DELTA

INTERNATIONAL

INTEGRATED ANNUAL REPORT 2014

Annual financial statements

for the 10 months ended 30 June 2014 and independent auditor's report

Incorporation, history and nature of the business

Incorporation, name, address and subsidiaries

Delta International Property Holdings Limited ("Delta International" or "the Company"), previously known as Osiris Properties International Limited, was incorporated on 16 May 2012 in Bermuda in accordance with the applicable laws of Bermuda. The Company's registered address is 20 Reid Street, 3rd Floor, Williams House, Hamilton, HM11, Bermuda.

History

The Company was incorporated on 16 May 2012 and is dual listed, with its primary listing on the Bermuda Stock Exchange ("BSX") and its secondary listing on the Alternative Exchange ("AltX") of the Johannesburg Stock Exchange ("JSE") effective from 20 August 2012.

The Company initially acquired, with effect from 1 June 2012, 100% of the shareholding of Banstead Property Holdings Limited, which owned a retail property in the United Kingdom ("UK"). During the financial year ended 31 August 2013, the Company sold 100% of its shares in Banstead Property Holdings Limited, with effect 1 June 2013 and acquired 100% of the shares in Trito Petersfield Limited, on 1 June 2013.

During the current financial period, the investment in Trito Petersfield Limited was sold to KSP Offshore Limited on 15 April 2014 and no further acquisitions were made in the period.

On 16 May 2014 the Company changed its name from Osiris Properties International Limited to Delta International Property Holdings Limited.

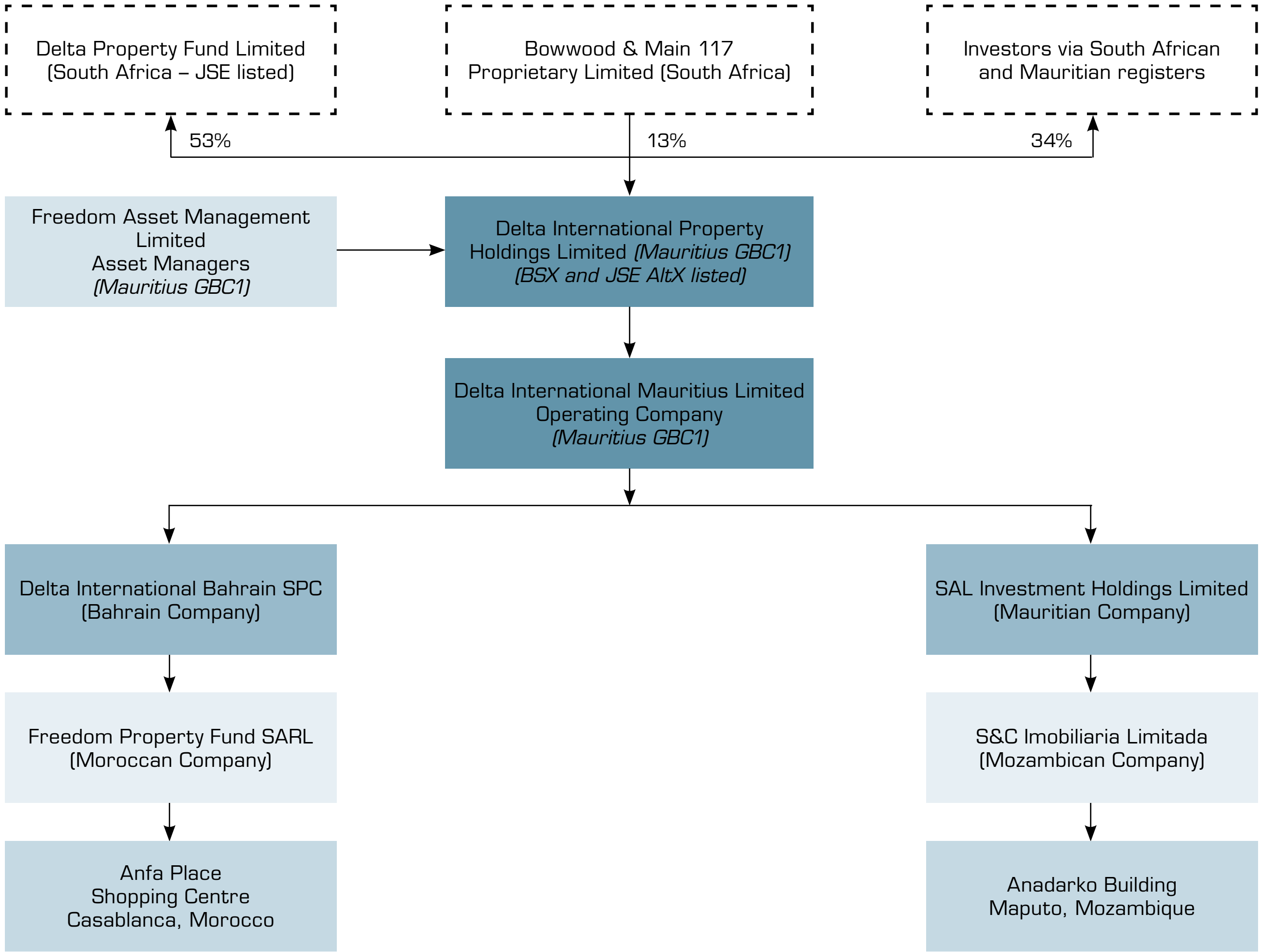
Nature of the business

The primary objective of the Company is to invest in premium real estate assets underpinned by long-term leases with high quality tenants delivering strong sustainable income. The Company has changed its focus from the UK and Europe to Africa (excluding South Africa) thereby offering investors direct access to high growth opportunities in African real estate.

Reporting currency

The Company's results are reported in United States Dollars ("US$ or $"). The functional and presentation currency of Delta International was converted from Pounds Sterling (GBP) to US$ on 16 May 2014.

Group structure*



** The above diagram reflects the group structure of Delta International as at December 2014.*

Board of directors

Sandile Nomvete
Chairman and Non-executive Director

Sandile is the founder and Chief Executive Officer ("CEO") of Delta Property Fund Limited (South Africa) ("Delta SA"), a Real Estate Investment Trust ("REIT") listed on the JSE with a portfolio of assets valued at R7 billion at 28 February 2014. At listing, Delta SA comprised of assets to the value of R2.1 billion. Headed up by Sandile, Delta SA has grown its asset base to R7 billion in 18 months.

He co-founded Motseng Investment Holdings Proprietary Limited which eventually became the empowerment partner to Marriot Property Group. A series of mergers and acquisitions within the sector provided the opportunity for Motseng to become the largest 100% black-owned property management company in South Africa.

Sandile serves as a director on a number of other listed entities, including KAP Limited. He has nearly a decade and a half of experience in executive and non-executive positions.

In addition, Sandile is a graduate of the Property Development Programme from the University of Cape Town Graduate School of Business (2003), and holds an Executive Development Programme of Finance for non-financial managers diploma from the University of Witwatersrand Graduate School of Business (2004).

Louis Schnetler
Chief Executive Officer and Executive Director

Louis was admitted as an advocate of the Supreme Court of South Africa in 1992 after a brief spell of practising law.

He later left law to follow a banking career, specialising in the real estate sector.

From 1995, he was part of the BoE Corporate Property Finance team ("BoE"), with various roles ranging from being a member of the credit committee to deal-making, as well as managing the investment side of the property business for BoE. His primary focus was, however, always the client facing side of the business, leading deal teams in implementing large-scale real estate transactions.

After heading up regional real estate businesses at First National Bank ("FNB") Corporate and Absa Group Limited ("Absa"), he moved into the Rand Merchant Bank ("RMB") Real Estate Investment Banking division, fulfilling various roles and once again leading and implementing major real estate transactions in South Africa. As a member of a leading investment banking business, he was tasked with setting up a real estate debt business north of South Africa, in sub-Saharan Africa towards the end of 2010. For the past five years, he was responsible for building this business, being deal originator and sponsor for large-scale real estate transactions in African countries such as Nigeria, Ghana, Angola, Namibia, Lesotho, Botswana and other African countries.

He is a respected African real estate practitioner, with solid experience north of the South African border.

Gregory Pearson
Chief Investment Officer and Executive Director

Gregory is a graduate of Kingston University, London, where he studied Business Management and Project Management (2001 to 2005) and is registered with the Chartered Management Institute.

Gregory was formerly a project manager at Imtech (1999 to 2003), a project manager at Turner and Townsend (2003 to 2006) and an executive at AECOM, a multi-national multi-disciplinary property company. Gregory was instrumental in expanding the footprint of the "Rest of Africa" business (outside of South Africa) for AECOM in Africa (2006 to March 2014).

Bronwyn Corbett
Non-executive Director

Bronwyn holds a BCompt Degree from the University of South Africa (1999 to 2002), an Honours Degree in Accounting from the University of Durban (2003) and she qualified as a Chartered Accountant in 2005.

She is the Chief Financial Officer ("CFO") as well as the Chief Operating Officer ("COO") of Delta SA, a REIT listed on the JSE with a portfolio of assets valued at R7 billion at 28 February 2014. As CFO of Delta SA she has been instrumental in growing the fund from R2.1 billion in 2012 to R7 billion by 28 February 2014.

She has over 10 years' experience in the property sector with a specific focus on property ownership. Prior to joining Motseng in April 2009 as the CFO, Bronwyn was the Financial Director and joint founder of Universal Retail Construction Company. Bronwyn also filled the role as the Financial and Operations Director of Universal Property Professionals, a development and property ownership company with a portfolio in excess of R12 billion.

Bronwyn was integral in the establishment of Tuffsan 89 Investment Holdings Proprietary Limited (now Delta SA) and built the property portfolio to R2.1 billion which ultimately led to the listing of Delta SA on the JSE. Bronwyn, as COO and CFO of Delta SA, contributed significantly to its success.

Peter Todd
Independent non-executive Director

Peter was appointed as an Independent non-executive Director with effect from 14 August 2014.

He qualified as an attorney and then went on to become the senior tax manager at Arthur Anderson and Associates in Johannesburg. He joined TWS Rubin Ferguson in 1993 as a tax partner and was instrumental in listing six companies on the JSE.

In 2000, Peter set up Osiris International Trustees Limited in the British Virgin Island ("BVI") to provide international trust and corporate administrative services to global clients, as well as Drake Fund Advisors which sets up and administers hedge funds in the BVI and Cayman Islands.

He was a Non-executive Director of Redefine International Limited from initial listing for some nine years and has otherwise been involved in the property industry for many years.

Greg Booyens
Chief Financial Officer and Executive Director

Greg is a qualified Chartered Accountant with over 10 years' experience in the finance industry and was previously CFO at MPI Property Asset Management (Delta SA's management Company) contributing significantly to the rapid growth of Delta SA since its listing in 2012, increasing the property portfolio from R2.1 billion to R7 billion in 18 months. Greg was also part of the team that listed Delta SA on the JSE and was integral in raising over R4 billion in equity and R3 billion in debt.

He completed his articles at PKF South Africa and in 2004 joined UBS (London) as a Financial Accountant in their fixed income division. Thereafter, Greg spent time at Barclays PLC in their treasury department before joining Evolution Group PLC ("Evolution") in 2006 as a Financial Controller where he spent six years. At Evolution Greg was responsible for the management and financial accounting of investment banking operations in their Chinese and United States subsidiaries.

Upon returning to South Africa in 2011, Greg joined the Motseng Group and from there he moved on to the JSE listed Delta. He holds a BCom Honours degree in Accounting from the University of Port Elizabeth (2000 to 2003).

James Keyes
Independent non-executive Director

James attended Oxford University as a Rhodes Scholar and graduated with a degree in Politics, Philosophy and Economics (MA with Honours) in 1985. He was admitted as a solicitor in the UK in 1991 and was admitted to the Bermuda Bar in 1991. He became a Notary Public in 1998. He was a partner of Appleby, the offshore law firm, for 11 years from 1991.

James acts as a Non-executive Director of a number of funds and companies.

David Brown
Independent non-executive Director

David Brown was appointed to the Board on 26 April 2013. He has worked in fund administration industry in Bermuda for the last 10 years. Prior to being appointed Managing Director of Apex Fund Services (Bermuda), he was most recently a Senior Manager of Operations for Butterfield Fulcrum, and has also held a senior management position at CACEIS Investor Services (formerly Olympia Capital) in Bermuda.

David worked for PwC, both in England and Bermuda, within their Alternative Investment and Banking group where he had a client portfolio encompassing a range of hedge funds, private equity funds and investment companies.

David is a fellow of the Institute of Chartered Accountants in England and Wales.

Corporate governance report

Delta International is fully committed to complying with effective corporate governance principles and will, to the extent applicable, comply with the Code of Corporate Practices and Conduct in South Africa as contained in the King III Report.

The directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Company and its activities.

The directors have, accordingly, established mechanisms and policies appropriate to the Company's business according to its commitment with best practices in corporate governance. The Board will review these mechanisms and policies from time to time.

The formal steps taken by the directors are summarised below.

1. Board of Directors

The Board consists of three Executive Directors and four Non-executive Directors. The Chairperson, Sandile Nomvete, is a Non-executive Director whose role is separate from that of the CEO. The Board will ensure that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals dominates the Board's decision taking. The Non-executive Directors are individuals of caliber, credibility and have the necessary skills and experience to bring independent judgment on issues of strategy, performance, resources, standards of conduct and evaluation of performance.

The Board is responsible for the strategic direction of the Company. It is in the process of implementing values which the Company will adhere to and will formulate in this regard a code of ethics which will be applied throughout the Company, as provided below.

The Board has appointed a CEO and is in the process of establishing a framework for delegation of authority. The Board ensures that the role and function of the CEO is formalised and that the CEO's performance is evaluated against specified criteria.

The current Board's diversity of professional expertise and demographics make it a highly effective Board with regard to Delta International's current strategies. The Board shall ensure that in appointing successive Board members, the Board as a whole will continue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

The information needs of the Board will be reviewed annually and directors will have unrestricted access to all Company information, records, documents and property to enable them to discharge their responsibilities efficiently. Efficient and timely methods of informing and briefing Board members prior to Board meetings will be developed and in this regard steps have been taken to identify and monitor key risk areas, key performance areas and non-financial aspects relevant to Delta International. In this context, the directors will be provided with information in respect of key performance indicators, variance reports and industry trends.

The Board will establish a formal induction programme to familiarise incoming directors with the Company's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. Directors will receive further briefings from time to time on relevant new laws and regulations as well as on changing economic risks. Directors will ensure that they have a working understanding of applicable laws. The Board will ensure that the Company complies with applicable laws and considers adherence to non-binding industry rules and codes and standards. In deciding whether or not non-binding rules shall be complied with, the Board will factor the appropriate and ethical considerations that must be taken into account. New directors with no or limited board experience will receive appropriate training to inform them of their duties, responsibilities, powers and potential liabilities.

The Board has disclosed details in their Directors' report of how it has discharged its responsibilities to establish an effective compliance framework and process.

The Board will evaluate the Chairperson's performance and ability to add value to the Company on an annual or such other basis as the Board may determine. The Chairperson, or a sub-committee appointed by the Board, will appraise the performance of the CEO at least annually.

All directors will be subject to retirement by rotation and re-election by Delta International's shareholders every year in accordance with the Company's Bye-Laws.

The Board will develop a charter setting out its responsibilities for the adoption of strategic plans, monitoring of operational performance and management, determination of policy and processes to ensure the integrity of the Company's risk management and internal controls, communication policy and director selection, orientation and evaluation.

Board meetings will be held at least quarterly going forward, with additional meetings convened when circumstances necessitate. The Board will set the strategic objectives of the Company and determine investment and performance criteria as well as being responsible for the sustainability, proper management, control, compliance and ethical behaviour of the businesses under its direction. The Board will establish a number of committees to give detailed attention to certain of its responsibilities and which will operate within defined, written terms of reference.

The Board will determine a policy for detailing the manner in which a director's interest in transactions is to be determined and the interested director's involvement in the decision-making process. Real or perceived conflicts will be disclosed to the Board and managed in accordance with the predetermined policy used to assess a director's interest in transactions. The independence of Non-executive Directors will be reviewed from time-to-time. The Company does not propose to conduct a rigorous and extensive review of the independence of the Non-executive Directors. It is the Company's belief that, unless the directors have newly acquired recent interest in the Company, passage of time does not lead to a lack of independence.

The Board as well as the individual directors will have their performance annually reviewed to identify areas for improvement in the discharge of individual director's and the Board's functions. These reviews will be undertaken by the Chairperson and, if so determined by the Board, an independent service provider. An overview of the appraisal process, results and action plan will be disclosed in the Directors' report. Nominations for the re-appointment of a director will only occur after the evaluation of the performance and attendance of the director at Board meetings.

The Board will determine a policy for detailing the procedures for appointments to the Board. Such appointments are to be formal and transparent and a matter for the Board as a whole assisted where appropriate by the Corporate Governance Committee.

The development and implementation of nomination policies will be undertaken by the Board.

The Board will delegate certain functions to the Risk and Audit Committee, the Remuneration Committee and the Investment Committee. The Board is conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference shall be reviewed annually and such terms of reference will be disclosed in the Company's Directors' report.

External advisors and executive directors who are not members of specific committees shall attend committee meetings by invitation, if deemed appropriate by the relevant committees.

The Board will establish a procedure for directors, in furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense. All directors will have access to the advice and services of the Company Secretary.

2. Risk and Audit Committee

The Board has established a Risk and Audit Committee consisting of Independent Non-executive Directors, of whom one shall be appointed as the Chairman of the committee. The Risk and Audit Committee comprises James Keyes and David Brown. King III provides that an audit committee should comprise three members. The Company is in the process of looking to appoint an additional member.

Both members of the committee are financially literate (and the Board will ensure that any future appointees are financially literate). The committee's primary objective will be to provide the Board with additional assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The committee will be required to provide satisfaction to the Board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation. The Risk and Audit Committee will be responsible for overseeing the Directors' report. In this regard the Risk and Audit Committee will have regard to all factors and risks that may impact on the integrity of the Directors' report, and the Board will review and comment on the financial statements and the disclosure of sustainability issues included in the Directors' report. In addition, the Risk and Audit Committee will have general oversight over and report on the sustainability issues, will review the Directors' report to ensure that the information contained therein is reliable and does not contradict the financial aspects of the report and will oversee the provision of assurance over sustainability issues. The Risk and Audit Committee will review the content of the Company's interim results and will engage external auditors to provide assurance on the summarised financial information.

Within this context, the Board is responsible for the Company's systems of internal, financial and operational control. The Executive Directors will be charged with the responsibility of determining the adequacy, extent and operation of these systems. Comprehensive reviews and testing of the effectiveness of the internal control systems in operation will be performed by the Risk and Audit Committee. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of its assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. A Risk and Audit Committee charter is to be prepared and reported to the Board.

The Risk and Audit Committee will meet at least four times a year. Executives and managers responsible for finance and the external auditors will be in attendance. The Risk and Audit Committee will review the finance function of the Company on an annual basis.

Corporate governance report continued

2. Risk and Audit Committee (continued)

The Risk and Audit Committee may authorise engaging for non-audit services with the appointed external auditors or any other practising firm of auditors, after consideration of the following:

- the essence of the work being performed may not be of a nature that any reasonable and informed observer would construe as being detrimental to good corporate governance or in conflict with that normally undertaken by the accountancy profession;
- the nature of the work being performed will not affect the independence of the appointed external auditors in undertaking the normal audit assignments;
- the work being done may not conflict with any requirement of generally accepted accounting practice or principles of good corporate governance;
- the operational structure, internal standards and processes being adopted by the audit firm in order to ensure that audit independence is maintained in the event that such audit firm is engaged to perform accounting or other non-audit services to its client base. Specifically:
  - the Company may not appoint a firm of auditors to improve systems or processes where such firm of auditors will later be required to express a view as to the functionality or effectiveness of such systems or processes;
  - the Company may not appoint a firm of auditors to provide services where such firm of auditors will later be required to express a view on the fair representation of information the result of these services to the Company;
- the total fee being earned by an audit firm for non-audit services in any financial year of the Company, expressed as a percentage of the total fee for audit services, may not exceed 35% without the approval of the Board; and
- a firm of auditors will not be engaged to perform any management functions (eg acting as curator) without the express prior approval of the Board. A firm of auditors may be engaged to perform operational functions, including that of bookkeeping, when such firm of auditors are not the appointed external auditors of the Company and work is being performed under management supervision.

Information relating to the use of non-audit services from the appointed external auditors of the Company shall be disclosed in the notes to the annual financial statements. Separate disclosure of the amounts paid to the appointed external auditors for non-audit services as opposed to audit services, shall be made in the annual financial statements.

The Risk and Audit Committee must consider on an annual basis and satisfy itself of the appropriateness of the expertise and experience of the Chief Financial Officer and the Company must confirm this by reporting to shareholders in its annual report that the Risk and Audit Committee has executed this responsibility.

With regards to the appointment of directors, the Risk and Audit Committee will undertake background and reference checks before the appointment of directors. The Board shall make full disclosures regarding individual directors to enable shareholders to make their own assessment of the directors.

The Risk and Audit Committee will report at the Company's Annual General Meeting ("AGM") how it has discharged its duties during the financial year to be reported on.

3. Risk management and internal controls

Risk and internal controls management will be under the responsibility of the Risk and Audit Committee. The Risk and Audit Committee will participate in management's process of formulating and implementing the risk management plan and will report on the plan adopted by management to the Board.

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed, including, but not limited to, Information Technology ("IT") risk. The Board will be responsible for ensuring the adoption of appropriate risk management policies by management. The Board will also ensure that there are processes in place between itself and management enabling complete, timely, relevant, accurate and accessible risk disclosure to shareholders.

To enable the Risk and Audit Committee to meet its responsibilities, the Risk and Audit Committee will set standards and management will implement systems of internal control and an effective risk-based internal audit, comprising policies, procedures, systems and information to assist in:

- safeguarding assets and reducing the risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records and reporting;
- preparing timely, reliable financial statements and information in compliance with relevant legislation and generally accepted accounting policies and practices; and
- increasing the probability of anticipating unpredictable risk.

The Board will, in its Directors' report, comment on the effectiveness of the system and process of risk management.

The Board will ensure that management considers and implements the appropriate risk responses and IT strategy.

4. Remuneration Committee

The Executive Directors are employees of and will be paid by Freedom Asset Management Proprietary Limited ("Investment Manager") and Non-executive Directors are paid by the Company. Accordingly, the Remuneration Committee's only responsibility will be for determining Non-executive Directors and Directors' committee fees which are recommended to shareholders for approval by way of special resolution.

None of the Non-executive Directors have entered into service contracts with the Company.

The Remuneration Committee currently comprises of Sandile Nomvete (Non-Executive Director) and Peter Todd (Non-Executive Director) and a majority of Independent Non-Executive Directors will be reviewed to form part of the Remuneration Committee.

5. Directors' dealings

The Company will implement a policy of prohibited dealings by directors and the Company Secretary during the period of one month immediately preceding the announcement of the issuer's annual results and the publication of the interim (quarterly) report together with dividends and distributions to be paid or passed and at any other time deemed necessary by the Board.

6. The Company Secretary

Sharon Ward, the Company Secretary, who is not a director of the Company will provide the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Company. The Company Secretary will provide a central source of guidance and advice to the Board, and within the Company, on matters of ethics and good corporate governance and will assist with the appointment of directors to the Board. The Company Secretary will be subject to an annual evaluation by the Board.

7. Communication with shareholders

It will be the policy of Delta International to meet regularly with institutional shareholders, private investors and investment analysts for discussion on the performance and management of the Company and it shall promote a stakeholder inclusive approach.

The Board appreciates that shareholders' perceptions affect the Company's reputation and in this regard will establish policy for the engagement of the Company's stakeholders. The Board will encourage shareholders to attend AGMs through effective communication whether by means of the press or otherwise.

8. Directors' report

The Company's annual report and accounts will include detailed reviews of the Company, together with a detailed review of the financial results and financing positions. In this way the Board will seek to present a balanced and understandable assessment of the Company's position and prospects.

The Company will establish comprehensive management reporting disciplines which include the preparation of monthly management accounts, detailed budgets and forecasts. Monthly results, the financial position and cash flows of operating units will be reported against approved budgets and compared to the prior period. Any profit and cash flow forecasts and working capital levels published by the Company (including those appearing in this pre-listing statement) will be reviewed regularly.

The Board will ensure the integrity of the Directors' report.

9. Social and Ethics Committee

Delta International has outsourced its investment management and property management services and has no employees. It remains committed to promoting the highest standards of ethical behaviour amongst all persons involved in the Company's operation, to this extent, a code of ethics for the Company is to be adopted and a Social and Ethics Committee will be established as soon as practical having regarded the size of the Company and its operations. The Board will ensure that the Investment Manager adopts corporate citizenship policies.

The Board will ensure that the Company's performance and interaction with its stakeholders is guided by the Bye-Laws of the Company.

The Board will consider the impact of its property holding business on the environment, society and the economy.

The Board and the executive management will be assessed annually and will include its adherence to corporate citizenship principles and ethics performance.

10. Business rescue

Should the Board ever feel that the Company has become financially distressed, they have undertaken that they will immediately meet to consider available business rescue procedures or other turnaround mechanisms. In this regard, the Board will monitor, on a continuous basis, the solvency and liquidity of the Company and in the event that business rescue is adopted, a suitable practitioner will be appointed. The practitioner will be required to provide security for the value of the assets of the Company.

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the annual financial statements of Delta International Property Holdings Limited, comprising the statement of financial position at 30 June 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the 10-month period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, and the Directors' report, in accordance with International Financial Reporting Standards, the AC 500 Series as issued by the Accounting Practices Board and its successor, the Listings Requirements of the JSE Limited, and in the manner required by the Companies Act of South Africa. In addition, the directors are responsible for preparing the Directors' report.

The directors are also responsible for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the businesses will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The annual financial statements of Delta International Property Holdings Limited, as identified in the first paragraph, were approved by the Board of Directors on 18 December 2014 and are signed on their behalf by:

L Schnetler
Director

G Booyens
Director

Report of the risk and audit committee

for the 10 months ended 30 June 2014

The Risk and Audit Committee ("the Committee") considers that it has adequately performed its functions in terms of its mandate, the King Code of Governance Principles for South Africa, 2009 and the Companies Act, 2008, as amended.

The Committee carried out its duties by reviewing the following on a quarterly basis or as required:

- Financial Management reports;
- Investment Advisor reports;
- Company Secretarial reports;
- Independent Tax Advisor reports;
- External Audit reports; and
- Board minutes.

The aforementioned information, together with the interactions with persons attending the meetings in an *ex officio* capacity, collectively enabled the Committee to conclude that the systems of internal financial control had been designed adequately and were operating effectively during the financial period under review.

Furthermore, the Committee is satisfied with:

- the independence of the external auditor, including the provision of non-audit services and compliance with the Committee's policy in this regard, which is reviewed annually;
- the terms, nature, scope and proposed fee of the external auditor for the 10-month period ended 30 June 2014;
- the financial statements and the accounting practices utilised in the preparation thereof and has recommended the financial statements for approval to the Board;
- Delta International's continuing viability as a going concern, which it has reported to the Board for its deliberation; and
- Delta International's Chief Financial Officer having the necessary expertise and experience to carry out his duties in terms of the JSE Limited Listings Requirements.

No concerns and complaints were received from within or outside the Company relating to accounting practices and internal financial controls, and the content or auditing of the Company's financial statements.

The Committee has performed its duties in accordance with its terms of reference and assesses its performance on an annual basis to determine whether or not it has delivered on its mandate.

David Brown

Risk and Audit Committee

18 December 2014

Directors' report

The directors present their report together with the audited financial statements for the 10-month period ended 30 June 2014.

Principal activity

The primary objective of the Company is to invest in premium real estate assets underpinned by long-term leases with high quality tenants delivering strong sustainable income. The Company has changed its focus from the UK and Europe to Africa (excluding South Africa) offering investors' direct access to high growth opportunities in African real estate.

Business review

The Company had limited trading activity in the reporting period due to the sale of Trito Petersfield Limited ("Trito") and the Pan African strategy only taking effect post the reporting date.

On 15 April 2014, Delta International sold 100% of its shares in Trito Petersfield Limited to KSP Offshore Limited as part of its change in strategy and focus into the African real estate market.

At reporting date the Company held no investment property. The assets on the Company's statement of financial position at 30 June 2014 consisted of cash on hand of $649 328, prepayments of $31 946 and a loan of $275 734 advanced to Delta International Mauritius Limited.

Subsequent to the reporting date the Company acquired 100% of the share capital in Delta International Mauritius Limited, the platform from which investments into African real estate will be made. Details are provided in note 21, "Subsequent events".

Principal risks and uncertainties

The principal risks pertaining to the Company and the way in which it manages and controls these risks are outlined on pages 28 – 29 to the financial statements.

Results and proposed distributions

The Company delivered a profit attributable to Delta International shareholders of $36 388 (2013: $56 662) for the period ended 30 June 2014. This is mainly due to the translation of the presentation and functional currency from Pounds Sterling ("GBP") to United States Dollars ("US$"). The directors have resolved not to declare any dividend for the year ended 30 June 2014.

Share capital

No shares were issued during the financial year ended 30 June 2014.

An analysis of shareholders' spread is included on page 36.

Going concern

The committee through its review of the 2015 budget and discussions with executive management reported to the Board that it supports management's view that the Company will continue to operate as a going concern for the foreseeable future.

Directors

The directors of Delta International, who served during the year, were as follows:

Director	Date of appointment	Date of resignation
Serge Richard^	23/05/2012	12/05/2014
Peter Todd#	23/05/2012	–
Julie Lamberth-Dawson^	23/05/2012	12/05/2014
Andrew Rowell^	23/05/2012	12/05/2014
James Keyes#	23/05/2012	–
David Brown#	26/04/2013	–
Tiffany Purves^	26/04/2013	12/05/2014
Nicolaas Faure*	23/05/2012	12/05/2014
Sandile Nomvete (Chair)*	22/05/2014	–
Bronwyn Corbett*	22/05/2014	–
Paul Simpson ED	22/05/2014	14/08/2014
Gregory Pearson ED (CIO)	22/05/2014	–
Louis Schnetler ED (CEO)	01/08/2014	–
Greg Booyens ED (CFO)	22/05/2014	–

ED – Executive Director
* *Non-executive Director*
\# *Independent non-executive Director*
^ *Resigned*

Details of the interests of the current directors in the shares of Delta International are set out in the Report on Directors' Remuneration on page 16.

Delta International maintains insurance for the directors in respect of liabilities arising from the performance of their duties.

Share options

There are no share options granted to directors.

Charitable donations

During the year Delta International made no charitable donations.

Payment of suppliers

The policy of the Company is to settle supplier invoices within the terms of trade agreed with individual suppliers. Where no specific terms have been agreed, payment is usually made within one month of receipt of the goods or service.

Stakeholder pensions and employee share schemes

As there are no employees, no pension plan or employee share schemes are in place.

Auditors

Deloitte Limited have expressed their willingness to continue in office and a resolution to re-appoint them may be proposed at the AGM.

Included in net operating income in the statement of comprehensive income are the following fees paid to Deloitte Limited during the year:

	Period ended 30 June 2014 $	Year ended 31 August 2013 $
Audit fees	**28 111**	13 230
Non-audit fees	**–**	–
Total	**28 111**	13 230

Directors' remuneration report

Remuneration policy

The directors (other than alternative directors) shall be paid by the Company for their services as directors such aggregate sums as the Board recommends to the shareholders for approval. Any such sums shall be distinct from any salary, remuneration or other amounts payable to a director pursuant to other provisions of the Articles of Association.

The directors are entitled to be paid all reasonable travelling, hotel and other expenses properly incurred in attending meetings of the Board, committees of the Board, general meetings or otherwise in connection with the business of Delta International.

Basic fees

The table below shows the actual fees paid to each of the directors in US$.

Director	Basic salaries $	Other fees $	**Total 30 June 2014 $**	Basic salaries $	Other fees $	Total 31 August 2013 $
Executive Directors*						
Julie Lamberth-Dawson	1 417	–	**1 417**	2 000	–	2 000
Peter Todd	1 417	–	**1 417**	2 000	–	2 000
Nicolaas Faure	1 417	–	**1 417**	2 000	–	2 000
Sandile Nomvete	–	–	–	–	–	–
Louis Schnetler	–	–	–	–	–	–
Greg Booyens	–	–	–	–	–	–
Greg Pearson	–	–	–	–	–	–
Bronwyn Corbett	–	–	–	–	–	–
Non-executive Directors						
Serge Richard	2 751	–	**2 751**	2 000	–	2 000
James Keyes	1 834	–	**1 834**	5 000	–	5 000
David Brown	1 834	–	**1 834**	1 743	–	1 743
Tiffany Purves	917	–	**917**	697	–	697
Sharon Ward	–	–	–	3 750	–	3 750
Total	11 587	–	**11 587**	19 190	–	19 190

Directors' interests in shares

The interests of directors in the share capital of the Company were as follows:

	Beneficial Direct	Indirect	Total
Non-Executive Directors			
Bronwyn Corbett	–	3 126 377	3 126 377
Sandile Nomvete	–	3 853 264	3 853 264
Total	–	6 979 641	6 979 641

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Delta International Property Holdings Limited

We have audited the accompanying financial statements of Delta International Property Holdings Limited (the "Company"), previously known as Osiris Properties International Limited, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 September 2013 to 30 June 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 30 June 2014, and the results of its financial performance and cash flows for the period from 1 September 2013 to 30 June 2014 in accordance with International Financial Reporting Standards.

Other reports

As part of our audit of the Company's financial statements for the period ended 30 June 2014, we have read the directors' report, the audit and risk committee's report and the directors' remuneration report for the purpose of identifying whether there are material inconsistencies between these reports and the audited Company's 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 Company financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte Ltd.

18 December 2014

Statement of comprehensive income

for the 10 months ended 30 June 2014

	Notes	10 months ended 30 June 2014 $	Year ended 31 August 2013 $
Revenue			
Investment revenue	4	**63 156**	–
Total revenue		**63 156**	–
Expenses			
Administrative expenses		**(20 397)**	(34 182)
Investment management and professional fees	5	**(56 605)**	(61 133)
Property operating expenses		**–**	–
Net operating loss		**(13 846)**	(95 315)
Net fair value gain on investment property		**–**	–
(Loss)/Profit on disposal of subsidiaries	19.2	**(33 401)**	179 486
(Loss)/Profit from operations		**(47 247)**	84 171
Interest income		**58**	680
Foreign currency loss		**(157)**	(10 269)
(Loss)/Profit for the period before tax		**(47 346)**	74 582
Taxation	6	**–**	–
(Loss)/Profit for the period after tax		**(47 346)**	74 582
Gain/(Loss) on translation of presentation currency		**83 734**	(17 920)
Other comprehensive income		**–**	–
Total comprehensive income		**36 388**	56 662
Actual number of shares in issue ('000)	7	**664 180**	664 180
Weighted average number of shares in issue ('000)	7	**664 180**	664 180
Basic earnings per share (cents)*	7	**5.48**	8.53
Headline loss per share (cents)*	7	**(2.10)**	(15.79)
Reconciliation of basic and headline earnings:			
Profit for the period attributable to shareholders		**36 388**	56 662
Foreign currency translation reserve movement		**(87 734)**	17 920
Gain/(Loss) on the loss of control of a subsidiary		**33 401**	(179 486)
Headline earnings attributable to shareholders		**(13 945)**	(104 904)

**The Company does not have any dilutive instruments in issue.*

The accompanying notes form an integral part of the financial statements.

Statement of financial position
as at 30 June 2014

	Notes	**As at 30 June 2014 $**	As at 31 August 2013 $	As at 31 August 2012 $
Assets				
Non-current assets				
Loans to related parties	8	**275 734**	–	–
Investment in subsidiaries	9	**–**	1 170 138	818 012
Total non-current assets		**275 734**	1 170 138	818 012
Current assets				
Trade and other receivables	10	**31 946**	327	–
Cash and cash equivalents	11	**649 328**	38 824	110 832
Total current assets		**681 274**	39 151	110 832
Total assets		**957 008**	1 209 289	928 844
Equity and liabilities				
Capital and reserves				
Share capital	12	**107**	107	107
Share premium		**864 548**	864 548	864 548
Retained earnings		**19 471**	66 817	(7 764)
Foreign currency translation reserve		**52 865**	(30 869)	(12 949)
Total equity attributable to equity shareholders		**936 991**	900 603	843 942
Current liabilities				
Trade and other payables	13	**20 017**	308 686	84 902
Total current liabilities		**20 017**	308 359	84 902
Total liabilities		**20 017**	308 359	84 902
Total equity and liabilities		**957 008**	1 209 289	928 844

The accompanying notes form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 18 December 2014 and signed on its behalf by:

L. Schnetler
Director

G. Booyens
Director

Statement of changes in equity

for the 10 months ended 30 June 2014

	Share capital $	Share premium $	Retained earnings $	Foreign currency translation reserve $	Total equity $
Balance at 31 August 2012	107	864 548	(7 765)	(12 949)	843 941
Total profit for the year	–	–	74 582	–	74 582
Foreign currency translation reserve movement	–	–	–	(17 920)	(17 920)
Balance at 31 August 2013	107	864 548	66 817	(30 869)	900 603
Balance at 1 September 2013	**107**	**864 548**	**66 817**	**(30 869)**	**900 603**
Total loss for the year	**–**	**–**	**(47 346)**	**–**	**(47 346)**
Foreign currency translation reserve movement	**–**	**–**	**–**	**83 734**	**83 734**
Balance at 30 June 2014	**107**	**864 548**	**19 471**	**52 865**	**936 991**
Note	12				

The accompanying notes form an integral part of the financial statements.

Statement of cash flows

for the 10 months ended 30 June 2014

	Notes	10 months ended 30 June 2014 $	Year ended 31 August 2013 $
Cash flows from operating activities			
Profit for the period before tax		**36 388**	56 662
Adjusted for:			
Loss/(Profit) on disposal of subsidiaries	19.2	**33 401**	(179 486)
Foreign currency loss		**157**	10 269
Foreign currency (gain)/loss on translation reserve		**(83 734)**	17 920
Interest income		**(58)**	(680)
Cash utilised in operations		**(13 846)**	(95 315)
Changes in working capital	10, 13	**(320 289)**	223 457
Cash (utilised in)/generated from operations		**(334 135)**	128 142
Interest received		**58**	680
Foreign currency loss		**(157)**	(10 269)
Net cash (utilised in)/generated from operating activities		**(334 234)**	118 553
Cash flows from investing activities			
Loans to related parties	18	**(275 734)**	1 106 015
Disposal of subsidiaries		**926 369**	(1 278 656)
Net cash generated from/(utilised in) investing activities		**650 635**	(172 641)
Cash flows from financing activities			
Settlement of other financial liabilities		**210 369**	–
Foreign currency gain/(loss) on translation reserve		**83 734**	(17 920)
Net cash generated from/(utilised in) financing activities		**294 103**	(17 920)
Net increase/(decrease) in cash		**610 504**	(72 008)
Net cash at the beginning of the period		**38 824**	110 832
Net cash at the end of the period		**649 328**	38 824

The accompanying notes form an integral part of the financial statements.

Notes to the annual financial statements

for the 10 months ended 30 June 2014

1. General information

Delta International Property Holdings Limited (previously known as "Osiris Properties International Limited") was incorporated on 16 May 2012 under the laws of the Bermuda. The preparation of the financial statements was supervised by the Chief Financial Officer, Greg Booyens.

The primary objective of the Company is to invest in premium real estate assets underpinned by long-term leases with high quality tenants delivering strong sustainable income. The Company has changed its focus from the UK and Europe to Africa (excluding South Africa), offering investors direct access to high growth opportunities in African real estate.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ marginally from these estimates. In preparing these financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation are discussed further in note 2.2 basis of preparation.

2. Significant accounting policies

2.1 Statement of compliance

The Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, the AC 500 series issued by the Accounting Practices Board and the requirements of the South African Companies Act, the Companies Regulations 2011, and incorporate the principal accounting policies set out below.

The accounting policies have been applied consistently to all periods presented in these financial statements except for the adoption of new accounting standards as set out below.

2.2 Basis of preparation

The financial statements are presented in US$, which is the functional and presentational currency of the Company and are rounded to the nearest thousand. They are prepared using the historical cost basis except for investment property and financial instruments at fair value through profit or loss.

Critical judgements and estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates and assumptions relating to the fair value of investment properties have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. See note 3 for further details.

The principal areas where such judgements and estimates have been made are:

Going concern

The Company's financial statements have been prepared on a going concern basis.

Property acquisitions

Where properties are acquired through the acquisition of corporate interests, the directors have regard to the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business the transactions are accounted for as if the Company had acquired the underlying property directly. Accordingly, no goodwill arises, rather the cost of the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date.

Otherwise corporate acquisitions are accounted for as business combinations.

2.3 Currency translation reserve

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the rates at the dates of the transaction or at an average rate for the period where this is a reasonable approximation.

The functional and presentation currency of Delta International Property Holdings Limited was changed from Pounds Sterling to US$ on 16 May 2014. The reason for the change in functional and presentation currency of the Company is largely due to the change in primary focus of the Company as the majority of its transactions within Africa are denominated in US$.

At the reporting date, the assets and liabilities of the Company were translated into the presentation currency of the Company (US$) at the ruling exchange rate at reporting date and the statement of comprehensive income was translated at the average exchange rate for the period. The presentation currency has been restated retrospectively to the earliest period applicable.

2.4 Investment property

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. External, independent valuation companies, having professionally qualified valuers and recent experience in the location and category of property being valued, value the portfolios on an annual basis. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and without compulsion.

The valuations are prepared by considering comparable market transactions for sales and letting and having regard for the current leases in place. In the case of lettings this includes considering the aggregate of the net annual market rents receivable from the properties and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is applied to the net annual rentals to arrive at the property valuation.

Any gain or loss arising from a change in fair value is recognised in the statement of comprehensive income.

Under the revised IAS 40 "Investment Property", property that is under construction or development for future use as investment property is within the scope of IAS 40. As the fair value model is applied, such property is measured at fair value. However, where the fair value of investment property under redevelopment is not reliably measurable, the property is measured at cost.

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use. If the resulting carrying amount of the assets exceeds its value, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, to the average rate.

2.5 Financial instruments – Recognition, classification and measurement

Non-derivative financial instruments

Non-derivative financial instruments comprise investment in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not carried at fair value through profit or loss, any directly attributable transaction costs, except as described below.

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control or substantially all risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at the trade date, ie the date that the Company commits itself to purchase or sell the assets.

Investments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value.

Upon initial recognition, attributable transaction costs are recognised in the statement of comprehensive income when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of comprehensive income. Fair values are determined by reference to their quoted bid price at the reporting date, where such a price is available.

2.6 Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impaired loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

Notes to the annual financial statements continued

for the 10 months ended 30 June 2014

2. Significant accounting policies (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with financial institutions and other short-term liquid investments that are readily convertible to a known amount of cash. These are initially recorded at fair value and subsequently measured at amortised cost. Cash and cash equivalents are classified as loans and receivables.

2.8 Share capital

Ordinary share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

Non-distributable reserves

All unrealised gains/losses arising from the movements in fair value of investment property, fair value adjustments on investments, derivatives, post-acquisition reserves from associates, gains and losses on the sale of investment property and investments are transferred to/from non-distributable reserves and are not available for distribution.

2.9 Leasehold property

Leasehold properties that are leased out to tenants under operating leases are classified as investment properties as appropriate, and carried in the statement of financial position at fair value.

2.10 Loans and borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Finance costs

Finance costs recognised in the statement of comprehensive income comprise interest payable on borrowings calculated using the effective interest rate method, net of interest capitalised.

2.11 Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at an annual general meeting.

2.12 Rental income

Rental income from investment property leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the leases. Lease incentives granted are recognised as an integral part of the total rental income and amortised over the term of the leases.

Contingent rental income is recognised as it arises. Premiums to terminate leases are recognised in the statement of comprehensive income as they arise.

Management has considered the potential transfer of risks and rewards of ownership for all properties leased to tenants and has determined that all such leases are to be classified as operating leases.

2.13 Income 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 end of the reporting period.

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).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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.

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.

2.14 Earnings per share and headline earnings per share

Basic earnings per linked unit is calculated by dividing the profit or loss by the weighted average number of ordinary units outstanding during the period. Diluted earnings per linked unit is determined by adjusting the profit or loss attributable to ordinary unitholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

In calculating headline earnings per share, headline earnings include fair value adjustments for financial liabilities and accounting adjustments required to account for lease income on a straight-line basis, as well as other non-cash accounting adjustments that do not affect distributable earnings.

2.15 Amendments to IFRS affecting presentation and disclosure only

Amendments to IAS 1 – Presentation of Items in Other Comprehensive Income

The Company has applied the amendments to IAS 1 – *Presentation of Items in Other Comprehensive Income* in the current year. These amendments require companies preparing financial statements in accordance with IFRS to Company together items within other comprehensive income that may be reclassified to the profit or loss section of the income statement. The amendments also re-affirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements.

New and revised IFRS in issue but not yet effective

The following new accounting standards and amendments to existing standards approved by the IASB in 2011 or prior years, but not early adopted by the Company, will impact the Company's financial reporting in future periods. The Company is currently considering the impacts of these amendments. The new accounting standards and amendments which are more relevant to the Company are detailed below.

The following will be applied in 2014 unless otherwise noted:

IFRS 13 – Fair Value Measurement

This standard, which applies prospectively for annual periods beginning on or after 1 January 2013, establishes a single source of guidance for fair value measurements under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements. IFRS 13 requires entities to disclose information about the valuation techniques and inputs used to measure fair value, as well as information about the uncertainty inherent in fair value measurements. This information will be required for both financial and non-financial assets and liabilities. The impact of the standard is being assessed by the Company and may result in additional disclosures.

Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32, and Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7

In December 2011, the IASB issued amendments to IAS 32 and IFRS 7 which clarify the accounting requirements for offsetting financial instruments and introduce new disclosure requirements that aim to improve the comparability of financial statements prepared in accordance with IFRS and US GAAP.

The amendments to IFRS 7 will require more extensive disclosures than are currently required. The disclosures focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements, irrespective of whether they are offset. The amended offsetting disclosures are to be retrospectively applied, with an effective date of annual periods beginning on or after 1 January 2013.

Notes to the annual financial statements continued

for the 10 months ended 30 June 2014

2. Significant accounting policies (continued)

2.15 Amendments to IFRS affecting presentation and disclosure only (continued)

The amendments to IAS 32 clarify that the right of set-off must be currently available and legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The IAS 32 changes are effective for annual periods beginning on or after 1 January 2014 and apply retrospectively.

New accounting standards and interpretations not yet adopted:

IFRS 9 – Financial instruments
In 2009, the IASB commenced the implementation of its project plan for the replacement of IAS 39. This consists of three main phases:

Phase 1: Classification and measurement
In November 2009, the IASB issued IFRS 9 – *Financial Instruments*, covering classification and measurement of financial assets, as the first part of its project to replace IAS 39 and simplify the accounting for financial instruments. The new standard endeavours to enhance the ability of investors and other users of financial information to understand the accounting for financial assets and to reduce complexity.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets.

In October 2010, the IASB re-issued IFRS 9 incorporating new requirements on accounting for financial liabilities, and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities. IFRS 9 does not change the basic accounting model for financial liabilities under IAS 39. Two measurement categories continue to exist: fair value through profit or loss ("FVTPL") and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied. IFRS 9 requires gains and losses on financial liabilities designated as at fair value through profit or loss to be split into the amount of change in the fair value that is attributable to changes in the credit risk of the liability, which should be presented in other comprehensive income, and the remaining amount of change in the fair value of the liability which should be presented in profit or loss.

- The basic premise for the derecognition model in IFRS 9 (carried over from IAS 39) is to determine whether the asset under consideration for derecognition is:
  - an asset in its entirety; or
  - specifically identified cash flows from an asset (or a group of similar financial assets); or
  - a fully proportionate (*pro rata*) share of the cash flows from an asset (or a group of similar financial assets); or
  - a fully proportionate (*pro rata*) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).
- A financial liability should be removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires.
- All derivatives, including those linked to unquoted equity investments, are measured at fair value. Value changes are recognised in profit or loss unless the entity has elected to treat the derivative as a hedging instrument in accordance with IAS 39, in which case the requirements of IAS 39 apply.

Phase 2: Impairment methodology
An exposure draft issued by the IASB in November 2009 proposes an "expected loss model" for impairment. Under this model, expected losses are recognised throughout the life of a loan or other financial asset measured at amortised cost, not just after a loss event has been identified. The expected loss model avoids what many see as a mismatch under the incurred loss model – front-loading of interest revenue (which includes an amount to cover the lender's expected loan loss) while the impairment loss is recognised only after a loss event occurs. The impairment phase of IFRS 9 is subject to ongoing deliberations and has not yet been finalised.

Phase 3: Hedge accounting
In December 2010, the IASB issued an exposure draft on hedge accounting which will ultimately be incorporated into IFRS 9. The exposure draft proposes a model for hedge accounting that aims to align accounting with risk management activities. It is proposed that the financial statements will reflect the effect of an entity's risk management activities that uses financial instruments to manage exposures arising from particular risks that could affect profit or loss. This aims to convey the context of hedge instruments to allow insight into their purpose and effect. This phase of IFRS 9 is not yet finalised.

The effective date for implementation of IFRS 9 is annual periods beginning on or after 1 January 2015, which was extended from 1 January 2013 due to delays in completing phases 2 and 3 of the project as well as the delay in the insurance project.

IFRS 10 – Consolidated financial statements
The amendments to IFRS 10 define an investment entity and introduce an exception to the principle that all subsidiaries must be consolidated. In terms of the exception, entities meeting the definition of 'Investment Entities' must account for investments in subsidiaries at fair value under IFRS 9 – Financial Instruments, or IAS 39 – Financial Instruments: Recognition and Measurement through profit and loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to an investment entity's investment activities.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- obtains funds from one or more investors for the purpose of providing them with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities. In general, the amendments require retrospective application, with specific transitional provisions.

It is not anticipated that the application of the new standard will have a significant impact on the Company's financial assets as it does not meet the investment entity qualification criteria.

IFRS 15 – Revenue from contracts from customers
New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers.

The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The new standard supersedes:

a. IAS 11 Construction contracts;
b. IAS 18 revenue;
c. IFRIC 13 customer loyalty programmes;
d. IFRIC 15 agreements for the construction of real estate;
e. IFRIC 18 transfers of assets from customers; and
f. SIC-31 Revenue – Barter transactions involving advertising services.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2017 with early application permitted. Entities can choose to apply the standard retrospectively or to use a modified transition approach, which is to apply the standard retrospectively only to contracts that are not completed contracts at the date of initial application. Management is currently evaluating the impact that IFRS 15 will have on the Company's financial statements and disclosures.

Annual improvements to IFRSs 2011 to 2013 Cycle
With regard to the amendments to IAS 40 – Investment Property, ("IAS 40"), the amendments clarify that IAS 40 and IFRS 3 – Business Combinations ("IFRS 3") are not mutually exclusive and the application of both standards may be required. Consequently, an entity acquiring investment property must determine whether the property meets the definition of investment property in terms of IAS 40 and the transaction meets the definition of business combination under IFRS 3.

In considering whether the acquisition of an investment property is an asset acquisition or a business combination, significant judgement is required taking into account the specific facts and circumstances surrounding each transaction. Management is currently evaluating the impact that these annual improvements will have on the Company's financial statements and disclosures.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for financial periods beginning after 1 September 2013 that would be expected to have a material impact on the Company.

Notes to the annual financial statements continued

for the 10 months ended 30 June 2014

3. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the consolidated financial statements.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies require the identification and analysis of the risks faced by the Company, the setting of appropriate risk limits and controls, and the monitoring of risks and adherence to limits. Risk management policies and systems are reviewed regularly and adjusted to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees management's monitoring of compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from tenants and on investment securities.

Trade and other receivables

The Company is exposed to concentrations of sectoral credit risk. Concentrations of tenant risk exist in each individual property portfolio. The Board of Directors monitors the concentration of credit risk with individual tenants and counterparties across the portfolio. The level of concentration is addressed both with regards to the sector of property, the industry in which the tenant operates and the credit history of the tenant/customer. An allowance is made where there is an identified loss event which is evidence of a reduction in the recoverability of the cash flows.

Cash and cash equivalents

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of at least investment grade from Standard & Poor's or Moody's, except where specific exemptions are granted by the Board. Given the credit quality, management does not expect any counterparty to fail to meet its obligations. Cash transactions are limited to high-credit-quality financial institutions. The Board of Directors monitors the exposure of the Company to any one financial institution and ensures that this is limited by diversification of deposits and lending from each institution across the portfolio.

Liquidity risk

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

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient rental income to service its financial obligations when they fall due. The monitoring of liquidity risk is assisted by the monthly review of financial covenants imposed by financial institutions, such as interest and loan to value covenant ratios. Renegotiation of loans takes place in advance of any potential covenant breaches in so far as the factors are within the control of the Board. In periods of increased market uncertainty the Board will ensure sufficient cash resources are available for potential loan repayments/cash deposits as may be required by financial institutions.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its investments in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Board of Directors receives reports on a quarterly basis with regards to currency exposures as well as interest rate spreads and takes the necessary steps to hedge/limit the risk the Company is exposed to.

Currency risk

The Company operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises from current exposures the Company has to foreign currencies, recognised monetary assets and liabilities and net investments in foreign operations.

3. Financial risk management (continued)

Interest rate risk

The Company's exposure to the risk of the changes in market interest rates is limited due to a fixed interest rate on loans and borrowings.

Commercial property price risk

The directors draw attention to the risks associated with commercial property investments. Although over the long term property is considered a low risk asset, investors must be aware that significant short- and medium-term risk factors are inherent in the asset class.

Investments in property are relatively illiquid and usually more difficult to realise than listed equities or bonds and this restricts the Company's ability to realise value in cash in the short term.

Estimates of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Company determines the amount within a range of reasonable estimates. The Company considers a variety of information including:

- valuations from independent valuers;
- current prices in an active market for properties of a different nature, condition or location, adjusted for those differences;
- recent prices from similar properties in less active markets, with adjustments to reflect differences in economic conditions; and
- discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments.

Further details of the portfolio by business segment and yields applied is provided in the Property Portfolio section of the financial statements.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of unitholders, as well as the return on capital, which the Company defines as total unitholders' equity.

4. Investment income

	10 months ended 30 June 2014 $	Year ended 31 August 2013 $
Dividend received from Trito Petersfield Limited	**63 156**	–
Total investment income	**63 156**	–

5. Investment management and professional fees

The following items have been charged in arriving at net operating income:		
Secretarial fees	**4 768**	13 728
Audit fees	**28 111**	13 230
Other professional fees	**23 726**	34 175
Total	**56 605**	61 133

The fees for the performance of investment management duties will be agreed by Delta International and the Investment Manager from time to time. Up to the date of disposal of the investment property, the following fees applied:

- the Company will pay the Investment Manager an annual fee of up to a maximum of 0.5% of the gross investment property asset value of Delta International;
- there will be an acquisition fee equal to 1% of the gross investment property asset value acquired by Delta International; and
- the base investment management fee shall, be calculated quarterly based on the value on the last working day in the final month of each calendar quarter.

Notes to the annual financial statements continued

for the 10 months ended 30 June 2014

6. Taxation

The Company is resident for taxation purposes in Bermuda by virtue of being incorporated in Bermuda. The standard rate of corporation tax in Bermuda is 0%.

The differences are explained below:

	10 months ended 30 June 2014 $	Year ended 31 August 2013 $
(Loss)/Profit before tax	**(47 346)**	74 582
Taxation at 0%	–	–
Effect of:		
Fair value gain on investment property	–	–
Expenses not deductible	–	–
Losses brought forward	–	–
Total tax for the year	–	–

7. Basic earnings and headline earnings per share

Profit attributable to shareholders	**36 388**	56 662
Weighted average number of ordinary shares	**664 180**	664 180
Number of ordinary shares		
– In issue	**664 180**	664 180
– Weighted average	**664 180**	664 180
Basic earnings per share (cents)	**5.48**	8.53
Headline loss per share (cents)	**(2.10)**	(15 79)
Basic profit is reconciled to headline earnings as follows:		
Profit attributable to shareholders	**36 388**	56 662
Foreign currency translation reserve movement	**(83 734)**	17 920
Gains or losses on the loss of control of a subsidiary	**33 401**	(179 486)
Headline loss attributable to linked unitholders	**(13 945)**	(104 904)

8. Loans to related parties

	As at 30 June 2014 $	As at 31 August 2013 $
Amounts due from related parties (refer note 21)	**275 734**	–
	275 734	–

9. Investment in subsidiaries

Opening balance	**1 170 138**	1 170 138
Translation to presentation currency (refer to foreign currency translation reserve)	**92 755**	–
Disposal of subsidiary	**(1 262 893)**	–
Closing balance	–	1 170 138

With effect 15 April 2014, the Company sold its investment in the shares together with any claims on the loan account of Trito Petersfield Limited (incorporated in the British Virgin Islands on 19 January 2005), for $1 262 893 (£735 000) to KSP Offshore Limited. The loss realised on disposal of the subsidiary amounted to $33 401 (refer to note 19.2).

10. Trade and other receivables

	As at 30 June 2014 $	As at 31 August 2013 $
Prepayments	**31 946**	327
	31 946	327

11. Cash at bank

Bank balances	**649 328**	38 824
	649 328	38 824

12. Share capital and reserves

Share capital and share premium		
Authorised		
7 500 000 000 ordinary shares of $0.0001659 each	**1 244 250**	1 244 250
Issued		
664 180 ordinary shares of $0.0001659 each	**107**	107
	107	107

No shares were issued during the financial year.

The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting (AGM).

13. Trade and other payables

Trade payables	**5 017**	–
Amount owing to related parties (refer to note 21)	**–**	101 422
Director fees payable (refer to note 21)	**–**	8 564
Deferred consideration on acquisition of Trito Petersfield Limited	**–**	190 959
Other accruals	**15 000**	7 741
	20 017	308 686

14. Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Investment in subsidiary	**–**	1 170 138
Loans and receivables	**275 734**	–
Trade and other receivables	**31 946**	327
Cash and cash equivalents	**649 328**	38 824
	957 008	1 209 289

Notes to the annual financial statements continued

for the 10 months ended 30 June 2014

15. Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Company

	Carrying amount $	Contractual cash flows $	6 months or less $	6 – 12 months $	1 – 2 years $	2 – 5 years $	More than 5 years $
30 June 2014							
Trade and other payables	20 017	(20 017)	(20 017)	–	–	–	–
	20 017	(20 017)	(20 017)	–	–	–	–
31 August 2013							
Trade and other payables	308 686	(308 686)	(308 686)	–	–	–	–
	308 686	(308 686)	(308 686)	–	–	–	–

Cash flows on financial liabilities at amortised cost were based on the respective loan interest rates as per note 14.

16. Currency risk

The Company has no investments in foreign subsidiaries. The Company's currency risk relates to the South African and British bank accounts of the Company, denominated in ZAR and GBP respectively.

Sensitivity analysis

A 5% strengthening in the US$ exchange rate against the ZAR and GBP respectively at period end would have affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	As at 30 June 2014 $	As at 31 August 2013 $
South African Rand	**(34)**	(1 852)
Pounds Sterling	**(30 886)**	(24 671)

A 5% weakening in the US$ exchange rate against the ZAR and GBP respectively at year-end would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis all other variables remain constant.

The Company's total net exposure to fluctuations in foreign currency exchange rates at the reporting date was as above. This reflects the total and financial and non-financial assets and liabilities in foreign currencies.

The following exchange rates were applied during the period:

	Average rate 2014	Average rate 2013	**Period end rate 2014**	Period end rate 2013
South African Rand	**10.451**	9.1125	**10.5784**	10.3016
Pounds Sterling	**0.6080**	0.6397	**0.5872**	0.6453

17. Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Notes	30 June 2014 Carrying amount $	Fair value $	31 August 2013 Carrying amount $	Fair value $
Company					
Long-term receivables	8	**275 734**	**275 734**	–	–
Investment in subsidiary	9	**–**	**–**	1 170 138	1 170 138
Loans and receivables	10	**31 946**	**31 947**	327	327
Cash and cash equivalents	11	**649 328**	**649 328**	38 824	38 824
		957 008	**957 009**	1 209 289	1 209 289
Financial liabilities					
Trade and other payables	13	**20 017**	**20 017**	308 686	308 686
		20 017	**20 017**	308 686	308 686

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (ie as prices) or indirectly (ie derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, foreign currency exchange rates and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for simple over the counter derivatives, eg interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Notes to the annual financial statements continued

for the 10 months ended 30 June 2014

18. Related party transactions

Related parties of the Company include subsidiary undertakings, directors and, key management personnel, as well as entities connected through common directors.

Apex Fund Services being hired as administrator for secretarial work in the two months to June 30, 2014.

	As at 30 June 2014 $	As at 31 August 2013 $
Trading transactions		
Dividends received from Trito Petersfield Limited	**63 156**	–
Director fees	**11 587**	19 190
Amounts receivable		
Delta International Mauritius Limited	**275 734**	–
Amounts payable		
Redefine International Holdings Limited	**–**	190 957
Osiris Property Services Limited	**–**	101 422
Director fees	**–**	8 566

Loans receivable from Delta International Mauritius Limited are not secured, bear no interest and is repayable within 24 months from the utilisation date. The loan receivable forms part of a loan facility available to Delta International Mauritius Limited to a total value of $10 000 000.

Loans payable to Osiris Property Services Limited are not secured, bear no interest and are expected to be repaid in cash within 12 months.

Directors
$11 587 (2013: $19 190) was paid to directors during the financial period ended 30 June 2014. Refer to the Directors' Remuneration report for further details.

19. Cash flow information

19.1 Changes in working capital

	10 months ended 30 June 2014 $	Year ended 31 August 2013 $
(Increase) in trade receivables	**(31 947)**	(327)
(Decrease)/Increase in trade payables	**(288 342)**	223 784
	(320 289)	223 457

19.2 Disposal of subsidiaries

The Company disposed of the following subsidiary during the financial year ended 30 June 2014:

- Trito Petersfield Properties Limited was disposed on 15 April 2014 to KSP Offshore Limited together with any claims on the loan account which the Company held in Trito for a total sales price of £735 000.

The assets and liabilities from the disposal was as follows:

	10 months ended 30 June 2014 $	Year ended 31 August 2013 $
Investment disposed		
Cost of investment in subsidiary (£755 025)	**(1 262 893)**	(818 012)
Less: Loan accounts settled	**303 123**	(957 874)
Less: Cash received	**926 369**	(39 624)
(Loss)/Profit on disposal of the subsidiary	**(33 401)**	(179 486)

20. Contingencies, guarantees and capital commitment

At the reporting date, the Company had entered into the following commitments:

- On 27 May 2014, the Company entered into an agreement with Sociedade Construcoes Catembe Limitada to purchase the Vodacom building for a purchase consideration of $45 000 000. The multi-storey building is located in Maputo, Mozambique. The acquisition thereof is still dependent on a number of the conditions as per the agreement being fulfilled.
- On 28 April 2014, the Company entered into an agreement with CV6 Limited, Vincente, Mandlate, Mirapeix, Cotoa Alvim, NAth, Hulley-Miller, Valy and Mittermayer to purchase all (100%) the shares and claims in HM&K Properties Limited ("HM&K") (incorporated in Mauritius) for a purchase consideration of $13 347 500. HM&K indirectly owns the Hollard building through its subsidiary Commotor Limitada (incorporated in Mozambique).

21. Subsequent events

The Company has embarked on a strategy of acquiring a portfolio of African real estate assets (excluding assets in South Africa) in furtherance of the its stated objective.

Post year-end Delta International directly or indirectly completed the following equity and property acquisitions:

- Delta International Mauritius Limited (incorporated in Mauritius), a wholly owned subsidiary of Delta International Property Holdings Limited;
- Delta International Bahrain Limited (incorporated in Bahrain), a wholly owned subsidiary of Delta International Mauritius Limited;
- Freedom Property Fund SARL (incorporated in Morocco), a wholly owned subsidiary of Delta International Bahrain Limited. Freedom Property Fund acquired Anfa Place, a 30 711 m^2 shopping centre located in Casablanca, Morocco;
- SAL Investment Holdings Limited (incorporated in Mauritius), a wholly owned subsidiary of Delta International Mauritius Limited; and
- S&C Imobiliaria Limitada (incorporated in Mozambique), wholly owned subsidiary of SAL Investment Holdings Limited. S&C Imobliaria Limitada is the owner of the Anadarko Building, a 7 058 m^2 office building located in Maputo, Mozambique.

The acquisitions were largely financed through the issue of new Delta International shares as follows:

- 9 962 500 shares issued on 11 July 2014 for a total consideration of $19 925 000;
- 33 291 876 shares issued on 23 July 2014 for a total consideration of $66 583 752; and
- 428 791 shares issued on 1 October 2014 for a total consideration of $857 582.

At a special general meeting held on 31 October 2014 the shareholders approved a change in the domicile of the Company from Bermuda to Mauritius. The Company will be discontinued as an exempted company incorporated in Bermuda and continued as a Global Business Company organised under the laws of Mauritius under the name "Delta International Property Holdings Limited". The application to migrate the Company is still pending and is expected to be completed in January 2015.

22. Approval of financial statements

The financial statements were approved by the Board on 18 December 2014.

General shareholders' information

Shareholders' analysis

for the 10 months ended 30 June 2014

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Equity holders' spread				
1 – 999 shares	9	64.69	1 600	0.24
1 000 – 9 999 shares	2	14.29	9 192	1.38
10 000 – 99 999 shares	2	14.29	62 176	9.36
100 000 – 999 999 shares	1	7.14	591 212	89.01
Total	14	100.00	664 180	100.00
Distribution of equity holders				
Banks/Brokers	12	85.72	72 168	10.87
Private Corporations	1	7.14	800	0.12
Holding Company	1	7.14	591 212	89.01
Total	14	100.00	664 180	100.00
Shareholder type				
Non-public shareholders	14	100.00	664 180	100.00
Holding Company	1	7.14	591 212	89.01
Other non-public shareholders	13	92.86	72 968	10.99
Public shareholders	–	–	–	–
Total	14	100.00	664 180	100.00

	Total shareholding	% of issued capital
Beneficial shareholders with a holding greater than 5% of the issued shares		
Delta Property Fund Limited	591 212	89.01
Total	591 212	89.01

Share performance – period ended (not reviewed)

	2014	2013
Shares traded	591 212	6 300
Shares in issue	664 180	664 180
Shares traded as percentage of number of shares in issue (%)	89.01	0.95
Value traded (ZAR)	8 720 377	65 000
Opening price (ZAR cents)	1 550	1 300
Closing price (ZAR cents)	1 550	1 550
High closing price for the period (ZAR cents)	1 550	1 550
Low closing price for the period (ZAR cents)	1 550	1 300

Notes

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