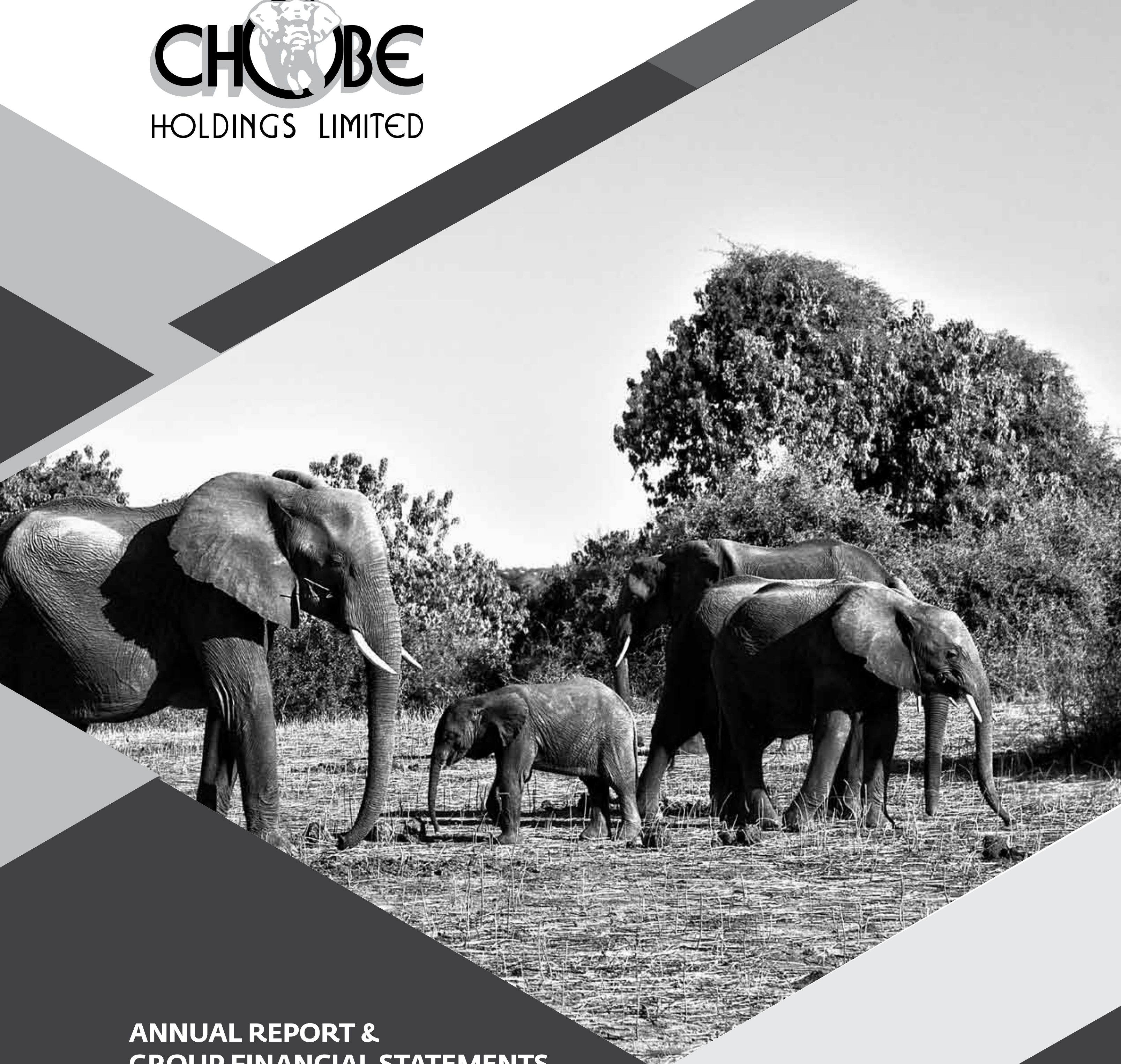
CHOBE
HOLDINGS LIMITED



ANNUAL REPORT & GROUP FINANCIAL STATEMENTS

2015

CONTENTS

for the year ended 28 February 2015

CORPORATE INFORMATION

for the year ended 28 February 2015

Nature of business:

Chobe Holdings Limited owns and operates through its wholly owned subsidiaries, eleven eco-tourism lodges and camps on leased land in Northern Botswana and the Caprivi Strip in Namibia with a combined capacity of 314 beds under the brands of 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 & 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:
Bank Gaborone Limited
First National Bank of Botswana Limited
Stanbic Bank Botswana Limited
Bank Windhoek Limited - Namibia
First Rand Bank Limited – South Africa

GROUP STRUCTURE

for the year ended 28 February 2015

CHOBE HOLDINGS LIMITED

- 100% **CHOBE PROPERTIES (PTY) LTD**
  - LEASE ON AREA 8-RO CHOBE NATIONAL PARK
- 100% **CHOBE EXPLORATIONS (PTY) LTD**
  - MOBILE SAFARIS
  - MANAGEMENT SERVICES
- 100% **VENSTELL (PTY) LTD**
  - XUGANA ISLAND LODGE
- 100% **DESERT AND DELTA SAFARIS (PTY) LTD**
  - CAMP MOREMI
  - CAMP OKAVANGO
  - 100% **L. L. TAU (PTY) LTD**
    - LEROO LA TAU LODGE
  - 100% **MOREMI SAFARIS (PTY) LTD**
    - CAMP XAKANAXA
  - 100% **LLOYD'S CAMP (PTY) LTD**
    - SAVUTI SAFARI LODGE
- 44% **LIANSHULU LODGE (PTY) LTD ♦**
  - LIANSHULU LODGE
  - LIANSHULU BUSH LODGE
  - LIANSHULU WILDERNESS CAMP
- 100% **CAPRIVI FLY FISHING SAFARIS (PTY) LTD ♦**
  - CHOBE SAVANNA LODGE
- 100% **CHOBE GAME LODGE (PTY) LTD**
  - CHOBE GAME LODGE
- 100% **KER & DOWNEY BOTSWANA (PTY) LTD**
  - TOUR OPERATORS
  - CAMP SHINDI
  - 100% **OKUTI SAFARIS (PTY) LTD**
    - CAMP OKUTI
  - 100% **KANANA VENTURES (PTY) LTD**
    - CAMP KANANA
- 100% **DESERT AND DELTA SAFARIS (SA) (PTY) LTD ♦♦**
  - RESERVATIONS AND MARKETING
- 66.66% **CHOBE FARMS (PTY) LTD**
  - RENTAL OF FARM LAND AND EQUIPMENT
- 100% **THE BOOKINGS COMPANY (PTY) LTD**
  - AIR CHARTER 'SAFARI AIR'
  - TOUR OPERATORS

♦ Incorporated in Namibia
♦♦ 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
- North West Air (Pty) Ltd is 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 2015

Highlights

- *Profit after tax increases by* **52%**
- *An* **11%** *increase in occupancy levels*
- **22%** *increase in revenue as a consequence of higher achieved rates, a weaker Pula against the US Dollar and increased capacity following acquisition*
- *Costs contained at inflationary levels*
- *Capital expenditure of* **P21.4 million** *financed from internally generated cashflows*
- *Cash and cash equivalents of* **P74.9 million**
- *Negligible debt maintained*

Basis of Preparation

The audited financial statements for the year ended 28th February 2015 have been prepared based on accounting policies which comply with International Financial Reporting Standards ("IFRS"). The accounting policies applied are consistent with those of the annual financial statements for the year ended 28th February 2014, as described in those annual financial statements.

Financial Results

During the year under review bednights sold increased from 45944 in prior year to 50868. Camp Xakanaxa, the trading entity of Moremi Safaris (Pty) Ltd, which was acquired on 1st August 2013, contributed 5017 (prior year : 2264) bednights. Revenues however rose by 22% due to a significant increase in bednights sold in peak season, an increase in achieved bed rates in US Dollar terms, the weakening of the Pula against the US Dollar and increased capacity following the addition of Camp Xakanaxa.

An operating cost increase of 17% is considered satisfactory in light of increased volume of business and current inflation levels.

During the financial year ended 29th February 2012, the company sold, on suspensive terms, its 44% interest in Namibian Associate, Lianshulu Lodge (Pty) Ltd. The buyers have defaulted on the last two payments totalling N$1,760,000. The investment in this associate was fully written down in previous financial years and therefore no further financial impact is anticipated following this default. Legal action is currently being taken to secure payment in terms of the sale agreement.

The Group spent P21.4 million, financed from internally generated cashflows, on significantly improving existing equipment, buildings, as well as the purchase of additional equipment and new aircraft.

Your directors approved a phantom share scheme during the year ended 28th February 2013 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 P690,000 was distributed amongst qualifying employees during the year ended 28th February 2015.

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.

CHIEF EXECUTIVE OFFICER'S REPORT CONTINUED

for the year ended 28 February 2015

Leases

In December 2013, two of the Company's subsidiaries submitted tenders for the lease, utilisation and management of Camp Okavango and Shinde Camp for non-consumptive tourism purposes.

Camp Okavango's lease has been re-awarded to the Group for an initial period of fifteen years. The formal lease has however not been signed yet.

Ker & Downey Botswana (Pty) Ltd, operating Shinde Camp, was forced to match an exorbitant bid from another tendering entity to secure the re-award of Shinde Camp's lease to the Group. This lease has not been formally awarded but your Directors are confident that it will be awarded to the Group given that Ker & Downey Botswana (Pty) Ltd has exercised its first right of refusal.

Future Outlook

Short to medium term trading conditions may be constrained mainly due to the negative effect on travel plans as a result of the Ebola outbreak in parts of Africa in 2014 and the strengthening of the US Dollar when compared to the Euro resulting in a substantial increase in the cost of Botswana packages to an already depressed European market. Confirmed and provisional bookings for the year ended 29th February 2016 suggest the Group should however achieve satisfactory results in the forthcoming financial year.

The ongoing major refurbishments at Chobe Game Lodge, designed to uplift this iconic lodge, is anticipated to result in an increase in demand once completed in mid 2016.

Chobe Game Lodge launched its first electric game drive vehicle and first electric boat. These are "firsts" in the whole of Africa. Subsequently Desert and Delta Safaris won the Innovation Award for Brand Africa at the prestigious World Travel Market Africa show in Cape Town and Chobe Game Lodge won the award for Best Resource Use at the same event. It is anticipated that these initiatives and awards will lead to increased occupancy as the Group's offerings are positioned at the forefront of the minds of the ever increasing environmental conscious traveller.

The Group's strong cash position provides it with the opportunity to take advantage of expansion opportunities that may arise.

Dividends

In keeping with the Company's dividend distribution policy, the solvency requirements of the Companies Act, 2003, your Directors have declared a dividend of 35 thebe per share, payable to shareholders registered at the close of business on 12th June 2015 for payment on 26th June 2015.

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
CEO & Deputy Chairman
19th May 2015

DIRECTOR'S REPORT

for the year ended 28 February 2015

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 2015.

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 29 February 2016. 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 (2014: 89 439 642) ordinary shares of no par value.

Directors

The directorate for the year to 28 February 2015 was:

JA Bescoby●♦	
AD Chilisa●	
BD Flatt	(Deputy Chief Executive Officer)
RD Gerrard♦♦♦	(Director: Finance)
JM Gibson	(Deputy Chairman and Chief Executive Officer)
K Ledimo●	
J M Nganunu- Macharia●	(Appointed on 8 November 2014)
D Ter Haar●	
PM van Riet Lowe●	(Chairman)
AM Whitehouse● ♦♦	

● - non-executive, ♦ - British, ♦♦ - Australian, ♦♦♦ - Malawian

DIRECTOR'S REPORT CONTINUED

for the year ended 28 February 2015

Share Analysis

Shareholder analysis as at 28 February 2015

No. of shares held per shareholder	No. of shareholders	% of shareholders	No. of shares	% of issued capital
1 – 500	558	36	99 386	0.11
501 – 1 000	203	13	132 765	0.14
1 001 – 5 000	445	29	868 194	0.97
5 001 – 10 000	197	13	1 312 485	1.47
10 001 – 100 000	92	6	2 393 469	2.68
Over 100 000	40	3	84 633 343	94.63
	1 535	100	89 439 642	100.00

Dividends

A dividend of 35 thebe per share (2014: 23 thebe per share) has been proposed to be paid to the shareholders registered as at close of business on 12 June 2015 for payment on 26 June 2015. 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 60 were approved by the Board of Directors on 19 May 2015 and are signed on its behalf by:

PM Van Riet Lowe
Chairman

JM Gibson
Chief Executive Officer

CORPORATE GOVERNANCE

for the year ended 28 February 2015

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:

Remuneration for management services of executive directors is set out in note 23 of the financial statements.

	2015	**2014**
	P	**P**
PM van Riet Lowe (Chairman)	70 833	44 000
JA Bescoby	55 000	39 000
AD Chilisa	65 000	44 000
K Ledimo	55 000	39 000
DA Nganunu	-	16 250
D Ter Haar	55 000	39 000
JM Nganunu	31 250	52 000
J M Nganunu-Macharia	16 877	-
AM Whitehouse	55 000	39 000
	403 960	**312 250**

CORPORATE GOVERNANCE CONTINUED

for the year ended 28 February 2015

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)
- JA Bescoby

  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.

PM van Riet Lowe Chairman	JM Gibson Chief Executive Officer

ANNUAL FINANCIAL STATEMENTS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CHOBE HOLDINGS LIMITED

We have audited the Group annual financial statements of Chobe Holdings Limited, which comprise the consolidated and separate statements of financial position as at 28 February 2015, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 60.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 2015 and 2014 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 2015 and 28 February 2014. Our audit opinion on the annual financial statements as at and for the year ended 28 February 2014 was similarly qualified.

Qualified Opinion

In our opinion, except for the effects of the matter referred to in the Basis for Qualified Opinion paragraph, the consolidated and separate financial statements give a true and fair view of, the consolidated and separate financial position of Chobe Holdings Limited as of 28 February 2015, 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
11 June 2015

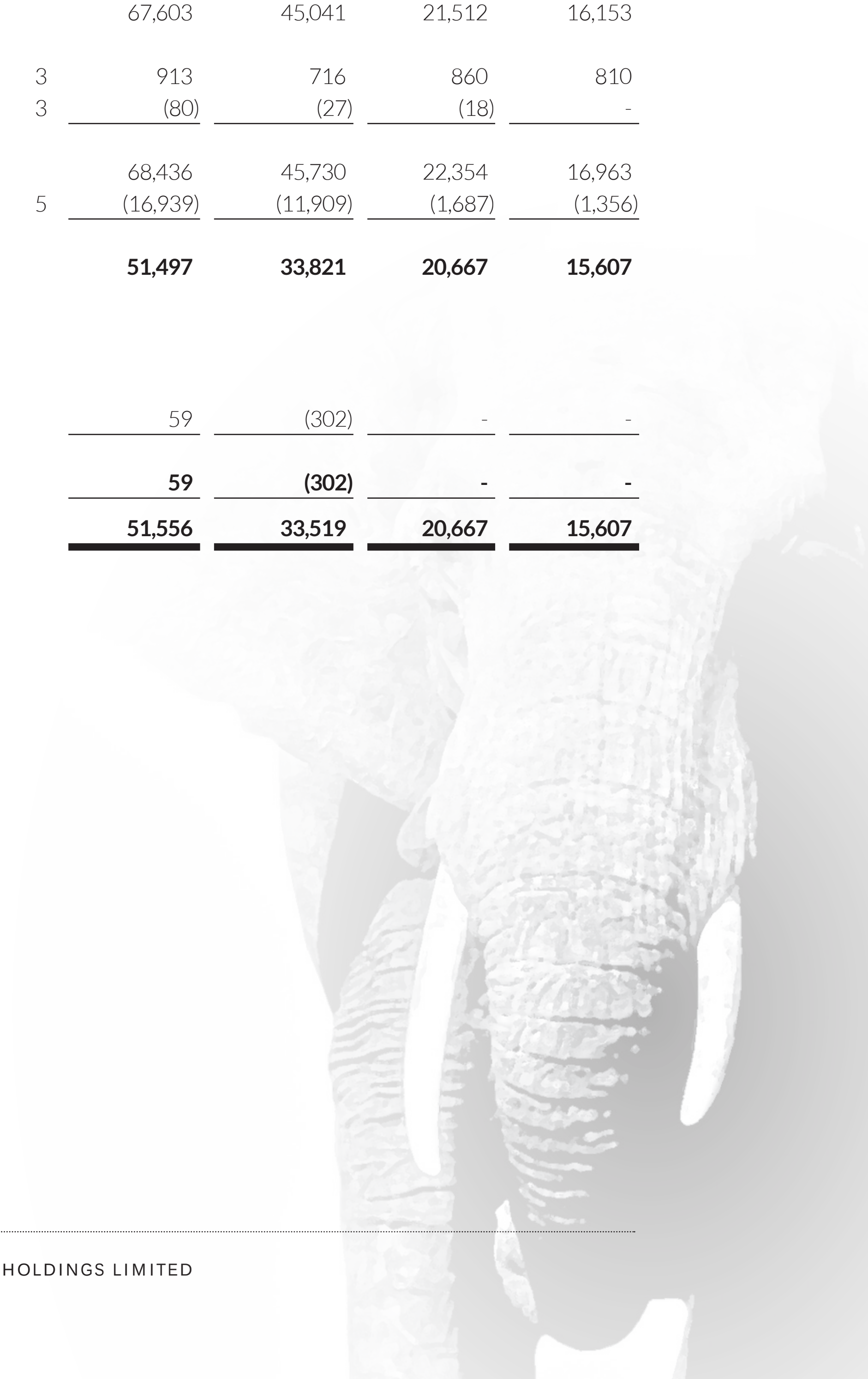
PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw

Country Senior Partner: B D Phirie
Partners: R Binedell R P De Silva A S Edirisinghe N B Soni

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 28 February 2015

		GROUP		COMPANY	
		2015	**2014**	**2015**	**2014**
	Notes	**P '000s**	**P '000s**	**P '000s**	**P '000s**
Revenue	1	209,515	171,974	-	-
Other operating income		8,147	2,838	22,213	16,740
Cost of inventories consumed / sold		(28,458)	(20,229)	-	-
Employee benefit expenses	4	(40,592)	(37,605)	-	-
Depreciation and amortisation	8, 10	(13,984)	(13,081)	-	-
Other operating expenses	2	(67,025)	(58,856)	(701)	(587)
Operating profit		67,603	45,041	21,512	16,153
Finance income	3	913	716	860	810
Finance cost	3	(80)	(27)	(18)	-
Profit before income tax expense		68,436	45,730	22,354	16,963
Income tax expense	5	(16,939)	(11,909)	(1,687)	(1,356)
Profit for the year		**51,497**	**33,821**	**20,667**	**15,607**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Currency translation differences		59	(302)	-	-
Other comprehensive income for the year		**59**	**(302)**	**-**	**-**
Total comprehensive income for the year		**51,556**	**33,519**	**20,667**	**15,607**



STATEMENTS OF COMPREHENSIVE INCOME CONTINUED

for the year ended 28 February 2015

	GROUP	
	2015	**2014**
	P '000s	**P '000s**
Profit attributable to:		
Owners of the parent	51,395	33,740
Non-controlling interest	102	81
	51,497	33,821
Total comprehensive income attributable to:		
Owners of the parent	51,454	33,438
Non-controlling interest	102	81
	51,556	33,519
Earnings per share attributable to the equity holders of the company during the year		
Basic and diluted earnings per share (thebe) (note 6)	57.58	37.81

STATEMENTS OF FINANCIAL POSITION

as at 28 February 2015

		GROUP		COMPANY	
		2015	2014	2015	2014
	Notes	P '000s	P '000s	P '000s	P '000s
ASSETS					
Non-current assets					
Property, plant and equipment	8	103,473	92,577	-	-
Goodwill	9	-	-	-	-
Land lease rights	10	55,534	59,083	-	-
Investment in associate	11	-	-	-	-
Investments in subsidiaries	12	-	-	113,222	113,066
Deferred income tax assets	17	1,736	992	-	-
		160,743	**152,652**	**113,222**	**113,066**
Current assets					
Inventories	13	3,429	4,014	-	-
Trade and other receivables	14	5,511	6,792	-	-
Current income tax receivable		2,492	3,089	227	105
Cash and cash equivalents	15	74,944	43,670	349	463
		86,376	**57,565**	**576**	**568**
Total assets		**247,119**	**210,217**	**113,798**	**113,634**
EQUITY					
Stated capital	16	102,899	102,899	102,899	102,899
Foreign currency translation reserve		(702)	(761)	-	-
Retained earnings		81,856	51,032	9,529	9,433
		184,053	153,170	112,428	112,332
Non-controlling interest		423	321	-	-
Total equity		**184,476**	**153,491**	**112,428**	**112,332**
LIABILITIES					
Non-current liabilities					
Deferred income tax liabilities	17	21,028	21,035	-	-
Deferred lease obligations	21	3,587	2,287	-	-
		24,615	23,322	-	-
Current liabilities					
Borrowings	18	347	508	-	-
Current income tax payable		878	744	-	-
Advance travel receipts		14,323	13,030	-	-
Trade and other payables	19	22,480	19,122	1,370	1,302
		38,028	33,404	1,370	1,302
Total liabilities		62,643	56,726	1,370	1,302
Total equity and liabilities		**247,119**	**210,217**	**113,798**	**113,634**

STATEMENTS OF CHANGES IN EQUITY

for the year ended 28 February 2015

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 28 February 2014					
Balance at 1 March 2013	102,899	34,666	(459)	240	137,346
Profit for the year	-	33,740	-	81	33,821
Other comprehensive income					
Currency translation differences	-	-	(302)	-	(302)
Transactions with owners					
Dividends paid	-	(17,374)	-	-	(17,374)
Balance at 28 February 2014	**102,899**	**51,032**	**(761)**	**321**	**153,491**
Year ended 28 February 2015					
Balance at 1 March 2014	102,899	51,032	(761)	321	153,491
Profit for the year	-	51,395	-	102	51,497
Other comprehensive income					
Currency translation differences	-	-	59	-	59
Transactions with owners					
Dividends paid	-	(20,571)	-	-	(20,571)
Balance at 28 February 2015	**102,899**	**81,856**	**(702)**	**423**	**184,476**

STATEMENTS OF CHANGES IN EQUITY CONTINUED

for the year ended 28 February 2015

COMPANY	**Stated Capital P '000s**	**Retained earnings P '000s**	**Total P '000s**
Year ended 28 February 2014			
Balance at 1 March 2013	102,899	11,200	114,099
Profit for the year	-	15,607	15,607
Transactions with owners			
Dividends paid	-	(17,374)	(17,374)
Balance at 28 February 2014	**102,899**	**9,433**	**112,332**
Year ended 28 February 2015			
Balance at 1 March 2014	102,899	9,433	112,332
Profit for the year	-	20,667	20,667
Transactions with owners			
Dividends paid	-	(20,571)	(20,571)
Balance at 28 February 2015	**102,899**	**9,529**	**112,428**

STATEMENTS OF CASH FLOW

for the year ended 28 February 2015

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
Operating activities:				
Cash generated from operations (note 20)	89,322	72,493	19,938	15,282
Interest paid (note 3)	(80)	(27)	(18)	-
Income tax paid	(16,959)	(11,181)	(167)	(168)
Cash generated from operating activities	72,283	61,285	19,753	15,114
Investing activities:				
Purchase of property, plant and equipment ("PPE") (note 8)	(21,415)	(15,272)	-	-
Proceeds on sale of PPE	225	1,921	-	-
Acquisition of subsidiary	-	(36,820)	-	-
(Increase)/decrease in loans to subsidiaries	-	-	(156)	1,546
Interest received (note 3)	913	716	860	810
Net cash (used in)/generated from investing activities	(20,277)	(49,455)	704	2,356
Financing activities:				
Repayment of borrowings	(161)	-	-	-
Dividends paid	(20,571)	(17,374)	(20,571)	(17,374)
Net cash used in financing activities	(20,732)	(17,374)	(20,571)	(17,374)
Net increase/ (decrease) in cash and cash equivalents	31,274	(5,544)	(114)	96
Movement in cash and cash equivalents				
At beginning of year	43,670	49,214	463	367
Increase/ (decrease) in the year	31,274	(5,544)	(114)	96
At end of year	74,944	43,670	349	463
Represented by:				
Cash and cash equivalents	74,944	43,670	349	463

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 28 February 2015

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 19 May 2015.

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 2015 year-end

Amendments to IAS 32 – 'Financial Instruments: Presentation', on financial instruments asset and liability offsetting (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 amendment does not have a significant impact to the group.

IASB issues narrow-scope amendments to IAS 36, 'Impairment of assets' on recoverable amount disclosures (Effective date 1 January 2014)

The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

Other standards, amendments and interpretations which are effective for the financials years beginning 1 March 2014 are not material to the group.

1. Basis of preparation [continued]

International Financial Reporting Standards, amendments and interpretations issued but not effective for 28 February 2015 year-end

Amendments to IAS 1,'Presentation of financial statements' disclosure initiative (Effective date 1 January 2016)

In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to IAS 27, 'Separate financial statements' on equity accounting (Effective date 1 January 2016)

In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendment has no impact to the group.

IFRS 15 – Revenue from contracts with customers. (Effective date 1 January 2017)

The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

IFRS 9 – Financial Instruments (2009 &2010)
- *Financial liabilities*
- *Derecognition of financial instruments*
- *Financial assets*
- *General hedge accounting (Effective date 1 January 2018)*

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 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

for the year ended 28 February 2015

1. Basis of preparation [continued]

International Financial Reporting Standards, amendments and interpretations issued but not effective for 28 February 2015 year-end (Continued)

Amendment to IFRS 8, 'Operating segments'. (Effective date 1 July 2014)

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

Amendment to IFRS 13, 'Fair value measurement'. (Effective date 1 July 2014)

When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.

IAS 24, 'Related party disclosures. (Effective date 1 July 2014)

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity')

IFRS 13, 'Fair value measurement' (Effective date 1 July 2014)

The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.

IFRS 7 – Financial Instruments; Disclosures (Effective date 1 January 2016)

Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

Early adoption of standards
The group did not early adopt any new or amended standards in the current year.

2. Consolidation

The group financial statements incorporate the financial statements of Chobe Holdings Limited and all its subsidiaries and associate for the year ended 28 February 2015.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 applies the acquisition method 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 to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. 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 recognized amount of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. Consolidation (continued)

(c) Disposal of subsidiaries

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

(d) 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. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

The group's shareholding in associates comprises:

Lianshulu Lodge (Proprietary) Limited	44%

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

for the year ended 28 February 2015

2. Consolidation (continued)

(e) 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%
Moremi Safaris (Pty) Ltd	100%
Kanana Ventures (Pty) Ltd	100%
Okuti Safaris (Pty) Ltd	100%

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3. 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 or valuation where items are re-measured. 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating 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 in other comprehensive income.

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. Exchange differences arising are recognised in other comprehensive income.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

for the year ended 28 February 2015

4. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

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

Aircraft	6.7%
Aircraft engine and propellers	number of hours flown
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 comparing the proceeds with the 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.

5. Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

for the year ended 28 February 2015

6. 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.

7. Impairment of non-financial assets

Intangible 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.

8. Inventories

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

9. 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.

10. Financial assets

Classification

The Group classifies its financial assets under the loans and receivables category. The classification depends on the purpose for which the financial assets were acquired. 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 subsequently carried at amortised cost using the effective interest method.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is 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.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Impairment of financial assets – Assets at amortised cost

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

10. Financial assets (continued)

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

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

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

11. Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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.

12. 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.

13. 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.

14. 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. Trade payables

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

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

16. 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 or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, repectively.

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 amounts for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by 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 only 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 liabilities are 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.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

17. 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.

18. Revenue recognition

Revenue is measured at 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 loan and 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

Most of the group's employees are members of the Chobe Holdings Staff Pension Fund, an approved participant under Alexander Forbes Retirement Fund. The fund is a defined contribution fund with employer and employee contributing 10% and 7.5% of basic pay respectively.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Severance plan and gratuity

Employees not on pension are entitled to severance pay in terms of Sec 28 of the Botswana Employment Act or gratuity as defined in their contracts of employment. Severance pay is not considered to be a retirement benefit plan as the benefits are payable on completion of each sixty month period of continuous employment or on termination of employment. Gratuity is payable at the end of various tenors as defined in each employee's contract of employment. The expected severance benefit and gratuity are 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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

FINANCIAL RISK MANAGEMENT

for the year ended 28 February 2015

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.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is mitigated primarily through the group's centralised booking system which allows the group to manage its exposure to fluctuations in such foreign currency.

At 28 February 2015, 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 3 791 424 (2014: P 3 166 533) 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 2015, 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 9 158 (2014: P 22 179) 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 2015, 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 2 151 (2014: P 5 360) 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 CONTINUED

for the year ended 28 February 2015

a) Market risk (continued)

i) Foreign currency risk (continued)

At 28 February 2015 and 2014 the Group's financial assets and liabilities denominated in foreign currencies were:

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
	P '000s	**P '000s**	**P '000s**	**P '000s**
Bank balances				
US Dollars	47,970	38,749	-	-
Namibian Dollars	198	59	-	-
South African Rand	305	273	-	-
	48,473	39,081	-	-
Trade receivables				
South African Rand	8	273	-	-
US Dollars	688	1,859	-	-
	696	2,132	-	-
Trade payables				
South African Rand	(196)	(263)	-	-
US Dollars	(51)	(11)	-	-
Namibian Dollars	(225)	(128)	-	-
	(472)	(402)	-	-
Net debit / (credit) balance in respective currencies				
US Dollars	48,607	40,597	-	-
Namibian Dollars	(27)	(69)	-	-
South African Rand	117	283	-	-

FINANCIAL RISK MANAGEMENT CONTINUED

for the year ended 28 February 2015

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 reputable financial institutions. Financial institutions are not individually rated, however the Group's policy is to hold cash resources in subsidiaries of rated South African and Namibian Banks. At 28 February 2015 and 2014 the Group's cash and cash equivalents were held on account at the following institutions:

	GROUP	
	2015	**2014**
	P'000	**P'000**
First National Bank of Botswana Limited	53,663	42,687
First Rand Bank Limited	255	267
Barclays Bank of Botswana Limited	-	128
Stanbic Bank Botswana Limited	93	488
Bank Windhoek Limited	198	57
Bank Gaborone Limited	20,698	-

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.

GROUP	Total	Fully performing	Past due but not impaired > 3 months	Impaired
	P '000s	P '000s	P '000s	P '000s
At 28 February 2015				
Trade receivables				
- Agents	717	701	16	-
- Other	1,071	1,071	-	-
Total	**1,788**	**1,772**	**16**	**-**
At 28 February 2014				
Trade receivables				
- Agents	2,034	2,030	4	-
- Other	2,118	2,118	-	-
Total	**4,152**	**4,148**	**4**	**-**

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.

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 CONTINUED

for the year ended 28 February 2015

c) ***Liquidity risk (continued)***

GROUP	Total	1 - 3 months	3 - 12 months P '000s
At 28 February 2015			
Trade and other payables	11,711	11,711	-
Advance travel receipts	14,323	9,596	4,727
Related parties	404	404	-
	26,438	**21,711**	**4,727**
At 28 February 2014			
Trade and other payables	11,362	11,362	-
Advance travel receipts	13,030	7,777	5,253
Related parties	296	296	-
	24,688	**19,435**	**5,253**
COMPANY			
At 28 February 2015			
Trade and other payables	966	966	-
Related parties	404	404	-
	1,370	**1,370**	**-**
At 28 February 2014			
Trade and other payables	1,006	1,006	-
Related parties	296	296	-
	1,302	**1,302**	**-**

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 & ASSUMPTIONS

for the year ended 28 February 2015

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 55%)
- Exchange rates between the BW Pula and the US Dollar (9.425:1)
- Remaining period of leasehold concessions (based on existing contractual arrangements for each underlying cash-generating unit)
- Discount rates of 13.9% p. a. and 2.98% 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 26).

CRITICAL ACCOUNTING ESTIMATES & ASSUMPTIONS CONTINUED

(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 have returned positive financial results. Caprivi Fly Fishing Safaris (Pty) Ltd continues to generate less than positive results compared to other entities within the group. The carrying value of the investment in the subsidiary net of impairment, amounted to P 1.7 million. The value in use calculations reflected an amount of P 2 million as the recoverable amount of this investment.

The underlying assumptions for this value in use calculations were;

- Exchange rate between Namibian dollar and the US dollar (11.590: 1)
- Pre-tax discount rates of 17.9% p.a. and 4.53% p.a. for cash flows denominated in Namibian dollar and United States dollar respectively
- A zero percent forecast for occupancy and rate increase
- A 5% inflationary increase to recurring cash flows
- A 6% inflationary increase to maintenance cash flows.

As indicated in Note 25 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 originally extended to 30 June 2014. In the current year a further extension was granted to 31 December 2014. The lease for camp Okavango has been officially confirmed to have been awarded to the group however, the formal lease has not yet been signed by the parties. The camp Shinde lease is currently being negotiated and in all likelihood would be awarded to the group. The carrying value of the investments in these subsidiaries has 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 2015

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
1. REVENUE				
Lodge revenue	50,082	51,306	-	-
Camp revenue	127,490	91,939	-	-
Air charter revenue	27,937	25,910	-	-
Curio sales	2,443	2,124	-	-
Commission on tour bookings	953	79	-	-
Other	610	616	-	-
	209,515	**171,974**	**-**	**-**
2. OTHER OPERATING EXPENSES				
Auditors' remuneration	1,067	1,143	147	137
Aircraft charter and sub-charter expenses	3,500	2,016	-	-
Director's remuneration				
- Fees	403	312	403	312
- Management services (note 23)	4,277	3,454	-	-
Freight	1,965	1,934	-	-
Insurance	2,982	2,646	-	-
Game activities and transfers	4,587	3,163	-	-
Government fees	4,615	4,248	-	-
Marketing expenses	8,184	6,398	-	-
Miscellaneous expenses	1,280	2,915	51	65
Other accomodation costs	4,791	2,819	-	-
Room expenses	1,814	1,943	-	-
Rent	5,885	5,096	-	-
Resource royalty	5,706	4,477	-	-
Repairs and maintenance	14,603	14,999	-	-
Stock exchange fees	110	81	100	73
Telephone charges	334	356	-	-
Water and electricity	922	856	-	-
	67,025	**58,856**	**701**	**587**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

	GROUP 2015 P '000s	GROUP 2014 P '000s	COMPANY 2015 P '000s	COMPANY 2014 P '000s
3. FINANCE INCOME AND COSTS				
Finance income				
Interest received				
- bank	912	708	15	-
- subsidiaries (note 23)	-	-	845	810
- other	1	8	-	-
	913	**716**	**860**	**810**
Finance costs				
Interest paid				
- bank	3	7	-	-
- other	77	20	-	-
- related companies (note 23)	-	-	18	-
	80	**27**	**18**	**-**
4. STAFF COSTS				
Wages, salaries and other related costs	**40,592**	**37,605**	**-**	**-**
5. INCOME TAX EXPENSE				
Current tax:				
Current tax on profits for the year	16,022	12,336	45	140
Withholding tax on dividends	1,668	1,258	1,642	1,216
Total current tax	**17,690**	**13,594**	**1,687**	**1,356**
Deferred tax (note 17)	(751)	(1,685)	-	-
Income tax expense	**16,939**	**11,909**	**1,687**	**1,356**

	GROUP 2015 P '000s	GROUP 2014 P '000s	COMPANY 2015 P '000s	COMPANY 2014 P '000s
Profit before income tax	68,436	45,730	22,354	16,963
Income tax at 22%	15,056	10,061	4,918	3,732
Withholding tax on dividends	1,668	1,258	1,642	1,216
Income not subject to income tax	-	(124)	(4,887)	(3,683)
Expenses not deductible for tax purposes	27	483	14	91
Others/losses available for utilisation	188	231	-	-
Income tax	**16,939**	**11,909**	**1,687**	**1,356**

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	
	2015	**2014**
Total ordinary shares in issue at year end (000s)	89,440	89,440
Profit attributable to shareholders (P'000s)	51,497	33,821
Earnings per share (thebe) - basic and diluted	**57.58**	**37.81**

7. DIVIDENDS

As set out in the directors' report, a dividend of 35 thebe per share has been proposed to be paid to the shareholders registered in the records of the company as at 12 June 2015.

Dividends paid during the year amounted to:

	GROUP & COMPANY	
	2015	**2014**
	P '000s	**P '000s**
Net dividend paid	20,571	17,374

8. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold property	Leasehold improvements	Aircraft	Equipment & vehicles	Capital work in progress	Total
	P '000s	P '000s	P '000s	P '000s	P '000s	P '000s
Year ended 28 February 2014						
Opening net book amount	372	21,100	52,433	9,519	829	84,253
Exchange difference on translation of foreign subsidiaries	(237)	-	-	(10)	-	(247)
Additions	-	930	8,053	5,105	1,184	15,272
On acquisition of subsidiary	-	2,791	-	1,771	-	4,562
Transfers from work in progress	-	-	-	829	(829)	-
Disposals	-	(69)	(834)	(274)	-	(1,177)
Depreciation	-	(3,490)	(2,741)	(3,855)	-	(10,086)
Closing net book amount	**135**	**21,262**	**56,911**	**13,085**	**1,184**	**92,577**
At 28 February 2014						
Cost	135	48,715	66,274	42,755	1,184	159,063
Accumulated depreciation	-	(27,453)	(9,363)	(29,670)	-	(66,486)
Net book amount	**135**	**21,262**	**56,911**	**13,085**	**1,184**	**92,577**
Year Ended 28 February 2015						
Opening net book amount	135	21,262	56,911	13,085	1,184	92,577
Exchange difference on translation of foreign subsidiaries	36	-	-	(2)	-	34
Additions	-	1,944	9,872	3,906	5,693	21,415
Transfers from work in progress	-	419	-	1,831	(2,250)	-
Disposals	-	-	(8)	(46)	(64)	(118)
Depreciation	-	(3,186)	(3,078)	(4,171)	-	(10,435)
Closing net book amount	**171**	**20,439**	**63,697**	**14,603**	**4,563**	**103,473**
At 28 February 2015						
Cost	171	51,039	76,040	47,524	4,563	179,337
Accumulated depreciation	-	(30,600)	(12,343)	(32,921)	-	(75,864)
Net book amount	**171**	**20,439**	**63,697**	**14,603**	**4,563**	**103,473**

Capital work in progress as at 28 February 2015, represents renovation and refurbishments at Chobe Game Lodge and the cost incurred in conversion of game drive vehicles for Desert & Delta Safaris.

Details of leasehold improvements held by way of operating leases are set out in note 25.

9. GOODWILL

GROUP

	P '000s
Opening net book amount - 1 March 2008	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 (Pty) Ltd)	6,065
Camp Okuti (ex Ker & Downey Botswana (Pty) Ltd)	10,944
Camp Shinde (ex Ker & Downey Botswana (Pty) Ltd)	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."

	2015 P '000s	2014 P '000s
At 28 February		
Cost	30,336	30,336
Write-off	(30,336)	(30,336)
Net book amount	-	-

9. GOODWILL (CONTINUED)

Impairment tests for goodwill

Management review the business performance by entity (comprised of the camps) and goodwill is monitored by management at this level.

The recoverable amount has been determined based on a value in use calculations. These calculations use cash flow projections based on financial budgets approved by management. Cash flows have been projected only for the period of leases which are confirmed through contractual arrangements. Management considered this to be a more prudent approach than to estimate to perpetuity as the lease was unlikely to be renewed to perpetuity and would therefore be inappropriate.

For each of the entities with significant amount of goodwill, the key assumptions, growth rate and discount rate used in the value in use calculations are as follows;

	Desert and Delta Safaris (Pty) Ltd	Ker & Downey Botswana (Pty) Ltd
2015		
Occupancy growth rate	0%	0%
Rate adjustments	0%	0%
Inflation of recurring operating cash flows	3%	3%
Inflation on refurbishment / maintenance cash flows	4%	4%
Pre-tax discount rate (BWP)	13.9%	13.9%
Pre-tax discount rate (USD)	2.98%	2.98%
2014		
Occupancy growth rate	0%	0%
Rate adjustments	0%	2%
Inflation of recurring operating cash flows	4%	4%
Inflation on refurbishment / maintenance cash flows	5%	5%
Pre-tax discount rate (BWP)	17.10%	17.10%
Pre-tax discount rate (USD)	3.85%	3.85%

No impairment was indicated from the value in use calculations performed by management as at the year end date.

10. LAND LEASE RIGHTS

GROUP

	P '000s
Year ended 28 February 2014	
Opening net book amount	22,953
Additions	39,125
Amortisation charge	(2,995)
Closing net book amount	**59,083**
At 28 February 2014	
Cost	96,595
Accumulated amortisation	(37,512)
Closing net book amount	**59,083**
Year ended 28 February 2015	
Opening net book amount	59,083
Amortisation charge	(3,549)
Closing net book amount	**55,534**
At 28 February 2015	
Cost	96,595
Accumulated amortisation	(41,061)
Closing net book amount	**55,534**

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, L.L. Tau (Pty) Ltd and Moremi Safaris (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	(14,759)	15,245
Camp Shinde	7,451	(7,451)	-
Leroo La Tau Lodge	3,925	(656)	3,269
Camp Xakanaxa	39,125	(2,105)	37,020
	96,595	**(41,061)**	**55,534**

11. INVESTMENT IN ASSOCIATE

	2015 P '000s	2014 P '000s
GROUP		
Shares at cost	190	190
Loan to associate	5,540	5,540
Total cost of investment	5,730	5,730
Less: Accumulated share of associated company losses	(4,042)	(4,042)
Less: Impairment of investment in associate	(1,688)	(1,688)
	-	-

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

	2015 P '000s	2014 P '000s
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	5,730
Impairment against investment	(5,730)	(5,730)
	-	**-**

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 2015 was N$ 5 775 000 (2014: N$ 5 775 000). 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 2015 (%)	2014 (%)
Lianshulu Lodge (Pty) Ltd	Tourism	Namibia	28 February	44	44

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 fulfilment 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. The conditions included a staggered payment annually. The prospective buyers have defaulted two consecutive annual payments under the terms of the agreement. The matter is subjudice and the directors confirm that the group has no exposure arising from the event. The carrying value of investment has been fully impaired.

12. INVESTMENTS IN SUBSIDIARIES

Chobe Holdings Limited had the following subsidiaries at 28 February 2015:

	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares directly held by the group (%)	Proportion of ordinary shares directly held by non-controlling interests (%)
Caprivi Fly Fishing Safaris (Pty) Ltd	Namibia	Tour and safari operators	100	100	-
Chobe Explorations (Pty) Ltd	Botswana	Provision of management and transfer services	100	100	-
Chobe Farms (Pty) Ltd	Botswana	Rental of farm land and equipment	66.66	66.66	33.33
Chobe Game Lodge (Pty) Ltd	Botswana	Tour and safari operators	100	100	-
Chobe Properties (Pty) Ltd	Botswana	Lease holder and earns concession fee from operating company	100	100	-
Desert and Delta Safaris (Pty) Ltd	Botswana	Tour and safari operators	100	100	-
Desert and Delta Safaris SA (Pty) Ltd	South Africa	Reservation services and export of goods for lodges	100	100	-
Ker and Downey Botswana (Pty) Ltd	Botswana	Tour and safari operators	100	100	-
The Bookings Company (Pty) Ltd	Botswana	Air charter and tour operator	100	100	-
Venstell (Pty) Ltd	Botswana	Lease holder and earns concession fee from operating company	100	100	-

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of shares held.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

	COMPANY 2015 P '000s	COMPANY 2014 P '000s
12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)		
Ordinary shares at cost	109,919	109,919
Amounts due by subsidiaries	10,897	9,964
Less: Amount due to subsidiaries	(858)	(81)
Less: Provision against investment in subsidiaries	(6,736)	(6,736)
	113,222	**113,066**
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 subsidiaries		
Chobe Farms (Pty) Ltd	176	498
Chobe Properties (Pty) Ltd	723	980
Chobe Game Lodge (Pty) Ltd	9,998	8,486
	10,897	**9,964**
Amounts due to subsidiaries		
Chobe Explorations (Pty) Ltd	**(858)**	**(81)**
Provision against investments in subsidiaries		
Caprivi Fly Fishing Safaris (Pty) Ltd	**(6,736)**	**(6,736)**

Amounts due from subsidiaries are unsecured and interest is charged at an additional 150 basis points over the Bank of Botswana lending rate. The loans have no fixed repayment terms.

There were no subsidiaries with material non-controlling interests and hence no disclosures for summarised financial information has been presented.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

	GROUP	
	2015	2014
	P '000s	P '000s
13. INVENTORIES		
Food and beverages	958	939
Inventory for resale (curios)	793	781
Packing materials and fuel	1,100	1,754
Consumables	578	540
	3,429	**4,014**
14. TRADE AND OTHER RECEIVABLES		
Trade receivables	717	2,034
Prepayments	3,723	2,640
Other receivables	844	1,894
Related parties (note 23)	227	224
	5,511	**6,792**
The fair value of financial assets included in trade and other receivables are as follows:		
Trade receivables	717	2,034
Other receivables	844	1,894
Receivables from related parties	227	224
	1,788	**4,152**

As at 28 February 2015, trade receivables of P 0.367 Mn (2014: P 1.503 Mn) were fully performing and none of the trade receivables were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	GROUP 2015 P '000s	GROUP 2014 P '000s
Up to 3 months	701	2,030
3 to 6 months	16	4
	717	**2,034**

Please refer financial risk management for group's trade and other receivables that are denominated in currencies other than Botswana Pula.

Other classes within trade and other receivables do not contain impaired assets.

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
15. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	53,832	43,670	349	463
Short term bank deposits	21,112	-	-	-
	74,944	**43,670**	**349**	**463**
Cash and cash equivalents include the following for the purpose of the statement of cash flows:				
Cash and cash equivalents	**74,944**	**43,670**	**349**	**463**

Cash and short-term deposits of P 0.255 Mn are held in South Africa and are subject to local reserve bank approval requirements for transfers outside South Africa.

	GROUP & COMPANY 2015 P '000s	GROUP & COMPANY 2014 P '000s
16. STATED CAPITAL		
Ordinary shares	**102,899**	**102,899**

Stated capital consists of 89 439 642 (2014: 89 439 642) ordinary shares of no par value.

	No. of shares 000's	No. of shares 000's
Directors' interests:		
The directors, on the year end date, held, directly or indirectly, the following ordinary shares:		
R Gerrard	620	620
AD Chilisa	5,207	5,207
JM Gibson	2,886	2,886
BD Flatt	850	850
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, 28 550 406 (2014: 28 550 406) ordinary shares are held by African Finance Holdings Limited which is owned by the Beacon Trust, a discretionary trust of which JM Gibson is a potential discretionary beneficiary.

BD Flatt held 227 080 (2014: 227 080) shares indirectly through Javelin Services (Pty) Ltd.

JDM Investments (Pty) Ltd, a company partly owned by JM Nganunu-Macharia held 5 046 939 (2014: 5 046 939) shares.

	2015 %	2014 %
Shareholder spread		
Public shareholders	42	42
Non-public shareholders and directors	58	58
	100	**100**

	GROUP 2015 P '000s	GROUP 2014 P '000s	COMPANY 2015 P '000s	COMPANY 2014 P '000s
17. DEFERRED INCOME TAX				
The movement of deferred tax assets and deferred tax liabilities is as follows:				
Deferred tax liabilities				
Beginning of the year	21,035	7,707	-	-
Income statement (credit)/charge	(7)	(829)	-	-
Acquisition of subsidiary	-	14,157	-	-
End of the year	**21,028**	**21,035**	**-**	**-**

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

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
17. DEFERRED INCOME TAX (CONTINUED)				
Deferred tax assets				
Beginning of the year	992	136	-	
Income statement credit	744	856	-	-
End of the year	**1,736**	**992**	**-**	**-**
The deferred income tax asset arises from the following:				
Deferred tax on losses	764	446	-	-
Deferred lease liabilities	789	419	-	-
Other	183	127	-	-
	1,736	**992**	**-**	**-**

Deferred income tax assets are recognised for the tax loss carry-forwards to the extent that the realisation of the related tax benefits through future taxable profit is probable. Losses amounting to P 0.873 Mn (2014 : P 2.028 Mn) and P 2.598 Mn (2014: Nil) expire in 2019 and 2020 respectively.

Deferred tax assets and liabilities are to be recovered after more than 12 months.

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
18. BORROWINGS				
Shareholder's loans (note 23)	259	350	-	-
Minority shareholder's loans (note 23)	88	158	-	-
	347	**508**	**-**	**-**

Shareholder's loans

The African Finance Holdings Limited 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.

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
19. TRADE AND OTHER PAYABLES				
Trade payables	7,745	6,316	132	122
Royalty payable	5,743	4,517	-	-
Other payables	8,588	7,993	834	884
Related parties (note 23)	404	296	404	296
	22,480	**19,122**	**1,370**	**1,302**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

		GROUP		COMPANY	
		2015	2014	2015	2014
	Notes	P '000s	P '000s	P '000s	P '000s
20. NET CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before finance costs, associated companies income and tax		67,603	45,041	21,512	16,153
Depreciation	8	10,435	10,086	-	-
Amortisation of intangible assets	10	3,549	2,995	-	-
Amortisation of forward bookings		-	3,633	-	-
Withholding tax on dividends earned		-	-	(1,642)	(1,216)
Profit on disposals of property, plant and equipment		(107)	(744)	-	-
Straight lining impact of operating leases		1,300	2,287	-	-
Arising on conversion of investments in foreign subsidiaries		25	(55)	-	-
Decrease/(increase) in inventory		585	(408)	-	-
Decrease in receivables and prepayments		1,281	260	-	-
Increase in trade and other payables		3,358	4,456	68	345
Increase in advance travel receipts		1,293	4,942	-	-
		89,322	**72,493**	**19,938**	**15,282**

21. DEFERRED LEASE OBLIGATIONS

	GROUP	
	2015	2014
At the beginning of the year	2,287	-
Raised during the year	1,300	2,287
At the end of the year	**3,587**	**2,287**

Deferred lease obligation arises on account of recognising lease rentals for the various leases with the Tawana Land Board where fixed escalation clauses exist. Lease costs are recognised over the lease term on a straight-line basis. Deferred lease obligations relate to the difference in actual lease payment made and lease costs recognised in the statement of comprehensive income on a straight-line basis.

22. FINANCIAL INSTRUMENTS

22.1 Financial instruments by category

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
	Loans and receivables		Loans and receivables	
Assets as per statement of financial position				
Trade and other receivables excluding prepayments	1,788	4,152	-	-
Cash and cash equivalents	74,944	43,670	349	463
Total	**76,732**	**47,822**	**349**	**463**

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s
	Other financial liabilities at amortised cost		Other financial liabilities at amortised cost	
Liabilities as per statement of financial position				
Borrowings	347	508	-	-
Trade and other payables excluding non-financial liabilities	26,438	24,688	1,370	1,302
Total	**26,785**	**25,196**	**1,370**	**1,302**

	GROUP		COMPANY	
	2015	2014	2015	2014
	P '000s	P '000s	P '000s	P '000s

23. RELATED PARTY TRANSACTIONS

The following transactions took place with related parties during the year:

	GROUP 2015 P '000s	GROUP 2014 P '000s	COMPANY 2015 P '000s	COMPANY 2014 P '000s
Interest paid - subsidiary				
Chobe Explorations (Pty) Ltd	-	-	18	-
Interest received – subsidiaries				
Chobe Game Lodge (Pty) Ltd	-	-	763	710
Chobe Properties (Pty) Ltd	-	-	82	100
	-	**-**	**845**	**810**
Receivables from related parties				
Brook Valley Enterprises (Pty) Ltd (a company partly owned by R Gerrard)	224	224	-	-
J. Gibson	3	-	-	-
	227	**224**	**-**	**-**
Loans from minority shareholders of:				
Chobe Farms (Pty) Ltd	**259**	**350**	**-**	**-**
Loans from shareholders:				
African Finance Holdings Limited	**88**	**158**	**-**	**-**
Payable to related parties:				
Due to directors	**404**	**296**	**404**	**296**

Directors remuneration

Key management compensation	GROUP 2015 P '000s	GROUP 2014 P '000s
Salaries and other short-term employee benefits to executive directors		
B Esterhuyse	-	499
BD Flatt	1,453	993
R Gerrard	1,465	993
J Gibson	1,359	969
	4,277	**3,454**

24. 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 Stated of America, Europe and SADC region.

	Camp lodge and safari operations		Transfer and touring		Other		Inter segment elimination		Total	
	2015 P'000's	2014 P'000's	2015 P'000's	2014 P'000's	2015 P'000's	2014 P'000's	2015 P'000's	2014 P'000's	2015 P'000's	2014 P'000's
Group statement of comprehensive income										
Revenue	185,315	151,994	58,270	47,688	1,611	1,531	(35,681)	(29,239)	209,515	171,974
Operating profit for the year before items listed below	73,119	49,899	8,034	7,869	434	354	-	-	81,587	58,122
Depreciation and amortisation	(10,806)	(10,238)	(3,137)	(2,802)	(41)	(41)	-	-	(13,984)	(13,081)
Operating profit	**62,313**	**39,661**	**4,897**	**5,067**	**393**	**313**	**-**	**-**	**67,603**	**45,041**
Net finance income/(costs)	1,895	1,504	(1,062)	(815)	-	-	-	-	833	689
Reportable segment profit before taxation	**64,208**	**41,165**	**3,835**	**4,252**	**393**	**313**	**-**	**-**	**68,436**	**45,730**
Reconciliation of reportable segment profit to profit before taxation										
Total profit for reportable segment									68,436	45,730
Profit before taxation									**68,436**	**45,730**
Total assets	**181,783**	**163,158**	**64,960**	**46,486**	**376**	**573**	**-**	**-**	**247,119**	**210,217**
Total liabilities	**(51,246)**	**(45,119)**	**(10,828)**	**(10,358)**	**(569)**	**(1,249)**	**-**	**-**	**(62,643)**	**(56,726)**
Capital expenditure during the year	**11,543**	**6,709**	**9,872**	**8,287**	**-**	**276**	**-**	**-**	**21,415**	**15,272**

25. 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. The leaseholder has exercised this option in accordance with the terms of the underlying agreement and is awaiting a confirmation from the Government of the Republic of Botswana. Annual rent is 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 2015 was P228 178 (2014: P221 510).

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 lease commenced on 1 January 2013 for a fifteen year period expiring on 31 December 2027. The company has the option to renew this lease for a further fifteen years from 1 January 2028. The initial annual rental is P 475,200 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. The lease was extended to 31 December 2014. The Department of Land has confirmed the award of a lease for an initial period of 15 years. The initial annual rental is P 475,200 escalating at 10% per annum and a resource royalty of 6% of gross revenue generated by the company from the 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 100% subsidiary of the company. The lease commenced on 1 January 2013 for a fifteen year period expiring on 31 December 2027. The company has the option to renew this lease for a further fifteen years from 1 January 2028. The initial annual rental is P 360,000 and a resource utilization royalty at 4% of gross revenue from tourism operations.

25. 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 P 200,000 effective from 1 January 2004 and a resource royalty of 4% on gross revenue generated by the company from the tourism related operations at the camp.

Camp Xakanaka:
The land on which the camp is built, is held by way of a lease between Tawana Land Board and Moremi Safaris (Pty) Ltd, a 100% subsidiary of the company. The current lease commenced on 1 January 2013 and shall endure for 15 years to 31 December 2027. The lessee shall have the right to renew this agreement for a further period of 15 years from 1 January 2028. The annual rental shall be a sum of P 475,200 with an escalation of 10% per annum and a resource royalty calculated at 6% of revenue generated from tourism related activities.

In addition Desert and Delta Safaris (Pty) Ltd has a lease over Tribal Lot 851, Maun 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 rental amounts to P 1,114. 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 P 25,000.

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 2013 for a period of fifteen years expiring on 31 December 2027. The company has the option to renew this lease for a further fifteen years from 1 January 2028. The initial annual rental is P 360,000 escalating at 10%, including a resource royalty of 6% on gross revenue generated from tourism related operations.

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 was extended to 31 December 2014. The annual rental is P 180,000 effective from 1 January 2002 escalating at 5% per annum and a resource royalty of 4% of gross revenue generated by the company from its operations in this area. The Ministry of Environment, Wild Life and Tourism in their letter dated 14 December 2014 has confirmed that the lessee shall continue to hold the lease until a substantive lease is issued and the terms are finalised.

25. OPERATING LEASES (continued)

Ker and Downey Botswana (Proprietary) Limited (continued)

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 for a fifteen year period to 14 May 2022. The lessee has the option to renew this lease for a further fifteen years from 15 May 2022. The annual rental is P 200,000 effective from 15 May 2007 escalating at 5% per annum plus a resource royalty of 4% on gross revenue generated by the company from tourism related operations at the camp.

In addition, Ker and Downey Botswana (Proprietary) Limited has a lease over Government camp, Botswana with the Tawana Land Board which commenced on 2 June 1998 for 50 years with an option to renew for a further 50 years. Annual rentals amount to P 161.40. 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 is P 399 (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 P 399 (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 giving of six months notice. The lease commenced on 1st April 1985 for a period of twenty five years, renewable at the option of the grantee, which option has been exercised up to 31st March 2035. The rental, which is subject to review by the grantor every five years, is presently P 1 705 per annum.

26. PENSION FUND

The group obtained approval from Non-Bank Financial Institutions Regulatory Authority on the 01 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 10% and 7.5% of basic pay respectively.

The Group's contribution to the fund for the year ended 28 February 2015 and 2014 is as follows:

Company	2015 (P'000s)	2014 (P'000s)
Chobe Game Lodge (Pty) Ltd	265	175
Desert & Delta Safaris (Pty) Ltd	422	363
Ker & Downey Botswana (Pty) Ltd	331	244
The Bookings Company (Pty) Ltd	48	51
Total	**1,066**	**833**

27. CONTINGENT LIABILITIES

The group had no exposure at the year end.

28. COMMITMENTS

Capital commitments

There were no capital commitments contracted, but not paid for as at the reporting date (2014: P nil).

Operating lease commitments

The Group leases land under non-cancellable operating lease agreements. The lease period for each lease is given in note 25 and majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 (P'000s)	2014 (P'000s)
No later than 1 year	2,527	2,397
Later than 1 year and no later than 5 years	11,809	12,471
More than 5 years	32,459	33,964
Total	**46,795**	**48,832**

SHAREHOLDERS INFORMATION

for the year ended 28 February 2015

	Number of shares	%
TOP TEN SHAREHOLDERS AT 28 FEBRUARY 2015		
African Finance Holdings Limited	28 550 406	32
FNB NOMS BW(PTY) LTD RE:FAM BPOPF1-10001028	8 263 035	9
Angold (Pty) Ltd	7 627 749	9
G H Haniger	5 691 495	6
FNB NOMS (PTY) LTD RE: AGRAY BPOPF 10001010	5 643 499	6
Ad Chilisa	5 207 828	6
J D M Investments (Pty) Ltd	5 000 000	6
FNB NOMS BW (PTY) LTD RE: FAM BPOPF3-10001030	2 905 893	3
J M Gibson	2 885 571	3
Debswana Pension Fund	1 515 678	2
TOP TEN SHAREHOLDERS AT 28 FEBRUARY 2014		
African Finance Holdings Limited	28 550 406	32
Angold (Pty) Ltd	7 627 749	9
FNB NOMS BW(PTY) LTD RE:FAM BPOPF1-10001028	12 484 778	14
G H Haniger	5 691 495	6
Ad Chilisa	5 207 828	6
J D M Investments (Pty) Ltd	5 000 000	6
FNB NOMS BW (PTY) LTD RE: FAM BPOPF3-10001030	2 937 028	3
J M Gibson	2 885 571	3
FNB NOMS (PTY) LTD RE: AGRAY BPOPF 10001010	2 115 929	2
STANBIC NOMINEES BOTSWANA RE: BIFM	1 513 668	2

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 28 February 2015

Notice is hereby given that the 2015 annual general meeting of Chobe Holdings Limited will be held at the Mondior Summit, Gaborone, on Monday 3 August 2015 at 5 pm for the following purposes:

1. To read the notice convening the meeting and ascertain the quorum required to constitute the meeting.

ORDINARY BUSINESS

2. To receive, consider and adopt the audited financial statements for the year ended 28 February 2015 together with the directors' and auditor's reports thereon.
3. To approve the distribution of a dividend as recommended by the Directors.
4. Re-election of directors Messrs B. D. Flatt, J. M. Gibson and A. M. Whitehouse who retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

   4a) To re-elect B D Flatt who retired by rotation and has offered himself for re-election.

   4b) To re-elect J M Gibson who retired by rotation and has offered himself for re-election.

   4c) To re-elect A M Whitehouse who retired by rotation and has offered himself for re-election.

5. To confirm the election of Mr P.M. van Riet-Lowe as Chairman of the Board.
6. To confirm the appointment of Ms J.M. Nganunu-Macharia who was appointed to the Board during the course of last financial year.
7. To approve the remuneration of the directors for the year ended 28 February 2015.
8. To appoint PricewaterhouseCoopers as auditors for the ensuing year and approve their remuneration for the year ended 28 February 2015.
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.

By order of the Board
6 July 2015

PROXY FORM

for the year ended 28 February 2015

For use at the annual general meeting of ordinary shareholders of the Company to be held at the Mondior Summit on Monday 3 August 2015 at 5 pm.

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 Monday 3 August 2015. 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 B.D. Flatt	☐	☐	☐
Re-election of J.M Gibson	☐	☐	☐
Re-election of A.M Whitehouse	☐	☐	☐
Confirmation of P.M. van Riet-Lowe as Board Chairman	☐	☐	☐
Confirmation of J.M. Nganunu-Macharia	☐	☐	☐
Approval of directors' remuneration	☐	☐	☐
Appointment of auditors & Approval of auditors' remuneration	☐	☐	☐

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 2015

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

for the year ended 28 February 2015

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 of 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 Thursday 30 July 2015.

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.