Dawn Properties Limited

Annual Report 2012

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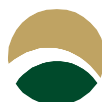


Dawn Properties Limited

Dawn Properties Limited ("Dawn Properties" or the "Company"), formerly a wholly owned subsidiary of African Sun Limited ("Afrisun"), was incorporated as a variable rate loan stock ("VRLS") Company by converting its ordinary shares into linked units. As at 31 March 2012, Afrisun owned 16.54% of the Company enabling it to have an independent existence and vision. The core business of the Company, which is incorporated in Zimbabwe, is that of an investment property holding company and through its wholly owned subsidiaries together (the "Group") owns properties in the tourism sector.

On 9 September 2003 Dawn Properties became the first VLRS investment property holding company to be listed on the Zimbabwe Stock Exchange.

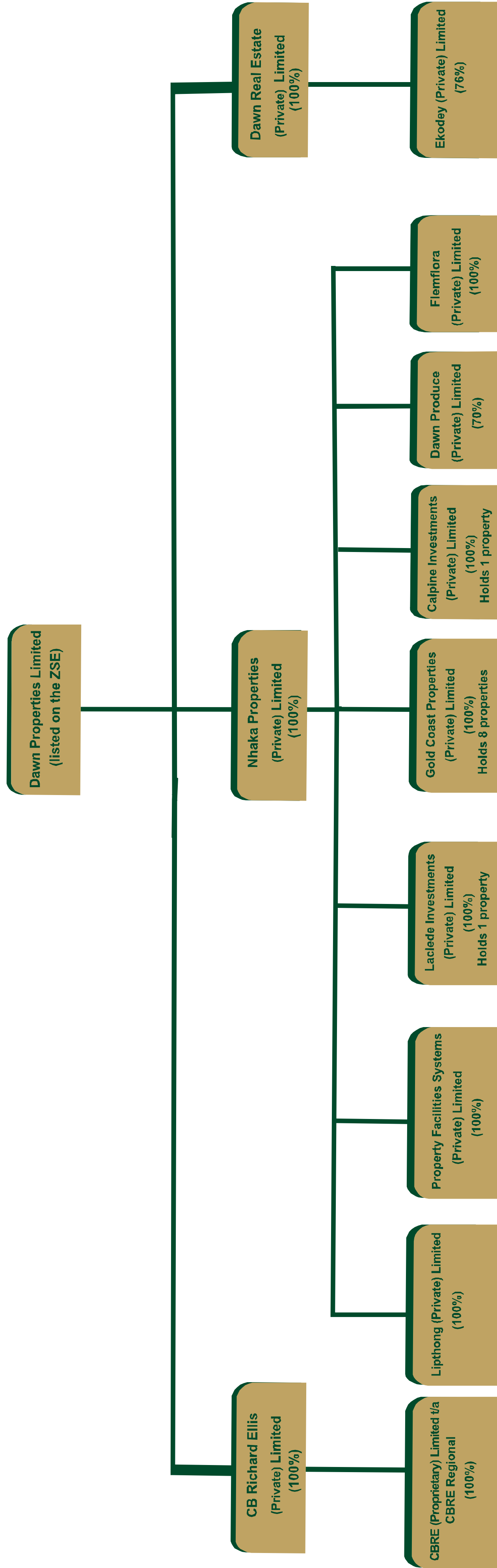
Dawn Properties provides investors with an opportunity to invest in a collection of sought after hotel properties. The counter is not only a good inflation and currency hedge but also has the potential to generate strong cash flows and high yields.

Although the fact that the Group has a predominant tourism exposure is of concern to some investors, it is equally important to note that it is a sector that never ceases to attract the attention of international investors even in hard times. This probably gives the properties a premium ahead of other property classes such as industrial property, for example. Nevertheless, the Group has taken a view to diversify the portfolio at the earliest opportune time.

The Group is well represented in all major tourist destinations as detailed below.

Hotel Properties	Rooms	Location
Carribea Bay Sun	83	Kariba
Carribea Bay Marina	n/a	Kariba
Crowne Plaza Monomotapa	245	Harare
Elephant Hills Resort and Conference Centre	276	Victoria Falls
Express by Holiday Inn, Beitbridge	104	Beitbridge
Great Zimbabwe Hotel	56	Masvingo
Amber Hotel Mutare	96	Mutare
Hwange Safari Lodge	106	Hwange
Lake View Sun	42	Kariba
Troutbeck Sun	70	Nyanga

GROUP STRUCTURE



MISSION

To create sustainable value for stakeholders, which is consistently ahead of the industrial index. This is to be achieved by;

a) Investing in high yielding properties;
b) Optimising net rentals by drafting appropriate lease agreements and closely managing costs;
C) Ensuring that properties are properly maintained; and
d) Ensuring that adequate attention is given to risk management.

VISION

To be a successful investment property holding and property development company.

Investment policy

Dawn Properties intends to invest in a balanced portfolio in order to minimize risk associated with any one asset class and to increase the liquidity of the portfolio.

CORE VALUES

Employment equity

We are committed to ensuring that employees are offered equal opportunities and appropriate participation.

Integrity

We conduct our business in an honest, fair and transparent manner.

Passion

We believe in our products and this drives all our innovations.

Quality

We are committed to the highest standards of delivery.

Teamwork

We believe in creating a happy work environment premised on teamwork.

Environmental issues

We are committed to safeguarding the environment for this and future generations. The assessment of environmental issues is therefore critical for all projects we are involved in. We are committed to compliance with environmental, health and safety standards.

Business

The principal business of the Group is that of investing in investment property and property development.

Chairman

T.P. Chimuriwo (Non-Executive Director)

Executive Director

M. Manyika (Chief Executive Officer)

Non-Executive Directors

D. Cooper	(Non-Executive Director)	(D Goldwasser alternate)
P. Gwatidzo	(Non-Executive Director)	
B.Ndebele	(Non-Executive Director)	(Appointed 29.05.12)
M. Tunmer	(Non-Executive Director)	(Resigned 29.05.12)

Audit and Risk Committee

P. Gwatidzo - Chairman

D. Cooper

B. Ndebele	(Non-Executive Director)	(Appointed 29.05.12)
M. Tunmer	(Non-Executive Director)	(Resigned 29.05.12)

Remuneration Committee

T.P. Chimuriwo	(Chairman)
S. Munyeza	(Resigned 18.07.11)
C.A. Mataure	(Resigned 07.06.11)

Finance and Investment Committee

J. Worsfold	(Chairman) (Resigned 03.06.11)
P. Gwatidzo	
C.A. Mataure	(Resigned 07.06.11)
M. Manyika	

Nominations Committee

T.P. Chimuriwo	(Chairman)
J. Worsfold	(Resigned 03.06.11)
C.A. Mataure	(Resigned 07.06.11)

Management

Chief Executive Officer	- M. Manyika
Human Resources, Administration Executive and Acting Finance Executive,	- N. M. Tome (Mrs)
Projects Executive	- S. Hove (Resigned 31.10.11)
Finance Executive	- B.Magura (Resigned 31.12.11)

CHAIRMAN'S STATEMENT

Group Review

In the last annual report Shareholders were advised that the Group had resolved to dispose of all non-core businesses and non-strategic properties. Further to this, plans to sweat the current portfolio were outlined. In respect of all these matters some progress has been made despite the numerous setbacks that have been encountered.

A unit of the agro business was shut down and the balance of the business was sold to management at a nominal price. The Group held on to the business longer in the hope of achieving a reasonable price but this did not materialise. Consequently, the Board acted to stop further haemorrhage.

CB Richard Ellis (Private) Limited management has reached agreement with a technical partner and they are now well positioned to acquire the business. Time lines have been agreed to conclude the transaction and it is anticipated that the consortium will take Control of the Company by 1 September 2012. The Brondesbury Hotel has attracted acceptable offers and it is hoped that a deal will be concluded soon.

The Group has instituted court proceedings to evict African Sun Limited out of all the eight properties leased to them. It became imperative to do so after it became clear that negotiations between the two parties were not yielding meaningful results. As the matter is before the courts it is not prudent to disclose much information at this stage. In the interim management has received attractive offers for most of the hotels.

The Group administration overhead remains a matter of concern. During the year 19 positions were made redundant. With the Group shedding off its operational subsidiaries more radical changes are being contemplated. These will be communicated at a later date. The execution of the Baines Avenue project is on hold pending the finalisation of the restructuring of the hotel portfolio. Planning of the Marlborough residential development is progressing but at a slower pace than hoped for mainly due to the protracted development cycle.

Financial Review

Continuing operations, essentially the hotel portfolio, achieved a growth in rental revenue of 18% to record revenue of US$2.4 million. However, four hotels in the portfolio achieved negative growth but this was compensated for largely by one property which reported significant growth albeit from a very low base to achieve a gross yield of 2.4%. The portfolio achieved a gross yield of 3.3%, an improvement on last year's yield of 2.8%.

The loss attributable to discontinued operations is mainly as a result of a loss of US$1.4 million incurred by the agro business unit. The bulk of prior year biological assets had to be written off when the unit ceased to produce flowers for the export market. In the current year further losses were incurred because of market and weather related vagaries. In view of the imminent disposals the Group performed a detailed and intensive impairment assessment and no impaired assets were identified. The Group expects to recover the carrying amount of the non-current assets held for sale and discontinued operations.

The statement of financial position remains relatively debt free and this augurs well for future investments.

Directorship

Mr Mark Tunmer resigned from the board after the financial year end on 29 May 2012. On behalf of the board and Myself I thank him for his constructive contributions and wish him well in his future endeavours. Mr Bekithemba Ndebele was appointed to the Board on 29 May 2012. I would like to take this opportunity to welcome him to the Board.

Outlook

With the disposal of the non-core businesses the Group looks to the hotel portfolio for growth. Your Board remains optimistic that value will be unlocked from the current portfolio despite the current impasse. This combined with the rationalisation of the overhead structure will put the Group on a growth path.

Outlook (continued)

My fellow Board members, management and I have had to put in extraordinary amounts of time into executing the strategy thus far. Various stakeholders have also been very supportive. Thank you all for your unwavering commitment.

T.P. Chimuriwo
Chairman

By Order of the Board
N.M. Tome (Mrs) 29 June 2012

Dawn Properties accepts and complies with the principles of the Code of Corporate Practices as enunciated in the King III Report. The directors are fully aware and cognisant of the importance of executing their duties in keeping with the principles of transparency, integrity, fairness and accountability and in accordance with accepted corporate practices in order to enhance the interests of its shareholders, employees and other stakeholders. This includes timely and meaningful reporting to all its stakeholders.

Board of Directors

The Board currently comprises five non-executive and one executive director. The non- executive directors bring to the Board a wide range of skills and experience that enables them to contribute independent views and to exercise objective judgement in matters requiring the directors' decisions.

The Board is responsible for the strategic direction of the Group, reviews the investment policy and approves all significant investments or disinvestments. The Board has ultimate responsibility for proper management, risk management in general, compliance and ethical behaviour of the business. To achieve this, the Board has established three committees to give detailed attention to each specific area

Audit and Risk Committee

The committee has two mandates:

a) Audit

To provide the Board with additional assurance regarding the efficacy and reliability of the financial information used by the directors to assist them in the discharge of their duties. The committee is required to provide assurance to the Board that adequate and appropriate financial operating controls are in place, that significant financial, business and other risks have been identified and are being suitably managed and that satisfactory standards of governance, reporting and compliance are in operation.

Its responsibilities include overseeing the financial reporting process, reviewing audit results, audit processes and risk management, the cost effectiveness, independence and objectivity of the auditors and compliance issues.

b) Risk

To identify, assess, manage and monitor the risks to which the business is exposed. The most significant risk is that of a single customer exposure. Others are single sectorial exposure, total or partial destruction of property and the replacement of electro mechanical gadgets.

The Group is cautiously looking for opportunities to diversify its portfolio and this should give it a broader customer base. The tenant insures all properties at gross replacement values.

The Audit and Risk Committee comprises three non-executive Directors and the Chief Executive Officer attends the meetings by invitation. The external auditors have full access to the committee and its chairman. The committee meets at least four times a year.

Remuneration Committee

The Remuneration Committee has the mandate to ensure that the Group adopts market related remuneration policies and reviews and approve remuneration for senior executives.

Finance and Investment Committee

The Finance and Investment Committee makes recommendations to the Board on all material investments. It also reviews banking arrangements.

REPORT OF THE DIRECTORS

The Director's have pleasure in presenting their report with the audited financial statements of the Group for the year ended 31 March 2012.

	US $
Profit before income tax	1 181 767
Income tax credit	181 094
Profit from continuing operations	1 362 861
Loss for the year from discontinued operations	(1 597 773)
Loss for the year	**(234 912)**

Share Capital

As at 31 March 2012, the authorised share capital and debentures was 4 000 000 000 ordinary shares and 4 000 000 000 debentures.

The issued share capital and debentures were 2 457 172 108 ordinary shares and 2 457 172 108 debentures.

Reserves

The movements in the reserves of the Group are shown in the consolidated statement of changes in equity, on page 15.

The Company has the following directly and indirectly held subsidiaries:

Nhaka Properties (Private) Limited	100%
Laclede Investments (Private) Limited	100%
Gold Coast Properties (Private) Limited	100%
Calpine Investments (Private) Limited	100%
Dawn Real Estate (Private) Limited	100%
CB Richard Ellis (Private) Limited	100%
CBRE (Proprietary) Limited	100%
Property Facilities Systems (Private) Limited	100%
Lipthong (Private) Limited	100%
Ekodey (Private) Limited	76%
Dawn Produce (Private) Limited	70%
Flemflora (Private) Limited	100%

Property, plant and equipment

Capital expenditure for the year to 31 March 2012 on operating assets was US$81 240 .

Debenture interest and dividends

The Board has resolved that the debenture interest for the period be zero and no dividend be declared.

Directors

In terms of the Articles of Association, Messrs T P Chimuriwo and P Gwatidzo, retire by rotation at the forthcoming Annual General Meeting and being eligible, these directors offer themselves for re-election.

Director's fees

Members will be asked to approve the payment of the director's fees for the year ended 31 March 2012 of US$76 000.

Audit fees

Members will be asked to approve the remuneration of the auditors for the financial year ended 31 March 2012 and to appoint auditors of the Group to hold office for the ensuing year.

T.P. Chimuriwo
Chairman

The directors of the Group are required by the Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96 to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the financial position of the Group at the end of the financial year and of its financial performance and its cash flows for the year then ended. In preparing the accompanying statements, cognisance has been taken of the current financial reporting environment and procedures followed to present information that adequately discloses the status of the Group in the United States of American dollar ("US"). Suitable accounting policies have been used and consistently applied, and reasonable and prudent judgments and estimates have been made.

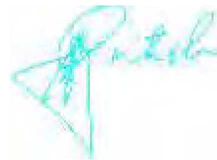
The directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Group's systems of internal financial control. Dawn Properties maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records. There were no breakdowns in the systems of internal control involving material loss, which were reported to the directors in respect of the period under review.

The consolidated financial statements for the year ended 31 March 2012, which appear on pages 12 to 56 have been approved by the Board of directors and are signed on its behalf by:

T.P. Chimuriwo

Chairman



P. Gwatidzo

Audit and Risk Committee Chairman

Harare
29 June 2012

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAWN PROPERTIES LIMITED

We have audited the consolidated financial statements of Dawn Properties Limited and its subsidiaries (the "Group") and the accompanying statement of financial position of Dawn Properties Limited (the "Company") standing alone, (together the "consolidated financial statements") which comprise the consolidated and separate statements of financial position as at 31 March 2012, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and explanatory notes set out on pages 12 to 56.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96, 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 controls 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, the financial statements present fairly, in all material respects, the financial position of the Group and of the Company as at 31 March 2012, and of the Group's consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96.

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)

Harare **20 August 2012**

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com

T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Notes	2012 US$	2011 US$ Restated	2010 US$ Restated
ASSETS				
Non-current assets				
Investment property	5	74 250 000	74 250 000	69 300 000
Property, plant and equipment	6	8 866 740	11 409 613	8 619 749
Deferred income tax assets	15	-	66 380	-
Goodwill	7	-	120 186	120 186
		83 116 740	**85 846 179**	**78 039 935**
Current assets				
Biological assets	8	-	516 630	-
Inventories	9	-	164 086	17 178
Expenditure on next season's crops		-	-	249 380
Trade and other receivables	10	197 680	579 254	920 984
Cash and cash equivalents	11	215 414	115 732	284 621
		413 094	**1 375 702**	**1 472 163**
Assets of disposal group classified as held for sale	12	3 461 376	-	-
Total assets		**86 991 210**	**87 221 881**	**79 512 098**
EQUITY				
Equity attributable to the owners of the parent				
Share capital	13	18 156	18 156	18 156
Share premium	13	17 680 929	17 680 929	17 680 929
Revaluation reserves		7 353 815	7 276 550	4 942 400
Linked unit debenture equity component	14	206 790	206 790	206 790
Retained earnings		52 123 552	51 911 906	40 211 192
Shareholders' equity		**77 383 242**	**77 094 331**	**63 059 467**
Non controlling interests		**(114 108)**	**264 251**	**584 760**
Total equity		**77 269 134**	**77 358 582**	**63 644 227**
LIABILITIES				
Non-current liabilities				
Linked unit debentures	14	1 590 696	1 590 696	1 590 696
Deferred income tax liabilities	15	6 992 531	7 236 308	13 680 409
		8 583 227	**8 827 004**	**15 271 105**
Current liabilities				
Trade and other payables	16	89 306	584 618	596 766
Borrowings	17	-	451 677	-
		89 306	**1 036 295**	**596 766**
Liabilities of disposal group classified as held for sale	12	1 049 543	-	-
Total liabilities		**9 722 076**	**9 863 299**	**15 867 871**
Total equity and liabilities		**86 991 210**	**87 221 881**	**79 512 098**

The notes on pages 17 to 56 are an integral part of these consolidated financial statements. The financial statements were approved by the Board of Directors on 29 June 2012 and are signed on its behalf by:

T.P. Chimuriwo
Chairman

P. Gwatidzo
Audit and Risk Committee Chairman

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	2012 US$	2011 US$ Restated	2010 US$ Restated
ASSETS				
Investment in subsidiaries	18	**19 503 998**	**19 503 998**	**19 503 998**
EQUITY				
Equity and liabilities				
Capital and reserves				
Ordinary share capital	13	18 156	18 156	18 156
Share premium	13	17 680 929	17 680 929	17 680 929
Linked unit debenture equity component	14	206 790	206 790	206 790
Retained profits		7 427	7 427	7 427
		17 913 302	17 913 302	17 913 302
LIABILITIES				
Non current liabilities				
Linked unit debentures	14	1 590 696	1 590 696	1 590 696
Total equity and liabilities		**19 503 998**	**19 503 998**	**19 503 998**

The notes on pages 17 to 56 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 US$	2011 US$ Restated
Continuing operations			
Revenue	20	2 412 041	2 044 007
Net gain from fair value adjustment on investment property	5	-	4 950 000
Other income	21	54 194	154
Total income		2 466 235	6 994 161
Administration expenses	22	(1 012 371)	(973 700)
Other expenses	22	(160 805)	(115 320)
Operating profit		1 293 059	5 905 141
Finance income	23	2 194	-
Finance costs	23	(113 486)	(17 218)
Profit before income tax		1 181 767	5 887 923
Income tax credit	25	181 094	6 611 169
Profit for the year from continuing operations		1 362 861	12 499 092
Discontinued operations			
Loss for the year from discontinued operations	12(c)	(1 597 773)	(1 118 887)
(Loss)/profit for the year		**(234 912)**	**11 380 205**
Other comprehensive income			
Continuing operations			
-(Loss)/gain on revaluation of land and buildings	12(d)	(146 000)	2 457 000
-Deferred income tax relating to components of other comprehensive income		7 300	(122 850)
-Net (loss)/gain on revaluation of land and buildings		(138 700)	2 334 150
Discontinued operations			
-Net gain on revaluation of land and buildings		299 120	-
-Deferred income tax relating to components of other comprehensive income		(14 956)	-
-Net gain on revaluation of land and buildings		284 164	-
Other comprehensive income for the year		145 464	2 334 150
Total comprehensive (loss)/income for the year		**(89 448)**	**13 714 355**
Profit attributable to:			
- Owners of the parent		211 646	11 700 714
- Non-controlling interest		(446 558)	(320 509)
		(234 912)	**11 380 205**
Total comprehensive income attributable to:			
- Owners of the parent		288 911	14 034 864
- Non-controlling interest		(378 359)	(320 509)
		(89 448)	**13 714 355**

The notes on pages 17 to 56 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

	Attributable to owners of the parent							
	Share capital	Share premium	Revaluation reserves	Other reserves	Retained earnings	Total	Non controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Year ended 31 March 2011								
Balance as at 1 April 2010	18 156	17 680 929	4 942 400	206 790	40 211 192	63 059 467	584 760	63 644 227
Comprehensive income								
Profit/(loss) for the year	-	-	-	-	11 700 714	11 700 714	(320 509)	11 380 205
Other comprehensive income								
Net gain on revaluation of land and buildings, net of tax	-	-	2 334 150	-	-	2 334 150	-	2 334 150
Total comprehensive income/(loss) for the year	-	-	2 334 150	-	11 700 714	14 034 864	(320 509)	13 714 355
Balance as at 31 March 2011	**18 156**	**17 680 929**	**7 276 550**	**206 790**	**51 911 906**	**77 094 331**	**264 251**	**77 358 582**
Year ended 31 March 2012								
Balance as at 1 April 2011	18 156	17 680 929	7 276 550	206 790	51 911 906	77 094 331	264 251	77 358 582
Comprehensive income								
Profit/(loss) for the year	-	-	-	-	211 646	211 646	(446 558)	(234 912)
Other comprehensive income								
Net gain on revaluation of land and buildings, net of tax	-	-	77 265	-	-	77 265	68 199	145 464
Total comprehensive income/(loss) for the year	-	-	77 265	-	211 646	288 911	(378 359)	(89 448)
Balance as at 31 March 2012	**18 156**	**17 680 929**	**7 353 815**	**206 790**	**52 123 552**	**77 383 242**	**(114 108)**	**77 269 134**

	Notes	2012 US$	2011 US$ Restated
Cash flow from operating activities			
(Loss)/profit before income tax (including discontinued operations)	24	(384 324)	4 774 489
Adjustments for:			
-Depreciation of property, plant and equipment	6	237 906	318 674
-Net gain from fair value adjustment on property, plant and equipment		-	(4 950 000)
-Finance income	23	(2 194)	(44 154)
-Finance cost	23	113 486	17 218
-Impairment charge for trade receivables	10	-	(8 590)
-Provisions		242 031	-
-Other non-cash items		-	320 509
-Loss on disposal of property, plant and equipment		(4 129)	(46 387)
Operating surplus before working capital changes		**202 776**	**381 759**
Changes in working capital:			
Decrease/(increase) in biological assets		516 630	(516 630)
Decrease/(increase) in inventories		2 876	(146 907)
Decrease in trade and other receivables		98 214	341 731
Increase/(decrease) in trade and other payables		202 382	(12 151)
Cash generated by operations		1 022 878	47 802
Income tax paid		(33 774)	(22 560)
Interest received		2 194	44 154
Net cash generated from operating activities		**991 298**	**69 396**
Cash flow from investing activities			
Purchase of property, plant and equipment	6	(81 240)	(720 005)
Proceeds from disposal of property, plant and equipment		15 335	114 854
Net cash used in investing activities		**(65 905)**	**(605 151)**
Cash flows from financing activities			
Interest paid		(113 486)	(17 218)
Proceeds from borrowings		-	451 677
Repayments of borrowings		(451 677)	(67 592)
Net cash (used in)/generated from financing activities		**(565 163)**	**366 867**
Net increase/(decrease) in cash and cash equivalents		360 230	(168 888)
Cash and cash equivalents at the beginning of the year		115 732	284 620
Cash and cash equivalents at the end of the year	11	**475 962**	**115 732**

The notes on pages 17 to 56 are an integral part of these consolidated financial statements.

1 GENERAL INFORMATION

Dawn Properties Limited (the "Company") and its subsidiaries together (the "Group") own investment property, provide property consultancy services and has farming operations.

The Company is a limited liability company incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange. The address of its registered office is 8th Floor, Beverley Court, Corner Fourth Street and Nelson Mandela Avenue, Harare.

The consolidated financial statements have been approved for issue by the Board of Directors on 29 June 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, plant and equipment and investment property

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.1.1 Changes in accounting policies and disclosures

a) New and amended standards and interpretations, effective for the financial year beginning on or after 1 January 2011 and are relevant to the Group

The following new standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2011and are relevant to the Group.

Topic	Effective date	Key requirements
Amendment to IAS 24, 'Related Party Disclosures'	1 January 2011	The amendment clarifies the definition of a related party. The new definition emphasises a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with Government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.
Improvements to IFRSs (Issued May 2010)	Unless otherwise specified the amendments are effective for annual periods beginning on or after 1 January 2011	These amendments are the result of conclusions the International Accounting Standards Board ("IASB") reached on proposals made in its annual improvements project. They contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1.1 Changes in accounting policies and disclosures (continued)

These new standards, amendments and interpretations do not have a material impact on the Group's financial statements.

b) New and amended standards and interpretations, effective for the financial year beginning on or after 1 January 2011 but are not currently relevant to the Group (although they may affect the accounting for future transactions)

The following new standards, amendments and interpretations became effective for the first time for the financial year beginning on or after 1 January 2011 but are currently not relevant to the Group:

Topic	Effective date	Content
IFRIC 14 (amendment)	1 January 2011	IAS 19 – The limit on defined benefit assets, minimum funding requirements and their interaction.
IFRIC 19 (amendment)	1 July 2010	Extinguishing financial liabilities with equity instruments.
IAS 32 (amendment)	1 February 2010	Financial instruments: presentation - classification of rights issues.
IFRS 1 (amendment)	1 July 2010	First-time adoption of IFRS – Limited exemption from comparative IFRS 7 disclosures for first-time adopters.

c) New and amended standards and interpretations that are not yet effective for accounting periods beginning on 1 January 2011 but have been early adopted by the Group

The following new standards, amendments and interpretations that are not yet effective for the financial year beginning on or after 1 January 2011 and have been early adopted by the Group:

Topic	Effective date	Key requirements
Amendments to IFRS 1,	1 July 2011	'First time adoption' on hyperinflation and fixed dates The first amendment replaces references to a fixed date of "1 January 2004" with "the date of transition to IFRSs", thus eliminating the need for an entity adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

The early adoption and application of the IFRS 1 amendment allowed the Group whose functional currency, the Zimbabwe dollar was subjected to severe hyperinflation, and ceased to be subjected to severe hyperinflation on 1 January 2009 when it changed to the US$, to achieve compliance with IFRSs from the year ended 31 March 2011.

d) New and amended standards and interpretations that are not yet effective for the financial year beginning on 1 January 2011 and have not been early adopted by the Group

The following new standards, amendments and interpretations have been issued but are not yet effective and are relevant to the Group:

Topic	Effective date	Content
IFRS 7 (amendment)	1 July 2011	Financial instruments: disclosures – transfer of financial assets. This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. Earlier application is permitted.
IFRS 7 (amendment)	1 January 2013	Financial instruments: disclosures. The amendment requires additional disclosures on transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9: Financial Instruments. Entities who initially apply IFRS 9: (a) before 1 January 2012 need not restate prior periods and are not required to provide the disclosures set out in paragraphs 44S–44W of IFRS 7; (b) on or after 1 January 2012 and before 1 January 2013 must elect either to provide the disclosures set out in paragraphs 44S–44W of IFRS 7 or to restate prior periods; and (c) on or after 1 January 2013 shall provide the disclosures set out in paragraphs 44S–44W of IFRS 7. The entity need not restate prior periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.1 Changes in accounting policies and disclosures (continued)

d) New and amended standards and interpretations that are not yet effective for the financial year beginning on 1 January 2011 and have not been early adopted by the Group (continued)

The following new standards, amendments and interpretations have been issued but are not yet effective and are relevant to the Group (continued):

Topic	Effective date	Content
IFRS 9 (new)	1 January 2013, subsequently deferred to 1 January 2015	Financial instruments IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.
IFRS 9 (new)	1 January 2013, subsequently deferred to 1 January 2015	IFRS 9 (2009) addressed the classification and measurement of only financial assets. IFRS 9 (2010) added the requirements for financial liabilities to those for financial assets. Entities that elect to apply IFRS 9 (2009) before its effective date are not subsequently required to apply IFRS 9 (2010) before its effective date also. Consequently, although IFRS 9 (2010) superseded IFRS 9 (2009). IFRS 9 (2009) can still be applied without IFRS 9 (2010) until the mandatory effective date.
IFRS 10 (new)	1 January 2013	Consolidated financial statements. The objective of IFRS 10 is to establish principles for the preparation and presentation of consolidated financial statements when an entity controls one or more other entity to present consolidated financial statements. Defines the principle of control, and establishes controls as the basis for consolidation. Set out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. Sets out the accounting requirements for the preparation of consolidated financial statements.
IFRS 13 (new)	1 January 2013	Fair value measurement. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.1 Changes in accounting policies and disclosures (Continued)

d) New and amended standards and interpretations that are not yet effective for the financial year beginning on 1 January 2011 and have not been early adopted by the Group (continued)

The following new standards, amendments and interpretations have been issued but are not yet effective and are relevant to the Group (continued):

Topic	Effective date	Content
IAS 1 (amendment)	1 July 2012	'Presentation of financial statements', The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.
IAS 12 (amendment)	1 January 2012	'Income taxes' on deferred tax. IAS 12, 'Income taxes', currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.
IFRS 11 (new)	1 January 2013	Joint arrangements. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
IFRS 12 (new)	1 January 2013	Disclosures of interests in other entities. IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.1 Changes in accounting policies and disclosures (continued)

d) New and amended standards and interpretations that are not yet effective for the financial year beginning on 1 January 2011 and have not been early adopted by the Group (continued)

The following new standards, amendments and interpretations have been issued but are not yet effective and are relevant to the Group (continued):

Topic	Effective date	Content
IAS 27 (revised 2011)	1 January 2013	Separate financial statements. IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
IAS 32 (amendment)	1 January 2014	Financial instruments: presentation. This amendment updates the application guidance in IAS 32, 'Financial instruments: presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendments clarify that the right of set-off must be available today that is, it is not contingent on a future event. It also must be legally enforceable for all counter-parties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also clarify that gross settlement mechanisms (such as through a clearing house) with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement.

e) New and amended standards and interpretations that are not yet effective for the financial year beginning on 1 January 2011

The following new standards, amendments and interpretations have been issued but are not effective and are not relevant to the Group:

Topic	Effective date	Content
IAS 19 (amendment)	1 January 2013	Employee benefits. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.
IAS 28 (revised 2011)	1 January 2013	Associates and joint ventures. IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

There are no other new or amended IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.2 Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current financing.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a charge to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions –that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

(b) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in the United States of America dollar ("US$"), the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that financial position;

2.3 Foreign currency translation (continued)

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions) and

(c) All resulting (material) exchange differences are recognised in other comprehensive income. Goodwill and fair value adjustments on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

2.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both; and that is not occupied by the companies in the Group, is classified as investment property.

Investment property also includes property that is being constructed or developed for future use as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project/property is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- Past experience with similar constructions;
- The development risk specific to the construction; and
- Status of construction permits;

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those rational market participants would take into account when determining the value of the investment property.

Changes in fair value are recognised in the statement of comprehensive income. Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

Where the Group disposes of an investment property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of the transfer is treated in the same way as revaluation under IAS 16, 'Property, Plant and Equipment'. Any resulting increase in the carrying amount of the property is recognised in the profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increases directly to revaluation surplus within equity.

2.4 Investment property (continued)

Any resulting decrease in the carrying amount of the property is initially charged in the comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to statement of comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment comprises of land, buildings, farm equipment, office equipment, computer equipment and motor vehicles. Land and buildings are shown at fair value based on periodic valuations by professional valuers, less subsequent accumulated depreciation for the buildings.

Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they occurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to the residual values over their estimated useful lives, as follows:

Buildings	25 - 40 years
Motor vehicles	5 years
Computer and office equipment	4 years
Farm equipment and implements	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

2.6 Intangible assets

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary ("CB Richard Ellis (Private) Limited"), at the date of acquisition.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or group of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Biological assets

Biological assets consist of cabbages, irish potatoes and strawberries which are valued at cost less accumulated amortisation and accumulated impairment losses.

2.9 Inventories

The Group's inventory arise when there are real estate developments in progress, cleaning equipment for resale, and stationery on hand as at the end of a financial period. Inventories are stated at lower of cost or net realisable value. Cost is determined using the first-in, first out ("FIFO") method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Expenditure on next seasons crops

Directly attributable costs incurred to establish vegetable gardens during the year ended 31 March 2010 are deferred and amortized against revenue realised after harvesting the agricultural produce during the financial year ended 31 March 2011. Cropping programmes where planting commenced in the current year and harvesting is forecasted to be undertaken in the subsequent financial reporting period are deferred until harvesting. The costs incurred are apportioned against volumes harvested.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale.The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents' on the statement of financial position (notes 2.12 and 2.13).

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. At year end the Group did not have financial assets in this category.

2.11.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income. Dividends on available-for sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

2.11.3 Impairment of financial assets

a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("a loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.11.3 Impairment of financial assets (continued)
a) Assets carried at amortised cost

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

2.12 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.14 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.15 Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or at amortised cost as appropriate. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

All loans and borrowings are classified as financial liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Financial liabilities included in trade and other payables are initially recognised at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

2.16 Share capital

Ordinary share capital is classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of

2.16 Share capital (continued)

new shares are shown in equity as a deduction net of tax from the proceeds.

2.17 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

2.18 Current and deferred income tax

The income tax expense comprises current and deferred income tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted on the date of the statement of financial position in the countries where the Group operates and generates income. Management periodically evaluates positions taken in tax returns with respects to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying value of the Group's investment property will be generally be realised by a combination of income (rental stream during the period of use and capital gain on disposal of the investment property). The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the statement of financial position, regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred income tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through use and through sale.

Deferred income tax is provided on temporary differences arising on investment in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.20 Provisions

Provisions for restructuring and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue includes rental income, sale of goods, service charges from properties managed by the Group and income from property trading. Revenue is shown net of value added tax and after eliminating sales within the Group. Revenue is recognised as follows:

Rental income

Rental income is recognised in the accounting period in which the property is occupied by the tenant.

Sale of goods - retail

Sale of goods is recognised when the Group entity sells a product to a customer. Retail sales are usually in cash or short term credit.

Rendering of services

Sale of services are recognised in the accounting period in which the services are rendered.

Interest income

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.23 Employee Benefits

(a) Pensions

The Group operates a defined contribution plan. The Group pays contributions to a privately administered pension fund on mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Short-term employee benefits and compensation absences

Wages, salaries, paid annual leave and sick leave, bonuses and other monetary benefit services are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

(c) National Social Security Authority Scheme

The Group and its employees contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act (Chapter 17:04). The Group obligations under the scheme are limited to specific contributions as legislated from time to time.

(d)Termination benefits

Termination benefits are payable when employment is terminated by the Group before retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

2.24 Other expenses

Expenses which include legal, accounting, auditing and other fees are recognised as expenses in profit or loss in the period in which they are incurred.

2.25 Leases

(a) Where the Group is the lessee in an operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including pre-payments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(b) Where the Group is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the statement of financial position (note 5). See note 2.22 for the recognition of rental income. The Group does not have any finance lease arrangements.

2.26 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared by the directors.

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within limits.

Risk management is carried out by the Executive Committee under policies approved by the Board of Directors. The Executive Committee identifies and evaluates financial risks in close co-operation with the operating units. The Board provides written principles for overall risk management. Key risk management reports are produced monthly at group level and provided to the key management personnel of the Group.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

(i) Foreign exchange risk

The Group operates in the region and is exposed to foreign exchange risk, primarily with respect to the Botswana pula. Foreign exchange risks arise from recognised monetary financial assets and liabilities and future commercial transactions, that are not denominated in the functional currency of the Group

	Pula US$ equivalent	Other US$ equivalent	Total US$ equivalent
As at 31 March 2012			
Financial assets – loans and receivables			
Trade receivables:			
– Receivables from customers	82 640	-	82 640
– Other financial assets	12 967	-	12 967
Cash and cash equivalents	6 281	-	6 281
Total financial assets	**101 888**	**-**	**101 888**
Financial liabilities measured at amortised cost			
Trade and other payables:	-	-	-
– Trade payables	1 664	-	1 664
– Other financial liabilities	80 829	-	80 829
Total financial liabilities	82 493	-	82 493
Net foreign currency exposure	**19 395**	**-**	**19 395**
As at 31 March 2011			
Financial assets – loans and receivables			
Trade receivables:			
– Receivables from customers	-	-	-
– Other financial assets	3 164	-	3 164
Cash and cash equivalents	7 009	-	7 009
Total financial assets	**10 173**	**-**	**10 173**
Financial liabilities measured at amortised cost			
Trade and other payables:			
– Trade payables	1 857	-	1 857
– Other financial liabilities	98 726	-	98 726
Total financial liabilities	100 583	-	100 583
Net foreign currency exposure	**(90 410)**	**-**	**(90 410)**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

The Group manages foreign currency risk on a group basis. The Group's primary method of managing foreign currency risk is to match the Group's principal cash outflows to the currency in which the principal cash inflows are denominated. This is generally achieved by converting all currencies received into US$.

The functional currency of the Group and it's principal subsidiaries is the US$. Only the Botswana incorporated subsidiary has the Botswana pula as its functional currency.

As at 31 March 2012, if the pula weakened/strengthened by 10% (2011: 10%), post-tax profit/(loss) for the year would have been US$1 940 (2011:US$6 713) higher/lower.

(ii) Price risk

The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all financial instruments traded in the market. The Group has no significant exposure to price risks (2011 - US$nil).

(iii) Interest rate risk

The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group does not have long term interest-bearing borrowings issued at variable rate. Short term borrowings have a variable interest rate.

As at 31 March 2012, the Group had no short term borrowings. As at 31 March 2011, if interest rates on short term borrowings had been 5% higher/lower with all other variables held constant, the effect on the pre-tax profit for the year would have been US$22 584 higher/lower. Trade receivables and payables (other than good tenancy deposits) are interest free and have settlement dates within one year. Such risks are subject to a quarterly review by the Audit and Risk Committee.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk arises from cash and cash equivalents held at banks and trade receivables, including rental receivables from lessee. Credit risk is managed on a group basis.

The Group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history. Cash balances are held only with financial institutions with sound capital bases. Such risks are subject to a quarterly review by the Audit and Risk Committee.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group's maximum exposure to credit risk by class of financial asset is as follows:

	2012 US$	2011 US$	2010 US$
Trade receivables, before allowance for impairment:			
- Rent receivable from lessee	170 270	431 516	110 249
- Other financial assets	18 381	65 313	810 735
- Cash and cash equivalents	215 414	115 732	284 621
	404 065	612 561	1 205 605

The fair value of trade receivables and cash and cash equivalents as at 31 March 2012 approximates the carrying amount.

	2012 US$	2011 US$	2010 US$
Trade receivables, gross neither past due nor impaired:			
- Receivables from large companies	170 270	116 084	110 249
- Receivables from small or medium sized companies	27 410	2 688	150 000
Total neither past due nor impaired	**197 680**	**118 772**	**260 249**
Past due but not impaired:			
-less than 60 days overdue	-	194 989	212 237
-61 to 90 days overdue	-	33 157	30 274
-91-120 days	-	1 102	6 722
-more than 120 days	-	74 906	190 670
Total past due but not impaired	**-**	**304 154**	**439 903**
Past due and impaired:			
-less than 60 days overdue	-	-	-
-61 to 90 days overdue	-	-	-
-91-120 days overdue	-	471	389
-More than 120 days overdue	-	8 119	5 996
Total past due and impaired	-	8 590	6 385

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Group holds bank accounts with large financial institutions with sound financial and capital base.

The past due but not impaired and the past due and impaired information for financial years ended 31 March 2011 and 31 March 2010 were for the subsidiaries in the agro and property consultancy operating segments which have now been classified as a disposal group held for sale. The Hotel property operating segment had no trade recievables that were past due for the years ended 31 March 2012, 31 March 2011 and 31 March 2010.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The Group Finance and Investment Committee monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient head-room on its undrawn committed borrowing facilities (note 17) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to short term investments. The Group invests surplus cash in interest bearing current accounts, time deposits, money market deposits and chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above mentioned forecasts. At the reporting date, the Group had no liquid investments except cash held with financial institutions.

The Group's liquidity position is monitored on a weekly basis by the Executive Committee and reviewed quarterly by the Board.

A maturity analysis of financial instruments as at 31 March 2012 is as follows:

	On demand and less than one month US$	From 1 to 12 months US$	From 2 to 5 years US$	Later than 5 years US$	Total US$
As at 31 March 2012					
Assets					
Cash and cash equivalents	215 414	-	-	-	215 414
Trade and other receivables excluding prepayments	488 239	18 331	-	-	506 570
Total assets	**703 653**	**18 331**	**-**	**-**	**721 984**
Liabilities					
Trade and other payables excluding statutory payments	556 508	-	-	-	556 508
Statutory payments	28 110	-	-	-	28 110
Linked unit debentures	-	1 797 486	-	-	1 797 486
Total liabilities	**584 618**	**1 797 486**	**-**	**-**	**2 382 104**
Liquidity gap	119 035	(1 779 155)	-	-	(1 660 120)
Cumulative liquidity gap	**119 035**	**(1 660 120)**	**(1 660 120)**	**(1 660 120)**	**-**

3.1 Financial risk factors (Continued)

(c) Liquidity risk

	On demand and less than one month US$	From 1 to 12 months US$	From 2 to 5 years US$	Later than 5 years US$	Total US$
As at 31 March 2011					
Assets					
Cash and cash equivalents	115 732	-	-	-	115 732
Trade and other receivables excluding prepayments	422 926	65 313	-	-	488 239
Total assets	**538 658**	**65 313**	**-**	**-**	**603 971**
Liabilities					
Trade and other payables excluding statutory payments	485 311	-	-	-	485 311
Statutory payments	43 952	55 353	-	-	99 305
Borrowings	451 677	-	-	-	451 677
Linked unit debentures	-	1 797 486	-	-	1 797 486
Total liabilities	**980 940**	**1 852 839**	**-**	**-**	**2 833 779**
Liquidity gap	(442 282)	(1 787 526)	-	-	(2 229 808)
Cumulative liquidity gap	**(442 282)**	**(2 229 808)**	**(2 229 808)**	**(2 229 808)**	**-**
Assets					
Cash and cash equivalents	284 621	-	-	-	284 621
Trade and other receivables excluding prepayments	277 055	473 767	-	-	750 822
Total assets	**561 676**	**473 767**	**-**	**-**	**1 035 443**
Liabilities					
Trade and other payables excluding statutory payments	596 767	-	-	-	596 767
Statutory payments	-	-	-	-	-
Borrowings	-	-	-	-	-
Linked unit debentures	-	1 797 486	-	-	1 797 486
Total liabilities	**596 767**	**1 797 486**	**-**	**-**	**2 394 253**
Liquidity gap	(35 091)	(1 323 719)	-	-	(1 358 810)
Cumulative liquidity gap	**(35 091)**	**(1 358 810)**	**(1 358 810)**	**(1 358 810)**	**-**

3.2 Capital risk management

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

In order to maintain or adjust capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. The gearing ratios as at 31 March 2012 and the previous year were as follows:

	2012 US$	2011 US$	2010 US$
Linked unit debentures	1 590 696	1 590 696	1 590 696
Borrowings	-	451 677	-
Total borrowings	1 590 696	2 042 373	1 590 696
Less: cash and cash equivalents (note 11)	(475 963)	(115 732)	(284 621)
Net debt	1 114 733	1 926 641	1 306 075
Total equity	77 383 242	77 094 331	62 852 677
Total capital	78 497 975	79 020 972	64 158 752
Gearing ratio	**1.4%**	**2.5%**	**2.1%**

The decrease in the gearing ratio during 2012 is as a result of the decrease in the net debt.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources: unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy;

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non listed equity investments.

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The Group had no financial assets and liabilities carried at fair value as at 31 March 2012 (31 March 2011 - US$nil).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Fair value of investment property

In determining the open market value of investment property, CB Richard Ellis (Private) Limited used the market comparison method.

The economic environment and market conditions experienced in 2011 continued throughout 2012 and the frequency of property transactions (i.e. hotels) on an arm's length basis are non existent in Zimbabwe. For the investment property with a total carrying amount of US$74 250 000 (2011: US74 250 000) the valuation was determined principally using the market comparison method for land values and the depreciated replacement cost for the buildings and improvements. Lease contracts have not been taken into consideration due to the depresssed revenue inflows.

As there is no active market for the hotel properties in Zimbabwe, current prices were drawn from recent transactions of commercial properties in general. The prices were adjusted for contractual, location and inherent differences.

4.1 Critical accounting estimates and assumptions (continued)

(a) Principal assumptions underlying estimation of fair value (continued)

The following rates have been used:	2012 Rate US$/Sqm	2011 Rate US$/Sqm
Construction cost figures;		
Grade 'A' offices	1 300	1 300
Grade 'B' offices	1 100	1 100
Industrial offices	850	800
Industrial factory	650	650
Land comparables:		
Industrial areas	18.00 - 22.00	15.00 - 18.00
High density areas	20.00	12.50 - 16.00
Medium density areas	20.00	12.50 - 16.00
Low density areas	18.00 - 20.00	12.50 - 15.00
Commercial - avenues	275.00	150.00 - 180.00
Central business district	450.00 - 700.00	350.00 - 400.00

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected life cycles for these assets. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Land and buildings category is measured at revalued amounts. The assumptions used are the same as those used in (a) above.

(c) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 7). There has been no impairment charge recognised as at the reporting date. Conservative assumptions have been used in this assessment therefore any reasonable changes in the assumptions are unlikely to result in an impairment charge to goodwill. For example, if the discount rate used in determining the pre-tax discount rate had increased by 10%, the Group would still not have recognised an impairment against goodwill.

4.2 Critical judgements in applying the entities accounting policies

Assets of disposal group held for sale will be recovered at their carrying amounts (note 12).

5 INVESTMENT PROPERTY

	2012 US$	2011 US$	2010 US$
At the beginning of the year	74 250 000	69 300 000	69 300 000
Net gain from fair value gains on investments property	-	4 950 000	-
At the end of the year	**74 250 000**	**74 250 000**	**69 300 000**

Rental income from investment properties in the reporting year totalled US$2 412 041 (2011: US$2 044 007). There were no direct operating expenses relating to investment property because these are borne by the tenant.

The investment properties were valued as at 31 March 2012 by CB Richard Ellis (Private) Limited in accordance with the relevant professional guidelines and statements issued under the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual (the "Red Book") 6th Edition, International Valuations Standards Committee ("IVSC") and the Real Estate Institute of Zimbabwe ("REIZ") Standards. The valuation basis is a market comparison method and conforms to international valuation standards and was arrived at by reference to recent transactions of commercial properties in general adjusted for contractual, location and inherent differences. CB Richard Ellis (Private) Limited a subsidiary of the Company is a related party, therefore is not an independent valuer, but hold recognised and relevant professional qualifications and has recent experience in the relevant location and the category of properties being valued.

Rental income for the investment property is based on room, food and beverages generated by the lessee. The market value of the investment property, as determined by CB Richard Ellis (Private) Limited, a subsidiary of the Group is based on the market values of land and the improvements thereon.

The valuers performed the valuation using the following additional methods: Gross Replacement Cost; Depreciated Replacement Cost (“DRC”), Land value, Land Value plus Depreciated Replacement Cost and Market Value of the freehold interest in the property. The summary of the results are as follows:

Investment property value indicators:	2012 US$	2011 US$	2010 US$
Gross replacement cost	168 818 000	145 033 000	131 530 000
Depreciated replacement cost, buildings only	68 955 000	63 509 000	59 951 000
Existing use value of land	16 430 000	12 860 000	12 000 000
Land value plus depreciated replacement cost	**85 385 000**	**76 369 000**	**71 951 000**
Market value	**74 250 000**	**74 250 000**	**69 300 000**

6 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$	Motor vehicle US$	Computer equipment US$	Office equipment US$	Farm equipment US$	TOTAL US$
Year ended 31 March 2011						
Opening net book amount	7 395 986	485 567	44 150	37 976	656 070	8 619 749
Revaluation gain	2 457 000	-	-	-	-	2 457 000
Additions	320 541	171 803	28 428	22 587	176 646	720 005
Disposals	-	(68 437)	(30)	-	-	(68 467)
Depreciation charge	(35 491)	(184 497)	(14 561)	(7 017)	(77 108)	(318 674)
Closing net book amount	**10 138 036**	**404 436**	**57 987**	**53 546**	**755 608**	**11 409 613**
As at 31 March 2011						
Cost or valuation	10 197 587	808 253	80 128	63 820	841 146	11 990 934
Accumulated depreciation	(59 551)	(403 817)	(22 141)	(10 274)	(85 538)	(581 321)
Net book amount	**10 138 036**	**404 436**	**57 987**	**53 546**	**755 608**	**11 409 613**
Year ended 31 March 2012						
Opening net book amount	10 138 036	404 436	57 987	53 546	755 608	11 409 613
Revaluation gain	153 120	-	-	-	-	153 120
Additions	-	20 541	52 495	8 204	-	81 240
Disposals	-	(6 250)	(4 925)	(31)	-	(11 206)
Transferred to non current assets held for sale and discontinued operations	(2 289 221)	(104 030)	(76 714)	(49 429)	(8 727)	(2 528 121)
Depreciation charge	(17 681)	(162 733)	(20 346)	(6 123)	(31 023)	(237 906)
Closing net book amount	**7 984 254**	**151 964**	**8 497**	**6 167**	**715 858**	**8 866 740**
As at 31 March 2012						
Cost or valuation	7 984 254	282 723	12 020	7 861	755 608	9 042 466
Accumulated depreciation	-	(130 759)	(3 523)	(1 694)	(39 750)	(175 726)
Net book amount	**7 984 254**	**151 964**	**8 497**	**6 167**	**715 858**	**8 866 740**

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's land and buildings were last revalued on 31 March 2012 by a related party, CB Richard Ellis (Private) Limited. Valuations were made on the basis of recent market transactions on arm's length terms. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in the 'revaluation reserve' in shareholders equity. The reserve is not available for distribution to shareholders.

CB Richard Ellis (Private) Limited, a subsidiary of the Company is a related party, therefore is not an independent valuer, but hold recognised and relevant professional qualifications and has recent experience in the relevant location and the category of properties being valued.

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2012 US$	2011 US$
Cost	7 740 587	7 740 587
Accumulated depreciation	(77 232)	(59 551)
Transfer to non-current assets held for sale and discontinued operations	(1 990 101)	-
Net book amount	**5 673 254**	**7 681 036**

There were no impairment charges in 2012 and 2011. In 2012 no borrowing costs were capitalised for property, plant and equipment (31 March 2011: US$ nil). No bank borrowings were secured by land and buildings as at 31 March 2012 (31 March 2011 - US$nil).

7 GOODWILL

Opening net book amount	120 186	120 186
Impairment charge	-	-
Transferred to non-current assets held for sale (note 12)	(120 186)	-
Closing net book amount	**-**	**120 186**

Impairment tests for goodwill

Goodwill is allocated to the property consultancy operating segment. The recoverable amount of the cash generating unit is determined based on value in use calculations. These calculations have used pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond this period have been extrapolated using estimated future growth rates stated below. Key assumptions used for the value in use calculations in 2012 are as follows:

	2012	2011	2010
Growth rate	5%	5%	5%
Discount rate	15%	5%	15%

A growth rate of 5% thereafter has been used consistent with prior years.

8 BIOLOGICAL ASSETS

The Group owns biological assets in the form of irish potatoes, cabbages, peas and strawberries. The agricultural produce is mainly for resale to local markets. The crops are cultivated on land owned or leased by the Group.

	2012 US$	2011 US$	2010 US$
Carrying amount at the beginning of the year	516 630	-	-
Additions during the year	-	1 315 338	-
Decrease due to harvest	(516 630)	(375 560)	-
Amounts written off	-	(423 148)	-
Carrying amount as at the end of the year	**-**	**516 630**	**-**

9 INVENTORIES

	2012 US$	2011 US$	2010 US$
Cleaning equipment for resale	-	146 167	-
Fuel	-	12 856	3 779
Other	-	5 063	13 399
	-	164 086	17 178

10 TRADE AND OTHER RECEIVABLES

	2012 US$	2011 US$	2010 US$
Trade receivables	170 270	431 516	723 343
Less: allowance for impairment on trade receivables	-	(8 590)	(6 385)
Trade receivables - net	170 270	422 926	716 958
Prepayments	9 079	91 015	170 162
Loans to employees	18 331	65 313	29 332
Other receivables	-	-	4 532
	197 680	**579 254**	**920 984**
The fair values of trade and other receivables are as follows:			
Trade receivables	170 270	422 926	716 958
Loans to employees	18 331	65 313	29 332
Other receivables	-	-	4 532
	188 601	**488 239**	**750 822**

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate value of their carrying amounts. Expected cash flows are discounted at current market rates to determine fair values.

Ageing of trade receivables as at 31 March 2012	Gross US$	Impairment US$	Net US$
Fully performing	170 270	-	170 270
Past due 31-60 days	-	-	-
Past due 61-90 days	-	-	-
Past due 91-120 days	-	-	-
More than 120 days	-	-	-
Gross	**170 270**	**-**	**170 270**

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing of trade receivables as at 31 March 2011	Gross US$	Impairment US$	Net US$
Fully performing	118 772	-	118 772
Past due 31-60 days	194 989	-	194 989
Past due 61-90 days	33 157	-	33 157
Past due 91-120 days	1 573	(471)	1 102
More than 120 days	83 025	(8 119)	74 906
	431 516	**(8 590)**	**422 926**

Movements on the Group's allowance for impairment of trade receivables are as follows:

	2012 US$	2011 US$	2010 US$
At the beginning of the year	8 590	6 385	-
Receivables impairment for the year	-	8 590	6 385
Receivables written off during the year as uncollectable	(8 590)	(6 385)	-
At the end of the year	**-**	**8 590**	**6 385**

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2012 US$	2011 US$	2010 US$
Trade and other receivables denominated in the US$	**188 601**	**488 239**	**750 822**

11 CASH AND CASH EQUIVALENTS

	2012 US$	2011 US$	2010 US$
Cash and cash equivalents - cash flow statement	475 962	115 732	284 621
Transferred to disposal group classified as held for sale (note 12)	(260 548)	-	-
Cash and cash equivalents - statement of financial position	**215 414**	**115 732**	**284 621**

12 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The assets and liabilities of CB Richard Ellis (Private) Limited, CBRE (Proprietary) Limited t/a CBRE Regional, Dawn Produce (Private) Limited and Property Facilities Systems (Private) Limited have been presented as discontinued operations following approval by the Company's Board of Directors on 06 June 2011 to discontinue operations of these companies to concentrate on core business of leasing and developing property. Ekodey (Private) Limited has been presented as held for sale following the approval of the Company's Board of Directors on 06 June 2011 to sell the property. The completion date of the transactions is expected to be before 31 March 2013.

The assets held for sale include land and buildings for Ekodey (Private) Limited, movable farming equipment for Dawn Produce (Private) Limited, cleaning equipment for Property Facilities Systems (Private) Limited and motor vehicles and office equipment for CB Richard Ellis (Private) Limited.

The reportable segments in which the non-current assets (or disposal group) are presented in accordance with IFRS 8, 'Operating Segments' are Agro for Dawn Produce (Private) Limited, Property consultancy for CB Richard Ellis (Private) Limited, CBRE (Pty) Ltd t/a CBRE Regional and Property facilities Systems (Private) Limited and Ekodey (Private) Limited is in hotel property segment.

12 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

The assets are expected to be sold at carrying amount of the assets.

	CB Richard Ellis (Private) Limited	CBRE (Pty) Ltd t/a CBRE Regional	Property Facilities Systems (Private) Limited	Dawn Produce (Private) Limited	Ekodey (Private) Limited	TOTAL
	US$	US$	US$	US$	US$	US$
(a) Assets of disposal group classified as held for sale as at 31 March 2012						
Property, plant and equipment	245 585	852	24 117	257 566	2 000 000	2 528 120
Goodwill	120 186	-	-	-	-	120 186
Deferred income tax asset	-	-	107 951	-	-	107 951
Inventories	22 170	-	122 560	16 480	-	161 210
Other current assets	133 759	95 607	46 224	7 771	-	283 361
Cash and cash equivalents	247 547	6 281	1 660	5 060	-	260 548
	769 247	**102 740**	**302 512**	**286 877**	**2 000 000**	**3 461 376**
(b) Liabilities of disposal group classified as held for sale as at 31 March 2012						
Trade payables	245 569	1 664	139 880	6 645	-	393 758
Other current liabilities	196 813	99 374	63 636	9 844	-	369 667
Provisions	242 030	-	-	-	-	242 030
Deferred income tax liability	28 393	739	-	-	14 956	44 088
	712 805	**101 777**	**203 516**	**16 489**	**14 956**	**1 049 543**

(c) Cumulative income or expense recognised in other comprehensive income relating to disposal group classified as held for sale and discontinued operations.

For the year ended 31 March 2012	CB Richard Ellis (Private) Limited	CBRE (Pty) Ltd t/a CBRE Regional	Property Facilities Systems (Private) Limited	Dawn Produce (Private) Limited	Ekodey (Private) Limited	TOTAL
-Gains on revaluation of land and buildings	-	-	-	-	299 120	299 120
-Deferred income tax relating to components of other comprehensive income	-	-	-	-	(14 956)	(14 956)
	-	**-**	**-**	**-**	**284 164**	**284 164**

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group, is as follows:

For the year ended 31 March 2011	CB Richard Ellis (Private) Limited	CBRE (Pty) Ltd t/a CBRE Regional	Property Facilities Systems (Private) Limited	Dawn Produce (Private) Limited	Ekodey (Private) Limited	TOTAL
Revenue	2 741 183	-	625 103	328 520	-	3 694 806
Cost of goods sold	-	-	(1 311 771)	(268 133)	-	(1 579 904)
Other income	140 653	-	102	-	-	140 755
Expenses	(2 195 195)	-	(836 915)	(312 921)	(24 060)	(3 369 091)
Profit/(loss) before income tax of discontinued operations	686 641	-	(1 523 481)	(252 534)	(24 060)	(1 113 434)
Income tax expense	(34 843)	-	(36 990)	66 380	-	(5 453)
Profit for the year from discontinued operations	**651 798**	**-**	**(1 560 471)**	**(186 154)**	**(24 060)**	**(1 118 887)**

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(d) Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group, (continued)

For the year ended 31 March 2012	CB Richard Ellis (Private) Limited US$	CBRE (Pty) Ltd t/a CBRE Regional US$	Dawn Produce (Private) Limited US$	Property Facility Systems (Private) Limited US$	Ekodey (Private) Limited US$	TOTAL US$
Revenue	2 734 506	129 641	872 386	451 096	-	4 187 629
Other income	129 507	-	-	21	-	129 528
Expenses	(2 892 502)	(3 536)	(2 305 405)	(612 418)	(69 387)	(5 883 247)
Profit/(loss) before income tax of discontinued operations	(28 489)	126 105	(1 433 019)	(161 301)	(69 387)	(1 566 090)
Income tax expense	(73 254)	-	-	41 571	-	(31 683)
Profit for the year from discontinued operations	**(101 743)**	**126 105**	**(1 433 019)**	**(119 730)**	**(69 387)**	**(1 597 773)**

(e) Analysis of cash flows of disposal group classified as held for sale as at 31 March 2012

	CB Richard Ellis (Private) Limited US$	CBRE (Pty) Ltd t/a CBRE Regional US$	Dawn Produce (Private) Limited US$	Property Facility Systems (Private) Limited US$	Ekodey (Private) Limited US$	TOTAL US$
Operating cash flows	330 816	126 105	(158 497)	(1 379 245)	(21 267)	(1 102 088)
Investing cash flows	(53 576)	-	(979)	-	-	(54 555)
Financing cash flows	-	-	-	-	-	-
Total cash flows	**277 240**	**126 105**	**(159 476)**	**(1 379 245)**	**(21 267)**	**(1 156 643)**

13 SHARE CAPITAL

	2012 Number	2011 Number
Authorised		
Ordinary shares of a nominal value of US$0,000008 issued, and fully paid	4 000 000 000	4 000 000 000

	Number of shares	Ordinary shares US$	Share premium US$	Total US$
Year ended 31 March 2012				
At the beginning of the year	2 457 172 108	18 156	17 680 929	17 699 085
Issued during the year	-	-	-	-
At the end of the year	**2 457 172 108**	**18 156**	**17 680 929**	**17 699 085**
Year ended 31 March 2011				
At the beginning of the year	2 457 172 108	18 156	17 680 929	17 699 085
Issued during the year	-	-	-	-
At the end of the year	**2 457 172 108**	**18 156**	**17 680 929**	**17 699 085**

13 SHARE CAPITAL (CONTINUED)

The unissued shares are under the control of the directors. The directors are authorised to allot or dispose of unissued shares under their control at their discretion in accordance with the provisions of the Articles of Association and Memorandum of the Company, the Zimbabwe Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange listing requirements. The redenomination of share capital was approved by the Registrar of Companies on 2 February 2011.

14 LINKED UNIT DEBENTURES

	2012 Number	2011 Number	2010 Number
Authorised			
Debentures with a nominal value of US$.00073 each.	4 000 000 000	4 000 000 000	4 000 000 000

	Number of debentures	2012 US$	2011 US$	2010 US$
Issued				
At the beginning of the year	2 457 172 108	1 797 486	1 797 486	1 797 486
Liability component of debentures		1 590 696	1 590 696	1 590 696
Equity component of debentures		206 790	206 790	206 790
Issued during the year	-	-	-	-
At the end of the year	**2 457 172 108**	**1 797 486**	**1 797 486**	**1 797 486**

The unissued debentures are under the control of directors. The directors are authorised to issue the debentures under their control in accordance with the provisions of the linked units trust deed. The debentures bear interest at a rate determined by and at the sole discretion of the directors, and is payable in arrears on 31 August and 28 February in each year, for the six month period calculated up to and including 30 June and 31 December respectively.

For the year ended 31 March 2012, interest on debentures was US$ nil (2011 - US$ nil).

There are no fixed repayment terms, however the debentures together with all the interest accrued thereon shall become immediately payable on any of the events occurring:

-If the Company defaults in the payments of any interest on the debentures and continues such default more than fourteen days after receipt of a written notice from the Trustees demanding payment;

-If the Company commits breach of any obligations under the deed and within twenty one days after the receipt of notice in writing from the Trustees requiring the breach be remedied, fails to remedy the breach;

-If a final order shall be made to or an effective resolution is passed for the winding up of the Company other than winding up for purposes of reconstruction;

-If any final order shall be made placing the Company under the judicial management;

-If any material assets of the Company are attached under a writ of execution issued by any court and the writ is not satisfied within seven days after the attachment has come to the notice of the Directors of the Company;

-If the Company, without the prior consent of the Trustees, makes any alterations in the provisions of its Memorandum or Articles of Association which in the Trustee's reasonable opinion detrimentally affects the interest of the linked unit holder or could do so;

-If the Company, without prior written consent, by way of an ordinary resolution of linked unit holders, changes its issued share capital resulting in a change in the debt to equity ratio; and

-If the Company, without the prior written consent of the Trustee, convenes a meeting of the Company or any of its subsidiaries to consider the passing of a resolution authorising the alienation, sale or disposal of the whole or major part of the undertaking of the Company or its subsidiaries or to reduce the issued and paid up share capital of the Company.

14 LINKED UNIT DEBENTURES (CONTINUED)

The debentures had a nominal value in Zimbabwe dollars. However the Zimbabwe dollar was demonetised in 2009. As such the debentures US$ amount has been derived from using the exchange rate at the date of issuance, pending formal redenomination.

The debentures may be converted at any time at the instance of the Company by a special resolution of the linked unit holders. Upon the passing of a special resolution for the conversion of the debentures, all the debentures in issue shall be converted into ordinary shares in the capital of the Company at a conversion rate of ninety-nine ordinary shares of one cent each for every debenture of ninety-nine cents.

15 DEFERRED INCOME TAX

	2012 US$	2011 US$
The analysis of deferred income tax assets and liabilities is as follows:		
Deferred income tax assets:		
-Deferred income tax asset to be recovered more than 12 months	(107 951)	(66 380)
-Deferred income tax asset to be recovered within 12 months	-	-
Transferred to disposal group classified as held for sale (note 12)	107 951	-
	-	(66 380)

	2012 US$	2011 US$
Deferred income tax liabilities:		
-Deferred income tax liability to be recovered after more than 12 months	-	-
-Deferred income tax liability to be recovered within 12 months	7 036 619	7 236 308
Transferred to disposal group classified as held for sale (note 12)	(44 088)	-
	6 992 531	7 236 308
Deferred income tax liabilities (net)	**6 992 531**	**7 169 928**

	2012 US$	2011 US$
The gross movement on deferred income tax account is as follows:		
At the beginning of year	7 169 929	13 680 409
Statement of comprehensive income (credit)/charge	(248 625)	(6 633 330)
Tax charge/(credit) relating to components of other comprehensive income	7 656	122 850
Transferred to disposal group classified as held for sale (note 12)	107 951	-
Transferred to disposal group classified as held for sale (note 12)	(44 088)	-
Other movements	(292)	-
At the end of the year	**6 992 531**	**7 169 929**

15 DEFERRED INCOME TAX (CONTINUED)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the off-setting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities	**Accelerated tax depreciation US$**	**Fair value gains US$**	**Revaluation gains US$**	**Other US$**	**Total US$**
As at 1 April 2010	(39 441)	13 719 850	-	-	13 680 409
Charged/(credited) to the income statement	(6 893 097)	247 500	-	78 646	(6 566 951)
Charged/(credited) to other comprehensive income	-	-	122 850	-	122 850
As at 31 March 2011	**(6 932 538)**	**13 967 350**	**122 850**	**78 646**	**7 236 308**
As at 1 April 2011	(6 932 538)	13 967 350	122 850	78 646	7 236 308
Charged/(credited) to the income statement	(206 702)	-	-	(44 731)	(251 433)
Charged/(credited) to other comprehensive income	-	-	7 656	-	7 656
As at 31 March 2012	**(7 139 240)**	**13 967 350**	**130 506**	**33 915**	**6 992 531**

Deferred income tax assets	**Assessed tax losses**	**Other**	**Total**
As at 1 April 2010	-	-	-
Charged/(credited) to the income statement	(66 380)	-	(66 380)
As at 31 March 2011	(66 380)	-	(66 380)
As at 1 April 2011	(66 380)		(66 380)
Charged/(credited) to the income statement	(41 571)	-	(41 571)
As at 31 March 2012	**(107 951)**	-	**(107 951)**

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future profits is probable. The Group did not recognise deferred income tax assets amounting to US$775 249 (2011:US$235 793) in respect of assessable tax losses amounting to US$3 010 677 (2010: US$915 700) that can be carried forward for use against future taxable income. The losses are in respect of Dawn Produce (Private) Limited.

16 TRADE AND OTHER PAYABLES

	2012 US$	2011 US$	2010 US$
Trade payables	20 734	280 234	204 928
Other payables	68 572	304 384	391 838
	89 306	584 618	596 766

The fair value of trade and other payables approximates the carrying values presented.

17 BORROWINGS

Current

	2012 US$	2011 US$	2010 US$
Bank borrowings	-	451 677	-

A composite multi-purpose facility comprising; revolving acceptance credits; cash advance; offshore finance; guarantees and call or foreign currency denominated loans. The borrowings bear an average interest rate of 5% above the minimum lending rate calculated on the daily balance outstanding.

The fair value of the Group's borrowings equals their carrying amount, as the impact of discounting is not significant.

	2012 US$	2011 US$	2010 US$
On demand or less than one month	-	451 677	-

18 INVESTMENT IN SUBSIDIARIES

	2012 US$	2011 US$	2010 US$
At the beginning of the year	19 503 998	19 503 998	17 974 758
Acquisition of subsidiaries	-	-	1 529 240
At the end of the year	**19 503 998**	**19 503 998**	**19 503 998**

Dawn Properties Limited subsidiaries are listed in the table below:

Name	Country of incorporation	% of equity interest 2012	% of equity interest 2011
Dawn Real Estate (Private) Limited	Zimbabwe	100%	100%
Nhaka Properties (Private) Limited	Zimbabwe	100%	100%
Calpine Investments (Private) Limited	Zimbabwe	100%	100%
Gold Coast Properties (Private) Limited	Zimbabwe	100%	100%
Laclede Investments (Private) Limited	Zimbabwe	100%	100%
CB Richard Ellis (Private) Limited	Zimbabwe	100%	100%
CBRE (Proprietary) Limited t/a CBRE Regional	Botswana	100%	100%
Property Facilities Systems (Private) Limited	Zimbabwe	100%	100%
Dawn Produce (Private) Limited	Zimbabwe	70%	70%
Lipthong Investments (Private) Limited	Zimbabwe	100%	100%
Ekodey (Private) Limited	Zimbabwe	76%	76%
Flemflora (Private) Limited	Zimbabwe	100%	100%

During the year, certain companies in the Group entered into transactions with other companies in the Group. These intra-group transactions have been eliminated on consolidation.

19 CORRECTION OF PRIOR PERIOD ERROR

During the year, the Group identified an error in the opening balance of the linked unit debentures. The linked unit debentures were recorded in total under non-current liabilities instead of being split into equity and liability components as it is a compound instrument with a conversion option. This resulted in an overstatement of non-current liabilities and understatement of equity. The financial statements includes three statements of financial position, as a result of the retrospective correction of the above error. The effect of this restatement on the 2010 and 2011 financials is shown below:

	Equity and liabilities		
Effect on consolidated statement of financial position and changes in equity	**Other reserves US$**	**Linked unit debenture US$**	**Total US$**
Balance as at 1 April 2009 (as previously reported)	-	1 797 486	1 797 486
Correction of equity component of debenture included in non-current liabilities	206 790	(206 790)	-
Balance as at 31 March 2010 as restated	206 790	1 590 696	1 797 486
Tax effect of correction of errors	-	-	-
Balance as at 31 March 2010	**206 790**	**1 590 696**	**1 797 486**
Balance as at 1 April 2010 (as previously reported)	-	1 797 486	1 797 486
Correction of equity component of debenture included in non-current liabilities	206 790	(206 790)	-
Balance as at 31 March 2011 as restated	206 790	1 590 696	1 797 486
Tax effect of correction of errors	-	-	-
Balance as at 31 March 2011	**206 790**	**1 590 696**	**1 797 486**

20 REVENUE

	2012 US$	**2011 US$**
Operating lease rentals	2 412 041	2 044 007

21 OTHER INCOME

	2012 US$	2011 US$
Loss on sale of property plant and equipment	(581)	-
Sundry income	54 775	154
Total	**54 194**	**154**

22 EXPENSES BY NATURE

	2012 US$	2011 US$
Employee benefit expenses	362 282	383 395
Depreciation, amortisation and impairment charges	59 346	57 313
Audit fees	96 377	127 925
Directors fees	76 000	62 375
Travelling expenses	35 839	50 697
Telephone and fax	19 468	17 672
Staff training and security	40 475	71 856
Advertising and commissions	20 174	26 301
Motor vehicle expenses	39 948	40 755
Rent, repairs and maintenance	25 635	46 458
Consultancy	78 186	62 739
Electricity and water	65 404	16 518
Insurance	73 918	9 697
Legal	19 320	-
Other expenses	160 804	115 320
Total cost of sales and administration expenses	**1 173 176**	**1 089 021**

Employee benefits expenses	2012 US$	2011 US$
Salaries and wages	245 748	275 380
Social security costs	27 932	33 305
Medical aid	14 334	20 959
Other	74 268	53 751
Total	**362 282**	**383 395**
Number of employees at reporting date for continuing operations	**6**	**9**

23 FINANCE INCOME AND COSTS

	2012 US$	2011 US$
Interest expense on bank borrowings	(113 486)	(17 218)
Interest income on short term deposits.	2 194	-
Finance costs - net	**(111 292)**	**(17 218)**

24 PROFIT BEFORE INCOME TAX

	2012 US$	2011 US$
Profit before tax from continuing operations	1 181 767	5 887 923
Loss before tax from discontinued operations	(1 566 090)	(1 113 434)
Profit before income tax	**(384 323)**	**4 774 489**

25 INCOME TAX CREDIT

	2012 US$	2011 US$
Total current income tax on profits for the year	8 987	27 614
Deferred income tax (note 15)		
-Total deferred income tax origination and reversal of temporary differences	(190 081)	(6 633 330)
Income tax credit	**(181 094)**	**(6 605 716)**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of 25.75% (31 March 2011 - 25.75%) on the applicable profits of the Group as follows:

	2012 US$	2011 US$
Profit before income tax	1 181 767	4 774 489
Tax calculated at domestic rates applicable to profits	304 305	1 229 431
Tax effects of :		
– Income taxed at capital gains tax rate (fair value gain):	-	(1 027 125)
– Finance income	-	(11 370)
– Income not subject to tax	-	(6 100)
– Effect of unrecognised assessable tax losses	(3 572)	(1 693 513)
– Expenses not deductible for tax purposes	38 051	22 475
– Recognised assessable tax losses	-	(4 765 782)
– Effect of temporary differences on which capital gains tax rate was applied	(521 655)	-
– Other	1 777	-
– Effect of changes in income tax values	-	(353 732)
Income tax credit	**(181 094)**	**(6 605 716)**

The Group has no tax-related contingent liabilities and contingent assets in accordance with IAS 37, Provisions, contingent liabilities and contingent assets.

26 OPERATING LEASE

The Group leases investment properties to African Sun Limited under various lease agreements with the following terms:

Property	Investment property fair value 2012 US$	Investment property fair value 2011 US$	Initial lease date	Expiry date for the first 10year period	Effective period of lease including renewal period	Lease payment 10% of
Carribea Bay Sun	3 400 000	3 400 000	08.08.2003	2013	50years	Trading revenue*
Carribea Bay Marina	2 700 000	2 700 000	15.09.2006	2013	50years	Trading revenue
Crowne Plaza Monomotapa	18 800 000	18 800 000	08.08.2003	2013	50years	Trading revenue
Elephant Hills Resort and Conference Centre	28 200 000	28 200 000	08.08.2003	2013	50years	Trading revenue
Express by Holiday Inn	6 000 000	6 000 000	15.09.2006	2013	50years	Trading revenue*
Great Zimbabwe Hotel	1 800 000	1 800 000	15.09.2006	2013	50years	Trading revenue
Holiday Inn Mutare	4 400 000	4 400 000	15.09.2006	2013	50years	Trading revenue
Hwange Safari Lodge	4 200 000	4 200 000	15.09.2006	2013	50years	Trading revenue
Lake View Inn (Not operational)	650 000	650 000	08.08.2003	2013	50years	n/a
Troutbeck Sun	4 100 000	4 100 000	15.09.2006	2013	50years	Trading revenue*
	74 250 000	**74 250 000**				

26 OPERATING LEASE (CONTINUED)

There are no contingent payments under all the lease agreements above.

Trading revenue* - lease rental based on 10% trading revenue and 5% on food and beverage revenue.

For the purpose of determining rental income, trading revenue is defined as follows;

-All revenues from accommodation;
-All revenues from sale of goods in the kiosk(s) or shop(s) operated by the lessee on the property;
-All rentals receivable by the lessee from space sub-let by the lessee within the property;
-All fees, charges and other revenue derived from all sporting, entertainment, tourist facilities, amenities and services: provided by the lessee on the property or in connection with the lessee's business conducted thereon;
-All revenue earned by the lessee from casino operations conducted by the lessee on the property; and
-All surcharges levied by the lessee on its foreign customers and excludes:
-Any sums received or receivable in respect of sales tax, bed levies or any other government tax, levy, charge and the like that are collected by the lessee and charged to its customers;
-Telephone and other similar guest services provided by the lessee, the recovery whereof is primarily for the purposes of recouping costs; and
-Any debts written off which should be deducted, provided that should any amounts so written off be subsequently recovered, they shall be added back to trading turnover.

The signed lease agreements are ten year leases and the lessee has the right to renew the leases for four ten year periods resulting in a 50 year effective lease period. Future minimum lease payments could not be determined as rentals are based on revenue as generated by African Sun Limited.

27 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The committee considers the business from a service and product perspective. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker.

The reportable operating segments derive their revenue primarily from rental income from lessees, property valuation and management and sales of agricultural produce. The committee assesses the performance of the operating segments based on a measure of operating profit.

The Group has determined that its chief operating decision maker is the Executive Committee of the Group.

The Executive Committee considers the business based on the following operation segments:

-Hotel property
-Property consultancy, and
-Agro

27 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 March 2012 is as follows:

	Hotel property		Property consultancy		Agro		Total	
	US$	US$	US$	US$	US$	US$	US$	US$
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue - external customers	2 412 041	2 044 007	3 315 243	3 087 897	872 386	606 909	6 599 670	5 738 813
Fair value gain	-	4 950 000	-	-	-	-	-	4 950 000
Operating profit/(loss)	1 293 059	5 905 141	(133 071)	410 047	(1 433 019)	(1 523 481)	(273 031)	4 791 707
Income tax credit/(expense)	181 094	(6 621 576)	(31 683)	15 860	-	-	149 411	(6 605 716)
Included in operating profit								
Depreciation	59 346	57 313	124 786	139 435	53 774	121 926	237 906	318 674
Non current assets								
Investment property	74 250 000	74 250 000	-	-	-	-	74 250 000	74 250 000
Property, plant and equipment	8 866 740	10 225 349	2 270 555	290 620	257 566	893 644	11 394 861	11 409 613
Deferred income tax assets	-	-	107 951	66 380	-	-	107 951	66 380
Goodwill	-	-	120 186	120 186	-	-	120 186	120 186
Current assets								
Biological assets	-	-	-	-	-	516 630	-	516 630
Inventories	-	-	144 730	164 086	16 480	-	161 210	164 086
Next season's crops	-	-	-	-	-	-	-	-
Trade and other receivables	197 680	272 411	275 590	275 839	7 770	31 004	481 040	579 254
Cash and cash equivalents	215 414	39 431	255 487	65 642	5 061	10 659	475 962	115 732
Total assets	**83 529 834**	**84 787 191**	**3 174 499**	**982 753**	**286 877**	**1 451 937**	**86 991 210**	**87 221 881**
Total liabilities	**8 672 533**	**9 632 338**	**846 027**	**145 763**	**203 516**	**85 198**	**9 722 076**	**9 863 299**
Total liabilities includes :								
Deferred income tax	6 992 531	7 182 612	44 088	53 696	-		7 036 619	7 236 308

27 SEGMENT INFORMATION (CONTINUED)

Reconciliations between the totals of reportable segments to the corresponding items reported by the entity in its financial statements:

	US$ 2012	US$ 2011
Total revenue		
Total revenues for reportable segments	6 599 670	5 738 813
Elimination of revenues from discontinuing operations (note 12)	(4 187 629)	(3 694 806)
Entity's revenue	**2 412 041**	**2 044 007**
Operating profit		
Total operating (loss)/profit for reportable segments	(273 031)	4 791 707
Elimination of operating loss from discontinuing operations (note 12)	1 566 090	1 113 434
Operating profit for continuing operations	**1 293 059**	**5 905 141**

All entities are domiciled in Zimbabwe except CBRE (Proprietery) Limited t/a CBRE Regional. The revenue from external customers in Zimbabwe is US$6 599 670 (2011: US$5 609 173) and the total revenue from external customers from other countries is US$nil (2011: US$129 640).

The total of non-current assets other than financial instruments and deferred income tax assets located in Zimbabwe is US$85 765 047 (2010: US$85 752 247) and the total of these non-current assets located in other countries is US$852 (2010: US$951).

Revenue of approximately US$2 412 041 (2010: US$2 044 007) are derived from a single external customer. These revenues are attributable to the hotel property segment. There were no inter-segment revenues as all sales are to external customers.

28 EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2012	2011
Profit attributable to shareholders in US$	211 646	11 700 714
Weighted average number of ordinary shares in issue	2 457 172 108	2 457 172 108
Basic earnings per share (US cents per share)	0.01	0.48

(b) Diluted

Linked unit debentures with a conversion option are dilutive, however there is no effect on earnings per share per existing ordinary shareholder as the potential shares are awarded proportionately to the number of existing ordinary shares held. If the conversion is to happen each existing ordinary shareholder will receive 99 ordinary shares for each linked unit debenture held.

29 COMMITMENTS

The Group has no capital commitments outstanding at year end (March 2011 - US$nil) in respect of purchases of property, plant and equipment, investment property and intangible assets.

30 CONTINGENCIES

The Group has no significant contingent liabilities as at 31 March 2012 (31 March 2011 - US$nil).

31 RELATED PARTY TRANSACTIONS

The Group leases out all its hotels to African Sun Limited who have a 16.54% stake in the Group. The leases are structured in a commercial way so as to charge market related turnover rentals.

The following transactions were carried out with related parties:

	2012 US$	2011 US$
31.1 Lease rentals		
Lease rentals (note 20)	2 412 041	2 044 007
Outstanding lease rentals	170 270	116 084

31.2 Key management compensation

Key management includes executive directors of the Group and its subsidiary companies, the Group finance executive and the Company secretary. The compensation paid to key management for employee services are shown below:

	2012 US$	2011 US$
Salaries and other short-term employee benefits	256 376	293 542

31.3 Year end balances arising from provision of services

	2012 US$	2011 US$
Receivables from related parties		
African Sun Limited	170 270	116 084

The receivables from related parties arise mainly from the leasing of hotel properties and are due within one month from the date of the invoice. The receivables are unsecured in nature and bear no interest. No impairment allowances are held against receivables from related parties (2011: US$nil)

31.4 Consultancy fees paid to non-executive directors

	2012 US$	2011 US$
Consultancy fees	84 000	-

32 RETIREMENT BENEFIT OBLIGATION

The Group and all employees contribute to the following independently administered pension funds:

Dawn Properties Limited pension and life assurance scheme

The fund is a fully funded, uninsured, consolidated scheme consisting of a defined contribution plan. All employees are members of this fund and they all contribute to a defined contribution plan.

National Social Security Authority Scheme

The Group and its employees contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Statutory Act (Chapter 17:04). The Group's obligations under this scheme are limited to the specific contributions legislated from time to time. These are 3% of US$200 per employee maximum.

33 DIRECTORS SHAREHOLDING

	2012 Number of shares	2011 Number of shares
C.A Mataure	-	5 000
M. Manyika	8 610 846	8 610 846
S. A. Munyeza	-	8 675 518
	8 610 846	**17 291 364**

34 EVENTS AFTER THE REPORTING PERIOD

The were no significant events after reporting period that have a bearing on the understanding of the group financial statements.

ANALYSIS OF SHAREHOLDERS AS AT 31 MARCH 2012

Shareholder distribution	Number of shareholders	%	Issued shares	% of total
1-5000	5 896	67.41%	7 771 525	0.32%
5001 - 10000	892	10.20%	6 393 954	0.26%
10001 - 25000	745	8.52%	12 031 941	0.49%
25001 - 50000	426	4.87%	14 987 925	0.61%
50001 - 100000	271	3.10%	19 085 934	0.78%
100001 - 200000	148	1.69%	21 152 558	0.86%
200001 - 500000	136	1.55%	43 922 778	1.79%
500001 - 1000000	86	0.98%	60 777 631	2.47%
1000001 and above	147	1.68%	2 271 047 862	92.42%
TOTAL	**8 747**	**100.00%**	**2 457 172 108**	**100.00%**

ANALYSIS BY INDUSTRY

INDUSTRY				
Local companies	814	9.31%	1 268 897 107	51.64%
Local nominees	144	1.65%	403 671 845	16.43%
Foreign companies	12	0.14%	231 800 098	9.43%
Pension funds	164	1.88%	177 514 452	7.22%
Foreign nominees	62	0.71%	158 177 366	6.44%
Local individual resident	7 065	80.77%	89 720 331	3.65%
New non resident	181	2.07%	38 047 935	1.55%
Fund managers	47	0.54%	36 602 812	1.49%
Banks	5	0.06%	19 947 612	0.81%
Charitable and trusts	109	1.25%	16 600 399	0.68%
Insurance companies	25	0.29%	9 064 386	0.37%
Investments	62	0.71%	5 748 756	0.23%
Deceased estates	54	0.62%	1 205 871	0.05%
Government/Quasi - government	2	0.00%	166 205	0.01%
Foreign individuals resident	1	0.00%	6 933	0.00%
TOTAL	**8 747**	**100%**	**2 457 172 108**	**100%**

TOP 10 SHAREHOLDERS

Rank	Shareholder	Issued shares	% total
1	African Sun Limited	406 466 976	16.54%
2	Stanbic Nominees (Private) Limited	290 708 990	11.83%
3	Old Mutual Life Assurance Company Limited	270 908 395	11.03%
4	Tanvest (Private) Limited	227 297 894	9.25%
5	Fed Nominees (Private) Limited	193 011 704	7.86%
6	Old Mutual Zimbabwe Limited	178 218 613	7.25%
7	Federated Properties (1992) Limited	83 760 353	3.41%
8	Equivest Nominees (Private) Limited	61 579 945	2.51%
9	Datvest Nominees (Private) Limited	46 107 666	1.88%
10	National Social Security Authority (NSSA NPS)	45 249 544	1.84%
11	Other shareholders	653 862 028	26.60%
		2 457 172 108	**100%**

Share price information

	US cents
Total	
31 March 2011	0.77
31 March 2012	0.99

Non public shareholders are defined in the Zimbabwe Stock Exchange Listing Requirements, which requires disclosure of public and non public shareholders, as follows;

- The directors of the Company;
- An associate director of the Company or any subsidiaries;
- The Trustees of any employee' share scheme or pension fund established for the benefit of any director or employees of the Company and its subsidiaries;
- Any person who, by virtue of any agreement, has the right to nominate a person to the board of the Company; or
- Any person who, is interested in more than 10% or more of the securities of the Company of the relevant class unless exempted by the committee.

African Sun Limited, Old Mutual Life Assurance Company Limited, Barclays Bank of Zimbabwe Nominees (Private) Limited and the directors shareholding disclosed in note 33 to the consolidated financial statements are categorised as non-public shareholders of the Company.

Notice to Members

NOTICE IS HEREBY GIVEN that the ninth Annual General Meeting of members will be held in the Kariba Room A at Holiday Inn Harare, Corner 5th Street and Samora Machel Avenue, Harare on Wednesday 26th of September 2012 at 1000 hours, for the purpose of transacting the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements for the year ended 31 March 2012 together with the Report of the Directors and Auditors thereon.

2. To appoint Directors.

   In terms of the articles of association, Messrs T.P. Chimuriwo and P. Gwatidzo retire by rotation at the forthcoming Annual General Meeting and being eligible they offer themselves for re-election.

   Messrs Bekithemba Ndebele and Messrs George Manyere and Vernon W. Lapham were appointed as directors of the Company on 29 May 2012 and 6 August 2012 respectively. They retire at the next Annual General Meeting and being eligible they offer themselves for re-election.

3. To approve the remuneration of the auditors for the financial year ended 31 March 2012 and to appoint auditors of the company for the ensuing year.

4. To approve the remuneration of the Directors.

5. To transact all such other business as may be conducted at an Annual General Meeting.

Proxies

Members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not be a member of the company.

Proxy forms must reach the company's registration office not less than 48 hours before the meeting.

By Order of the Board

N.M. Tome (Mrs)
Company Secretary **29 June 2012**

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