CHOBE HOLDINGS LIMITED

ANNUAL REPORT & GROUP FINANCIAL STATEMENTS **2013**

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for the year ended 28 February 2013

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Corporate Information

for the year ended 28 February 2013

Nature of business:
Chobe Holdings Limited owns and operates, through its wholly owned subsidiaries, ten eco-tourism lodges and camps on leased land in Northern Botswana and the Caprivi Strip in Namibia with a combined capacity of 290 beds under the brands Desert & Delta Safaris and Ker & Downey Botswana. Safari Air, a wholly owned air charter operator, provides air transport services to the group's camps and lodges. Desert and Delta Safaris (SA) (Pty) Ltd, another wholly owned subsidiary operating in South Africa, provides reservation services to the group.

Incorporated in Botswana

Company number:	4543
Date of incorporation:	31 May 1983

Company Secretary:
R Gerrard
P O Box 32
Kasane

Transfer Secretaries:
DPS Consulting Services (Proprietary) Limited
Plot 50371
Fairground Office Park
Gaborone

Registered Office:
Plot 50371
Fairground Office Park
Gaborone

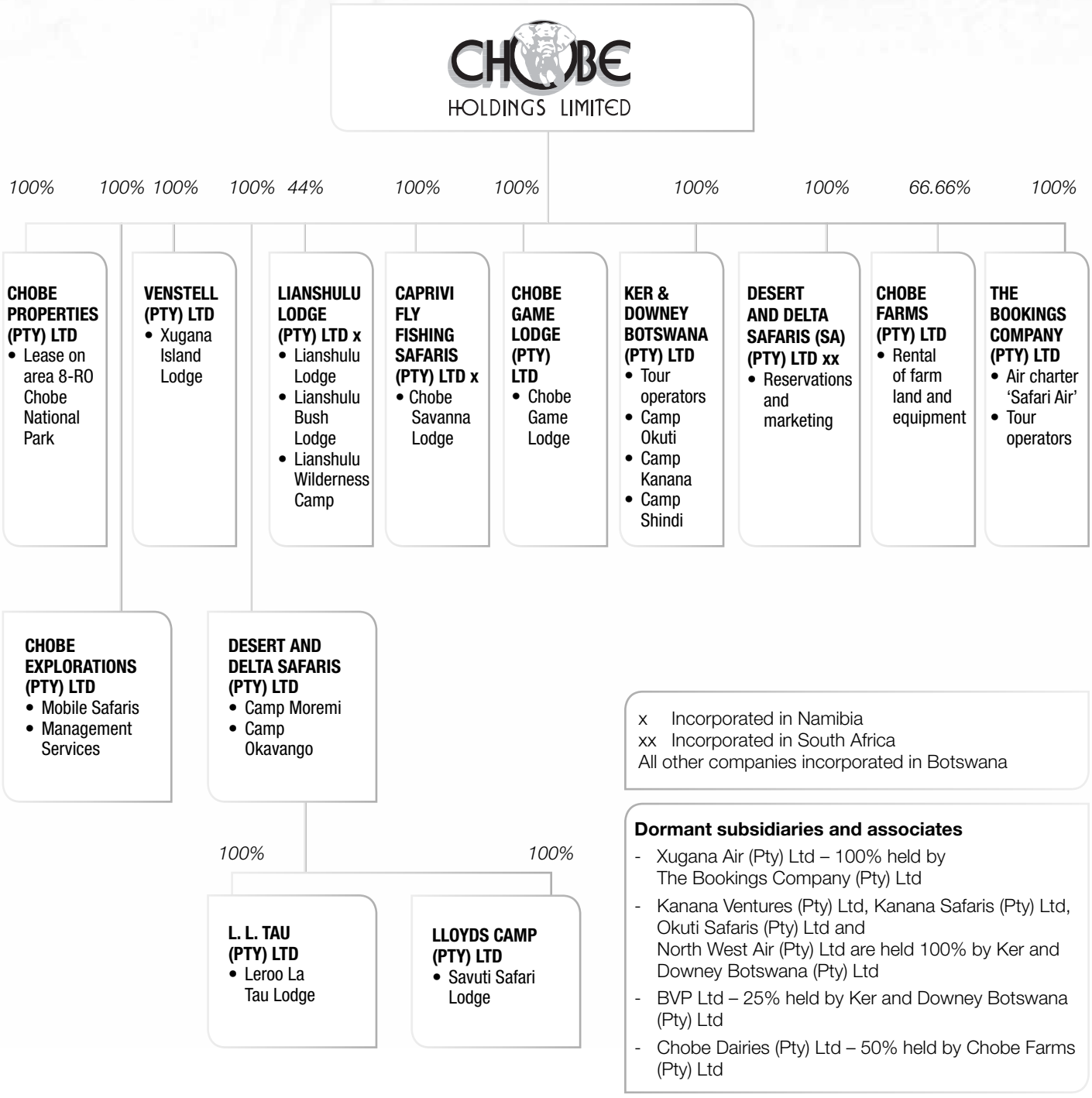
Independent Auditors:
PricewaterhouseCoopers
Gaborone

Bankers:

First National Bank of Botswana Limited	Botswana
Stanbic Bank Botswana Limited	Botswana
Barclays Bank Botswana Limited	Botswana
Bank Windhoek Limited	Namibia
First Rand Bank Limited	South Africa

Group Structure

for the year ended 28 February 2013



x Incorporated in Namibia
xx Incorporated in South Africa
All other companies incorporated in Botswana

Dormant subsidiaries and associates

- Xugana Air (Pty) Ltd – 100% held by The Bookings Company (Pty) Ltd
- Kanana Ventures (Pty) Ltd, Kanana Safaris (Pty) Ltd, Okuti Safaris (Pty) Ltd and North West Air (Pty) Ltd are held 100% by Ker and Downey Botswana (Pty) Ltd
- BVP Ltd – 25% held by Ker and Downey Botswana (Pty) Ltd
- Chobe Dairies (Pty) Ltd – 50% held by Chobe Farms (Pty) Ltd

Chief Executive Officer's Report

for the year ended 28 February 2013

HIGHLIGHTS

- A marginal increase in occupancy levels.
- 13% increase in revenue as a consequence of higher achieved rates and a weaker Pula against the US Dollar.
- Costs contained at inflationary levels.
- Accelerated amortisation following early termination of lease.
- Capital expenditure of P27.6 million financed from internally generated cashflows
- Cash and cash equivalents of P49.2 million.
- Low external debt gearing maintained.
- Long-term leases secured for three camps.

FINANCIAL RESULTS

During the year under review occupancies increased only slightly over the prior year which, given the continuing downturn in the Northern Hemisphere is considered satisfactory. Revenues however rose by 13% thanks to an increase in achieved bed rates in US Dollar terms and the weakening of the Pula against the US Dollar.

As described in the results for the half-year ended 31st August 2012, the amortisation of land lease rights relating to Kanana was accelerated to completely write down the land lease rights by 31st December 2012 as the land Board indicated that this was the actual termination date as opposed to 31 December 2018 per the agreement previously at hand. Taking into account what the amortisation would have been, and the roll back of deferred tax, the net effect on profit after tax of this write down for the year ended 28th February 2013, was P 6.7 million.

Attention paid to cost containment measures continued to yield positive results despite rising energy and aircraft maintenance costs coupled with a weakening Pula continuing to exert upward pressure on costs.

The release of impairment of investment in associate of P385,000 accounts for the net receipt on the sale of Namibian associate, Lianshulu Lodge (Pty) Ltd.

The Group spent P27.6 million on significantly improving existing equipment, buildings, as well as the purchase of additional equipment and aircraft whilst maintaining its low external debt gearing ratio, bearing testimony to management's careful cash and capital management strategies.

Your directors approved a phantom share scheme during the year under review which allows the group's employees to participate in the dividend distributions of the group. The scheme allows all qualifying staff to share equally in a bonus which is calculated to be equal to the value of dividends attaching to three million shares in the company. A total of P630,000 was distributed amongst qualifying employees during the year ended 28th February 2013.

AUDIT REPORT

As we had indicated in our 2009 release of results, the write-off of goodwill in that period continues to result in a qualification of the audit opinion by the Group's auditors on the basis that the write-off remains unnecessary under IFRS, the Group's net assets accordingly are understated by P30.3 million at the financial year-end. The Board remains of the view that the write off of the goodwill was in the best interest of the Group.

LEASES

During the financial year, three of the Company's subsidiaries participated in tender processes for the lease, utilisation and management of Camp Moremi, Kanana Camp and Savute Safari Lodge for non-consumptive tourism purposes. All three leases were re-awarded to the Group for an initial period of fifteen years expiring on 31st December 2027 with an option of renewal for a further period of fifteen years thereafter.

Extensions to leases in respect of Shindi Camp and Camp Okavango are now due to expire on 31st December 2013. The retendering process for these two properties is expected to take place during the financial year ending 28th February 2014. The non-renewal of these leases would have a negative impact on the Group's profitability. However, the Company's directors are confident that the expiring leases will be re-awarded to the Company's subsidiaries under terms and conditions that are acceptable to the Group.

Chief Executive Officer's Report cont.

for the year ended 28 February 2013

FUTURE OUTLOOK

The Northern Hemisphere remains the major source of the Group's clientele. The continued lack of financial confidence in that part of the world, especially the European market, is expected to result in a static to low increase in the number of travellers to the Group's camps and lodges. Marketing efforts in the non-traditional markets of Asia, Australia, Eastern Europe and South America are beginning to bear fruit.

An increase in confirmed and provisional bookings for the year ended 28th February 2014 suggests a satisfactory increase in revenue for the Group's camps and lodges in Botswana. However, trading conditions on the Caprivi Strip in Namibia are expected to continue to be less than satisfactory.

Rising energy costs and the concomitant influence on other costs present a challenge to the Group's cost structure. Your directors are confident that cost containment strategies employed by the Group will keep increases in costs to acceptable levels.

SA Airlink began scheduled daily flights between Maun and Johannesburg on 1st July 2012. This airline also operates between Kasane and Johannesburg three times a week. These services provide a rather more reliable alternative to Air Botswana.

As a consequence, more travellers who previously flew to/from Livingstone and Victoria Falls and taking road transfers to/from Kasane, in a bid to avoid Air Botswana, are expected to fly directly to Maun or Kasane. The resultant reduction in travel costs and ease of access to Northern Botswana is anticipated to result in increased travel to Northern Botswana in general, and to the Group's camps and lodges, in particular.

Continued investment in significantly improving equipment, buildings and the acquisition of additional equipment will enable the Group to deliver the high standards expected by our clientele. This coupled with the Group's marketing and staff training strategies is expected to result in increased occupancy in the short to medium term.

Having secured long-term leases for Camp Moremi, Kanana Camp and Savute Safari Lodge, the Group is now in a position to significantly improve these properties with the confidence that future positive cashflows will be realised for the continued benefit of the group's shareholders and all stakeholders.

The carrying value of the Group's land lease rights as at 28th February 2013 was P23.0 million. These land lease rights relate to Camp Okuti and Leroo La Tau Lodge and will be amortised over the remaining period of the underlying leases. The net amortisation, after the roll back of deferred tax, will be P1.7 million per annum. All other land lease rights have been fully written down to Pnil.

DIVIDENDS

In keeping with the Company's dividend distribution policy, the solvency requirements of the Companies Act, 2003, and the cashflow requirements of the potential acquisition, your directors have declared a gross dividend of 21 thebe per share, payable to shareholders registered at the close of business on 14th June 2013 for payment on 28th June 2013.

UNCLAIMED DIVIDENDS

The directors wish to bring to the notice of shareholders that there are certain amounts of unclaimed dividends in the company's records. Shareholders are reminded to contact the Transfer Secretaries to claim their outstanding dividends.

By order of the Board of Directors

J M Gibson
Chief Executive Officer And Deputy Chairman
Kasane
14th May 2013

Director's Report

for the year ended 28 February 2013

The Board of Directors has pleasure in submitting its report to the shareholders together with the audited financial statements for the year ended 28 February 2013.

NATURE OF BUSINESS

The Group's principal business is the ownership and operation of photographic safari operations and associated support businesses.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AND ANNUAL REPORT

In preparing the accompanying financial statements, International Financial Reporting Standards have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The Board approves any changes in accounting policies and the effects thereof are fully explained in the annual financial statements. The financial statements incorporate full and responsible disclosure in line with the stated accounting philosophy of the Group.

The directors have reviewed the group's budget and cash flow forecast for the year to 28 February 2014. On the basis of this review, and in light of the current financial position, the directors are satisfied that Chobe Holdings Limited is a going concern and have continued to adopt the going concern basis in preparing the financial statements. The group's external auditors, PricewaterhouseCoopers, have audited the financial statements and their report appears on page 11.

The board recognises and acknowledges its responsibility for the Group's systems of internal financial control as reflected in the Corporate Governance statement on pages 8 to 9.

STATED CAPITAL

Stated capital consists of 89 439 642 (2012: 89 439 642) ordinary shares of no par value.

DIRECTORS

The directorate for the year to 28 February 2013 was:

JM Nganunu*	(Chairman)
JA Bescoby*^	
AD Chilisa*	
B Esterhuyse ^^^^	(Director: Operations)
BD Flatt	(Deputy Chief Executive Officer)
RD Gerrard^^^	(Director: Finance)
JM Gibson	(Deputy Chairman and Chief Executive Officer)
K Ledimo*	
DA Nganunu*	
D ter Haar*	
PM van Riet Lowe*	
AM Whitehouse* ^^	

* - non-executive
^ - British
^^ - Australian
^^^ - Malawian
^^^^ - South African

Director's Report cont.

for the year ended 28 February 2013

SHARE ANALYSIS:

Shareholder analysis as at 28 February 2013

No. of shares held per shareholder	No. of share holders	% of share holders	No. of shares	% of issued capital
1 – 500	531	35	94 655	0.11
501 – 1 000	205	13	132 525	0.15
1 001 – 5 000	436	29	836 158	0.93
5 001 – 10 000	218	14	1 447 043	1.62
10 001 – 100 000	100	7	2 640 811	2.95
Over 100 000	32	2	84 288 450	94.24
	1 522	100	89 439 642	100.0

DIVIDENDS

A gross dividend of 21 thebe per share (2012: 21 thebe per share) has been proposed to be paid to the shareholders registered as at close of business on 14 June 2013 for payment on 28 June 2013. Dividends are subject to withholding tax at various rates in accordance with the Botswana Income Tax Act.

The directors wish to bring to the notice of shareholders that there are certain amounts of unclaimed dividends in the company's records. Shareholders are reminded to contact the Transfer Secretaries to claim their outstanding dividends

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements of the company and the Group, which appear on pages 12 to 52 were approved by the Board of Directors on 14 May 2013 and are signed on its behalf by:

JM Nganunu
Chairman

JM Gibson
Chief Executive Officer

Corporate Governance

for the year ended 28 February 2013

Corporate governance is the process by which companies are directed, controlled and risk managed. Directors of the Board are responsible for the governance of the Group whereas the shareholders' role is to appoint the directors and the external auditors.

The concept of corporate governance has grown internationally in recent years by the adoption of principles outlined in reports, such as the King III Report in South Africa and the Cadbury Report and Turnbull Report in the United Kingdom. These reports have as a common goal the promotion of highest standards of corporate governance by providing recommendations and principles in line with best practice. Chobe Holdings Limited strives to implement good corporate governance, adopting relevant aspects of the above reports where practical.

THE BOARD OF DIRECTORS

The Board is responsible for overseeing the activities of the Group. The Board recognises the need to conduct the business of the Group with integrity and in accordance with generally accepted corporate practices and endorses the internationally developing principles of corporate governance. It is responsible for maintaining systems of internal control, which provides reasonable assurance of effective and efficient operations, internal financial control, and compliance with laws and regulations. The Board is responsible for the preparation and integrity of the annual financial statements and related financial information contained in this annual report. The financial statements are prepared in accordance with International Financial Reporting Standards and they incorporate full and responsible disclosure to ensure that the information contained therein is both relevant and reliable.

The Board comprises executive and non-executive directors. The chairman of the Board is an independent non-executive director. The role of non-executive directors is to bring independent judgement to board deliberations and decisions. The directors are appointed for specified terms and their re-appointment is not automatic. Directors have extensive business experience enabling them to apply their knowledge to the functions required.

The board meets regularly throughout the year. It has a formal schedule of matters referred to it for decision. The board otherwise delegates specific responsibilities to directors. However, it remains responsible for the overall activities of the group, including the implementation of corporate strategy.

The Board met four times during the year. The remuneration of the board members, for their services as directors, was as follows:

	2013 P	2012 P
JM Nganunu (Chairman)	48 000	-
Sir QKJ Masire (Chairman)	-	16 000
JA Bescoby	32 000	28 000
AD Chilisa	36 000	28 000
B Esterhuyse	-	-
BD Flatt	-	-
R Gerrard	-	-
JM Gibson	-	-
K Ledimo	32 000	28 000
DA Nganunu	32 000	28 000
D ter Haar	32 000	-
PM Van Riet Lowe	36 000	28 000
AM Whitehouse	32 000	28 000
	280 000	**184 000**

Corporate Governance cont.

for the year ended 28 February 2013

Remuneration for management services of executive directors is set out in note 20 of the financial statements.

FINANCIAL CONTROL

The directors ensure that adequate systems of internal financial control are developed so that the Group can give reasonable assurance with regard to:

- the completeness and accuracy of the accounting records;
- the integrity and reliability of the published financial statements;
- the ability of the company and the Group to continue as a going concern;
- the safeguarding of assets.

AUDIT AND FINANCE COMMITTEE

The Board Audit and Finance Committee comprises the Chief Executive Officer, and two non-executive directors. The committee's major functions are the thorough and detailed review of financial statements, internal controls and related audit matters through the independent judgement and contribution of non-executive board members. In addition, the committee safeguards the credibility, transparency and objectivity of external financial reporting.

The committee meets with management, including the company secretary, and the external auditors. The committee reviews the financial statements and shareholders' reports, monitors the appropriateness of accounting policies and the effectiveness of internal control systems. The committee also considers the findings of the external auditors.

The following directors were members of the Audit and Finance Committee during the year:

* PM van Riet Lowe	(Chairman)
* DA Nganunu	
JM Gibson	(Chief Executive Officer)

* - non-executive

The committee met twice during the year.

FINANCIAL STATEMENTS AND ANNUAL REPORT

The responsibility for the preparation of the financial statements is that of the company's directors. The financial statements are prepared in accordance with generally accepted accounting practices, consistently applied, and in accordance with the requirements of the Botswana Companies Act and International Financial Reporting Standards. Reasonable judgement and estimates support the information contained in the financial statements.

The Board is responsible for the integrity, objectivity and reliability of the annual report. The directors believe that the financial statements fairly represent the financial position of the company and the Group as at the end of the financial year and the result of their operations, changes in equity and cash flow information for the year then ended.

COMPANY SECRETARY AND PROFESSIONAL ADVICE

All directors have unlimited access to the services of the company secretary, who is responsible to the Board for ensuring proper procedures are followed.

All directors are entitled to seek independent professional advice concerning the affairs of the company and the Group, at the company's expense.

EXTERNAL AUDITORS

The external auditors are responsible for the independent review and the expression of an opinion on the reasonableness of the financial statements based on their audit.

JM Nganunu
Chairman

JM Gibson
Chief Executive Officer

Annual Financial Statements

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CHOBE HOLDINGS LIMITED

We have audited the accompanying Group annual financial statements of Chobe Holdings Limited, which comprise the consolidated and separate statements of financial position as at 28 February 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 52.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 qualified audit opinion.

Basis for qualified opinion

As set out in note 9 to the annual financial statements, the Group wrote off goodwill of P30 336 000 during the financial year ended 28 February 2009 even though no indication of impairment existed. This was contrary to the requirements of International Accounting Standard 36, Impairment of Assets. The directors' annual tests for impairment in accordance with International Accounting Standard 36, Impairment of Assets, indicated that the goodwill remained unimpaired as at the end of the 2013 and 2012 reporting periods, respectively.

Had goodwill not been written off, the retained income and intangible assets as reported in the consolidated statement of financial position would have increased by P30 336 000 at 28 February 2013 and 29 February 2012. Our audit opinion on the annual financial statements as at and for the year ended 29 February 2012 was similarly qualified.

Qualified opinion

In our opinion, except for the effects of the matter referred to in the Basis for Qualified Opinion paragraph on the consolidated financial statements, the financial statements give a true and fair view of, the consolidated and separate financial position of Chobe Holdings Limited as of 28 February 2013, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Individual Practicing member: Rudi Binedell
Membership number: 20040091
Gaborone
2 July 2013

PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw

Statements of Comprehensive Income

for the year ended 28 February 2013

		GROUP		COMPANY	
	Notes	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
Revenue	1	145 317	128 658	-	-
Other operating income		3 247	2 595	16 600	34 174
Cost of inventories consumed / sold		(17 348)	(19 671)	-	-
Employee benefit expenses	4	(27 588)	(26 473)	-	-
Depreciation and amortisation	8, 10	(21 283)	(13 900)	-	-
Release/(impairment)of investment in subsidiaries		-	-	10 622	(14 963)
Release of impairment in associate		385	1 514	385	1 514
Profit on disposal of investment in subsidiary		-	3 484	-	19
Other operating expenses	2	(50 546)	(41 849)	(988)	(819)
Operating profit		32 184	34 358	26 619	19 925
Finance income	3	2 033	1 988	851	727
Finance cost	3	(24)	(6)	-	-
		34 193	36 340	27 470	20 652
Share of loss of associate	11	-	-	-	-
Profit before income tax expense		34 193	36 340	27 470	20 652
Income tax expense	5	(7 830)	(7 017)	(351)	(2 107)
Profit for the year		**26 363**	**29 323**	**27 119**	**18 545**
Other comprehensive income					
Currency translation differences		(176)	27	-	-
Other comprehensive income for the year		(176)	27	-	-
Total comprehensive income for the year		**26 187**	**29 350**	**27 119**	**18 545**

Statements of Comprehensive Income cont.

for the year ended 28 February 2013

		GROUP	
		2013	2012
		P '000s	P '000s
Profit attributable to:			
Owners of the parent		26 123	29 323
Non-controlling interest		240	-
		26 363	29 323
Total comprehensive income attributable to:			
Owners of the parent		25 947	29 350
Non-controlling interest		240	-
		26 187	29 350
Earnings per share attributable to the equity holders of the company during the year			
Basic earnings per share (thebe)	Note 6	29.48	32.79

Statements of Financial Position

as at 28 February 2013

	Notes	GROUP 2013 P '000s	GROUP 2012 P '000s	COMPANY 2013 P '000s	COMPANY 2012 P '000s
ASSETS					
Non-current assets					
Property, plant and equipment	8	84 253	66 169	-	-
Goodwill	9	-	-	-	-
Land lease rights	10	22 953	35 265	-	-
Investment in associate	11	-	-	-	-
Investments in subsidiaries	12	-	-	114 612	106 014
Deferred income tax	16	-	-	-	87
		107 206	**101 434**	**114 612**	**106 101**
Current assets					
Inventory	13	3 303	3 159	-	-
Trade and other receivables	14	7 052	5 097	-	1
Current income tax receivable		5 375	4 196	77	107
Cash and cash equivalents		49 214	50 969	367	188
		64 944	**63 421**	**444**	**296**
Total assets		**172 150**	**164 855**	**115 056**	**106 397**
EQUITY					
Stated capital	15	102 899	102 899	102 899	102 899
Foreign currency translation reserve		(459)	(283)	-	-
Retained earnings		34 666	27 325	11 200	2 863
		137 106	129 941	114 099	105 762
Non-controlling interest		240	-	-	-
Total equity		137 346	129 941	114 099	105 762
LIABILITIES					
Non-current liabilities					
Deferred income tax	16	11 925	14 343	-	-
Current liabilities					
Borrowings	17	508	741	-	-
Current income tax payable		617	247		
Trade and other payables	18	21 754	19 583	957	635
		22 879	20 571	957	635
Total liabilities		34 804	34 914	957	635
Total equity and liabilities		**172 150**	**164 855**	**115 056**	**106 397**

Statements of Changes in Equity

for the year ended 28 February 2013

GROUP	Attributable to equity holders of the company			Non controlling interest	Total
	Stated Capital	Retained earnings	Foreign currency translation reserve		
	P '000s	P '000s	P '000s	P '000s	P '000s
Year ended 29 February 2012					
Balance at 1 March 2011	102 899	25 703	(106)	-	128 496
Profit for the year	-	29 323	-	-	29 323
Other comprehensive income					
Currency translation differences	-	204	(177)	-	27
Transactions with owners					
Dividends paid	-	(27 905)	-	-	(27 905)
Balance at 29 February 2012	**102 899**	**27 325**	**(283)**	**-**	**129 941**
Year ended 28 February 2013					
Balance at 1 March 2012	102 899	27 325	(283)	-	129 941
Profit for the year	-	26 123	-	240	26 363
Other comprehensive income					
Currency translation differences	-	-	(176)	-	(176)
Transactions with owners					
Dividends paid	-	(18 782)	-	-	(18 782)
Balance at 28 February 2013	**102 899**	**34 666**	**(459)**	**240**	**137 346**

Statements of Changes in Equity cont.

for the year ended 28 February 2013

COMPANY	Stated Capital P '000s	Retained earnings P '000s	Total P '000s
Year ended 29 February 2012			
Balance at 1 March 2011	102 899	12 223	115 122
Profit for the year	-	18 545	18 545
Transactions with owners			
Dividends paid	-	(27 905)	(27 905)
Balance at 29 February 2012	**102 899**	**2 863**	**105 762**
Year ended 28 February 2013			
Balance at 1 March 2012	102 899	2 863	105 762
Profit for the year	-	27 119	27 119
Transactions with owners			
Dividends paid	-	(18 782)	(18 782)
Balance at 28 February 2013	**102 899**	**11 200**	**114 099**

Statements of Cash Flow

for the year ended 28 February 2013

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
Operating activities:				
Cash generated from operations (note 19)	52 694	48 268	15 935	34 934
Interest paid (note 3)	(24)	(6)	-	-
Income tax paid	(11 056)	(5 927)	(234)	(2 200)
Cash generated from operating activities	41 614	42 335	15 701	32 734
Investing activities:				
Purchase of property, plant and equipment ("PPE") (note 8)	(27 602)	(9 723)	-	-
Proceeds on sale of PPE	830	83	-	-
Decrease in loans to associates	385	1 514	385	1 514
Proceeds on disposal of Illombe Lodge and Fishing Camp Ltd	-	2 711	-	2 711
Decrease/(increase) in loans to subsidiaries	-	-	2 024	(9 882)
Interest received (note 3)	2 033	1 988	851	727
Net cash (used in)/generated from investing activities	(24 354)	(3 427)	3 260	(4 930)
Financing activities:				
Net repayment of borrowings	(233)	(29)	-	-
Dividends paid to shareholders	(18 782)	(27 783)	(18 782)	(27 783)
Net cash used in financing activities	(19 015)	(27 812)	(18 782)	(27 783)
Net (decrease)/increase in cash and cash equivalents	(1 755)	11 096	179	21
Movement in cash and cash equivalents				
At beginning of year	50 969	39 873	188	167
(Decrease)/increase in the year	(1 755)	11 096	179	21
At end of year	49 214	50 969	367	188
Represented by:				
Cash and cash equivalents	49 214	50 969	367	188

Summary of Significant Accounting Policies

for the year ended 28 February 2013

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

The group consolidated financial statements were authorised for issue by the Board of Directors on 14 May 2013.

1. Basis of preparation

Except as set out in note 9 to the financial statements, the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention. Amounts are rounded to the nearest thousands.

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 group financial statements are disclosed in a separate section of the financial statements.

The entity's owners do not have the power to amend the financial statements after issue.

International Financial Reporting Standards and amendments effective for the first time for 28 February 2013 year-end

Amendment to IFRS 7 Financial Instruments: Disclosures – Transfer of financial assets (Effective date 1 July 2011)

The amendments are intended to address concerns raised during the financial crisis by the G20, among others, that financial statements did not allow users to understand the ongoing risks the entity faced due to derecognised receivables and other financial assets. The amendment has no impact to the entity.

Amendment to IAS 12,'Income taxes' on deferred tax (Effective date 1 January 2012)

Currently IAS 12, 'Income taxes', 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. Hence this amendment 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', would 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 accordingly withdrawn. The amendment has no impact to the entity.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

1. Basis of preparation (continued)

International Financial Reporting Standards, amendments and interpretations issued but not effective for 28 February 2013 year-end

Amendment to IFRS 7 Financial Instruments: Disclosures – Asset and Liability offsetting (Effective date 1 January 2013)

The IASB has published an amendment to IFRS 7, 'Financial instruments: Disclosures', reflecting the joint requirements with the FASB to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The amendment has no impact to the entity.

Amendments to IAS 1, 'Presentation of Financial Statements', on presentation of items of OCI (Effective date 1 July 2012)

The IASB has issued an amendment to IAS 1, '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. The amendment has no impact to the entity.

IAS 19, "Employee benefits" (Effective date 1 January 2013)

The IASB has issued an amendment to IAS 19, 'Employee benefits', which makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The amendment has no impact to the entity as it does not operate a defined benefit scheme.

IFRS 9 – Financial Instruments (2009) (Effective date 1 January 2013)

This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The amendment is not expected to significantly impact the entity.

IFRS 9 – Financial Instruments (2010) (Effective date 1 January 2013)

The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss. The amendment is not expected to significantly impact the entity.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

1. Basis of preparation (continued)

International Financial Reporting Standards, amendments and interpretations issued but not effective for 28 February 2013 year-end (Continued)

Amendments to IFRS 9 – Financial Instruments (2011) (Effective date 1 January 2013)

The IASB has published an amendment to IFRS 9, 'Financial instruments', that delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after from 1 January 2013. This amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39 (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project. The amendment confirms the importance of allowing entities to apply the requirements of all the phases of the project to replace IAS 39 at the same time. The requirement to restate comparatives and the disclosures required on transition have also been modified.

IFRS 10 – Consolidated financial statements (Effective date 1 January 2013)

This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries. The entity has assessed the principles and confirmed that the standard has no change to its existing consolidation principles.

IFRS 11 – Joint arrangements (Effective date 1 January 2013)

This standard provides for 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 arrangements: 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. The standard is not applicable to the entity.

IFRS 12 – Disclosures of interests in other entities (Effective date 1 January 2013)

This standard 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. The standard has no impact to the entity.

IFRS 13 – Fair value measurement (Effective date 1 January 2013)

This standard 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. The standard has no impact to the entity.

IAS 27 (revised 2011) – Separate financial statements (Effective date 1 January 2013)

This standard 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. The standard has no impact to the entity.

IAS 28 (revised 2011) – Associates and joint ventures (Effective date 1 January 2013)

This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. The standard has no impact to the entity.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

1. Basis of preparation (continued)

International Financial Reporting Standards, amendments and interpretations issued but not effective for 28 February 2013 year-end (Continued)

Amendments to IAS 32 – Financial Instruments: Presentation (Effective date 1 January 2014)

The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP. The standard has no impact to the entity.

Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements', and IFRS 12, 'Disclosure of interests in other entities' (Effective date 1 January 2013)

The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10 is adopted – for example, 1 January 2013 for a calendar-year entity that adopts IFRS 10 in 2013. Entities adopting IFRS 10 should assess control at the date of initial application; the treatment of comparative figures depends on this assessment. The amendment also requires certain comparative disclosures under IFRS 12 upon transition. The amendment has no impact to the entity.

Amendment to IAS 1, 'Presentation of financial statements' (Effective date 1 January 2013)

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either: as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily. The amendment has currently no impact to the entity.

Amendment to IAS 16, 'Property, plant and equipment' (Effective date 1 January 2013)

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The amendment is not expected to impact the entity.

Amendment to IAS 32, 'Financial instruments: Presentation' (Effective date 1 January 2013)

The amendment clarifies the treatment of income tax relating to distributions and transaction costs. The amendment clarifies that the treatment is in accordance with IAS 12. So, income tax related to distributions is recognised in the income statement, and income tax related to the costs of equity transactions is recognised in equity. The amendment is not expected to impact the entity.

Amendment to IAS 34, 'Interim financial reporting' (Effective date 1 January 2013)

The amendment brings IAS 34 into line with the requirements of IFRS 8, 'Operating segments'. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the CODM and there has been a material change in those measures since the last annual financial statements.

IFRIC 20 - Stripping costs in the production phase of a surface mine (Effective date 1 January 2013)

In surface mining operations, entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. The Interpretation clarifies there can be two benefits accruing to an entity from stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The Interpretation considers when and how to account separately for these two benefits arising from the stripping activity, as well as how to measure these benefits both initially and subsequently. The interpretation has no impact to the entity.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

2. Consolidation and equity accounting

The group financial statements incorporate the financial statements of Chobe Holdings Limited and all its subsidiaries and associate for the year ended 28 February 2013.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern financial and operating policies, generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or currently convertible are considered when assessing whether the Group has the power to control another entity. In assessing investment relationships, management has applied its judgement in the assessment of whether the commercial and economic relationship is tantamount to de-facto control. Based on the fact patterns and management's judgement, if such control exists, the relationship of control has been recognised in terms of IAS 27 (revised) – Consolidated and separate financial statements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred 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. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Non-controlling interests are treated as equity participants and, therefore, all acquisitions of non-controlling interests or disposals by the Group of its non-controlling interests in subsidiary companies where control is maintained subsequent to the disposal are accounted for as equity transactions. Consequently, the difference between the purchase price and the book value of a minority interest purchased is recorded in equity. All profits and losses arising as a result of the disposal of interests in subsidiaries to minorities, where control is maintained subsequent to the disposal, are also recorded in equity.

All inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated and are considered an impairment indicator of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

2. Consolidation (continued)

Investment in subsidiaries

The company accounts for investments in subsidiaries at cost, which includes transaction costs, less accumulated impairment losses.

Investments in subsidiaries are assessed for impairment when indicators of impairment are identified. Such impairment indicators include, but are not limited to, for example:

- Sustained deterioration in financial results of operations and / or financial position of a subsidiary;
- Changes in the operating environment of a subsidiary, including regulatory and economic changes, market entry by new competitors, etc.; and
- Inability of a subsidiary to obtain finance required to sustain or expand operations.

Where impairment indicators are identified, the recoverable value of the subsidiary is measured at the lower of realisable value through sale less costs to sell, and value in use. Value in use is the present value of future cash flows expected to be derived from the subsidiary.

Where the recoverable value of a subsidiary is below the carrying amount, the carrying amount is reduced to the recoverable value through an impairment loss charged to the statement of comprehensive income.

Once an impairment loss has been recognised, the company assesses at each year-end date whether there is an indication that the impairment loss previously recognised no longer exists or has decreased. If this is the case, the recoverable value of the subsidiary is remeasured and the impairment loss reversed or partially reversed as may be the case.

The group's financial statements include the financial statements of Chobe Holdings Limited and its following subsidiaries, whose financial year ends are all 28 February:

- Caprivi Fly Fishing Safaris (Pty) Ltd	- 100%
- Chobe Farms (Pty) Ltd	- 66⅔%
- Chobe Game Lodge (Pty) Ltd	- 100%
- Chobe Properties (Pty) Ltd	- 100%
- Desert and Delta Safaris (Pty) Ltd	- 100%
- Desert and Delta Safaris (SA) (Pty) Ltd	- 100%
- Ker and Downey Botswana (Pty) Ltd	- 100%
- L. L. Tau (Pty) Ltd	- 100%
- Lloyds Camp (Pty) Ltd	- 100%
- The Bookings Company (Pty) Ltd	- 100%
- Venstell (Pty) Ltd	- 100%

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Under this method, the group's share of post-acquisition accumulated profits or losses of associated companies, which are generally determined from their latest audited financial statements, is included in the carrying value of the investments, and the annual profit attributable to the group is recognised in the statement of comprehensive income.

The group's share of post-acquisition movement in reserves is recognised in other reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The carrying amount of such interests is reduced to recognise any potential impairment, other than a temporary decline, in the value of individual investments.

The group's investment in associates includes goodwill (net of accumulated impairment loss) identified on acquisition. When the group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses unless the group has incurred obligations, issued guarantees or made payments on behalf of the associate.

Where another group entity transacts with an associate of the group, unrealised profits and losses are eliminated to the extent of the group's interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

2. Consolidation (continued)

Accounting policies of associates have been changed where necessary to ensure consistency with the policies of the group.

The company accounts for investments in associates at cost, which includes transaction costs, less accumulated impairment losses.

Investments in associates are assessed for impairment when indicators of impairment are identified. Such impairment indicators include, but are not limited to, for example:

- Sustained deterioration in financial results of operations and / or financial position of an associate;
- Changes in the operating environment of an associate, including regulatory and economic changes, market entry by new competitors, etc.; and
- Inability of an associate to obtain finance required to sustain or expand operations.

Where impairment indicators are identified, the recoverable value of the associate is measured at the lower of realisable value through sale less costs to sell, and value in use. Value in use is the present value of future cash flows expected to be derived from the associate.

Where the recoverable value of an associate is below the carrying amount, the carrying amount is reduced to the recoverable value through an impairment loss charged to the statement of comprehensive income.

Once an impairment loss has been recognised, the company assesses at each year-end date whether there is an indication that the impairment loss previously recognised no longer exists or has decreased. If this is the case, the recoverable value of the associate is remeasured and the impairment loss reversed or partially reversed as may be the case.

The group's shareholding in associates comprises:

Lianshulu Lodge (Proprietary) Limited 44%

3. Business Combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not effected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held for sale in accordance with IFRS 5 Non- current assets held for sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

3. Business Combinations (continued)

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available for sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through other comprehensive income.

4. Foreign currency translation

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 Botswana Pula, which is the company's functional and presentation currency.

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.

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:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
(ii) 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 dates of the transactions; and
(iii) all resulting exchange differences are recognised as a separate component of equity.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

4. Foreign currency translation (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

5. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is recorded by a charge to statement of comprehensive income and computed on a straight line basis to write off the cost of the assets, to their residual values, over their estimated useful lives as follows:

Aircraft	- 6.7%
Aircraft engines and propellers	- number of hours flown
Camp leasehold improvements	- over the period of the lease
Furniture and fittings	- 10% - 15%
Machinery and equipment	- 15% - 25%
Motor vehicles and motor boats	- 12.5% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the group. Major renovations are depreciated over the remaining useful life of the related asset.

6. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

7. Land rights

Separately acquired land rights are shown at historical cost. Land rights acquired in a business combination are recognised at fair value at the acquisition date. Where land rights are acquired directly through agreement with government, the group records these at nominal amounts at the inception of the underlying lease/rental agreements or when such agreements are renewed.

Land rights have a finite useful life based on the underlying contractual agreement assigning such rights to the consignee and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of land rights over their estimated useful lives based on contractual assignment terms.

8. Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, 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 levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

9. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

10. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included as current liabilities on the statement of financial position.

11. Financial assets

Classification

The Group classifies its financial assets under the loans and receivables category. Management determines the classification of its financial assets at initial recognition.

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 reporting date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' other than prepayments, 'amounts due from related parties' and 'cash and cash equivalents' in the statement of financial position.

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 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. Loans and receivables are carried at amortised cost using the effective interest method.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

11. Financial assets (continued)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in the statement of comprehensive income; translation differences on non-monetary securities are recognised in other comprehensive income.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

12. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the provision is recognised in the statement of comprehensive income. When a trade receivable is uncollectible it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

13. Stated capital

Ordinary shares are classified as equity and stated at the fair value of the consideration received. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

14. Financial liabilities

Classification

The Group classifies its financial liabilities as 'financial liabilities at amortised cost'.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated 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.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income for the period in which they are incurred.

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 reporting date.

15. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent it relates to items recognised in other comprehensive income. In this case, tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations 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 provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income taxes arise 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 nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date 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.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates and joint ventures, 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.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

16. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events; it is more likely than not 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments 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.

17. Revenue recognition

Revenue comprises fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

Sale of services/goods
The Group sells bed nights at its camps and lodges to guests and also provides guided safaris to guests. Revenue from these services is recognised when the service is provided to the guest, usually over the period of the guests stay at the camps and lodges.

The Group also provides flight transfers to its guests between the Group's camps and lodges as well as to other facilities. Revenue from flight transfers is recognised when the service has been rendered.

Sales of curios, beverages and ancillary goods are usually in cash or by credit card. Revenue is recognised when the significant risks and rewards of ownership of the services/goods have passed to the buyer. The recorded revenue includes applicable credit card fees payable for the transaction. Such fees are included in bank charges.

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

Rental income
Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

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

18. Related party transactions

Related parties comprise directors of the company and companies with common ownership and/or directors. Transactions with related parties are in the normal course of business.

Summary of Significant Accounting Policies cont.

for the year ended 28 February 2013

19. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

20. Employee benefits

(i) Short-term employment benefits

The cost of short term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave, sick leave and bonuses) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlements or, in the case of non-accumulating absences, when the absence occurs.

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

(ii) Pension obligations

The group obtained approval from Non-Bank Financial Institutions Regulatory Authority on 1 June 2012 for setting up the Chobe Holdings Staff Pension Fund and approval as a participant under Alexander Forbes Retirement Fund. The fund is a defined contribution fund with employer and employee contributing 8.5% and 7.5% of basic pay respectively. Employees were provided the option to join the fund.

(iii) Severance plans

Employees not on pension are entitled to severance pay in terms of Sec 28 of the Botswana Employment Act. Severance pay is not considered to be a retirement benefit plan as the benefits are payable on completion of each 60 month period of continuous employment or on termination of employment. The expected severance benefit is provided in full by way of an accrual.

21. Dividend distribution

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

22. Earnings per ordinary share

Earnings per ordinary share are calculated using the weighted average number of ordinary shares in issue during the period and are based on the net profit attributable to ordinary shareholders.

23. Segmental reporting

Business segments are distinguishable components of the Group that provide products or services that are subject to risks and reward that are different to those of other business segments. The costs of shared services are accounted for in a separate ("unallocated") segment. Transactions between segments are generally accounted for in accordance with Group policies as if the segment were a stand-alone business with intra-segment revenue being eliminated through a separate adjustment to revenue.

The Group's areas of operations were limited to the Republic of Botswana, the Republic of South Africa and the Republic of Namibia during the reporting periods.

Financial Risk Management

for the year ended 28 February 2013

Financial risk indicators

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of its markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by senior management under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity.

a) Market risk

i) Foreign currency risk

In the normal course of business, the Group enters into transactions denominated in foreign currencies. In addition, the Group has assets and liabilities in foreign currencies, which exposes it to fluctuations in foreign currency exchange rates.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities denominated in a currency that is not the entity's functional currency.

At 28 February 2013, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been, for the Group, P 330 458 (2012: P 379 701) higher/lower, mainly as a result of foreign exchange losses/gains on translation of US dollar denominated bank balances, foreign exchange gains/losses on translation of US dollar denominated trade receivables, and foreign exchange losses/gains on translation of US dollar denominated trade and other payables.

At 28 February 2013, if the currency had weakened/strengthened by 10% against the South African Rand with all other variables held constant, post-tax profit for the year would have been, for the Group, P 34 050 (2012: P 90 122) higher/lower, mainly as a result of foreign exchange losses/gains on translation of South African Rand denominated bank balances, foreign exchange gains/losses on translation of South African Rand denominated trade receivables, and foreign exchange losses/gains on translation of South African Rand denominated trade and other payables.

At 28 February 2013, if the currency had weakened/strengthened by 10% against the Namibian Dollar with all other variables held constant, post-tax profit for the year would have been, for the Group, P 20 173 (2011: P 457 938) higher/lower, mainly as a result of foreign exchange losses/gains on translation of Namibian Dollar denominated bank balances, foreign exchange gains/losses on translation of Namibian Dollar denominated trade receivables, and foreign exchange losses/gains on translation of Namibian Dollar denominated trade and other payables.

Financial Risk Management cont.

for the year ended 28 February 2013

a) Market risk (continued)

i) Foreign currency risk (continued)

At 28 February 2013 and 29 February 2012 the Group's financial assets and liabilities denominatedin foreign currencies were:

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
Loans to associate				
Namibian Dollars	5 540	5 925	5 540	5 925
Bank balances				
US Dollars	3 234	3 224	-	-
Namibian Dollars	56	63	-	-
South African Rands	2 112	322	-	-
	5 402	3 609	-	-
Trade receivables				
South African Rands	88	882	-	-
US Dollars	1 009	1 654	-	-
Namibian Dollars	311	39	-	-
	1 408	2 575	-	-
Trade payables				
South African Rands	(1 764)	(49)	-	-
US Dollars	(6)	(10)	-	-
Namibian Dollars	(108)	(156)	-	-
	(1 878)	(215)	-	-
Net debit / (credit) balance in respective currencies				
US Dollars	4 237	4 868	-	-
Namibian Dollars	5 799	5 871	5 540	5 925
South African Rands	436	1 155	-	-

Financial Risk Management cont.

for the year ended 28 February 2013

a) Market risk (continued)

ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises primarily from long-term borrowings and interest-earning deposits. Such borrowings and deposits issued at variable rates expose the Group to cash flow interest rate risk. The Group had no significant borrowings at the reporting date.

b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only reputable parties are accepted.

The Group continuously monitors defaults of customers and other counter parties identified either individually or by Group, and incorporate the information into credit risk controls.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. In accordance with standard practice within the industry, the Group requires pre-payment of standard charges prior to booking confirmation thereby eliminating a significant portion of credit risk prior to rendering services. The balance of dues from guests is settled through bank transfer, in cash or using major credit cards. The most significant dues from guest arise from transactions with agents. The Group carefully vets new agents prior to extending credit terms, and deals mostly with agents with whom it has established reliable long-term relationships. As a result of this, the Group historically has succeeded in minimising negative impacts of adverse credit risk events.

The Group places its cash and cash equivalents with financial instituitions of high rating. At 28 February 2013 and 29 February 2012 the Group's cash and cash equivalents were held on account at the following instituitions.

	GROUP	
	2013	**2012**
	P'000	**P'000s**
First National Bank of Botswana Limited	46 557	50 247
First National Bank - a division of FirstRand Bank Limited	2 091	306
Barclays Bank of Botswana Limited	117	102
Stanbic Bank Botswana Limited	367	188
Bank Windhoek Limited	56	66

Financial Risk Management cont.

for the year ended 28 February 2013

b) *Credit risk (continued)*

The table below shows an analysis of trade receivables at their carrying value respectively as at the statement of financial position date.

	Total P '000s	Fully performing P '000s	Past due but not impaired > 3 months P '000s	Impaired P '000s
GROUP				
At 28 February 2013				
Trade receivables				
- Agents	1 250	1 250	-	-
- Other	820	820	-	-
Total	**2 070**	**2 070**	**-**	**-**
At 29 February 2012				
Trade receivables				
- Agents	1 862	1 862	-	-
- Other	155	123	32	-
Total	**2 017**	**1 985**	**32**	**-**
COMPANY				
At 28 February 2013				
Other	-	-	-	-
At 29 February 2012				
Other	1	1	-	-

The Company's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are good quality, including those that are past due.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

None of the Company's financial assets are secured by collateral or other credit enhancements.

c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Financial Risk Management cont.

for the year ended 28 February 2013

c) *Liquidity risk (continued)*

	Less than 1 year P '000s
GROUP	
At 28 February 2013	
Trade and other payables	11 602
Related parties	2 145
	13 747
At 29 February 2012	
Trade and other payables	11 534
Related parties	741
	12 275
COMPANY	
At 28 February 2013	
Trade and other payables	677
Related parties	280
	957
At 29 February 2012	
Trade and other payables	427
Related parties	208
	635

The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Critical Accounting Estimates and Assumptions

for the year ended 28 February 2013

The Group 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 discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with its accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined by the directors based on the forecasted post-tax free cash flows of each cash-generating unit. These calculations require the use of estimates, the most significant of which are:

- Occupancy rates of lodges (averaging 44%)
- Exchange rates between the BW Pula and the US Dollar (7.89:1)
- Remaining period of leasehold concessions (based on existing contractual arrangements for each underlying cash-generating unit)
- Discount rates of 13.08% p. a. and 3.85% p. a. for cash flows denominated in Botswana Pula and United States Dollar, respectively.

(b) Income taxes

The Group is subject to income taxes in other jurisdictions. Judgement is required in determining the Group's 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.

(c) Residual values of property, plant and equipment

Residual values of buildings and aircraft are based on current estimates of the value of these assets at the end of their useful lives. The estimated residual values of buildings have been determined by the directors based on their knowledge of the industry. The estimated residual value of aircraft has been determined after obtaining advice from an independent expert in the aviation industry.

(d) Going concern

In applying the going concern principle for preparation of the Group annual financial statements, it is adjudged that the Group will be able to retain (and renew) its existing leases over land and land concessions on terms and conditions that are not materially different as those existing during the current financial year (refer note 22).

(e) Impairment of investments in subsidiaries and associate

The Company makes an assessment of the potential impairment of the investments in subsidiaries and associate whenever events or circumstances may indicate the presence of impairment indicators.

Key factors considered include the current and projected future financial results and financial positions of the subsidiary/associate, and their ability to maintain positive dividend payout policies. The Company also assesses the potential impact of changes in the business and operating environments of the subsidiaries and associate. These include monitoring of the economic and regulatory environments under which they operate and monitoring the status and remaining periods of existing leases over land and land concessions.

During the current financial period all subsidiaries, with the exception of Caprivi Fly Fishing Safaris (Pty) Ltd, have returned positive financial results. The continuing recessionary environment especially; Europe is expected to continue having a negative impact on this company for the foreseeable future. Accordingly, the carrying value of the investment in this subsidiary has been assessed based on value-in-use estimation, which is premised on the following key assumptions:

Exchange rate between Namibian dollar and the US dollar (8.726: 1)
Pre-tax discount rates of 19.7% p.a. and 3.84% p.a. for cash flows denominated in Namibian dollar and United States dollar respectively.

As indicated in Note 22 to the annual financial statements, the leases/land concessions with respect to Camp Okavango (a significant cash-generating unit of Desert and Delta Safaris (Pty) Ltd) and Camp Shinde (a significant cash generating unit of Ker and Downey Botswana (Pty) Ltd) were extended to 31 December 2013. As the Group does not have assurance that these lease/land concessions will be renewed, the carrying value of the investments in these subsidiaries have been assessed based on a value-in-use estimation, using assumptions which are consistent with those used in the impairment assessment of goodwill.

Notes to the Financial Statements

for the year ended 28 February 2013

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
1. REVENUE				
Lodge revenue	33 127	32 431	-	-
Camp revenue	78 053	63 019	-	-
Air charter revenue	31 486	29 699	-	-
Curio sales	1 906	1 657	-	-
Commission earned	375	1 270	-	-
Other	370	582	-	-
	145 317	**128 658**	**-**	**-**
2. OTHER OPERATING EXPENSES				
Auditors' remuneration	883	813	149	124
Aircraft charter and sub-charter expenses	6 913	7 245	-	-
Director's remuneration				
- Fees	280	184	280	184
- Management services (note 20)	3 067	2 304	-	-
Freight	1 661	1 944	-	-
Insurance	2 212	2 012	-	-
Game activities and transfers	2 444	2 114	-	-
Government fees	3 847	3 346	-	-
Marketing expenses	5 263	4 294	-	2
Miscellaneous expenses	7 922	3 229	498	454
Room expenses	1 560	1 475	-	-
Rent	1 881	1 693	-	-
Resource royalty	2 869	2 501	-	-
Repairs and maintenance	9 683	8 640	-	-
Stock exchange fees	61	55	61	55
	50 546	**41 849**	**988**	**819**
3. FINANCE INCOME AND COSTS				
Finance income				
Interest received				
- bank	2 028	1 983	-	-
- subsidiaries (note 20)	-	-	851	715
- other	5	5	-	12
	2 033	**1 988**	**851**	**727**
Finance costs				
Interest paid				
- bank	12	6	-	-
- other	12	-	-	-
	24	**6**	**-**	**-**
4. STAFF COSTS				
Wages, salaries and other related costs	**27 588**	**26 473**	-	-

Notes to the Financial Statements cont.

for the year ended 28 February 2013

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s

5. INCOME TAX EXPENSE

Current tax:				
Current tax on profits for the year	10 098	7 516	114	3
Adjustments in respect of prior years	-	45	-	-
Withholding tax on dividends received/(paid)	150	(122)	150	2 004
Total current tax	**10 248**	**7 439**	**264**	**2 007**
Deferred tax	(2 418)	(422)	87	100
Income tax expense	**7 830**	**7 017**	**351**	**2 107**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
Profit before income tax	34 193	36 340	27 470	20 652
Income tax at 22%	7 522	7 995	6 043	4 543
Withholding tax on dividend paid	150	(122)	-	(122)
Withholding tax on dividend received	-	-	150	2 126
Prior year under provision	-	46	-	-
Income not subject to income tax	(91)	(1 095)	(6 074)	(7 518)
Expenses not deductible for tax purposes	226	144	193	3 078
Others	23	49	39	-
Income tax	**7 830**	**7 017**	**351**	**2 107**

6. EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the number of ordinary shares in issue during the year.

	GROUP	
	2013	2012
Total ordinary shares in issue at year end (000s)	89 440	89 440
Profit attributable to shareholders (P'000s)	26 363	29 323
Earnings per share (thebe)	**29.48**	**32.79**

7. DIVIDENDS

As set out in the directors' report, a gross dividend of 21 thebe per share has been proposed to be paid to the shareholders registered in the records of the company as at 14 June 2013.
Dividends paid during the year amounted to:

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
Gross dividend paid	18 782	27 905	18 782	27 905
Botswana withholding tax	-	(122)	-	(122)
	18 782	**27 783**	**18 782**	**27 783**

Notes to the Financial Statements cont.

for the year ended 28 February 2013

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold property P '000s	Leasehold property P '000s	Aircraft P '000s	Equipment and vehicles P '000s	Capital work in progress P '000s	Total P '000s
GROUP						
Year ended 29 February 2012						
Opening net book amount	538	19 125	37 350	6 727	1 625	65 365
Exchange difference on translation of foreign subsidiaries	7	-	-	-	-	7
Additions	-	2 842	651	6 230	-	9 723
Transfers from work in progress	-	1 625	-	-	(1 625)	-
Disposals	-	-	(146)	(7)	-	(153)
Depreciation	-	(2 828)	(3 149)	(2 796)	-	(8 773)
Closing net book amount	**545**	**20 764**	**34 706**	**10 154**	**-**	**66 169**
At 29 February 2012						
Cost	545	42 892	42 298	33 161	-	118 896
Accumulated depreciation	-	(22 128)	(7 592)	(23 007)	-	(52 727)
Net book amount	**545**	**20 764**	**34 706**	**10 154**	**-**	**66 169**
Year Ended 28 February 2013						
Opening net book amount	545	20 764	34 706	10 154	-	66 169
Exchange difference on translation of foreign subsidiaries	(173)	-	-	(10)	-	(183)
Additions	-	3 410	20 132	3 231	829	27 602
Disposals	-	(67)	(295)	(2)	-	(364)
Depreciation	-	(3 007)	(2 110)	(3 854)	-	(8 971)
Closing net book amount	**372**	**21 100**	**52 433**	**9 519**	**829**	**84 253**
At 28 February 2013						
Cost	372	45 231	60 840	36 218	829	143 490
Accumulated depreciation	-	(24 131)	(8 407)	(26 699)	-	(59 237)
Net book amount	**372**	**21 100**	**52 433**	**9 519**	**829**	**84 253**

In the opinion of the directors the fair value of the leasehold properties is P 363 541 000 (2012: P 319 634 000).

Details of leasehold property held by way of operating leases are set out in note 22.

Notes to the Financial Statements cont.

for the year ended 28 February 2013

9. GOODWILL

	P '000s
GROUP	
Opening net book amount - 1 March	10 026
Arising on acquisition of Ker & Downey Botswana (Pty) Ltd	20 310
Written off in 2009 financial year	(30 336)
Closing net book amount - 28 February 2009	**-**

Goodwill was allocated for impairment testing to individual cash generating units as follows :

Camp Kanana (ex Ker & Downey Botswana)	6 065
Camp Okuti (ex Ker & Downey Botswana)	10 944
Camp Shinde (ex Ker & Downey Botswana)	3 301
Xugana Island Lodge (Venstell (Pty) Ltd)	2 082
Chobe Game Lodge (Pty) Ltd	500
Desert & Delta Safaris (Pty) Ltd	6 500
Other (individually insignificant) cash generating units	944
	30 336

At the financial year-end, the Group assessed the recoverable amount of goodwill, based on the present value of estimated future earnings and determined that goodwill was not impaired. The Group had however, elected to write off to the statement of comprehensive income in 2009, the total carrying value of goodwill. This write-off does not comply with the requirements of IFRS but has not been reversed so as to minimise the potential volatility of financial results through future impairment of goodwill.

	2013 P '000s	2012 P '000s
At 28 February		
Cost	30 336	30 336
Write-off	(30 336)	(30 336)
Net book amount	**-**	**-**

Notes to the Financial Statements cont.

for the year ended 28 February 2013

10. LAND LEASE RIGHTS

GROUP

	P '000s
Year ended 29 February 2012	
Opening net book amount	40 392
Amortisation charge	(5 127)
Closing net book amount	**35 265**
At 29 February 2012	
Cost	57 470
Accumulated amortisation	(22 205)
Closing net book amount	**35 265**
Year ended 28 February 2013	
Opening net book amount	35 265
Amortisation charge	(12 312)
Closing net book amount	**22 953**
At 28 February 2013	
Cost	57 470
Accumulated amortisation	(34 517)
Closing net book amount	**22 953**

Land rights are amortised over the underlying lease period for the respective concessions.

Land rights relate to leasehold concessions acquired through the Group's investments in Ker & Downey Botswana (Pty) Ltd and L.L. Tau (Pty) Ltd on which the following lodge and camps are operated:

	Cost P '000s	Accumulated Amortisation P '000s	Net Book Amount P '000s
Camp Kanana	16 090	(16 090)	-
Camp Okuti	30 004	(10 542)	19 462
Camp Shinde	7 451	(7 451)	-
Leroo La Tau Lodge	3 925	(434)	3 491
	57 470	**(34 517)**	**22 953**

Notes to the Financial Statements cont.

for the year ended 28 February 2013

11. INVESTMENT IN ASSOCIATE

	2013 P '000s	2012 P '000s
GROUP		
Shares at cost	190	190
Loan to associate	5 540	5 925
Total cost of investment	5 730	6 115
Less: Accumulated share of associated company losses	(4 042)	(4 042)
Less: Impairment of investment in associate	(1 688)	(2 073)
	-	-

There are no significant contingent liabilities relating to the group's interest in the associate.

Accumulated share of associated companies' results:		
Balance brought forward	4 042	4 042
Share of loss after tax	-	-
	4 042	**4 042**
COMPANY		
Total cost of investment	5 730	6 115
Impairment against investment	(5 730)	(6 115)
	-	-

The loan to the associate is denominated in Namibian Dollars. Due to the difficult trading conditions experienced by the associate, no interest was charged on this loan. The balance on this loan as at 28 February 2013 was N$ 5 775 000 (2012: N$ 6 217 000). This loan has been subordinated in favour of all other creditors of the associate.

The only significant investment in an active associate is:

Name of Associate	Principal activity	Place of Incorporation	Financial year end	Effective interest in issued share capital 2013 (%)	2012 (%)
Lianshulu Lodge (Pty) Ltd	Tourism	Namibia	28 February	44	44

The results of the unlisted associate and its assets and liabilities are as follows:

	Assets	Liabilities	Revenues	Loss before tax
2013 (P'000s)				
2012 (P'000s)	6 150	12 641	-	-

The associate ceased trading during the year ended 28 February 2011. A binding agreement for the sale of the business was entered into during the financial year ended 29 February 2012, with the buyer taking ownership of the shares in 2015 after fulfillment of a number of conditions. During the interim period, the buyer will take operating responsibility for the entity's camps, while the current shareholders retain their shareholding and have contractual rights (including representation on the Board of Directors) to protect their interest in the entity.

Notes to the Financial Statements cont.

for the year ended 28 February 2013

	COMPANY 2013 P '000s	COMPANY 2012 P '000s
12. INVESTMENTS IN SUBSIDIARIES		
Ordinary shares at cost	109 919	109 919
Amounts due by subsidiaries	11 429	13 453
Less: Provision against investment in subsidiaries	(6 736)	(17 358)
	114 612	**106 014**
Ordinary shares at cost		
Chobe Farms (Pty) Ltd	213	213
Chobe Game Lodge (Pty) Ltd	875	875
Desert and Delta Safaris (Pty) Ltd	9 525	9 525
Venstell (Pty) Ltd	1 325	1 325
Caprivi Fly Fishing Safaris (Pty) Ltd	8 514	8 514
The Bookings Company (Pty) Ltd	22 102	22 102
Ker and Downey Botswana (Pty) Ltd	67 365	67 365
	109 919	**109 919**
Amounts due from / (to) subsidiaries		
Chobe Farms (Pty) Ltd	498	964
Chobe Properties (Pty) Ltd	1 230	1 500
Chobe Game Lodge (Pty) Ltd	9 976	10 701
Chobe Explorations (Pty) Ltd	(275)	288
	11 429	**13 453**
Provision against investments in subsidiaries		
Caprivi Fly Fishing Safaris (Pty) Ltd	(6 736)	(6 736)
Ker and Downey Botswana (Pty) Ltd	-	(10 622)
	(6 736)	**(17 358)**

Amounts due from subsidiaries are unsecured, bear interest between 0% and the Bank of Botswana rate per annum and have no fixed repayment terms.

Notes to the Financial Statements cont.

for the year ended 28 February 2013

	GROUP	
	2013 P '000s	2012 P '000s
13. INVENTORY		
Food and beverages	817	693
Inventory for resale (curios)	679	659
Packing materials and fuel	1 351	1 313
Consumables	456	494
	3 303	**3 159**

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
14. TRADE AND OTHER RECEIVABLES				
Trade receivables	1 423	1 901	-	-
Other receivables	5 297	2 770	-	-
Related parties (note 20)	332	426	-	1
	7 052	**5 097**	**-**	**1**
15. STATED CAPITAL				
Ordinary shares	**102 899**	**102 899**	**102 899**	**102 899**

Stated capital consists of 89 439 642 (2012: 89 439 642) ordinary shares of no par value.

	GROUP & COMPANY	
	2013 No. of shares 000's	2012 No. of shares 000's
Directors' interests: The directors, on the year end date, held, directly or indirectly, the following ordinary shares:		
R Gerrard	20	20
B Esterhuyse	18	18
AD Chilisa	5 207	5 207
JM Gibson	2 886	2 886
BD Flatt	2 843	2 843
JM Nganunu	191	152
DA Nganunu	10	10
PM Van Riet Lowe	63	63
AM Whitehouse (through Angold (Pty) Ltd)	7 627	7 627

In addition to the shares held directly by JM Gibson, 27 150 406 (2012: 26 950 406) ordinary shares are held by G Air (Pty) Ltd which is owned by the Beacon Trust, a discretionary trust of which JM Gibson is a potential discretionary beneficiary.

In addition to the shares held directly by JM Nganunu and DA Nganunu, 5 046 939 (2012: 5 000 000) shares are held by JDM Investments (Pty) Ltd, a company partly owned by JM Nganunu and DA Nganunu.

BD Flatt held 227 080 (2012: 227 080) shares indirectly through Javelin Services (Pty) Ltd.

Notes to the Financial Statements cont.

for the year ended 28 February 2013

15. STATED CAPITAL (continued)

Unissued shares

Per ordinary resolution passed by shareholders on 10 April 2008, the directors of the Company are empowered to issue a further 2 000 000 ordinary shares in the Company for such purposes and under such conditions as they deem fit for a period of five years from the date of resolution. None of these shares were issued during the year.

	2013 %	2012 %
Shareholder spread		
Public shareholders	42	37
Non-public shareholders and directors	58	63
	100	**100**

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
16. DEFERRED INCOME TAX				
The gross movement on the deferred income tax account is as follows:				
Beginning of the year	14 343	14 765	(87)	(187)
Income statement (credit)/charge	(2 418)	(422)	87	100
End of the year	**11 925**	**14 343**	**-**	**(87)**

Deferred income tax balances relate, in the main, to temporary differences on property, plant and equipment and land lease rights.

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
17. BORROWINGS				
Shareholder's loans (note 20)	350	383	-	-
Minority shareholder's loans (note 20)	158	358	-	-
	508	741	-	-
Less current portion included in current liabilities	(508)	(741)	-	-
	-	-	-	-

Shareholder's loans
The G Air (Pty) Ltd loan is unsecured, is interest free and has no fixed repayment terms.

Minority shareholders loans
The loans from minority shareholders, which have been disclosed as current liabilities, are interest free, unsecured and have no fixed terms of repayment.

Notes to the Financial Statements cont.

for the year ended 28 February 2013

	Notes	GROUP 2013 P '000s	GROUP 2012 P '000s	COMPANY 2013 P '000s	COMPANY 2012 P '000s
18. TRADE AND OTHER PAYABLES					
Trade payables		4 136	3 686	415	318
Other payables		15 473	15 689	542	317
Related parties	20	2 145	208	-	-
		21 754	**19 583**	**957**	**635**
19. NET CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before finance costs, associated companies income and tax		32 184	34 358	26 619	19 925
Depreciation	8	8 971	8 773	-	-
Amortisation of intangible assets	10	12 312	5 127	-	-
Profit/(loss) on disposals of property, plant and equipment		(466)	70	-	-
Profit on disposal of subsidiary		-	(3 484)	-	(19)
Provision against investment in subsidiary		-	-	(10 622)	14 963
Release of provision against investment in associate		(385)	(1 514)	(385)	(1 514)
Arising on conversion of investments in foreign subsidiaries		6	-	-	-
Increase in inventory		(144)	(29)	-	-
(Increase)/decrease in receivables and prepayments		(1 955)	2 830	1	1 510
Increase in trade and other payables		2 171	2 137	322	69
		52 694	**48 268**	**15 935**	**34 934**

Notes to the Financial Statements cont.

for the year ended 28 February 2013

	GROUP		COMPANY	
	2013 P '000s	2012 P '000s	2013 P '000s	2012 P '000s
20. RELATED PARTY TRANSACTIONS				
The following transactions took place with related parties during the year:				
Interest received – subsidiaries				
Chobe Game Lodge (Pty) Ltd	-	-	712	-
Chobe Properties (Pty) Ltd	-	-	139	715
	-	**-**	**851**	**715**
Receivables from related parties				
G Air (Pty) Ltd	-	1	-	1
Brook Valley Enterprises (Pty) Ltd (a company partly owned by R Gerrard)	325	425	-	-
J. Gibson	7	-	-	-
	332	**426**	**-**	**1**
Loans from minority shareholders of:				
Chobe Farms (Pty) Ltd	**350**	**383**	**-**	**-**
Loans from shareholders:				
G Air (Pty) Ltd	**158**	**358**	**-**	**-**
Payable to related parties				
Due to directors	**2 145**	**208**	**280**	**208**

Directors remuneration – see note 2

	GROUP	
	2013 P '000s	2012 P '000s
Key management compensation		
Salaries and other short-term employee benefits to executive directors		
B Esterhuyse	647	504
BD Flatt	817	624
R Gerrard	817	620
J Gibson	786	556
	3 067	**2 304**

Notes to the Financial Statements cont.

for the year ended 28 February 2013

21. SEGMENTAL REPORT

Business Segments

The group's operating businesses are organised and managed separately according to the nature of products and services offered by each of such segments representing a strategic business unit. The group is organised into three principal business areas and these constitute three reportable segments as follows:

Camp, lodge and safari operations	Offering full-service accommodation and game viewing services to guests at the group's camps and lodges
Transfers and touring	Offering air, road and water transfers to and between the group's camps and lodges and those of other tour operators
Other	Including farming, property rental and miscellaneous operations

The company's Board of Directors acts as the Chief Operating Decision Maker ("CODM") of the group and assesses performance of the operating units based on the measure of profit before tax. This measurement basis assesses performance on bases of recognition and measurement which are consistent with the accounting policies of the group.

Revenue is derived from a very broad and diversified customer base, primarily from the United States of America, Europe and SADC region.

	Camp lodge and safari operations		Transfer and touring		Other		Inter segment elimination		Total	
	2013 P'000's	**2012 P'000's**	**2013 P'000's**	**2012 P'000's**	**2013 P'000's**	**2012 P'000's**	**2013 P'000's**	**2012 P'000's**	**2013 P'000's**	**2012 P'000's**
Group statement of comprehensive income										
Revenue	130 707	109 632	28 294	27 992	369	339	(14 053)	(9 305)	145 317	128 658
Operating profit for the year before items listed below	44 205	34 736	8 896	9 753	366	285			53 467	44 774
Depreciation and amortisation	(19 156)	(10 730)	(2 113)	(3 156)	(14)	(14)			(21 283)	(13 900)
Profit on disposal of subsidiary	-	3 484	-	-	-	-	-	-	-	3 484
Operating profit	**25 049**	**27 490**	**6 783**	**6 597**	**352**	**271**	**-**	**-**	**32 184**	**34 358**
Net finance income	1 898	1 809	100	154	11	19			2 009	1 982
Reportable segement profit before taxation	**26 947**	**29 299**	**6 883**	**6 751**	**363**	**290**	**-**	**-**	**34 193**	**36 340**
Reconciliation of reportable segement profit to profit before taxation										
Total profit for reportable segment									34 193	36 340
Associate loss									-	-
Profit before taxation									**34 193**	**36 340**
Total assets	**131 307**	**120 568**	**41 101**	**44 544**	**(258)**	**(257)**			**172 150**	**164 855**
Total liabilities	**(27 117)**	**(25 726)**	**(7 027)**	**(8 238)**	**(660)**	**(950)**			**(34 804)**	**(34 914)**
Capital expenditure during the year	**7 470**	**9 072**	**20 132**	**651**	**-**	**-**			**27 602**	**9 723**

Notes to the Financial Statements cont.

for the year ended 28 February 2013

22. OPERATING LEASES

The Group holds the following operating leases:

Chobe Game Lodge (Proprietary) Limited

Agreement between the Government of Botswana, Chobe Game Lodge (Proprietary) Limited and Chobe Properties (Proprietary) Limited dated 28 July 1983 for lease over Area No. 8-RO, representing 42 Acres in the Chobe National Park. Lease period of 30 years expiring 28 July 2013. Thereafter there is an option to renew for a further twenty years expiring 28 July 2033. Annual rent: The greater of:

1. 0.5% of Chobe Game Lodge (Proprietary) Limited's gross revenue, or
2. P6 000 plus the cumulative national inflation rate from 28 July 1983

Currently the 0.5% of gross revenue calculation is greater. Rent in respect of the year ended 28 February 2013 was P185 404 (2012: P152 041).

Desert and Delta Safaris (Proprietary) Limited

Camp Moremi:
The land on which the camp is built, is held by way of a lease with Tawana Land Board. The Initial lease expired on 31 December 2012. A new lease for the fifteen year period from 1 January 2013 to 31 December 2027 has been signed. The company has the option to renew this lease for a further fifteen years from 1 January 2028. The initial annual rental is P475,200 escalating at 10% per annum plus a resource royalty of 6% of gross revenue generated by the company from tourism related operations at the camp.

Camp Okavango:
The land on which the camp is built, is held by way of a lease with Tawana Land Board. The initial lease expired on 31 December 2012 and has been extended to 31 December 2013 by which time retendering procedures are expected to have been concluded. The annual rental is P200,000 plus a resource royalty of 4% of gross revenue generated by the company from tourism related operations at the camp.

Savuti Safari Lodge:
The land on which the camp is built, is held by way of a lease between Botswana Government and Lloyds Camp (Proprietary) Limited, a subsidiary of the company. The lease was out to tender and awarded back to the group. The initial agreements have not yet been signed by the parties, however the company has been officially intimated of the award of the tender for an initial period of fifteen years from 1 January 2013 to 31 December 2027 with an option to renew for a further fifteen years from 1 January 2028. The annual rental tendered was P360,000 with an escalation of 10% plus a resource royalty of 6% of gross revenue generated by the company from tourism related operations at the lodge.

Notes to the Financial Statements cont.

for the year ended 28 February 2013

22. OPERATING LEASES (continued)

Desert and Delta Safaris (Proprietary) Limited (continued)

Xugana Island Lodge: The land on which the camp is built, is held by way of a lease between Tawana Land Board and Venstell (Proprietary) Limited, a 100% subsidiary of Chobe Holdings Limited; which commenced on 1 January 1979. The lease has been renewed from 1 January 2004 to 31 December 2018. The annual rental is P200,000 effective from 1 January 2004 plus a resource royalty of 4% on gross revenue generated by the company from tourism related operations at the camp.

In addition Desert and Delta Safaris (Proprietary) Limited has a lease over Maun Tribal Lot 851 with the Tawana Land Board which commenced on 3 March 1998 for 50 years with an option to renew for a further 50 years. Annual rentals amount to P1,114. The rent payable is subject to review after every five years from the date of grant.

L.L. Tau (Pty) Ltd

The camp, situated at Khumaga, is subject to a fifty year lease between Ngwato Land Board and L.L.Tau (Proprietary) Limited, a 100% subsidiary of the company. The lease can be renewed for a further period of 50 years subject to various non-onerous conditions. The lease commenced on 27 May 1996. The annual rental payable is P25,000.

Ker and Downey Botswana (Proprietary) Limited

Camp Kanana:
The land on which the camp is built, is held by way of a lease with Tawana Land Board by Kanana Ventures (Proprietary) Limited, a 100% subsidiary of the company; which commenced on 1 January 1998 and expired on 31 December 2012. A new lease for the fifteen year period from 1 January 2013 to 31 December 2027 has been signed. The company has the option to renew this lease for a further fifteen years from 1 January 2028. The initial annual rental is P360,000 escalating at 10%, including a resource royalty of 6% on gross revenue generated from tourism related operations at the camp.

Camp Shinde:
The land on which the camp is built, is held by way of a lease with Tawana Land Board which commenced on 1 January 1997. The current lease expired on 31 December 2012 and has been extended to 31 December 2013. The land board expects to carry out fresh tender procedures for this area in the forthcoming financial year. The annual rental is P180,000 effective from 1 January 2002 escalating at 5% per annum, plus a resource royalty of 4% of gross revenue generated by the company from its operations in this area.

Camp Okuti:
The property is held by way of a lease with Tawana Land Board by Okuti Safaris (Proprietary) Limited, a 100% subsidiary of the company; which commenced on 15 May 2007 to 14 May 2022. The initial annual rental is P200,000 effective from 15 May 2007 escalating at 5% per annum plus a resource royalty of 4% on gross revenue generated by the company from its operations in this area.

Notes to the Financial Statements cont.

for the year ended 28 February 2013

22. OPERATING LEASES (continued)

In addition Ker and Downey Botswana (Proprietary) Limited has a lease over Government camp, Batawana with the Tawana Land Board commencing 2 June 1998 for 50 years with an option to renew for a further 50 years. Annual rentals amount to P161.40. The rent payable is subject to review after every five years from the date of grant.

Caprivi Fly Fishing Safaris (Proprietary) Limited (Chobe Savanna Lodge)

Permission to occupy granted by the Minister of Lands, Resettlement and Rehabilitation of Namibia to Caprivi Fly Fishing Safaris (Proprietary) Limited, for 10 hectares of land at Maliazo in the Caprivi Region, dated 14 May 2002, with no stated termination date. Rental of N$480 per annum.

Caprivi Fly Fishing Safaris (Proprietary) Limited (Kabulabula Lease)

Permission to occupy granted by the Minister of Lands, Resettlement and Rehabilitation of Namibia to Andre Pieter van Aardt, trading as Caprivi Fly Fishing Safaris (Proprietary) Limited, for 10 hectares of land at Kabulabula in the Caprivi Region, dated 27 April 1998, with no stated termination date. Rental of N$480 per annum.

Chobe Farms (Proprietary) Limited

Leasehold assets are held by way of an agreement between Chobe Land Board and Chobe Farms (Pty) Ltd for the lease of approximately 342 Hectares know as Farm Nyungwe Valley in the Chobe Tribal Area to be used exclusively for arable farming purposes. Either party may terminate the lease on the giving of six months' notice. The lease commenced on 1 April 1985 for a period of twenty five years, renewable at the option of the grantee, which option has been exercised up to 31 March 2035. The rental, which is subject to review by the grantor every five years, is presently P 1,705 per annum.

The future amount payable on the above operating lease commitments cannot be determined due to the nature of the lease agreements.

23. PENSION FUND

The group obtained approval from Non-Bank Financial Institutions Regulatory Authority on 1 June 2012 for setting up the Chobe Holdings Staff Pension Fund and approval as a participant under Alexander Forbes Retirement Fund. The fund is a defined contribution fund with employer and employee contributing 8.5% and 7.5% of basic pay respectively.

The Group's contribution to the fund for the year ended 28 February 2013 is as follows:

Company	Amount (P'000s)
Chobe Game Lodge (Proprietary) Ltd	99
Desert and Delta Safaris (Proprietary) Ltd	215
Ker and Downey Botswana (Proprietary) Ltd	126
The Bookings Company (Proprietary) Ltd	63
Total	**503**

24. CONTINGENT LIABILITIES

The Group had no exposures at the year-end date

25. COMMITMENTS

Capital commitments

There were no capital commitments contracted, but not paid for as at the reporting date.

Operating lease commitments (note 22).

Shareholders' Information

	Number of shares	%
TOP TEN SHAREHOLDERS AT 28 FEBRUARY 2013		
AD Chilisa	5 207 828	6
Angold (Pty) Ltd	7 627 749	9
FNB NOMS BW(PTY) LTD RE: FAM BPOPF3-10001030	2 937 028	3
FNB NOMS BW(PTY) LTD RE:FAM BPOPF1-10001028	14 543 437	16
B D Flatt	2 843 965	3
G Air (Pty) Ltd	27 150 406	30
G H Haniger	5 691 495	6
J D M Investments (Pty) Ltd	5 046 939	6
J M Gibson	2 885 571	3
Stanbic Nominees Botswana RE: BIFM	1 513 668	2
TOP TEN SHAREHOLDERS AT 29 FEBRUARY 2012		
AD Chilisa	5 207 828	6
Angold (Pty) Ltd	7 627 749	9
SCBN (Pty) Ltd FAM 3582376	15 037 657	17
SCBN (Pty) Ltd RE: FAM 201/010	2 937 028	3
B D Flatt	3 006 409	3
G Air (Pty) Ltd	26 950 406	30
G H Haniger	5 691 495	6
J D M Investments (Pty) Ltd	5 000 000	6
J M Gibson	2 885 571	3
Stanbic Nominees Botswana RE: BIFM	1 625 450	2

Notice of Annual General Meeting

Notice is hereby given that the 2013 annual general meeting of Chobe Holdings Limited will be held at the Mondior Summit, Gaborone, on Tuesday 30th July 2013 at 5.00pm for the following purposes:

1. To read the notice convening the meeting

ORDINARY BUSINESS:

2. To receive, consider and adopt the audited financial statements for the year ended 28 February 2013 together with the directors' and auditor's reports thereon.

3. To approve the distribution of a dividend as recommended by the Directors.

4. To re-elect as directors Messrs J.A. Bescoby, B. Esterhuyse and R.D. Gerrard who retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

5. To approve the remuneration for the directors for the year ended 28 February 2013.

6. To appoint PricewaterhouseCoopers as auditors for the ensuing year.

7. To approve the remuneration for PricewaterhouseCoopers for the year ended 28 February 2013.

SPECIAL BUSINESS:

8. SPECIAL RESOLUTION

   It was RESOLVED that the following resolution be passed as a Special Resolution:

   "To propose, consider and if deemed fit, to replace, in terms of Section 43 sub clause (3) of the Companies Act, CAP 42:01, the Company's Memorandum and Articles of Association and any amendments thereto, in their entirety, with a Constitution marked Annexure "A", which is available for inspection at the Company's registered office."

9. To transact such other business as may be transacted at an annual general meeting.

In the event that members wish to nominate any person(s) as directors other than one of the directors retiring, they should deliver to the company secretary, not less than five clear days before the date of the meeting, a nomination signed by a member qualified to attend and vote at the meeting, with notice signed by the nominated person(s) that they are willing to be elected as directors.

A member to attend and vote may appoint a proxy to attend and vote on his/her behalf and such proxy need not also be a member of the Company. The instructions appointing such a proxy must be deposited at the registered office of the Company not less than 48 hours before the meeting.

The Board of Directors
Chobe Holdings Limited
2 July 2013

Proxy Form

For use at the annual general meeting of ordinary shareholders of the Company to be held at the Mondior Summit on Tuesday 30 July 2013.

I/We .....

The Holder of ..... ordinary shares, being a member of the Company and entitled to vote, do hereby appoint (see note 1):

1 ..... or failing him/her

2 ..... or failing him/her

3 ..... or failing him/her

THE CHAIRMAN OF THE ANNUAL GENERAL MEETING
as my/our proxy to act for me/us at the annual general meeting which will be held at the Mondior Summit, Gaborone, on Tuesday 30 July 2013 for the purpose of considering and, if deemed fit, passing, with or without modification the resolutions to be proposed thereat and at each adjournment thereof and to vote on the resolutions in respect of the ordinary shares registered in my/our name/s with the following instructions (see note 2):

	Number of votes (one vote per ordinary share)		
	In favour of	Against	Abstain
Adoption of the audited financial statements	☐	☐	☐
Approval of recommended dividend	☐	☐	☐
Re-election of J.A. Bescoby	☐	☐	☐
Re-election of B. Esterhuyse	☐	☐	☐
Re-election of R.D. Gerrard	☐	☐	☐
Approval of directors' remuneration	☐	☐	☐
Appointment of auditors & Approval of auditors' remuneration	☐	☐	☐
Replace Memorandum & Articles of Association with Constitution	☐	☐	☐

Insert the number of votes in the relevant spaces above according to how you wish your votes to be cast.

Signed at ..... on the ..... day of 2013

Signature .....

Assisted by me (where applicable) .....

Each member is entitled to appoint one or more proxies (none of whom need to be a member of the company) to attend, speak, and on a poll, vote in place of that member at the extraordinary general meeting.

Please read the notes on the reverse hereof.

Notes

1. A member may insert the name of the proxy or the names of two alternative proxies of the member's choice in the spaces provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialed by the member. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names follow.

2. Insert the number of votes in the relevant spaces overleaf according to how you wish your votes to be cast. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the members of the total of the exercisable by the member or by the proxy.

3. Forms of proxy must be received at the Company's registered office by not later than 05.00pm on Friday 26 July 2013.

4. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

5. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the company.

6. The chairman of the annual general meeting may reject a form of proxy or accept any such form which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the member wishes to vote.