

SAFARI INVESTMENTS (RSA) LIMITED
(Registration number 2000/015002/06)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

Mazars
Registered Auditor
Issued 14 July 2011

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFARI INVESTMENTS (RSA) LIMITED

We have audited the annual financial statements of Safari Investments (RSA) Limited, which comprise the statement of financial position as at 28 February 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

continued/-

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFARI INVESTMENTS (RSA) LIMITED (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Safari Investments (RSA) Limited as at 28 February 2011, and its financial performance and its cash flows for the year ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.

Other matter

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 21 to 22 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



MAZARS
Partner: AL Kretzschmar
Registered Auditor
14 July 2011
Pretoria

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Directors' Report

The directors submit their report for the year ended 28 February 2011.

1. Review of activities

Main business and operations

The company is engaged in property investment and letting and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net profit of the company was R46,957,310 (2010: profit R36,134,912), after taxation of R12,513,251 (2010: R9,513,954).

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The directors are aware of the following matters which occurred since the financial year end:

- Erf 35380 and Portion 1 of Erf 40326, Mamelodi Extension 13 was transferred into the name of the company on 13 June 2011.

- A Planning Phase Development Agreement was signed on 24 May 2011 between the company and Safari Developments Pretoria (Pty) Ltd. The Agreement covers the planning phase of the development of the property of the subsidiary, Swakopmund Waterfront Property Company (Pty) Ltd and it was agreed that this cost will not exceed R20,000,000 inclusive of the cost of the land. R16,000,000 of this amount was incurred during the year under review. The difference will be financed through own sources and the bond.

4. Authorised and issued share capital

There were no changes in the authorised share capital of the company during the year under review.

The issued share capital increased to 63,611,717 (2010 - 59,848,502) shares during the year. This brings the total of the issued share capital to R636,117 (2010 - R598,485).

As a result of the above issue, share premium of R16,222,510 was raised, which brings the total share premium to R241,803,500 (2010 - R225,580,990).

The purpose of the issue was to obtain working capital.

5. Non-current assets

There have been no major changes in the nature of the non-current assets of the company during the year under review.

During the year improvements of R57,161,165 (2010 - R58,467,724 and R384,264,791 as a result of the amalgamation) to the investment property was effected.

6. Dividends

No dividends were declared or paid to shareholders during the year.

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Directors' Report

7. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
S J Kruger	South African
F J J Marais	South African
M Minnaar	South African
J G Prinsloo	South African
J P Snyman	South African
M H Tsolo	South African
J C Verwayen	South African
K A Pashiou	South African

8. Secretary

The company had no secretary during the year.

9. Interest in subsidiary

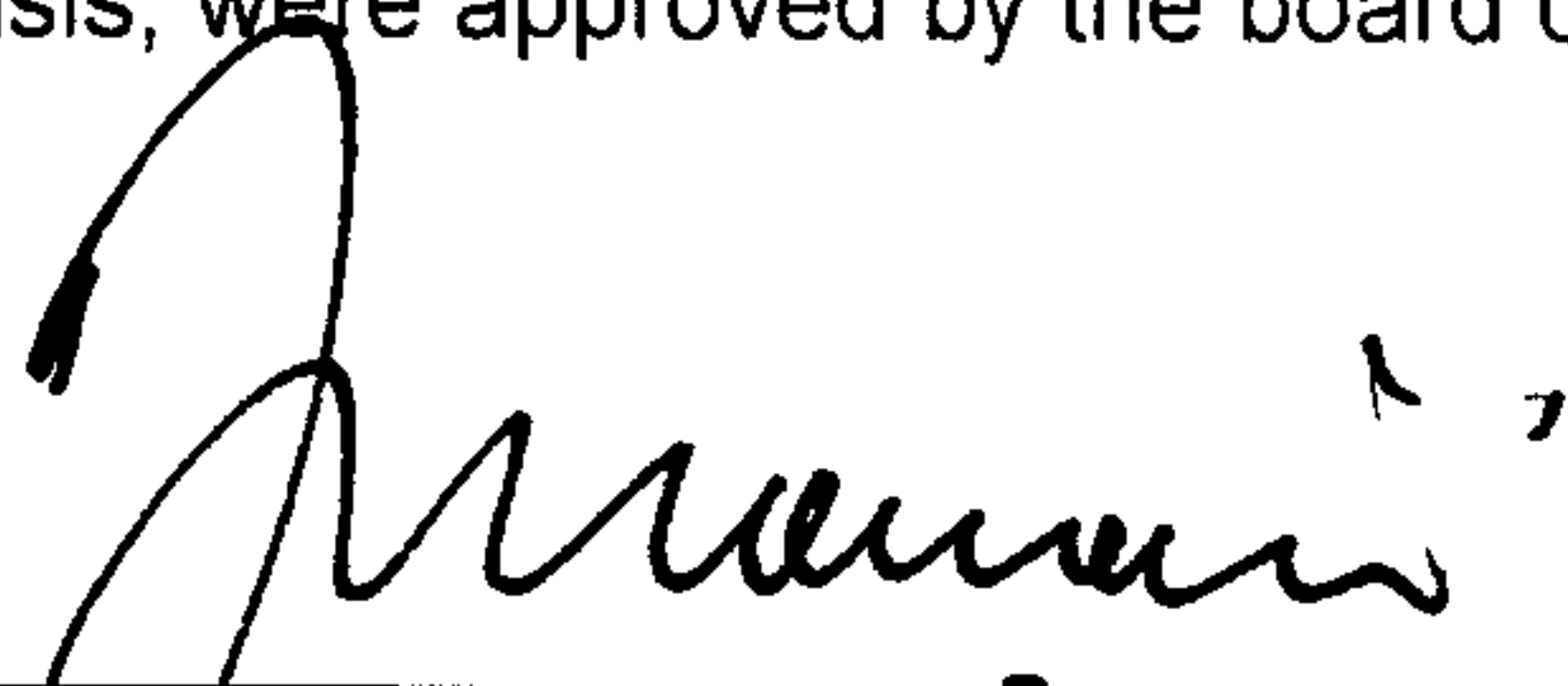
Name of subsidiary	Country of incorporation	Net income (loss) after tax
Swakopmund Waterfront Property Company (Pty) Ltd	Namibia	RNil

Details of the company's investment in subsidiary is set out in note 4.

10. Auditors

Mazars will continue in office in accordance with section 270(2) of the Companies Act.

The annual financial statements set out on pages 4 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 13 July 2011 and were signed on its behalf by:



Director



Director

Pretoria

13 July 2011

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Investment property	2	686,575,622	601,700,000
Property, plant and equipment	3	15,823,223	-
Investment in subsidiary	4	16,219,589	-
Deferred tax	11	327,961	-
Operating lease asset	5	11,524,378	8,061,016
		730,470,773	609,761,016
Current Assets			
Other financial assets	6	-	2,005,281
Current tax receivable		628,261	-
Trade and other receivables	7	1,749,196	253,039
Cash and cash equivalents	8	286,243	7,968,683
		2,663,700	10,227,003
Total Assets		733,134,473	619,988,019
Equity and Liabilities			
Equity			
Share capital	9	242,439,617	226,179,475
Retained income		103,852,881	56,895,571
		346,292,498	283,075,046
Liabilities			
Non-Current Liabilities			
Interest bearing borrowings	10	194,452,542	165,088,667
Deferred tax	11	13,199,259	8,354,760
		207,651,801	173,443,427
Current Liabilities			
Loans from shareholders	12	157,757,072	148,424,295
Interest bearing borrowings	10	14,844,000	8,967,520
Current tax payable		-	2,132,104
Trade and other payables	13	6,534,280	3,945,627
Bank overdraft	8	54,822	-
		179,190,174	163,469,546
Total Liabilities		386,841,975	336,912,973
Total Equity and Liabilities		733,134,473	619,988,019

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue		68,303,597	60,389,911
Other income		100,142	236,051
Operating expenses		(22,280,170)	(14,227,674)
Operating profit	14	46,123,569	46,398,288
Investment revenue	15	14,805	104,902
Fair value adjustments	16	27,714,457	20,967,485
Finance costs	17	(14,382,270)	(21,821,809)
Profit before taxation		59,470,561	45,648,866
Taxation	21	(12,513,251)	(9,513,954)
Profit for the year		46,957,310	36,134,912
Other comprehensive income		-	-
Total comprehensive income for the year		46,957,310	36,134,912

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance at 01 March 2009	50,000	-	50,000	20,760,659	20,810,659
Changes in equity					
Total comprehensive income for the year	-	-	-	36,134,912	36,134,912
Issue of shares	548,485	225,580,990	226,129,475	-	226,129,475
Total changes	548,485	225,580,990	226,129,475	36,134,912	262,264,387
Balance at 01 March 2010	598,485	225,580,990	226,179,475	56,895,571	283,075,046
Changes in equity					
Total comprehensive income for the year	-	-	-	46,957,310	46,957,310
Issue of shares	37,632	16,222,510	16,260,142	-	16,260,142
Total changes	37,632	16,222,510	16,260,142	46,957,310	63,217,452
Balance at 28 February 2011	636,117	241,803,500	242,439,617	103,852,881	346,292,498
Note(s)	9	9	9		

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Statement of Cash Flows

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash receipts from customers		63,344,077	55,571,574
Cash paid to suppliers		(35,810,963)	(10,948,104)
Cash generated from operations	20	27,533,114	44,623,470
Interest income		14,805	104,902
Finance costs		(14,382,270)	(21,821,809)
Tax paid		(10,757,078)	(2,802,760)
Net cash from operating activities		2,408,571	20,103,803
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(15,823,223)	-
Additions to investment property	2	(57,161,165)	(442,732,515)
Net movement in financial assets		2,005,281	(2,005,281)
Proceeds from shareholder loans		9,332,777	98,424,297
Net cash from investing activities		(61,646,330)	(346,313,499)
Cash flows from financing activities			
Proceeds on share issue	9	16,260,142	226,129,475
Proceeds from interest bearing borrowings		35,240,355	106,504,513
Net cash from financing activities		51,500,497	332,633,988
Total cash movement for the year		(7,737,262)	6,424,292
Cash at the beginning of the year		7,968,683	1,544,391
Total cash at end of the year	8	231,421	7,968,683

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Investment property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment property is initially recognised at cost.

Costs include costs incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognised.

After initial recognition, investment property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value by the directors at each reporting period date with changes in fair value recognised in profit or loss.

1.2 Property, plant and equipment

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

This includes cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.3 Investment in subsidiary

Investment in subsidiary are carried at cost less any accumulated impairment.

1.4 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Accounting Policies

1.5 Tax (continued)

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting period date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting period date.

Tax expenses

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Share capital issued by the company is recorded at the proceeds received, net of issue costs.

1.8 Revenue

The company earns revenue from the rental of the investment property.

Revenue from rental agreements is recognised in accordance with the accounting policy for operating leases.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand 2011 2010

1. Changes in accounting policy

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities on a basis consistent with the prior year except for the following:

Deferred taxation

During the year, the company changed its accounting policy with respect to the treatment of deferred taxation. The company early adopted IAS 12: Deferred Tax: Recovery of Underlying Assets - Amendments to IAS12. The effective date of the amendments is for annual periods beginning on or after 1 January 2012. Earlier application is permitted. The amendments introduce a rebuttable presumption that the carrying amount of investment property will be recovered entirely through sale. The change provides reliable and more relevant information.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 28 February 2010 is as follows:

Statement of Financial Position

Deferred tax

Previously stated	-	(7,761,836)
Adjustment	-	1,669,427
	-	(6,092,409)

Statement of Comprehensive Income

Deferred tax

Previously stated	-	4,604,875
Adjustment	-	(1,669,427)
	-	2,935,448

2. Investment property

Reconciliation of investment property - 2011

	Opening Balance	Additions	Fair value adjustments	Total
Investment property	601,700,000	57,161,165	27,714,457	686,575,622

Reconciliation of investment property - 2010

	Opening Balance	Additions	Additions through Amalgamation	Fair value adjustments	Total
Investment property	138,000,000	58,467,724	384,264,791	20,967,485	601,700,000

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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2. Investment property (continued)

Details of properties

Erf 103, Erf 105, Erf 106 and Erf 74995, Sebokeng Unit 10 Ext 1 measuring 9,643m², 10,000m², 9,643m² and 51,061m² respectively.

- Purchase price: Land	5,622,745	5,622,745
- Purchase price: Buildings	1,637,432	1,637,432
- Additions since purchase or valuation	110,835,261	109,607,972
- Fair value adjustments: Land	4,877,255	4,877,255
- Fair value adjustments: Buildings	36,363,996	28,254,596
	159,336,689	150,000,000

Erf 40327 Mamelodi Extension 13 and Erf 19265 Mamelodi, Registration Division JR, Gauteng, measuring 52,004m² and 4,849m² respectively.

- Purchase price: Land	2,702,000	2,702,000
- Purchase price: Buildings	173,985,181	173,985,181
- Additions since purchase or valuation	72,245,154	26,162,204
- Fair value adjustments: Land	7,298,000	7,298,000
- Fair value adjustments: Buildings	14,537,333	6,852,615
	270,767,668	217,000,000

Erf 16248 Atteridgeville Ext 25 measuring 6.4926 ha. Erf 16248 is a consolidated property made up out of previous Erf 15232, 15233 and 15234 Atteridgeville Ext 25.

- Purchase price: Land	11,378,895	11,378,895
- Purchase price: Buildings	194,735,170	194,735,170
- Additions since purchase or valuation	42,202,123	32,351,197
- Fair value adjustments: Land	3,621,105	3,621,105
- Fair value adjustments: Buildings	4,533,972	(7,386,367)
	256,471,265	234,700,000

The above properties are subject to a mortgage bond in favour of ABSA Mortgage Fund Managers as per note 10.

Details of valuation

The effective date of the revaluations was 28 February 2011. Revaluations were performed by the directors of the company. The directors have sufficient experience in location and category of the investment property being valued.

The valuation of investment property, totalling R 698,100,000 (2010: R 601,700,000) was based on discounted cash flows. The following assumptions were used:

Yield rate : 9%

These assumptions are based on current market conditions.

Depreciation for depreciable assets

Included in investment property are assets which are depreciable for income tax purposes. Depreciation claim for taxation purposes amount to R431,531 (2010 - R800,368).

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand 2011 2010

2. Investment property (continued)

Improvements to be written off over the lease period

Included in investment property are improvements to be written off over the lease period for income tax purposes. Claim for taxation purposes amount to R784,121 (2010 - R0).

Allowance in terms of Section 13quin

Included in investment property are improvements for which an allowance of 5% can be deducted for income tax purposes in terms of Section 13quin. Claim for taxation purposes amount to R26,192 (2010 - R0).

3. Property, plant and equipment

	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land at cost	15,823,223	-	15,823,223	-	-	-

Details of properties

Erf 35380 and Portion 1 of Erf 40326, measuring 2,1717 hectares and 1,818m² respectively, Mamelodi Extension 13, Registration Division JR, Gauteng.

- Cost to date 15,823,223 -

4. Investment in subsidiary

Name of subsidiary		% holding 2011	% holding 2010	Carrying amount 2011	Carrying amount 2010
Swakopmund Waterfront Property Company (Pty) Ltd	Shares	100.00 %	- %	7,826,535	-
Swakopmund Waterfront Property Company (Pty) Ltd	Loan account	100.00 %	- %	8,393,054	-
				<u>16,219,589</u>	<u>-</u>

The entity is incorporated in Namibia and shares the year end of the company.

The carrying amounts of subsidiaries are shown gross of impairment losses.

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand **2011** **2010**

5. Operating lease asset

The movement can be reconciled as follows :

Balance at the beginning of the year	8,061,016	2,711,967
Movement during the year	3,463,362	5,349,049
	11,524,378	8,061,016

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

Future minimum lease payments receivable

- not later than one year	57,302,282	57,367,906
- later than one year but not later than five years	94,246,559	127,408,071
- later than five years	8,930,181	14,095,944
	160,479,022	198,871,921

The average lease terms are for 3 to 10 years and the average effective escalation rate is from 7% to 10% per annum.

6. Other financial assets

At amortised cost

Amount invested in Attorney's Trust Account	-	2,005,281
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Rental paid into the trust account in anticipation of an arbitration.

Current assets

At amortised cost	-	2,005,281
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7. Trade and other receivables

Trade receivables	4,692,996	45,276
Provision for bad debts	(3,558,727)	-
Prepayments	-	18,810
Deposits	67,287	163,682
VAT	547,640	-
Other receivables	-	25,271
	1,749,196	253,039

Based on past experience, no impairment allowance is necessary in respect of trade receivables. All receivables are collectable within 12 months. For this reason the carrying value of trade and other receivables is a true reflection of the fair value.

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand	2011	2010
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	-	7,916,444
Short-term deposits	286,243	52,239
Bank overdraft	(54,822)	-
	231,421	7,968,683
Current assets	286,243	7,968,683
Current liabilities	(54,822)	-
	231,421	7,968,683
9. Share capital		
Authorised		
100,000,000 Ordinary shares of R0.01 each	1,000,000	1,000,000
Issued		
63,611,717 (2010: 59,848,502) Ordinary shares of R0.01 each	636,117	598,485
Share premium	241,803,500	225,580,990
	242,439,617	226,179,475
10. Interest bearing borrowings		
At amortised cost		
ABSA Mortgage Fund Managers	209,296,542	173,935,488
Secured loan bearing interest at 8% (2010 : 9%) at year end. Repayable in monthly capital instalments of R1,058,000. Secured by investment property as per note 2. The bond is for an approximate period of ten years, with a final instalment of R5,417,000.		
Ferry Finance - Instalment sale agreement	-	120,699
The liability was payable over 60 months at an interest rate of 12%, in monthly instalments of R6,688.55. The loan was repaid in full during the year.		
	209,296,542	174,056,187
Non-current liabilities		
At amortised cost	194,452,542	165,088,667
Current liabilities		
At amortised cost	14,844,000	8,967,520
	209,296,542	174,056,187

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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11. Deferred tax

Deferred tax asset (liability)

Equalisation of leases	(3,226,826)	(2,257,084)
Expense paid in advance	-	(5,267)
Income received in advance	327,961	-
Revaluation of investment property	(9,972,433)	(6,092,409)
	(12,871,298)	(8,354,760)

Reconciliation of deferred tax asset (liability)

At beginning of the year	(8,354,760)	(3,916,312)
Originating temporary difference on revaluation of property	(3,880,024)	(2,935,448)
Originating temporary difference on equalisation of leases	(969,742)	(1,497,733)
Originating temporary difference on expense paid in advance	5,267	(5,267)
Originating temporary difference on income received in advance	327,961	-
	(12,871,298)	(8,354,760)

12. Loans from shareholders

Total loans	157,757,072	148,424,295
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The loans bear no interest and are payable at the discretion of the directors.

13. Trade and other payables

Trade payables	2,999,547	1,824,102
Amounts received in advance	1,171,290	-
VAT	-	95,637
Deposits received	2,351,278	1,988,452
Other payables	12,165	37,436
	6,534,280	3,945,627

Trade payables will be paid within 12 months and no interest is levied on late payments. The carrying value of trade and other payables is therefore a true reflection of the fair value.

14. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges

Lease rentals on operating lease - Other

• Contractual amounts	-	12,202
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Directors' emoluments	333,000	475,000
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SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand	2011	2010
15. Investment revenue		
Interest revenue		
Interest charged on trade and other receivables	14,805	99,274
Other interest	-	5,628
	14,805	104,902
16. Fair value adjustments		
Investment property (Fair value model)	27,714,457	20,967,485
17. Finance costs		
Shareholders	-	4,331
Bank	14,382,270	21,769,420
Other interest paid	-	48,058
	14,382,270	21,821,809
18. Auditors' remuneration		
Fees	320,000	204,000
19. Directors' emoluments		
For services as directors	333,000	475,000
20. Cash generated from operations		
Profit before taxation	59,470,561	45,648,866
Adjustments for:		
Interest received	(14,805)	(104,902)
Finance costs	14,382,270	21,821,809
Fair value adjustments	(27,714,457)	(20,967,485)
Movements in operating lease assets and accruals	(3,463,362)	(5,349,049)
Investment in subsidiary	(16,219,589)	-
Changes in working capital:		
Trade and other receivables	(1,496,157)	530,712
Trade and other payables	2,588,653	3,043,519
	27,533,114	44,623,470

SAFARI INVESTMENTS (RSA) LIMITED
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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
21. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	7,996,713	5,080,349
Local income tax - recognised in current tax for prior periods	-	(4,844)
	7,996,713	5,075,505
Deferred		
Equalisation of leases	969,742	1,497,734
Expense paid in advance	(5,267)	5,267
Income received in advance	(327,961)	-
Revaluation of investment property	3,880,024	2,935,448
	4,516,538	4,438,449
	12,513,251	9,513,954
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	59,470,561	45,648,866
Tax at the applicable tax rate of 28% (2010: 28%)	16,651,757	12,781,682
Tax effect of adjustments on taxable income		
Amounts deductible / not deductible	(257,836)	33,785
Tax losses carried forward	-	(361,869)
Deferred tax effect	(8,397,208)	(7,373,249)
	7,996,713	5,080,349
22. Related parties		
Relationships		
Subsidiaries	Refer to note 4	
Common Directorship	Safari Developments Pretoria (Pty) Ltd Pace Construction (Pty) Ltd The Roofing Guarantee Company (Pty) Ltd Safarihold (Pty) Ltd Cosmos Management CC	
Close Corporation controlled by Director : FJJ Marais		
Related party balances		
Loan accounts - Owing (to) by related parties		
Swakopmund Waterfront Property Company (Proprietary) Limited	8,393,054	-
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Safari Developments Pretoria (Pty) Ltd	(12,165)	(12,165)

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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22. Related parties (continued)

Related party transactions

Purchases from (sales to) related parties

Safari Developments Pretoria (Pty) Ltd	70,903,987	55,540,000
Pace Construction (Pty) Ltd	1,292,354	1,336,612
Cosmos Management CC	103,383	467,838
Safarihold (Pty) Ltd	122,800	-
The Roofing Guarantee Company (Pty) Ltd	2,335	-

Management fees paid to related parties

Cosmos Management CC	1,959,387	1,352,609
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23. Prior period adjustments

On 1 March 2009 Safari Investments Atteridgeville (Pty) Ltd and Safari Investments Pretoria (Pty) Ltd were amalgamated into Safari Investments RSA Ltd. Each of the above entities owned and managed shopping centres through which rentals were earned. The rentals were equalised over the entire lease term in the 28 February 2010 financial statements rather than over the remaining lease term after the date of amalgamation. This represents a prior period adjustment.

The correction results in adjustments as follows:

Statement of Financial Position

Operating lease asset	-	(8,026,355)
Deferred tax on lease asset	-	2,247,379

Profit or Loss

Revenue	-	8,026,355
Deferred tax on equalisation	-	(2,247,379)

24. Contingent liabilities

A disagreement between the company and one of its tenants regarding unpaid excess installation costs amounting to R717,610 has resulted in legal proceedings which have been referred for arbitration.

The tenant has instituted counterclaims for:

- the return of rental paid amounting to R3,821,066, and
- loss of profits amounting to R19,000,980.

The company's lawyers and directors consider the likelihood of this action against the company being successful as unlikely, and the case has been set down for arbitration in August 2011.

It is not anticipated that any material liability will arise from the above.

25. Capital Commitments

A Planning Phase Development Agreement was signed on 24 May 2011 between the company and Safari Developments Pretoria (Pty) Ltd. The Agreement covers the planning phase of the development of the property of the subsidiary, Swakopmund Waterfront Property Company (Pty) Ltd and it was agreed that this cost will not exceed R20,000,000 inclusive of the cost of the land. R16,000,000 of this amount was incurred during the year under review. The difference will be financed through own sources and the bond.

SAFARI INVESTMENTS (RSA) LIMITED
Annual Financial Statements for the year ended 28 February 2011
Detailed Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue			
Rental Income		56,221,285	48,412,209
Equalisation of rental income		3,463,363	5,349,049
Costs recovered		8,618,949	6,628,653
		68,303,597	60,389,911
Other income			
Bad debts recovered		-	75,420
City council rebates		8,894	-
Fair value adjustments	16	27,714,457	20,967,485
Installation costs received		-	110,000
Insurance claims received		24,998	41,831
Interest received	15	14,805	104,902
Other income		66,250	-
Seminar fees recovered		-	8,800
		27,829,404	21,308,438
Expenses (Refer to page 22)		(22,280,170)	(14,227,674)
Operating profit	14	73,852,831	67,470,675
Finance costs	17	(14,382,270)	(21,821,809)
Profit before taxation		59,470,561	45,648,866
Taxation	21	12,513,251	9,513,954
Profit for the year		46,957,310	36,134,912