Gooderson Leisure Corporation Limited

Monks Cowl Golf Resort - Central Drakensberg - Winterton

ANNUAL REPORT 2014

Gooderson Leisure
Good Value, Good Fun

Gooderson Leisure Group Annual Report 2014

Our mission and vision

Mission Statement

It is our mission to add value and customer satisfaction through a consistent approach to service and operational excellence and to increase market share and product offering in the tourism industry.

Group Values

As we deliver on our mission, our group values guide us in our relations with our employees, guests and our shareholders.

Through service excellence, affordability and training we will become the hotel group of choice.

Through reward programmes and skills development we will become the preferred employer in the hospitality industry.

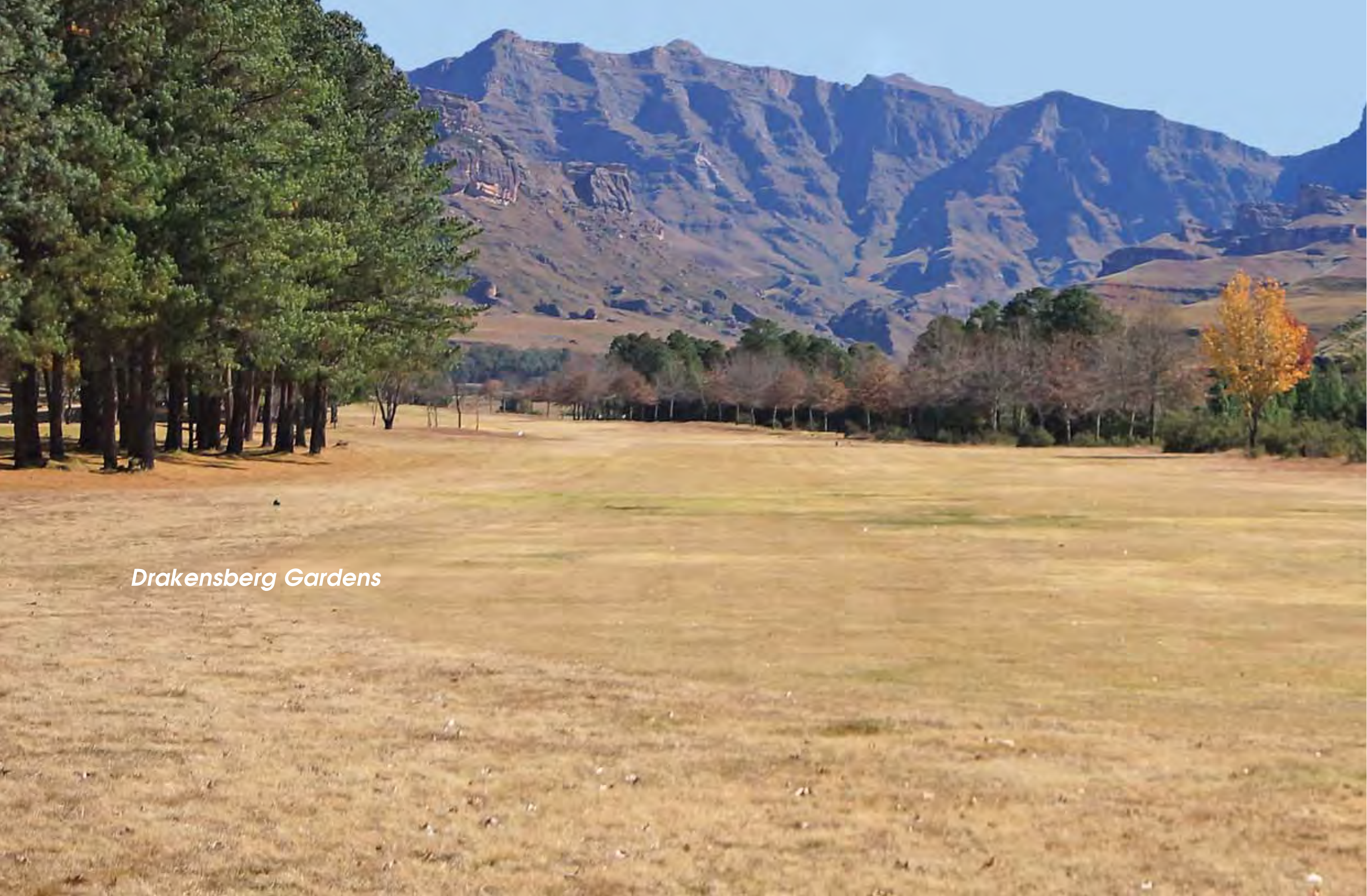
Through our caring policy, and while behaving in a socially responsible and progressive manner in the industry in which we operate, we will become the group of choice.

Overall Strategic Intent

With the implementation to increase our product offering, there is also emphasis to optimise and deliver on employment equity, skills development and black economic empowerment in line with good corporate governance practices which all forms part of the Gooderson strategy.

The Group's Overall Strategy

To ensure optimum execution of the group strategy, Gooderson is structured and managed in an environment with the necessary financial and administrative capacity, driven by a fully motivated workforce that fits an adaptive culture. Gooderson maintains a governance structure with specific targets, regularly motivating progress towards achieving these targets.



Drakensberg Gardens

Gooderson Leisure

Good Value, Good Fun

Gooderson stands for:

G Good value, good fun

O Opportunity to expand the business operations

O Opportunity for employees to participate in the business operations

D Diverse service offering in the leisure industry

E Experienced management team

R Return to shareholders

S Strategically placed to take advantage of the growing tourism industry

O Opportunity to form partnership with National and Local Tourism Authorities which will result in brand positioning

N National presence in the market place

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Definitions

"FABZ" FABZ Boutique Hotel and Conference Centre

"SANROCK" Sanrock Resort and Conference Centre

"KLOPPENHEIM" Kloppenheim Country Estate Hotel

"MONKS" Monks Cowl Golf Resort

"AGM" Annual General meeting

"EBITDA" Earnings before interest, income tax, depreciation and amortisation

"EPS" Earnings Per Share

"HEPS" Headline Earnings Per Share

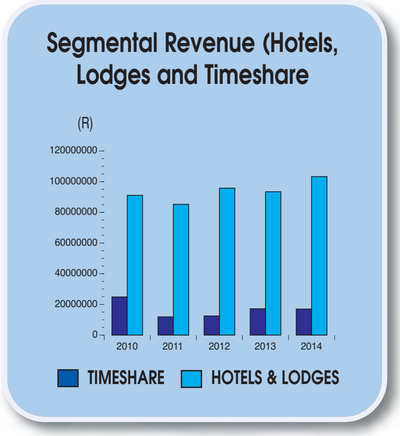
"NAV" Net Asset Value

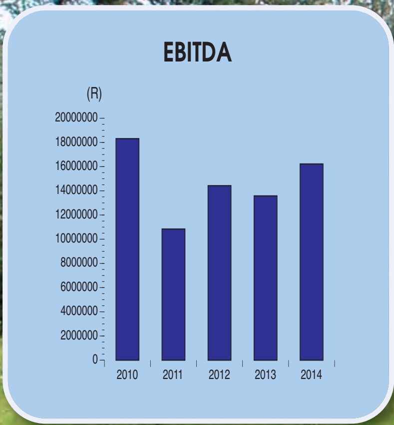
"REVPAR" Revenue Per Available Room

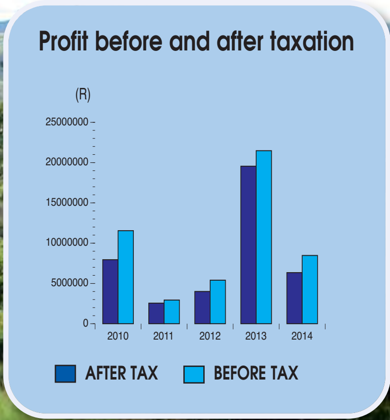
For an electronic version of the Gooderson Leisure Corporation Annual Report 2014 visit our website on www.goodersonleisure.co.za

Performance Highlights

- **Revenue of R120.25 million up 9%**
- **EBITDA of R16.22 million up 19%**
- **HEPS 5.26 cents up 32%**
- **Cash generated from operations up 74% R16.8 million**
- **NAV of 154.73 cents per share**





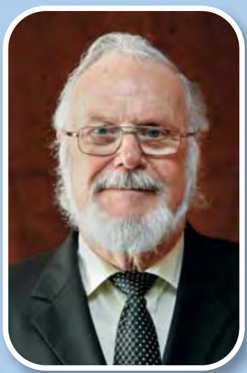


Board of Directors

Bottom row from left: Alan William Gooderson, Colleen Maria de Klerk, Rajen Nannoolal
Top row from left: Gavin Michael Castleman, Michael Allen Pottier*, Brian Reynold Warmback*
Sizakele Qiniselile Moloko* (Not in photograph)

*Non-Executive

Executive Chairman's Report



Alan W Gooderson

The financial year under review has been a difficult one, although some of our hotels have shown some good trading improvements over the previous financial year. Revenues for the group grew by 9% and profits after tax was substantially up on last year if the proceeds on the sale of Beach Hotel (sale occurred in the 2013 financial year end) were to be excluded.

We continue to upgrade our existing hotels and have added many new fun features in the products which we believe will have a good influence on occupancies in the future.

The development at Monks Cowl Golf Resort continues with 18 bedrooms completed in 2013 and a further 16 bedrooms are being built during 2014. Phase 3 which consists of 8 self-catering units will also be built in 2014 around the dam.

In the past the resort has been promoted as a 9-hole Golf Course but recent marketing campaigns on the new rooms has resulted in the first four months of the year achieving a 23% occupancy. Monks Cowl Golf Resort and all its accompanying facilities will be opened from October 2014 and we expect really good trading conditions to prevail during the 2015/16 financial year.

The hotel division performed better than the budgeted figures for the current and prior year, whilst the timeshare division was slightly down on the current year budgets, but exceeded the prior year's budget. Unfortunately, our

associate company was behind last year's results, however, action has been taken and we expect a better performance in the future.

With the upgrades of hotels last year still ongoing the programme should be completed during the 2015/16 financial year.

The Timeshare Division has changed their marketing strategy and have introduced an in-house points club. This club should help, not only with the sale of the timeshare stock, but also add value to the Gooderson brand.

The net book value of property, plant and equipment for the group is R221 million and our strategy is to achieve a 15% EBITDA return on this investment. This can be obtained by increasing the hotel group occupancy to above 50% and the timeshare division continuing with the good growth on the previous years.

The new "Walk through Bird and Reptile Park" at DumaZulu Traditional Village and Lodge was officially opened on 27 March 2014 by King Goodwill Zwelithini. The opening ceremony was very successful and we expect great results in the future from this R1 million investment.

The acquisitions over the last four years continue to record better revenues each year but a decision will be made as to whether each one will be a viable proposition in the future. Any business unit that does not perform to the company's profit strategy will be dispensed with.

In conclusion, I believe that 2014 was a tough trading year but there is a light shining through and that by 2015 there would be big improvements in occupancies in the Hotel Industry and therefore RevPar will also improve.

Finally, I wish to thank the Board Members, Management and Staff for their great efforts throughout the year and their contribution to the group's overall results.

Alan W Gooderson
Executive Chairman

Chief Executive Officer's Report

Gooderson Tropicana Hotel

Beachfront Durban

Gooderson Drakensberg Gardens Golf & Spa Resort

Southern Drakensberg

Gooderson Bushlands Game Lodge

near Hluhluwe Zululand

Gooderson DumaZulu Game Lodge & Traditional Village

near Hluhluwe Zululand

Gooderson Natal Spa Hot Springs & Leisure Resort

Paulpietersburg

Gooderson SanRock Resort & Conference Centre

Limpopo

Gooderson Fabz Boutique Hotel & Conference Centre

Johannesburg

Gooderson Kloppenheim Country Estate Hotel

Machadadorp

Gooderson Monks Cowl Golf Resort Winterton

Central Drakensberg


Gavin M. Castleman

Overview

The 2014 financial year proved once again that the economic climate is still severely affecting the hospitality industry and muted trading conditions continue. Trading during the period has been unpredictable and has shown mixed results in our wide variety of properties. Overall though, the group has delivered reasonable results in a challenging environment.

International markets have remained static with very little growth at all and have shown a pattern of 30 day wash-downs occurring. Domestic and conference markets have shown growth and forward bookings appear more positive. We are still continuing to improve revenue streams but it is definitely getting tougher in our maturing, already saturated local markets. During the coming year we will have to re-look at our non performing properties and possibly divest of the assets that we do not see future profitability in.

Operating Costs have been well maintained this year with a 6% increase per guest night if compared to last year. Particularly pleasing was the continued success of our energy saving initiatives with energy costs per room sold decreasing by 0.19% in spite of the midyear increase of 16%.

Against the backdrop of the current subdued economic climate, the group achieved an occupancy of 41% with no growth on last year.

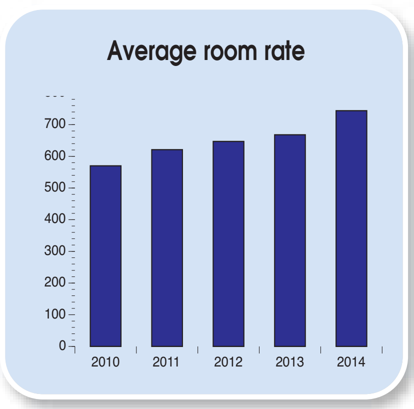
Our new properties are still under pressure to achieve budgeted occupancy levels but good growth has been shown if compared to last year.

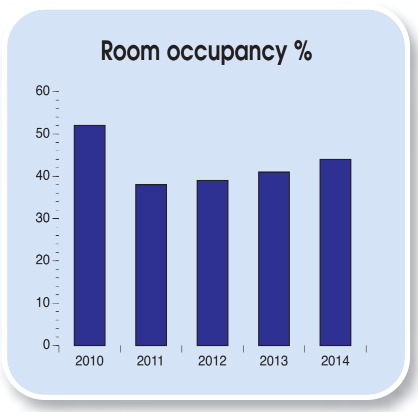
Average Room Rates increased by 11% from R668 to R744.

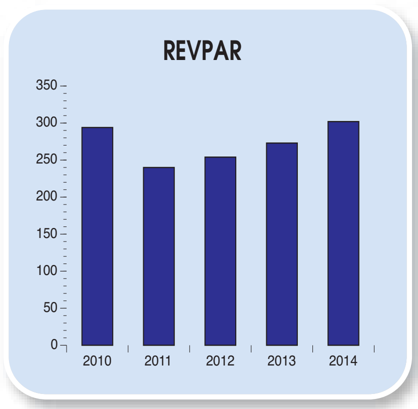
Revpar increased by 11% from R273 to R302.

The total number of rooms in the group now stands at 484 Hotel rooms and 61 self-catering units.
This excludes the 8 self-catering units at Monks Cowl which will be completed by October 2014.

HOTELS AND LODGES					
Group	28 Feb 2014	28 Feb 2013	29 Feb 2012	28 Feb 2011	28 Feb 2010
Average room rate	744	668	647	621	570
Room occupancy %	41	41	39	38	52
Revpar	302	273	254	240	294







Marketing

The Gooderson brand awareness continues to be the foremost focus of the group as we seek more opportunities to portray our "Good Value, Good Fun" adage. Our logo has been updated to bring it in line with current graphic trends.

Once again our website has been upgraded to ensure potential guests are directed to our booking site and properties have been optimised to ensure our hotels are improved on search engine listings. This will maximise online reservations, which is the future of our industry.

Skills and Social Development

Our people are key to the group achieving its strategic objective within our highly competitive service orientated industry that we operate in. It is critical that our staff are motivated as well as competent to provide a memorable guest experience. This will ensure the group's ongoing success and sustainability into the future. Our training this year will focus on growing and developing those employees that we have identified to have the necessary talent to have a career within the organisation and be ready for future management positions as a form of succession planning.

Our goal to achieve a Level 4 BEE Rating was realized during this financial year thereby reiterating the group's commitment to transformation and development of our staff through skills training and development.

Our first two bursary students who both graduated with distinctions at Durban University of Technology are now proudly members of our management team. A further two full Bursary students were recruited in July 2013 and will be graduating in December 2014. This has proven to be the most effective programme to recruit and maintain the flow of young black management into the group. We intend to increase our efforts further this year.

Conclusion

I do believe that trading conditions will continue to be difficult in the year ahead. This has been apparent in the first quarter of the year as trading has been subdued due to business confidence being low during the lead up to the elections.

Moving forward I believe occupancies will improve due to the reduction of new accommodation facilities being built which will ultimately result in an improved demand.

Thanks

My thanks go out to the executive team for the hard work they are putting into the business, stakeholders, guests, staff, management and suppliers. In particular, mention must be made of the management teams at the various properties who wake up each day and motivate the staff to achieve our targets and ensure long term sustainability of the group.

Gavin M Castleman

Chief Executive Officer

Gooderson Tropicana Hotel - KwaZulu Natal ★★★

85 OR Tambo Parade (Marine Parade)
Durban, 4001

Tel: 031-3681511
Fax: 031-3326890

Reservations:
tropicana@goodersons.co.za

GPS Co-Ordinates
29° 51 ´ 24.22 ˝ S I 31° 02 ´ 20.15 ˝ E

Gooderson Tropicana Hotel is one of Durban beachfront's most stylish hotels and is the perfect year-round destination that offers something for everyone. Situated on Durban's Golden Mile overlooking the warm Indian Ocean, it is close to most of Durban's attractions – the beautiful beaches, uShaka Marine World, the International Convention Centre, Suncoast Casino, the Moses Mabhida and Kings Park Stadiums and the Kingsmead Cricket Ground.

With 168 rooms guests can enjoy panoramic views, waking up to the sun rising over the breakers or looking out as the sun sets and the lights of the beachfront dot the evening sky. Large windows open to fresh ocean breezes while air conditioners beat the Durban heat. Tea and coffee making facilities, DSTV, an en-suite bathroom with shower, a personal electronic wall-safe for guests' valuables and full Wireless Internet Access (WIFI) are just some of the creature comforts on offer.

Diverse accommodation options mean this is the ideal venue for a family break – children under 15 stay free and pay for breakfast only – as well as an intimate getaway or business trip. Give your delegates more than just a conference, give them inspiration. Break away from the norm to a venue where your staff will be made to feel relaxed in comfortable natural surroundings and which will increase their ability to focus on the task at hand. We will help you to get the most out of your conference with our trained onsite staff and their ability to deliver on our promise to provide good value. The Tropicana offers five fully equipped conference / function venues that seat up to 300 delegates cinema style. Professional banqueting staff ensures that each function is a success. As a result, the Tropicana is a very popular wedding reception venue. Guests have a wide range of conference and wedding packages to choose from.

The Tropicana is also a diner's delight. Guests can relax on the terrace of the friendly sidewalk Clippers Cafe Bar and enjoy a variety of coffees and a slice of cake, a light meal or simply a sundowner. The terrace is the ideal place to while away those lazy afternoons or watch an adrenalin pumping sporting event. Dinner is served in the Seven Palms Restaurant (which also serves our renowned buffet breakfasts). The Ocean View Bar and Business Centre offers computer access, as well as light snacks and bar service late into the night.

Gooderson Drakensberg Gardens Golf & Spa Resort - KwaZulu Natal

Drakensberg Road
Underberg, 3257

Tel: 033-7011355
Fax: 033-7010020

Reservations:
drak@goodersons.co.za

GPS Co-Ordinates
29° 45´ 17.03˝ S I 29° 14´ 21.53˝ E

Gooderson Drakensberg Gardens Golf & Spa Resort poised on a scenic 860 hectare World Heritage site, is a one-of-a-kind retreat for guests to reconnect, relax and unwind. One can venture into the great outdoors – swimming, hiking, horse riding, canoeing and trout fishing.

For the golfing enthusiast, the Resort prides itself on the renowned Drakensberg Gardens Golf Club, the only 18-hole golf course in the Southern Berg (NGU affiliated). Known to be challenging but fair, the course is ideal for all golfers from season professionals to the first time player. Drakensberg Gardens Golf Club boasts the most spectacular views of the Rhino Horn Peak and Lake Kwanyoni boating and trout fishing dam with a beautiful clubhouse, unspoilt fairways and arresting greens that are kept in perfect playing condition throughout the year. Guests will notice the improved appearance of the course with new bridges, cart paths, the level of the tee-boxes, as well as the purchase of additional golf carts.

Due to many guests having to make an extremely difficult decision whether to take their annual breaks with us in summer or winter, some all year round attractions on offer are our heated swimming pool, a new BMX track, mountain biking which consists of a customary built single track at the resort with is 12km and traverses the resort's picturesque dam, golf course and the lush pine forest; and is suitable for all riders of all levels. Bikes are available from the Hotel reception. There is something for everyone to enjoy at a special retreat which is just two and a half hours drive from Durban.

The Gooderson Drakensberg Gardens Golf & Spa Resort is the ideal venue for conferences. Two state-of-the-art conference / function venues that seat up to 200 guests easily accommodate day conferences, seminars, presentations, cocktail parties, gala dinners, special occasions, functions and weddings.

With its array of activities and facilities, the resort is perfect for teambuilding and offers spacious and comfortable accommodation with standard, superior and deluxe rooms. All have private bathrooms, television, telephones, tea and coffee making facilities and heaters. The deluxe rooms also include under floor heating for those cold winter days. Guests also have the option of four, five and six sleeper fully equipped self-catering units which are ideal for family getaways. Parents, who need a break from cooking and child care, can request a babysitter at reception and enjoy a meal at one of the many restaurants.

Gooderson Bushlands Game Lodge - KwaZulu Natal

Lot H99 Bushlands Road
Hluhluwe, 3960

Tel: 035-5620144
Fax: 035-5620205

Reservations:
lodges@goodersons.co.za

GPS Co-Ordinates
28° 04´ 44.67˝ S I 32° 18´ 17.31˝ E

Gooderson Bushlands Game Lodge offers an unforgettable African bush experience. Meet up with zebra, warthog, giraffe, nyala and impala, and enjoy the abundant bird life. Explore the fantastic Nyala guided walking trail.

Designed to blend seamlessly into the environment and surrounded by 300 acres of bush and game area, this beautiful lodge is the ideal base from which to seek out the Big Five and explore the national parks – Umfolozi, Hluhluwe, Mkuze, Ndumo, Sodwana Bay and the iSimangaliso Wetland Park. Our traditional village DumaZulu Cultural Village is a mere five minutes' drive from Bushlands where you can explore the traditional culture of South Africans as well as enjoy a delicious cultural lunch.

Our elegantly furnished air-conditioned wooden chalets are built on stilts and connected by raised wooden walkways which lead to the main dining room, bar, swimming pool and boma. All rooms have private bathrooms with showers, fans, telephones, air conditioners, tea and coffee making facilities (hairdryers can be booked at the reception). Self-catering units are also available and include braai facilities.

The boma provides the perfect meeting place for guests to enjoy drinks around the fire before dinner or to simply unwind at the end of a wonderful day. The resident chef specializes in mouth-watering venison and game dishes. Meals can be enjoyed in the main dining room or, weather permitting, under the African stars in the boma or on the swimming pool deck.

Central Reservations

Tel: 031-3374222 Fax: 031-3682322
Online Bookings: www.goodersonleisure.co.za

Gooderson Leisure
Good Value, Good Fun

Gooderson DumaZulu Game Lodge & Traditional Village - KwaZulu Natal

Lot H29, Bushlands Road,
Hluhluwe, 3930

Tel: 035-5622260
Fax: 035-5622260

Reservations:
lodges@goodersons.co.za

GPS Co-Ordinates
28° 06´ 19.68˝ S I 32° 17´ 08.22˝ E

Gooderson DumaZulu Game Lodge & Traditional Village is situated in the heart of Zululand and offers visitors accommodation, promising an unrivalled ethnic experience. You can spend the night in unique dwellings which, from the outside, resemble the diverse tribal homes of southern Africa including that of the Zulu, Swazi, South Sotho, North Sotho, Venda, Xhosa, Tsonga, Tswana and Ndebele peoples, but are furnished with a modern interior.

Experience traditional KwaZulu-Natal hospitality at DumaZulu Traditional Village, South Africa's biggest cultural village. Watch as locals make spears, shields, baskets and clay pots. Peek into the world of the sangoma. Experience the rhythmic drumbeat and dance of Africa. Taste Zulu beer. Watch the throwing of the bones. DumaZulu Traditional Village is as much a living cultural museum as it is a natural and therapeutic outdoors environment for guests to reconnect with nature. Cultural guides also give guests a rare insight into local customs.

Pop into the newly constructed walk through Bird and Reptile Park which was officially opened up by King Goodwill Zwelithini on the 27 March 2014. Boasting the largest free flight aviary in the region, with over 3000m^2 of covered Zululand sand forest and an array of birds and animals, this is an experience like no other. This wonder world includes an elevated walk way that will enable you to spot exquisite birds in the trees, waterfalls, dams and a flowing river. Enter the Reptile and Amphibian area where you can broaden your knowledge about spiders, snakes and frogs, before going on to view the crocodiles.

Gooderson DumaZulu Game Lodge & Traditional Village also offers game drives and a variety of tours so you can experience the true richness of the Kingdom of the Zulu.

Give your delegates more than just a conference, give them inspiration, Dumazulu offers a unique traditional flair to all conferencing, weddings and events, tailor-made to suit our clients needs.

Gooderson Natal Spa Hot Springs & Leisure Resort - KwaZulu Natal

Lot 191, Remainder Koubad Farm,
Paulpietersburg,3180

Tel: 034-9950300
Fax: 034-9950307
Cell: 073 213 7242

Reservations:
nspa@goodersons.co.za

GPS Co-Ordinates
27° 31´ 38.14˝S 30° 52´ 0.14˝ E

Gooderson Natal Spa Hot Springs & Leisure Resort is situated on the Battlefields Route and is set on 550 hectares of beautiful KZN bushveld amongst giant Cambrian granite boulders that are millions of years old and has beautiful views over the Bivane River and abundant bird life.

The main attraction is the mineral water pools famed for its hot mineral waters and a great 100m long super-tube. The thermal waters rise up along fault fissures and are heated at the source to between 36 and 45 degrees Celsius. These "triple waters" contain healing chlorides, sulphates and carbonates which are said to help treat gastric ailments, digestive disorders, biliary, constipation, fibrositis, gout, rheumatism, insomnia, skin disorders such as warts, and even the stresses and strains of everyday life.

For the active adventure seekers, there are quad bike trails, horse riding, squash, tennis, hiking, birding trails, fishing, mountain bike and a BMX Cycle track at the resort, the new Battlefields Paintball Arena an Obstacle Course providing an exciting challenge for all to enjoy.

Treat yourself to an oasis of tranquility with breathtaking views, unsurpassed natural spoils and the serenity of luxurious Spa treatments. The popular Wellness Centre consists of a sauna and plunge pool, two Jacuzzis, two steam rooms, a 24 jet hydrotherapy bath (heated) as well as a fully equipped gym with cardiovascular circuit, weight training and juice bar. Renowned for a diverse offering in all forms of health and wellness the Wellness Centers' relaxing facility will rejuvenate your spirit and revive your senses.

Gooderson Natal Spa Hot Springs & Leisure Resort offers three well- equipped conference rooms which can accommodate between 10 – 120 delegates. A stylish and scenic boardroom is also available for smaller meetings up to 10 delegates. Give your staff more than just a conference, give them inspiration. Break away from the norm and uplift their spirits and productivity in your company. For team building activities / leisure time a variety of activities are offered on the resort.

Guests can stay over in 57 large, comfortably furnished en-suite bedrooms – these include:
16 Twins, 30 Family Rooms, 3 double Rooms, 8 luxury King Size Rooms and 23 Self Catering Units.

Each hotel room has a private bathroom and a TV. In-room coffee and tea making facilities are provided. Caravan sites are also available on the resort. The Natal Spa is known for its cuisine – "farm-style" breakfasts at the dining room and terrace, light meals at The Bistro and delicious a la carte and buffet dinners, the Raptors Restaurant bar and the Boulders Bar alongside the heated pools are perfect spots for sundowners. The Natal Spa also offers an ATM on site for the convenience of our guests.

Gooderson Sanrock Resort & Conference Centre - Limpopo

Old Naboomspruit Road,
Modimolle, 0510

Tel: 014-7174005
Fax: 014-7175997

Reservations:
sanrock@goodersons.co.za

GPS Co-Ordinates
24° 40´ 27.7˝ S I 28° 26´ 44.2˝ E

Gooderson Sanrock Resort & Conference Centre is situated 5km outside Modimolle (Nylstroom) and rests in the heart of the Waterberg region in the Limpopo Province, just 160km from O.R. Tambo International Airport. With a backdrop of spectacular mountains, it is a favourite amongst adventurers, hikers, mountain bikers – and those who simply need to escape city life.

The mysterious Waterberg is thousands of years old and one of South Africa's most important San Rock Art areas. It is home of the Ndebele, the Rain Queen, the Diamond Route – and the legendary Oppikoppie Music Festival. From the resort, guests can visit the Mapungubwe World Heritage Site, Bela Bela Warm Bath Springs and the Makapan's Caves. Game drives in nearby reserves provide a peek into the world of the Big Five, hippos, gigantic crocodiles and magnificent raptors. Birders can glimpse some of the 300 resident species. The Sport and recreational facilities include adventure golf, tennis and volleyball, two sparkling swimming pools, the Wild Fig Bar & Gardens entertainment area and the Raptors Restaurant as well as a 40 seater heated Jacuzzi.

At Gooderson Sanrock Resort & Conference Centre, there's a variety of accommodation options. Bed & Breakfast guests are accommodated in the hotel's 30 twin Rooms and 4 executive Suites. 18 self-catering chalets can house groups of four, six, eight and ten. All are fully furnished and equipped with DSTV, a kitchenette, open plan lounge and dining room area, and an en-suite bathroom.

Give your delegates more than just a conference, give them inspiration. Break away from the norm to a venue where your staff will be made to feel relaxed in comfortable natural surroundings and which will increase their ability to focus on the task at hand. We will help you to get the most out of your conference with our trained onsite staff and their ability to deliver on our promise to provide good value. Sanrock conference venues are designed with a warm and inviting African theme to ensure that guests feel welcome and comfortable during their visit. When hosting big conferences and functions, the Marula Room comfortably accommodates larger groups and seats up to 400 people. For medium size groups of 60 to 120 people Mopani 2 would be the ideal choice while for smaller groups Sanrock offers the Karee Thorn that seats up to 35 guests and the Mopani that seats up to 45 guests.

Gooderson Fabz Boutique Hotel & Conference Centre – Johannesburg

Cnr Concourse Crescent and Alliway Street,
Lonehill, Fourways

Tel: 011-4653551
Fax: 011-4657042

Reservations:
fabzhotel@goodersons.co.za

GPS Co-Ordinates
26° 00′ 06.5″ S I 28° 01′ 36.4″ E

Gooderson Fabz Boutique Hotel & Conference Centre is situated in the leafy suburb of Lonehill, Fourways. Whether you are traveling locally or from abroad and searching for a refreshing escape enter a world within a world, escape to the tranquil haven and experience nature at its best in the inner city. Set amidst striking country surrounds, Fabz Boutique Hotel & Conference Centre is the perfect getaway for guests who yearn to break away from the hustle and bustle of inner city life. This charming hotel's perfect location is in close proximity to major highways, shopping malls, casinos and renowned golf courses.

Picturesque accommodation makes guests feel like royalty from the English gardens, spectacular river frontage and decks to marquees and the intimate lake. The Fabz Boutique Hotel & Conference Centre has it all and caters for the guest who enjoys an unrivalled standard of service, hospitality, quality accommodation, an on-site a' la carte restaurant, braai facilities on the water's edge and an outside bar. For the more intimate family or formal gathering, treat yourself to Fabz's renowned Sunday Buffet lunch.

All these unique attributes combined make the Gooderson Fabz Boutique Hotel & Conference Centre an ideal retreat with a venue to host events for weddings, birthdays and end of year, private and corporate functions and the perfect place to host conferences with various ideal venues within the Estate to choose from. The English gardens, manicured lawns and decks through to the animated lake, Fabz Boutqiue Hotel & Conference Centre has it all.

In keeping with the elegant, country inspired design and décor this theme is carried throughout the Hotel. The Hotel offers a wide selection of family and superior suites as well as twin, double and single rooms which all offer scenic garden and lake access. All rooms are equipped with en-suite bathrooms, DSTV, telephone and tea/coffee facilities.

Gooderson Kloppenheim Country Estate Hotel - Dullstroom

Winnaarspoort Road,
District Belfast, 1100

Tel: 013-2569148
Fax: 013-2569215

Reservations:
klopres@goodersons.co.za

GPS Co-Ordinates
25° 39´ 45.9˝ S I 30° 09´ 74.6˝ E

Gooderson Kloppenheim Country Estate Hotel is the ideal country retreat for business and leisure in the heart of the Highlands Meander, just 2 to 3 hours from OR Tambo International Airport, close to Machadadorp off the main route (N4) to the Kruger National Park. Kloppenheim brings old-world charm, attention to details and papering to discerning guests wanting a reclusive retreat in an ambience reminiscent of a stately highlands theme in a climate renown for its cold, misty winters and crisp summers.

Kloppenheim offers the discerning visitor a range of accommodation options, from 14 twin lakeside Suites, 20 gorgeous twin estate Rooms and 10 elegant 2 bedroomed self-contained lodges, each beautifully appointed room has a magnificent view of the rolling hills. The entrance road has been upgraded.

Kloppenheim will spoil you with culinary delights from sumptuous breakfasts served in the enclosed terrace to four-course dinners served in The Three Twigs, 60 seater dining room – or private function room for something more intimate. Light meals are available in the Teddy and Tankard pub. A large theatre for events, dining room, private dining room, breakfast terrace, colonial style lounge, library, pub and restaurant. The energetic can enjoy 6 trout dams, horse riding, hiking trails, archery and swimming.

Kloppenheim brings an element of distinction and difference to the conferencing market with 4 stylish conference rooms and gearings its facilities to offer total personalization and attention-to-detail to accommodate the varying requirements of event organisers. The Estate has a dedicated management team that is always on stand-by to ensure the smooth running of an event, and to add those personal touches, that tend to differentiate one event from another. Interesting and diverse motivational and team building courses, such as Lazersports, Paintball Games and Absailing can also be organized.

With today's pace of life becoming increasingly demanding and stressful, more and more of us are seeking a sanctuary into which we can escape. Although touch therapies and massages have been around for centuries, never before has the quest for wellness and harmony been so great. Surrounded by breathtaking views, the Kloppenheim Country Spa is the epitome of escapism. The soft touch of healing hands begins your transformation as the combination of calming instrumentals, and aromatic fragrances carry you away to a world of relaxation.

Gooderson Monks Cowl Golf Resort - Winterton

Sub 16 of the Farm Heartsease
R600, Winterton 3340

Tel: 036-4681300
Fax: 086-6178566

Reservations:
monksres@goodersons.co.za

GPS Co-Ordinates
29° 0´ 37.48˝ S I +29° 27´ 57.88˝ E

Gooderson Monks Cowl Golf Resort is situated in the Central Drakensberg approximately four hours from Johannesburg and two and a half hours from Durban, in the magnificent Champagne Valley. Situated on the golf course we have 24 spacious units. We offer a honeymoon suite with a wooden deck, four-poster bed, log fire and spa bath. Our other standard units sleep from two to six people.

Tea and coffee making facilities are available in all the units. A short walk through our gardens takes you to our a'la Carte restaurant where breakfasts are served anytime between eight and eleven AM. During winter a log fire adds to the coziness of our restaurant and pub. In addition to our 60-seater restaurant we have a function room, which seats 80 – 100 guests. This venue has its own bar and ablutions as well as sound system and big-screen projector and is ideal for weddings, parties and conferences.

Monks Cowl's 9 Hole 18 Tee picturesque Golf Course which has been recently refurbished and N.G.U. graded is both challenging and fun for the whole family or is suitable for a serious round of golf. Brand new golf carts are available for hire. We offer resident guests complimentary golf and free use of our swimming pool and tennis courts, plus restaurant and pub facilities in a casual, homely environment. The golf course has a couple of dams and a river with a small waterfall plus swing bridge for those a little more adventurous! The best walks and hiking trails in the foothills of the Drakensberg are only a ten-minute drive from here. Facilities within a 15 kilometer radius include horse riding, paintball, trout fishing, river rafting, quad biking and bowling greens as well as a bird of prey display center and the world renowned Drakensburg Boys Choir.

Give your delegates more than just a conference, give them inspiration. Break away from the norm to a venue where you staff will be made to feel relaxed in comfortable natural surroundings and which will increase their ability to focus on the task at hand. We will help you to get the most out of your conference with our trained onsite staff and their ability to deliver on our promise to provide good value.

Chief Operating Officer's Report
TIMESHARE DIVISION


Fairways Gold Crown Resort Drakensberg Underberg


Riverbend Chalets Gold Crown Resort Drakensberg Underberg


Mountainview Cottages Lifestyle Resort Drakensberg Underberg


Silversands Lifestyle Resort I. II. III Durban


Mtunzini Forest Lodge Lifestyle Resort KwaZulu Natal


Natal Spa Silver Crown Resort Paulpietersburg


Kloppenheim Gold Crown Resort Dullstroom


Bushlands Timeshare Lifestyle Resort Hluhluwe


Colleen M. de Klerk

Overview

2014 was another challenging year for the timeshare division with the global economic downturn having a marked effect on Developer sales.

Gooderson Leisure Timeshare Resorts offer a diverse portfolio in the Leisure Industry with each resort designed to deliver a unique type of travel experience i.e. beach, berg and bush, across a range of customer segments.

This has proved to be successful in the leisure market as rentals of timeshare units have shown growth of 16% on last year. The trend seems to be that although renters are still taking holidays, their holiday period of stay is shorter. Although occupancies dropped on average by 3%, this was mainly due to less exchanges into our resorts which shows owners are making use of their holidays at their home resorts and exchanging less.

Building Developments

As Gooderson Leisure owns sufficient stock within our portfolio, these are enough to back up forecasted sales, therefore there is no need for new building developments in the forthcoming year.

Gooderson Vacation Club

Gooderson Leisure launched its own club in January 2014 and sales are slowly gaining momentum which will augur well for our finance house, Goodfin, and developer sales. The club will be purchasing stock directly from our in-house developers to back up our points sold. Our aim is to maintain the financial and reservations functions of the club internally so that we can offer our club members personal service and attention to ensure an enhanced holiday experience from beginning to end confirming our brand promise "Good Value, Good Fun".

Purchasers Finance

Goodfin, the company's finance house offers purchasers finance and this was heavily impacted by the economic downturn, however we are beginning to see a turnaround with increased credit sales coming through via Gooderson Vacation Club. A total of R180,000 was written off as bad debt this year between Goodfin and the in-house developers, which we regard under the circumstances as being good when considering that this is 2% of our total timeshare debtors book. The stock written off has been taken back into Developer inventory and will be rented out accordingly.

Marketing

With our rental market increasing this proves that our resorts are popular and the strategy of mixed use developments work well together and also contributes to sundry incomes. We will be focusing on advertising to our database of renters and owners alike for renting as well as offering excellent cash deal specials.

Future planning

We are looking to develop new timeshare units at Natal Spa and Bushlands and planning for release in 2016.

Conclusion

We envisage an improved year ahead and believe that with conservative budgeting and strict financial controls we will achieve our objectives in the forthcoming year. We will continue to contain costs at the various resorts without compromising standards and deliver service excellence to our guests.

We wish to take this opportunity to express our gratitude to the owners, management, staff as well as the shareblock board members for their invaluable time and effort which has contributed to the success of the timeshare division in these difficult times.

Colleen M de Klerk

Chief Operating Officer - Timeshare

Fairways Gold Crown Resort – KwaZulu Natal

Drakensberg Road, Underberg, 3257

Resort:
Tel: 033-7011261
Fax: 033-7011261

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: selfcat@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
29° 45´ 17.03˝ S I 29° 14´ 21.53˝ E

Fairways is situated on 860 acres of World Heritage site in the Drakensberg Gardens Golf & Spa Resort and has a spectacular view of the only 18 hole golf course in the Southern Drakensberg.

Four, six and eight sleeper units are available, as well as a wheelchair-friendly unit. Each unit, with its stylish décor, has a fully equipped kitchen including a washing machine and tumble dryer, limited DSTV, individual braai facilities, telephones and all the luxuries of home.

There are four restaurants on site which offer a range of dining experiences including á la carte, buffet / carvery and a bistro for the lighter meals. Enjoy a drink in one of our on-site pubs including sports bar equipped with a snooker table, darts and large screen TV.

The resort has access to a host of recreational facilities including golf, trout fishing, bowls, tennis, putt putt, hiking trails, horse riding and much more.

From check-in to check-out, you will want nothing but to de-stress and truly unwind, the Wellness Centre offer a gymnasium, Jacuzzi, hydrojet pool, and a beauty treatment salon for a lovely massage or hot stone treatment, leaving you totally relaxed.

Riverbend Chalets Gold Crown Resort- KwaZulu Natal

Drakensberg Road, Underberg, 3257

Resort:
Tel: 033-7011261
Fax: 033-7011261

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: selfcat@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
29° 45´ 17.03˝ S I 29° 14´ 21.53˝ E

Riverbend Chalets, situated on the Drakensberg Gardens Golf & Spa Resort, has spectacular views of the Drakensberg mountain range, from the lush banks of the Umzimkulu River.

These six sleeper self-catering units are attractively decorated and each unit has a fully equipped kitchen, radio, limited DSTV, individual braai facilities and a fireplace for those chilly winter evenings when the snow dusts the "Dragons Back".

Guests have access to the private swimming pool, which is surrounded by immaculately kept gardens and a children's play area.

Guests have access to a host of recreational facilities including the magnificent 18 hole NGU rated 68, Par 71 golf course, trout fishing, bowls, tennis, putt putt, hiking trails and horse riding among the many activities available on the resort. The proximity to the hotel offers easy access to the many restaurants and pubs. There is also a mini superette and laundry for your convenience.

Children are catered for with daily entertainment programmes, a Games Room and a mini animal farm.

Drakensberg Road, Underberg, 3257

Resort:
Tel: 033-7011261
Fax: 033-7011261

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: selfcat@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
29° 45´ 17.03˝ S I 29° 14´ 21.53˝ E

Mountainview Cottages Lifestyle Resort – KwaZulu Natal

Mountainview is a one of a kind retreat for guests to rekindle, relax and unwind. Enjoy the crisp mountain air, rejuvenating clear streams and sapphire blue skies.

Mountain View Cottages are available in four and six sleeper units and have an individual and cosy atmosphere, with colourful country designs. Each unit has a fully equipped kitchen, telephone, limited DSTV, music centre, heating and individual braai facilities. Close proximity to the hotel, allows for easy access to the bars and restaurants, available in the main building.

Mountain View guests can enjoy a host of recreational facilities including golf, trout fishing, bowls, tennis, putt putt, hiking trails and horse riding among the many activities available on the resort. There is also a mini superette and laundry for your convenience.

Children are catered for with daily entertainment programmes, a Games Room and a mini animal farm.

16 Erskine Terrance
Durban, 4001

Resort:
Tel: 031-3321140
Fax: 031-3327814

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: silversands1@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
S29° 51´ 56.04˝ I E31° 2´ 37.98˝

Silversands I, II, III Lifestyle Resort – KwaZulu Natal

Silver Sands continues to be extremely popular with guests and owners alike. Situated on the beachfront and with uShaka Marine World in such close proximity, our guests have the opportunity to enjoy the Seal World shows, aquariums, water activities, restaurants and shops now virutally on their door step.

All units are fully equipped with air conditioners and are comfortably furnished with limited DSTV.

Activities in close proximity are endless. On the northen end of the Golden Mile, only a few kilometres away is the Suncoast Casino, with cinemas and restaurants galore. In the opposite direction is Wilson's Wharf which hosts an indoor flea market daily, bookings for sea cruises and fishing trips as well as a variety of restaurants.

Stables flea market, next to the Sharks home rugby stadium is open for those in the mood for live music in the beer garden and a variety of stalls to browse through. The renowned Gateway Theatre of Shopping within 20 minutes drive, offers skate boarding, surfing as well as a diverse shopping experience.

Transport is available at the resort to ferry you to your desired destination including airport transfers for a nominal fee.

Valley Drive, Mtunzini, 3257

Resort:
Tel: 035-3401953
Fax: 035-3401955

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: selfcat@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
S28° 57´ 58.98˝ I E31° 45´ 9.00˝

Mtunzini Forest Lodge Lifestyle Resort – KwaZulu Natal

Nestled in a lush sand forest location bordering an expansive, unspoilt beach this small private resort offers a host of wonders for those who delight in natural surroundings, indigenous forests and lush vegetation. Our cosy log cabins offer a rustic 'tree house' experience, while at the same time providing all the comforts of home at your fingertips.

Birdwatchers will be kept busy identifying the many different species endemic to the region, and those who enjoy hiking will encounter a variety of butterflies, small red duiker, vervet monkeys and the occasional bush pig whilst on the forest trails. Take a walk to the nearby beach, which is perfect for those long evening strolls where you will perhaps discover an unusual driftwood ornament. Be sure to keep an eye out at night as you may be fortunate enough to get a close-up photo of a bushbaby in the trees surrounding your veranda.

Bring along all your fishing gear for a perfectly safe angling experience either in surf, or in the nearby estuary. Take a short trip into Richards Bay (45km) and you can book a deep-sea fishing charter for you and your family, or go on a scenic trip around the small craft harbour. You are also welcome to bring your boats to the Resort. You will be able to utilize the slipway at the nearby Umlalazi Nature Reserve to launch into the estuary. Please note no jetski's are allowed. Proper licensing and boat requirements are inspected.

Take a full day to take in some game viewing at the Hluhluwe Imfolozi Game Reserve, about one and a half hours drive from the resort. Devote another day to visit St. Lucia and take a trip up river to view hippos, crocodiles, fish eagles and other indigenous river dwellers.

Prefer to kick back and relax onsite? Then you will enjoy the Resort's great family facilities. Lounge around the swimming pool, take in a game of pool or table tennis with the children, or make use of our air-conditioned games room, and our lapa entertainment areas.

Lot 191, Remainder Koubad Farm,
Paulpietersburg, 3180

Resort:
Tel: 034-9950300
Fax: 034-9950307

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: selfcat@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
27° 31´ 41.33S˝ I 30° 52´02.13E˝

Natal Spa Silver Crown Resort - KwaZulu Natal

Escape to the rejuvenating oasis at Natal Spa on KwaZulu-Natal's Battlefields route between Vryheid and Paulpietersburg. Famed for its hot mineral waters, which have been in existence since the late 19th Century, these waters contain carbonates, chlorides and sulphates with a course temperature of 37°C and have invigorating and healing properties.

Natal Spa comprises of four phases, namely Rock House, Crown Eagle, Kingfisher and Falcon Crest. Each phase is different although the contents are the same and offers two bedroom six sleeper units.

Relax and unwind at the Wellness Centre which boasts a full equipped gym, sauna, hydro-jet pools, Jacuzzis, steam baths. Beauty therapists offer a range of treatments to pamper you with.

Fun activities cater for both young and old. The 100m super tube, one of the longest in KZN, is a must for young ones. For the more adventurous there are activities like horse riding, quad biking, fishing, hiking, bird watching, heated pools, tennis, squash and Adventure Golf, a 22km Mountain Bike / Trail running trail and BMX track.

Our buffet restaurant sets up a fantastic dinner spread, while our two bars are open all week long. Our Bistro restaurant serves light meals during the day, and converts to a fantastic a la carte restaurant at night.

Central Reservations

Tel: 031-3685642 Fax: 031-3685647
Online Bookings: www.goodersonleisure.co.za

Winnaarspoort Road,
District Belfast, 1100

Resort:
Tel: 013-2569148
Fax: 013-2569215

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: selfcat@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
25° 39´ 45.9˝ S I 30° 09´ 74.6˝ E

Kloppenheim Gold Crown Resort - Dullstroom

Kloppenheim Resort is situated on the Kloppenheim Country Estate and is majestically set in Mpumalanga, on a mountain top, only 2 hours from Pretoria. It lies en route to the Kruger National Park and is the ideal treat for a family vacation.

A spectacular long winding and scenic route takes you to the top of the 2000 metre high plateau, where Kloppenhim keeps watch over 500 hectares of countryside and boasts magnificent views of the rolling hills.

Graded as Gold Crown by RCI, the chalets are upmarket and decorated on a grand scale with dark wood. All units are fully equipped sleeping six people. Each unit has two bedrooms with an open plan kitchen overlooking the dining area and lounge. Each verandah, is equipped with garden furniture and a charcoal braai. Spectacular views overlook the Highlands Meander.

Try your hand at trout fishing in one of the estate's six trout fishing dams or enjoy horse riding, archery, swimming and tennis or soak up the serene surroundings with wild game roaming the property, bird spotting or if you are feeling energetic, take a hike on one of the beautiful trails. The property is home to about 600 head of game including zebra, red hartebeest, black wildebeest, mountain reedbok and blesbok as well as South Africa's national bird the Blue Crane. A Wellness Centre is available for a bit of pampering or your can choose to take a picnic at one to the dams and enjoy a relaxed afternoon. The Twigs Restaurant on site is ideal for those evenings when you do not feel like cooking.

Lot H99, Bushlands Road,
Hluhluwe, 3960

Resort:
Tel: 035-5620144
Fax: 035-5620205

Reservations:
Tel: 031-3685642
Fax: 031-3685647
Email: selfcat@goodersons.co.za

Vacation Sales:
Email: timeshareinfo@goodersons.co.za

GPS Co-Ordinates
28° 06´ 19.68˝ S I 32° 17´ 08.22˝ E

Bushlands Timeshare Lifestyle Resort - KwaZulu Natal

Enjoy the serene surroundings at Bushlands Game Lodge and spot zebra, warthog, giraffe, nyala, impala and the abundant bird life on the property.

Surrounded by 300 acres of bush and game area, this beautifuly lifestyle resort is the ideal base from which to seek out the Big Five and explore the national parks – Umfolozi, Hluhluwe, Mkuze, Ndumo, Sodwana Bay and the iSimangaliso Wetland Park.

The resort comprises of five units, all of which are two bedrooms consisting of a main bedroom with double bed and the second bedroom with twin beds. There are two bathrooms – one with a bath and shower and the other a shower only.

Elegantly furnished chalets consists consist of air conditioned bedrooms, an open plan lounge and dining room. Kitchens are fully equipped, including a stove, microwave and fridge. Braai facilities are also available at each unit.

Explore the fantastic Nyala guided walking trail or spoil yourself by taking a game drive with experienced Guides.

Bushlands Game Lodge's boma provides the perfect meeting place for guests to enjoy drinks around the fire before visiting our Restaurant for a well deserved dinner or to simply unwind at the end of a wonderful day. Meals can be enjoyed in the main dining room or weather permitting, under the African stars in the boma or on the swimming pool deck.

Group Financial Director's Report

Rajen Nannoolal

Overview

Trading during the financial year under review continued to reflect a good recovery as experienced in the second half of the financial year.

Year on year growth was achieved as a result of strong sales, superior product and service quality available within the group and the addition of 18 rooms at Monks Cowl Golf Resort in Central Drakensberg and the opening of the bird and reptile park in Dumazulu in Hluhluwe as part of the groups stated growth strategy.

The group remains optimistic in the 2015 financial year as the hospitality industry is continuing to slowly but steadily recover from the low occupancy reached in 2011.

The group has built a reputation for providing good value, good fun and consistent high quality accommodation for leisure, domestic and overseas travel markets.

Financial review

Revenue from continuing operations increased by 9% from R110.56 million to R120.25 million, assisted by a full year of trading at Monks Cowl Golf Resort and increase in sales volumes at Sanrock Resort and Fabz Boutique Hotel respectively.

EBITDA at R16.22 million reflected a 19% increase on last year and EBITDA margin was one percentage point up on last year. Operating costs increased by 6% on the previous year illustrating the effectiveness of the groups ongoing cost control and energy efficiency programmes and initiatives.

Net finance costs for the period under review of R2.45 million are 9% below the previous year.

The effective tax rate for the financial year is 25% compared to the previous year of 9% due to the non-taxable grant received on the additions to Natal Spa Hot Springs and Leisure Resort and the accounting profits realized on the sale of the Beach Hotel.

Headline earnings for the current year of R6.32 million are 32% up on the previous year.

The group continues to strengthen its market position through expansion projects and non-current assets increased by 6% on the previous year.

Cashflow and Capital Commitments

Cash generated from group operations is R16.80 million, up 74% from last year.

Cash retained from operations is carefully maximised over the short to medium term as investment activities are carefully evaluated considering maintenance capital expenditure and or expansion projects and are in line with the groups stated growth strategy.

The board has committed to spend a total of R25 million of which R17.70 million is for major expansionary developments (24 units at Monks Cowl) and R7.30 million is for maintenance capital expenditure.

The capital expenditure will be funded from the group's cash resources as well as bank credit facilities.

Dividends

A final gross cash dividend of 1.875 cents per share in respect of the financial year ended 28 February 2014 was declared by the board of directors on 28 May 2014 and is payable to all shareholders recorded in the register of the company at the close of business on the record date appearing below.

The salient dates applicable to the final dividend are as follows:

		2014
Last day to trade shares cum div	Friday	18 July
Shares trade ex dividend	Monday	21 July
Record date	Friday	25 July
Payment date	Monday	28 July

Share certificates may not be dematerialised or rematerialised during the period Monday, 21 July 2014 and Friday, 25 July 2014, both days inclusive.

The number of ordinary shares issued is 125,000,000. The dividend is subject to a local dividend withholding tax rate of 15% which results in a net dividend of 1.59375 cents per share to those shareholders who were not exempt from paying dividend tax. There were no STC credits. The company's tax reference number is 9005053203.

Subsequent events

There are no matters or circumstances arising since 28 February 2014, not otherwise dealt with in the financial statements that would materially affect the operations or results of the group.

Thanks

The ongoing success of the group is due to the sterling efforts of a wide variety of special stakeholders including guests, staff, management, directors, service providers and valued shareholders.

Rajen Nannoolal

Group Financial Director

Corporate Governance report

The Gooderson Leisure Group remains committed to demonstrating sound corporate governance practices and responsible leadership which are embedded throughout the group companies, in all jurisdictions in which it operates.

The board, as the epicentre of the company's corporate governance system is ultimately responsible and accountable for the performance and affairs of the group.

Gooderson Leisure is therefore committed to upholding the principles advocated in the King III Report, in addition to complying with Companies Act, 71 of 2008 (the Act) and the continuing obligation of the JSE Listings Requirements.

The integrated report includes all subsidiaries and associate companies and covers the period 1 March 2013 to 28 February 2014. For a copy of the application of the King III Principles, please refer to our website: www.goodersonleisure.co.za.

The board is satisfied that, for the year under review, the group has made every effort to comply with the Code of Governance Principles.

Report on the Gooderson Leisure Corporation Limited Board

The board provides effective and responsible leadership and is ultimately accountable and responsible for key governance processes and the sustainable growth, financial performance and affairs of the group, taking into account interests and expectations of all stakeholders.

Composition of the board

Gooderson Leisure has a unitary board structure comprising of a mix of executive and non-executive directors.

The board presently comprises four salaried executives and three non-executive directors. The non-executive directors have the necessary skills and experience to provide judgement independent of management on material board issues and ensure that no one individual or block of individuals dominates the boards decision-making, while at the same time promoting objectivity and reducing the potential for conflicts of interest.

We value diversity on our board and of the seven directors, two are women.

Procedures for appointments to the board are formal and transparent and a matter for the board as a whole, assisted where appropriate by the remuneration committee.

All directors have unrestricted access to company records, information, documents and property and unfettered access to management at any time. One third of the directors retire by rotation each year at the Annual General Meeting (AGM) and offer themselves for re-election. Brief Curricula Vitae of the directors retiring by rotation and offering themselves for re-election are set out on page 83.

The roles of the Chairman and Chief Executive Officer are separate with responsibilities divided between them to ensure a balance of power and authority. The Chairman is responsible for ensuring that the board performs effectively and provides leadership to the board. The Chief Executive Officer is responsible and accountable to the board for all group operations. The separation of these roles ensures that a clear division of responsibilities exists, which is necessary to ensure a balance of power and authority and no one individual has unfettered powers of decision making.

Board meetings

The board meets formally four times a year to consider, deal with and review inter alia strategic / key issues, financial issues, quarterly operational performances and any specific proposals for capital expenditure and investment decisions relative to the company and the group.

Additional meetings are convened at short notice, as necessary to discuss urgent business.

The attendance at meetings for the period 1 March 2013 to 28 February 2014 was as follows:

Summary of Attendance

Summary of Attendance	Board Committee	Audit Committee	Remuneration Committee	Social & Ethics Committee	AGM
Executive Directors					
Alan William Gooderson	4/4	2/2	–	–	✔
Gavin Michael Castleman	4/4	2/2	–	2/2	✔
Rajendra Nannoolal	4/4	2/2	1/1	2/2	✔
Colleen Maria de Klerk	4/4	–	1/1	2/2	–
Non-Executive Directors					
Michael Allen Pottier	4/4	2/2	1/1	2/2	✔
Brian Reynold Warmback	4/4	2/2	1/1	2/2	✔
Sizakele Qiniselile Moloko	3/4	1/2	1/1	2/2	✔

In addition the sponsors also attend the board, audit committee meetings and AGM and the auditors attend the audit committee meetings and AGM as well.

Company Secretary

The company secretary provides the board as a whole, directors individually and the committee with guidance as to the manner in which their responsibilities should be discharged in the best interest of the group. The appointment and removal of the company secretary is a matter for the board as a whole.

The board is satisfied that the company secretary has the requisite knowledge and qualifications and experience to carry out the duties of a company secretary of a listed company.

The board is satisfied that its relationship with the company secretary is at an arm's length relationship, due to the following:

- Open lines of communication are maintained at all times.
- The company secretary attends all committee meetings.

Dealing in securities and insider trading

In terms of the listings requirements and the board approved policy in dealing in company securities, all directors and the company secretary must obtain prior written clearance from the chairman of the board before dealing in Gooderson securities during an open period.

The company secretary arranges for the publication of the relevant announcement via the company's sponsor on the JSE Securities Exchange News Service.

Directors, the company secretary and senior employees cannot deal in securities during closed periods and when the company is trading under a cautionary announcement.

Conflict of interests and other directorships

All directors declare their interests in contracts entered into in accordance with the provisions of the Act.

This is done annually by written declaration.

Directors are required to recuse themselves from deliberations on those matters where there may be conflicts or potential conflicts of interests from meetings for the duration of the matter under discussion.

Non-executive directors are required to consult the chairman with regards to their external appointments in order to ensure that in the event of additional external board appointments, the non-executive director will continue to be able to devote sufficient time to the company.

Directors' liability insurance

Sufficient directors' liability insurance cover remains in place and is reviewed on an annual basis by the audit committee.

Access to company informationn

Procedures are in place to ensure that all directors have access, at all reasonable times, to all relevant company information and to senior management to assist them in the discharge of their duties and responsibilities to enable them to make informed decisions.

Corporate Governance report

(continued)

Board committees

The board is authorised to form committees to assist in the execution of its duties, powers and authorities and currently has four standing committees as depicted below.

KEY MATTERS DEALT WITH BY THE COMMITTEES DURING THE YEAR

Executive committee ("Exco")

The committee met four times during the year and comprises of 16 members including the chief executive officer who acts as chairman.

The work of the Exco committee during the year focussed on:

- Making recommendations to the board with regards to business strategies and policies & procedures including the implementation and progress towards the achievement thereof.
- Presentation of annual budgets and financial reports to the board and reviewing quarterly results.
- Overseeing and managing the group operations and;
- Developing, implementing and monitoring governance and internal financial control processes and ethics.

Audit committee

The information below constitutes the report of the audit committee in respect of the 2014 financial year.

The committee consists of three non-executive directors, BR Warmback (chairman), MA Pottier and SQ Moloko.

Meetings are held at least twice a year and are attended by invitation by the chairman, chief executive officer, group financial director, exchange sponsors, financial manager, internal and external auditors.

Additional meetings are convened as and when required.

The committee is satisfied that the members have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011.

The committee primarily reviews audit, accounting and financial reporting processes on behalf of the board. In addition the committee provides support to the board on risk management in the group and also compliance with good corporate governance. The internal and external auditors have unrestricted access to the audit committee and its chairperson with the view to ensuring that their independence is not impaired. The committee has also satisfied itself with the appropriateness of the experience and expertise of the group financial director.

The role of the committee is:

- To assess the effectiveness of the groups information and internal audit functions;
- To review the reports of both the internal and external auditors;
- To refer a suitable external auditor to the board of directors;
- To review the external audit findings, reports and fees and the approval thereof;
- Compliance with applicable legislation and requirements of regulatory authorities;
- To review financial statements for proper and complete disclosure of timely, reliable and consistent information, and to confirm that the accounting policies used are appropriate; and
- To set a policy with regard to non-audit services provided by the external auditor.

During the year the audit committee met twice and the detail of attendance at the meetings are set out in the summary of attendance which can be found on page 19 of the annual report.

The audit committee has considered and satisfied itself of the independence of the external auditors, Grant Thornton. The committee nominated, subject to the endorsement of the board and the approval of shareholders, the re-appointment of Grant Thornton as the independent registered audit firm of the company.

BR Warmback
Audit Committee Chairman

Remuneration committee (Remco)

The three member committee comprises non-executive directors.
One formal meeting was held during the 2014 financial year and all three committee members (MA Pottier, BR Warmback and SQ Moloko) were in attendance.
The committee is chaired by MA Pottier and the chief executive officer and the two executive directors attend meetings by invitation and do not participate in the decisions taken with regards to their remuneration.

Role and responsibilities:

- The directors and executives and members of the executive committee are fairly and responsibly remunerated for their individual contributions and performance.
- Determining any criteria necessary to measure the performance of executive directors and other senior executives and approving targets for any performance related pay schemes.
- Approve and reward share options and shares to executive directors based on targets.
- To monitor and provide guidance on matters relating to organisation structures, culture and processes that support the development and retention of employees and the optimisation of their potential.
- To ensure that non-executive directors are fairly remunerated with reference to external benchmarks for recommendations to the board.
- To ensure that induction and on-going training and development of directors take place.
- The board has the appropriate composition in order for it to discharge its duties and responsibilities effectively.

Social and ethics committee ("SEC")

Three non-executive and three executive directors serve on the SEC, which is chaired by a non-executive director.
Two meetings were held during the financial year under review.

The composition of the committee complies with regulation 43 of the act.

Role and responsibilities:

The committee is responsible for monitoring and overseeing ethical behaviour within the company and its areas of focus include:

- Social and economic development.
- Consumer relationships.
- Good corporate citizenship.
- Labour and employment including transformation and employee health and safety.
- Socio-economic development and enterprise development.
- Environmental management including the impact of the groups activities and services.

Executive Directors' Remuneration

The remuneration of the executive directors' comprises a basic salary, a performance bonus, performance based incentives and participation in the share option scheme. The total executive directors' remuneration for the year ended 28 February 2014 was as follows:

1. Basic remuneration, benefits and bonuses paid to executive directors for the financial year ended 28 February 2014;
2. Share option grants; and
3. Share incentive scheme:

   Share incentive scheme options are granted to executives who, through their performance on an annual basis, have demonstrated their value to the company.

Corporate Governance report

(continued)

Directors Emoluments

Executive Directors' remuneration for the financial year ended 28 February 2014

Name	Basic Remuneration	Retirement, Medical contributions and benefits	Incentive bonus	Directors fees	Benefit relating to shares granted	Total
	R'000	R'000	R'000	R'000	R'000	R'000
A W Gooderson	1 435	164	–	–	80	1 679
G M Castleman	1 056	153	–	–	7	1 216
C M de Klerk	672	107	65	–	8	852
R Nannoolal	720	116	–	–	6	842
Sub total	3 883	540	65	–	101	4 589

Non-Executive Directors' fees for the financial year ended 28 February 2014

M A Pottier	–	–	–	38	–	38
B R Warmback	–	–	–	40	–	40
SQ Moloko	–	–	–	21	–	21
Sub Total	–	–	–	99	–	99
Total	3 883	540	65	99	101	4 688

Transformation and empowerment

Transformation remains one of the group's strategic imperatives and the transformation targets set are aligned to the Tourism Charter Sector Code.

The group realises that transformation journey will be filled with highlights and challenges and will constantly strive to improve the overall scorecard.

Measurement and performance

The group achieved a level 4 B-BBEE status (100% Procurement Recognition Level) which was measured in terms of the Tourism Charter Scorecard and was verified by Empowerdex Rating Agency which expires in February 2015 and is summarized below:

Element	Weighting	Score
Ownership	20.00	1.24
Management control	12.00	7.17
Employment equity	12.00	5.68
Skills development	18.00	12.64
Preferential procurement	20.00	19.60
Enterprise development	10.00	10.00
Socio economic development	10.00	10.00
Total B-BBEE Score	102.00	66.33

The tourism charter targets will be effective for the 2015 financial period and the group remains committed to working towards achieving these targets in order to maintain their current level where possible.

Employment Equity

The group has an employment equity committee and meets at least bi-annually to assess progress towards the achievement of goals.

The group's employment equity plan outlines the transformation challenges facing the group and the strategies to address these.

The group has working plans in place to empower its entire workforce with relevant training and development opportunities to ensure a prolonged and sustainable career in the hospitality industry. The group has partnered with a reputable tertiary institution to deliver management trainees for future management and we have successfully employed two graduates in our group.

The employee composition at 30 September 2013 was as follows:

A = African C = Coloured I = Indian W = White

Occupational Levels	Male				Female				Foreign National		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	1	2	0	0	0	1	0	0	4
Senior management	0	0	0	5	0	0	4	3	0	0	12
Professionally qualified and experienced specialists and mid-management	1	0	2	7	0	0	2	4	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	10	2	9	17	6	2	10	10	0	0	66
Semi-skilled and discretionary decision making	83	0	8	12	60	0	5	7	12	5	192
Unskilled and defined decision making	67	0	1	5	65	0	0	8	0	0	146
Total Permanent	161	2	21	48	131	2	21	33	12	5	436
Temporary employees	27	0	3	1	9	0	0	3	0	0	43
Grand Total	188	2	24	49	140	2	21	36	12	5	479

Environmental sustainability

The Gooderson Leisure group is committed to sustainable environmental practices as part of its vision to make a positive and lasting difference to the citizens, communities and environment around us.

The group also uses its relationship with its suppliers, business partners and stakeholders to encourage them to minimise their environmental impact.

Following a vision of creating sustainable relationships and communities for the future, an action plan was compiled that will benefit our group operations and the communities around us.

The following areas of the groups operations are highlighted:

- Energy efficiency
- Water conservation and reduction
- Waste management

Energy efficiency

In its operations the group uses only electrical energy as supplied by Eskom or the relevant municipalities. Three of the groups operations have heat pumps installed to improve the efficiencies of the water heating systems and to reduce costs. There are various energy reduction measures currently in use at all our properties.

Water conservation and reduction

All water for supplying guest rooms and for use in the laundries and kitchens is drawn from municipal supplies and in some hotels, water is drawn from a reservoir and boreholes.

The group has introduced water-saving initiatives and is raising awareness to change employee and guest behaviour as water is a precious resource and should be used sparingly.

Waste management

In addition to conserving water, the group acknowledges its responsibility to manage the quality of water discharged through, inter alia, reducing the consumption and / or controlling the discharge of materials and products that may contaminate water. The group's operations and offices have implemented waste reduction and recycling programmes.

Waste recycled includes organic waste and general office items such as paper, packaging (cardboard, plastic and tin) and office related electronic waste.

Health and safety

Although the group's properties and offices do not represent dangerous working environments, all necessary precautions and measures are taken to ensure the safety of employees.

All properties adhere to strict guidelines in terms of monitoring and implementing health and safety requirements. Each property within the group has a health and safety committee.

Corporate social investment (CSI)

Gooderson Leisure Corporation believes that being a contributing and responsible corporate citizen is a key component of the group's business strategy.

The objectives of Gooderson leisure's CSI programme are as follows:

- To make a positive and sustainable impact of the communities in which they operate;
- To develop and empower disadvantaged communities
- To enhance Gooderson Leisure reputation as a caring corporate citizen.

Corporate Social Investment highlights during the year include:

- Mentoring of previously disadvantaged small to medium size tourism business units by some of the hotel general managers.
- Providing bursaries to students currently studying at a reputable tertiary institution in the field of hospitality management.
- Sponsorships to various organisations.

Whistle Blowing

The group has a whistle blowing policy in place to encourage employees to raise their concerns and report wrongdoing within the group without fear to the chairman of the audit committee.

This policy is a crucial corporate governance tool to promote safe, accountable and responsive work environments.

Litigation and legal

The company is in the ordinary course of business subject to legal proceedings.

There is at present no legal action pending, threatened or on-going, that will have a material effect on the group operations or financial position of the company.

CORPORATE INFORMATION

Designated Adviser

Exchange Sponsors (2008) (Pty) Ltd - continued as designated adviser during the financial year.

Registration Number: 1999/024433/07

44A Boundary Road, Inanda, 2196
PO Box 411216, Craighall, 2024

Telephone: (011) 8802113
Facsimile: (011) 4474824

Website: www.exchangesponsors.co.za

Transfer Secretary

Computershare Investor Services (Pty) Ltd is Gooderson's transfer secretary.
All enquiries pertaining to shareholdings should be addressed to the transfer secretary.

Registration Number: 2004/003647/07

Ground Floor, 70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Telephone: (011) 3705000
Facsimile: (011) 6885210

Website: www.computershare.com.

Company secretary and registered office

R. Nannoolal

85 O.R. Tambo (Marine) Parade, Durban, 4001
(PO Box 10305, Marine Parade, 4056)

Telephone: (031) 3372672
Facsimile: (031) 3372621

Auditors

Grant Thornton

2nd Floor, 4 Pencarrow Crescent
La Lucia Ridge Office Estate, La Lucia, 4019
(PO Box 950, Umhlanga Rocks, 4320)

Telephone: (031) 5765500
Facsimile: (031) 5765555

Directors Interest

As at 28 February 2014, the directors of the company held shares as follows:

	2014		2013	
Executive directors	Direct	Indirect	Direct	Indirect
A W Gooderson	-	89 730 697	-	88 872 727
CM de Klerk	4 650 000	–	5 000 000	–
GM Castleman	76 000	–	76 000	–
R Nannoolal	4 335	–	84 335	–
Sub total	**4 730 335**	**89 730 697**	**5 160 335**	**88 872 727**

Non-executive directors				
BR Warmback	125 000	–	125 000	–
Sub total	**125 000**	**–**	**125 000**	**–**
Total	**4 855 335**	**89 730 697**	**5 285 335**	**88 872 727**

The company's designated advisers held 410 ,915 (2013: 510 915) shares directly in the ordinary share capital of the company as at year end.

Subsequent to year end AW Gooderson (indirectly), acquired 80 000 shares.

Significant Shareholders

An analysis of the company's shareholders is provided on page 75 of the Annual Financial Statements.

At 28 February 2014 there were public shareholders in the company, who held 21.03% of the ordinary shares.

Those shareholders holding 5 percent or more of the company's issued capital are as follows:

Shareholder	No. of Shares held	%
Alju Family Trust	89 730 697	71.78

Subsidiary companies

Gooderson has a number of subsidiary companies as listed below:

Alawill Investments Proprietary Limited
Bushlands Game Lodge Proprietary Limited
Century Projects & Design Proprietary Limited
Drakensberg Gardens Hotel Proprietary Limited
Dumazulu Kraal Proprietary Limited
Durban Inn Proprietary Limited
GDS Investments Proprietary Limited
Gooderson Vacation Sales Proprietary Limited
Good Vacations Proprietary Limited
J & M Stiebel Proprietary Limited
M & D Robinson Proprietary Limited
Natal Spa Investments Proprietary Limited
Zululand Tours & Safaris Proprietary Limited

General Information

Gooderson Leisure
Good Value, Good Fun

Country of incorporation and domicile	South Africa
Directors	A W Gooderson G M Castleman C M De Klerk R Nannoolal M A Pottier B R Warmback S Q Moloko
Business address	85 O.R. Tambo (Marine) Parade Durban 4001
Postal address	P O Box 10305 Marine Parade 4056
Auditors	Grant Thornton Chartered Accountants (S.A.) Registered Auditors South African member of Grant Thornton International
Secretary	R Nannoolal
Company registration number	1972/004241/06
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were internally compiled by: R Nannoolal (Financial Director, B. Comm)
Published	1 July 2014

Annual Financial Statements
for the year ended 28 February 2014

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Independent Auditor's Report

To the shareholders of Gooderson Leisure Corporation Limited

Report on the financial statements

We have audited the consolidated and separate financial statements of Gooderson Leisure Corporation Limited set out on pages 32 to 74, which comprise the statements of financial position as at 28 February 2014, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of 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 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 annual financial statements.

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

Opinion

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Gooderson Leisure Corporation Limited as at 28 February 2014, and of consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 28 February 2014, we have read the Director's Report, Audit Committee's Report and Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

E Y Lakhi
Partner
Chartered Accountant (SA)
Registered Auditor

1 July 2014

2nd Floor
4 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia
4019

Directors' responsibilities and approval of the Annual Financial Statements

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2015 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Board of Directors is responsible for the financial affairs of the Group.

The external auditors are responsible for independently auditing and reporting on the group's annual financial statements.

The annual financial statements have been examined by the group's external auditors and their report is presented on page 29.

The annual financial statements set out on pages 31 - 74, which have been prepared on the going concern basis, were approved by the board on 1 July 2014 and were signed on its behalf by:

AW Gooderson | R Nannoolal

Durban
1 July 2014

Declaration by the Company secretary

I declare that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission, all such returns as required of a public Company in terms of the Companies Act 71 of 2008 in respect of the financial year ended 28 February 2014 and that all such returns are true, correct and up to date.

R Nannoolal
Company Secretary
1 July 2014

Report of the Directors

The directors submit their report for the year ended 28 February 2014.

1. Review of activities

Main business and operations

The company continues as an investment and holding company. The group continues to operate in the leisure industry.

Through investments in subsidiaries, the group operates hotels and lodges, acts as managing agents, provides finance and develops and markets timeshare.

A further two divisions have been added to Bushlands Game Lodge Proprietary Limited during the current financial year.

Net profit of the group was R6 342 830 (2013: R19 555 874 profit), after taxation of (R2 131 200) (2013: R(1 925 995)).

2. Events after the reporting period

The Bushlands Game Lodge Hotel operations were transferred from Alawill Investments Proprietary Limited to Bushlands Game Lodge Proprietary Limited to gain operational and financial efficiencies on 1 March 2014.

3. Authorised and issued share capital

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

4. Dividends

Since the year end the directors have declared a final gross dividend of 1.875 cents per share on 28 May 2014 to all shareholders. The directors have applied the solvency and liquidity test requirements as per the Companies Act and are satisfied that these have been met.

The salient dates for the dividends are as follows:

Last day to trade shares *cum* div	Friday	18 July 2014
Shares trade *ex* dividend	Monday	21 July 2014
Record date	Friday	25 July 2014
Payment date	Monday	28 July 2014

No share certificates may be dematerialized or re-materialized between Monday 21 July 2014 and Friday 25 July 2014, both days are inclusive.

The local dividend tax rate is 15%. The net local dividend amount is 1.59375 cents per share for shareholders liable to pay the new dividends tax and 1.875 cents per share for shareholders exempt from paying the new dividends tax.

The issued ordinary share capital of Gooderson is 125 000 000 ordinary shares and no STC credits have been utilized.

The company's tax reference number is 9005053203.

5. Directors

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

Name	Changes
A W Gooderson	
G M Castleman	
C M de Klerk	
R Nannoolal	
B R Warmback*	
M A Pottier*	
S Q Moloko*	

* Non-executive

6. Secretary

The secretary of the company is R Nannoolal of:

Business address:	Tropicana Hotel 85 O.R. Tambo (Marine) Parade Durban 4001
Postal address:	PO Box 10305 Marine Parade 4056

7. Interest in subsidiaries

Name of group subsidiaries	Net income (loss) after tax
Alawill Investments Proprietary Limited	3 659 539
Bushlands Game Lodge Proprietary Limited	792 378
Century Projects and Design Proprietary Limited (Dormant)	–
Drakensberg Gardens Hotel Proprietary Limited (Dormant)	–
Dumazulu Kraal Proprietary Limited	(1 842 015)
Durban Inn Proprietary Limited	564 130
GDS Investments Proprietary Limited	2 594 087
Gooderson Leisure Share Incentive Scheme Trust	74 800
Gooderson Vacation Sales Proprietary Limited	(66 750)
Good Vacations Proprietary Limited	21 040
J & M Stiebel Proprietary Limited	609 267
M & D Robinson Proprietary Limited	(106 951)
Natal Spa Investments Proprietary Limited	171 526
Zululand Tours and Safaris Proprietary Limited	(6 570)

8. Auditors

The directors will recommend to the shareholders at the next annual general meeting that Grant Thornton continue in office in accordance with section 90 of the companies act of South Africa.

Statement of Financial Position

as at 28 February 2014

		Group		Company	
Figures in Rands	Notes	2014	2013	2014	2013
ASSETS					
Non-current assets		**253 257 393**	**238 034 741**	**7 510 582**	**7 510 582**
Property, plant and equipment	3	221 906 783	207 702 994	–	–
Goodwill	4	999 563	999 563	–	–
Investment in subsidiaries	5	–	–	7 510 582	7 510 582
Investment in associate	6	1 063 729	817 725	–	–
Timeshare development	9	15 691 650	15 863 429	–	–
Deferred tax	11	6 429 425	5 883 484	–	–
Long term debtors	13	7 166 243	6 767 546	–	–
Current assets		**20 708 880**	**28 019 321**	**16 289 976**	**16 289 976**
Inventories	14	2 020 617	1 744 606	–	–
Loans to group companies	7	–	–	12 224 176	11 864 176
Other financial assets	8	175 000	175 000	4 065 000	4 425 000
Current tax receivable		38 353	507 620	–	–
Trade and other receivables	15	15 156 857	16 125 034	800	800
Cash and cash equivalents	16	3 318 053	9 467 061	–	–
Total assets		**273 966 273**	**266 054 062**	**23 800 558**	**23 800 558**
EQUITY AND LIABILITIES					
Equity		**186 157 385**	**181 532 902**	**23 600 558**	**23 600 558**
Share capital	17	16 276 235	15 916 235	20 040 505	20 040 505
Reserves		76 286 417	76 296 646	6 616	6 616
Retained income		93 594 733	89 320 021	3 553 437	3 553 437
Liabilities					
Non-current liabilities		**58 608 919**	**61 839 960**	**–**	**–**
Other financial liabilities	20	26 390 226	29 359 582	–	–
Deferred income	21	3 182 330	3 715 806	–	–
Deferred tax	11	29 036 363	28 764 572	–	–
Current liabilities		**29 199 969**	**22 681 200**	**200 000**	**200 000**
Loans from group companies	7	–	–	200 000	200 000
Other financial liabilities	20	6 446 011	4 367 316	–	–
Current tax payable		621 130	311 040	–	–
Trade and other payables	22	17 834 282	17 431 150	–	–
Deferred income	21	572 754	571 694	–	–
Bank overdraft	16	3 725 792	–	–	–
Total equity and liabilities		**273 966 273**	**266 054 062**	**23 800 558**	**23 800 558**

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 28 February 2014

		Group		Company	
Figures in Rands	Notes	2014	2013	2014	2013
Revenue	24	120 251 630	110 561 989	–	–
Cost of sales		(18 692 068)	(16 451 065)	–	–
Gross profit		101 559 562	94 110 924	–	–
Net operating expenses		(90 883 515)	(70 379 286)	–	–
Operating profit	25	10 676 047	23 731 638	–	–
Investment revenue	26	382 026	460 086	2 200 000	2 000 000
Income from equity accounted investments		245 953	431 748	–	–
Finance costs	27	(2 829 996)	(3 141 603)	–	–
Profit before taxation		8 474 030	21 481 869	2 200 000	2 000 000
Taxation	28	(2 131 200)	(1 925 995)	–	(200 000)
Profit for the year		6 342 830	19 555 874	2 200 000	1 800 000
Other comprehensive income:					
Items that will not be re-classified subsequently to profit or loss					
Revaluation surplus on property valuation		–	29 150 818	–	–
Taxation related to components of other comprehensive income	11	–	(7 352 535)	–	–
Other comprehensive income (loss) for the year net of taxation		–	21 798 283	–	–
Total comprehensive income		6 342 830	41 354 157	2 200 000	1 800 000
BASIC, DILUTED EARNINGS PER SHARE	38	Cents per share	Cents per share		
Basic earnings per share (cents)		5.27	16.30		
Diluted earnings per share (cents)		5.27	16.27		
Dividends per share (cents)		1.76	1.60		

Statement of Changes in Equity

for the year ended 28 February 2014

Group Figures in Rands	Share capital	Share premium	Total share capital	Share based payment reserve	Revaluation reserve	Total reserves	Retained income	Total equity
Balance at 1 March 2012	1 200	15 915 035	15 916 235	399 729	54 331 588	54 731 317	71 491 357	142 138 909
Changes in equity								
Total comprehensive income for the year	–	–	–	–	–	–	19 555 874	19 555 874
Transfer of share based payment reserve	–	–	–	(272 790)	–	(272 790)	272 790	–
Share based payment reserves movement	–	–	–	39 836	–	39 836	–	39 836
Revaluation surplus	–	–	–	–	21 798 283	21 798 283	–	21 798 283
Dividends	–	–	–	–	–	–	(2 000 000)	(2 000 000)
Total changes	–	–	–	(232 954)	21 798 283	21 565 329	17 828 664	39 393 993
Balance at 1 March 2013	1 200	15 915 035	15 916 235	166 775	76 129 871	76 296 646	89 320 021	181 532 902
Changes in equity								
Total comprehensive income for the year	–	–	–	–	–	–	6 342 830	6 342 830
Transfer of share based payment reserve	–	–	–	(57 082)	–	(57 082)	57 082	–
Share based payment reserves movement	–	–	–	46 853	–	46 853	–	46 853
Dividends	–	–	–	–	–	–	(2 125 200)	(2 125 200)
Options excersised during the year	6	359 994	360 000	–	–	–	–	360 000
Total changes	6	359 994	360 000	(10 229)	–	(10 229)	4 274 712	4 624 483
Balance at 28 February 2014	1 206	16 275 029	16 276 235	156 546	76 129 871	76 286 417	93 594 733	186 157 385
Notes	17	17	17		19			
Company								
Balance at 1 March 2012	1 250	20 039 255	20 040 505	–	6 616	6 616	3 753 437	23 800 558
Changes in equity								
Total comprehensive income for the year	–	–	–	–	–	–	1 800 000	1 800 000
Dividends	–	–	–	–	–	–	(2 000 000)	(2 000 000)
Total changes	–	–	–	–	–	–	(200 000)	(200 000)
Balance at 1 March 2013	1 250	20 039 255	20 040 505	–	6 616	6 616	3 553 437	23 600 558
Changes in equity								
Total comprehensive income for the year	–	–	–	–	–	–	2 200 000	2 200 000
Dividends	–	–	–	–	–	–	(2 200 000)	(2 200 000)
Total changes	–	–	–	–	–	–	–	–
Balance at 28 February 2014	1 250	20 039 255	20 040 505	–	6 616	6 616	3 553 437	23 600 558
Notes	17	17	17		19			

Statement of Cash Flows

for the year ended 28 February 2014

Figures in Rands	Notes	Group 2014	Group 2013	Company 2014	Company 2013
Cash flows from operating activities					
Net cash from operating activities		12 741 368	5 856 547	2 200 000	1 800 000
Cash from operations	30	16 808 764	9 678 079	–	–
Interest income		382 026	460 086	–	–
Dividends received		–	–	2 200 000	2 000 000
Finance costs		(2 829 996)	(3 141 603)	–	–
Tax paid	31	(1 619 426)	(1 140 015)	–	(200 000)
Cash flows from investing activities					
Net cash from investing activities		(19 960 307)	357 920	(360 000)	200 000
Purchase of property, plant and equipment	3	(19 808 441)	(15 254 627)	–	–
Sale of property, plant and equipment	3	75 052	233 044	–	–
Sale of businesses	32	–	19 500 000	–	–
Proceeds from loans from group companies		–	–	(360 000)	200 000
Decrease / (increase) in timeshare development		171 779	(6 373 374)	–	–
(Increase) / decrease in long term debtors		(398 697)	2 252 877	–	–
Cash flows from financing activities					
Net cash from financing activities		(2 655 861)	(6 518 936)	(1 840 000)	(2 000 000)
Proceeds on share issue	17	360 000	–	–	–
Repayment of other financial liabilities		(890 661)	(4 518 936)	–	–
Repayment of shareholders loan		–	–	360 000	–
Dividends paid		(2 125 200)	(2 000 000)	(2 200 000)	(2 000 000)
Total cash inflow / (outflow) for the year		(9 874 800)	(304 469)	–	–
Cash at the beginning of the year		9 467 061	9 771 530	–	–
Total cash at the end of the year	16	(407 739)	9 467 061	–	–

Notes to the annual financial statements

for the year ended 28 February 2014

Accounting Policies

1. Presentation of Annual Financial Statement

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act of South Africa, the requirements of the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The annual financial statements have been prepared on the historical cost basis, except for the revaluation of certain items of property, plant equipment and certain financial instruments which are measured at fair value, and incorporate the principal accounting policies, set out below.

These accounting policies are consistent with the previous period.

Refer to note 2 for new standards and interpretations that were adopted in the current year as disclosed.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all entities, which are controlled by the company.

Control exists when the company is exposed, or has rights, to variable returns from it's involvement with the investee and has the ability to affect those returns through it's power over the investee.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

1.2 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade Receivables and / or loans and receivables

The group assesses its trade receivables and / or loans and receivables for impairment at each balance sheet date. In determining whether an impairment loss should be recorded in the statement of profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and / or loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio (refer to accounting policy 1.7: financial instruments). The allowance for impairment is included in the trade and other receivables note.

Allowance for slow moving, damaged and obsolete inventory, and timeshare development assets

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down if any, is included in the operation profit note.

Impairment testing of non-financial assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including supply and demand, together with economic factors such as inflation and interest.

Gooderson Leisure
Good Value, Good Fun

Accounting Policies (continued)

1.2 Significant judgements (continued)

Property, plant and equipment

Management have made certain estimates with regard to the determination of estimated residual value and useful lives of items of property, plant and equipment, as discussed further in note 1.3.

The fair value of land and buildings is determined by an independent valuer as detailed in note 3.

Residual values

Plant and equipment are depreciated over their estimated useful lives to their estimated residual values. The estimated useful lives of property, plant and equipment are as disclosed in 1.3 below. The estimated residual values vary accordingly to the type of property, plant and equipment and are determined with reference to the expected proceeds on disposal.

The estimates are reviewed at each financial year end and estimates change, the residual values and useful lives are adjusted accordingly and the change is accounted for prospectively.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of land and buildings based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

(Refer note 11 – Deferred tax). The capital gains tax rate is used for land and the normal tax rate is used on buildings.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company 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.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the period end date could be impacted.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment, except for land and buildings, are stated at cost less depreciation and any accumulated impairment losses.

Land and buildings are carried at revalued amounts, being the fair values at the date of revaluation less any subsequent accumulated depreciation (on buildings) and subsequent accumulated impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date. Any increases in an asset's carrying amount, as a result of revaluation, is credited directly to equity, specifically to the revaluation reserve. The increase is recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Where the residual value equals or exceeds the carrying amount of an item of property, plant and equipment, excluding land, that item of property, plant and equipment has no depreciable amount, with a resultant effect of no depreciation.

Depreciation is calculated on the straight line basis at rates considered appropriate to reduce carrying amounts over the useful life of the assets to estimated residual values. The depreciation method, useful life and residual value, if significant, are reassessed annually.

Notes to the annual financial statements

for the year ended 28 February 2014

Accounting Policies (continued)

1.3 Property, plant and equipment (continued)

The current estimated useful life is as follows:

Item	Average useful life
Freehold and leasehold buildings	50 years
Furniture, fittings, computers and equipment	3 to 6 years
Motor vehicles	5 years
Alterations to leasehold properties	5 years
Matresses and carpets	6 years

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the 'revaluation reserve' in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land is recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Where a component / part included in an item of property, plant and equipment, that have costs that are significant in relation to the item of property, plant and equipment, are depreciated separately.

Operating equipment (which includes kitchen utensils, crockery, cutlery and linen) is recognised as an expense based on usage. The period of usage depends on the nature of the operating equipment and varies between one to three years.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

An independant valuation is performed every three years.

Other valuations may be done if it is expected that the carrying amount is materially different from the fair value.

1.4 Goodwill

Goodwill is initially measured at cost, being the excess of the cost of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Cost is defined as the consideration transferred plus the fair value of any previously held equity interest in the acquiree, plus the value of any non-controlling interest acquired (measured either at fair value or the non-controlling interest's proportionate share of the net fair value of the identifiable assets, liabilities and contingent liabilities).

Subsequently, goodwill is carried at cost less any accumulated impairments.

The excess of the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

1.5 Investment in subsidiaries

Company annual financial statements

The cost of an investment in a subsidiary is the aggregate of:

- carried at cost less accumulated impairment
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

Accounting Policies (continued)

1.6 Investment in associates

Group annual financial statements

Associates are those entities over which the group is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill attributable to the group's share in the associate is not recognised separately and is included in the amount recognised as investment in associates.

The carrying amount of the investments in associates is increased or decreased to recognise the group's share of its associates and joint ventures post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition reserve movements is recognized in other comprehensive income. These changes include subsequent depreciation, amortisation or impairment of the carrying amount of assets and liabilities.

Unrealized gains and losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in those entities. Where unrealized losses are eliminated, the underlying assets is also tested for impairment.

When the group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the group does not recognize further losses, unless it has occurred obligations or made payments on behalf of the associate or joint venture.

1.7 Financial instruments

Initial recognition

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Loans to (from) group companies and associates

These include loans to and from subsidiaries and associates and are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable, an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses are recognised in profit or loss.

Loans to group companies are classified as loans and receivables measured at amortised cost.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value including transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within operating expenses. 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 against operating expenses in the statement of profit or loss and other comprehensive income.

Trade and other receivables are classified as loans and receivables.

Accounting Policies (continued)

1.7 Financial instruments (continued)

Long term debtors

Long term debtors are initially recognised at fair value including transaction costs. They are subsequently measured at amortised cost using the effective interest rate method. In addition, appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired, and these receivables are classified as loans and receivables.

Profits relating to instalment sales are recognised in the year in which the sale is concluded. Share certificates for sales in perpetuity are held as security until such time as the debt is fully paid.

Trade and other payables

Trade payables are initially measured at fair value including transaction costs, and are subsequently measured as financial liabilities at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recognised at fair value including transaction costs and subsequently measured at amortised cost using the effective interest rate method, which approximates the fair value.

Cash and cash equivalents are classified as loans and receivables.

Bank overdraft and borrowings

Bank overdrafts and other financial liabilities are initially measured at fair value including transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of the financial liability is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowings costs.

Financial assets – loans to related parties

Short term financial instruments are carried at amortised cost, where the impact of discounting is not considered to be material, no discounting is performed. This is due to the fact that the carrying value approximates the amortised cost.

Offsetting

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and there is an intention to settle net, the relevant financial assets and liabilities are offset.

Financial assets are derecognised when the right to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

1.8 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.

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 date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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 end of the reporting period.

Accounting Policies (continued)

1.8 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination

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

1.9 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.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments range between prime minus 1 or 1.5%.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

The basis of measurement applied for the various inventory categories is based on:

- FIFO for inventory held by the Hotel entities, and
- specific identification for the Timeshare entities

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Timeshare development

Timeshare development are measured at the lower of cost and net realisable value.

The costs relating to timeshare development is recognised when:

- it is probable that the future economic benefits associated with the item will flow to the company and
- the cost of the item can be measured reliably.

Costs include costs incurred to acquire and construct timeshare units, and costs incurred subsequently to furnish the units.

Accounting Policies (continued)

1.11 Timeshare development (continued)

When timeshare developments are sold, the carrying amount of these timeshare developments are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of timeshare developments to net realisable value and all losses of timeshare developments are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of timeshare developments, arising from an increase in net realisable value, are recognised as a reduction in the amount of timeshare developments recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 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.

1.14 Share based payments

The group operates equity settled, share based compensation plans. The fair value of the services received in exchange for awards made is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the grants, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At each statement of financial position date, the group revision of original estimates, if any, is changed in the statement of profit or loss and other comprehensive income, and a corresponding adjustment to equity over the remaining vesting periods.

Accounting Policies (continued)

1.15 Segment reporting

The primary segmental reporting has been based on the group's method of internal reporting which disaggregates its business by operating unit. Segmental information is set out in Note 39 to the annual financial statements. Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the board of directors.

1.16 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), 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 entitlement 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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.17 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation i.e. the market related rate adjusted for the risk associated with the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If any entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

1.18 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

Notes to the annual financial statements

for the year ended 28 February 2014

Accounting Policies (continued)

1.18 Revenue (continued)

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the group;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue includes hotel, entertainment and restaurant revenues, management and other fees, dividend income, rental income and the invoiced value of goods and services sold, less returns and allowances. Value added Tax (VAT) on revenue transactions is considered to be a tax collected on behalf of the revenue authorities and is excluded from revenue.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.19 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period in included in cost of sales.

1.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- Expenditures for the asset have occurred;
- Borrowing costs have been incurred, and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Deferred revenue

Leasehold rights have been sold on a lease agreement where the company sells to the purchaser who purchases a leasehold right, consisting of the annual recurrent right to or interest in, the exclusive use and occupation of the dwelling unit.

Revenue is deferred and recognised over the period of leasehold right. Certain related management fees are also deferred and raised over the period of the leasehold right.

1.22 Levy deficit

Excess expenditure incurred by the managing agents over management fees received in respect of leasehold rights schemes of a subsidiary is recognised in the year incurred. No provision for future levy deficit has been made.

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2 New Standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard / Interpretation	Effective date: Years beginning on or after	Impact:
▪ IFRS 7 Financial Instruments: Disclosures	01 January 2013	Not material
▪ IFRS 10 Consolidated Financial Statements	01 January 2013	Not material
▪ IFRS 11 Joint Arrangements	01 January 2013	Not material
▪ IFRS 12 Disclosure of Interests in Other Entities	01 January 2013	Not material
▪ IFRS 13 Fair Value Measurement	01 January 2013	Not material
▪ IAS 1 Presentation of Financial Statements	01 July 2012	Not material
▪ IAS 27 Separate Financial Statements	01 January 2013	Not material
▪ IAS 32 Financial Instruments: Presentation	01 February 2013	Not material

2.2 New standards and interpretations not yet effective

At the date of approval of these financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the group.

Management anticipates that all of the pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the group's financial statements.

The impact of the standards listed below are not material.

IFRS 2 Share-based Payments

The amendments relates to the added definitions of performance conditions and service conditions and the amendment of the definitions of vesting conditions and market conditions.
The effective date of the amendment is for years beginning on or after 01 July 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

IFRS 3 Business Combinations

These amendments are to clarify the measurement requirements for short-term receivables and payables, as well as to clarify that the portfolio exceptions applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9.

The effective date of the amendment is for years beginning on or after 01 July 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 8 Operating Segments

These amendments relate to disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations.
The effective date of the amendment is for years beginning on or after 01 July 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

New Standards and interpretations (continued)

IFRS 9 Financial Instruments (continued)

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All timeshare development are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group expects to adopt the standard for the first time in the 2019 annual financial statements.
It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 10 – Consolidated Financial Statements

This amendment is an exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of "Investment Entities" must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement.

The effective date of the amendment is for years beginning on or after 01 January 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 12 Disclosure of Interests in Other Entities

This amendment relates to new disclosures required for Investment Entities (as defined in IFRS 10).
The effective date of the standard is for years beginning on or after 01 January 2014.
The group expects to adopt the standard for the first time in the 2015 annual financial statements.
It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 13 Fair Value Measurement

These amendments are to clarify the measurement requirements for short-term receivables and payables, as well as to clarify that the portfolio exceptions applies to all contracts within the scope of, and accounted for in accordancewith, IAS 39 or IFRS 9.
The effective date of the amendment is for years beginning on or after 01 January 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 15 Revenue from contracts with customers

This amendment will replace IAS 18 and IAS 11 and will affect almost every revenue generating entity that applies IFRS.
The effective date of the amendment is for years beginning on or after 1 January 2017.
The group expects to adopt the amendment for the first time in the 2018 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

New Standards and interpretations (continued)

IAS 16 Property, Plant and Equipment

Amendments to the revaluation method of property, plant and equipment where accumulated depreciation is proportionately restated.

The effective date of the amendment is for years beginning on or after 01 July 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 24 Related Party Disclosures

This amendment is to give clarification of the definition of a related party.
The effective date of the amendment is for years beginning on or after 01 July 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 27 Consolidated and Separate Financial Statements

These are consequential amendments resulting from the issue of IFRS 10, 11 and 12. The requirement is to account for interests in "Investment Entities" at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement, in the separate financial statements of a parent.

The effective date of the amendment is for years beginning on or after 01 January 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 36 Impairment of Assets

This amendment is IAS 36 clarifies the required disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
The effective date of the amendment is for years beginning on or after 01 January 2014.
The group expects to adopt the amendment for the first time in the 2015 annual financial statements.
It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 38 Intangible Assets

This amendment to the revaluation method of intangible assets where accumulated amortisation is proportionately restated is unlikely to have a material impact on the group's annual financial statements.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2015 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

Notes to the annual financial statements

for the year ended 28 February 2014

3. Property, Plant And Equipment

Group Figures in Rands	2014 Cost / Valuation	Accumulated depreciation	Carrying value	2013 Cost / Valuation	Accumulated depreciation	Carrying value
Freehold and leasehold land and buildings	203 293 795	–	203 293 795	190 575 000	–	190 575 000
Furniture, fittings, computers and equipment	47 719 290	(34 621 538)	13 097 752	42 404 672	(30 309 344)	12 095 328
Motor vehicles	4 488 719	(2 648 482)	1 840 237	3 769 407	(2 003 621)	1 765 786
Alterations to leasehold properties	2 635 739	(546 561)	2 089 178	2 635 739	(544 565)	2 091 174
Matresses and carpets	5 423 078	(3 837 257)	1 585 821	4 490 911	(3 315 205)	1 175 706
Total	263 560 621	(41 653 838)	221 906 783	243 875 729	(36 172 735)	207 702 994

Reconciliation of Property, Plant And Equipment - Group 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Freehold and leasehold land and buildings	190 575 000	12 718 795	–	–	203 293 795
Furniture, fittings, computers and equipment	12 095 328	5 408 167	(58 671)	(4 347 072)	13 097 752
Motor vehicles	1 765 786	749 312	–	(674 861)	1 840 237
Alterations to leasehold properties	2 091 174	–	–	(1 996)	2 089 178
Matresses and carpets	1 175 706	932 167	–	(522 052)	1 585 821
Total	207 702 994	19 808 441	(58 671)	(5 545 981)	221 906 783

Reconciliation of Property, Plant And Equipment - Group 2013

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Total
Freehold and leasehold land and buildings	150 643 283	8 458 943	–	2 426 932	29 150 817	(104 975)	190 575 000
Furniture, fittings, computers and equipment	14 420 123	5 227 776	(3 263 162)	–	–	(4 289 409)	12 095 328
Motor vehicles	1 182 189	1 447 770	(189 990)	–	–	(674 183)	1 765 786
Alterations to leasehold properties	4 574 851	2 846	(12)	(2 426 932)	–	(59 579)	2 091 174
Matresses and carpets	2 016 624	117 292	(442 340)	–	–	(515 870)	1 175 706
Total	172 837 070	15 254 627	(3 895 504)	–	29 150 817	(5 644 016)	207 702 994

Pledged as security

Certain assets are encumbered as security for liabilities of the group (refer to Note 20).

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Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013

3. Property, plant and equipment (continued)

Valuations

The effective date of the valuations was 28 February 2013. Valuations were performed by independent valuer, Mr T D Labuscagne Professional Valuer – Reg No. 1374 Fellow, SA Institute of Valuers, of Real Estate Valuations. Real Estate Valuations is independent to the group.

The independent valuations were performed using the income capitalisation approach, which seeks to assess value by reference to projected cash flows (using a capitalisation rate between 10% and 15%), and the current investment approach, which recognises the costs incurred on a certain property as its market value.

These assumptions were based on current market conditions.

The directors assessed the useful lives of the buildings to be 50 years, and the residual values to be equal to their carrying values. Hence there was no depreciation recognised for these buildings during the current and prior periods. The buildings have no depreciable amount, with a resultant effort of no depreciation charge.

Details of properties:

Natal Spa Investments Proprietary Limited

A farm situated in Northern KwaZulu Natal, comprising of: remainder of the Farm Koubad 191 (portion 1, 3-5, 7-10, 12-26, 27-31, 33-37 and 40) in extent 809,1372 hectares, remainder of the Farm Welgelegen No. 199 in extent 191.4712 hectares, Portion 8 and 9 of the Farm Pivaansbad 533 in extent 49.0175 hectares and the remainder of Swembad Township in extent 7.6214 hectares.

The group acquired the property on 1 September 2006.

The land is in the process of being subdivided in order to facilitate the sale of a portion of the land to a shareblock company for the purpose of timeshare development and sale.

	Group 2014	Group 2013	Company 2014	Company 2013
– At cost	6 386 511	6 386 511	–	–
– Revaluation	23 613 489	23 613 489	–	–
– Capitalised expenditure	182 596	–	–	–
	30 182 596	**30 000 000**	**–**	**–**

Drakensberg Gardens Hotel

Situated near Underberg, KwaZulu Natal, comprising main hotel building, guest and staff accommodation, sports facilities and sundry out buildings described as: Rem of Farm Century No. 16095 in extent 333,7968 hectares and Portion 4 of the Farm FP 309 no. 9034 in extent 1.3831 hectares.

Subject to a first, second, third and fourth mortgage bond of R18 040 000. The property has been hypothecated in terms of a co-security agreement in respect of a subsidiary.

	Group 2014	Group 2013	Company 2014	Company 2013
– At cost	4 450 000	4 450 000	–	–
– Capitalised expenditure	18 729 479	18 149 290	–	–
– Transfers	(140 128)	(140 128)	–	–
– Revaluation	27 540 838	27 540 838	–	–
	50 580 189	**50 000 000**	**–**	**–**

Notes to the annual financial statements
for the year ended 28 February 2014

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013
3. Property, plant and equipment (continued)				
Tropicana Hotel				
Being land and buildings consisting of a hotel building described as Lot 12370, Durban in extent 1987 square metres, situated on O.R. Tambo (Marine) Parade, Durban.				
Subject to first, second, third, fourth, fifth and sixth mortgage bonds of R27 192 000 (2013: R27 192 000). The property has been hypothecated in terms of a co-security agreement in respect of a subsidiary.				
The group acquired the leasehold rights to the property on 23 October 1992 and the freehold rights on 24 February 1994.				
– At cost	8 260 444	8 260 444	–	–
– Capitalised expenditure	1 440 449	1 146 107	–	–
– Revaluation	36 354 049	36 354 049	–	–
– Parking bays	239 400	239 400	–	–
	46 294 342	46 000 000	–	–
Dumazulu				
Remainder of Lot H29. No 13268 in extent 23.6655 hectares, held under Deed of Transfer T14180/94.				
– At cost	3 447 895	3 447 895	–	–
– Revaluation	2 552 105	2 552 105	–	–
	6 000 000	6 000 000	–	–
Bushlands Nyala and Amadube property				
Sub 9 of Sub 5 and the remaining extent of Sub 5 of Lot H99 No. 14171 in extent 20,4366 hectares, held under Deeds of Transfer T4935/96 and T39492/13 and the remainder of Sub 6 of Lot H99 No. 14171, known as Amadube, situated in the Zululand Joint Service Board Area, Administrative District of KwaZulu Natal, in extent 20.4362 hectares, and the wild animals situated thereon.				
The Group acquired full ownership of the property on 1 September 2006.				
– Cost	3 195 474	995 474	–	–
– Revaluation	143 945	143 945	–	–
– Capitalised expenditure	3 860 581	3 860 581	–	–
	7 200 000	5 000 000	–	–

An adjacent plot of land was purchased for R2,2 million in the current financial year

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013
3. Property, plant and equipment (continued)				
Mtunzini property				
Situated in Umlalazi, KwaZulu Natal. ERF 1045 Mtunzini, in the extent of 12,7758 hectares.				
The land was acquired on 11 December 2008.				
– At cost	2 577 574	2 577 574	–	–
– Revaluation	1 947 426	1 947 426	–	–
	4 525 000	**4 525 000**	**–**	**–**
Sanrock property				
Being land and buildings defined as Portion 77 of the remaining portion of portion 3 of the farm Rietspruit 412 Modimolle, situated in the province of Limpopo, in extent 19.1124 hectares, held under deed of transfer No T51294/2008.				
The property was acquired on 1 July 2009.				
– At cost	6 400 000	6 400 000	–	–
– Revaluation	1 100 000	1 100 000	–	–
	7 500 000	**7 500 000**	**–**	**–**
Fabz property				
Being land and buildings defined as the proposed remaining extent of Portion 16 of the Farm Lone Hill No. 1, Registration Division I.R., Province of Gauteng measuring approximately 1,7208 hectares, held under deed of transfer No. T84627/2010.				
The property was acquired on 1 October 2009.				
– At cost	17 500 000	17 500 000	–	–
– Capitalised expenditure	3 305 425	3 102 583	–	–
– Revaluation	897 417	897 417	–	–
	21 702 842	**21 500 000**	**–**	**–**
Kloppenheim property				
Being land and buildings defined as the remaining extent of portion 28 of the Farm Waterval 351 Registration Division J.T. Province of Mpumalanga measuring 3,787,544 hectares.				
The property was acquired on 31 October 2011.				
– At cost	10 000 000	10 000 000	–	–
– Transferred to timeshare development	(2 550 000)	(2 550 000)	–	–
– Revaluation	3 100 000	3 100 000	–	–
– Capitalised expenditure	382 572	–	–	–
	10 932 572	**10 550 000**	**–**	**–**
Monks Cowl property				
Being land and buildings defined as the remaining extent of Portion 16 of the Farm Heartsease No. 3291 Registration Division F.S. Province of KwaZulu Natal measuring 20.2343 hectares.				
The property was acquired on 30 July 2012.				
– At cost	6 563 175	6 563 175	–	–
– Revaluation	2 936 825	2 936 825	–	–
– Capitalised expenditure	8 876 254	–	–	–
	18 376 254	**9 500 000**	**–**	**–**

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

4. Goodwill

Group	2014 Cost	2014 Accumulated impairment	2014 Carrying value	2013 Cost	2013 Accumulated impairment	2013 Carrying value
Goodwill	999 563	–	999 563	999 563	–	999 563

Impairment testing of goodwill

For the purpose of annual impairment testing, goodwill is allocated to the underlying discreet business segments as they represent separately identifiable cash generating units.

The recoverable amount of each business segment was determined based on value-in-use calculations, covering a detailed three year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The growth rates used in the expected cash flows amounted to 6% and 8% per annum thereafter into perpetuity. The discount rate applied varied between 10% to 12% per annum (2013: 10% to 12%).

Management's key assumptions used in the forecast include expected changes to average room rates and occupancy levels, together with economic factors such as inflation and interest rates. This is based on past experience.

Management is not currently aware of any probable changes that would necessitate changes in key estimates.

The following cash-generating units, being the lowest level of asset for which there are separately identifiable cash flows, have carrying amounts of goodwill:

	Group 2014	Group 2013
Tropicana Hotel	707 676	707 676
Bushlands Game Lodge	291 887	291 887
	999 563	999 563

5. Investments in subsidiaries

Name of company	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Century Projects & Design Proprietary Limited	100.00	100.00	50	50
Durban Inn Proprietary Limited	100.00	100.00	430 739	430 739
Alawill Investments Proprietary Limited	100.00	100.00	2 200	2 200
Drakensberg Gardens Hotel Proprietary Limited	100.00	100.00	20 000	20 000
GDS Investments Proprietary Limited	100.00	100.00	639 815	639 815
Natal Spa Investments Proprietary Limited	100.00	100.00	6 415 778	6 415 778
J & M Stiebel Proprietary Limited	100.00	100.00	2 000	2 000
			7 510 582	7 510 582

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

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013

6. Investment in associate

Name of company	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Goodtime Developments Proprietary Limited	25.00	25.00	1 063 729	817 725

Summary of group interest in associate

Total assets			5 095 334	2 342 822
Total liabilities			5 291 427	3 371 809
Revenue			8 588 664	4 697 997
Profit or (loss) before tax			1 366 408	1 726 993

7. Loans to / (from) group companies

Subsidiaries

Century Projects & Design Proprietary Limited	–	–	370 093	370 093
Durban Inn Proprietary Limited	–	–	2 908 897	2 908 897
Alawill Investments Proprietary Limited	–	–	411 761	51 761
Drakensberg Gardens Hotel Proprietary Limited	–	–	1 949 203	1 949 203
Natal Spa Investments Proprietary Limited	–	–	6 584 222	6 584 222
GDS Investments Proprietary Limited			(200 000)	(200 000)
	–	–	12 024 176	11 664 176

The loans are unsecured, interest free and repayable by mutual arrangement.

Current asset	–	–	12 224 176	11 864 176
Current liabilities	–	–	(200 000)	(200 000)
	–	–	12 024 176	11 664 176

8. Other financial assets

Loan to related party	175 000	175 000	175 000	175 000
The loan is unsecured, interest free and repayable by mutual agreement.				
Loan to Gooderson Leisure Corporation Scheme Trust (Refer note 18). The above loans are unsecured, interest free and repayable by mutual arrangement.	–	–	3 890 000	4 250 000
	175 000	175 000	4 065 000	4 425 000

Notes to the annual financial statements

for the year ended 28 February 2014

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013
9. Timeshare Development				
Total	15 691 650	15 863 429	–	–
Fairways Developer	8 952 241	9 331 164	–	–
– Shares (refer note 9.1)	241 996	409 962	–	–
– Loan (refer note 9.2)	453 504	113 414	–	–
– Capitalised costs (refer note 9.3)	8 256 741	8 807 788	–	–
Natal Spa Developer				
– Capitalised costs (refer note 9.4)	3 930 499	3 982 265	–	–
Kloppenheim Developer				
– Capitalised costs (refer note 9.5)	2 342 900	2 550 000	–	–
Bushlands Developer				
– Capitalised costs (refer note 9.6)	466 010	–	–	–

9.1) Shares in Glengarry Properties Timeshare Share Block Limited are in respect of timeshare units (developed and furnished) and undeveloped units, which are held for resale in the ordinary course of business. R120 998 (2013: R217 577) of the shares relate to the units that are built but not sold. There are no longer any un-built units.

9.2) The loan to Glengarry Properties Timeshare Share Block Limited is unsecured, interest free and repayable by mutual arrangement. R453 504 (2013: R113 414) of the loan relates to units that are built but not sold.

9.3) Capitalised costs represent costs capitalised in the building and furnishing of timeshare units.

Fairways had 62 (2013: 62) units built and completed, of which 369 (2013: 459) weeks were unsold.
No development costs have been capitalised during the year.

9.4) Natal Spa had 12 (2013: 12) units built and completed of which 331 (2013: 332) weeks were unsold.
No development costs have been capitalised during the year.

9.5) Shares in Kloppenheim Share Block Limited are in respect of timeshare units (developed and furnished), which are held for resale in the ordinary course of business. R2 342 900 (2013: 2 550 000) of the shares relate to 395 (2013: 415) unsold timeshare weeks.

9.6) Shares in Bushlands Game Lodge Proprietary Limited trading as Bushlands Timeshare, are in respect of timeshare units (developed and furnished) which are held for resale in the ordinary course of business. R466 010 (2013: RNil) of the shares relate to 254 unsold timeshare weeks.

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013

10 Financial assets by category

The carrying value of other financial assets, loans to group companies, long term debtors, financial assets and trade and other receivables (excluding prepayments, VAT receivables and deposits) as disclosed on the face of the statement of financial position, are all classified as loans and receivables.

Group - 2014	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Other financial assets	175 000	–	–	–	–	175 000
Long term debtors	7 166 243	–	–	–	–	7 166 243
Trade and other receivables	14 481 490	–	–	–	–	14 481 490
Cash and cash equivalents	3 318 053	–	–	–	–	3 318 053
	25 140 786	–	–	–	–	25 140 786

Group - 2013	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Other financial assets	175 000	–	–	–	–	175 000
Long term debtors	6 767 546	–	–	–	–	6 767 546
Trade and other receivables	15 673 098	–	–	–	–	15 673 098
Cash and cash equivalents	9 467 061	–	–	–	–	9 467 061
	32 082 705	–	–	–	–	32 082 705

Company - 2014	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Long term debtors	12 224 176	–	–	–	–	12 224 176
Other financial assets	4 065 000	–	–	–	–	4 065 000
Trade and other receivables	800	–	–	–	–	800
	16 289 976	–	–	–	–	16 289 976

Company - 2013	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Long term debtors	11 864 176	–	–	–	–	11 864 176
Other financial assets	4 425 000	–	–	–	–	4 425 000
Trade and other receivables	800	–	–	–	–	800
	16 289 976	–	–	–	–	16 289 976

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013
11. Deferred tax liability				
Accelerated capital allowances for tax purposes	(569 439)	(131 209)	–	–
Other temporary differences	233 606	210 019	–	–
Income received in advance	1 536 953	1 538 212	–	–
Revaluation	(25 728 995)	(25 728 995)	–	–
Tax losses available for set off against future taxable income	1 920 937	1 230 885	–	–
	(22 606 938)	(22 881 088)	–	–
Reconciliation of deferred tax (liability)				
At beginning of the year	(22 881 088)	(14 901 280)	–	–
Increase (decrease) in tax losses available for set off against future taxable income	690 052	(406 669)		
Other temporary differences	23 589	(44 394)	–	–
Income received in advance	(1 259)	(176 210)	–	–
Property revaluation	–	(7 352 535)	–	–
Accelerated capital allowance	(438 232)	–	–	–
	(22 606 938)	(22 881 088)	–	–
Asset totals	6 429 425	5 883 484	–	–
Liabilities totals	(29 036 363)	(28 764 572)	–	–
	(22 606 938)	(22 881 088)	–	

Recognition of deferred tax asset

The group recognises deferred tax assets arising from estimated assessed losses in companies where there is objective evidence of future taxable profits as per management's forecasts and budgets, and on taxable temporary differences.

Unrecognised deferred tax asset

	Group 2014	Group 2013	Company 2014	Company 2013
Unused tax losses not recognised as deferred tax assets	–	196 145	–	–

Capital Gains Tax rate change

The capital gains tax rate of 14% in 2011 was increased to 18.65% with effect from 1 March 2012 as announced by the Minister of Finance on 22 February 2012.

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Figures in Rands	Group		Company	
	2013	2012	2013	2012

12. Retirement benefits

Defined contribution plan

It is the policy of the group to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose. All the schemes are funded both by member and by group contributions, which are charged to the statement of comprehensive income as they are incurred.

The group does not provide post retirement medical benefits.

The total group contribution to such schemes	1 607 726	1 531 168	–	–

13. Long term debtors

Long-term receivables	9 816 682	10 793 738	–	–
Less: short term portion (included in trade and other receivables)	(2 650 439)	(4 026 192)	–	–
	7 166 243	6 767 546	–	–

Long term debtors represents amounts receivable in respect of timeshare units sold. Interest is charged at a rate varying between 6% to 22.5% (2013: between 6% to 22.5%) per annum. The period of repayment varies, extending up to 84 months.

The fair value of the collateral held at year end amounted to R9.28million (2013: R10.3 million)

14. Inventories

Foodstuff, stores and sundries	957 249	845 252	–	–
Merchandise	719 781	591 449	–	–
Beverage stock	343 587	307 905	–	–
	2 020 617	1 744 606	–	–

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013
15. Trade and other receivables				
Current portion of long term debtors	2 650 439	4 026 192	–	–
Deposits	77 324	69 500	–	–
Prepayments and accrued income	2 179 369	2 850 305	–	–
Trade receivables	9 957 005	9 125 772	800	800
VAT	292 720	53 265	–	–
	15 156 857	16 125 034	800	800

Trade and other receivables pledged as security

A subsidiary, Alawill Investments Proprietary Limited, has granted an unlimited cession of debts in favour of First National Bank.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (long term debtors) or to historical information.

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:	Group 2014	Group 2013	Company 2014	Company 2013
1 month past due	2 932 079	3 158 119	–	–
2 months past due	659 963	291 918	–	–
3 months past due	371 312	78 535	–	–
4 months past due	264 056	143 703	–	–
5 months past due	651 890	357 162	–	–
	4 879 300	4 029 437	–	–

Long term debtors

As at 28 February 2014, long term debtors of RNIL (2013: RNIL) were impaired and provided for.

The ageing of amounts past due but not impaired is as follows:	Group 2014	Group 2013	Company 2014	Company 2013
1 month past due	67 598	58 332	–	–
2 months past due	51 882	31 904	–	–
3 months past due	22 461	28 593	–	–
4 months past due	17 138	21 191	–	–
5 months past due	172 366	254 757	–	–
	331 445	394 777	–	–

Reconciliation of allowance for impairment of trade and other receivables

	Group 2014	Group 2013	Company 2014	Company 2013
Opening balance	–	135 000	–	–
Allowance for impairment (reversed / raised)	–	(135 000)	–	–
	–	–	–	–

Figures in Rands	Group		Company	
	2014	2013	2014	2013

16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	59 930	99 595	–	–
Bank balances	3 258 123	9 367 466	–	–
Bank overdraft	(3 725 792)	–	–	–
	(407 739)	9 467 061	–	–
Current assets	3 318 053	9 467 061	–	–
Current liabilities	(3 725 792)	–	–	–
	(407 739)	9 467 061	–	–
The total amount of undrawn facilities available for future operating activities and commitments	–	2 730 000	–	–

Guarantees over bank balances were as follows:
- Eskom of R722 792 expiring on 31/12/2025
- Ethekwini Municipality of R308 924 expiring on 31/12/2025

17. Share Capital

Authorised

500 000 000 ordinary shares of 0.001 cents	5 000	5 000	5 000	5 000

Issued

125 000 000 ordinary shares	1 250	1 250	1 250	1 250
Share premium	16 275 029	15 915 035	20 039 255	20 039 255
Treasury shares	(44)	(50)	–	–
	16 276 235	15 916 235	20 040 505	20 040 505

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

Figures in Rands	Group		Company	
	2014	2013	2014	2013

18. Share based payments

The Gooderson Leisure Corporation Share Incentive Scheme Trust was formed, adopted and approved in 2006. The scheme was introduced for the purpose of providing an opportunity to the employees of Gooderson Leisure Corporation Limited and its subsidiaries to acquire shares in the capital of the company listed on the JSE.

An offer of shares made to an employee by the Gooderson Leisure Corporation Share Incentive Trust shall be made at the market value thereof determined with reference to the middle market price of the shares on the JSE on the trading day immediately preceding the date on which the offer is made, less such discount as may be determined by the Board subject to the requirements of the JSE, provided that the discount determined by the Board shall be the same for all employees who participate in the offer. The employee shall be entitled to the release and transfer of shares offered in tranches of 20% thereof on each anniversary of the acceptance date.

	Group 2014	Group 2013	Company 2014	Company 2013
Share based payment expense recognised	46 853	39 836	–	–

Share options vest on the anniversary of the grant date in cumulative trances of 20% per annum. Options lapse if not exercised within 5 years of their date of grant. Should the option holder resign from the group prior to the maturity date, the shares will not be issued. Payment will therefore not be required, and the options will be cancelled.

The scheme is equity settled.

No share options were granted during the current financial period.

Share options held by participants at the end of the year have the following terms:

Financial year of grant	Financial year of lapse	Unexercised options	Vesting options	Number of participants	Strike price
2008	2013	784 468	784 468	5	91
2009	2014	1 125 637	1 125 637	5	60
2010	2015	1 231 340	1 108 206	5	60
2013	2018	875 218	262 565	5	66

The fair value of the share options at grant date is determined based on the Black-Scholes model. In determining share price volatility, consideration has been given to historical volatility as well as the expected option lifetime.

Grant date	2008	2009	2010	2013
Vesting period ends	2013	2014	2015	2018
Option life (years)	5	5	5	5
Weighted average share price (cents)	83.41	64.21	62.67	61.41
Exercise price (cents)	91	60	60	66
Volatility (%)	3.50	3.30	3.30	4.60
Dividend yield (cents)	3.50	3.50	3.50	3.50
Risk free interest rate (%)	9.20	8.38	8.38	5.70

19. Revaluation reserve

	Group 2014	Group 2013	Company 2014	Company 2013
Arising on disposal of listed investments	6 616	6 616	6 616	6 616
Arising on revaluation of land and buildings	76 123 255	76 123 255	–	–
	76 129 871	**76 129 871**	**6 616**	**6 616**

	Group 2014	Group 2013	Company 2014	Company 2013
20. Other financial liabilities				
Held at amortised cost				
Nedbank Mortgage Bonds	29 166 790	32 937 222	–	–
The loans with Nedbank are made up of three loans to finance the acquisition of Sanrock, Fabz and Kloppenheim.				
The terms of the loans are as follows:				
Loan to acquire Sanrock: The loan bears interest at the prime lending rate, and is repayable in 120 monthly instalments of R153 680 (2013: R153 680).				
Loan to acquire Fabz: The loan bears interest at the prime lending rate, and is repayable in 120 monthly instalments of R228 077 (2013: R228 077).				
Loan to acquire Kloppenheim: The loan bears interest at the prime lending rate, and is repayable in 120 monthly instalments of R154 719 (R2013: R154 719).				
The above loans are secured by various mortgage bonds over property described as Tropicana Hotel and Drakensberg Gardens Hotel.				
Instalment sale agreements	3 669 447	789 676	–	–
Secured in terms of instalment sale agreements over property plant and equipment having a book value of R3 527 130 (2013: R1 894 385).				
Interest is charged at rates varying between prime and 1.50% below prime per annum and the liability is repayable in monthly instalments of R227 591 (2013: 107 170).				
	32 836 237	**33 726 898**	**–**	**–**
Non-current liabilities				
At amortised cost	26 390 226	29 359 582	–	–
Current liabilities				
At amortised cost	6 446 011	4 367 316	–	–
21. Deferred income				
Deferred revenue comprises of deferred proceeds from leasehold rights sold.				
Non-current portion	3 182 330	3 715 806	–	–
Current portion	572 754	571 694	–	–
	3 755 084	**4 287 500**	**–**	**–**

Notes to the annual financial statements

for the year ended 28 February 2014

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013
22. Trade and other payables				
Accruals	5 580 432	4 425 822	–	–
Amounts received in advance	5 564 548	5 284 591	–	–
Other payables	1 022 224	1 936 427	–	–
Trade payables	4 238 839	4 090 113	–	–
VAT	1 428 239	1 694 197	–	–
	17 834 282	17 431 150	–	–

23. Financial liabilities by category

The carrying value of other financial liabilities, trade and other payables, (excluding VAT, payroll accruals and amounts received in advance) and bank overdraft as disclosed on the face of the statement of financial position are all classified as financial liabilities at amortised cost.

Group 2014	Financial liabilities at amortised cost	Total
Other financial liabilities	32 836 237	32 836 237
Trade and other payables	9 617 297	9 617 297
Bank overdraft	3 725 792	3 725 792
	46 179 326	46 179 326

Group 2013	Financial liabilities at amortised cost	Total
Other financial liabilities	33 726 898	33 726 898
Trade and other payables	9 463 467	9 463 467
	43 190 365	43 190 365

Company 2014	Financial liabilities at amortised cost	Total
Loans from group companies	200 000	200 000

Company 2013	Financial liabilities at amortised cost	Total
Loans from group companies	200 000	200 000

Figures in rands	Group		Company	
	2014	2013	2014	2013

financial liabilities at amortised cost.

24. Revenue

Sale of goods	44 053 703	40 757 036	–	–
Rendering of services	57 194 810	52 640 851	–	–
Timeshare sales and management fees	13 651 808	12 298 483	–	–
Timeshare levies	5 351 309	4 865 619	–	–
	120 251 630	110 561 989	–	–

25. Operating profit

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

Operating lease charges

Lease rentals on operating lease				
▪ Straight lined amount	1 407 231	2 173 889	–	–

Profit on sale of property, plant and equipment	16 381	44 138	–	–
Profit on sale of businesses	–	15 793 402	–	–
Timeshare expenses	8 117 706	9 262 366	–	–
Depreciation on property, plant and equipment	5 545 982	5 644 017	–	–
Employee costs	42 999 904	41 280 105	–	–
Bad debts	243 352	416 361	–	–

26. Investment revenue

Dividend revenue				
Subsidiaries	–	–	2 200 000	2 000 000
Interest revenue				
Other interest	382 026	460 086	–	–
	382 026	460 086	2 200 000	2 000 000

27. Finance costs

Other financial liabilities and bank overdraft	2 665 615	3 025 757	–	–
Instalment sale agreements	164 381	115 846	–	–
	2 829 996	3 141 603	–	–

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

Figures in Rands	Group 2014	Group 2013	Company 2014	Company 2013
28. Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	2 398 783	1 123 781	–	–
STC	–	200 000	–	200 000
	2 398 783	1 323 781	–	200 000
Deferred				
Originating and reversing temporary differences	422 468	184 333	–	–
Raising / utilisation of unused tax losses	(690 051)	417 881	–	–
	(267 583)	602 214	–	–
	2 131 200	1 925 995	–	200 000
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Permanent differences	0.92%	(2.75)%	–%	–%
Tax losses (utilised) / carried forward	(3.77)%	(1.42)%	–%	–%
Capital profit on sale of business	–%	(20.66)%	–%	–%
Secondary tax on companies	–%	0.93%	–%	–%
Capital gains tax	–%	4.87%	–%	–%
	25.15%	8.97%	28.00%	28.00%
29. Auditors' remuneration				
Fees	715 640	966 830	–	–
Expenses	–	2 900	–	–
	715 640	969 730	–	–
30. Cash generated from operations				
Profit before taxation	8 474 030	21 481 869	2 200 000	2 000 000
Adjustments for:				
Depreciation and amortisation	5 545 982	5 644 017	–	–
Profit on sale of assets	(16 381)	(15 837 540)	–	–
Income from equity accounted investments	(245 953)	(431 748)	–	–
Dividends received	–	–	(2 200 000)	(2 000 000)
Interest received	(382 026)	(460 086)	–	–
Finance costs	2 829 996	3 141 603	–	–
Share based payment	46 853	39 836	–	–
Other non-cash items	(6 619)	–	–	–
Changes in working capital:				
Inventories	(276 011)	(126 149)	–	–
Trade and other receivables	968 177	(1 903 482)	–	–
Trade and other payables	403 132	(1 298 542)	–	–
Deferred income	(532 416)	(571 699)	–	–
	16 808 764	9 678 079	–	–

Figures in Rands	Group		Company	
	2014	2013	2014	2013

31. Tax paid

Balance at beginning of the year	196 580	380 346	–	–
Current tax for the year recognised in profit or loss	(2 398 783)	(1 323 781)	–	(200 000)
Balance at end of the year	582 777	(196 580)	–	–
	(1 619 426)	(1 140 015)	–	(200 000)

32. Sale of business

Total net assets sold	–	(3 706 598)	–	–
Profit on disposal	–	(15 793 402)	–	–
Consideration received	–	(19 500 000)	–	–

33. Commitments

Authorised capital expenditure

Already contracted for but not provided for:

▪ Property, plant and equipment	6 800 000	4 639 000	–	–
▪ Timeshare development	500 000	350 000	–	–
▪ Monks Cowl unit development	17 700 000	8 500 000	–	–
▪ Purchase of Bushlands property	–	2 200 000	–	–

This committed expenditure will be financed by bank balances and available bank facilities (see note 16).

Operating leases – as lessee (expense)

Minimum lease payments due

▪ Within one year	2 471 992	642 969	–	–
▪ In second to fifth year inclusive	1 197 456	146 707	–	–
	3 669 448	789 676	–	–

Operating lease payments represent rentals payable by the group for certain of its properties and office equipment. There are no contingent rents payable.

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

34. Contingencies

Guarantees:

Guarantees and suretyship given by the company and Alawill Investments Proprietary Limited in respect of a long term loan granted to a subsidiary, J & M Stiebel Proprietary Limited, to the value of R18 040 000 (2013: R18 040 000).

A subsidiary Alawill Investments Proprietary Limited has undertaken to guarantee a bond to the value of R2 000 000 (2013: R2 000 000) granted to an associated entity, Nibela Share Block.

A subsidiary Alawill Investments Proprietary Limited has undertaken to guarantee a bond to the value of R5 000 000 (2013: R5 000 000) granted to an associated entity, Glengarry Properties Timeshare Shareblock.

The company and Durban Inn Proprietary Limited have guaranteed the instalment sale facility made available to Alawill Investments Proprietary Limited by Nedbank Limited R13 692 000 (2013: 13 692 000).

Land Claims:

Bushlands Game Lodge Proprietary Limited

A land claim, in terms of the Restitution of Land Rights Act 22 of 1994, has been lodged with the Regional Land Claims Commission on the 10 June 1997. The claim is in the process of being validated by the commission.

J & M Stiebel Proprietary Limited

A land claim, in terms of the Restitution of Land Rights Act 22 of 1994, has been lodged with the Regional Land Claims Commission on the 29 December 1998. The claim has been published by way of a notice in the Government Gazette dated 15 April 2005. The land owners have filed representations in opposition to the claim on 18 May 2005.

The directors are of the opinion that the land claims referred to above will not result in material loss to the group.

Figures in rands	Group		Company	
	2014	2013	2014	2013

35. Related parties

Relationships

Transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the group and other related parties are disclosed below.

Related party balances

Loan accounts – owing (to) / by related parties				
Glengarry Properties Timeshare Share Block Limited	175 000	175 000	–	–

- GDS Investments Proprietary Limited a subsidiary of Gooderson Leisure Corporation Limited is a managing agent for Glengarry Properties Timeshare Share Block Limited

Related party transactions

Purchases from associated companies				
East Coast Hospitality Solution Proprietary Limited	–	1 566 858	–	–
East Coast Amenities CC	1 147 438	809 157	–	–
Goodtime Developments Proprietary Limited	2 357 283	977 634	–	–

- Alawill Investments Proprietary Limited a subsidiary of Gooderson Leisure Corporation Limited has a 25% interest in Goodtime Developments Proprietary Limited who has an interest in East Coast Hospitality Solutions Proprietary Limited and East Coast Amenities CC.

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36. Directors' emoluments

The non-executive directors do not have service contracts.

Executive directors are full-time salaried employees, engaged on the company's standard terms and conditions of employment.

Executive

2014	Emoluments R	Retirement, Medical contribution and benefits R	Incentive bonus R	Benefit relating to shares granted R	Total R
A W Gooderson	1 435 200	164 247	–	79 773	1 679 220
G M Castleman	1 056 000	153 117	–	7 518	1 216 635
C M de Klerk	672 000	107 162	65 000	7 639	851 801
R Nannoolal	720 000	115 918	–	5 923	841 841
	3 883 200	540 444	65 000	100 853	4 589 497

Executive

2013	Emoluments R	Retirement, Medical contribution and benefits R	Incentive bonus R	Benefit relating to shares granted R	Total R
A W Gooderson	1 435 200	138 086	–	23 332	1 596 618
G M Castleman	960 000	142 593	200 000	3 418	1 306 011
C M de Klerk	624 000	116 972	65 000	6 503	812 475
R Nannoolal	660 000	106 781	90 000	6 583	863 364
	3 679 200	504 432	355 000	39 836	4 578 468

Non-executive

2014	Emoluments R	Total R
M A Pottier	37 724	37 724
B R Warmback	39 996	39 996
S Q Moloko	20 680	20 680
	98 400	98 400

Non-executive

2013	Emoluments R	Total R
M A Pottier	26 513	26 513
B R Warmback	28 406	28 406
	54 919	54 919

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

36. Directors' emoluments (securities)

Directors' interest in shares 2014	Balance held at 28 February 2013	Additions/ (Disposals) during the year	Average purchase price per share (cents)	Balance at 28 February 2014	Direct/ Indirect
A W Gooderson	88 872 727	857 970	58	89 730 697	Indirect
G M Castleman	76 000	–	–	76 000	Direct
C M de Klerk	5 000 000	(350 000)	55	4 650 000	Direct
R Nannoolal	84 335	(80 000)	72	4 335	Direct
B R Warmback	125 000	–	–	125 000	Direct

Directors' interest in shares 2013	Balance held at 29 February 2012	Additions/ during the year	Average purchase price per share (cents)	Balance at 28 February 2013	Direct/ Indirect
A W Gooderson	88 872 727	–	–	88 872 727	Indirect
G M Castleman	–	76 000	71	76 000	Direct
C M de Klerk	5 000 000	–	–	5 000 000	Direct
R Nannoolal	–	84 335	71	84 335	Direct
B R Warmback	125 000	–	–	125 000	Direct

37. Risk management

Capital risk management

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

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 7 & 20, cash and cash equivalents disclosed in note 16, and equity as disclosed in the statement of financial position.

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

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2014 and 2013 respectively were as follows:

Figures in rands		Group		Company	
	Notes	2014	2013	2014	2013
Total borrowings					
Interest-bearing borrowings	20	32 836 237	33 726 898	–	–
Bank overdraft		3 725 792	–	–	–
		36 562 029	**33 726 898**	**–**	**–**
Less: Cash and cash equivalents	16	3 318 053	9 467 060	–	–
Net debt		33 243 976	24 259 838	–	–
Total equity		186 157 385	181 532 902	23 600 558	23 600 558
Total capital		**219 401 361**	**205 792 740**	**23 600 558**	**23 600 558**
Gearing Ratio		15%	12%	–%	–%

37. Risk management (continued)

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The group's liquidity risk relates to funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities. In order to mitigate any liquidity risk that the group may face, the group's policy has been, throughout the year ended 28 February 2014, to maintain substantial unutilised banking facilities and reserve borrowings capacity.

Cash flow forecasts are prepared and utilised borrowing facilities are monitored.

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.

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 28 February 2014				
Other financial liabilities	6 486 984	6 437 756	19 814 786	5 057 191
Instalment sale agreements	2 663 735	1 221 937	–	–
Trade and other payables	17 834 282	–	–	–
Bank overdraft	3 725 792	–	–	–
At 28 February 2013				
Other financial liabilities	6 588 060	6 381 135	22 313 209	11 766 946
Instalment sale agreements	667 961	149 947	–	–
Trade and other payables	17 431 150	–	–	–

Interest rate risk

Deposits attract interest at a rate that varies with prime. The group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit or loss.

In the ordinary course of business, the company receives cash from its operations and is required to fund working capital.

This cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk.

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

During 2014 and 2013, the group's borrowings were denominated in Rands.

An increase in interest rates of 100 basis points during the year would have resulted in a decrease in profit before tax of R477 526 and a decrease in interest rates of 100 basis points would have resulted in an increase in profit before tax of R477 526, on the basis that all other variables remain constant.

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

37. Risk management (continued)

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to five years	Due after five years
Instalment sale agreement	1.5 % below prime	2 471 992	1 197 456	–	–
Other financial liabilities	Prime rate	3 974 019	4 346 810	16 135 974	4 709 988
Long term debtors	Between 6% and 22.5%	2 650 439	2 042 413	5 002 081	121 749
Bank overdraft	Prime rate	3 725 792	–	–	–

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, loans to group companies, other financial assets and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

All trade debtors are subject to credit evaluations. For timeshare sales, share certificates are held as security until such time as the debt is fully paid.

Figures in rands	Group 2014	2013
38. Basic, headline earnings and dividends per share		
	Cent per share	Cent per share
Basic	5.27	16.30
Headline	5.26	3.97
Diluted earnings per share	5.27	16.27
Diluted headline earnings per share	5.25	3.96
Dividend per share	1.76	1.60
Basic earnings (profit for the year)	6 342 830	19 555 874
Headline earnings	6 326 448	4 764 329
	Number of shares	Number of shares
Weighted average number of shares used in basic earnings per share	120 313 973	120 000 000
Shares deemed to be issued for no consideration in respect of share based payments	97 259	185 945
Weighted average number of shares used in diluted earnings per share	120 411 232	120 185 945
Reconciliation between basic and headline earnings		
Basic earnings (profit for the year)	6 342 830	19 555 874
Adjusted for (profit) / loss on disposal of property, plant and equipment	(16 382)	(14 791 545)
	6 326 448	4 764 329
Diluted earnings and diluted headline earnings per share		
The calculation of basic earnings (profit for the year) per share and headline earnings per share is based on:		
Basic earnings (profit for the year)	6 342 830	19 555 874
Headline earnings	6 326 448	4 764 329
and:	Number of shares	Number of shares
The number of shares issued during the year	125 000 000	125 000 000
Weighted average number of shares during the year	120 313 973	120 000 000

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39. Segment report

For management purposes the group is organised into two major operating divisions, namely hotels and lodges, timeshare and other. These divisions are the basis on which the group reports its primary segment information. The hotel and lodges segment involves the renting of hotel rooms, bar and restaurant sales and other related hospitality services. The timeshare segment involves the sales, renting and management of timeshare. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the board of directors.

2014	Hotels and Lodges R	Timeshare R	Consolidated R
Revenue	103 300 242	16 951 388	120 251 630
Result			
Segment gross profit	87 430 932	14 128 630	101 559 562
Net operating costs	(80 048 194)	(10 835 321)	(90 883 515)
Profit from operations	7 382 738	3 293 309	10 676 047
Finance costs			(2 829 996)
Investment revenue			382 026
Income from equity accounted investments			245 953
Profit before tax			8 474 030
Tax			(2 131 200)
Profit for the year			6 342 830
Other information			
Depreciation	5 395 399	150 582	5 545 981

2014	Hotels and Lodges R	Timeshare R	Consolidated R
Statement of financial position			
Assets			
Segment assets	231 950 718	34 309 048	266 259 766
Unallocated corporate			7 706 507
Consolidated total assets			273 966 273
Equity and liabilities			
Segment liabilities	51 372 953	6 778 442	58 151 395
Unallocated corporate liabilities			29 657 493
Equity capital and reserves			186 157 385
Consolidated total equity and reserves			273 966 273
Other information			
Capital expenditure	19 495 449	312 992	19 808 441

Notes to the annual financial statements

for the year ended 28 February 2014 *(continued)*

39. Segment report (continued)

2013	Hotels and Lodges R	Timeshare R	Consolidated R
Revenue	93 397 887	17 164 102	110 561 989
Result			
Segment gross profit	79 486 578	14 624 346	94 110 924
Net operating costs	(62 407 389)	(7 971 897)	(70 379 286)
Profit from operations	**17 079 189**	**6 652 449**	**23 731 638**
Finance costs			(3 141 603)
Investment revenue			460 086
Income from equity accounted investments			431 748
Profit before tax			**21 481 869**
Tax			(1 925 995)
Profit for the year			**19 555 874**
Other information			
Depreciation	**5 456 478**	**187 538**	**5 644 016**
2013			
Statement of financial position			
Assets			
Segment assets	217 961 843	40 701 552	258 663 395
Unallocated corporate			1 196 143
Consolidated total assets			**259 859 538**
Equity and liabilities			
Segment liabilities	47 540 500	7 905 048	55 445 548
Unallocated corporate liabilities			22 881 088
Equity capital and reserves			181 532 902
Consolidated total equity and reserves			**259 859 538**
Other information			
Capital expenditure	**15 169 411**	**85 216**	**15 254 627**

40. Fair value measurement

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The following table sets out the group's assets and liabilities that are measured and recognised at fair value at 28 February 2014.

28 February 2014	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Non-financial assets:				
Land and buildings	–	–	203 293 795	203 293 795

Recurring fair value measurements				
28 February 2013				
Non-financial assets:				
Land and buildings	–	–	190 575 000	190 575 000

There have been no transfers between levels 1 and level 2 recurring fair value measurements during 2013 and 2014.

The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Land and buildings (Level 3)

The Group's land and buildings is estimated based on appraisals performed by the directors. The valuation processes and fair value changes are reviewed by the board of directors and audit committee at each reporting date.

The fair values of the land and building are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields and take into account the type of the property and the property's location.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rate (market yields) decline. Management considers the range of reasonably possible alternative assumptions is greatest for rentals values and vacancy levels and there is also an interrelationship between these inputs. The assumed discount rates applied for the future income streams range between 7% and 9.5%.

The reconciliation of the carrying amounts of non-financial assets classified within level 3 is as follows:

Land and buildings

	Total
Balance at 1 March 2013	190 575 000
Additions	12 718 795
Disposals	–
Impairments	–
Depreciation	–
Balance at 28 February 2014	203 293 795

Notes to the annual financial statements

for the year ended 28 February 2014

41. Reclassifications and comparative figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. The reclassification was immaterial in nature and was done in order to achieve consistent disclosure in terms of IAS 1 Presentation of financial statements.

As a result, certain line items have been amended in the statement of financial position and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The items were reclassified as follows:

	Group	
	Previously reported	After reclassification
Deferred tax asset	–	5 883 484
Deferred tax liability	(22 881 088)	(28 764 572)
Current tax receivable	196 580	507 620
Current tax payable	–	(311 040)

Analysis of Shareholders

as at 28 February 2014

Gooderson Leisure

Good Value, Good Fun

SHAREHOLDER SPREAD	No. of shareholders	%	No. of Shares	%
1–1,000 shares	37	14.80	20,409	0.02
1,001 –10,000 shares	92	36.80	464,686	0.37
10,001 –100,000 shares	90	36.00	3,422,268	2.74
100,001 –1,000,000 shares	23	9.20	6,779,461	5.42
1,000,001 – and above shares	8	3.20	114,313,176	91.45
	250	100.00	125,000,000	100.00

DISTRIBUTION OF SHAREHOLDERS	No. of shareholders	%	No. of Shares	%
Close Corporations	2	0.80	279 477	0.22
Individuals	218	87.20	13 202 553	10.56
Investment Companies	3	1.20	10 742 538	8.60
Nominees and Trusts	18	7.20	96 000 387	76.80
Private Companies	8	3.20	375 045	0.30
Share Trust	1	0.40	4 400 000	3.52
	250	100.00	125 000 000	100.00

PUBLIC / NON – PUBLIC SHAREHOLDERS	No. of shareholders	%	No. of Shares	%
Non – Public Shareholders	6	2.40	98 956 032	78.97
Trusts	2	0.80	94 100 697	75.28
Directors	4	1.60	4 855 335	3.88
Public Shareholders	244	97.60	26 043 968	21.03
	250	100.00	125 000 000	100.00

Beneficial shareholders holding of 5% or more	No. of Shares	%
Alju Family Trust	89 730 697	71.78

JSE Share information for the year ended 28 February 2014	
Closing price (cents)	54
High for the period (cents)	77
Low for the period (cents)	51
Volume of shares traded during the period	3 348 227
Value of shares traded during the period	1 977 976

Note:

The JSE share information is for the period since listing, 1 March 2013 to 28 February 2014.

Shareholders' Diary

Financial year end	28 February
Announcement of reviewed financial results on SENS	28 May 2014
Annual financial statements	1 July 2014
Annual general meeting	14 August 2014
Interim report	To be published in October 2014

Corporate Information

Full name	Gooderson Leisure Corporation Limited
Registration number	1972/004241/06
JSE abbreviated name	Gooderson
JSE code	GDN
ISIN	ZAE000084984
Sector	AltX
Exchange	Alternative Exchange
Formed	1972
Listed JSE	26 September 2006
Website	www.goodersonleisure.co.za

Executive Directors

AW Gooderson
GM Castleman
CM de Klerk
R Nannoolal

Non-Executive Directors

MA Pottier
BR Warmback
SQ Moloko

Company Secretary and Registered Office

R Nannoolal
85 O.R. Tambo (Marine) Parade, Durban, 4001
(PO Box 10305, Marine Parade, 4056)

Telephone: (031) 337 2672
Facsimile: (031) 337 2621

Transfer Secretaries

Computershare Investor Services (Pty) Ltd
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Telephone: (011) 370 5000
Facsimile: (011) 688 5210

Attorneys

Berkowitz Cohen Wartski
17th Floor, Southern Life House, Durban, 4001
(PO Box 3704, Durban, 4001)

Telephone: (031) 314 9300
Facsimile: (031) 314 9302

Designated Adviser

Exchange Sponsors (2008) (Pty) Limited
(Registration number 1999/024433/07)
44A Boundary Road, Inanda, 2196
(PO Box 411216, Craighall, 2024)

Telephone: (011) 880 2113
Facsimile: (011) 447 4824

Auditors

Grant Thornton
2nd Floor, 4 Pencarrow Crescent
La Lucia Ridge Office Estate, La Lucia, 4019
(PO Box 950, Umhlanga Rocks, 4320)

Telephone: (031) 576 5500
Facsimile: (031) 576 5555

Commercial Banker

First National Bank Limited
(Registration number 1929/001225/06)
Acacia House, 8 Rydall Vale Park, Douglas Saunders Drive, La Lucia Ridge, 4320
(PO Box 4130,The Square, Umhlanga Rocks, 4320)

Telephone: (031) 580 6000
Facsimile: (031) 580 6045

Notice of annual general meeting

Notice is hereby given to shareholders as recorded in the Company's securities register on Friday, 25 July 2014 that the eighth annual general meeting of shareholders of Gooderson Leisure Corporation Limited will be held at the offices of the company at the Tropicana Hotel, 85 O.R. Tambo (Marine) Parade, Durban on Thursday, 14 August 2014 at 9:00am to consider and, if deemed fit, to pass, with or without modification, the following special and ordinary resolutions set out below, in the manner required by the South African Companies Act, 2008 as amended as read with the Listings Requirements of JSE Limited, which meeting is to be participated in and voted at by shareholders as at the record date of Friday, 1 August 2014;

Kindly take note that all meeting participants will be required to provide reasonable satisfactory identification in the form of identity books, passports or drivers licences, before being entitled to participate in the meeting.

Presentation of the Annual Financial Statements

The consolidated annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the Audit Committee and the Directors for the year ended 28 February 2014 have been distributed as required and will be presented to shareholders as required in terms of section 30(3)(d) of the Act.

The purpose of the meeting is to propose the following special and ordinary resolutions:

Special resolution

Special resolution number 1: Share repurchases

"Resolved, as a special resolution, that the directors be authorised pursuant inter alia to the company's memorandum of incorporation, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 (fifteen) months from date of passing this special resolution, for the company or any subsidiary of the company to acquire shares of the company, subject to the Listings Requirements of JSE Limited, provided that:

1. any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
2. at any point in time, the company may only appoint one agent to effect any repurchases on its behalf;
3. the company must be authorised thereto by its memorandum of incorporation;
4. the number of shares which may be acquired pursuant to this authority in any financial year may not in the aggregate exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this special resolution;
5. repurchases of shares may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the securities for the 5 (five) business days immediately preceding the date on which the transaction was effected;
6. repurchases may not be undertaken by the company or one of its wholly owned subsidiaries during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE);
7. after the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time; and
8. the company's Designated Adviser shall confirm the adequacy of the company's working capital for the purposes of undertaking the repurchase of shares in writing to the JSE prior to entering the market to proceed with the repurchase.

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of securities of the company, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors, after considering the maximum number of securities which may be purchased and the price at which the repurchases may take place pursuant to the buy-back general authority, are of the opinion that for a period of 12 (twelve) months after the date of notice of this annual general meeting:

- the company and the group will be able to pay their debts in the ordinary course of business;
- the assets of the company and of the group, fairly valued in accordance with generally accepted accounting practice, will exceed the liabilities of the company and of the group after the buy-back;
- the share capital and reserves of the company and of the group will be adequate for the purposes of the business of the company and its subsidiaries; and
- the working capital available to the company and its subsidiaries will be adequate for the purpose of the business of the company and its subsidiaries.

Notice of annual general meeting

(continued)

The following additional information, some of which may appear elsewhere in the annual report, of which this notice forms part, is provided in terms of paragraph 11.26 of the Listings Requirements of the JSE for purposes of this general authority:

- Directors – page 76
- Major beneficial shareholders – page 75
- Directors' interests in ordinary shares – page 68
- Share capital of the company – page 59

Litigation statement

The directors, whose names appear on page 76 of the integrated annual report are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had a material effect on the group's financial position in the 12 (twelve) months preceding the date of this notice of annual general meeting.

Directors' responsibility statement

Directors, whose names appear on page 76 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the year ended 28 February 2014 and up to the date of this notice.

Reasons for and effects of Special Resolution number 1

"Resolved that unless otherwise determined by the company in general meeting, the revised annual fees payable by the company to non-executive directors be approved with effect from 1 March 2014, as follows:"

	Rands per meeting	
Board, Audit, Remuneration and Social Ethics Committee Meetings	Current	Proposed
Non-executive directors	R1 350 per hour or part therof	R1 500 per hour or part thereof

All fees are paid in arrears.

Reasons for and effects of Special Resolution number 2

The reason for this special resolution number 2 is to obtain prior approval for the payment of the non-executive directors' fees and the effect will be that the directors will be paid in accordance with this resolution.

Special resolution number 3: Pre-approve financial assistance to related parties

"Resolved that the board of directors be and is hereby authorised in terms of the provisions of section 45(3)(a)(ii) of the Companies Act 71 of 2008, ("the Act") as a general approval, to authorise the company to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Act) that the board of directors may deem fit to any related or inter-related company or corporation of the company ("related" and "inter-related" will herein have the meaning attributed to it in section 2 of the Act), on the terms and conditions and for amounts that the board of directors may determine."

Reasons for and effects of Special Resolution number 3

The reason for and effect of this special resolution is to grant the directors of the company the general authority to provide direct or indirect financial assistance to any company or corporation forming part of its group of companies, including in the form of loans or the guaranteeing of their debts. This authority will be in place for a period of two years from the date of adoption of this special resolution.

Ordinary resolutions

Ordinary resolution number 1: Issue of shares for cash

"Resolved that the directors be authorised pursuant inter alia to the company's memorandum of incorporation, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that it shall not extend beyond 15 (fifteen) months, to allot and issue any ordinary shares for cash subject to the Rules and Requirements of the JSE Limited on the following bases:

1. the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE;
2. the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
3. the number of shares issued for cash shall not in the aggregate in any one financial year exceed 50 % (fifty percent) of the company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issued (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application

less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issued (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;

4. the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the company;
5. after the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors and the effect of the issue on net asset value and earnings per share), or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time".

In terms of the Listings Requirements of the JSE a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting must be cast in favour of Ordinary Resolution number 1 for it to be approved.

Ordinary resolution number 2: Unissued ordinary shares

"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the Rules and Regulations of the JSE Limited and the provisions of the Companies Act, 208 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

Ordinary resolution number 3: Re-election of directors

The following directors retire by rotation in terms of the Article 26.6 of the Company's Memorandum of Incorporation and being eligible offer themselves for re-election as directors of the company each by way of a separate vote.

Ordinary resolution number 3.1 "Resolved that Mr GM Castleman be and is hereby re-elected as a director of the company".

Ordinary resolution number 3.2 "Resolved that Mrs CM de Klerk be and is hereby re-elected as a director of the company".

Ordinary resolution number 3.3 "Resolved that Mr MA Pottier be and is hereby re-elected as a director of the company".

Brief Curricula Vitarum in respect of each retiring director appears on page 83 of this integrated annual report.

Ordinary resolution number 4: Election of audit committee

To elect, by way of resolution the following non-executive directors as members of the audit committee to hold office until the next annual general meeting.

Ordinary resolution number 4.1 "Resolved that Mr BR Warmback be and is hereby elected as a member of the audit committee".

Ordinary resolution number 4.2 "Resolved that Mr MA Pottier be and is hereby elected as a member of the audit committee".

Ordinary resolution number 4.3 "Resolved that Mrs SQ Moloko be and is hereby elected as a member of the audit committee".

A brief Curricula Vitarum in respect of the non-executive directors can be found on page 83 of the integrated annual report.

Ordinary resolution number 5: Directors' remuneration

"Resolved that the remuneration of the directors, as set out on page 22 of the integrated annual report, of which this notice forms part, be and is hereby confirmed and ratified."

Ordinary resolution number 6: Re-appointment of auditors

"Resolved that Grant Thornton (Durban) be re-appointed as auditors of the company and Mr E Y Lakhi as the designated auditor until the conclusion of the next annual general meeting."

Ordinary resolution number 7: Signature of documentation

"Resolved that any director or the company secretary of the company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolution numbers 1, 2 and 3 and Ordinary Resolutions numbers 1, 2, 3, 4, 5, and 6 which are passed by the members in accordance with and subject to the terms thereof."

Voting and Proxies

A shareholder of the company entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the company present in person or represented shall have one vote only. On a poll, every shareholder of the company present in person, represented by proxy shall have one vote for every share held in the company by such shareholder.

A form of proxy is attached for the convenience of any shareholder holding shares who cannot attend the annual general meeting. Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) to be received no later than 48 hours prior to the meeting. Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the member subsequently decide to do so.

Shareholders who have already dematerialised their shares through their Central Securities Depository Participant ("CSDP") or broker rather than through own-name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

Dematerialised shareholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting should complete and lodge the attached form of proxy with the transfer secretaries of the company.

Dematerialised shareholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting, should timeously provide their CSDP or broker with their voting, instructions in terms of the custody agreement entered into between the shareholder and his CSDP or broker.

Shareholders are requested to forward proxy forms to reach the company's transfer secretaries by no later than 9.00am on Tuesday, 12 August 2014.

By order of the board

R Nannoolal

Company Secretary

1 July 2014

Registered Address

85 O.R.Tambo (Marine) Parade
Durban
4001
(PO Box 10305,
Marine Parade
4056)

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
70 Marshall Street
Johannesburg
(PO Box 61051, Marshalltown, 2107)

Form of Proxy

GOODERSON LEISURE CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1972/004241/06; JSE Share code: GDN ISIN: ZAE000084984, the Company.

Gooderson Leisure
Good Value, Good Fun

Form of proxy (for use by certificated shareholders and own name dematerialised shareholders)

Form of proxy for the annual general meeting of the company to be held at 9:00am on Thursday, 14 August 2014 at the company's offices at the Tropicana Hotel, 85 O.R. Tambo (Marine) Parade, Durban ("the annual general meeting").

For use by certificated shareholders, nominee companies of Central Securities Depository Participants ("CSDP"), brokers' nominee companies and shareholders who have dematerialised their shares and who have elected own-name registration, who wish to vote on the ordinary and special resolutions per the Notice of the Annual General Meeting to which this form is attached.

Shareholders who have dematerialised their shares through a CSDP or broker must not complete this form of proxy and must provide their CSDP or broker with their voting instructions, except for shareholders who elected own-name registration in the sub-register through a CSDP, which shareholders must complete this form of proxy and lodge it with Computershare Investor Services Proprietary Limited. Holders of dematerialised shares other than with own name registration, wishing to attend the annual general meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the necessary authorisation to attend.

I/We (Full names in block letters) ....

Of (Address) ....

Telephone (work) (area code).. Telephone (home) (area code)...

Fax (area code) .... Mobile number ....

Being the holder/s of .... Ordinary shares in the company, do hereby appoint

1. ....or failing him/her ....

2. ....or failing him/her ....

3. The chairperson of the annual general meeting ....

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting of the company, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, of passing, with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (refer notes):

	Number of votes on a poll (one vote per ordinary share)		
	In favour	Against	Abstain
To pass special resolution:			
1. General authority to repurchase shares			
2. Approval of non-executive directors fees			
3. Pre-approval of financial assistance to related parties			
To pass ordinary resolution:			
1. To allot and issue shares for cash			
2. To place the unissued shares under the control of the directors			
3. To re-elect the directors			
G M Castleman			
C M de Klerk			
M A Pottier			
4. To elect the non-executive directors B R Warmback, M A Pottier and S Q Moloko to the audit committee			
6. To ratify directors' remuneration			
7. To re-appoint Grant Thornton (Durban) as auditors of the company and E Y Lakhi as designated auditor.			
8. To authorise the signature of documentation			

Signature .... Signed at ....day of 2014

Assisted by (if applicable) ....

Notes

1. Each shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.
2. Shareholder(s) that are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairman of the meeting", but any such deletion must be initialled by the shareholder(s). 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 proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairman shall be deemed to be appointed as the proxy.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairman, to vote or abstain from voting as deemed fit and in the case of the chairman to vote in favour of the resolution.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholders, but the total of the votes cast or abstained from may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.
5. Forms of proxy must be lodged at or posted to Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received no later than 48 hours prior to the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person there at to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members', will be accepted.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services Proprietary Limited or waived by the chairman of the annual general meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. 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 Computershare Investor Services Proprietary Limited.
11. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.

Curricula Vitarum

Gavin Michael Castleman
Chief Executive Officer

Appointed : March 2006

Directorships : Gooderson Leisure Corporation Limited and other subsidiary companies.

Profile : Gavin finished Hotel School in 1985, followed by in-house training in 1986 at Southern Sun and Gooderson, Tropicana Hotel. He stayed on with Gooderson after in-house training until 1988 and then worked at Holiday Inns, Protea Hotels and Fedics Food Gavin returned to Gooderson in 1996 as General Manager of Tropicana Hotel and over the past 16 years he has been utilised as a trouble-shooter manager when necessary at the various properties within the group but still based as General Manager of the Tropicana Hotel. In 2000 he was promoted to Operations Manager whilst still running the Tropicana Hotel and was made Operations Director when the Company listed on the Altx In September 2006. In March 2012 Gavin was appointed as Chief Executive Officer.

Colleen Maria de Klerk
Chief Operating Officer - Timeshare

Appointed : March 2006

Directorships: Gooderson Leisure Corporation Limited and other subsidiary companies.

Profile : Colleen's career in the Gooderson group started in 1983 as the liquor store manager of the Cumberland Hotel Off-Sales on the beachfront. This was followed by a spell as the conference coordinator for the Drakensberg Gardens Hotel until 1992. After a brief sojourn as the Stores Administration Manager at Clover Dairies, she re-joined the company in 1995 and took up the position of General Manager of the Silver Sands timeshare resort. In 2004 Colleen, as a newly appointed director of the company, returned to Head Office to focus on the administration of the company's timeshare and shareblock investments. In March 2012 Colleen was appointed as Chief Operating Officer – Timeshare.

Michael Allen Pottier
Non-Executive Director

Appointed : August 2006

Directorships: Gooderson Leisure Corporation Limited.

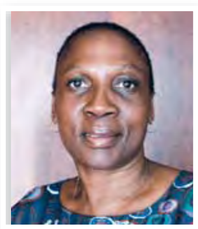
Profile: Michael has approximately 25 years extensive expertise, knowledge and skills on a broad spectrum of specialized Human Resources / Industrial Relations-related matters. Michael previously worked for the public sector managing the Human Resources Division for a number of years, where the experience gained was invaluable and now runs his own consulting company, HR Workplace Solutions which consults to a number of South African businesses on specialized Human Resources / Industrial Relations issues.

Brian Reynold Warmback
Non-Executive Director

Appointed : August 2006

Directorships : Gooderson Leisure Corporation Limited, Drakensberg Gardens Timeshare Shareblock Limited, Silversands Shareblock I, II, III

Profile : Brian joined First National Bank (previously Barclays Bank) in 1960 and spent 42 years serving in a number of branches, both in the City and Country and in various positions. He retired from First National Bank in August 2002. He currently runs a successful consultancy business, assisting people with all their financial needs.



Sizakele Qiniselile Moloko
Non-Executive Director

Appointed : November 2012

Directorships : Gooderson Leisure Corporation Limited.

Profile : Sizakele's career in the teaching fraternity started in 1983 as an educator. She has held various senior positions in the Department of Education and Culture. She is currently the General Manager of Lincolnwood CC, a 100% black owned empowerment company based in Durban, established in 2002, which offers a wide range of quality training, tourism development and management and mentoring and monitoring SMME's.

Sizakele is also a member of a number of Tourism organizations.

Gooderson Leisure

Good Value, Good Fun

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