Inqo Investments Limited and its subsidiaries

Consolidated Annual Financial Statements

for the year ended 28 February 2015

Audited

Prepared by
B Jones (CA) SA of 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 2015

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 2015 were published on 22 May 2015.

Inqo Investments Limited and its subsidiaries

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 2015, 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 22 May 2015 and signed on their behalf by

Dr K Tan
Authorised Director

C Bertie
Authorised Director

Inqo Investments Limited and its subsidiaries

Directors' report

for the year ended 28 February 2015

Nature of business

The directors have pleasure in presenting their report for the year ended 28 February 2015.

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.

Subsidiaries

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

	2015	2014	**2015**	2014
	%	%	**R**	R
Kuzuko Lodge Proprietary Limited				
Investment – cost	**-**	-	**68**	68
Holding company interest	**68**	68	**-**	-
Spekboom Trading (Pty) Ltd				
Investment - cost	**-**	-	**501**	501
Holding company interest	**50.1**	50.1	**-**	-

Going concern

The company incurred a net profit before tax for the year ended 28 February 2015 of R 9 693 744 (2014: loss of R 9 470 512).

The company impaired its loan to Kuzuko Lodge (Pty) Ltd as at 28 February 2015 by R 1 496 881 (2014: R1 836 393). The reason for the impairment is due to Kuzuko Lodge (Pty) Ltd being insolvent as at 28 February 2015 and 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 2015

Directors

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

Mr Andrew Bruce Carruthers † (resigned 1 September 2014)
Mr David Andrew Louw
Dr Kim Tan †
Mr Christopher Bertie (appointed 31 May 2014)

†Foreign

Subsequent event

The company is planning to list its securities on a public market in the future.

Secretary

The company secretary is Mr Christopher Bertie.

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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 statement of financial position at 28 February 2015, 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 35.

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.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Inqo Investments Limited at 28 February 2015, 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 2015, 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 directors. 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
22 May 2015

Inqo Investments Limited and its subsidiaries

Statements of comprehensive income

for the year ended 28 February 2015

		Group		Company	
		2015	2014	**2015**	2014
	Note	**R**	R	**R**	R
Revenue	*1.11*	**11 249 300**	10 225 959	**688 417**	1 209 027
Cost of Sales		**(1 798 790)**	(1 571 391)	**(133 000)**	-
Gross profit		**9 450 510**	8 654 568	**555 417**	1 209 027
Other income		**14 976 888**	-	**14 976 888**	-
Selling and administrative expenses		**(15 808 808)**	(11 319 343)	**(6 371 601)**	(4 455 841)
Operating profit / (loss)	*2*	**8 618 590**	(2 664 775)	**9 160 704**	(3 246 814)
Net financing income / (costs)	*3*	**355 680**	(6 465 015)	**533 040**	(6 223 698)
Finance income		**1 386 403**	473	**1 382 515**	21
Finance expense		**(1 030 723)**	(6 465 488)	**(849 475)**	(6 223 719)
Profit / (loss) before taxation		**8 974 270**	(9 129 790)	**9 693 744**	(9 470 512)
Taxation	*4*	-	-	-	-
Profit / (loss) for the period		**8 974 270**	(9 129 790)	**9 693 744**	(9 470 512)
Other comprehensive income					
Revaluation of land and buildings		**4 850 877**	-	**4 850 877**	-
Total comprehensive income for the year		**13 825 147**	(9 129 790)	**14 544 621**	(9 470 512)
Total comprehensive income attributable to:					
Owners of company		**9 195 105**	(6 023 191)		
Non-controlling owner's interest		**4 630 042**	(3 106 599)		
Total comprehensive income for the year		**13 825 147**	(9 129 790)		

Inqo Investments Limited and its subsidiaries

Statements of financial position

at 28 February 2015

	Note	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Assets					
Non-current assets		**118 714 105**	114 107 073	**117 675 782**	113 525 838
Property, plant and equipment	*5*	**118 687 393**	114 107 073	**117 675 213**	113 525 269
Intangible assets	*6*	**26 712**	-	**-**	-
Loan to subsidiary	*7*	**-**	-	**-**	-
Investments in subsidiaries	*8*	**-**	-	**569**	569
Current assets		**23 078 208**	37 707 912	**20 793 967**	35 067 977
Trade and other receivables	*10*	**2 828 475**	3 201 741	**1 357 383**	1 186 146
Biological assets	*24*	**2 683 000**	2 576 000	**2 683 000**	2 576 000
Cash and cash equivalents	*11*	**16 824 672**	31 265 811	**16 412 088**	30 964 335
Inventories	*12*	**742 061**	664 360	**341 496**	341 496
Total assets		**141 792 313**	151 814 985	**138 469 749**	148 593 815
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*	**77 576 871**	72 725 994	**77 576 871**	72 725 994
Accumulated loss		**(76 026 256)**	(85 000 526)	**(73 426 683)**	(83 120 427)
Non-controlling interest		**531**	531	**-**	-
Capital and reserves		**43 629 915**	29 804 768	**46 228 957**	31 684 336
Non-current liabilities		**82 950 688**	70 186 581	**81 548 838**	69 214 569
Loans from related parties	*15*	**28 153 221**	30 891 236	**27 761 233**	30 840 736
Other long term loans	*21*	**34 617 261**	32 733 318	**34 617 261**	32 733 318
Interest bearing loans and borrowings	*16*	**19 986 749**	6 368 570	**18 976 887**	5 447 058
Debentures	*17*	**193 457**	193 457	**193 457**	193 457
Current liabilities		**15 211 710**	51 823 636	**10 691 954**	47 694 910
Trade and other payables	*18*	**3 849 305**	5 042 866	**339 411**	1 835 650
Provision	*19*	**352 543**	352 543	**352 543**	352 543
Interest bearing loans and borrowings – current portion	*16*	**11 009 862**	46 428 227	**10 000 000**	45 506 717
Total equity and liabilities		**141 792 313**	151 814 985	**138 469 749**	148 593 815

Inqo Investments Limited and its subsidiaries

Statements of changes in equity

for the year ended 28 February 2015

Group	Share capital	Share premium	Revaluation reserve	Accumulated loss	Non-controlling interest	Total
	R	R	R	R	R	R
Balance at 1 March 2014	**28 813 042**	**13 265 727**	**72 725 994**	**(85 000 526)**	**531**	**29 804 768**
Profit for the year	-	-	-	8 974 270	-	8 974 270
Revaluation of land and buildings	-	-	4 850 877	-	-	4 850 877
Balance at 28 February 2015	**28 813 042**	**13 265 727**	**77 576 871**	**(76 026 256)**	**531**	**43 629 915**
Balance at 1 March 2013	**28 813 042**	**13 265 727**	**72 725 994**	**(75 859 608)**	**32**	**38 945 187**
Loss for the year	-	-	-	(11 128)	499	(10 629)
Other comprehensive income	-	-	-	(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**

Company	Share capital	Share premium	Revaluation reserve	Accumulated loss	Total
	R	R	R	R	R
Balance at 1 March 2014	**28 813 042**	**13 265 727**	**72 725 994**	**(83 120 427)**	**31 684 336**
Profit for the year	-	-		9 693 744	9 693 744
Revaluation of land and buildings			4 850 877		4 850 877
Balance at 28 February 2015	**28 813 042**	**13 265 727**	**77 576 871**	**(73 426 683)**	**46 228 957**
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**

Inqo Investments Limited and its subsidiaries

Statements of cash flows

for the year ended 28 February 2015

		Group		Company	
	Note	**2015**	2014	**2015**	2014
		R	R	**R**	R
Cash generated by operations	*23.1*	**9 388 341**	88 415	**10 570 655**	1 386 524
Interest income		**1 386 403**	473	**1 382 515**	21
Interest expense		**(1 030 723)**	(6 465 488)	**(849 475)**	(6 223 719)
Net cash inflow/(outflow) from operating activities		**9 744 021**	(6 376 600)	**11 103 695**	(4 837 174)
Cash flows from investing activities					
Increase in loans to subsidiary		**-**	-	**(1 496 881)**	(1 836 393)
Acquisition of biological assets		**(107 000)**	(2 576 000)	**(107 000)**	(2 576 000)
Acquisition of property, plant and equipment and intangible asset	*23.2*	**(1 423 902)**	(579 585)	**(879 613)**	-
Net cash outflow from investing activities		**(1 530 902)**	(3 155 585)	**(2 483 494)**	(4 412 393)
Cash flows from financing activities					
Loans and borrowings (repaid)/raised		**(19 916 243)**	39 155 703	**(20 092 945)**	38 957 037
Loans from related parties (repaid)/raised		**(2 738 015)**	1 213 724	**(3 079 503)**	1 163 224
Acquisition of subsidiary		**-**	(10 629)	**-**	(501)
Net cash (outflow)/inflow from financing activities		**(22 654 258)**	40 358 798	**(23 172 448)**	40 119 760
Net movement in cash and cash equivalents		**(14 441 139)**	30 826 613	**(14 552 247)**	30 870 193
Cash and cash equivalents at beginning of year		**31 265 811**	439 198	**30 964 335**	94 142
Cash and cash equivalents at end of year	*11*	**16 824 672**	31 265 811	**16 412 088**	30 964 335

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 2015 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.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2015

	Group		Company	
	2015	2014	**2015**	2014
	R	R	**R**	R
2. Operating profit / (loss)				
is arrived at after taking into account				
Auditors remuneration	**169 800**	115 550	**78 000**	45 550
– audit fee	**169 800**	115 550	**78 000**	45 550
Depreciation of property, plant and equipment	**1 665 319**	2 057 655	**1 580 546**	1 970 892
Amortisation of intangible asset	**2 428**	197	**-**	-
Impairment of loan to subsidiary	**-**	-	**1 496 881**	1 836 393
Personnel expenses	**4 323 478**	3 575 770	**401 910**	257 287
Other income includes reversal of DBSA interest as a result of the renegotiated DBSA loan.	**(14 976 888)**	-	**(14 976 888)**	-

	Group		Company	
	2015	2014	**2015**	2014
	R	R	**R**	R
3. Net financing income / (costs)				
Finance income	**1 386 403**	473	**1 382 515**	21
Interest income	**1 386 403**	473	**1 382 515**	21
Finance expense	**(1 030 723)**	(6 465 488)	**(849 475)**	(6 223 719)
Interest paid on borrowings	**(1 030 723)**	(6 465 488)	**(849 475)**	(6 223 719)
	355 680	(6 465 015)	**(533 040)**	(6 223 698)

	Group		Company	
	2015	2014	**2015**	2014
	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 R 38 099 991 (2014: assessed loss of R57 238 994) 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.

5. **Property, plant and equipment**

5.1 ***Group***

	Cost or valuation	Accumulated depreciation	Carrying amount
2015	**R**	**R**	**R**
Freehold land	**90 582 058**	**-**	**90 582 058**
Buildings	**34 417 942**	**(9 820 498)**	**24 597 444**
Game	**110 661**	**-**	**110 661**
Motor vehicles	**3 613 676**	**(2 751 625)**	**862 051**
Furniture and fittings	**4 742 968**	**(3 266 501)**	**1 476 467**
Musical Instruments	**19 167**	**(19 167)**	**-**
Equipment	**2 338 159**	**(2 212 777)**	**125 382**
Computer equipment	**1 065 885**	**(913 890)**	**151 995**
Project costs capitalised	**781 335**	**-**	**781 335**
	137 671 851	**(18 984 458)**	**118 687 393**
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

Company	Cost or valuation	Accumulated depreciation	Carrying amount
2015	**R**	**R**	**R**
Freehold land	**90 582 058**	**-**	**90 582 058**
Buildings	**34 417 942**	**(9 869 553)**	**24 548 389**
Game	**110 661**	**-**	**110 661**
Motor vehicles	**3 519 516**	**(2 830 227)**	**689 289**
Furniture and fittings	**4 742 968**	**(3 316 326)**	**1 426 642**
Musical Instruments	**19 167**	**(19 167)**	**-**
Equipment	**2 226 028**	**(1 907 854)**	**318 174**
Computer equipment	**634 099**	**(634 099)**	**-**
	136 252 439	**(18 577 226)**	**117 675 213**
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	2 820 137	(2 820 137)	-
Furniture and fittings	4 742 968	(2 851 466)	1 891 502
Musical Instruments	19 167	(19 167)	-
Equipment	2 154 980	(1 907 307)	247 673
Computer equipment	634 099	(634 099)	-
	130 482 012	(16 956 743)	113 525 269

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

Group

2015	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	4 850 877	-	-	-	90 582 058
Buildings	25 593 307	149 123	-	-	(1 144 986)	24 597 444
Game	110 661	-	-	-	-	110 661
Motor vehicles	172 762	699 379	-	-	(10 090)	862 051
Furniture and fittings	1 891 502	-	-	-	(415 035)	1 476 467
Equipment	104 746	31 111	-	-	(10 475)	125 382
Computer equipment	143 499	93 229	-	-	(84 733)	151 995
Project costs capitalised	359 415	421 920	-	-	-	781 335
Total	114 107 073	6 245 639	-	-	(1 665 319)	118 687 393

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
	115 585 143	579 585	-	-	(2 057 655)	114 107 073

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

Company

2015	**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	4 850 877	-	-	-	90 582 058
Buildings	25 544 252	149 123	-	-	(1 144 986)	24 548 389
Game	110 661	-	-	-	-	110 661
Motor vehicles	-	699 379	-	-	(10 090)	689 289
Furniture and fittings	1 891 502	-	-	-	(464 860)	1 426 642
Equipment	247 673	31 111	-	-	39 390	318 174
Total	113 525 269	5 730 490	-	-	(1 580 546)	117 675 213

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	228 303	-	-	-	(228 303)	-
Furniture and fittings	2 365 799	-	-	-	(474 297)	1 891 502
Equipment	373 671	-	-	-	(125 998)	247 673
Total	115 496 161	-	-	-	(1 970 892)	113 525 269

		Group		Company	
		2015	2014	**2015**	2014
		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.				
		90 582 058	85 731 181	**90 582 058**	85 731 181

		Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
6.	**Intangible Assets**				
	Balance at beginning of year	-	197	-	-
	Addition	**29 140**			
	Amortisation	**(2 428)**	(197)	-	-
	Balance at end of year	**26 712**	-	-	-

Intangible assets comprise computer software purchased during the year.

		Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
7.	**Loan to subsidiary**				
	Kuzuko Lodge Proprietary Limited			**22 423 099**	20 926 218
	Impairment of loan			**(22 423 099)**	(20 926 218)
				-	-

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 Ltd has subordinated this loan with its subsidiary company.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

for the year ended 28 February 2015

8. Investments in subsidiaries

	Company	
	2015	2014
	R	R
Loan to subsidiary company		
Balance at the beginning of the year	**20 926 218**	19 089 825
Movement during the year	**1 496 881**	1 836 393
Impairments	**(22 423 099)**	(20 926 218)
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.

	Group		Company	
	2015	2014	**2015**	2014
	R	R	**R**	R
10. Trade and other receivables				
Trade debtors	**2 821 391**	3 081 820	**1 354 883**	1 183 646
Doubtful debt provision	**(239 616)**	(100 000)	**-**	-
Deposits	**2 500**	2 500	**2 500**	2 500
Prepayments	**157 545**	148 604	**-**	-
Other receivables	**86 655**	68 817	**-**	-
	2 828 475	3 201 741	**1 357 383**	1 186 146

Included in trade debtors is an amount due from Spekboom Trading of R797 064 (2014: R333 041), as well as an amount due from the De Lange Family Trust of R266 463 (2014: R289 001).

	Group		Company	
	2015	2014	**2015**	2014
	R	R	**R**	R
11. Cash and cash equivalents				
Call account	**15 961 708**	5 099	**15 956 524**	-
Current account	**854 686**	31 258 886	**455 564**	30 964 335
Petty Cash	**8 278**	1 826	**-**	-
Cash and cash equivalents	**16 824 672**	31 265 811	**16 412 088**	30 964 335

		Group		Company	
		2015	2014	**2015**	2014
		R	R	**R**	R
12.	**Inventories**				
	Food and beverage	**171 209**	157 027	-	-
	Guest supplies	**5 019**	2 448	-	-
	Crockery and cutlery	**341 496**	341 496	**341 496**	341 496
	Other consumables	**224 337**	163 389	-	-
		742 061	664 360	**341 496**	341 496
13.	**Ordinary share capital**				
	Authorised				
	100 000 000 (2014: 100 000 000) ordinary shares of R1 each	**100 000 000**	100 000 000	**100 000 000**	100 000 000
	Issued				
	28 813 042 (2014: 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**	72 725 994	**72 725 994**	72 725 994
	Re-valuation during the year	**4 850 877**	-	**4 850 877**	-
		77 576 871	72 725 994	**77 576 871**	72 725 994

Land was revalued in May 2014 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	
	2015	2014	**2015**	2014
	R	R	**R**	R
15. Loans from related parties				
Dr Kim Tan	**27 761 233**	29 361 233	**27 761 233**	29 361 233
Springhill Management	**-**	1 479 503	**-**	1 479 503
Africarbon (Pty) Ltd	**391 988**	50 500	**-**	-
	28 153 221	30 891 236	**27 761 233**	30 840 736

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

	Group		Company	
	2015	2014	**2015**	2014
	R	R	**R**	R
16. Interest bearing loans and borrowings				
Development Bank of South Africa				
This loan is non-interest bearing and is repayable in three instalments, commencing February 2016.	**28 976 887**	50 953 775	**28 976 887**	50 953 775
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.	**2 019 724**	1 843 022	**-**	-
Total interest bearing loans and borrowings	**30 996 611**	52 796 797	**28 976 887**	50 953 775
Less: current portion included in current liabilities	**(11 009 862)**	(46 428 227)	**(10 000 000)**	(45 506 717)
DBSA loan	**(10 000 000)**	(45 506 717)	**(10 000 000)**	(45 506 717)
ECDC loan	**(1 009 862)**	(921 510)	**-**	-
Long term interest bearing loans and borrowings	**19 986 749**	6 368 570	**18 976 887**	5 447 058

17. Debentures

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 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 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Trade payables	**1 276 841**	1 573 463	**6 832**	-
Accruals	**1 033 439**	2 147 826	**130 303**	1 832 090
Other Payables	**1 310 864**	1 175 617	**189 958**	3 047
VAT	**228 161**	145 960	**12 318**	513
	3 849 305	5 042 866	**339 411**	1 835 650

19. Provision

	Group and Company 2015 R	Group and Company 2014 R
Balance at 1 March	**352 543**	297 703
Unwinding of discount	**-**	54 840
Balance at 28 February	**352 543**	352 543

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 2015, 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 R10 098 (2014: R9 215). 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.

Inqo Investments Limited and its subsidiaries

Notes to the financial statements

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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.

2015 - 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	28 976 887	28 976 887	10 000 000	18 976 887	-	-
Other long term loans	34 617 261	34 617 261	-	34 617 261	-	-
Debenture	193 457	193 457	-	-	-	193 457
	63 787 605	63 787 605	10 000 000	53 594 148	-	193 457

2015 - 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	28 976 887	28 976 887	10 000 000	18 976 887	-	-
- Fixed interest rate - ECDC	2 019 724	2 019 724	1 009 862	1 009 862	-	-
Other long term loans	34 617 261	34 617 261	-	34 617 261	-	-
Debenture	193 457	193 457	-	-	-	193 457
	65 807 329	65 807 329	11 009 862	54 604 010	-	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. **Financial Instruments (continued)**

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

20.6 Categories and analysis of financial assets and liabilities

31 December 2015 - company **Assets**	**Loans and receivables**	**Financial liabilities at amortised cost**	**Held-to-maturity**	**Total**
	R	**R**	**R**	**R**
Investment in subsidiaries	-	-	569	569
Trade and other receivables	1 357 383	-	-	1 357 383
Cash and cash equivalents	16 412 088	-	-	16 412 088
	17 769 471	-	**569**	**17 770 040**
Liabilities				
Other financial liabilities	-	63 946 691	-	63 946 691
Loans from related parties	-	27 761 233	-	27 761 233
Trade and other payables	-	339 411	-	339 411
Debentures	-	193 457	-	193 457
	-	**92 240 792**	-	**92 240 792**

	Group		Company	
	2015	2014	**2015**	2014
	R	R	**R**	R
21. Other long term loans				
Loan from Scope Properties Limited	**309 905**	16 159 350	**309 905**	16 159 350
Loan from Peregrine Limited	**16 159 530**	-	**16 159 530**	-
Loan from Allestra Limited	**17 657 304**	16 087 500	**17 657 304**	16 087 500
Loan from Eastgate Investments Limited	**490 522**	486 468	**490 522**	486 468
	34 617 261	32 733 318	**34 617 261**	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 on the Scope Properties and Allestra Investment loans, 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	(27 761 223)	(27 761 223)
Spekboom Trading Proprietary Limited	-	797 064
Kuzuko Lodge Proprietary Limited		
- Loan to	-	22 423 099

	Group 2014 R	Company 2014 R
Transactions with related parties -		
Rental charged to Kuzuko Lodge Proprietary Limited	-	180 900

		Group		Company	
		2015	2014	**2015**	2014
		R	R	**R**	R
23.	**Notes to the cash flow statement**				
23.1	***Cash generated by operations***				
	Operating profit/(loss) before interest	**8 618 590**	(2 664 775)	**9 160 704**	(3 246 814)
	Adjustments for –				
	Depreciation of property, plant and equipment	**1 665 319**	2 057 655	**1 580 546**	1 970 892
	Amortisation of intangible assets	**2 428**	197	**-**	-
	Unwinding of provision for bed nights	**-**	54 840	**-**	54 840
	Impairment of loan to subsidiary	**-**	-	**1 496 881**	1 836 393
	Operating profit/(loss) before working capital changes	**10 286 337**	(552 083)	**12 238 131**	615 311
	(Increase)/decrease in inventories	**(77 701)**	49 352	**-**	-
	(Increase)/decrease in trade and other receivables	**373 266**	(1 542 328)	**(171 237)**	(880 840)
	(Decrease)/increase in trade and other payables	**(1 193 561)**	2 133 474	**(1 496 239)**	1 652 053
		9 388 341	88 415	**10 570 655**	1 386 524
23.2	***Acquisition of property, plant and equipment***				
	Total additions for the year	**1 423 902**	579 585	**879 613**	-
		1 423 902	579 585	**879 613**	-
24.	**Biological assets**				
	Buffalo livestock	**2 683 000**	2 576 000	**2 683 000**	2 576 000

Inqo Investments Limited and its subsidiaries

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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 2015, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Date issued by IASB	Effective date Periods beginning on or after
IAS 19	*Defined Benefit Plans: Employee Contributions*	November 2013	1 July 2014
Amendments to 6 standards	*Improvements to IFRSs 2010-2012 Cycle*	December 2013	1 July 2014
Amendments to 4 standards	*Improvements to IFRSs 2011-2013 Cycle*	December 2013	1 July 2014
IFRS 14	*Regulatory Deferral Accounts*	January 2014	1 January 2016
IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*	May 2014	1 January 2016
IFRS 15	*Revenue from contracts with customers*	May 2014	1 January 2017
IFRS 9	*Financial Instruments*	July 2014	1 January 2018
IAS 27	*Equity Method in Separate Financial Statements*	August 2014	1 January 2016
Amendments to 4 standards	*Improvements to IFRSs 2012-2014 Cycle*	September 2014	1 January 2016
IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*	December 2014	1 January 2016
IAS 1	*Disclosure Initiative*	December 2014	1 January 2016

None of the above Standards and Interpretations have been early adopted by the company.

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

26. Critical accounting estimates, judgements and key assumptions

The directors have considered the group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the group's accounting policies.

Critical accounting policies

The directors are satisfied that the critical accounting policies are appropriate to the group.

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 will be listing its securities on a public market in the future.

28. Going concern

The company incurred a net profit before tax for the year ended 28 February 2015 of R 9 693 744 (2014: loss of R9 470 512).

The company impaired its loan to Kuzuko Lodge (Pty) Ltd as at 28 February 2015 by R 1 496 881 (2014: R 1 836 393). The reason for the impairment is due to Kuzuko Lodge (Pty) Ltd being insolvent as at 28 February 2015 and 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.