No segment report has been prepared as the group is operating in one location and is subject to the same risks and returns in considering whether products or services are related.

1.17 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the rate of exchange ruling at the dates of the transaction. Monetary assets and liabilities outstanding on foreign transactions at the end of the financial year are translated to Rands at the rates ruling at that date. Gains and losses arising on translation are recognised in profit and loss.

1.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except for borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset which is capitalised as part of the cost of that asset.

The actual borrowing costs incurred on borrowings specifically incurred for the purpose of obtaining a qualifying asset, shall be capitalised on the asset less any investment income on the temporary investment of those borrowings.

1.19 Biological assets

Biological assets are measured on initial recognition and at the end of each reporting period its fair value less costs to sell. A gain or loss on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

	Group		Company	
	2014	2013	**2014**	2013
	R	R	**R**	R
2. Operating loss				
is arrived at after taking into account				
Auditors remuneration	**115 550**	134 000	**45 550**	60 000
– audit fee	**115 550**	134 000	**45 550**	60 000
Depreciation of property, plant and equipment	**2 057 655**	2 452 511	**1 970 892**	2 384 073
Amortisation of intangible asset	**197**	393	**-**	-
Impairment of loan to subsidiary	**-**	-	**1 836 393**	1 914 085
Personnel expenses	**3 575 770**	2 971 188	**257 287**	225 000

	Group		Company	
	2014	2013	**2014**	2013
3. Net financing costs				
Finance income	**473**	1 675	**21**	1 146
Interest income	**473**	1 675	**21**	1 146
Finance expense	**(6 465 488)**	(5 013 694)	**(6 223 719)**	(4 800 581)
Interest paid on borrowings	**(6 465 488)**	(5 013 694)	**(6 223 719)**	(4 800 581)
	(6 465 015)	(5 012 019)	**(6 223 698)**	(4 799 435)

	Group		Company	
	2014	2013	**2014**	2013
	R	R	**R**	R
4. Taxation				
South African normal tax				
- Current	**-**	-	**-**	-
- Deferred	**-**	-	**-**	-
	-	-	**-**	-
Reconciliation of tax rate	**%**	%	**%**	%
Current years charge as a percentage of profit	**-**	-	**-**	-
Deferred tax asset not recognised	**28.00**	28.00	**28.00**	28.00
Standard tax rate	**28.00**	28.00	**28.00**	28.00

The company has a computed tax loss of R57 306 500 (2013: assessed loss of R51 689 393) and is thus not liable for income tax. A deferred tax asset has not been raised as there is uncertainty whether the company will generate taxable income within the foreseeable future.

Notes to the financial statements

for the year ended 28 February 2014

5. Property, plant and equipment

5.1 Group

	Cost or valuation	Accumulated depreciation	Carrying amount
2014	R	R	R
Freehold land	85 731 181	-	85 731 181
Buildings	34 268 819	(8 675 512)	25 593 307
Game	110 661	-	110 661
Motor vehicles	2 914 297	(2 741 535)	172 762
Furniture and fittings	4 742 968	(2 851 466)	1 891 502
Musical Instruments	19 167	(19 167)	-
Equipment	2 307 048	(2 202 302)	104 746
Computer equipment	972 656	(829 157)	143 499
Project costs capitalised	359 415	-	359 415
	131 426 212	(17 319 139)	114 107 073

	Cost or valuation	Accumulated depreciation	Carrying amount
2013	R	R	R
Freehold land	85 731 181	-	85 731 181
Buildings	34 268 819	(7 533 218)	26 735 601
Game	110 661	-	110 661
Motor vehicles	2 958 802	(2 495 691)	463 111
Furniture and fittings	4 742 968	(2 377 169)	2 365 799
Musical Instruments	19 167	(19 167)	-
Equipment	2 169 543	(2 076 304)	93 239
Computer equipment	845 486	(759 935)	85 551
	130 846 627	(15 261 484)	115 585 143

Company	Cost or valuation	Accumulated depreciation	Carrying amount
2014	R	R	R
Freehold land	85 731 181	-	85 731 181
Buildings	34 268 819	(8 724 567)	25 544 252
Game	110 661	-	110 661
Motor vehicles	2 954 416	(2 811 489)	142 927
Furniture and fittings	4 742 968	(2 851 466)	1 891 502
Musical Instruments	19 167	(19 167)	-
Equipment	2 169 543	(2 064 797)	104 746
Computer equipment	485 257	(485 257)	-
	130 482 012	(16 956 743)	113 525 269

	Cost or valuation	Accumulated depreciation	Carrying amount
2013	R	R	R
Freehold land	85 731 181	-	85 731 181
Buildings	34 268 819	(7 582 273)	26 686 546
Game	110 661	-	110 661
Motor vehicles	2 954 416	(2 583 186)	371 230
Furniture and fittings	4 742 968	(2 377 169)	2 365 799
Musical Instruments	19 167	(19 167)	-
Equipment	2 169 543	(1 938 799)	230 744
Computer equipment	485 257	(485 257)	-
	130 482 012	(14 985 851)	115 496 161

5. **Property, plant and equipment (continued)**

Group

2014	Carrying amount at beginning of the year R	Additions/re-valuation R	Disposals/ Scrapping R	Transfers R	Depreciation R	Carrying amount at end of the year R
Freehold land	85 731 181	-	-	-	-	85 731 181
Buildings	26 735 601	-	-	-	(1 142 294)	25 593 307
Game	110 661	-	-	-	-	110 661
Motor vehicles	463 111	93 000	-	(137 505)	(245 844)	172 762
Furniture and fittings	2 365 799	-	-	-	(474 297)	1 891 502
Equipment	93 239	-	-	137 505	(125 998)	104 746
Computer equipment	85 551	127 170	-	-	(69 222)	143 499
Project costs capitalised	-	359 415	-	-	-	359 415
Total	115 585 143	579 585	-	-	(2 057 655)	114 107 073

2013	Carrying amount at beginning of the year R	Additions/re-valuation R	Disposals/ Scrapping R	Transfers R	Depreciation R	Carrying amount at end of the year R
Freehold land	27 262 574	58 468 607	-	-	-	85 731 181
Buildings	27 877 895	-	-	-	(1 142 294)	26 735 601
Game	110 661	-	-	-	-	110 661
Motor vehicles	922 179	-	(89 096)	-	(369 972)	463 111
Furniture and fittings	2 840 096	-	-	-	(474 297)	2 365 799
Musical Instruments	-	-	-	-	-	-
Equipment	491 626	-	-	-	(398 387)	93 239
Computer equipment	140 993	12 119	-	-	(67 561)	85 551
Total	59 646 024	58 480 726	(89 096)	-	(2 452 511)	115 585 143

Certain property, plant and equipment have been pledged as security for interest bearing loans and borrowings, refer to note 16.

5. **Property, plant and equipment (continued)**

Company

2014	Carrying amount at beginning of the year R	Additions/re-valuation R	Disposals/ Scrapping R	Transfers R	Depreciation R	Carrying amount at end of the year R
Freehold land	85 731 181	-	-	-	-	85 731 181
Buildings	26 686 546	-	-	-	(1 142 294)	25 544 252
Game	110 661	-	-	-	-	110 661
Motor vehicles	371 230	-	-	-	(228 303)	142 927
Furniture and fittings	2 365 799	-	-	-	(474 297)	1 891 502
Musical Instruments	-	-	-	-	-	-
Equipment	230 744	-	-	-	(125 998)	104 746
Total	115 496 161	-	-	-	(1 970 892)	113 525 269

Company

2013	Carrying amount at beginning of the year R	Additions/re-valuation R	Disposals/ Scrapping R	Transfers R	Depreciation R	Carrying amount at end of the year R
Freehold land	27 262 574	58 468 607	-	-	-	85 731 181
Buildings	27 828 840	-	-	-	(1 142 294)	26 686 546
Game	110 661	-	-	-	-	110 661
Motor vehicles	829 421	-	(89 096)	-	(369 095)	371 230
Furniture and fittings	2 840 096	-	-	-	(474 297)	2 365 799
Musical Instruments	-	-	-	-	-	-
Equipment	629 131	-	-	-	(398 387)	230 744
Total	59 500 723	58 468 607	(89 096)	-	(2 384 073)	115 496 161

	Group		Company	
	2014	2013	**2014**	2013
	R	R	**R**	R
5. Property, plant and equipment (continued)				
Land comprises: farm number 278 portion 5, farm number 291 portion 0,1 and 2, farm number 276 portion 1 and 5, farm number 277 portion 4 and 11, farm number 292 portion 0, farm number 428 portion 0, farm number 406 portion 0, farm number 288 portion 0, 1 and 2, farm number 287 portion 1, farm number 279, portion 0 and farm number 291 portion 3.	**85 731 181**	85 731 181	**85 731 181**	85 731 181

6. Intangible Assets

Balance at beginning of year	**197**	590	-	-
Amortisation	**(197)**	(393)	-	-
Balance at end of year	-	197	-	-

Intangible assets comprise computer software purchased during the year.

7. Loan to subsidiary

Kuzuko Lodge Proprietary Limited			**20 926 218**	19 089 825
Impairment of loan			**(20 926 218)**	(19 089 825)
			-	-

The loan to Kuzuko Lodge Proprietary Limited is interest free with no fixed repayment terms.
This loan receivable has been impaired due to the uncertainty as to the timing of repayment and the continued losses made by Kuzuko Lodge (Pty) Ltd.
Inqo Investments (Pty) Ltd has subordinated this loan with its subsidiary company.

8. Investments in subsidiaries

		Company Kuzuko Lodge Proprietary Limited
	2014	2013
	R	R
Loan to subsidiary company		
Balance at the beginning of the year	**19 089 825**	17 175 740
Movement during the year	**1 836 393**	1 914 085
Impairments	**(20 926 218)**	(19 089 825)
Balance at the end of the year	**-**	-

The subsidiaries of the Company consists of the following:

68 Ordinary shares of R1 each in Kuzuko Lodge Proprietary Limited.

501 Ordinary shares of R1 each in Spekboom Trading (Pty) Ltd

9. Deferred tax asset

A deferred tax asset has not been recognised as future taxable profits in excess of the assessed tax loss may not be realised in the forseeable future.

10. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	R	R	R	R
Trade debtors	**3 081 820**	1 565 788	**1 183 646**	302 805
Doubtful debt provision	**(100 000)**	-	**-**	-
Deposits	**2 500**	2 501	**2 500**	2 501
Prepayments	**148 604**	75 231	**-**	-
Other receivables	**68 817**	15 893	**-**	-
	3 201 741	1 659 413	**1 186 146**	305 306

Included in trade debtors is an amount due from Spekboom Trading of R333 041 (2013: R222 703), as well as an amount due from the De Lange Family Trust of R289 001 (2013: Rnil).

11. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	R	R	R	R
Call account	**5 099**	7 415	**-**	2 369
Current account	**31 258 886**	430 441	**30 964 335**	91 773
Petty Cash	**1 826**	1 342	**-**	-
Cash and cash equivalents	**31 265 811**	439 198	**30 964 335**	94 142

	Group		Company	
	2014	2013	**2014**	2013
	R	R	**R**	R
12. Inventories				
Food and beverage	**157 027**	152 609	-	-
Guest supplies	**2 448**	6 110	-	-
Crockery and cutlery	**341 496**	341 496	**341 496**	341 496
Other consumables	**163 389**	213 497	-	-
	664 360	713 712	**341 496**	341 496
13. Ordinary share capital				
Authorised				
100 000 000 (2013: 100 000 000) ordinary shares of R1 each	**100 000 000**	100 000 000	**100 000 000**	100 000 000
Issued				
28 813 042 (2013: 28 813 042) ordinary shares of R1 each	**28 813 042**	28 813 042	**28 813 042**	28 813 042
14. Revaluation reserve				
Balance at beginning of year	**72 725 994**	14 257 387	**72 725 994**	14 257 387
Re-valuation during the year	-	58 468 607	-	58 468 607
	72 725 994	72 725 994	**72 725 994**	72 725 994

Land was revalued in April 2012 by professional independent valuers. The method of valuation is the direct comparison or market approach. This method entails comparing the subject property with other recent sales of similar properties in the same or comparable areas.

	Group		Company	
	2014	2013	**2014**	2013
	R	R	**R**	R
15. Loans from related parties				
Dr Kim Tan	**22 829 243**	21 666 019	**22 829 243**	21 666 019
Truchot Trustee Limited	**6 531 990**	6 531 990	**6 531 990**	6 531 990
Springhill Management	**1 479 503**	1 479 503	**1 479 503**	1 479 503
Africarbon (Pty) Ltd	**50 500**	-	**-**	-
	30 891 236	29 677 512	**30 840 736**	29 677 512

The loan from Dr Kim Tan and Springhill Management is interest free with a five year renewable repayment period. The loan from Dr Kim Tan has been subordinated and repayment will not be demanded until the assets of the company, fairly valued exceed its liabilities.

The loan from Truchot Trustee Limited is interest free and repayable once all conditions of the DBSA loan have been complied with.

The loan from Africarbon (Pty) Ltd is unsecured, interest free and has no specific repayment terms.

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
16. Interest bearing loans and borrowings				
Development Bank of South Africa				
This loan is repayable over 17 equal six monthly instalments. The rate of interest applicable is the six months ZAR-JIBAR-SAFEX plus 256 basis points. The loan is secured by property to the value of R85.7 million.	**50 953 775**	44 730 056	**50 953 775**	44 730 056
Eastern Cape Development Corporation				
This loan is repayable over 30 equal six monthly instalments, with interest charged at the prime lending rate plus 2%. The first instalment was due in April 2007. A deed of suretyship, cession of book debts as security, cession of concession agreement and cession of director's loan accounts have been entered into between Kuzuko Lodge Proprietary Limited and Eastern Cape Development Corporation.	**1 843 022**	1 644 356	-	-
Total interest bearing loans and borrowings	**52 796 797**	46 374 412	**50 953 775**	44 730 056
Less: current portion included in current liabilities	**(46 428 227)**	(6 054 087)	**(45 506 717)**	(5 262 360)
DBSA loan	**(45 506 717)**	(5 262 360)	**(45 506 717)**	(5 262 360)
ECDC loan	**(921 510)**	(791 727)	-	-
Long term interest bearing loans and borrowings	**6 368 570**	40 320 325	**5 447 058**	39 467 696

Subsequent to year end, the company finalised negotiations with the Development Bank of South Africa (DBSA). The impact of these negotiations is that an amount of R7 million of the outstanding debt will be immediately paid to DBSA. DBSA will write off 50% of the interest that has accrued to date and remained unpaid. DBSA will capitalise and consolidate the remaining 50% interest accrued to date and R14 million capital outstanding with the resultant remaining balance of approximately R29 million becoming a three year zero rated interest rate loan. DBSA has given the company a further option to repay an outstanding amount of R15 million in cash within 18 months from September 2014 in full and final settlement of the total loan outstanding.

17. Debentures

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Balance at the beginning of the year	**193 457**	193 457	**193 457**	193 457
Fair Value adjustment	**-**	-	**-**	-
	193 457	193 457	**193 457**	193 457

The unsecured debentures are issued at R12 000 per debenture. The group shall not pay interest in respect of each of the unsecured debentures but will provide bed nights at Kuzuko game reserve in lieu of interest (refer to note 19). The fair value of the debentures have been calculated based on a discounted cash flow basis utilising a market related interest rate of 9% at period end, cash flows of R 24 000 per annum and repayment terms of 15 years.

18. Trade and other payables

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Trade payables	**1 573 463**	1 629 309	**-**	15 790
Accruals	**2 147 826**	1 085 036	**1 832 090**	166 947
Other Payables	**1 175 617**	174 033	**3 047**	-
VAT	**145 960**	21 014	**513**	860
	5 042 866	2 909 392	**1 835 650**	183 597

19. Provision

	2014 R	2013 R
	Group and Company	
Balance at 1 March	**297 703**	297 703
Unwinding of discount	**54 840**	-
Balance at 28 February	**352 543**	297 703

The provision for bed nights relates to an issue of unsecured debentures (note 17). No interest is payable in respect of the unsecured debentures, the holders of the debentures are entitled to bed nights in lieu of interest at Kuzuko Lodge game reserve.

The provision is based on an average rate of R 3 600 per person sharing discounted using the prime interest rate.

20. Financial instruments

The group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note represents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk.

The board of directors has overall responsibility for the establishment and oversight of the group's risk management of financial instruments.

20.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings in financial instruments.

Currency risk

The group and company is exposed to currency risk on cash that is denominated in Sterling (GBP).

Interest rate risk

The group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis.

Eastern Cape Development Corporation

At 28 February 2014, it is estimated that a general increase/decrease of half a percentage point in interest rates would decrease/increase the group's profit before taxation by approximately R9 215 (2013: R8 222). Based on economic predictions and recent interest rate fluctuations the interest rate is only expected to change by fifty basis points at any one time.

Development Bank of South Africa

At 28 February 2014, it is estimated that a general increase/decrease of half a percentage point in interest rates would decrease/increase the group's asset value by approximately R 254 769 (2013: R 223 650). Based on economic predictions and recent interest rate fluctuations the interest rate is only expected to change by fifty basis points at any one time.

20. Financial instruments (continued)

20.2 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's trade and other receivables.

At financial year end date there were no significant concentrations of credit risk as the group does not have any material receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

20.3 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligation as they fall due. The group's approach to managing liquidity risk is to delay the start of payments hence allowing sufficient liquidity to increase to meets its liabilities when due.

The maximum exposure to liquidity risk is represented below in the maturity analysis.

2014 - Company	Carrying amount	Contractual cash flows	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	R	R	R	R	R	R
Secured bank loan:						
- DBSA	50 953 775	50 953 775	5 994 562	44 959 213	-	-
Debenture	193 457	193 457	-	-	-	193 457
	51 147 232	51 147 232	5 994 562	44 959 213	-	193 457

2014 - Group	Carrying amount	Contractual cash flows	1 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	R	R	R	R	R	R
Secured bank loan:						
- DBSA	50 953 775	50 953 775	5 994 562	44 959 213	-	-
- Fixed interest rate - ECDC	1 843 022	1 843 022	921 510	921 512	-	-
Debenture	193 457	193 457	-	-	-	193 457
	52 990 254	52 990 254	6 916 072	45 880 725	-	193 457

20.4 Fair values

The carrying amount in the statement of financial position of all financial instruments is a reasonable approximation of fair value.

20.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all the company's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- ethical and business standards
- training and professional development
- risk mitigation, including insurance where this is effective

	Group		Company	
	2014	2013	**2014**	2013
	R	R	**R**	R
21. Other long term loans				
Loan from Scope Properties Limited	**16 159 350**	-	**16 159 350**	-
Loan from Allestra Limited	**16 087 500**	-	**16 087 500**	-
Loan from Eastgate Investments Limited	**486 468**	-	**486 468**	-
	32 733 318	-	**32 733 318**	-

The above loans were advanced to Inqo Investments Ltd in terms of convertible loan agreements. The capital sums will not bear interest if the company lists within six months of receipt of the above capital sums, which was in December 2013. Inqo Investments Ltd will pay interest at a rate of 5% per annum in the event that the listing is not achieved within six months. Once the company lists and the shares are traded on a European exchange, the loans will be converted to shares at a discount of twenty percent.

22. Related parties

22.1 Identity of related parties

Inqo Investments Limited is the holding company of Kuzuko Lodge Proprietary Limited, and has a 50.1% interest in Spekboom Trading (Pty) Ltd.

Dr Kim Tan is a director of Springhill Management Proprietary Limited and Inqo Investments Limited. He is also a trustee of Truchot Trustee Limited.

22.2 Material related party transactions

	Group 2014 R	Company 2014 R
Loans (from)/to related parties -		
Dr Kim Tan	(22 829 243)	(22 829 243)
Truchot Trustee Limited	(6 531 990)	(6 531 990)
Springhill Management	(1 479 503)	(1 479 503)
Spekboom Trading Proprietary Limited	-	333 041
Kuzuko Lodge Proprietary Limited		
- Loan to	-	20 926 218

Transactions with related parties -		
Rental charged to Kuzuko Lodge Proprietary Limited	-	336 000

		Group		Company	
		2014	2013	**2014**	2013
		R	R	**R**	R
23.	**Notes to the cash flow statement**				
23.1	***Cash generated/(utilised) by operations***				
	Operating loss before interest	**(2 664 775)**	(4 681 049)	**(3 246 814)**	(4 510 029)
	Adjustments for –				
	Depreciation of property, plant and equipment	**2 057 655**	2 452 511	**1 970 892**	2 384 073
	Loss on disposal of property, plant and equipment	**-**	1 586	**-**	1 586
	Amortisation of intangible assets	**197**	393	**-**	-
	Unwinding of provision for bed nights	**54 840**	-	**54 840**	-
	Impairment of loan to subsidiary	**-**	-	**1 836 393**	1 914 085
	Operating (loss)/profit before working capital changes	**(552 083)**	(2 226 559)	**615 311**	(210 285)
	(Increase)/decrease in inventories	**49 352**	60 870	**-**	-
	(Increase)/decrease in trade and other receivables	**(1 542 328)**	(1 188 887)	**(880 840)**	(232 489)
	Increase/(decrease) in trade and other payables	**2 133 474**	1 019 634	**1 652 053**	(56 322)
		88 415	(2 334 942)	**1 386 524**	(499 096)
23.2	***Acquisition of property, plant and equipment***				
	Total additions for the year	**579 585**	12 119	**-**	-
		579 585	12 119	**-**	-

		Group 2014	Group 2013	Company 2014	Company 2013
24.	**Biological assets**				
	Buffalo livestock	**2 576 000**	-	**2 576 000**	-

25. Standards and interpretations not yet effective

At the date of authorisation of the financial statements of Inqo Investments Limited for the year ended 28 February 2014, the following Standards and Interpretations were in issue but not yet effective:

Standards/interpretation		**Date issued by IASB**	**Effective date** **Period beginning on or after**
IFRS 10, IFRS 12 and IAS 27 amendment	*Investment entities*	October 2012	1 January 2014
IAS 32	*Offsetting financial assets and financial liabilities*	December 2012	1 January 2014
IAS 36	*Recoverable amount disclosures for non-financial assets*	May 2013	1 January 2014
IFRIC 21	*Levies*	May 2013	1 January 2014
IAS 39	*Novation of derivatives and continuation of hedge accounting*	June 2013	1 January 2014
IAS 19	*Defined benefit plans: employee contributions*	November 2013	1 January 2015
IFRS 9 (2009)	*Financial instruments*	November 2009	To be decided
IFRS 9 (2010)	*Financial instruments*	October 2010	To be decided

All Standards and Interpretations will be adopted at their effective date.

26. Critical accounting estimates, judgements and key assumptions (continued)

Key sources of uncertainty and critical judgements in applying the company's accounting policies

Impairment of assets

The group tests whether assets have suffered any impairment, in accordance with the accounting policy stated in note 1. Estimates are based on interpretation of generally accepted industry-based market forecasts.

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables when their collectability is considered to be doubtful.

27. Subsequent events

The company has amended its Memorandum of Incorporation and lodged this with CIPC on 22 April 2014. The company will be listing its securities on a public market in the future.

Subsequent to year end, the company finalised negotiations with the Development Bank of South Africa (DBSA). The impact of these negotiations is that an amount of R7 million of the outstanding debt will be immediately paid to DBSA. DBSA will write off 50% of the interest that has accrued to date and remained unpaid. DBSA will capitalise and consolidate the remaining 50% interest accrued to date and R14 million capital outstanding with the resultant remaining balance of approximately R29 million becoming a three year zero rated interest rate loan. DBSA has given the company a further option to repay an outstanding amount of R15 million in cash within 18 months from September 2014 in full and final settlement of the total loan outstanding.

28. Going concern

The company incurred a net loss before tax for the year ended 28 February 2014 of R9 470 512 (2013: R9 309 464).

The company impaired its loan to Kuzuko Lodge (Pty) Ltd as at 28 February 2014 by R1 836 393 (2013: R1 914 085). The reason for the impairment is due to Kuzuko Lodge (Pty) Ltd being insolvent as at 28 February 2014 and full recoverability of the loan was not considered probable.

The directors have made an assessment of the ability of the company and its subsidiary to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.